



**CLIMATE &
CLEAN AIR
COALITION**

TO REDUCE SHORT-LIVED
CLIMATE POLLUTANTS

Overview of Barriers to Financing SLCP Mitigation in the Waste Sector



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Tom Frankiewicz
U.S. EPA



MUNICIPAL SOLID WASTE

Overview

- Financial burden of solid waste management
- Common financing barriers
- Potential solutions to financing barriers
- CCAC Waste Initiative approach to addressing financing barriers



Financial Burden of Solid Waste Management



- Globally, solid waste management costs will increase from \$205 billion USD (2016) to \$375 billion USD (2025)
- Cost increases will be most severe in low-income countries (5x) and lower-middle income countries (4x)
- Waste management is expensive (20-50% of municipal budgets)
 - Often the largest budget item for cities



Common Financing Barriers

- Identifying and evaluating appropriate financing mechanisms and funding sources
- Making the business case for proposed projects
- Navigating disconnects between the language of project managers/implementers and financiers
- Limited capacity/expertise
 - *Financial aspects*: drafting tenders, setting up contracts, procuring services, and managing finances
 - *Technical aspects*: conducting feasibility assessments and developing specifications for tenders
- Establishing municipal creditworthiness, financial responsibility, and integrity



Solutions to Common Financing Barriers

- Engagement with financing, grant, and credit institutions to educate municipalities
- Capacity building (e.g., through trainings)
 - Identifying funding opportunities and financing mechanisms
 - Conducting feasibility assessments
- Access to tools and resources (e.g., for analyzing project costs)



WASTE INITIATIVE

Mitigating SLCPs from Municipal Solid Waste



WASTE

Objective

- Reduce emissions of SLCPs across the municipal solid waste sector by providing a comprehensive package of resources, technical capacity building, and a global network of cities to facilitate the design and implementation of locally appropriate actions.

Added value of the Initiative:

- Working directly with cities
- Support from partners
- Mobilizing experts from all over the world



How the Waste Initiative Works with Participating Cities



WASTE

Stage 0 *Letter of Intent*

- The city is ready to mitigate SLCPs from the waste sector
- City joins CCAC Waste Initiative

Stage 1 *City Assessment*

- City collects waste-related data and develops baseline of emissions SLCPs of current MSW management in the city.

**Financing
Barriers
Identified**

Stage 2 *Action Plan*

- City develops course of action for mitigating SLCPs from the waste sector.

**Financing
Barriers
Elaborated**

Stage 3 *Work Plan Design*

- City identifies activities and projects that will lead to reduced SLCP emissions from the MSW sector.
- City assesses its financial readiness.

**Financing
Needs
Identified**

Stage 4 *Ready to Launch*

- City prioritizes and plans a MSW project that will lead to the reduction of SLCPs emissions.
- City prepares and submits proposals to financial institutions and other funding sources.

**Financing
Barriers
Addressed**

Waste Initiative Financing Resources



- Financing Readiness Evaluation
 - Provides a set of question to help cities assess their readiness for financing
- Primer for Cities for Accessing Financing for Municipal Solid Waste Projects
 - Helps cities make decisions about financing and provides a “road map”
- Municipal Solid Waste Financing Webinar
 - Provides an overview of the financial readiness toolkit
 - Gives an overview of different funding and financing
- C40 Cities Finance Facility (CFF)
 - Provides technical assistance to mobilize financing for projects

These resources are accessible on the Municipal Solid Waste Knowledge Platform:
waste.ccacoalition.org/

MUNICIPAL SOLID WASTE INITIATIVE

Financing Readiness

Identifying and securing sources of financing for projects in the municipal solid waste sector is the most critical aspect of bringing those projects to fruition. In many instances, it is also the most challenging. Before seeking financing, proponents of municipal solid waste projects should ensure the city itself, not just the project, is “finance ready.” The Climate and Clean Air Coalition Municipal Solid Waste Initiative (Waste Initiative) developed a Financing Readiness Questionnaire for cities. By completing this questionnaire, cities can enhance their readiness for financing, and will be better positioned to identify and secure financing for their municipal solid waste projects.

Why Assess Financing Readiness?

- Raises awareness of financing challenges and potential pitfalls
- Identifies financial weaknesses or potential risks that need to be addressed
- Places cities in a position to obtain the most appropriate combination of financing
- Improves the transparency of a city’s financial state, which reduces risk for investors, thereby leading to better deals for cities (e.g., lower interest rates)
- Reduces risk for cities (e.g., lowers risk of defaulting on payments)

Information and Resources

The following resources contain information relevant for cities financing waste management projects:

- **Primer for Cities for Accessing Financing for Municipal Solid Waste Projects** – The Waste Initiative developed this primer to help cities make decisions about financing.
- **Municipal Solid Waste Financing Webinar** – The Waste Initiative webinar provides an overview of the financial readiness toolkit, with a focus on policy and regulation, and gives an overview of the different funding and financing mechanisms available to cities to deliver municipal solid waste infrastructure.
- **C40 Cities Finance Facility (CFF)** – The CFF provides technical assistance to mobilize financing for city-level sustainability projects. The CFF offers assistance with project preparation, capacity development, knowledge sharing, and partnerships between cities and investors; the accompanying Knowledge Library provides a variety of resources related to these topics.

Accessing the Financing Readiness Questionnaire

The Financing Readiness Questionnaire is among the many tools and resources available on the Waste Initiative’s Municipal Solid Waste Knowledge Platform.

THE CLIMATE AND CLEAN AIR COALITION MUNICIPAL SOLID WASTE INITIATIVE unites national and local governments, international organizations, and other partners to reduce emissions of short-lived climate pollutants, such as methane and black carbon, from the municipal solid waste sector.



Thank you!

LEARN MORE:



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@ ccac_secretariat@unep.org

@CCACoalition

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