

# The urbanization of global climate finance

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Cities in the global South are increasingly tasked to meet the challenges of the climate crisis. Particularly since the 2015 adoption of the Sustainable Development Goals (SDGs), International Financial Institutions (IFIs) have participated in this task through so-called Global Climate Finance (GCF): financing in accordance with the United Nations Framework Convention on Climate Change (UNFCCC). In linking ecological sustainability with agendas of financialization and financial market expansion, IFIs and other international agencies have put forth a number of initiatives that support municipalities in fundamental governance reform that aims not only to build an investment-friendly policy regime but also to enhance a city's own financial performance. **The proposed research project investigates these processes of *urbanizing GCF* and the power shifts these processes entail. It asks how Southern cities are impacted by GCF as these initiatives are translated to the urban scale, how GCF shapes global geographies and modalities of green investment and how it advances municipal reform.**

To explore the *urbanization of GCF*, this project builds on three intertwined debates in economic and urban geographical as well as adjacent disciplines: First, literature in economic geography has examined GCF in the context of the deepening involvement of financial markets in climate and nature (Castree & Christophers, 2015; Bracking, 2015b) but tends to concentrate on rural settings rather than on *urban* nature. Second, debates in urban studies have documented how urban climate responses – frequently climate-aligned infrastructures – are impacted by finance (Knuth, 2018; Schindler & Kanai, 2018) but they lack sustained empirical engagement with processes of municipal restructuring on which such investments depend. Third, research studying processes of local institutional change in the context of financialization has documented the involvement of municipalities in financial markets but remains predominantly Anglo- and Eurocentric in its focus (Pike et al., 2019; Aalbers, 2019). **As a result, there is little research exploring the intersection of these debates: the involvement of IFIs in *urban* nature and the accompanying institutional transformations in Southern cities.**

The project seeks to address these gaps through research in two empirical domains: First, it investigates the **global geographies and modalities of GCF through analysis of selected GCF initiatives promoting municipal reform to map where and how these intervene in cities in the global South (Objective 1)**. Second, a comparative case study analysis of strategically selected cities explores **how these initiatives restructure municipal finance and governance at the local scale (Objective 2)**. As most secondary cities

are not yet familiar with the market mechanisms that (some) global cities already employ, they are particularly targeted by GCF initiatives and as case studies will allow research to record the processes of municipal restructuring that this project seeks to explore. **Methods will be mixed, including a document analysis of legal frameworks and policy papers, as well as expert interviews with financial practitioners and local bureaucrats.** Third, the project gathers these insights into a critical comparative theorization of the power shifts that accompany the *urbanization of GCF* to unveil the geographically variegated and place-specific ways in which financialization is practiced on the ground (**Objective 3**). Finally, we will disseminate findings and foster exchange through agenda-setting academic publications and workshops with participants from academia and fields of practice (**Objective 4**). These objectives address timely political and social concerns: as global financial agendas have become central efforts to combat the climate crisis, it is urgent to consider the potentially severe consequences that urbanising GCF may entail.