An overview of a toolbox for financing urban development projects

UNECE Committee on Urban Development
Housing and Land Management
1. Using SDG framework as the language for urban development
2. Bridge the funding gap by applying the language of the SDG development framework
3. Creating a vision and formulating what is necessary for it to happen (projects)
4. Four types of urban development projects («4-season pizza»)
5. 4G (4 generations) Master plan of a city
6. "Saw" curve for mapping Cash positive and cash negative projects in Perspective
7. Multilateral and multilevel dialogue
8. Round-table approach
9. Multilevel approach (up-stream and downstream initiatives)
10. Creating virtuous cycle of sustainable urban development
11. Project Gate System
12. Project book structure
+ Ascending (supporting) and descending (implementing) organizational charts
Instrument 1 _ SDG framework as the language for urban development

Development

- Economic Growth
- Social Cohesion
- Planet Protection

Sustainable Development

People

Planet

Prosperity

The Rules of the Game
- Peace, Justice & Strong Institutions

The Players of the Game
- Partnerships

SDGs
Instrument 2: Bridge the funding gap by applying the language of the SDG development framework.

- Needs
- Ideas
- Projects

- Cities
- Nations
- Countries

- Equity
- Debt
- Business

- Developers
- Investors
- Lenders

VISION STRATEGY

DYNAMICS INNOVATION
Instrument 3 _ Vision of the future

2) RETURN TO THE PRESENT

3) DEFINE PRIORITIES
Implement strategies to achieve the SDGs

PIPELINE OF INVESTABLE PROJECTS
#2 _ agriculture
#3 _ health / #4 _ education
#6 _ water / #7 _ energy
#9 _ mobility
#11 _ cities _ real estate
#12 _ industry
Instrument 4 - Four types of urban development projects («4-season pizza»)
Instrument 4 _ Four types of urban development projects («4-season pizza»)

Potentially Cash Positive Projects

Potentially Cash Negative Projects

- Real Estate
  - Housing, Services & Retail
  - Industry & Logistics
  - Agriculture, Mining, Oil and Gas

- Social Infrastructure
  - Health
  - Education
  - Safety
  - Culture & Sports
  - Public Administration

- Mobility
  - Roads
  - Rail
  - Airport
  - Port

- Utilities
  - Energy
  - Water
  - Communications
  - Gas
  - Solid Waste
Instrument 5 _ 4G Master Plan of a City

4G Planet Protection

3G Social Cohesion

2G Economic Prosperity

1G Master Planning: Zoning and Capacity Building
Instrument 6 _ J curve to develop «Saw» curve of cash positive and negative projects

CAPEX ($)
Капитальные затраты

Этап первичной траты денег

Прибыль-приносящие проекты
После Этапа первичной траты денег приносят положительный денежный поток
Не приносящие прибыль проекты
После первичной траты денег не приносят положительного Денежного Потока
Instrument 6 _ "Saw" curve for mapping Cash positive and cash negative projects in Perspective

«Saw» Curve
Structuring several “J” and “L” curves
Aligning cash positive (+) and Cash negative (-) projects
Generating a Sustainable City & Nation

Sustainable Growth
Instrument 7 _ Institutional Innovations inspired by multilateral dialogue

Clear operational framework with transparent rules attracts reliable partners.

Reliable partners, operating under transparent rules, contribute to the clear operational framework.
Round Table Approach

- Multi-Sector
- Multi-level
- Interactive
- Iterative
- Transdisciplinary
Instrument 9 _ Multi-level Approach

Top Down

Development Policies

Investment Programs

Transformational Projects

Bottom Up
Instrument 10 _ Creating Virtuous Cycle of Urban Development

SDGs 2030 Vision for the City

Pipeline of Transformational Projects

Public & Private Investment

Job Creation & Social Cohesion

Protecting the Planet

Sustainable Economic Growth & Eradicating Poverty
**Instrument 11 _ Project Gate system**

**Gate 1**
**CONCEPT**
- Definition of the need and the ambition
- How the idea can be transformed into a sustainable and investable project

**Gate 2**
**VIABILITY**
- Feasibility (technical, social and environmental possible) and Viability (economic and financially possible) studies
- Due diligence

**Gate 3**
**NEGOTIATION**
- Detailed Studies: Financial, Legal, Social, Environmental
- Closing of Contracts

**Gate 4**
**CONSTRUCTION**
- Construction Project Management
- Financial Management
- Social Management
- Environmental Management

**Gate 5**
**EXPLORATION**
- Provision of Public Services
- Operation & Maintenance
- Asset Management

**Asset Life Cycle**
Instrument 12 _ Project Book

Project Book builds up information in 6 dimensions

1. **WHERE/Context**
   Country, Nation, City, Population, Government, SOEs, pathologies, ambitions, vision 2030, GDP, GINI, HDI

2. **WHAT/Product**
   Description of the infrastructure, purpose, public service to be provided by the asset in the system

3. **HOW MUCH/Budget**
   Global Investment Values, CAPEX, OPEX, Payback Period, Financing and Funding, IRR, NPV, Equity/Debt Ratio, Value for Money, Value for People, Value for Planet

4. **HOW/Transformation & Impact**
   Transformation & Value Creation Process, People & Planet Impact

5. **WHEN/Milestones**
   Key delivery dates, historic of projects, future dates influencing the project (elections), International commitments SDGs

6. **WHOM/Organization**
   Main stakeholders on the decision, influence, implementation making process
Ascending (supporting) Program Organization Chart

Центральное Правительство

Президент

Местное и Центральное правительства и Механизм Аудита

Мэр

Профильный Министр по городскому развитию

Министр Финансов

Счётная палата

Менеджмент Программы

Менеджер Программы

Зам. Мэра по финансам

CRITICAL to develop and have the names in the chart
Descending (implementing) Program Organization Chart

CRITICAL to develop and have the names in the chart
Program Organization Chart

CRITICAL to develop and have the names in the chart

Social Cohesion
Poverty, Jobs, Education, Health & Quality of Life

Urban Design
Land Management, Zoning & Building Capacity

Engineering
Budgeting & Planning
Construction & Operation
Eco-footprint

Economics & Finance
Grants, Equity, Debt & Guaranties

Legal & Permits
Legal Framework
Design & Management of Delegated Powers

Marketing & Communication
Stakeholders Support
## Pipeline of Projects Cash positive and negative

<table>
<thead>
<tr>
<th>Pipeline of Projects</th>
<th>Capital Expenditure</th>
<th>Operational Expenditure</th>
<th>Revenue Stream</th>
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<tbody>
<tr>
<td><strong>Mobility</strong></td>
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<tr>
<td>Transport projects including roads, bikelanes, parking plots, bus stops and terminals, rail and railway stations</td>
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<tr>
<td><strong>Utilities</strong></td>
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<tr>
<td>Stations, Plants and Networks including power, district heating, wifi, water, wastewater, solidwaste</td>
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<tr>
<td><strong>Social Infrastructure</strong></td>
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<tr>
<td>Education, health, police, firestations, and social housing</td>
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<td></td>
</tr>
<tr>
<td><strong>Real Estate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing, retail, services, logistics and industry</td>
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Global Goals are Global Challenges that require Global Solutions

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Questions?

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Thank you!

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