

Short overview of the UNECE «Sustainable Smart Cities with Innovative Financing» Approach

UNECE Committee on
Urban Development
Housing and Land Management



Full Project Cycle



- (1) Preparing of the Sustainable Smart City Profile based on the Key Performance Indicators (KPI);
- (2) Facilitating development of city action plan, directed at developing the city as Sustainable and “Smart”, which will include
 - (i) policy improvement activities, based on the recommendations from the City Profile
 - (ii) the list of the city development projects for financing (Project Book)
- (3) Supporting preparation of up to two priority project concepts from the list for pitching to investors
- (4) Supporting organization of a national seminar to identify interested investors for further development of (innovative) financing options to implement projects

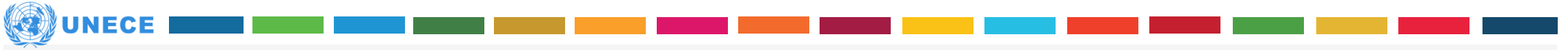
Phase 1

- Capacity building activities on:
 - Evaluation based on KPI Methodology (Evaluation Protocol, KPI Benchmarking, Profile structure)
 - Existing tools to attract financing to city projects
 - Tips to develop a pipeline of investable projects
- Data collection (city); KPI assessment and development of Smart Sustainable City Profile (UNECE expert);
- Mapping of potential investors.

Phase 2

- Sharing the key findings of the evaluation with the city, agreeing on priorities and focus areas for future development
- Developing a Project Book to attract investments aimed at sustainable and "smart" development of the city.
- Identifying 1-2 priority projects for the city
- Organization of a seminar with investors.

What is the Sustainable Smart City Profile?



This is a set of conclusions and recommendations, in the form of a report and subsequently a publication that is produced by UNECE based on the assessment of data (key performance indicators) provided by the city/state in the three key dimensions:

(1) Economy – 45 indicators;

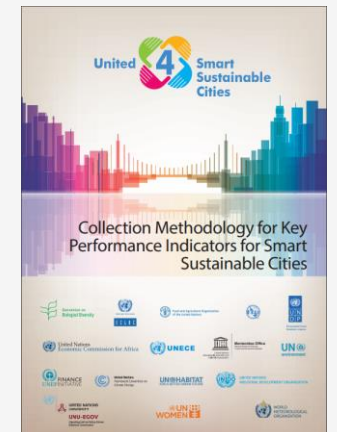
(2) Environment – 17 indicators

(3) Society and culture – 29 indicators

Total of 91 indicators

How it's done:

- On request of national and / or municipal government sent to UNECE on the name of Executive Secretary
- On the basis of official, state-recognized data provided by competent, designated by the national and/or municipal government sources
- In accordance with the KPI methodology developed by UNECE, ITU and 14 other UN agencies
- By UNECE Independent Expert
- The whole process is fully open; results are publicly available

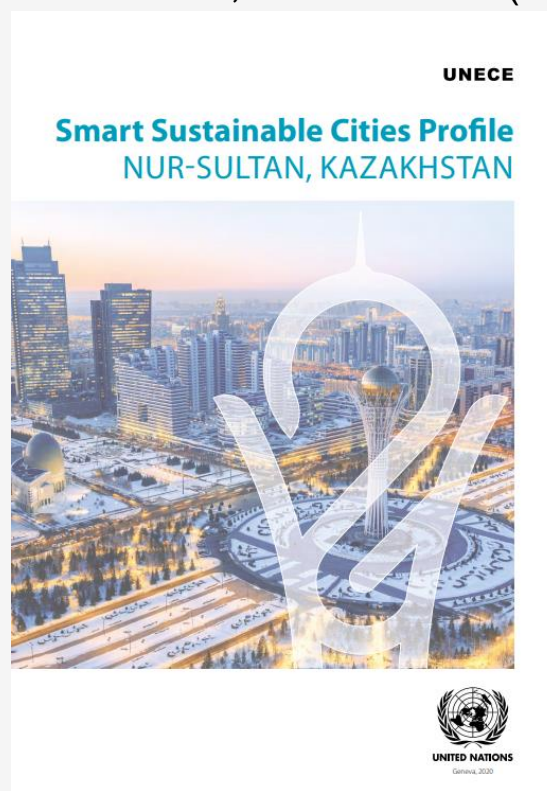


Detailed description of KPI Methodology in English language – is available via the link [here](#)

Example of a Published Profile:



Nur-Sultan, Kazakhstan (2020)



the link is available [here](#)

What happens next?



Following the assessment of a city against 91 key performance indicators, UNECE provides a list of recommendations on what could be done in the city to further develop it as a sustainable and smart one.



What happens next?



- The city government chooses the directions in which the city will develop on the basis of the presented recommendations



- UNECE and partners facilitate the formulation of a city action plan, including
 - i. the list of specific actions on policy improvement
 - ii. the list of specific projects in order to attract external investment
(in addition to those available on the government side or entirely external)



- UNECE and partners help to organize a workshop with investors to present project ideas to investors

What does «innovative financing» mean?



- Within this approach, "Innovative financing" is understood by UNECE as establishing public-private partnerships to attract additional financing for urban development and infrastructure projects.
- Key principles of these projects:
 - People-first
 - Aimed at further development of the cities as «sustainable and smart»
- What can this be:
 - Bank loans
 - Crowdfunding
 - Venture capital for the city development
 - Urban real estate finance
(pooled finance development fund schemes)
 - Social impact bonds
 - etc.



Three steps in financing innovation



Understanding project and value

- Understand business model: funding gap, risk profile and transfer potential; revenue streams
- Understand value generated: direct value, indirect value, asset recycling



Funding options

- Own Source Revenue
- Intergovernmental fiscal transfers
- Capital markets
- Grants



Procurement and delivery method

- Land value capture mechanisms
- PPP
- Debt equity financing
- Environmental externality financing (i.e congestion charging)

LEADING ORGANISATION:

UNECE

State/City

Jointly

Optional

Indicative timing for project implementation in 1 city: 18 months



Indicative timing* for project implementation in one city

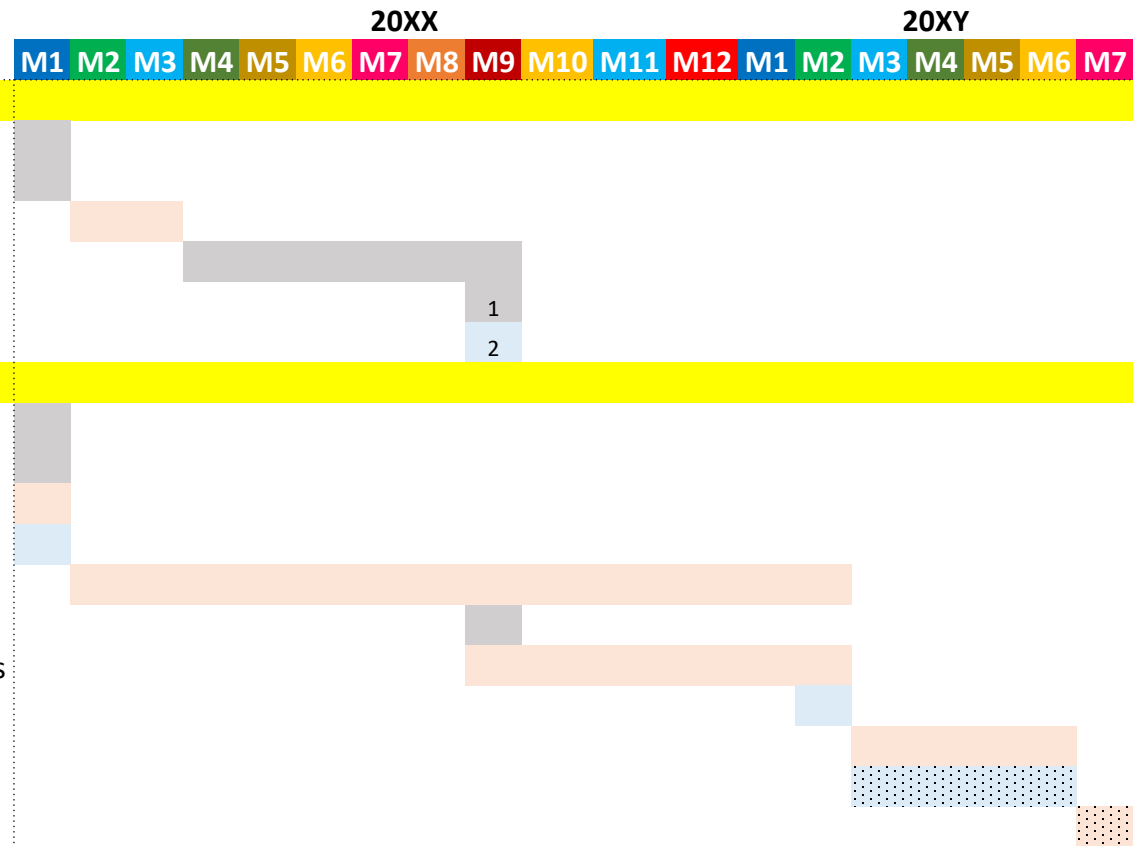
**subject to the speed of data provision for evaluation and the workload of UNECE experts*

Development of Sustainable Smart City Profile

- Explaining KPI Methodology
- Bi-lateral Meetings on data collection
- Collection and sharing the data for Sustainable Smart City evaluation
- Development of Smart Sustainable City Profile
- Sharing first results and recommendations
- Workshop in the City to present evaluation findings and recommendation

Innovative Financing and city action plan

- Present existing innovative methods of financing
- Explain Project Book template
- Get feedback on local investing landscape
- Mapping potential investors
- Formulating the pipeline of projects for financing in the Project Book
- Explaining Methodology for Preparing Investment Project book
- Developing of the Detailed Investment Project Book for the City including project costs
- Seminar with investors
- Develop detailed project documentation
- Preparation of examples for a regional seminar (optional)
- Presentation of city project(s) and "lessons learned" at a regional seminar (optional)



QUESTIONS?



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Thank you!

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