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

(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
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
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.
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.
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)
**Indicative timing for project implementation in 1 city: 18 months**

**LEADING ORGANISATION:**
UNECE  
State/City  
Jointly

**Optional**

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<tr>
<th>Indicative timing* for project implementation in one city</th>
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<td>*subject to the speed of data provision for evaluation and the workload of UNECE experts</td>
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<th>Development of Sustainable Smart City Profile</th>
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<td>Bi-lateral Meetings on data collection</td>
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<td>Collection and sharing the data for Sustainable Smart City evaluation</td>
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<td>Development of Smart Sustainable City Profile</td>
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<td>Sharing first results and recommendations</td>
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<td>Workshop in the City to present evaluation findings and recommendation</td>
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<th>Innovative Financing and city action plan</th>
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<td>Present existing innovative methods of financing</td>
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<td>Explain Project Book template</td>
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<td>Get feedback on local investing landscape</td>
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<td>Mapping potential investors</td>
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<td>Formulating the pipeline of projects for financing in the Project Book</td>
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<td>Explaining Methodology for Preparing Investment Project book</td>
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<td>Developing of the Detailed Investment Project Book for the City including project costs</td>
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<td>Seminar with investors</td>
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<td>Develop detailed project documentation</td>
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<td>Preparation of examples for a regional seminar (optional)</td>
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<td>Presentation of city project(s) and &quot;lessons learned&quot; at a regional seminar (optional)</td>
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QUESTIONS?

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Thank you!

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