

# Roundtable on activities of international organizations supporting housing policies Europe: how they can help in Albania?

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# UNECE-Albania Cooperation Activities and Prospects for the Future



- Urban economic and financial recovery and resilience building in the time of COVID-19
- Country Profile – Albania (launch 2020)
- Forum of Mayors - 6 October 2020, Geneva, Palais des Nations
- Sustainable Smart Cities with Innovative Financing

# Sustainable Smart Cities with Innovative Financing Approach



- (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 at least 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 to explain:
  - Evaluation based on KPI Methodology
  - Existing innovative methods of financing city projects
  - Guidelines for developing of the city action plan, which includes the list of projects (Project Book) aimed at further development of the city as Sustainable and “Smart”
- KPI Evaluation and creation of Smart Sustainable City Profile of the City;
- 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 an action plan including a list of projects for financing (Project Book) aimed at sustainable “smart” development of the city.
- Identifying 1-2 priority projects for the city
- Organization of the national workshop with investors.

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

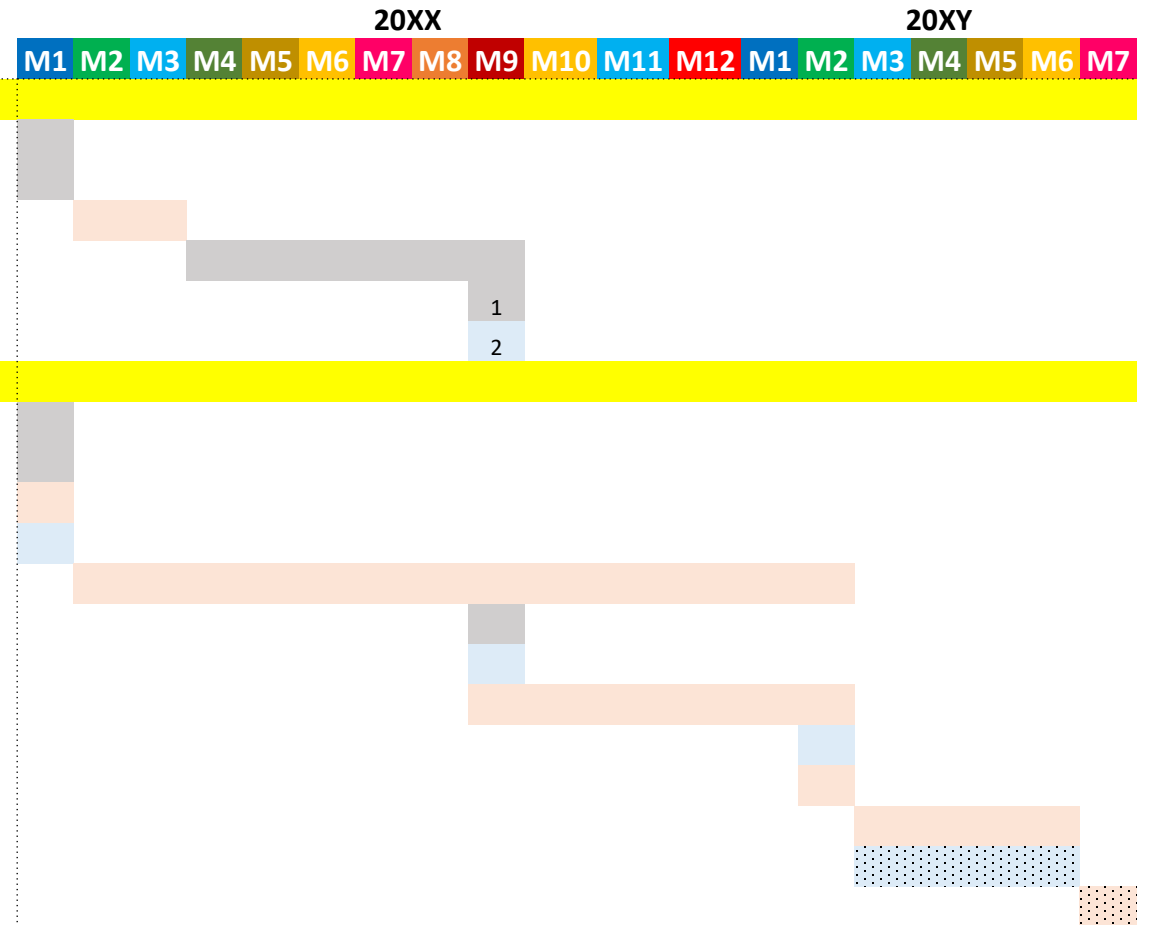
*\*subject to the speed of data provision for evaluation and the workload of UNECE experts*

### 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 Sustainable Smart City action plan
- Workshop to map action plan for Sustainable Smart Development of the City
- Developing of the Detailed Sustainable Smart City action plan for the City
- Seminar with investors
- Defining 1-2 projects for financing
- 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)



# Cities which use the Approach in cooperation with UNECE today



Country	City	Implementation Status
Belarus	Grodno	Launched in 2019
Kazakhstan	Nur-Sultan	Launched in 2019
	Almaty	Planned for launch in 2020
Kyrgyzstan	Bishkek	Launched in 2020
Georgia	Tbilisi	Planned for launch in 2020
Montenegro	Podgorica	Planned for launch in 2020
Ukraine	10 Cities (tbd which ones)	In discussion for being launched in 2020 - 2021

# QUESTIONS?



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**Thank you!**

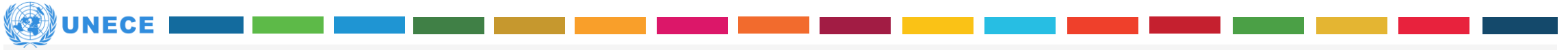
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# What is the Sustainable Smart City Profile?



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;

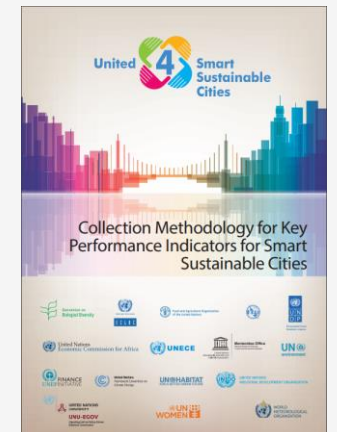
(2) Environment – 17 indicators

(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



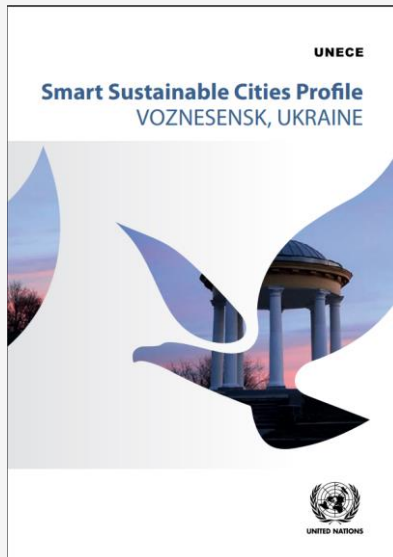
Detailed description of KPI Methodology in English language – is available via the link [here](#)



# Examples of the Published Profiles:

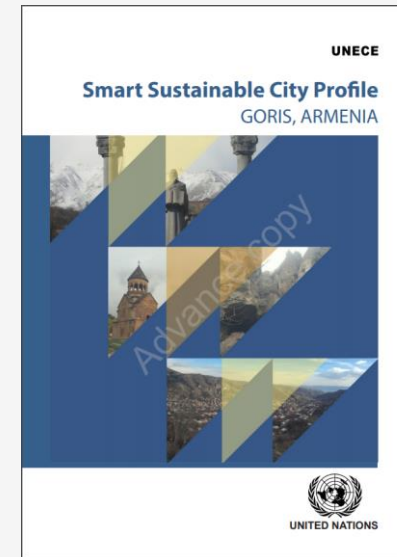


Voznesensk, Ukraine (2019)



the link is available [here](#)

Goris, Armenia (2017)



the link is available [here](#)

# What happens next?



Following the assessment of city's "sustainability" 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 national 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)