

CITIES INVESTMENT FACILITY



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The Cities Investment Facility (CIF) is a multi-stakeholder initiative that strives to unlock significant capital flows to inclusive, sustainable urbanization projects. Through the three pillars – Cities Investment Portal, a structure projects at the (pre)feasibility stage to become “financeable” and connect them with investors. By convening and preparing a pipeline of SDG-compliant financeable infrastructure projects, this new facility, makes a significant contribution to achieving the UN’s Agenda 2030.

 <https://citiesinvestmentfacility.org>

 @cif_org (Cities Investment Facility)

 Cities Investment Facility

FOREWORD



This edition picks up from the last issue No. 4 in July 2023, highlighting the progress made by the Cities Investment Facility (CIF) in building an investment-ready pipeline of impactful projects.

Currently, the facility is preparing four projects for showcase at the Twelfth Session of the World Urban Forum (WUF 12) that will be held in Cairo, Egypt, from 4-8 November 2024. These include a waste to biogas project in India, a lakefront development initiative in Kenya, a smart traffic management system in Malaysia and an urban waterscape project in the Philippines. The pipeline has 14 additional projects covering various thematic areas - from affordable housing, to transportation, public space, waste management and climate resilience in Africa, Asia, Latin America, and Arab States respectively.

Highlighting initiatives like the Coimbatore Project, spatial planning's nexus with city investment, and the pivotal role of financing in Urban October, this newsletter encapsulates the multidimensional efforts to propel urban sustainability.

The roundtables convened during Urban October underscore the urgent need for resilient cities and sustainable financing, setting the stage for deeper discussions and collaborative actions. Most notably, a key outcome of a high-level meeting convened by the facility is the exploration of a knowledge innovation hub to consolidate and disseminate data and information on sustainable development and best practices ahead of WUF12 in 2024.

Furthermore, the CIF's strategic partnerships, exemplified by initiatives with Homa Bay County and Ethos Ventures, as well as its engagement in a scoping mission in Nigeria, reflect a concerted effort to expand its footprint and actively drive transformative urban projects. In Homa Bay County, the agreed-upon action plan will focus on optimisation of own source revenue, planning and development of the Homa Bay Lakefront, and a letter of intent with Ethos Ventures aims to enable the design and implementation of sustainable urbanisation projects.

To support the preparation of these projects, the facility is establishing a catalytic feasibility fund that would ensure the technical assistance and advisory given to these projects is both sustainable and scalable.

With an active pipeline of projects under preparation and a feasibility fund being set up, CIF has made significant progress in its endeavour to unlock capital flows for inclusive and sustainable urbanization.

A handwritten signature in black ink, appearing to read 'Maimunah'.

Ms. Maimunah Mohd Sharif

Under-Secretary-General and Executive Director, United Nations Human Settlements Programme (UN-Habitat)

FEATURED PROJECT

HOW CITIES CAN REDUCE EMISSIONS FROM BIO-METHANATION: A CASE OF COIMBATORE

Samiksha Dhingra, Lead Specialist, Action Platforms, Climate Investments, South Pole

Rapid urbanisation has exacerbated the waste management problem. As per the World Bank, each person on the planet produces an average of 0.74 kg of waste per day. The problem lies behind managing this waste, as it falls into landfills and ultimately into the atmosphere as methane, which is a potent greenhouse gas with a warming potential of 27 (as per the IPCC¹ AR6² report).



It is more potent than CO₂ and responsible for almost 16 per cent of global emissions³. Since the industrial revolution, methane has been responsible for a 30 per cent increase in global greenhouse gases (GHGs)⁴. Therefore, the waste must be managed efficiently and effectively.

India is rapidly urbanising. Urban India accounted for 11.4 per cent of the country's population in 1901, which increased to 28.53 per cent in 2001, surpassed 31.8 per cent in 2011, and is expected to reach 38.2 per cent by 2035⁵. The Government of India is dedicated to lowering greenhouse gas emissions while ensuring long-term urban development. A World Bank report from 2021 shows that India's Municipal Solid Waste (MSW) will reach 543 million metric tonnes by 2050. This accounts for 13 per cent of global waste and 83 per cent of waste in South Asia.

Presently, up to 70 per cent of waste is treated, while the remaining is dumped in landfills and illegal sites (MoHUA, 2021). This is because waste generation is significant in India, and facilities to manage waste are overburdened. Since many communities lack municipal waste processing facilities or dump sites, open-burning or unmanaged landfills are the only options. Therefore, there is no waste processing, and all the waste (organic or inorganic) ends up in landfills and ultimately ends up in the atmosphere as methane gas. Hence, Coimbatore City Municipal Corporation (CCMC), understanding the importance of waste management and with a motive to reduce its GHG emissions, has agreed to implement a waste management solution: biomethanation, or bioCNG⁶. There are two advantages to using bio-CNG: It is a cost-effective method of converting wet waste into energy, and it is a calorific fuel

replacement with a lower carbon footprint. Through "bio methanation," half of the treated organic waste can be converted to bio-CNG.

The BioCNG project aligns with South Pole's mission of enhancing urban sustainability and finance through innovative solutions. So far, South Pole has mobilised climate finance for more than 700 projects in emission reduction, renewable energy, energy efficiency, and sustainable land use. South Pole is deeply committed to protecting and restoring critical ecosystems, increasing investment in sustainable infrastructure, and enabling actions that translate commitments into real action on the ground.

1 IPCC- Intergovernmental Panel on Climate Change

2 AR6 - Sixth Assessment Report

3 <https://www.weforum.org/agenda/2022/11/waste-emissions-methane-cities/>

4 <https://www.iea.org/data-and-statistics/charts/sources-of-methane-emissions-2021>

5 <https://www.newindianexpress.com/nation/2020/aug/17/urban-populace-to-go-up-by-382-2184311.html>

6 bioCNG - Compressed natural gas

BIO METHANATION IN COIMBATORE

In 2018, 890 tonnes per day (TPD) of waste were generated in Coimbatore, of which 850 TPD were collected and 650 TPD were treated. Per capita waste generation in Coimbatore lies between 400 and 600 GPCD, which is higher than the average for cities

of similar size. An analysis of waste management showed significant amounts of unprocessed organic waste are dumped alongside mixed waste without any segregation at the landfill site (at Vellalore), resulting in substantial GHG emissions, including

bulk organic waste. Therefore, after careful evaluation, a 200 TPD bio-CNG plant is proposed to be set up by CCMC on the PPP-DBFOT-Design, Build Finance, Operate, and Transfer model.

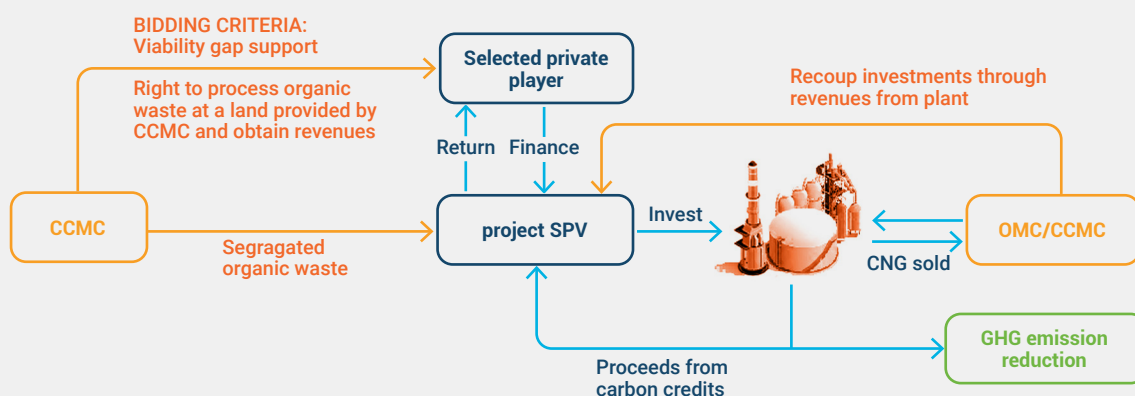
Given below are the design parameters of the project:

1	Waste Management Plant Capacity	200 TPD Segregated Organic Municipal Solid Waste
2	Biogas Generation	Approx. 1000 cum/day, 6500 cum/day methane
3	Equivalent Compressed Biogas (CBG)	Approx. 3900 kg per day
4	Organic Manure Generated	Approx. 10 Tons/day
5	Fresh Water Required	30-40 cu/day (at the initial stage during commissioning the water requirement will be about 1000 cum/day)
6	Liquid Organic Overflow	Approx. 1000 cum/day (70per cent-75per cent will be recycled back)
7	Area Required	-20,000sqm (considering expansion of plant to 200 TPD in future)

The end product, bio-CNG, would be sold by the private developer, considering its commercial viability. The developer can leverage the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative of the Ministry of Petroleum, Government of India, to sell the Bio CNG at a fixed price to oil marketing companies. Based on the plant location, cascading

has been considered under the plant design, wherein the biogas generated will be purified and compressed into cascades and then transported for commercial purposes.

The project shall be implemented through a public-private partnership (PPP); the figure below shows a schematic representation of the project implementation structure:



Based on the success of the model, the Government of Tamil Nadu is replicating it across other municipalities in the state. South Pole is preparing a pre-feasibility study on scaling up the Coimbatore model into the entire Tamil Nadu. It has submitted a feasibility report with innovative funding details for structuring the projects under the Viability Gap Funding Scheme.

The Coimbatore project is one of the projects under preparation in CIF's pipeline. Its model of operation, PPP-DBFOT-Design, Build Finance, Operate, and Transfer model, demonstrates financial innovation and efficiency emphasizing its commitment to leveraging private sector expertise and resources for sustainable urban development, a key mandate for CIF. Further, it is a reflection of the waste to wealth initiative from Urban October 2023 by transforming waste into a valuable resource (bio-CNG) that can be commercially viable.

URBAN TOOLBOX

SPATIAL PLANS AND CITIES INVESTMENT

Luis Gilio, *Urban Planning Expert, UN-Habitat*

Spatial plans are governments' most fundamental and powerful tools to steer cities towards sustainable development. These plans translate strategies and visions into comprehensive guidelines, norms, and rules. They regulate public and private action in the urbanisation process, identifying priorities, catalytic projects, infrastructure, and facilities, and regulating day-to-day private development actions. The quality and implementation of such frameworks determine, to a large extent, the quality of the urban development process in cities and its outcomes.

The cities' key projects and interventions are mainly founded in three different forms: public capital, private capital, and public-private partnerships (PPP). However, due to tighter public budgets, cities worldwide face major challenges

in financing critical infrastructure investments, and governments must take advantage of every opportunity to capture and generate value. The main obstacles municipalities are dealing with are largely limited engagement with the private sector, lack of access to international finance, absence of city vision and comprehensive urban strategies, lack of clear prioritisation for catalytic projects, and the need for more institutional capacity and expertise.

Therefore, linking spatial planning with city investment plans is critical to mobilising diverse, sustainable financing and funding mechanisms while delivering positive urbanisation results to generate inclusivity, prosperity, and resilience. Urban planning deals, in essence, with the spatial aspect of urbanisation processes, but it's not limited to

that; its main objective is to guide urban growth and urban renewal while determining the patterns, character, and density to secure equal access to public infrastructure and facilities, leaving no one behind. Moreover, spatial plans are key instruments for establishing long-term sustainable frameworks integrating different sectors such as transport, housing, health, education, industry, energy, environment, economy, and infrastructure.

There is no universal approach to spatial plans by local governments because the frameworks and names of the plans can change significantly from country to country. Nevertheless, urban plans can be classified into three prominent families: Strategic Plans, Land Use or Master Plans, and Detailed Local Plans or Action Plans. It is essential to clarify that each of these has different goals, objectives, and timeframes.

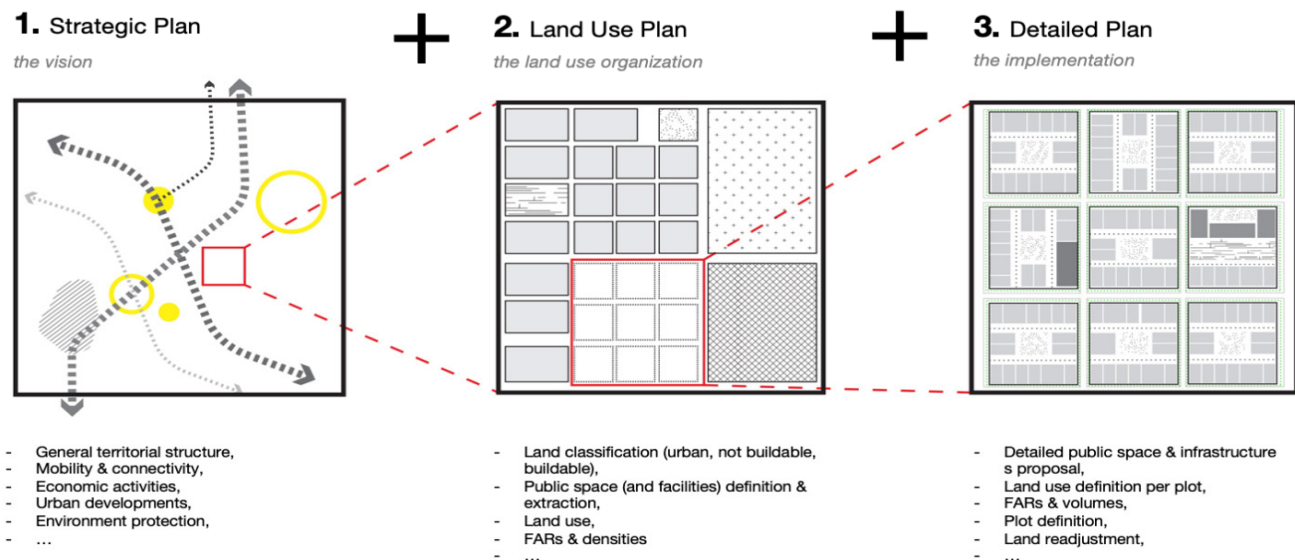


Figure 1: UN-Habitat Urban Lab Classification of Spatial Plans.

THE STRATEGIC PLANS:

A strategic plan's primary function is to define the city's vision comprehensively, including all the relevant actors and determining desired growth areas to guide future urban development and critical interventions. This type of plan specifies the projects that must be prioritised, establishing the where, how, who, and when with a solid financial roadmap and a capital investment plan. Although short, medium, and long-term scenarios are developed, the focus is on the critical responses to the city's urgent challenges and opportunities to test potential solutions and projects before concluding on long-term normative and policy frameworks.

The strategies are usually framed in an integrative and evidence-based approach, aiming to act as a catalyst to provide multi-scalar, multi-sectoral, and multistakeholder integrated solutions, leveraging the actions of the private sector to associate them

with the primary goals and targets of the public sector. In conclusion, a strategic plan is crucial for local governments to make effective and evidence-based decisions. At the same time, it serves as a solid entry point for different public and private investors into specific bankable projects and infrastructure interventions to steward capital expenditure towards sustainable outcomes.

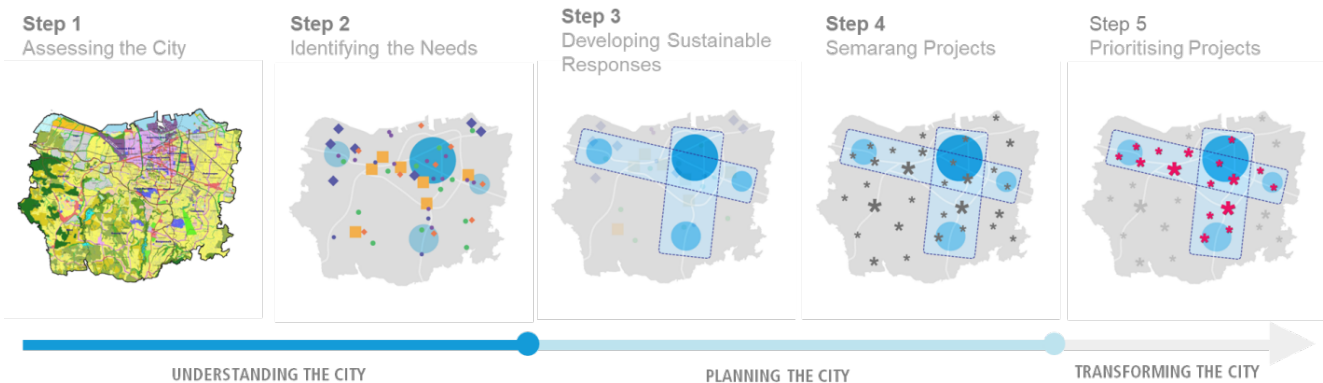


Figure 2: UN-Habitat Urban Lab Steps for Strategic and Capital Investment Planning.

THE LAND USE OR MASTER PLANS

A land use plan's main objective is to regulate urban development in the long term. Its main concerns are not to provide quick responses to rapid growth challenges or elaborate catalytic projects, but rather to establish the basic norms and rules to enable all relevant actors in the private, public, and community sectors to work together and play an effective role in the development of an inclusive and just city.

A land use plan has regulatory and development functions. As a regulatory mechanism, the government (at local, regional, and/or national levels) must approve a given activity; as a development mechanism, the government must elaborate upon development tools for providing services and infrastructure, preserving national resources, and establishing incentives for investment⁴. Among its principal accountabilities are legislation and policy, adopting planning instruments such as governmental statutes, regulations, rules, codes, and procedures to influence land use within the city, preserving the environment, and equitable distribution of urban burdens and benefits among the public and private stakeholders as well as with the local communities. In conclusion, it clearly defines what can and cannot be done in any specific urban area, providing legal certainty but not promoting competitiveness or expansion.

4 Diani, Abongile. "Implementing the Green City Policy in Municipal Spatial Planning : The Case of Buffalo City Metropolitan Municipality." 2016, <https://core.ac.uk/download/346401985.pdf>.

THE DETAIL LOCAL PLANS OR ACTION PLANS

Detailed local or action plans are used for greenfield projects or building on undeveloped land, usually at a neighbourhood scale, providing guidelines for urban development and the zoning and regulations applicable to each area. Its primary focus is on the implementation phase, setting adequate conditions for the operation of specific projects, and defining the main principles and criteria of the intervention. Moreover, a local action plan establishes the rights and duties of the private sector as well as the responsibilities of public administrations, specifying the detailed layout of the land uses and spaces, such as the area per residential, commercial, industrial, agricultural, transport, and the required specific infrastructure, such as water, sewage, roads, stormwater, and electricity. Generally, the local plans must be approved by the city council and respect the guidelines and regulations established by the Land Law and regional and local urban planning regulations. In conclusion, spatial plans are key drivers of economic development, requiring the private and public sectors to come together to design, finance, and implement sustainable and inclusive urbanisation.

Spatial plans are significant for unlocking private capital for sustainable urban infrastructure projects. They serve as frameworks that provide a structured guide for land use, regulations, and development guidelines. This creates clarity by offering a conducive and predictable environment that encourages the flow of investments and private investment commitments over the long term. Additionally, spatial plans mitigate the risk present in urban infrastructure projects. By defining land use regulations and guidelines, they present a clear vision of what projects are feasible in a particular area, allowing investors to make informed decisions about the allocation of funds as these plans are aligned with the broader development goals of cities.

The integration of spatial plans serves a pivotal role as foundational documents for project preparation work conducted by the Cities Investment Advisory Platform (CIAP). The CIAP are CIF implementing partners assisting project promoters with project feasibility and upstream preparation, design, and bankability. By using spatial plans, the CIAP can conduct initial financial modelling, assess the financial and technical viability of selected projects, and determine the most suitable financing structures and asset classes (such as grants, debt, and equity) aligned with the specifics outlined in these plans.

EVENTS

WORLD HABITAT DAY ROUNDTABLE EXAMINES CITIES AS NATIONAL AND REGIONAL DRIVERS OF SOCIOECONOMIC RESILIENCE AND GROWTH



Baku, Azerbaijan, October 2, 2023 – The Global Observance of World Habitat Day this year, hosted in Baku under the theme “Resilient Urban Economies: Cities as Drivers of Growth and Recovery,” brought together national and international leaders and experts to collectively envision the future of sustainable cities.

On the sidelines of this event, UN-Habitat, through its Cities Investment Facility (CIF), organised a roundtable session focusing on a critical analysis of the role cities play as national and regional drivers of socio-economic resilience and growth.

The primary objective of this roundtable session was to delve into the challenges associated with local government revenue collection and explore potential solutions for project finance. Leaders from local authorities and experts in sustainable urban development and finance unanimously recognised the necessity of collecting city-level data to inform strategies and reforms for long-term sustainability.

- 01 Ms. Eleni Myrivili, Ms. Le-Yin Zhang, Mr. Dmitry Pozhidaev, Ms. Rohey Malick Lowe, and Mr. Neil Khor
- 02 Mr. Dmitry Pozhidaev UNCDF Global Advisor Local Government Finance
- 03 Ms. Eleni Myrivili, UN-Habitat Global Heat Officer, Senior Advisor for resilience and sustainability to the City of Athens
- 04 Mr. Neil Khor Special Advisor to ED & Director (a.i) External Relations Knowledge Research & Innovation UN Habitat



Hon. Rohey Malick Lowe, Mayor Banjul Gambia and Mr. Neil Khor © UN-Habitat/Julius Mwelu

Dr. Le-Yin Zhang, a Professor of Urban Economic Development at University College London, stressed the importance of convincing governments to empower local authorities in developing their cities. She highlighted, "The biggest barrier for local governments is the lack of recognition of their importance in managing local economies and the role that fiscal autonomy plays in this. There is a need to educate national governments on the benefits of working with local governments and fiscal decentralisation, as well as effective ways of managing this relationship."

The experts also advocated for innovative approaches, including revenue-saving projects. Mr. Dmitry Pozhidaev, UNCDF Global Advisor for Local Government Finance and Head of UNCDF Office in Uganda, explained, "One innovation is revenue-saving projects, where cities can raise external capital not just for revenue-generating projects but also for projects that allow savings for the city budget. These projects typically produce public goods, such as public lighting, and can be implemented in various sectors to enhance efficiency, such as transport and water processing."

Addressing corruption risks, the experts proposed the implementation of public investment projects through Special Purpose Vehicles subject to market scrutiny, along with the use of market-based sub-national borrowing frameworks.

Mayor Rohey Malick Lowe of Banjul, Gambia, emphasised the importance of strong institutions in combating corruption. She underscored the role of mayors in crisis situations and called for a reconsideration of how funds, grants, and credit are distributed to local authorities.

Neil Khor, Special Advisor to the UN-Habitat Executive Director and Director of External Relations, Knowledge, Research, and Innovation Division, urged partners and governments to collaborate with UN-Habitat in building sustainable cities.

Through initiatives like the Cities Investment Facility, cities can establish innovative and mutually beneficial public-private partnerships for sustainable urban development, enhancing revenue generation, financial management, and project implementation capacities.



Ms. Le-Yin Zhang, Professor of Urban Economic Development at the Development Planning Unit, University College London © UN-Habitat/Julius Mwelu



Ms. Lai Yen Yi, Senior Assistant Director, Finance Department Seberang Perai City Council and Mr. Francisco Javier Pérez Olagaray, Fundación Pro-Empleo Productivo, A.C., Mexico City © UN-Habitat/Julius Mwelu

EVENTS

UN-HABITAT AND THINK CITY CO-HOST A HIGH LEVEL MEETING ON FINANCING SUSTAINABLE URBANISATION



01



02

01 High-level meeting participants

02 Mr. Hamdan Majeed, Managing Director Think City, Mr. Richard Gray, Chairman CT Private Equity Trust PLC, Dr. Malick Dahlan, Founder Scotia Group

© UN-Habitat/ Julius Mwelu and City AM/Dean Alexander

Istanbul, Türkiye on 30 October 2023 – On the sidelines of the World Cities Day commemoration, over 30 participants engaged in a High-Level Roundtable dialogue titled “Financing Sustainable Urban Future for All,” hosted by UN-Habitat and Think City.

The meeting aimed to discuss sustainable urban development’s current global financing landscape and provide recommendations on the strategic actionable next steps to enhance or re-work existing financing mechanisms to catalyse sustainable urbanisation.

The sustainability and financial experts present sought to provide insights into the current state of urban financing and reflect on past and current recommendations for future sustainable financing.

This objective stemmed from the fact that cities are the engines of global economic development, accounting for more than 80per cent of the Global GDP, but despite this, they face existential challenges, including being responsible for over 70per cent of the global energy consumption and its associated greenhouse gas emissions.

Speaking at the meeting, Arup Director Alice Charles acknowledged the financing gap: “We understand cities face a lack of capacity in local and regional government, creating a lack of bankable projects and assets for private capital; an exchange rate risk; and insufficient funds for emergencies.”

Tan Sri Azman Mokhtar, Chairman of Lembaga Tabung Haji Malaysia (Haji Pilgrims Fund Board), reflected that we are in a crisis for humanity hence the significance of financing urban development by revisiting the core principles – Public and Private sectors, Participatory, Power of technology and blended finance, and Proof of concept.

Building on this perspective, particularly on public-private sector collaboration, Mahdiah El-Jed, ESG and Sustainability Strategy Lead at DIFC, said, “Government should focus on creating an environment

that will attract capital, such as subsidizing the cost of issuance of sustainability instruments, as well as building the capacity of key players.”

Dyfed Aubrey, SDG Cities Global Initiative Lead, also highlighted barriers that local authorities face in accessing capital, including the imbalance between short-term office and long-term investment timeframes, the insufficient financial architecture, and the lack of effective capturing of all existing locality resources such as land.

The experts unanimously underscored several critical points: the significance of integrating financing methods such as Zakat and profit sharing to enhance long-term social and caregiving dimensions; tackling the shortcomings of Multilateral Development Banks (MDBs) in mobilizing private finance and reducing project preparation costs; establishing a local finance framework for urban development; evaluating the required enablers and capacities within multi-level governance systems; and harnessing reporting mechanisms to align financial reporting with urban impact assessment.

In exploring the private sector’s role in bridging the infrastructure financing gap, UN-Habitat and the Cities Investment Facility (CIF) are exploring the formation of a knowledge hub on financing sustainable urban development as the 12th session of the World Urban Forum approaches. By focusing on financing sustainable urban development, this hub aims to consolidate and disseminate crucial information, strategies, and best practices. Further, CIF is dedicated to building a pipeline of investment-ready projects, which is crucial in bridging the infrastructure financing gap due to the lack of bankable projects in low and middle-income countries.

- 01 Mr. Richard Gray, Chairman CT Private Equity Trust PLC and Ms. Maimunah Mohd Sharif, Executive Director UN-Habitat
- 02 Mr. Michael Whealon, Partner Ethos Ventures Mr. Hassan Raza, CEO Ethos Ventures, Mr Jeremy Tackle, Group Chair Ethos Ventures
- 03 Alfie Brown, Director of Global Campaigns CityAm and Ms. Maimunah Mohd Sharif, Executive Director UN-Habitat



EVENTS

WORLD CITIES DAY ROUNDTABLE EXAMINES FINANCING A SUSTAINABLE URBAN FUTURE FOR ALL

The World Cities Day roundtable one was convened under the theme, “Financing a Sustainable Urban Future for All,” to examine and refine the discussions and recommendations received throughout Urban October on how to best facilitate the financing of Sustainable Urban Development.

In his opening remarks, Dyfed Aubrey, UN-Habitat Intergional Advisor and SDG Cities Initiative lead, highlighted that cities are moving towards massive global changes. He said, “It is crucial to view cities as ecosystems to ensure its planning and financial modeling complement each other to maximize the financing of cities of the future.”

The panel discussed key challenges affecting the financing of urban development. A key challenge identified was the lack of capacity-building initiatives related to the human resource capability of local city officials. Hon. Manuel de Araújo, Quelimane City Mayor, emphasized that most cities lack the capability to design and implement

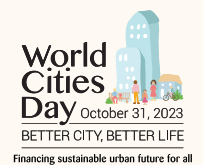
projects. Elaborating on this perspective, Alice Charles, Arup Director, affirmed that emerging markets typically lack a pipeline of projects and sufficient infrastructure, a key element that international investors look for. Further, the element of risk in emerging

markets deters private capital investment. Hootan Yazhary, United World Infrastructure Chief Investment Officer, noted, “Risk is at the heart of financing. For financing to be viable, the risk profile must be addressed to attract private capital.”

The panel offered several solutions and recommendations:

- Land capture to back city borrowings as land is one of the main factors for wealth creation. The legal framework in some countries devalues its significance in urban development.
- Addressing the risk profile of cities to attract private investment given that risk is at the heart of financing in urban development. In particular, the political risk leads to a lack of continuity, discouraging investor confidence.
- Community involvement in urban development through planning and availing of financing instruments that align with the community values for diverse projects.
- Enhancing the capacity of cities to design and implement projects through decentralizing information and data related to sustainable urban development.

Now, more than ever, there is a pressing need for multilateral interventions and incentives to drive the financing of a sustainable urban future.



Mr. Dyfed Aubrey, SDG Cities Global Initiative Lead, Mr. Mr. Güzhan Gülay, Assistant Manager, Borsa Istanbul, Hon. Manuel de Araújo, Mayor, Quelimane City, Mozambique, Ms. Alice Charles, Director, ARUP, Mr. Christian Kunz, Chief Strategy, Innovations & Ventures Officer, DIFC, Mr. Hootan Yazhary, Chief Investment Officer, United World Infrastructure

EVENTS

UN-HABITAT AND SHANGHAI CO-ORGANIZE THIRD SDG CITIES GLOBAL CONFERENCE

Nikita Sehmi, Rachad Nassar and Xuesai Ma, UN-Habitat



Hon. Mr. Ghanashyam Giri, Chandragiri Municipality, Nepal, Mr. Padma Kumar Mainalee, Joint Secretary, Lead of Urban Development Division, Ministry of Urban Development, Mr. James Donovan, CEO, ADEC Innovations

The SDG Cities Global conference brought together local, subnational and national governments, technical experts, intergovernmental organizations, and academia and civil society to discuss how the SDG Cities Global Initiative can contribute to accelerating actions through digital tools, regional and national technical support hubs, and finance instruments. The SDG Cities Global Initiative avails the Cities Investment Facility as the main finance instrument to drive investments in cities and unlock private capital in urban infrastructure projects by helping cities package impact projects, conduct upstream project preparation and bankability guidance to ensure financial close.

Speaking at the conference, UN-Habitat Executive Director Maimunah Mohd Sharif said: "Working alone is difficult. But we are not alone. Together as we learn from each other we can boldly confront our cities' challenges and accelerate the achievement of a better urban future for all."

Dyfed Aubrey, SDG Cities Global Initiative Lead, added: "The battle for sustainable development will be won or lost in cities. At the mid-term of the 2030 Agenda, we need to accelerate actions to make it happen."

In line with the SDG Cities Global Initiative, the aim of the conference was to ensure that cities and stakeholders have a comprehensive understanding of the SDG Cities delivery model, while identifying key urban finance issues, gaps and solutions.

"There are many different international frameworks of sustainable development available but they do not focus on cities or local level implementation. The SDG Cities Global Initiative provides a very clear and suitable reference for local governments to guide and coordinate their actions towards realizing the SDGs,"



Ms. Tanya, Brisbane, Ms. Marta Dutschmann Gomes, Councilor, Municipality of Mafra, Portugal, Brisbane Representative & Mr. Dyfed Aubrey, SDG Cities Global Initiative Lead

Shanghai, China, 30 October 2023 – Over 1,300 participants attended the third SDG Cities Global Conference on 28-30 October under the title "Accelerating SDG Implementation at Scale", co-hosted by UN-Habitat, the Ministry of Housing and Urban-Rural Development of the People's Republic of China, and Shanghai Municipal People's Government China, with support from Tongji University.

In early 2023, the United Nations released an advance unedited version of the UN Secretary-General's annual report on SDG progress. The report warned

that "many of the SDGs are moderately to severely off track" and offers five recommendations to "rescue" the Goals by the 2030 deadline.



Mr. Huadong Guo, Director General of the International Research Center of Big Data for Sustainable Development Goals (CBAS) and Mr. Robert Ndugwa, Programme Management Officer of Data, UN-Habitat.

said Maricela Hernández Ruiz, Chief of Office of the Executive Presidency, Institute of Development and Municipal Advisory (IFAM).

The conference showcased best practices in implementing the SDGs at the local level. Several countries shared their experiences on how national governments can facilitate vertical collaboration with local authorities and empowering cities to accelerate achievements of the SDGs by applying the SDG Cities approach.

“When we look at data and evidence, we find that different cities in a country have very different needs and challenges,” said Norliza Hashim, Chief Executive at Urbanice Malaysia. “The SDG Cities national hub approach opens

a door for the national government to better see the unique situations of subnational governments, which inform more effective strategic planning and budgeting that cater for the needs of the cities, especially the smallest cities who require more support from the national level.”

Along with the national observance of World Cities Day 2023 under the theme “Financing sustainable urban future for all”, the conference launched a series of World Cities Day-related events in China and explored opportunities for the development of a Local Finance Framework for sustainable urban development.



Mr. Solomon Obiero, CEC Member for Finance and Economic Planning, Homa Bay County, Mr. Lennart Fleck Programme Manager, Public Finance and Economic Development, UN-Habitat, Hon. Gladys Wanga, Homa Bay Governor

NEW PARTNERSHIPS

UN-HABITAT AND KENYA'S HOMA BAY COUNTY SIGN COLLABORATION AGREEMENT



Mr. Jeremiah Ougo, Urban Planner, Regional Office for Africa, Mr. Oumar Sylla, Director UN-Habitat Regional Office of Africa (ROAF), Governor, Gladys Wanga, Homa Bay County, Mr. Fredrick Oregu, Homa Bay County Attorney



UN-Habitat ROAF Director, Oumar Sylla, and Homa Bay Governor Gladys Wanga

UN-Habitat the County Government of Homa Bay signed an Agreed Action Plan to collaborate on supporting sustainable urban development in the devolved unit pursuant to the Kenya Habitat Country Programme Document (HCPD 2023-2027).

The intended collaboration will enable the county to leverage the necessary expertise, experience, and networks of UN-Habitat towards the implementation of its County Integrated Development Plan (CIDP 2023-2027). UN-Habitat Regional Office for Africa Director, Oumar Sylla, and Homa Bay Governor Gladys Wanga penned the agreement.

In his speech, Sylla remarked, "This collaboration between UN-Habitat and

Homa Bay County focuses on solid waste management, optimisation of Own Source Revenue, and planning and development of the Homa Bay Lakefront with the aim to promoting sustainable urban development and better service delivery in the county."

On her part Governor Wanga acknowledged the action plan, saying: "We take note of our responsibilities as a County, and thank UN-Habitat for providing focal points with whom we can engage directly during the implementation of the 'Agreed Action Plan'."

Under the collaboration, UN-Habitat intends to provide technical and financial support to complement Homa Bay's efforts of implementing the Homa Bay Solid Waste Management (SWM), Municipal Finance

and Own Source Revenue, and Planning and Development of the area around the Homa Bay Lakefront.

UN-Habitat, through its Urban Basic Service Section, intends to support the County Government with a Municipal Solid Waste Management (MSWM) audit that establishes the status of waste management in key urban areas of the county namely Homa Bay, Oyugis, and Mbita Municipalities.

As part of the collaboration, UN-Habitat will also provide technical assistance to build the capacity of the county to optimise its Own Source Revenue (OSR). OSR relates to a municipality's revenue streams that finance local government activities and through OSR optimization, Homa Bay can quantify revenue leakages and strengthen its revenue systems.

Further, UN-Habitat will support the county government with technical expertise on the Homa Bay Lakefront planning and development including the preparation of a masterplan, design concepts and governance frameworks. This aligns with the ongoing, Kisumu Lakefront Development project spearheaded by the Cities Investment Facility's partners, Resilient Cities Catalyst (RCC) and Gensler, which aims to commercially develop the waterfront property of Lake Victoria in its five bordering counties including Homa Bay.

To consolidate the envisaged collaboration and for sustainability, Homa Bay County is expected to provide political leadership and direction, avail technical and administrative staff to provide relevant input, identify and provide physical space for Homa Bay Lakefront activities, mobilize community stakeholders, and ensure that the County annual budgetary provisions complement the UN-Habitat activities.

This collaboration will enable Homa Bay County to leverage the necessary expertise, experience, and networks of UN-Habitat towards the implementation of its County Integrated Development Plan (CIDP 2023-2027).

UN-HABITAT SCOPING MISSION TO NIGERIA



Mr. Akintobi Olusanmi, Data/GIS Specialist at UN-Habitat, Ms. Mercy Achieng Odhiambo, Solid Waste Management Specialist at UN-Habitat, Mr. Erastus Njuki, Programme Coordinator, Cities Investment Facility, Ms. Omoayena Odunbaku, Programme Management Officer, UN-Habitat, Mr. Remy Sietchiping, Remy Sietchiping, Chief, Policy, Legislation and Governance Section at UN-Habitat, Mr. Gboyega Oloniyo, Special Adviser to the Governor on bureau of housing and mortgage development, Ekiti State, Federal Republic of Nigeria, Ms. Wandia Riunga, Statistician, UN-Habitat, Mr. Bode Ogunyemi, Senior Special Assistant/Project Coordinator Ekiti Spatial Data Center and Mr. Luis Gilio, Urban Planning Expert, UN-Habitat.



Mr. Kelvin James, Data/GIS Assitant, UN-Habitat, Dr. Lawson Ananaba, UN-Habitat Nigeria Country Office, Mr. Kelechi Uzuegbu, Assistant Desk Officer, UN-Habitat Nigeria Country Office, Mr. Moses Pius, RS/GIS Specialist, UN-Habitat Nigeria Country Office, Mr. Akintobi Olusanmi, Data/GIS Specialist, UN-Habitat | Project Lead, Aba Structure Plan, Mr. Luis Gilio, Urban Planning Expert, UN-Habitat, Ms. Mercy Achieng Odhiambo, Solid Waste Management Specialist, UN-Habitat, Ms. Wandia Riunga, Data & Analytics Section, UN-Habitat.

UN-Habitat's scoping mission to Nigeria between 15th October and 21st October 2023 in Ekiti and Abia states marked a crucial turning point for sustainable urban development in the states. The mission's primary objectives were to assess Ekiti and Abia states to identify areas where UN-Habitat could provide technical support in the implementation of an MOU. Appraising the existing data and systems related to urban development would be crucial to generate a comprehensive analysis of identified gap areas that would guide UN-Habitat's recommendations for interventions in the two states.

In his opening remarks, Mr. Gboyega Oloniyo, Special Adviser to the Governor on Bureau of Housing and Mortgage

Development, Ekiti State, asserted, "Cities are growing at an unprecedented rate, and it is essential that we plan and design them in a way that ensures the well-being of both the current and future generations. Hence, we must strive for inclusive resilience and environmentally friendly cities that meet all inhabitants' needs."

The scoping mission identified diverse concerns in Ekiti state, including the need for urban development control, capacity building for local government staff, and a clear strategic plan for the city with clear capital investment plans to ensure adequate funding. In guiding interventions for the identified problems, the UN-Habitat Planning Finance and Economy Section (PFES) team will develop a project proposal for the city profile and strategic plan for Ado City in Ekiti state.

In Abia state, the urgent concerns identified included the high risk of flooding and the city's challenge with informal dumping sites and waste management. The UN-Habitat PFES team will outline a strategic plan for Aba City, including capital investment plans, a flooding risk map, and a waste management plan.

Erastus Njuki, the Cities Investment Facility (CIF) Programme Manager, presented UN-Habitat's strategic plan for the enhanced prosperity of cities and regions. This strategic plan incorporated interventions such as social and economic planning, capacity building, governance, capital mobilization through public-private partnerships (PPPs), and project impact monitoring. Mr. Njuki urged the states to submit projects aligned with their development plan and had strong business models to ensure attractiveness for private sector investment. From Ekiti state, CIF expects two project submissions for the Ekiti Knowledge Zone (EKZ) and Special Agricultural Processing Zone (SAPZ) projects. From Abia state, CIF expects two project submissions on affordable housing and ring road infrastructure.

UN-Habitat and CIF look forward to working with Ekiti state and Abia state governments to realize these initiatives for a more sustainable and inclusive urban future.

UN-HABITAT AND ETHOS INVEST LIMITED SIGN A LETTER OF INTENT TO DELIVER TRANSFORMATIVE URBAN FINANCE



Mr. Hassan Raza, CEO Ethos Ventures and Mr. Neil Khor, UN-Habitat Director (ai) External Relations, Strategy, Knowledge, and Innovation, and Special Advisor to the Executive Director © City AM/Dean Alexander

UN-Habitat and Ethos Ventures have come together to spearhead collaborative efforts to enhance the availability of financial resources for sustainable urban development initiatives. This partnership will not only support UN-Habitat in addressing the funding gaps within its mandate but also foster the realization of projects that contribute to the sustainable development of urban areas.

The Letter of Intent (LOI) was officially signed by Mr. Neil Khor, UN-Habitat Director (ai) External Relations, Strategy, Knowledge,

and Innovation, and Special Advisor to the Executive Director, alongside Mr. Hasan Raza, Group Chief Executive Officer of Ethos Ventures on the 30th October 2023, at the Address Hotel in Istanbul, Turkey in the margins of World Cities Day.

In his speech, Mr. Neil Khor remarked, "The challenges and opportunities urbanization presents require innovative and holistic solutions. It is through partnerships like the one we are embarking upon with Ethos Invest that we can truly make a significant impact."

On his part, Mr. Hasan Raza commented, "UN-Habitat's ambition to create a better quality of life for all in an urbanizing world is one that chimes with our aims at Ethos Ventures. It was clear from the discussions at the High-Level Meeting on sustainable financing that increased collaboration between the public and private sectors is essential to achieving these shared goals. That's why the joint signing of our Letter of Intent to work closer together on the financing of sustainable, environmental, and other projects in cities and towns across the world is an important step in creating the public-private partnerships we need more of."

Under the letter of Intent, UN-Habitat and Ethos Ventures agree to collaborate in integrating ethical and shariah-compliant investments in sustainable urban infrastructure investments, capacity-building initiatives related to the financial skills and expertise of Ethos Invest staff where appropriate and designing and implementing sustainable urban development projects as necessary.

This collaboration allows the two entities to join forces, reinforcing and accelerating the impact the Cities Investment Facility has been dedicated to since its inception. The LOI signifies a unique opportunity to work alongside Ethos Ventures and harness their financial insight and resources. Together with Ethos Ventures, we aim to prepare impactful and scalable projects through innovative financing mechanisms that amplify the benefits of sustainable urban development.

This partnership exemplifies the power of innovative financing and a commitment to sustainability in driving transformative change.

Note: You can find out more about Ethos Ventures on <https://www.ethosventures.uk/>

FEASIBILITY FUND

The Feasibility Fund is a Fund that provides technical assistance funding earmarked for expenses related to the initial technical, environmental & social, financial, and legal advisory work streams. Furthermore, the Fund provides financial assistance to support capacity building amongst local and national stakeholders to ensure alignment between private funders and government.

Our CIAP implementing partners (RCC, Gensler, Smart Cities Network) are operating on a non-profit basis to significantly de-risk and take projects to a mid-stage level of project preparation readiness (Concept and Initial Feasibility work streams). The remaining development work, as described earlier, is funded by CIF's

Cities Investment Vehicles to prepare the projects for commercial funding. Given that our CIV's operate on a for-profit basis, they do not receive any direct funding from the Feasibility Fund.

The CIAP work is critical given the inherent high-risk nature of early development. It isn't often known, until much of the conceptual and feasibility work has been completed, whether a project is financially and socially viable for all stakeholders. Capacity building is critical to ensure governments understand what is required of them and what they must facilitate (permits/land control/guarantees) to ensure that project preparation is timely and that the projects, once fully developed, are considered investible for commercial capital providers.

How It Is Seeded

The allocation of funds from partners may be non-earmarked or earmarked as follows:

Donors shall be encouraged to make non-earmarked multi-year contributions to the Feasibility Fund. This maximises the flexibility for the use of funds based on principles of the Fund and likelihood of success.

- Donors that prefer to make earmarked contributions may earmark their contributions to specific SDG outcomes, geographies, and infrastructure type.

- Funds can also be channelled directly from the source to implementing partners to undertake feasibility advisory work – where so, separate contribution to cover any Secretariat / Service Provider costs is encouraged

UN-Habitat's preference is for Donors to invest non-earmarked funding but we understand certain Donors may have a thematic geographic or asset class in mind. To this end we welcome direct earmarked contributions for individual project preparation initiatives.

Here's how you can contribute:

Option 1: Seed Grant contribution to UN-Habitat

You can make a direct contribution to the UN-Habitat CIF through a seed grant.

UN-Habitat, Donor → Discuss and Draft terms for the Contribution Agreement and contribution disbursement schedule

UN-Habitat, Donor → Legal review of the terms of Contribution Agreement contribution disbursement schedule

UN-Habitat, Donor → Joint Signing of Contribution Agreement and disbursement schedule

Donor → Disbursement of the first payment within 14 calendar days of signing agreement

UN-Habitat → Share project reports (including financial and project implementation report)

Contents of Contribution Agreement: The standard Contribution Agreement outlines the contribution amount, purpose, payment arrangements, requirements, cost recovery, use of UN-Habitat's name or emblem which provides for its use fully when authorized, dispute resolution, consultation, termination, and entry into force. An annex will be attached, tabulating the Project, the schedule and budget of the implemented project.

Cost Recovery: The Contribution Agreement should make provision for Programme Support Costs in line with UN rules and regulations. It outlines two distinct cost categories: Indirect Costs (Programme Support Cost rate of 13%) and Direct Costs (implementation of support services linked to the specified project). Special Circumstances: In special cases, where the indirect cost percentage needs to be lower than 13%, approval must be sought from Office of the Executive Director (OED) or Management Advisory and Compliance Services (MAC).

Standard Operating Procedure – Private Sector Partner Due Diligence

Steps		Output
1	Private Sector Partnership opportunity/offer comes to UN-Habitat → Basic research on the Private Sector entity	• Completed basic research form
2	Detailed research on the Private Sector entity	• Completed detailed research form
3	Enter conversations with the Private Sector entity to explore types of agreement and optimise partnership opportunities	• Meeting minutes • Proposed type of agreement
4	Drafting Partnership proposal documents → Circulating Partnership proposal document to Legal Office and all relevant units/divisions for risk evaluation and mitigation	• Draft Partnership proposal document: – Memorandum of Understanding – Contribution Agreement – Private Sector Partnership Agreement – Pro-bono Agreement – Communication Agreement
5	Final decision-making and signing the agreements	• Signed agreement

Feasibility Fund Roadmap

The feasibility fund roadmap details all the activities in preparation of the Fund’s establishment.

Phase	Date	Milestone
Completion of Fund Prospectus & Materials	September 2023	Prospectus, materials and communications packages created EOI criteria and process developed
Consultancy to develop Governance Framework for the Fund	January 2024	Selection Process delivered and Selected Entities announced
Identification of Host and Manager of the Fund	October 2023 – March 2024	Intensive targeted fundraising and donor engagement
Launch, receipt of contributions and first deployment	April 2024	Fund Launch and receipt of Funds in Financial Year 24/25


Option 2: World Urban Campaign (WUC)

You can contribute by becoming a sponsor for a CIF project through the World Urban Campaign (WUC) sponsorship program. By supporting a project, you directly contribute to its success and the overall mission of the Feasibility Fund.







WORLD URBAN CAMPAIGN
BY UN-HABITAT

**IMPROVING 1000 CITIES
1 BILLION LIVES BY 2030**



DECADE OF ACTION
UN-HABITAT

The following packages can be tailored to the sponsor's needs and priorities:

	 Maximum Impact	 Double Impact	 High Impact	 Impact															
<p>WORLD SPONSORING ENTRY FEES FOR BUSINESS AND PHILANTROPIES</p> <p>Brand Partner Visibility</p> <ul style="list-style-type: none"> • Name and logo promotion • Speaking opportunities • Booths in dedicated expos <p>Five Impact Streams</p> <p>Cities Investment Facility(CIF) Impact Project</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">4 CITIES</th> <th style="text-align: center;">1 CITY</th> </tr> </thead> <tbody> <tr> <td>• CIF Project Assessment Report</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1</td> </tr> <tr> <td>• CIF Project Feasibility Analysis Report</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1</td> </tr> <tr> <td>• CIF Project Investability Report</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1</td> </tr> <tr> <td>• CIF Project Impact Report</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>		4 CITIES	1 CITY	• CIF Project Assessment Report	4	1	• CIF Project Feasibility Analysis Report	4	1	• CIF Project Investability Report	4	1	• CIF Project Impact Report	4	1	<p>USD 800,000</p> <p>★★★★</p>	<p>USD 200,000</p> <p>★★★</p>	<p>USD 100,000</p> <p>★★</p>	<p>USD 50,000</p> <p>★</p>
	4 CITIES	1 CITY																	
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• CIF Project Investability Report	4	1																	
• CIF Project Impact Report	4	1																	

CIF Project Assessment Report

Coordination of the implementation of the UN-Habitat SDG Project Assessment Tool with the Urban Lab.

Feasibility analysis report

Conduct a project feasibility analysis and bankability advisory, assessing the financial viability of the project, identifying potential sources of funding, and developing a detailed financial plan for the project, including revenue streams, costs, and projected return on investment.

Investability Report

Create a comprehensive and visually appealing package of information about the project, including project overview, design renderings, project benefits, and potential impacts, to be shared with potential investors, financiers, and other stakeholders at the Twelfth Session of the World Urban Forum in January 2024; the project will be eligible for Diamond Certification on SDGs with the completion of this preparation phase.

CIF Project Impact Report

The ultimate objective of preparing the projects is to generate impact in cities and communities. After financial close, UN-Habitat will collect, analyse and report on impact metrics related to the supported projects. This catalogue details information regarding CIF projects that will be supported by the contribution from:

- Maximum Impact \$ 800,000 (4 cities projects)
- Double Impact \$ 200,000 (2 cities projects)

To donate or inquire about how you can get involved, please contact us at un-habitat@cip.org. Let us work together to shape the cities of tomorrow, leaving no one behind.

UPCOMING EVENTS

SAVE THE DATE - **WUF12****WORLD
URBAN
FORUM****The Twelfth Session of the World Urban Forum (WUF 12) will be held in Cairo, Egypt, from November 4–8, 2024.**

The WUF12 is convened by the United Nations Human Settlement Programme and hosted by the Government of the Arab Republic of Egypt. It is a premier global conference on sustainable urbanization.

The Cities Investment Facility will be in Cairo showcasing its current projects under preparation to raise awareness on its project pipeline and promote collaboration between diverse stakeholders including private investors in realizing the financial closure of the projects.

Learn more about WUF12 on the official website: <https://wuf.unhabitat.org/wuf12>

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