



# Sustainable Cities

## Hubs of Innovation, Low Carbon Industrialization and Climate Action

### Why work with UNIDO on sustainable cities?

- **UNIDO's mandate fully recognized in SDG-9:** "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation".
- **Inclusive and sustainable industrial development (ISID) applies to all SDGs, including SDG-11:** "Make cities inclusive, safe, resilient and sustainable".
- ISID of cities provides opportunities for developing synergies, such as **decoupling economic growth from environmental degradation**, while at the same time **creating employment and fostering clean energy and industrial innovation**.
- UNIDO offers its expertise in technical cooperation, capacity building and knowledge management for tailor-made local solutions as well as access to financial mechanisms to support transitions to sustainable cities that have **climate smart infrastructure and services, inclusive and sustainable industries, and act as engines of prosperity and innovation**.

### UNIDO Programmatic Interventions

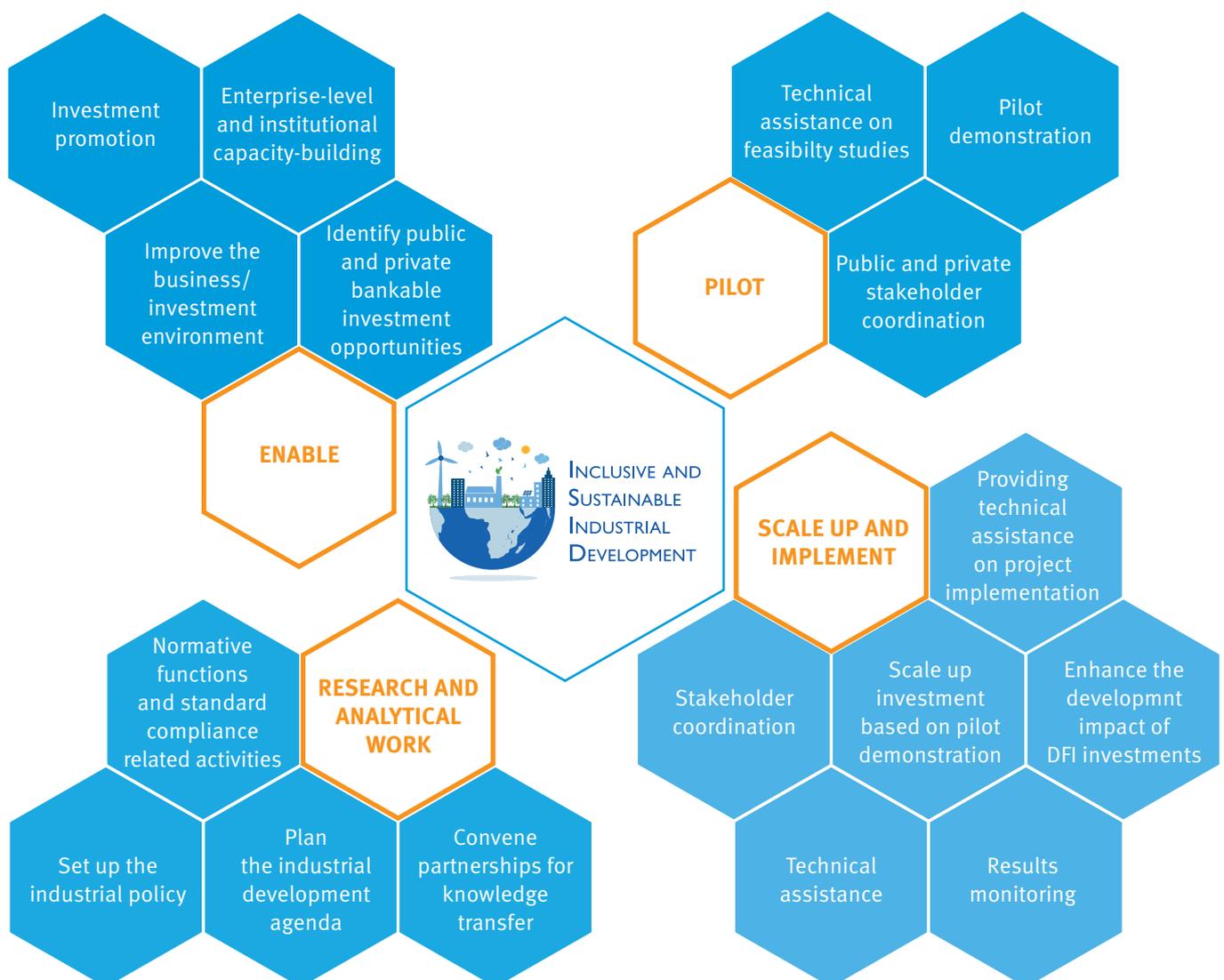
<p><b>Low Carbon Infrastructure and Services</b></p> <ul style="list-style-type: none"> <li>→ Energy systems and smart grids</li> <li>→ Renewables and industrial energy efficiency</li> <li>→ Low-carbon urban mobility</li> <li>→ Reduce hazards and develop energy recovery from waste streams</li> </ul>	<p><b>Urban Industrial Systems</b></p> <ul style="list-style-type: none"> <li>→ Green value chains and cluster approaches</li> <li>→ Eco-industrial parks and urban industrial symbiosis</li> <li>→ Resource efficiency and cleaner production</li> <li>→ Food-security, safety and agro-processing</li> </ul>	<p><b>Innovative City Solutions</b></p> <ul style="list-style-type: none"> <li>→ Clean tech and smart city solutions</li> <li>→ Start-up incubators and entrepreneurship</li> <li>→ Foreign and local investment promotion</li> <li>→ Creative and cultural industries development</li> </ul>	<p><b>ACTIVITIES</b></p>
<p><b>Inclusivity:</b> Gender mainstreaming and youth employment</p>			
<p><b>Resilience:</b> Adaptation and managing climate risk</p>			
<p><b>Partnerships:</b> Engaging cities, stakeholders, and the private sector</p>			



## UNIDO Project Identification Process:

- 1) Establish national baseline scenario
- 2) Create inventory of baseline national programmes and projects
- 3) Identify key urban challenges to be addressed by a project and alignment with existing national and regional strategies
- 4) Apply selection criteria for pilot cities
- 5) Develop a project description complete with the project components that will be included within the scope of the work
- 6) Identify opportunities for partnerships with national, regional and local stakeholders
- 7) Secure financing and exploring options for co-financing

## Project Components for Sustainable Cities





## UNIDO Partnership Principles:



- **Ownership rests** with national governments
- **Additionality:** By working together and combining resources and comparative advantages, additional and more effective results can be achieved
- **Neutrality:** No biased advantage upon any partner, no exclusivity in collaboration, no endorsement/preference for a particular entity or its products or services
- **Transparency:** UNIDO will strive to report and disclose its work in clear, concise, and accurate terms and methods, and ensure both financial and ethical accountability
- **Integrity:** UNIDO will maintain high standards of operational performance in planning, executing and monitoring its partnership interventions, always in line with UNIDO's internal control framework

## Partnership Models for Sustainable Cities

### 1. Development Financial Institutions (DFIs)

UNIDO offers support in developing partnerships with DFIs by helping countries in providing inputs on priority areas linked to multi-annual country strategy frameworks; demonstrating feasibility of investment; cooperating with governments on project scoping, identification, design and formulation; and assisting with technical assistance of project implementation and project evaluation.

#### DFI financing models:

##### Direct financing:

DFI provides direct grant financing to UNIDO to cover technical assistance services for a project

##### Indirect financing:

DFI provides a loan/ credit/grant financing to a government. The government then allocates funds towards UNIDO's services

##### Co-financing:

DFI provides financial resources to a government through a project loan while an aid agency provides grant financing to UNIDO covering technical assistance for a project



## 2. Global Environment Facility

The Global Environment Facility (GEF) is launching its Sustainable Cities Impact Program (SC IP) as part of GEF-7 following the success of its GEF-6 Sustainable Cities Integrated Approach Pilot (SC IAP). UNIDO is a specialized agency assisting countries in accessing GEF SC IP funds, building custom tailored programs around GEF focal areas. UNIDO has experience working within the GEF framework, piloting four child projects under the initial GEF-6 SC IAP in Senegal, India, Malaysia and Cote d'Ivoire.

### GEF-7 Sustainable Cities Impact Program at a glance:

- **Focal areas for GEF 7:** Biodiversity, climate change mitigation, international waters, land degradation and chemical and waste
- **Timeline for submission:** The financing period for GEF-7 Replenishment will begin in June 2018.

## 3. Municipal Partnerships

In some instances, cities may have priority projects where outside funding is unavailable however the municipality is able to fund the project itself. UNIDO is able to offer its services to municipalities in these circumstances through the creation of a municipal trust fund.

### How municipal trust funds works:

- UNIDO and the city identify and agree upon a sustainable cities project
- Trust fund agreement is drafted outlining the terms and work that will be funded and completed by the fund
- Agreement is signed and UNIDO establishes a trust fund under its financial regulations and rules for the administration and receipt of funds
- Trust fund is then used for the purpose of meeting the actual costs of the project and financing programme support services provided by UNIDO in the implementation of the project

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