





**UN HABITAT**  
FOR A BETTER URBAN FUTURE

The logo consists of the words "UN HABITAT" in a large, blue, sans-serif font. The "O" in "UN" is replaced by the United Nations emblem, which is a world map surrounded by a laurel wreath. Below "UN HABITAT" is the tagline "FOR A BETTER URBAN FUTURE" in a smaller, blue, sans-serif font.

**thinkCITY**  
REJUVENATING THE CITY TOGETHER

The logo features the word "thinkCITY" in a lowercase, sans-serif font, with "think" in blue and "CITY" in green. Below it is the tagline "REJUVENATING THE CITY TOGETHER" in a smaller, blue, sans-serif font.



# Why is CIF Needed?

*4.2 billion people live in cities, and that number is growing by 1.5 million each week.*

*90% of this urban growth will occur in developing countries in Asia, Africa, the Middle East and Latin America. This rapid urbanization is fueling an annual urban infrastructure financing gap in excess of US\$3.2 trillion.*

- At present, **too few bankable sustainable infrastructure projects are being developed** in low- and middle-income cities.
- Blockages in the pipeline are due to fiscal and capacity constraints, time constraints, transparency issues, lack of upstream support, delayed investor engagement, and legal / regulatory issues.
- We are in a moment of a massive shift in investment portfolios with fund managers increasingly **demanding more SDG-aligned infrastructure investment opportunities.**



# What is CIF?

*The Cities Investment Facility is a multi-stakeholder initiative centred around **unlocking greater capital flows to urban impact projects**, by supporting their processes of **identification, design, (pre)feasibility, and financing**.*

- CIF aims to direct significant capital towards financing projects that are inclusive, SDG compliant, masterplan-integrated, and align with UN-Habitat's existing geographical footprint.
- This facility complements existing investment facilities by looking at **enhancing early stage design** and origination particularly in **secondary and emerging cities in frontier and emerging markets**.
- It is unique in its focus on the **broad range of the SDGs**, urban masterplan-integrated projects, its global scope with a project pipeline spanning across three main regions and ten sub-sectors, and the alignment of CIF's projects with **UN-Habitat's global geographical footprint and local relationships**.
- By convening and preparing a pipeline of SDG-compliant bankable infrastructure projects, this new facility makes a significant contribution to achieving the UN's Agenda 2030 as cities and urban infrastructure enable economic activity and growth.



# What is CIF?

CIF operates through three instruments, which together comprise the facility and enable its function:



The **Cities Investment Portal (CI Portal)** allows city officials to reach out to a global audience of investors, bringing together a community of stakeholders at the ideation stage. The Portal will display information about available projects, host a grant platform, and a knowledge hub.



The **Cities Investment Advisory Platform (CIAP)** is an incubated initiative advising pre-feasibility and upstream project preparation and design, bankability, and SDG-impact



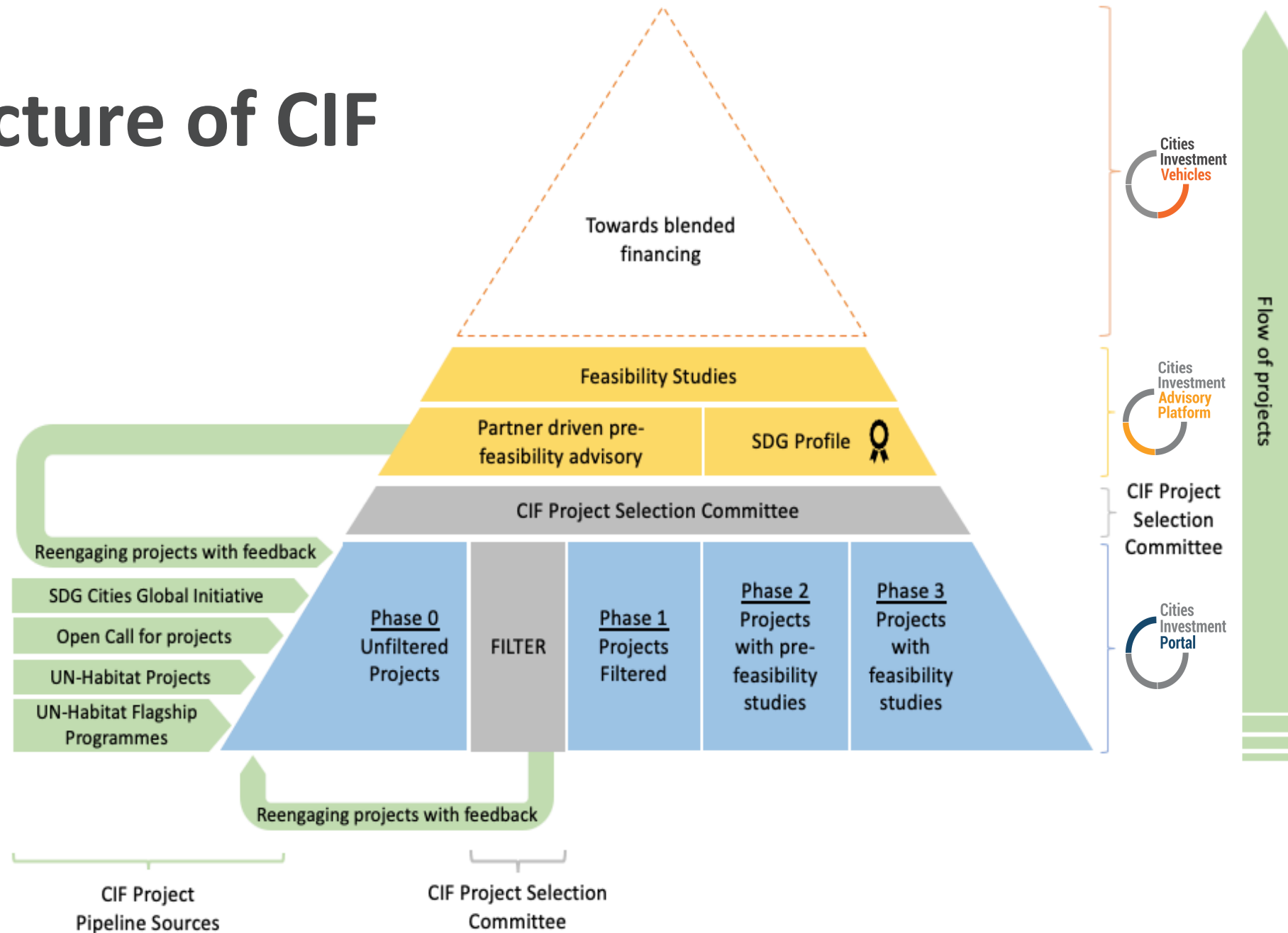
The **Cities Investment Vehicles (CI Vehicles)** are brokers within which diverse and blended sources of capital can be pooled to finance de-risked, bankable, and sustainable urbanization projects.



# The Structure of CIF

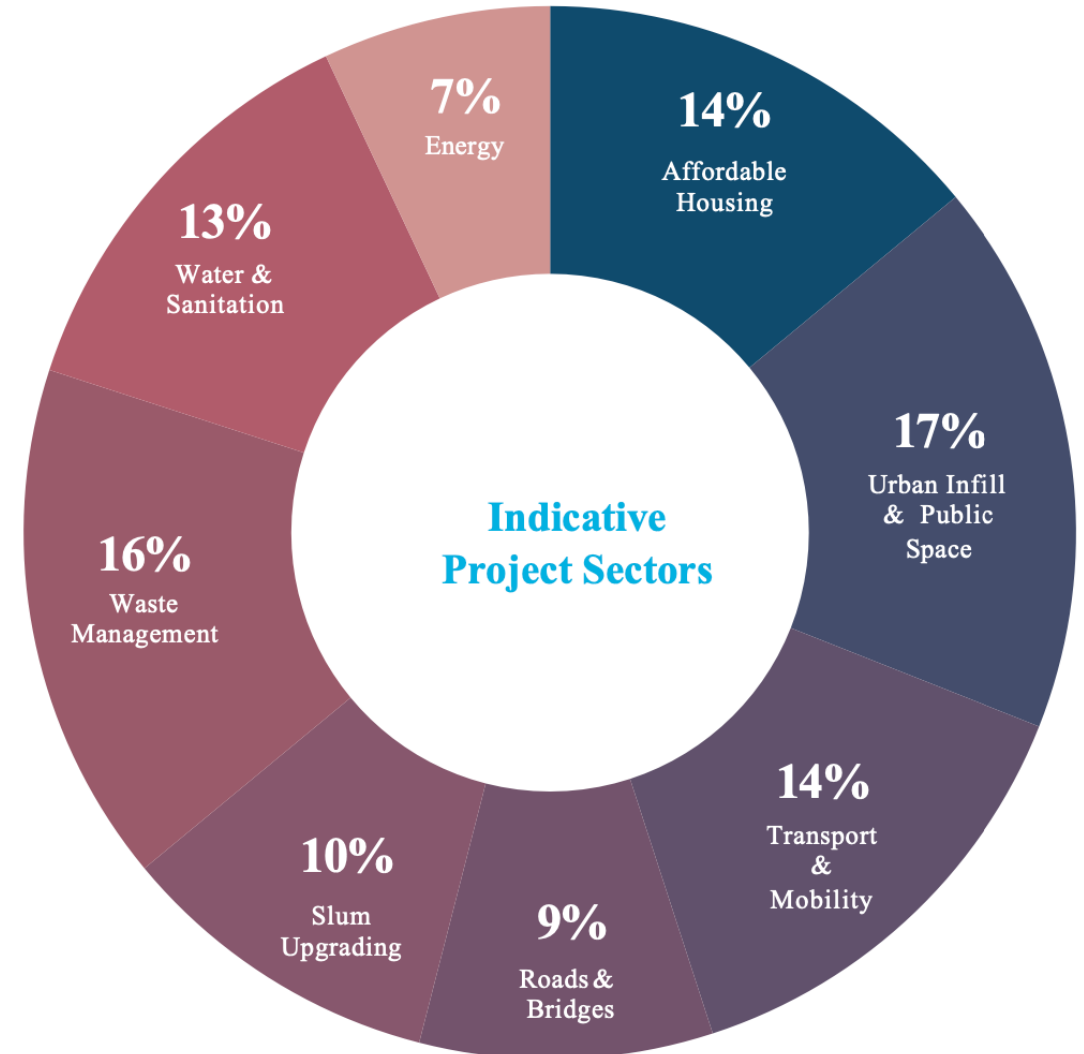
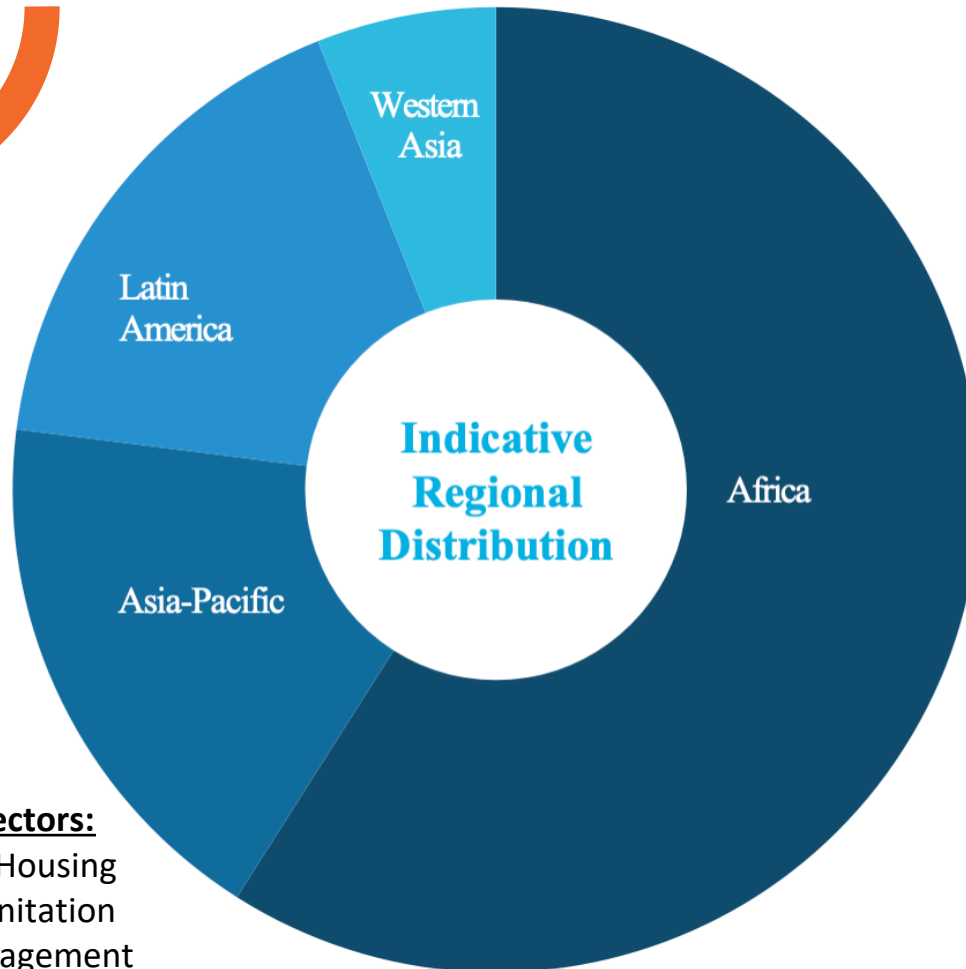
City projects enter the CIF through the flows on the left.

This modality ensures that the most bankable projects are supported, whilst those not prepared enough receive feedback or technical support.





# CIF Projects



## **Covid Priority Sectors:**

- Affordable Housing
- Water & Sanitation
- Waste Management
- Informal Settlements Upgrading



# CIF Projects: Eligibility Criteria

Projects must fulfil the following criteria to be eligible for CIF support:

- Evidence of (national/regional/local) **government support**
- Within **existing urban development plans**
- Align with **UN-Habitat & partners' footprint** to ensure effective engagement & governance
- **Demand studies** that exhibit need case
- **US \$20 million+** (per project or aggregated project package)





# Cities Investment Portal



View our online Portal  
<http://cip.flywheelsites.com>

- **Global pipeline of projects** seeking investment.
- **Access to project information** including description, rationale, cost estimates, co-financing commitments, anticipated IRR, and more.
- **Knowledge Hub for project promoters**, serving as a feedback loop through which best practices, guidance, experience, investment requirements, geographical and sectoral information gathered through CIF can be disseminated.
- **Data analytics on projects** to strengthen investor analysis and the knowledge hub.
- **Philanthropy channel** through which project owners can access philanthropic funding (i.e. grants, donations).
  - **Facilitation of early-stage conversations** and matchmaking between project promoters and financiers through the Portal.



# Cities Investment Advisory Platform



The CIAP addresses key bottlenecks to urban infrastructure project financing, including lack of technical capacity; competing priorities for public finances; shallow pools of intermediaries working upstream; and limited engagement with investors.

- Assessments of projects' **SDG impact & ESG safe-guarding**.
- **Bankability advisory and project preparation support**, allowing for incorporation of different stakeholder requirements into upstream project design.
- **Local government portfolio review** and investment planning to ensure that projects are integrated and effective.
- **Identification of project financing structures and de-risking**, using Blended Finance instruments including concessionary capital, & guarantees etc.
- **Tailored engagement with early-stage investors** on a project-by-project basis.



*Successfully showcased at the 2020 World Urban Forum*

Website  
[www.citiesinvestment.org](http://www.citiesinvestment.org)



# Cities Investment Vehicles

- **Acts as a broker** between projects and investors, attracting diverse pools of capital.
- **Dedicated concessionary funds** to allow for de-risking of investments.
- **Aggregation of projects** into investor-friendly products / vehicles, including aggregation to achieve size and sector requirements.

The CI Vehicles are a number of funds or brokers, each with a geographical / sectoral mandate, who work with the CIF pipeline of projects as assets. The LP capital is raised by the partner fund.



- **Project-specific financial advisory** and risk mitigation.



# CIF Projects Summary

(as of September 2020)

## CI Portal

*- Information available on website*

**37 Projects** from local governments around the world, filtered following an open call

## CIAP

*- Receiving preparation & advisory*

**6 Projects** from World Urban Forum showcase

**8 Projects** from open call

## Successful

*- With some private capital commitment*

**3 Projects** from open call (Water & transport themes)



# Added Value of CIF

<u>Phase</u>	<u>Added Value that CIF brings to a project in this phase</u>
<b>Project planning</b>	<ul style="list-style-type: none"><li>• <b>Projects actively align with SDGs</b> – receiving individualized assessment and advisory throughout pre-feasibility and feasibility.</li><li>• <b>Projects are more bankable and de-risked</b> – having received bespoke technical assistance and bankability advisory at pre-feasibility and feasibility stages.</li><li>• <b>Shortening project lifecycle</b> – between 3 and 9 months from concept to feasibility.</li><li>• <b>All sustainable development projects are eligible for support</b> – unlike other existing project preparation facilities, CIF is not a specialist fund, and caters to projects that may fall outside the scope of existing facilities. Further, CIF welcomes partnerships with other users and facilities.</li></ul>
<b>Project financing</b>	<ul style="list-style-type: none"><li>• <b>Wider public awareness</b> — showcased on CI Portal, and at Regional and World Urban Forums, and matched with diverse and early-stage investors.</li><li>• Equipped with <b>i) feasibility studies</b> and <b>ii) SDG alignment reports</b> tailored to the investors' needs.</li><li>• <b>Securing private sector capital</b> through investor outreach, and a blended finance approach.</li><li>• <b>Bridges the gap</b> – allows for secondary cities to aggregate projects and reach larger-cap investors that may not have been otherwise interested in the investment opportunity.</li></ul>



# Knowledge & Advocacy



- E** - Urban Masterclasses
- V** - Urban Forums (World, Regional, National)
- E** - SDG Cities Annual Conference
- N**
- T** - 'Live' Cities Investment Fairs
- S** @ Urban Forums a platform for advocacy and knowledge dissemination.

- P** - Through its ongoing project preparation and advisory, CIF will produce a variety of
- U**
- B** normative / knowledge products (reports, guidance notes, white papers) which will be
- L** collated and disseminated.
- I**
- C** - Knowledge products may include information on sector-specific and geographic data, successful models, effective practices, blending structures, and more.
- A**
- T**
- I**
- O**
- N** - UN-Habitat Country Offices and UN Country teams will deploy associated technical guidance
- S**

# Project Flow and Roles of Actors



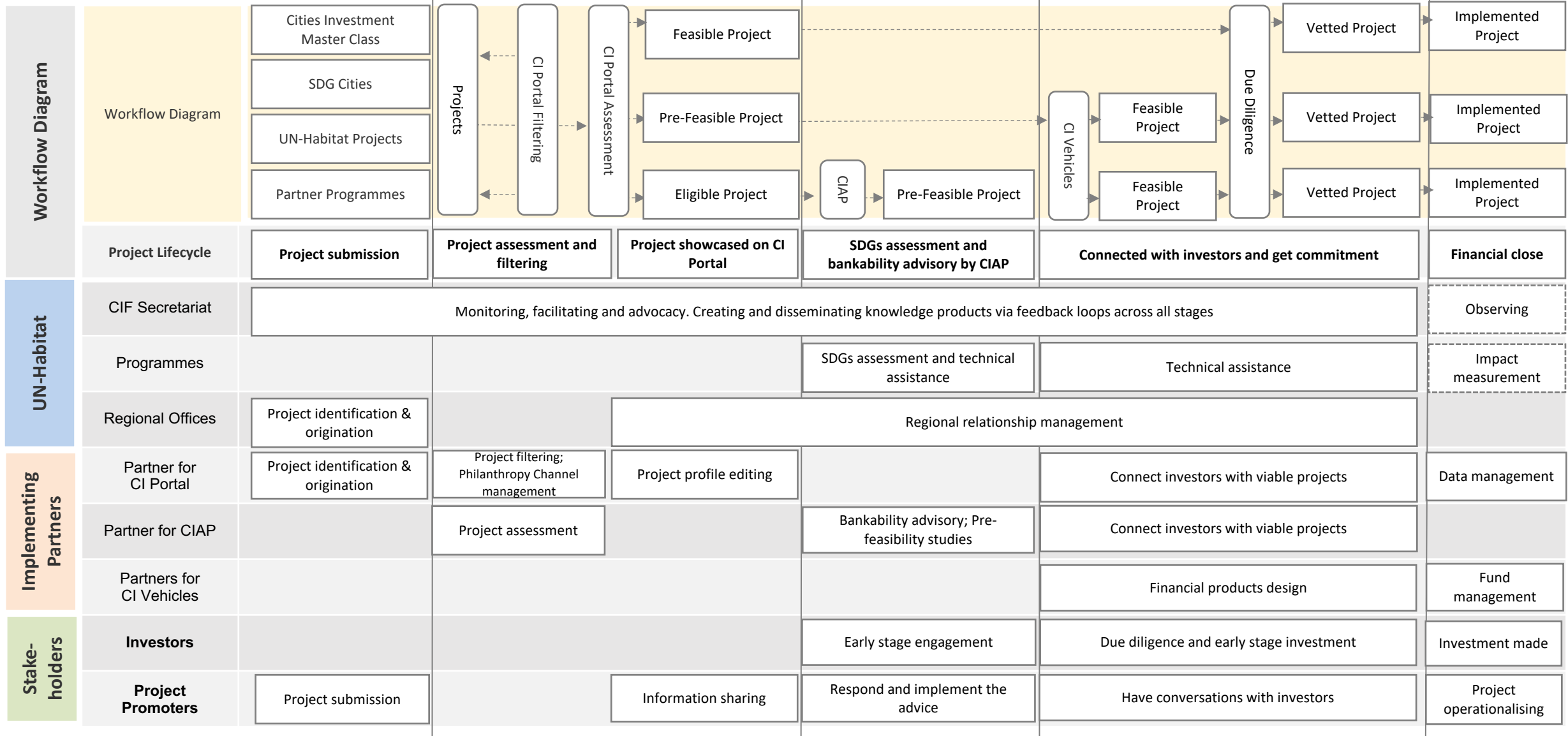
## 1. Project Identification / Planning

## 2. On-boarding

## 3. Pre-Feasibility Advisory

## 4. Feasibility

## 5. Financial Close & Implementation





# CIF Business Model

## Indicative Fees

*\*Note: In the spirit of Leaving No One Behind, CIF will aim to mobilise funding support for project promoters from Least and Less Developed Countries.*

### CI Portal Subscriptions

- Annual investor subscription fee between US\$1000 and US\$3000
- Project promoter subscription fee between US\$300 and US\$500.\*



Cities Investment Portal

CIAP

### CIAP Service Fees

- Project promoters will pay a fee for advisory services rendered between US\$60,000 and US\$150,000 depending on project development required.\*
- Investors committing early-stage financial support pay a fee for origination services between US\$30,000 and US\$40,000.

Cities Investment Advisory Platform

CI Vehicles

### CI Vehicle Deal Fees

- A deal fee between 20 and 30 basis points (0.20 – 0.30% of capital flow) is charged for origination and project development services.

Cities Investment Vehicles





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