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Funding & Financing Smart Cities

Smart Cities World Congress – 21 November 2019

Smart city | Macro drivers

Global drivers of urbanization

Increasing urbanization

Sustainability focus

Technology embedded in City Infrastructure

Public private mix

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Its all about Value…..

How to identify it, capture it and utilise it

Direct value capture

Indirect value capture

Asset recycling

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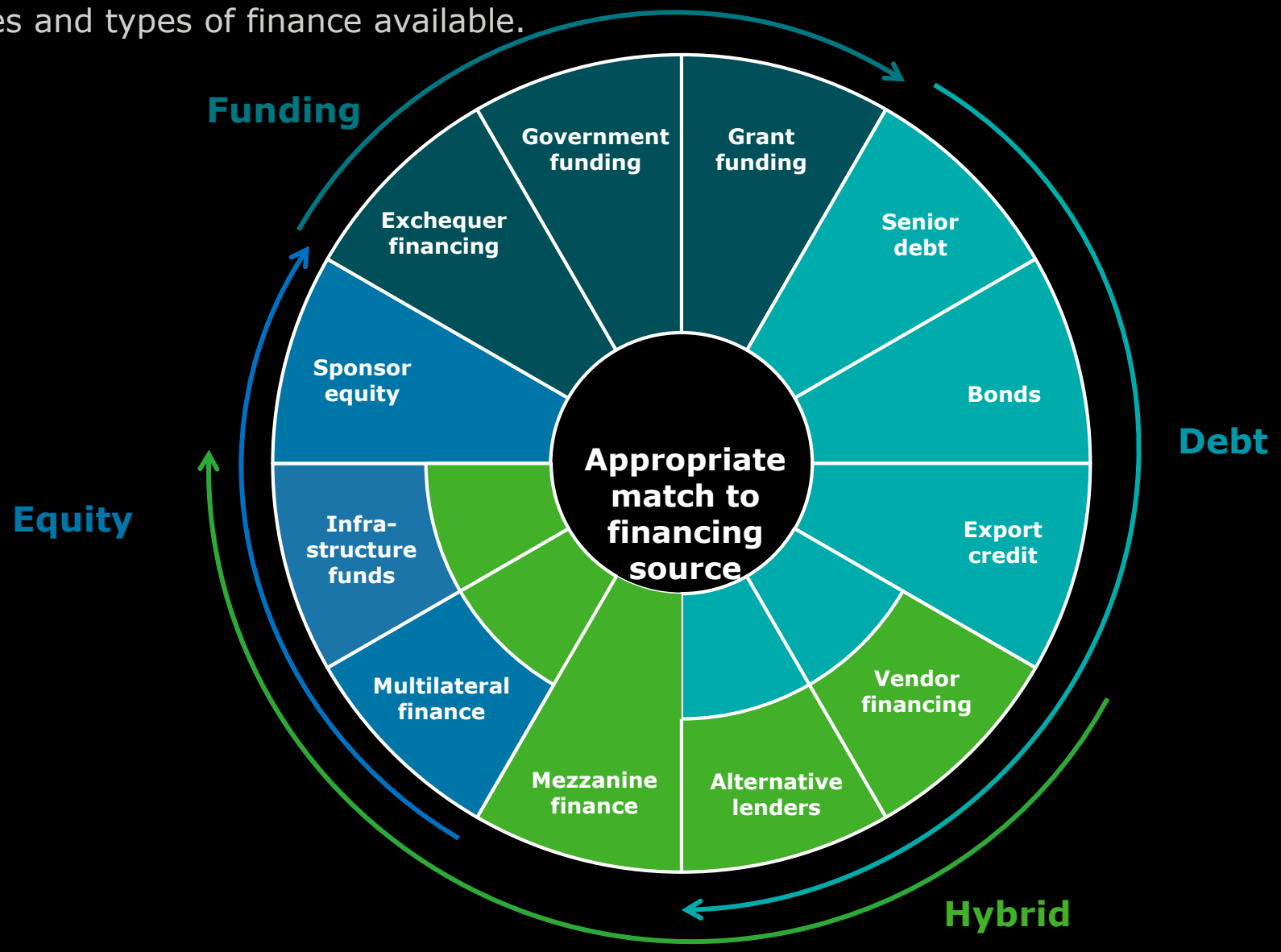
Match the finance source with the requirement

Multiple sources and types of finance available.



Varied procurement solutions available

Different levels of Private Sector Participation

Public ⟷ **Private**

- **Direct delivery**
- **Conventional Procurement**
- **Operate Contract/ licensing**
- **Long-term lease**
- **Joint venture**
- **PPP**
- **Franchising**
- **Privatizations (sales)**

Risk transfer

Innovation

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Model for delivering a successful sustainable project

1

Understanding project and value

Understand business model	Understand value generated
Does funding gap exist	Direct value capture
Risk transfer potential	Indirect value capture
Return available	Asset recycling to fund investment

2

Funding & finance options

- Public funding
- Private financing
- Monetize value

3

Procurement & delivery method

- Public provision
- Operating contracts
- Joint venture
- Long-term lease
- Public-private partnership
- Franchising
- Privatization

Understand Value

Determine Delivery Model

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