

Smart Cities Funding and Financing

As smart cities continue to replace traditional infrastructure across the world, governments more than ever seek creative funding solutions to bridge the funding gap.

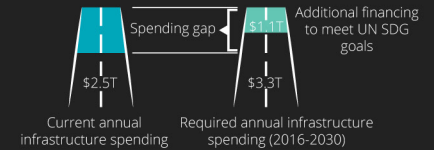
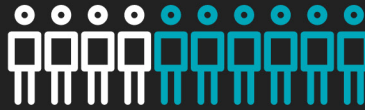
Corporations and governments will need to collaborate on financing. Deloitte has extensive experience in bringing together these different stakeholders to deliver success.

We've prepared a six-part thoughtware series on financing smart cities to equip governments with the necessary tools to guide clients as they seek investment partners.

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How can governments assess their infrastructure spending gap?



Governments are under pressure to address socio-economic, resiliency, and citizen engagement expectations

More than half the world's population resides in cities – and its growing

Governments should first review current annual spending against required infra spending

What's Deloitte's three-pronged model for successful delivery?



Understand the business model and the value of the proposed project

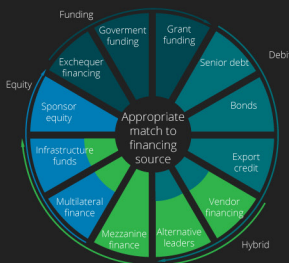


Analyze the project's financial dynamics, risks, costs, and timing



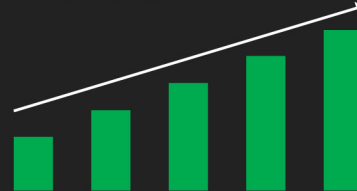
Determine procurement and delivery methods

How do I choose a financing source and when do I estimate costs?



Financing can be classified depending on risk, costs, and methods of repayment

Revenue model
A clear funding stream is needed and critical if private financing is being sought



Costs can be accurately estimated in the early stages

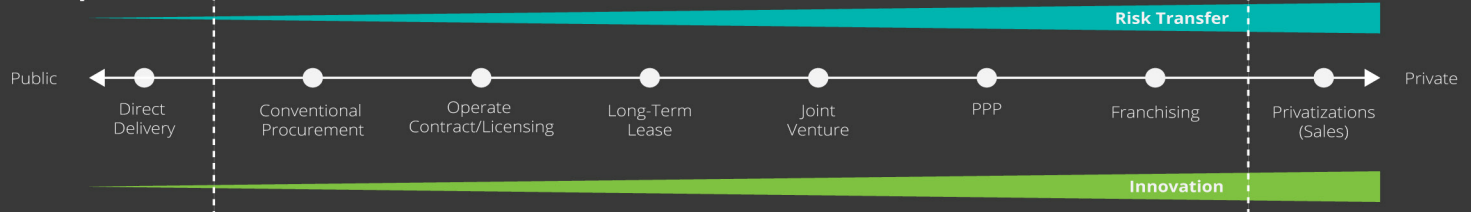
Value capture and asset recycling



Value capture = capturing value generated by infrastructure investment

Asset recycling = sale of government-owned assets to pay for investments

What procurement method is best?



Look beyond traditional government delivery or Public/Private/Partnership choices

Process should encourage partnership, technology and solutions inter-operability, and shared-value creation with the public sector

Explore and learn more about the Funding and Financing Smart Cities series

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