

CITY SNAPSHOTS



BOOKLET



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ACKNOWLEDGEMENTS

UNDP Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) Istanbul Regional Hub would like to extend its profound gratitude to the many individuals and organizations whose invaluable perspectives, insights, and varied backgrounds greatly contributed to shape this knowledge product.

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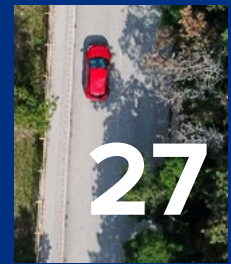
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¹ References to Kosovo shall be understood to be in the context of United Nations Security Council resolution 1244 (1999).



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INTRODUCTION



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In the face of emerging interconnected urban challenges, traditional linear and siloed approaches no longer work. Urban development actors are experimenting with innovative ways of working. Among them is the portfolio approach, a dynamic solution for addressing systemic urban issues. But what really comes out of these new practices? Are the results any different? This publication provides

a snapshot of how these novel ways of working can be applied, to what areas and the possible outcomes and impact. Featuring municipalities taking part in the **City Experiment Fund (CEF)** and **Mayors for Economic Growth (M4EG)**, this City Snapshots booklet invites you to dive deep into how innovation in urban development practices yields positive and sustainable outcomes.

OBJECTIVES

City Snapshots showcases UNDP's urban transformation work using a **portfolio approach** across different cities, contexts and problem spaces, and shares the learnings that have emerged from this innovative process.

The featured case studies highlight and champion the **value of doing development differently**. Previously shared within the CEF and M4EG initiatives, these city snapshots compile, organize and present key learnings and takeaways to communicate this work to urban practitioners within and beyond these programs and communities.

Ultimately, this publication aims **to spark a conversation** between different stakeholders and individuals or teams working in urban transformation, creating a community that will serve as an inspiration and learning space to harness the growing interest for innovation in urban development.

THE PORTFOLIO APPROACH: OPENING NEW POSSIBILITIES

The portfolio approach aims to address complex and interconnected development challenges by creating a network of options or interventions that look at the problem from various angles. It is investigative in nature, seeking to understand issues from different perspectives and reframing problems to find innovative solutions.

The portfolio approach is seen as complementary to traditional project management, offering an additional tool for tackling more complex problems. It de-risks future investments by allowing decision-makers to experiment with different interventions before committing large sums of money to a

single narrow project. Furthermore, it promotes adaptability and agility, enabling organizations to respond to emerging issues and changing contexts more effectively. Learning and reflection become integral parts of the process, helping organizations to strengthen their learning capabilities and enhance adaptability.

Nine municipalities in the Europe and Central Asia region have successfully adopted the portfolio approach, and an additional six are currently in the initial phases of their portfolio implementation. At this juncture, we can begin to discern tangible and significant advantages derived from the utilization of portfolios, prompting a legitimate consideration for municipalities not currently engaged in portfolio practices to explore this approach.

CITY SNAPSHOTS:

An overview of municipalities applying the portfolio approach




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Let us travel across seven countries and territories in Europe and Central Asia to witness the key takeaways from nine cities that have applied the portfolio approach in their urban transformation efforts.

COUNTRIES & TERRITORIES	MUNICIPALITY	THEME/ ISSUE
ARMENIA	ARENI	Sustainable Tourism
	STEPANAVAN	Depopulation & Vibrant City
GEORGIA	BATUMI	Talent Knowledge Hub
	KUTAISI	Eco Smart City
KAZAKHSTAN	ALMATY	Tackling Air Pollution
KOSOVO	PRISTINA	Creating Urban Livability
MOLDOVA	CEADÎR-LUNGA	Energy transition
MONTENEGRO	PLJEVLJA	Green and Just Transition
N. MACEDONIA	SKOPJE	Implementing Biowaste Systems

 City Experiment Fund

 Mayors for Economic Growth.

These nine municipalities have taken on the complex task to tackle urban issues that span across a vast array of themes. They have done so as part of two UNDP Europe and Central Asia endeavors: [City Experiment Fund \(CEF\)](#) and [Mayors for Economic Growth \(M4EG\)](#).

TWO INITIATIVES: City Experiment Fund & Mayors for Economic Growth

To better explore the wide application of portfolio approaches, we zero in on several participating cities in CEF and M4EG. While both endeavors use portfolios as an experiment-based approach to problem-solving, the ownership differs: In CEF, UNDP Offices design city and citizen-owned portfolios and empower municipalities to adopt the portfolio approach, while in M4EG, municipalities lead with the UNDP Office on their journey to build portfolios and put into practice this approach. Additionally, M4EG uses the Urban Makeover approach, while CEF participating cities do not.



City Experiment Fund

Funded by the Slovak Transformation Fund, UNDP's CEF is a joint effort by UNDP and the Ministry of Finance of the Slovak Republic to support cities in applying the innovative portfolio approach to tackle complex urban challenges.

CEF seeks to make sense of and address complex issues playing out in cities – such as the impact of migration, climate change, and inequality – by working at the intersection of innovative methods and technologies. These City Snapshots will focus on five partner cities across Europe and Central Asia that are developing a portfolio of experiments in response to cross-cutting challenges, shared by municipalities throughout the region and beyond. CEF provides them with catalytic funding that de-risks investment in experimentation, and supports them with the tools and processes they need in order to prepare for the future.

Mayors for Economic Growth

M4EG is a joint EU & UNDP initiative to support mayors and their teams in the Eastern Partnership region. The M4EG offers resources, networks and learning opportunities to explore new trajectories of growth, and to make towns and cities more attractive for people and investment.

The M4EG works with selected municipalities to design and dynamically manage a municipal transformation portfolio – an adaptive learning and decision-making mechanism for responding to complex challenges that municipalities are facing. The M4EG takes a 'hyperlocal' and whole-of-place approach. The portfolio journey is a two to three-year long program for in-depth learning and implementation, based on systems thinking to address complex problems that cannot be solved through traditional project management methods alone.

While we focus on the journey of the first four municipalities – Areni (Armenia), Batumi and Kutaisi (Georgia), and Ceadr-Lunga (Moldova) – that adopted the portfolio approach under the M4EG program, six other cities are following their footsteps as part of a second cohort: Kapan and Gyumri (Armenia), Icherisheher and Khirdalan (Azerbaijan), Mykolaiv and Ternopil (Ukraine).

As the city structures are highly complex with different layers of actors and engagements, the portfolio journey has taken the municipalities on a learning path from discovery to the reimagining of their cities. The journey guides municipalities to put in motion transformative 'Urban Makeovers', i.e. a vision to bring about improved economic opportunities, build vibrant communities and promote innovation practices.



Areni, Armenia

M4EG



SUSTAINABLE TOURISM

Towards sustainable tourism that takes into account its current and future economic, social and environmental impact, whilst addressing the needs of visitors, the industry, the environment and host communities.



Areni, Armenia



From underdeveloped infrastructure to tourism diversification.



Challenge

The municipality faces multiple challenges linked to insufficient infrastructure and underdeveloped waste management, resulting in environmental pollution that affects tourist activities in the area.



Intent

The primary intent for Areni is to create favorable conditions – from improved infrastructure to high-quality services – that will turn the city into a tourist destination. Diverse stakeholders were engaged in the process, including youth, guest house businesses, wine factories, homemade winemakers, and artisans.



Portfolio journey

The key target groups were the residents and businesses working in the tourism field and the journey aided the identification of their needs. Understanding the needs of the stakeholders facilitated identifying key challenges and solutions to drive economic development.

The team's learning process included interviewing stakeholders, selecting the right respondents, formulating insights and evaluating the situation. They also undertook collaborative work by assessing the community's capacity, mapping problems, and practicing storytelling (telling the right story at the right place, at the right time).



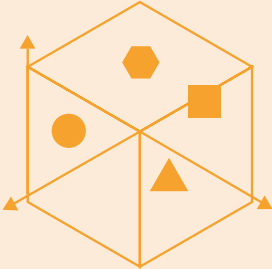
Portfolio objectives

- Shared vision and narrative for transformation, which unites stakeholders towards the creation of inclusive, innovative and resilient tourism
- A clean, green and safe environment for visitors and residents across generations, allowing social interaction and mutual learning to take place.
- A diverse, connected, sustainable and appealing tourism economy that attracts funding towards infrastructure renewal and other benefits for Areni's community as a whole.

Areni, Armenia

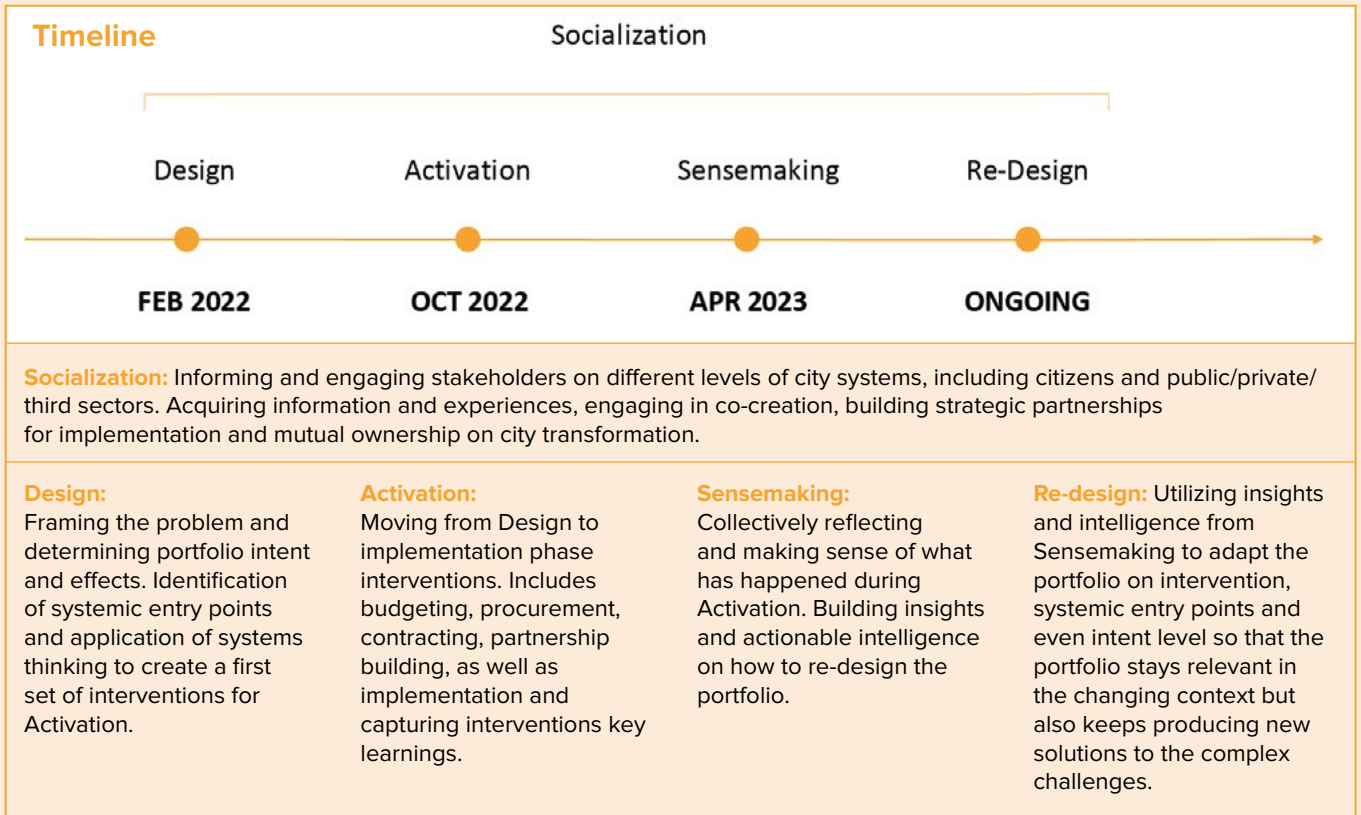
Portfolio interventions

The portfolio's strategic positions and interconnected interventions was developed based on these options:

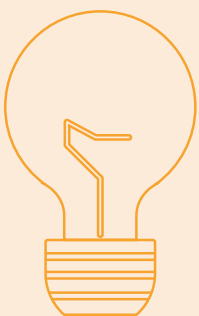


- **Community vision:** Open up dialogues with different stakeholders and citizens across the nine communities of Areni, to imagine together how people see the future of tourism development in their communities.
- **Brand diagnostic and needs assessment:** Gather data from current and past tourists, as well as various online sources, to learn what tourists appreciate, key qualities they talk about, and their sentiments towards Areni.
- **Cultural gems – ethnographic database:** Conduct ethnographic interviews to surface, collect and record interesting local cultural resources to support developing future experiences.
- **Wine festival:** Design, launch and pilot 2-3 new experiences at the Areni Wine Festival with the goal of testing specific supply and demand dynamics.
- **SaaS platform for tourism and hospitality businesses:** Pilot a Hospitality SaaS platform, co-owned by the municipality.
- **Feedback platform design:** Develop a comprehensive system for collecting feedback from the hospitality industry and local players to inform the design of new propositions.
- **Capacity-building learning platform:** A learning platform for the portfolio team to prepare its members for dynamically managing their portfolio and expanding their capabilities.

Areni, Armenia



Key learnings



Through these meetings and the implementation of the M4EG Portfolio Journey, the municipality has witnessed a notable increase in community engagement, which has had a positive impact on Areni’s development. Furthermore, the program has brought about a transformation in perspectives and a boost in the capacity of the municipal staff. Lastly, the portfolio journey acknowledges that every problem has a solution, provided that it is approached from various angles. The portfolio approach has not only brought tangible benefits to the municipality but also instilled a fresh outlook on problem-solving.



Stepanavan, Armenia

CEF



DEPOPULATION & CULTURAL VIBRANCY

*Population decline today is the **partial result of a natural development process**. A population's composition is more consequential than simply its size, and can affect a city's cultural vibrancy. Creating vibrant social and cultural spaces away from the capital is crucial to improve the quality of life for local people, create economic opportunities to foster population retention, and generate conditions for local and international tourism.*

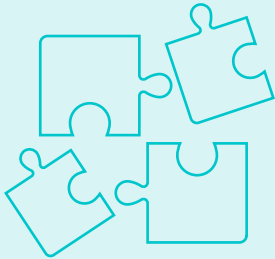


Stepanavan, Armenia



From fighting depopulation to creating a vibrant local community.

Challenge



As young people are migrating to larger cities to look for better opportunities, smaller cities in the region like Stepanavan are shrinking. The lack of cultural vibrancy reduces overall quality of life, and prompts younger generations in search of enriching experiences to move to livelier and culturally richer cities. This brain drain contributes to depopulation, subsequently harming the municipality's economy, development, and sustainability.

Intent



Stepanavan, an active tourism and recreation destination in Armenia and a 2015 model green city, was chosen for its diversity of offerings and potential talent attraction. At the beginning of the exploration, significant focus was put on attracting talent from larger cities, becoming a hub for digital nomads, etc. But after conducting deep listening, the team shifted focus to boosting urban vibrancy for a thriving community and creating a more dynamic local network that provides opportunities to locals.

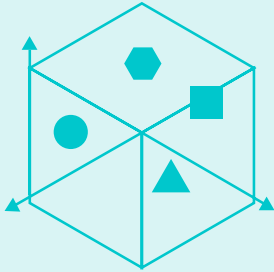
Portfolio objectives



- Leverage currently existing but underused resources of the city – its "ripe fruits".
- Create an image of a city that evolves from being only "a place to rest" to becoming "a place to live" (and contribute).
- Learn how to continuously attract & retain talent (within and outside of the city).

Stepanavan, Armenia

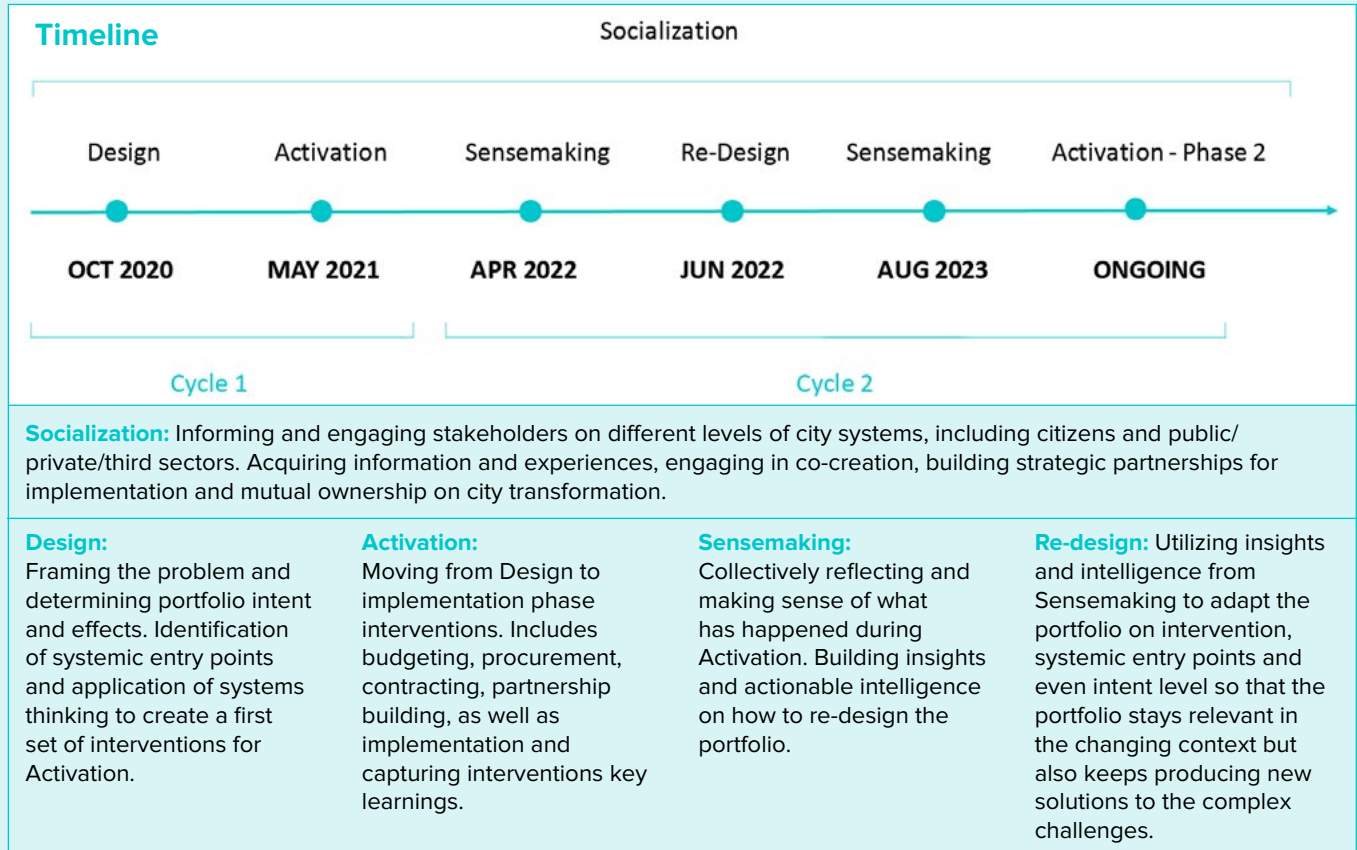
Portfolio interventions



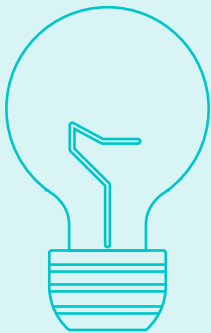
The team identified a series of options to activate as part of the initial portfolio, from which further interventions emerged. A few of those options from the first and second iteration include:

- **Aviation and IT learning center:** Organize trainings for young people and adults on drone operations for crisis management and agriculture.
- **STEM development for children:** Establish a Makers lab for children – developing a blueprint and equipment.
- **Pop-up entertainment:** Run a single experiment to test if providing external to Stepanavan entertainment would shift perceptions of satisfaction and create a sense of wellbeing.
- **Attract local NGOs:** Experiment with ideas around attracting new talent to the city.
- **Digital identity and marketing:** Understand different channels and audiences.
- **Learning hub:** Open a learning hub in Stepanavan’s public library for informal learning activities such as talks, meetups, training sessions, etc.
- **Resilient Stepanavan Fund:** Establish a fund to attract alternative resources for the implementation of the portfolio.
- **Embed portfolio into a living strategy document:** Create and expand the municipality’s strategic plan, supporting municipal staff with capacity-building trainings.

Stepanavan, Armenia



Key learnings



The impact of efforts deployed in Stepanavan has been striking, with the municipality's newfound knowledge in using the portfolio approach being effectively applied across various departments. While it may have required time, stakeholders driven by a desire to make a difference have taken proactive steps to implement their acquired skills and ideas. The portfolio journey has led to a gradual mindset shift, observed notably through storytelling efforts and focus groups.

The remarkable change in mindset has been observed from the early stages of portfolio implementation, and encompasses several key aspects:

1. Understanding of the interconnected nature of different elements within the city.
2. Recognition of the significance of partnerships and relationship-building in the development process.
3. Value placed on co-design processes and continuous learning
4. Acknowledgment of the limitations of local governments, emphasizing the critical necessity of stakeholder engagement.

The enthusiasm and engagement demonstrated by both the municipality and partners have been palpable. There is a clear observed benefit from tapping into the perspectives and expertise of municipal staff. Consequently, there is a strong belief that the portfolio approach holds great potential for widespread adoption in the future.

SPOTLIGHT ON:

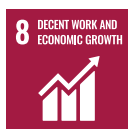
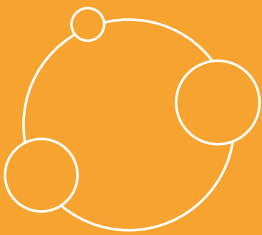
Batumi, Georgia

M4EG



STARTUP ECOSYSTEM

A startup ecosystem is an interdependent system of communities, organizations, resources, and service providers that support the growth of startups in a particular geographical area.

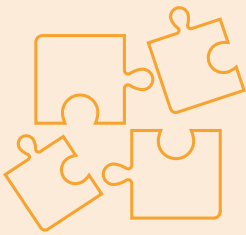


Batumi, Georgia



From talent drain to talent retention/ attraction and a knowledge-driven economy.

Challenge



A key challenge for Batumi is having an economy that is overly dependent on tourism, which is a sector characterized by seasonality, and lacks services and job opportunities during the low seasons. Similarly, the city faces emigration of its talented youth in search of higher-quality education and better and diverse work opportunities either in the capital Tbilisi or abroad. While there is a high demand for managerial and entrepreneurial skills, the higher and professional education system is not responsive to the needs of the labor market. In addition, unlike Tbilisi, Batumi barely has access to innovation and startup activities and networks.

Intent



The municipality's commitment to cultivating a robust startup ecosystem stems from the need to diversify the city's labor market, particularly by emphasizing high-skilled knowledge work.. It aims to develop a system of startups and various types of supporting organizations that work together, employing and sharing their distinct resources and capabilities to develop and help drive Batumi's economy towards becoming a knowledge-driven one.

Portfolio journey



The Batumi City Hall together with the City Council, Tech Park Batumi, and associated partners, aimed to leverage their distinct set of resources and capabilities, their collective will and existing networks to design and dynamically manage a portfolio of development options to attract resources, inform policies, and model actions to develop the startup ecosystem in Batumi.

By engaging different stakeholders, the portfolio methodology helped the team identify the challenges facing the city from different perspectives. Moreover, it facilitated the establishment of connections among various issues, enabling an assessment of their collective impact on the overall challenge, an exploration of their interdependence, and, as a result, more systematic approaches to devising solutions.

Batumi, Georgia

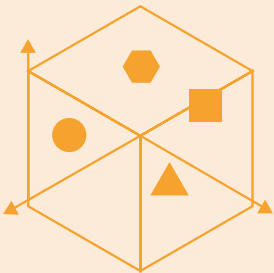
Portfolio objectives



- Shared vision and narrative for transformation, which unites stakeholders towards the creation of inclusive, innovative and resilient tourism.
- A clean, green and safe environment for visitors and residents across generations, allowing social interaction and mutual learning to take place.
- A diverse, connected, sustainable and appealing tourism economy that attracts funding towards infrastructure renewal and other benefits for Batumi's community as a whole.

Portfolio interventions

Based on these objectives, the portfolio was developed with the following strategic positions and interconnected seed interventions:

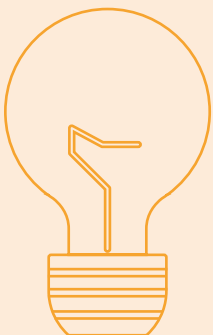


- **Narrative research:** Conduct research to identify the dominant narratives pertaining to the startup ecosystem among local youth to learn about what shapes their mindsets, behavior and career decisions.
- **The new space:** Create a new physical space, different from existing startup spaces in Batumi, that has an informal vibe, appealing location and is attractive for emerging talent.
- **Startup University Batumi:** An entrepreneurship cultural plug-in in the formal education system to enable a space for professors of different universities to co-create a curriculum that integrates startups in formal university programs.
- **Ecosystem networking:** Establish networking events and activities that connect existing communities and attract new energy to Batumi.
- **Startup information portal:** Design a web platform that serves as an information hub for investors and young entrepreneurs interested in Batumi.
- **Capacity-building program:** Develop a learning program for the Batumi City Hall core team to learn more about startup ecosystems and the role of the municipality.

Batumi, Georgia



Key learnings



In Batumi's pursuit of identifying challenges, seizing opportunities, and planning activities, the municipality prioritized involving a broad spectrum of stakeholders: Representatives of the people of Batumi and its emerging startup community, as well as public, private and civil sectors. The decision-making processes emphasized the participation of all relevant parties, fostering inclusivity in addressing issues even in day-to-day work discussions. This collaborative approach was essential in implementing the portfolio approach.

One of the interesting aspects of the portfolio approach that emerged was engaging various stakeholders, such as private sector representatives through interviews, and facilitating discussions that delved into their expectations and experiences. This process, akin to social listening and sensemaking, has enabled Batumi to choose the portfolio's direction through diverse, informed discussions. It has also illuminated various ways and approaches to tackling challenges, which can be replicated in other municipal activities. To effectively advocate for the portfolio approach, the municipality has also recognized the need for tangible success stories, widely shared best practices, and clear, demonstrable benefits.

Kutaisi, Georgia

M4EG



ECO SMART CITY

An Eco Smart city is a forward-thinking urban environment that leverages ICTs and other technologies to enhance the quality of life, optimize urban operations and services, and drive competitiveness. It is designed to address the needs of both current and future generations, with a focus on economic, social, environmental, and cultural aspects, ensuring sustainable development.



Kutaisi, Georgia



From an industrial hub to an Eco Smart city for urban transformation.

Challenge



In recent years Kutaisi has faced a number of challenges – a declining economy, leading to brain drain and decreased opportunities for talented youth, combined with a tourist industry struggling to recover from the COVID-19 pandemic. These challenges have led to migration and a steady population decrease. Moreover, both past and present Kutaisi’s industrial activities have notably worsened air pollution, and given rise to various climate-related issues in the municipality.

Intent



Kutaisi is using the portfolio approach to support one of the major goals of the city’s Master Plan – ensure environmental resilience and transform Kutaisi into a eco smart city that respects its environment and resources and can deploy innovative green solutions to address its urban challenges. Kutaisi’s portfolio aims to aid the city in its shift toward a more eco-friendly and sustainable existence, along with the implementation of nature-based urban innovation.

Portfolio journey



Targeted partners include local citizens, academia, youth, local non-governmental organizations, private sector, investors etc. These stakeholders were actively involved in the implementation process. The objectives of this engagement are to attract stakeholders who are committed to sustainability and share a common agenda, while also contributing to the establishment of new standards for environmentally responsible behavior in society, thus promoting increased environmental responsibility.

The most important insight gained from this process was recognizing that to effect transformative change within the community and bring about systemic improvements, it is imperative to actively engage with citizens, involving them from the initial planning stages through implementation and ongoing monitoring.

Kutaisi, Georgia

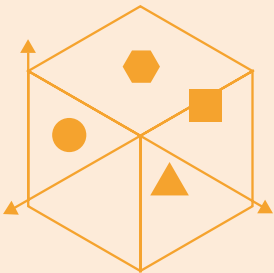
Portfolio objectives



- Become a hub for stakeholders with persistent interest and a sustainable agenda.
- Actively engage the residents, visitors and businesses of Kutaisi in assuming responsibility as caretakers of the environment and the city's natural ecosystems and resources.
- Inform and spearhead an initiative for sustainable policies and incentives on a national scale.
- Enable sophisticated and responsible management practices at the municipal level in order to lead by example.

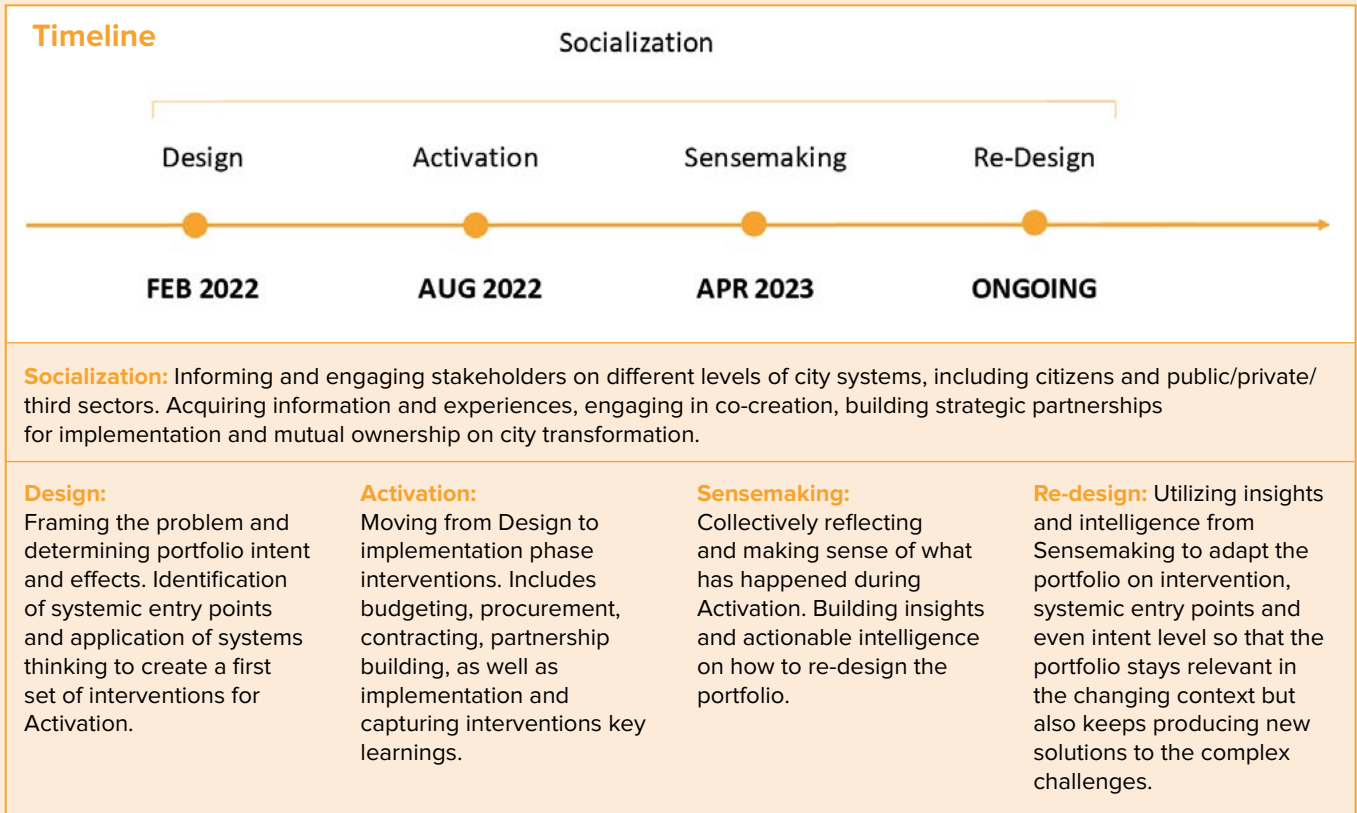
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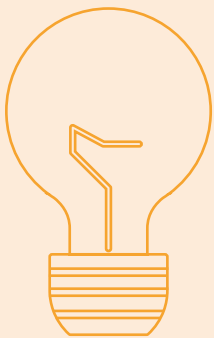


- **Citizens 4 Green Kutaisi:** Engage citizens in the Eco Smart strategy and establish an ongoing exchange of information between initiatives and citizens to facilitate effective communication.
- **Ecobot and app:** Establish an information-sharing platform that can engage with citizens to deliver real-time data that informs them on sustainable choices.
- **Smart waste street demonstrator:** A proof-of-concept implemented with waste containers to explore the potential of smart technology in enhancing waste management for cost-efficiency and its impact on influencing citizen behavior.
- **Green mobility:** Test different incentives for encouraging citizens to adopt electric vehicles.
- **Energy efficient buildings:** Convert a municipal building into a showcase of energy efficiency and sustainability to inspire innovative energy-saving ideas.
- **Academy for applied eco-innovation:** Develop an innovative learning program aimed at educating young people about sustainability, energy and architecture.
- **Municipal learning and exchange program:** A learning program to support the municipality in developing new skills and capabilities that enable them to manage and expand the portfolio.
- **Kutaisi eco wallet:** A local e-currency and wallet system specifically designed to be used for environmentally-conscious transactions, including incentives for sustainable behaviors as well as the purchase of green services.

Kutaisi, Georgia



Key learnings



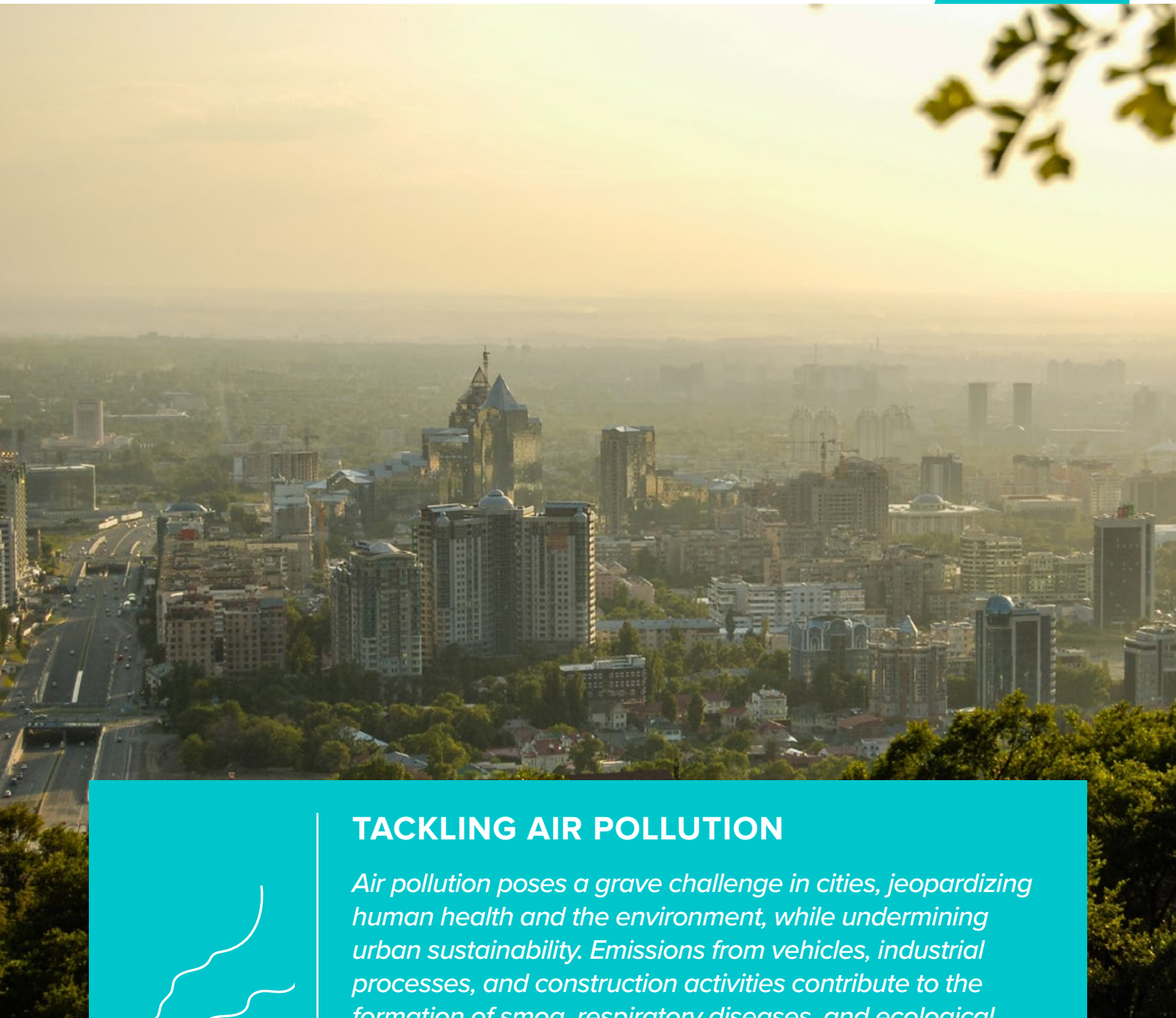
Through active citizen participation, Kutaisi successfully identified a common challenge facing the city: The need to improve the quality of the living environment. This participatory process shed light on the limitations of traditional methods and made it evident that a comprehensive approach was necessary. It was from this realization that the vision of transforming Kutaisi into an Eco Smart City emerged. Citizen engagement was a pivotal element in shaping the municipality's future.

The introduction of the portfolio approach has triggered a fundamental shift in Kutaisi's problem-solving mindset. The city goes beyond surface-level issues; the municipal team dives deeper to uncover the root causes and seeks out targeted interventions. Priority is given to testing and piloting proposed solutions before full-scale implementation.

The portfolio approach has contributed significantly to the city's deeper understanding of the local context. It has enabled stakeholders to connect the dots between various initiatives, developments, and the people they impact, resulting in a clearer future roadmap. This holistic perspective has allowed Kutaisi to view municipalities as dynamic systems, thus facilitating a more comprehensive understanding of the intricate local landscape.



Almaty, Kazakhstan



TACKLING AIR POLLUTION



Air pollution poses a grave challenge in cities, jeopardizing human health and the environment, while undermining urban sustainability. Emissions from vehicles, industrial processes, and construction activities contribute to the formation of smog, respiratory diseases, and ecological degradation. Additionally, these emissions incur substantial economic costs due to healthcare expenditures and reduced workforce productivity. As populations grow and urbanization intensifies, managing air quality is becoming increasingly vital to ensure a healthier, more habitable urban future.

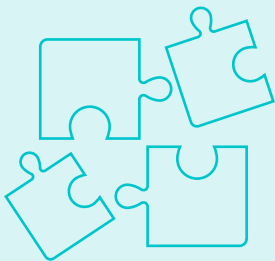


Almaty, Kazakhstan



From single interventions to holistic & dynamic experiments to improve air quality.

Challenge



Being Kazakhstan's central economic hub and its most densely populated region, Almaty plays a pivotal role in driving progress. It benefits from a significant budget, enjoys special legal status, and fosters a vibrant civil society. This combination of factors synergistically fuels infrastructural advancements and innovative policy initiatives around the country. However, a pressing concern is the escalating issue of air pollution in Almaty, which stands as a major obstacle to sustainable development. Air pollution has emerged as the foremost challenge in the city, posing a severe threat to both the environment and public health. In 2022, the World Bank projected that Kazakhstan would witness more than 10,000 annual premature deaths due to air pollution, incurring an economic toll exceeding \$10.5 billion per year.

During the first phase of the program, partners identified the lack of air quality data as the overarching problem in tackling air pollution in Almaty. The absence of dependable real-time data hinders precise assessments, analyses, and consequently, the formulation of evidence-based policies to combat air pollution in the city.

Intent



The Almaty portfolio aims to tackle the issue of poor air quality by employing a creative decision-making approach. Its primary goals involve identifying high-priority initiatives eligible for UNDP support and providing expertise and financial assistance to test out strategic directions capable of triggering widespread, systemic transformations. This portfolio is specifically dedicated to fostering a sustainable green economy, enhancing societal wellbeing with a special emphasis on a holistic community approach, and mobilizing additional resources via strategic partnerships.

Almaty, Kazakhstan

Portfolio journey



In the initial portfolio implementation, the team systematically analyzed various aspects of the challenge, recognizing the need for tailored solutions and unique approaches to effectively address the issue. This encompassed a range of activities, including grassroots initiatives. Three key areas of focus were identified:

1. Collaborative and Distributed Data Innovation
2. Collaborative and Distributed Governance
3. Collaborative and Distributed Financial Innovation

However, due to time constraints, that portfolio iteration served as a “trial run” for the methodology. It served to enhance skills and knowledge in preparation for a more thorough and comprehensive second iteration of the portfolio approach.

That second portfolio iteration comprises three key clusters:

1. Green urban development
2. Building a green economy
3. Improving health, with a focus on families and children

The success of the second phase design depends on aligning interventions with the ongoing efforts of the city, optimizing the synergies between interconnected options, and establishing enduring partnerships, alliances, and governance structures to ensure a sustained impact long after the portfolio interventions have been implemented.

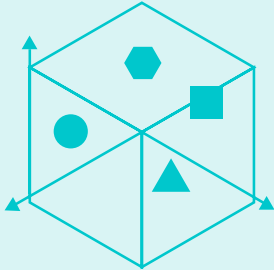
Portfolio objectives



Tackling air pollution to improve quality of urban life and wellbeing.

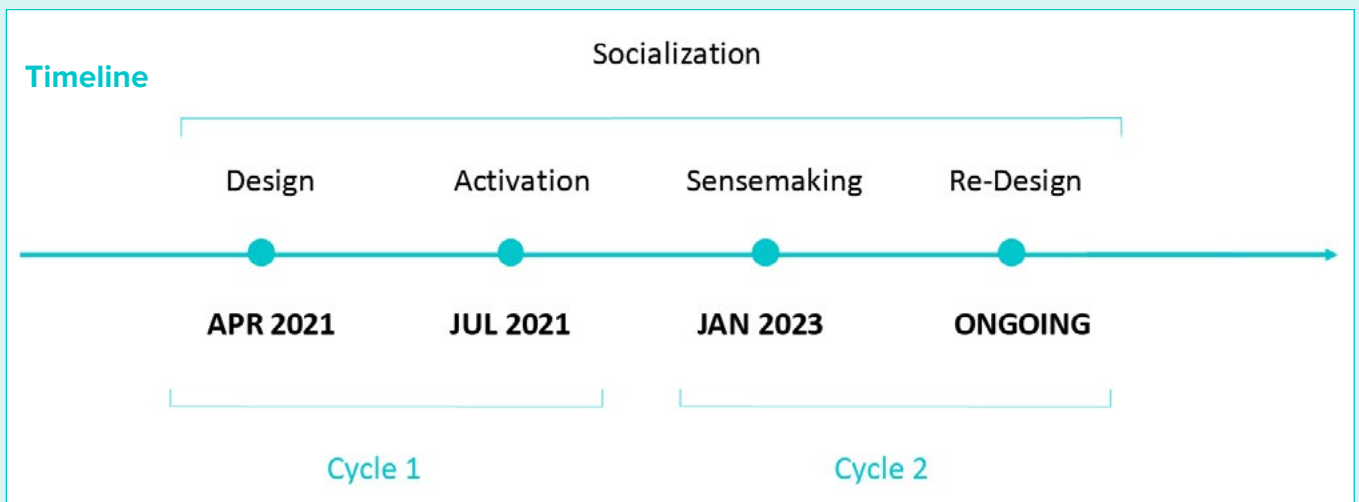
Almaty, Kazakhstan

Portfolio interventions



As part of the City Experiment Fund program, the team aims to provide the public and local authorities in Almaty with decision-making tools to accelerate sustainable development. They are developing solutions that target different aspects of the air pollution problem in Almaty by using a holistic portfolio approach based on cutting-edge technology.

- Strategically leveraging grassroots initiatives by generating data, narratives and stories that highlight the health and economic consequences of local air pollution in order to shift the perception that air pollution is exclusively an environmental issue.
- Improving data monitoring, fostering collaboration, and nurturing trust between civic, industrial, and governmental actors to bridge the gap between ideas and implementation.
- Strengthening regulatory incentive frameworks to encourage compliance with existing regulations, while also incentivizing new alternative sectors and industries for a more sustainable and greener economy.



Socialization: Informing and engaging stakeholders on different levels of city systems, including citizens and public/private/third sectors. Acquiring information and experiences, engaging in co-creation, building strategic partnerships for implementation and mutual ownership on city transformation.

Design: Framing the problem and determining portfolio intent and effects. Identification of systemic entry points and application of systems thinking to create a first set of interventions for Activation.

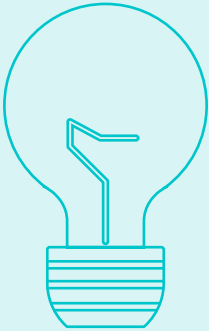
Activation: Moving from Design to implementation phase interventions. Includes budgeting, procurement, contracting, partnership building, as well as implementation and capturing interventions key learnings.

Sensemaking: Collectively reflecting and making sense of what has happened during Activation. Building insights and actionable intelligence on how to re-design the portfolio.

Re-design: Utilizing insights and intelligence from Sensemaking to adapt the portfolio on intervention, systemic entry points and even intent level so that the portfolio stays relevant in the changing context but also keeps producing new solutions to the complex challenges.

Almaty, Kazakhstan

Key learnings



The adoption of the portfolio approach has cultivated a more open and creative mindset, inspiring an innovative approach to data collection. This shift has enabled stakeholders to cast a wider net, encompassing a larger target audience, including vulnerable groups such as school-age children, resulting in an improvement in data collection strategies.

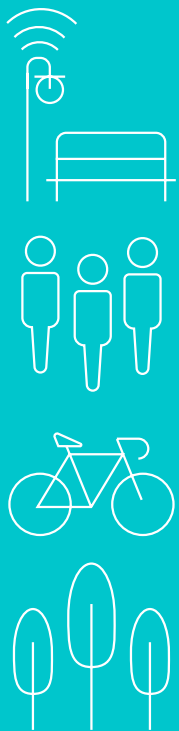
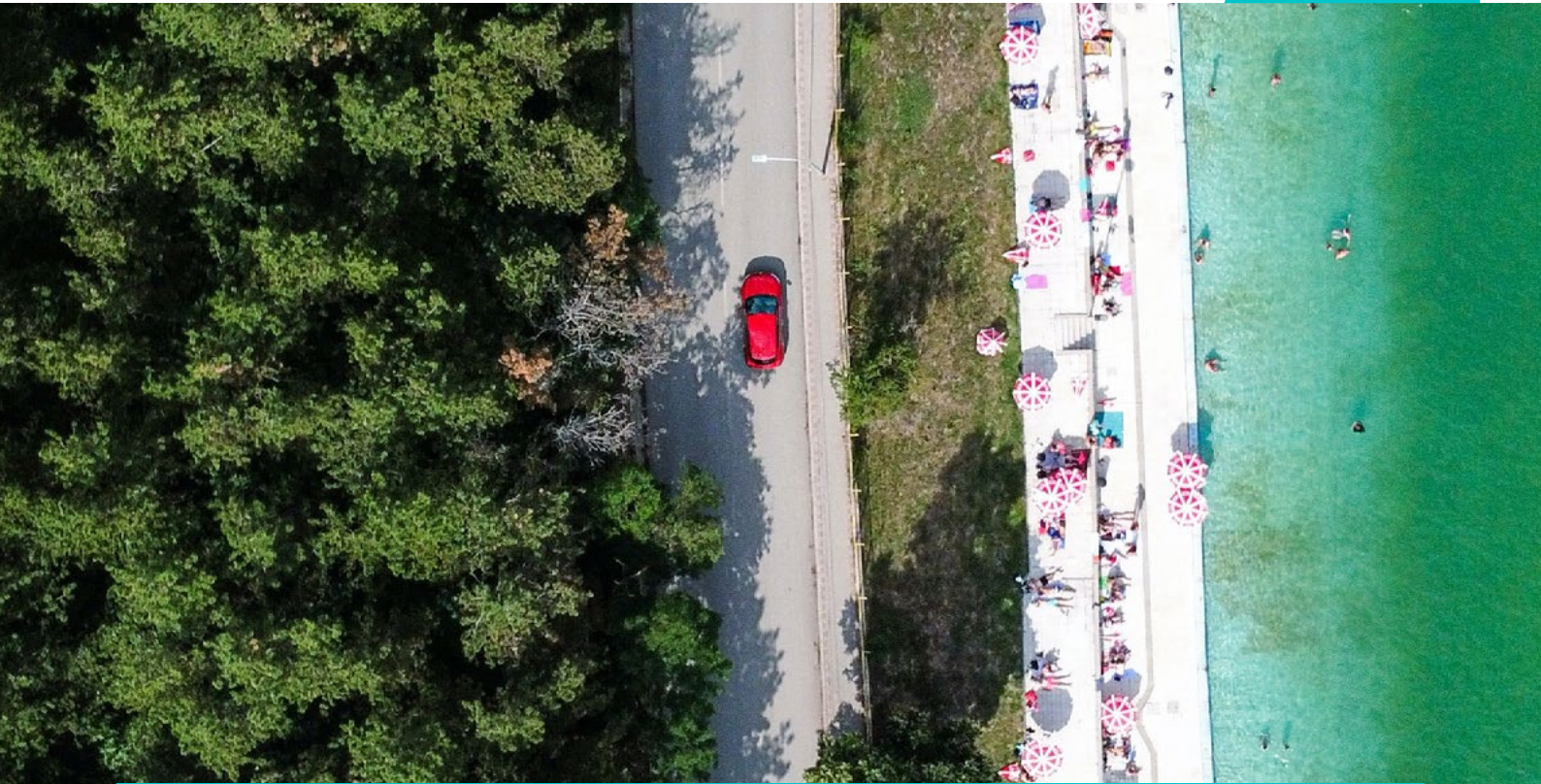
The portfolio approach also encouraged a broader perspective and a prudent approach to testing new solutions prior to their full implementation. This newfound approach emphasizes a more thorough process of solution selection.

Through the portfolio approach, Almaty actively engaged with new civil society organizations on the ground. Additionally, the municipality has integrated gender and inclusion perspectives into its initiatives, fostering a more holistic and inclusive approach





Pristina, Kosovo



IMPROVING URBAN LIVABILITY

Urban growth can bring to light both advantages and challenges in cities. As populations grow, the strain on resources and services intensifies, exacerbating issues like overcrowding, pollution, and unequal access to opportunities. Barriers like inadequate housing and infrastructure, traffic congestion, and limited public transport and walkability hinder residents from experiencing a high quality of life and stifle sustainable economic development and growth.

To leverage the advantages of urban density while mitigating its downsides, cities can prioritize community-driven developments. This approach aims to foster sustainable growth, vibrant neighborhoods, and robust urban ecosystems by engaging residents in inclusive decision-making processes.

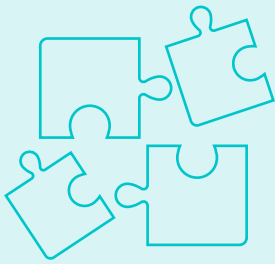


Pristina, Kosovo



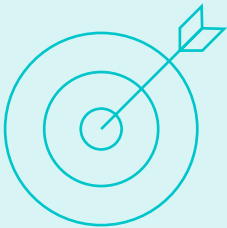
From urbanization challenges to creating livable conditions through community engagement.

Challenge



Pristina, the largest city in Kosovo, has experienced a period of rapid urbanization, resulting in a range of multifaceted challenges related to infrastructure, services and environmental impact. The city grapples with issues such as poor waste management, persistent traffic congestion, a lack of green spaces, and a noticeable absence of robust community engagement. These challenges not only make it difficult for residents to enjoy a high quality of life but also pose significant barriers to economic development and growth.

Intent



To address the issues resulting from rapid urbanization, the city is focusing on a portfolio that creates livable and sustainable neighborhoods through inclusive decision-making. The prioritized interventions tackle the convergence of climate adaptation, urban revitalization, and transportation by using iterative community engagement processes. These processes are designed to ensure that the interventions align with the needs of citizens before advancing to the scaling phase.

Portfolio journey



With the Municipality of Pristina, UNDP engaged in community listening, sensemaking and collaboration with community members, local organizations, businesses, NGOs and other relevant stakeholders. Through additional co-creation and co-design sessions with stakeholders, the first iteration of this people-powered portfolio is now focused on producing interventions that have emerged from the diverse community listening and engagement processes.

Portfolio objectives

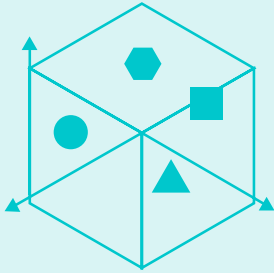


As a result of the collaborative effort, a few themes and areas relevant for the city were identified to improve urban livability in Pristina:

- Creating child-centered and gender inclusive public spaces
- Improving walkability and public transportation planning
- Tackle air pollution and waste management
- Foster culture and heritage

Pristina, Kosovo

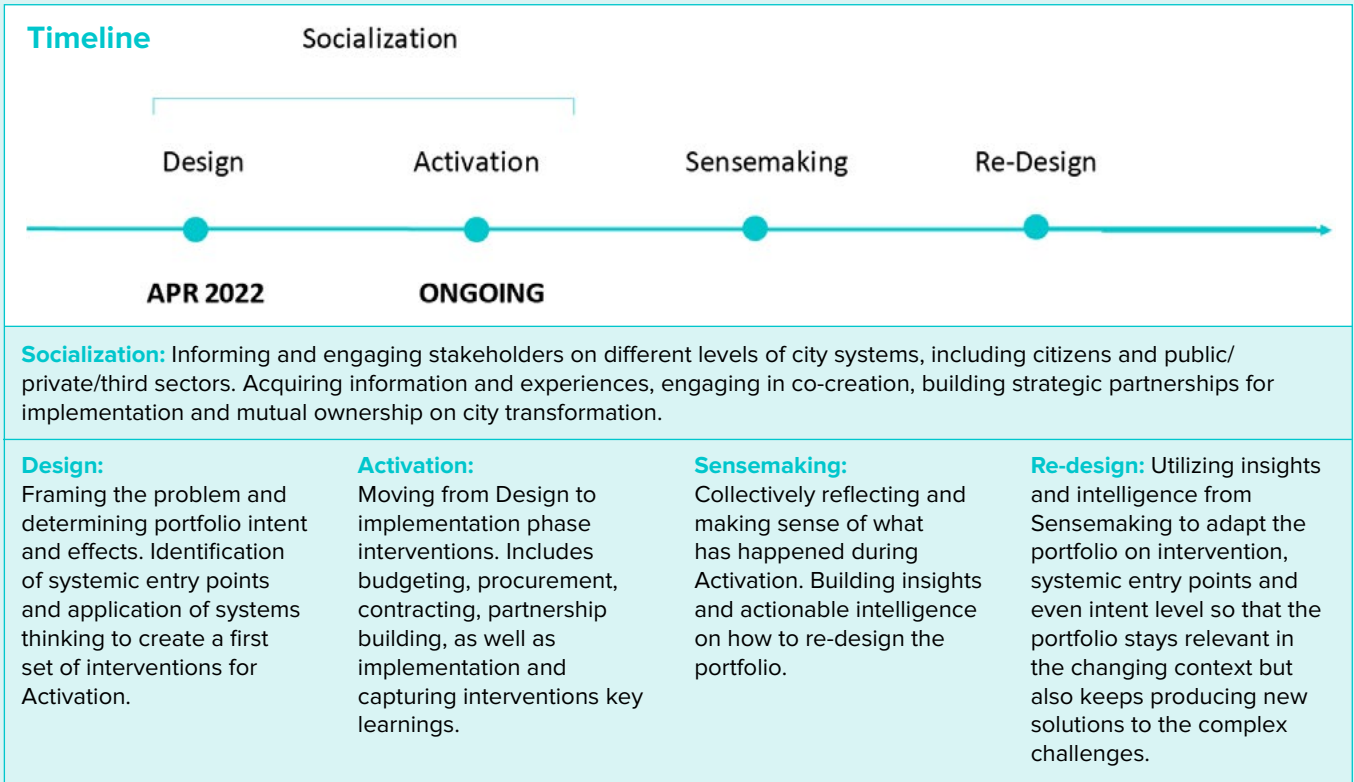
Portfolio interventions



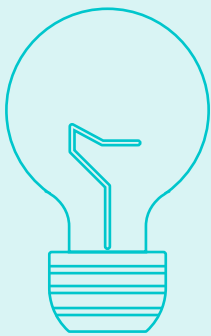
- Co-design age-friendly spots and public outdoor spaces for children and youth.
- Co-design relevant socializing areas for residents in a mid-scale urban block in Pristina.
- Develop permaculture initiatives to increase access to green spaces, improve air quality, and promote sustainable, healthy living.
- Develop an awareness-raising campaign on the harmful effects of air pollution and over consumption.
- Promote transit equity and reduce congestion in Pristina through creating a bus priority action plan.
- Leverage private sector capital and alternative finance mechanisms to fund development solutions, especially ones that uplift women, children, and the elderly.



Pristina, Kosovo



Key learnings



Dynamic and frequent interactions among various types of stakeholders played a pivotal role in Pristina’s collaborative efforts. Engaging in ongoing communication through calls, emails, and messages fostered a sense of broader participation in the entire process. This approach transcended individuals’ narrow responsibilities, making everyone feel like they had a more significant role in contributing to the overall progress.

While still in the phase of identifying areas requiring intervention, the portfolio approach itself enabled the municipality team to connect the dots between various needs and potential intervention opportunities. This process promotes a more holistic approach to selecting interventions, ones that can address multiple needs and align with the overarching vision.

The portfolio approach has had a profoundly positive impact on the mindset of stakeholders. Through active engagement and the solicitation of input from various interest groups and communities, it has empowered civil society groups and individuals, making them feel genuinely involved in the collective decision-making process. This inclusive approach has instilled a sense of agency among stakeholders and the belief they have the power to enact positive change.

Ceadîr-Lunga, Moldova

M4EG



ENERGY TRANSITION



The ongoing shift from fossil fuels to low-carbon energy sources is referred to as the energy transition. This transition necessitates a substantial structural transformation in an energy system, encompassing both supply and consumption aspects.

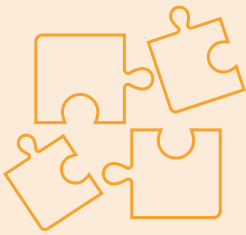


Ceadîr-Lunga, Moldova



From an import-based and extractive energy system to an independent, affordable and renewable energy infrastructure.

Challenge



Almost entirely dependent on energy imports from the Russian Federation, the city and its residents are facing soaring energy prices. This, combined with high unemployment, low income levels, and outdated energy efficiency standards, is exerting a significant financial strain on both residents and business, particularly in terms of rising transport, heating and electricity expenses.

Intent



The intent of the Energy Transition Portfolio is to pave the way for innovative approaches that align with the municipality's strategy to address rising energy costs and transition towards an affordable, renewable-based energy proposition. The portfolio has provided strategic learning opportunities and created new avenues for diversifying energy sources, enhancing energy self-sufficiency, and implementing affordable home-based interventions at the local level.

Portfolio journey



With a specific focus on low-income and vulnerable households, the municipality aimed to identify and collaborate with early adopters and first-movers to generate network effects by demonstrating real and tangible benefits and feasibility to the citizens.

The team's learning throughout the process included the capacity to address any issue holistically to ensure both success and sustainability. This entailed reflecting on the project activities, seeking assistance from colleagues, and recognizing the need to engage the population more often, as the city's problems are primarily experienced by its residents on a daily basis.

Portfolio objectives

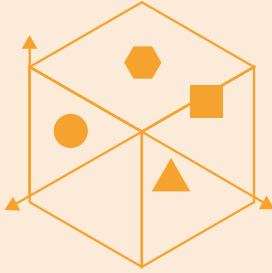


- Inclusive and sustainable energy future.
- Holistic approach towards the "home" as a key agent of the Energy Transition.
- Relief and inclusion of low-income households.

Ceadîr-Lunga, Moldova

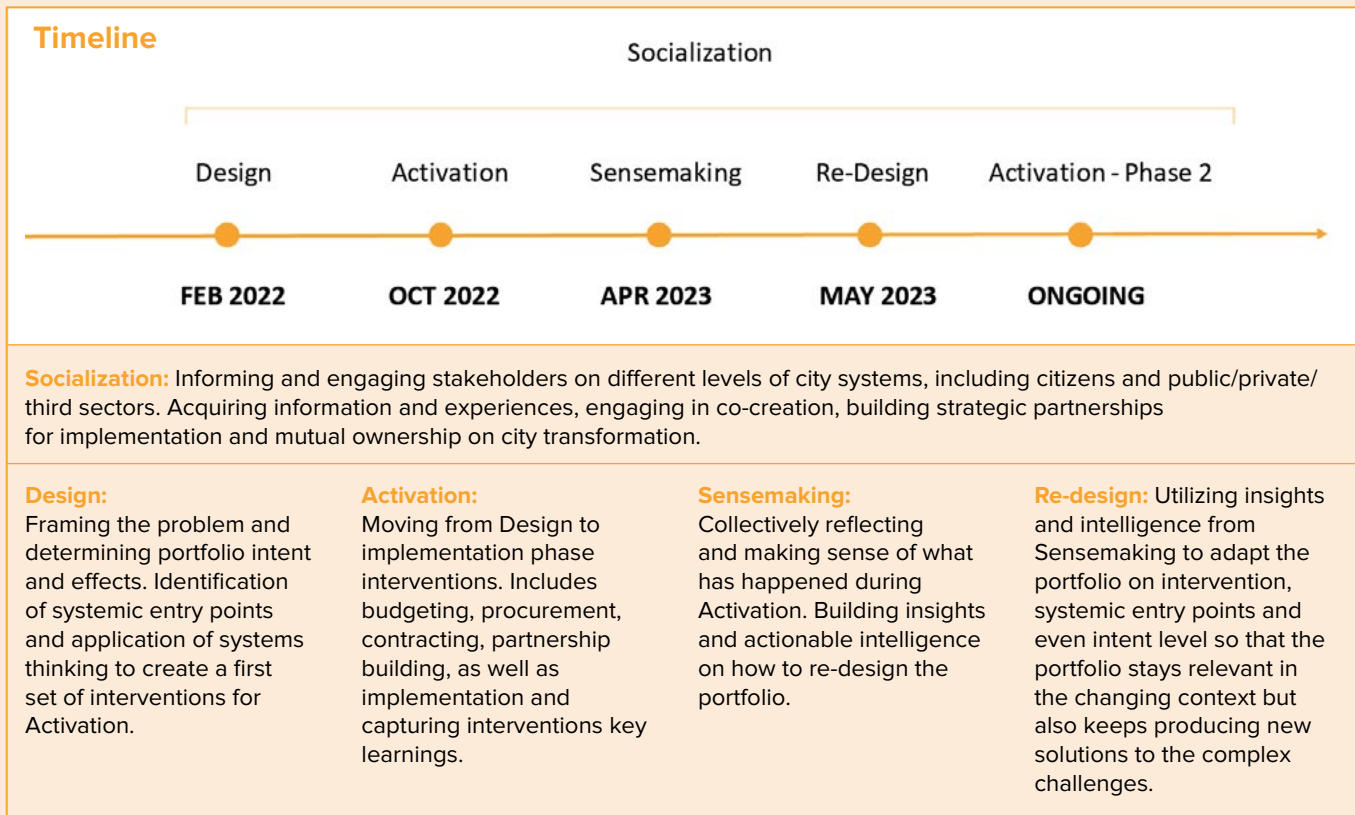
Portfolio interventions

Based on these objectives, the following portfolio strategic positions and interconnected interventions were developed:

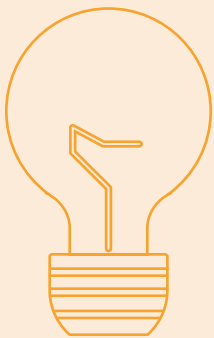


- **Smart green lights:** Modernize the city’s street lighting system through software-based automation.
- **An awareness campaign on energy savviness:** Launch an information campaign to highlight energy solutions and habits, with the goal of converting consumers into prosumers. Encourage the local population to adopt energy-efficient practices and provide LED light bulbs to energy-vulnerable households.
- **Energy Transition Fund:** Create a tool to support socially disadvantaged individuals and households by setting up a fund sourced from savings generated by solar-powered street lighting, insulated kindergartens, solar-powered heating, and automated street lighting.
- **Kindergarten transformation:** Promote energy efficiency principles by implementing real-life examples of effective transitions in participating kindergartens. These kindergartens will undergo training and energy audits. The wall insulation and roof renovation will offer up to 70% savings, while serving as a showcase for innovative practices in the city.
- **My Local Expert:** Train existing experts in the field of green energy through organizing training courses and knowledge exchange with professionals from other cities and countries.
- **Energy X-ray:** Enable residential buildings to explore with energy-efficient solutions through energy audits and expert advice.
- **Employee training:** Provide training to city hall employees in the field of green energy and organize study visits to other municipalities to learn from successful energy transition experiences.
- **Investment promotion:** Develop a comprehensive document to boost the potential for attracting new investments into city projects. Additionally, establish an Investment Forum to connect with stakeholders and share this investment ‘menu’ to facilitate collaboration and funding opportunities.

Ceadîr-Lunga, Moldova



Key learnings



The process has resulted in a substantial improvement of Ceadîr-Lunga's relationships with involved stakeholders. This transformation is the result of a shared vision that unites all those involved in collaborative efforts and resource utilization.

The portfolio approach has proven to be a catalyst in identifying and solving the city's challenges. It has empowered the municipality to explore new and innovative methods for achieving greater impact and long-term sustainability, demonstrating the transformative power of this approach in addressing complex urban issues.

One of the most remarkable benefits observed throughout the portfolio journey has been a profound change in mindset. In Ceadîr-Lunga, this shift is certainly the portfolio approach's most significant outcome. This change in perspective has been instrumental in driving meaningful change and fostering a more flexible and innovative approach to municipal development.

The partnership between UNDP and the municipality of Ceadîr-Lunga has played a pivotal role in establishing collaborations with entities like the Polish Challenge Fund (PCF). The partnership has facilitated access to critical funding, serving as yet another testament to the portfolio's ability to attract external partners.



Pljevlja, Montenegro



CENTERING A GREEN AND JUST TRANSITION ON INCLUSIVE RENEWAL

Industrial development and the inevitable use of fossil fuels have taken a significant toll on the environment. An immediate and radical transition to a green and sustainable economy is required, characterized by reduced reliance on fossil fuels, and executed in a modern manner that seamlessly integrates and connects various renewable initiatives.

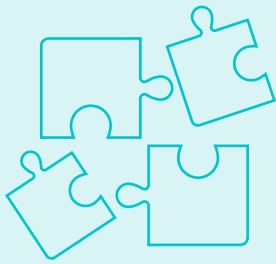
Such a transition must be just, and act as a driver of economic growth, with the potential to create millions of green jobs. Furthermore, implemented interventions should be carried out in accordance with people's needs, without harming the environment.



Pljevlja, Montenegro



From air pollution to employment opportunities and a dynamic coalition of local changemakers.

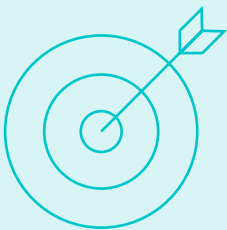


Challenge

Located in the northern coal-rich region, Pljevlja is home to a major coal mine and the country's only thermal power plant. The heavy reliance on coal has resulted in severe pollution levels, ranking Pljevlja the most polluted city in Montenegro and one of Europe's top 10 most polluted cities. Furthermore, the overreliance of the economy on the coal industry means that there are few other opportunities. The city is also grappling with a declining population, especially among the youth. Unemployment, a pressing concern, stands at 25% overall, with 60% of them being women.

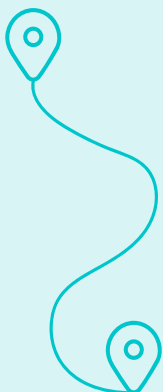
The team is looking for ways to protect the local environment and work with local and national stakeholders to ensure inclusive renewal in Pljevlja, centered around green and just transition.

Intent



Despite these challenges, Pljevlja holds promising potential in agriculture, wood processing, and tourism. The priority is the inclusive socio-economic renewal of Pljevlja based on the guiding principles of inclusivity and sustainability. The municipality leverages human-centered design, innovation and digitalization, while addressing gender equality and youth empowerment, to identify inventive solutions that reinforce trust and transparency within the just transition process, while also diversifying the local economy with resilient and future-proof employment opportunities.

Portfolio journey



Once the team started conducting interviews with 80+ stakeholders as part of the first-ever National Dialogue on Just Transition, the focus shifted from addressing surface-level challenges (the problem of air pollution) to delving into the heart of the matter. It became evident that the root issue lay in the lack of green employment opportunities within the local job market, especially for young professionals and women who often face professional challenges in the industrial economic zones. This led to strong partnerships with local and national stakeholders and a portfolio redesign following the sensemaking exercise.

Pljevlja, Montenegro

The new areas of work include:

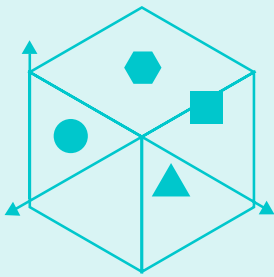
- Building trust in the just transition process
- Deploying participatory approaches
- Cultivating individual talent and entrepreneurship
- Transforming economic development
- Empowering women and youth to participate in both public discourse and economic diversification processes



Portfolio objectives

Diversify future-proof work opportunities in the transition to a green and climate-neutral economy.

Portfolio interventions

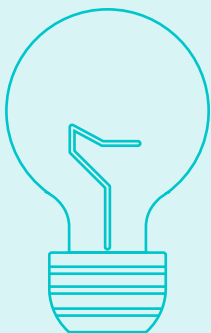


- **Establish a multi-functional co-creation hub** to serve as a space for empowering youth, women and remote workers through knowledge sharing, skill exchanges, start-up projects, community engagement, and more.
- **Co-host the Fourth Summer School on Engineering and Innovation**, along with a youth summer school/camp, nurturing engineering talent and innovation.
- **Established the National Just Transition Working Group**, with support from national and local administrations, civil society organizations, the private and public sector, international development organizations, academia and media.
- **Conduct a comprehensive socio-economic assessment** of the Pljevlja coal region, organize a conference with stakeholders to present the analysis, gather inputs, and initiate a Just Transition Roadmap.
- **Conduct an in-depth study on women and youth** to identify their specific needs, challenges and opportunities in Pljevlja.
- **Promote portfolio options** to help shape a new identity for the city.

Pljevlja, Montenegro



Key learnings



Using portfolios has had a profound impact on enhancing the local government's capacity, primarily by fostering more active communication with the nonprofit sector and citizens. The portfolio approach has also positively impacted the municipality's ability to expand outreach and engagement with various stakeholders.

Using Deep Listening during the inception phase has proven to be an immensely powerful tool. This technique has uncovered diverse facets of the communities Pljevlja works with or aspires to work with, enabling the municipality to adopt a fresh human-centered perspective. The portfolio approach has demonstrated its transformative potential in understanding and engaging with communities effectively.

Through the teams' commitment and active engagement, every available opportunity has been leveraged to create synergies with each portfolio intervention in Pljevlja. This approach has transformed reflections and portfolio design processes into tangible options that have been effectively implemented and embraced by local counterparts.



Skopje, North Macedonia

CEF



IMPLEMENTING BIOWASTE MANAGEMENT SYSTEMS



Effective biowaste management plays a vital role in mitigating greenhouse gas emissions that arise when improperly handled. Moreover, it also transforms this waste into valuable resources, notably green energy and fertilizer.

By highlighting biowaste as a valuable resource, capable of galvanizing collaboration among the public, private and civil society sectors, it helped test the possibility of creating a circular ecosystem centered around biowaste – with high-value products and a collective identity.

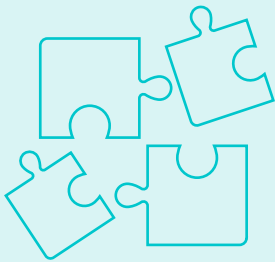


Skopje, North Macedonia



From green transition to biowaste as a force for green local economic development.

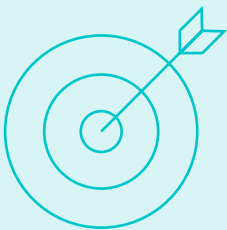
Challenge



The UNDP North Macedonia Accelerator Labs team led the charge by experimenting with the emergence of technologies, assessing how to transform biowaste into valuable products, thereby redefining biowaste as a resource rather than waste. The team's goal was to explore if waste transformation could become a dynamic sector of economic activity, generating demand for new professional roles and future skills. The challenge at hand was to mobilize different stakeholders around the unrecognized value of biowaste and empower them to lead the transformation of Skopje's waste ecosystem.

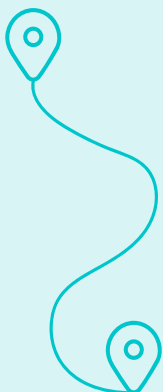
Intent

While tackling the issue of biowaste is a significant urban challenge, UNDP North Macedonia made a deliberate choice to prioritize the main purpose of the portfolio: To learn and develop a proposal to engage the city. Consequently, they intentionally focused on using biowaste to create local opportunities — a relatively uncharted territory fraught with uncertainties and potential for learning.



Portfolio journey

Initially, the team considered developing portfolios that would tackle challenges within Skopje's transportation and mobility ecosystem or those encountered in specific parts of the city, such as Shuto Orizari, one of the poorest regions of the city, and the Old Turkish Bazar, a historic quarter and a major tourist attraction. However, after numerous discussions, interviews, and co-creation sessions, the team realized that these ecosystems were not the best fit for the experiment, due to the many different stakeholders involved and limited geographical scope.



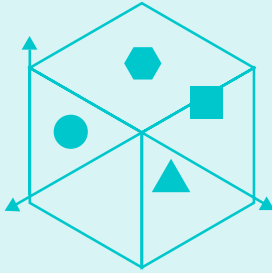
Instead, during the exploration of the city's waste ecosystem, the team recognized its significant potential to generate new jobs, improve environmental practices and serve as a testing ground for circular economy initiatives beyond conventional composting approaches. These efforts had the potential to benefit all of Skopje's neighborhoods and residents. Though Skopje's waste management ecosystem involves many stakeholders, little has been done to transform and improve the system. Therefore, it emerged as the perfect space to apply the portfolio approach.

Skopje, North Macedonia



Portfolio objectives

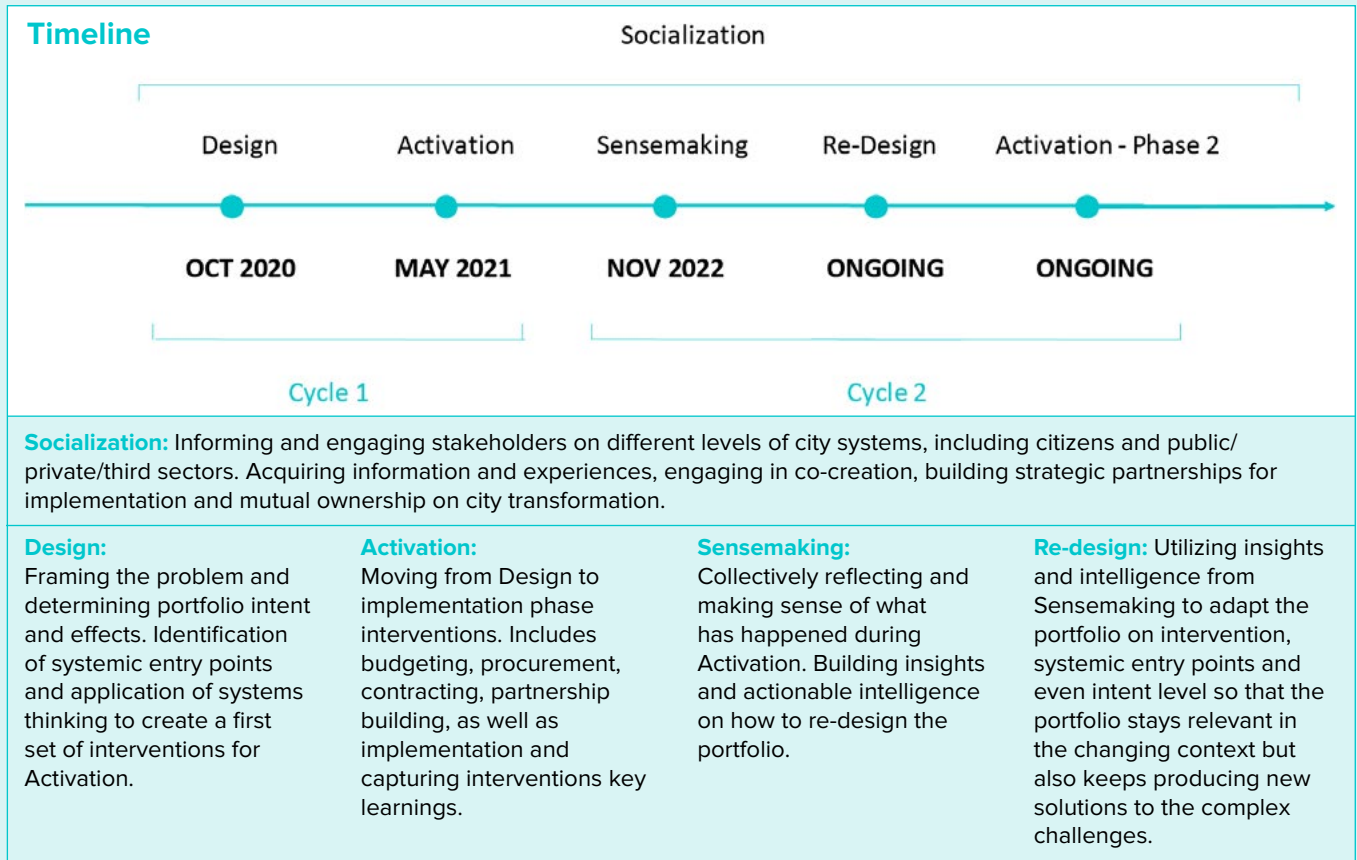
Reduce municipal biowaste and create opportunities for its recycling and other circular economy initiatives.



Portfolio interventions

- **Create a blueprint and open a biohacking lab.**
- **Map the European biowaste ecosystem**, including various clusters, startups and businesses, academic work and initiatives, resources/networks.
- **Feasibility study:** Conduct financial modeling to prove the financial viability of existing waste transformation prototypes (research on paprika, oregano, citrus, coffee and tea).
- **Research transformation paths for common by-products:** Coffee, tea, citrus.
- **Biotech equipment** for university specialist lab for waste transformation.
- **Create a waste database of Skopje**, as a business development resource available to entrepreneurs. Collect data on what waste is available, where, in what state.
- **Waste value index:** Examine the current body of research literature regarding approaches for assessing the relative value of various waste transformation methods. Subsequently, formulate a practical valuation methodology to aid entrepreneurs in evaluating and selecting waste transformation methods that enhance value addition.

Skopje, North Macedonia



Key learnings



The city's development trajectory presents abundant opportunities for innovation, but it also poses a significant challenge. The portfolio approach, closely linked with specialized expertise in the field, offered targeted problem-solving strategies. This approach provided a wide array of opportunities and methods for addressing specific issues.

In just six months, a dynamic learning portfolio was designed and implemented, featuring various options and activities to test the responsiveness of Skopje's complex city system over time. This process involved defining intent, developing hypotheses, and designing a portfolio of options while considering the strategic focus and objectives.

Adopting the portfolio approach enabled teams to explore research topics from multiple angles and perspectives. Tasks that required a broader outlook than traditional expertise in good governance, finance, and economic development could offer, benefited greatly from collaboration with experts from diverse domains. This collaborative approach facilitated a more comprehensive exploration of issues and created space for innovative thinking.

One key outcome of the portfolio journey is the launch of Bio-Hack My World (see case study), an open biohacking lab aimed at expanding expertise and capabilities in biowaste transformation within the city.

Case Study

Bio-Hack My World: Inspiring Solutions for a Greener World

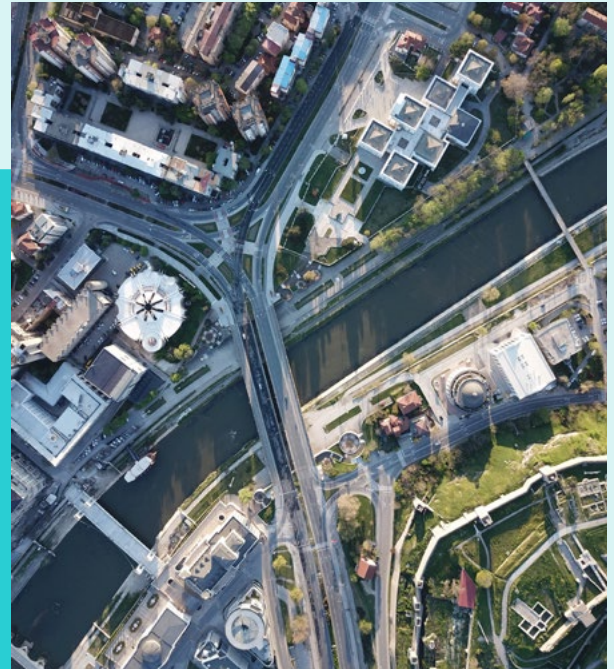
More about [Bio-hack My World](#).

This first biohacking laboratory has placed Skopje on the map of cities in Eastern Europe with a state-of-the-art, open, and innovative space. Thanks to the partnership between UNDP, UNICEF, and the City of Skopje, the lab was established to engage communities in creating durable solutions to the biowaste management challenges in North Macedonia.

[[Watch launch video here](#)]

Biowaste in North Macedonia accounts for 45.6% of municipal waste produced in the country. Most of that waste – almost 95+% – ends up in open landfills and dumpsites, emitting greenhouse gases, and contributing to a range of environmental challenges.

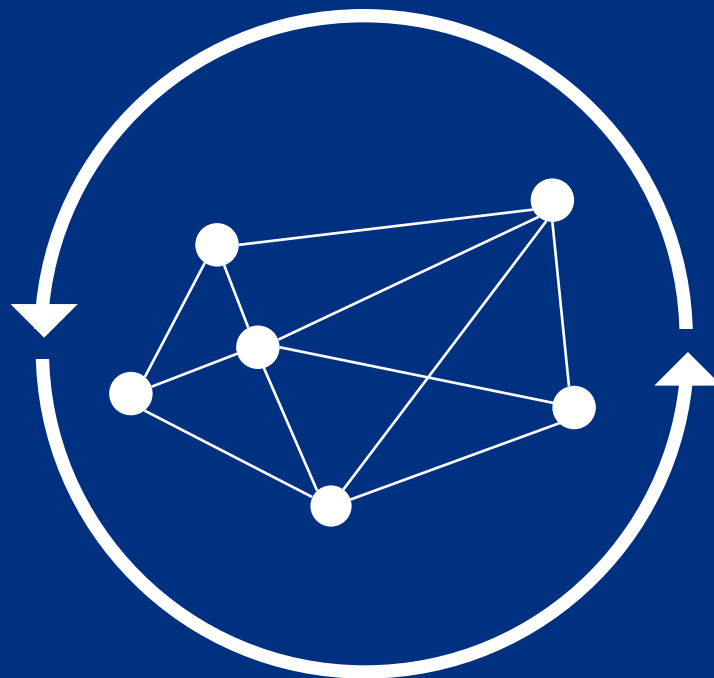
The lab uses biowaste as an entry point to foster innovation, education, and meaningful engagement of communities in finding solutions to the rising environmental challenges in the country. It also provides innovators, entrepreneurs, students, and teachers with the necessary equipment to tap into the potential of biowaste by experimenting, learning, and testing ideas and social innovations.



CONCLUSION

The adoption of portfolio approaches within municipalities has yielded a range of remarkable system effects, each contributing to a transformative landscape. These effects include the development of new capabilities, the establishment of dynamic partnerships and collaborations, enhanced financial resource mobilization, shifts in prevailing mindsets, adaptability, the ability to address complex challenges, and the incubation of innovative ideas, concepts, products, and projects. Portfolio strategies have a profound impact on the complex systems that municipalities have to face, thus fostering an environment that facilitates innovation, adaptability, and collaborative problem-solving.

In conclusion, the portfolio approach offers tangible benefits to municipalities that successfully implement it, including a more holistic and interconnected approach to problem-solving, increased funding opportunities, enhanced capabilities, and a transformation in mindset. While challenges exist, strategic planning and leadership can help cities overcome these hurdles and harness the full potential of this approach for their development.





CITY SNAPSHOTS booklet