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Statement

by

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at the

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Distinguished colleagues, ladies and gentlemen,

As we all know, in September 2015, world leaders came to the UN General Assembly and adopted the 2030 Agenda for Sustainable Development, along with its 17 Sustainable Development Goals (SDGs). In the UN Economic Commission for Europe (UNECE), the SDGs are our “guiding light” and we aim to assist our 56 member States to implement them. But governments and international organizations cannot do this alone. If we are to achieve the SDGs, we need the involvement of all stakeholders, including the private sector. And, given that the proportion of the human population living in cities is ever increasing, even reaching 70 to 80% in parts of the UNECE region, a significant focus of these SDG efforts must be cities. That is why I am very happy to be here today for this United Smart Cities Media Launch, and to talk with you about how we can effectively cooperate with the private sector in the context of cities and SDGs. I would like to share with you some of UNECE’s experiences in this area.

UNECE is a normative organization that develops technical standards, guidelines and best practices in many fields pertaining to economic development. One big focus area is our work Public Private Partnerships (PPPs). Substantial investments in infrastructure will be needed to achieve the SDGs. PPPs have a huge potential for mobilizing these investments, but they need to be set up and run carefully. Our goal is to help countries implement PPPs in a way that avoids losses and inefficiencies and provides the best possible results in terms of progressing towards the SDGs.

High quality infrastructure projects can directly eradicate poverty by ensuring access to public services, such as health, education, energy, water and sanitation. A further critical challenge is climate change. There is a need to promote investments in resilience, and to address the risks faced by all people, especially the economically and socially disadvantaged. Transitioning to smart cities will absolutely require PPPs. To tackle these concerns, we must adapt the traditional PPP model to the SDGs by placing

people at the core. PPPs must be implemented according to a broader set of holistic criteria and undertake projects that create ‘value for people’.

People-first PPP projects should:

- increase access to essential services, especially to vulnerable groups;
- have particularly strong economic effectiveness and transformational impact;
- be replicable;
- cut or significantly reduce CO2 emissions;
- make infrastructure more resilient; and,
- engage effectively with all stakeholders.

A set of guiding principles on people-first PPPs are being elaborated by UNECE in consultation with the wider UN family, governments, the private sector and civil society. We are also developing PPP standards in sectors such as water and sanitation, health policy, renewable energy, urban rail, roads and airports, to assist the engagement of public authorities with the private sector. These voluntary standards provide SDG-driven project models. They include good governance approaches and policy recommendations on risk allocation and financing. The focus is improving partnering capacity, accelerating projects and investments, and reducing transaction costs.

Preparing these standards, best practices, guiding principles and recommendations is only one aspect of our normative work in PPPs. We also provide capacity building and policy advisory services to our member States to support implementation. The goal is to continually develop the skills within governments, especially their PPP Units, to deliver pipelines of projects. There is currently an asymmetry of information and

expertise between the public and private sectors in PPPs. This has to be addressed by using innovative capacity building approaches. UNECE uses a 'learning', project-focused approach which involves the direct participants in the PPP process within governments. This helps improve legal and regulatory frameworks in order to better attract investments, and to identify the actual projects that could be developed as people-first PPPs.

As part of this work on making PPPs fit for purpose, we have also compiled a large list of success stories in People-First PPPs. These are available on our website. They show that amazing results are possible if the private and public sector partner effectively. I hope they can be inspiring to you.

Beyond PPPs, we partner with the private sector in many other areas of our mandate. For example, we also work on the intersection of cities and the private sector in the field of housing and land management. We compile, disseminate and exchange information and experiences on smart sustainable cities, including housing, urban development and land administration policies. In addition, we develop standards in the areas of smart sustainable cities, energy, environment and transport, and promote national frameworks for innovation in the member States, which are indispensable for the development of cities. We work with private sector experts in energy, environment, land use planning etc., as well as other stakeholders, through our Real Estate Markets Advisory Board. Thanks to the support of this Advisory Group, we develop a series of integrated studies on smart and sustainable urban development, with good practices from the UNECE Region and beyond.

The UNECE not only advises, but also supports the implementation of concrete smart sustainable city projects in cooperation with the private sector. This May, we are launching a demonstration project in cooperation with the Astana Innovation

Foundation and the private sector on building a smart city district in Astana. This experience is expected to be replicated elsewhere in Eastern Europe and Central Asia.

Smart cities are not only about building the infrastructure and delivering efficient public services over the internet. They are also about boosting innovative economic development. This will be driven by the public sector - not only as the vehicle that builds the infrastructure and the solutions to get smart cities going, but as the agent for change that builds on the momentum created by initiatives like Smart Astana. That is why smart cities should be part broader local economic development efforts that bring governments, business, and the community together. To do this right, cities need the ideas, means, and incentives to do governance differently. They need a flexible approach that lays down and clarifies ultimate objectives, but leaves sufficient room and incentive for the private sector to try out different, innovative solutions.

UNECE can help governments to use smart cities this way. Our expertise in reforming innovation policies and institutions can ensure that smart city initiatives catalyze innovation-led, sustainable economic development.

UNECE's work on trade facilitation and e-commerce will also be important in helping cities link up with the rest of the world. In the past, decisions which primarily impacted the private sector in business and cross border trade were made in the absence of the private sector. This created a public-private divide. Over the years, UNECE has played a key role in addressing this divide through the UN Centre for Trade Facilitation and Electronic Business, UN/CEFACT for short. Today, UN/CEFACT stands as a partnership of over 500 experts from both government and the private sector. Its deliverables are developed in partnership with the latter and many address urban matters. Examples include the Electronic Consignment Note (eCMR) used for all road transport, especially in the EU and urban areas, and the Data Pipeline which captures data earlier in the supply chain, ensuring better quality data for both public officials and private partners.

Furthermore, UN/CEFACT has played a substantial role in the function of PPPs for trade facilitation. Governments are now increasingly adopting policies that are more beneficial to the private sector when they implement trade facilitation. This is not only a large step towards bridging the gap between the public and private sector, but also leads to increased cross border trade.

UNECE standard-setting's work in the area of agricultural quality has also developed a well-functioning cooperation between the public and private sectors. In the UNECE, governments nominate not only public workers, but also representatives of the standard-using communities from the private sector to negotiate standards for the commercial quality of fresh fruit and vegetables, dry and dried produce, seed potatoes and cuts for meat. This way, the needs of the user communities, including the private sector, are well reflected in internationally agreed trade standards.

I hope I have been able to demonstrate some of the ways in which we can successfully engage with the private sector to support our efforts towards the SDGs. The 2030 Agenda acknowledges the private business activity as a major driver of productivity, inclusive economic growth and job creation, and calls for strong cooperation between all stakeholders, including with the private sector. UNECE is committed to supporting this goal.

Thank you for your attention.
