

PPP for **CITIES**

Specialist Centre
on PPP in Smart
and Sustainable Cities

Public private partnerships. A tool to help cities solve their urgent needs

Implementing the United Nations 2030 Agenda through effective, people-first Public-Private Partnerships

Geneva, 31 March 2016



PUBLIC PRIVATE PARTNERSHIPS. A TOOL TO HELP CITIES SOLVE THEIR URGENT NEEDS

In this panel, representatives of cities, private sector and international organizations will debate about how establishing effective partnerships that could help to solve these humanitarian crisis and how partnerships can tackle the achievement of Sustainable Development Goals.

Round table

Moderator: Eva Bufí. Executive Director PPP for Cities.

Speakers:

Gulnara Roll. Head of Housing and Land Management Unit. UNECE

Rafael Pérez. International Operations Director. FCC Aqualia

Stepan K. Tsapiuk Mayor of Oleksandriia and Irina Zapatrina Ukrainian PPP Center

Carlos Reyero. Deputy CFO Globalvia

Donovan Rypkema. President, Heritage Strategies International

PPPS. AFFORDABLE HOUSING IN REFUGEE CAMPS



Source. Huffingtonpost. IDP camp in the Somali capital Mogadishu



Source. Bettershelter.org. Karatepe transit camp, Mytilini (Lesvos)

Partners: Housing for All Foundation (IKEA Foundation), UNHCR, Bettershelter.org

Better Shelter is a social enterprise that develops and provides innovative housing solutions for persons displaced by armed conflicts and natural disasters.

Every dollar generated in profit is reinvested within the company or distributed to Better Shelter's philanthropic owner, the non-profit Housing for All Foundation.

PPPS. SOCIAL HOUSING AND URBANIZATION OF INFORMAL SETTLEMENTS



Moradia para as famílias
Renda para os trabalhadores
Desenvolvimento para o Brasil



Brazil. Programa Minha Casa Minha Vida: One of the main social programs of the government. It was created in 2009 with the objective of provide access to affordable housing to low income population. The program is managed with Caixa Econômica federal, responsible of the process of financing.

The public-private partnership aimed to reduce this deficit by facilitating credit and financing construction and mobilize construction sector.

“Minha Casa, Minha Vida” is a program that basically gives access to credit, both for future occupants and for developers of social housing. Among the elements presented in these projects are high subsidies, the guarantee of funds (in case of default), a central database, and, particularly important in the Brazilian context, tax incentives.

Problems:

- Favored families that earned three times the minimum wage or more, after the first and second stages of the program, only 40 to 45 percent of all contracts were assigned to the poorest families.
- Concerns of the quality and location of houses to poorest people
- Corruption

PPPS. SOCIAL HOUSING AND URBANIZATION OF DEPRESSED NEIGHBOURHOODS



REGENT PARK NORTH

Canada. Regent Park, Toronto, Ontario

- **Culturally diverse neighbourhood** located in downtown Toronto that is populated mostly by immigrants. **One of the poorest in Canada.** Constructed over 50 years ago under the federal government's public housing programs.
- The redevelopment will demolish and replace the existing RGI units. Additional 3,300 mixed income market units. 300 of the units will be affordable home ownership opportunities
- Construction of new streets, large new parks , and a full mix of education, culture and other service facilities.
- As owners of the real estate, **TCHC decided it was best to develop the land with a private sector partner to get maximum value for the property as opposed to selling off the underdeveloped land at low market price.**
- **Competitive selection process** to help with the design, financing and construction of the project. **Winner: The Daniels Corporation** as the developer-builder for the first phase with option to continue on good performance clauses

- **1995** - Tenants approach Toronto Community Housing about Revitalization
- **2003** - City Council approves the Revitalization of Regent Park
- **2006** - Toronto Community Housing selects Daniels as development partner after public RFP process
- **2007** - City Council passes Social Development Plan, developed with residents
- **2009** - Phase 2 construction begins
- **2012** - Phase 1 completed
- **2014** - Phase 3 construction begins
- **2017** - Phase 2 completed (estimated)
- **2019** - Phase 3 completed (estimated)

PPPS. SOCIAL HOUSING AND URBANIZATION OF DEPRESSED NEIGHBOURHOODS



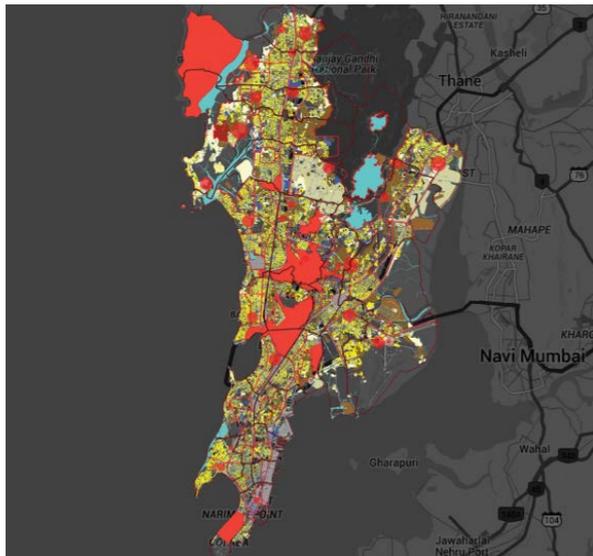
Funding.

- Use profits from the sale of some 3,000 market condominiums to help pay for the replacement of 2,083 new social housing units and contribute toward the construction of 700 new affordable rental units

- Additional public funding:

1. \$19.5 million from the governments of Ontario and Canada in Affordable Housing Program funding
2. \$3.3 million in Infrastructure Stimulus Funding for the Children and Youth Hub from the province of Ontario
3. \$24 million in Infrastructure Stimulus Funding for the Regent Park Arts and Cultural Centre from the governments of Ontario and Canada
4. \$11.7 million over 20 years for Provincial Affordability Payments to service debt incurred from the construction of the new affordable rental units
5. \$62.6 million by the City of Toronto to pay for most of the city community facilities and the City's 60 per cent share of municipal infrastructure
6. \$5.1 million from the governments of Ontario and Canada in Affordable Home Ownership Program funding.

PPPS. SLUMS UPGRADING AND URBAN REGENERATION



India. Mumbai First.

- Original concept of 'Mumbai First' in 1994 from a seminar on "Mumbai: The Emerging Global Financial Centre"
- Mumbai Drawing inspiration from London First which assumed the role of **facilitating the restructuring of London through various Public Private Partnership initiatives**
- Mumbai First was incorporated as a **private not-for profit in the 1995 as a think tank for the city and to assume a more specific role in fostering partnerships between various major stakeholders.**
- Mission: researching, catalyzing, advocating and networking. **Today, it is one of the most successful examples of Public Private Partnership involving big business houses, financial institutions as well as NGOs and government bodies**

PPP FOR CITIES



International Centre of Excellence

The United Nations Economic Commission for Europe (UNECE) is one of the United Nations' five regional commissions. Its main goal is to promote pan-European economic integration among 56 countries in Europe, Asia and North America through dialogue and cooperation.

The goal of the International PPP Centre of Excellence (ICoE) is to serve as an international benchmark and leader in the development of PPP good practices and standards. UNECE has a United Nations mandate to expand and develop the program and to work with other international organizations such as the World Bank, the EIB and the ADB, among others.

The mission of the Specialist Centres (SCs) is to become global benchmarks in specific sectors. Their tasks include compiling practical case studies in PPP projects, drawing up standards and guides to good practices, and providing consulting and training to public administrations all over the world.

PPP FOR CITIES

Goals

According to the United Nations, some of the main objectives of the PPP for Cities are:

- Identifying and disseminating good practices internationally
- Creating spaces of debate among companies, administrations and experts from all over the world on specific topics
- Creating guidelines and standards
- Helping cities develop public-private partnership projects
- Conducting research
- Capacity building programs and helping cities to develop their strategies, especially in countries with less experience, and fostering the exchange of knowledge with cities with more experience in PPPs
- Providing specialized training in PPPs

Work should be done under the **Sustainable Development Goals**, mainly **11th “Make cities and human settlements inclusive, safe, resilient and sustainable”** and **17th “Revitalize the global partnership for sustainable development”**

PPP FOR CITIES,
AN INTERNATIONAL
PARTNERSHIP
PLATFORM
BETWEEN THE
PUBLIC AND
PRIVATE SECTOR



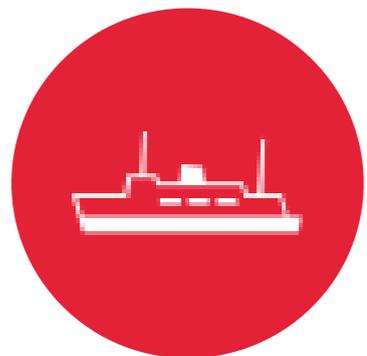
**OUR VISION OF A SMART AND SUSTAINABLE CITY.
THE IMPORTANCE OF GOVERNANCE AND PPPS**

CONDITIONS FOR CITY PROSPERITY



IESE CITIES IN MOTION
Urban development model

OUR VISION OF A SSC. THE IMPORTANCE OF GOVERNANCE



Cities need Smart **GOVERNANCE**:

Strategic Planning
Systemic view of the city
Modern management practices
Open and transparent
Innovative business models
and
Public Private Partnership



PPPS IN SMART, SUSTAINABLE AND RESILIENT CITIES

Key Issues

- Governance
- Financing
 - Lower dimension of projects (investment and revenues)
 - Need of innovative models
 - Use of value of land and taxes as a financing instrument
- Citizenship participation.
 - Need of considering citizens as another agent in the equation
- Sustainability
 - Need of efficient use of resources



PPP FOR CITIES ACTIVITIES

PPP FOR CITIES ACTIVITIES

SURVEY. PPP PRACTICE AND KNOWLEDGE IN CITIES

WORKING GROUPS

Financing instruments in cities

Mobility and logistics in cities

Technological transformation of cities

Water

Governance and contract management

FORUMS, SEMINARS AND CONFERENCES

PPPs in the Mediterranean. June 2016

PPP Americas. Fomin. June 2016

II International Conference PPP for Cities. November 2016

CAPACITY BUILDING PROGRAMS

Thanks for your attention

PPP for Cities, an International platform of collaboration between
públic and private sector in cities arena

PPP for
CITIES

Specialist Centre
on PPP in Smart
and Sustainable Cities



Public-Private Sector
Research Center



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