Innovative Financing & Evidence-based Policy-making for Sustainable Urban Development in Belarus

Minsk Round Table
December 10, 2019

Pedro Neves
UNECE _ Member of the Business Advisory Board
Global Solutions _ Founder and CEO

Global Goals are Global Challenges that require Global Solutions
This Agenda is a plan of action for people, planet and prosperity.

We are determined to take the bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path.

As we embark on this collective journey, we pledge that no one will be left behind.

They are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental.
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SDGs a New Development Paradigm
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SDGs a New Development Paradigm

Development

- Economic Growth
- Social Cohesion
- Planet Protection

Sustainable Development
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SDGs a New Development Paradigm

Development
- Economic Growth
- Social Cohesion
- Planet Protection

Sustainable Development
- People
- Planet
- Prosperity

SD the Game

The Rules of the Game
- Peace, Justice & Strong Institutions

The Players of the Game
- Partnerships

SDGs

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Tools to Implement Smart and Sustainable Cities

- Needs
- Ideas
- Projects

- Cities
- Nations
- Countries

- VISION
- STRATEGY

- Equity
- Debt
- Business

- Developers
- Investors
- Lenders

- DYNAMICS
- INNOVATION

SDGs
2) RETURN TO THE PRESENT

1) VISION THE FUTURE

AS IS

TO BE
2) RETURN TO THE PRESENT

1) VISION THE FUTURE

AS
IS

TO
BE

PIPELINE OF INVESTABLE PROJECTS
#2 _ agriculture
#3 _ health / #4 _ education
#6 _ water / #7 _ energy
#9 _ mobility
#11 _ cities _ real estate
#12 _ industry

3) define priorities
implement strategies to achieve the SDGs
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Tools to Implement Smart and Sustainable Cities

- Real Estate
  - Housing, Services & Retail
- Industry & Logistics
- Agriculture, Mining, Oil and Gas
- Social Infrastructure
  - health
  - education
  - safety
  - culture & sports
  - public administration
- 4 Season Pizza
- Urban & Regional Development
- Social Infrastructure
- Utilities
  - energy
  - water
  - communications
  - gas
  - solid waste
- Mobility
  - roads
  - rail
  - airport
  - port

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Tools to Implement Smart and Sustainable Cities

1G Master Planning : Zoning and Capacity Building
2G Economic Prosperity
3G Social Cohesion
4G Planet Protection
4G Master Plan

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Tools to Implement Smart and Sustainable Cities

J Curve _ Cash Flow Curve

Cash Burn phase

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Why SDGs contribute to Innovative Financing?

www.oecd.org/cpi/

BLENDED FINANCE

STRATEGIC PUBLIC INVESTMENT

PRIVATE INVESTMENT MOBILISED

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Saw Curve

Structuring Multiple “J” Curves
Aligning (+) and (-) projects
Generating a Sustainable City & Nation
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Tools to Implement Smart and Sustainable Cities

End User
= People Agenda
  Planet Agenda

Development
EPC + OM

SPV
Special Purpose Vehicle

Capital
Equity & Debt

Government
Central & Local

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Tools to Implement Smart and Sustainable Cities

Multiple Types of Public-Private Partnership

In: The Canadian Council for Public-Private Partnerships.

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People-first PPP Case Studies
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People-first PPP Case Studies

Public Strategy | Private Dynamics

STATE

Education
Health
Security
Justice

Market
Real Estate

ENTREPRENEURIAL STATE

State economic range of intervention
Private economic range of intervention

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People-first PPP Case Studies

- Residential: 1,240,000 sqm
- Offices: 610,000 sqm
- Retail: 170,000 sqm
- Others: 300,000 sqm
- Total: 2,320,000 sqm

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People-first PPP Case Studies

Central Government


Public Entity
BoD

PPP Unit for Urban Development

Public Works financed by State

SPV international
SPV 1
SPV n

CSOs

Minister Of Finance

MoF Audit

Private Partner Developer
Private Partner Capital

SPV

Court of Auditors

Local Government

Urban Planning and Permits

Local Government

Urban Planning and Permits

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People-first PPP Case Studies

Implicit model

Explicit model

1 goal

1 goal

1 Public organization

1 Private SPV

JV % Public

JV % Private

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People-first PPP Case Studies

Private and Public Shareholders → KARIBU Mobility (Concessions) → GOVERNMENT KATANGA

- Signed Concession Contract
- Initial contribution
- Tax Credits

KARIBU Mobility (Concessions) → EPC Contract + First 2 years of O&M Contract

- Purchase of Receivables
- Pledge of concession, toll revenues, performance guarantees

EPC Contract → EPC company

O&M Contract → OM company

KARIBU Finance

- Financing Contract
- Disbursement

MINING COMPANIES → Direct Payment undertakings

FINANCIAL INSTITUTIONS

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People-first PPP Case Studies

Concept of the program

Mechanism:
PUBLIC PRIVATE PARTNERSHIP

Financing
Real estate and development
Improvement
Technological solutions
Social block

Non-assimilated areas
Transfer to bona fide developers under condition of:
- Improvement
- Building an Infrastructure
- Solving communal issues
- The introduction of "smart" technologies (including "green" technologies)
Pilot Project: Test in the "Smart" District

The territory of the "smart district" (Microdistrict "Zhastar" (A. Baraeva, A.Kravtsova, T.Huseyna and J.Tashenova streets)

Large areas of non-used territory

Ongoing (5-6 years)
Obrigado, дзякуй і, спасибо тебе

Pedro Neves
pedroneves@globalsolutions4u.com
https://www.researchgate.net/profile/Pedro_Neves28

Global Goals are Global Challenges that require Global Solutions