

PPP for **CITIES**

Specialist Centre
on PPP in Smart
and Sustainable Cities



CSTD 2015–2016 Inter-Sessional Panel on "Smart Cities and Infrastructure" and "Foresight for Digital Development"



11-13 January, 2016

AGENDA

- 1. IESE and the Public-Private Sector Research Center**
- 2. PPP for Cities**
- 3. Our vision of a Smart City. The importance of governance**
- 4. PPPs in Smart and Sustainable Cities**

1. IESE AND THE PUBLIC-PRIVATE SECTOR RESEARCH CENTER



Facts and figures

110

FACULTY

#1

IN THE WORLD FOR EXECUTIVE
EDUCATION PROGRAMS (FT)

130

EXECUTIVE EDUCATION PROGRAMS

5

CAMPUSES AROUND THE WORLD

5

MBA MODULES OVERSEAS

2

ASSOCIATED BUSINESS
SCHOOLS IN ASIA

33,000

PARTICIPANTS IN
ALUMNI WORKSHOPS

15

ASSOCIATED BUSINESS SCHOOLS
ON 4 CONTINENTS

2. PPP FOR CITIES

2. 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.

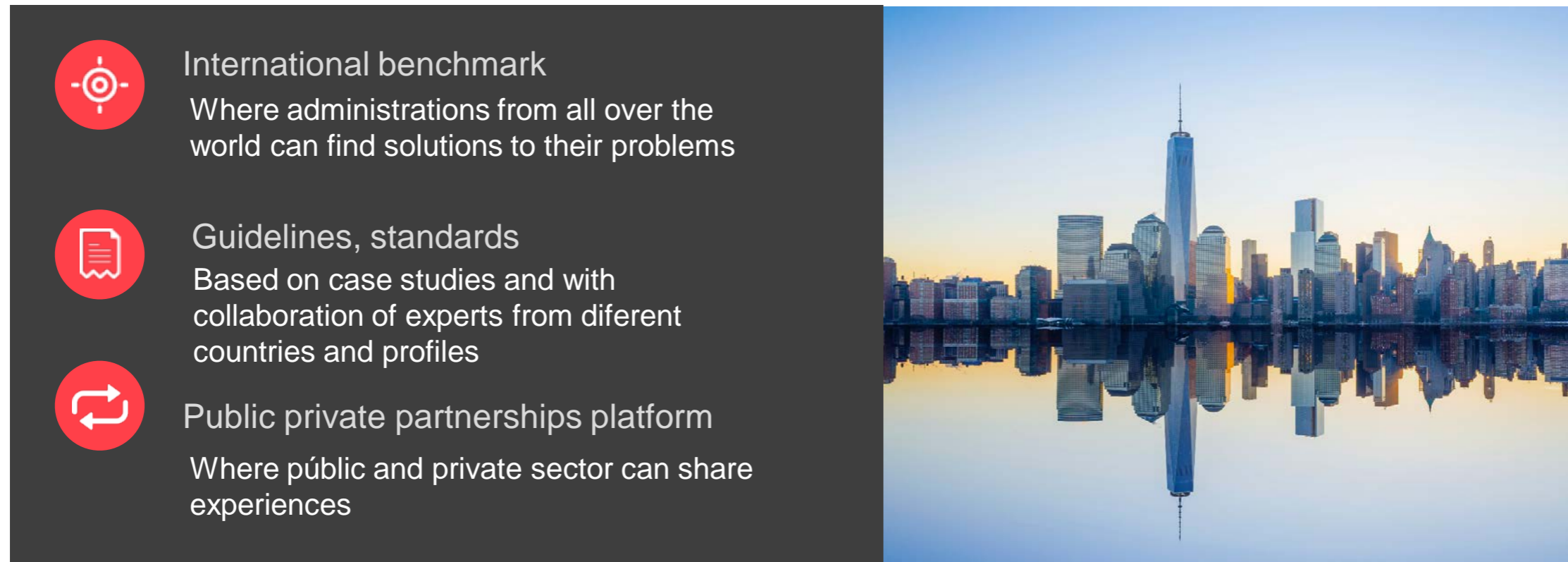
The goal of the International PPP Centre of Excellence (ICoE) is to serve as an international benchmark and leader in the development of PPP good practices and standards. UNECE has a United Nations mandate to expand and develop the program and to work with other international organizations such as the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

2. PPP FOR CITIES

Our vision

Become an international benchmark in the provision of advisory services to public administrations regarding how to improve and plan their cities.



-  International benchmark
Where administrations from all over the world can find solutions to their problems
-  Guidelines, standards
Based on case studies and with collaboration of experts from different countries and profiles
-  Public private partnerships platform
Where public and private sector can share experiences

These services shall be based on the creation of an archive of practical case studies, the development of management standards, the publication of handbooks on good practices, and ongoing research and innovation

2. 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 working standards for managing PPP projects
- Helping governments develop public-private partnership projects in the sphere of cities
- Conducting research
- Designing training strategies in the sector for state and regional governments, especially in countries with less experience, and fostering the exchange of knowledge with countries 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



2. PPP FOR CITIES

Activities

-  Designing guides to PPP good practices in urban development and Smart Cities
-  Independent consultancy services for public administrations seeking to develop their capabilities and PPP markets
-  Creating working groups to share good practices and communities of innovation
-  Promoting partnerships among cities, bringing together the public and private sectors
-  Creating management standards for PPP projects in specific areas through multidisciplinary, multicultural working groups
-  Hosting technical workshops and training
-  Holding seminars on different aspects of PPP with the participation of both the public and private sectors
-  Research
-  Developing a database of practical case studies and a network of specialized experts
-  Partnering to host conferences and fairs in the sector
-  Holding periodic international conferences on the development and transformation of cities through public-private partnerships
-  Publications and newsletters

2. PPP FOR CITIES

Membership

The center aims to be a meeting point of reflection and partnership between the public and private sectors. To this end, it has established different levels of participation in the center's activities:

- **Partners.** associations and International organizations
- **Sustaining Member**
- **Sponsors**
- **General Member**
- **Individual Members**



**3. OUR VISION OF A SMART CITY.
THE IMPORTANCE OF GOVERNANCE**

3. OUR VISION OF A SMART CITY. THE IMPORTANCE OF GOVERNANCE

Some cities are becoming smarter...but

WHAT IS
A
SMART
CITY?

3. OUR VISION OF A SMART CITY. THE IMPORTANCE OF GOVERNANCE

Smart City: Traditional Definition

“Being a Smart City means using all available technology and resources in an intelligent and coordinated manner to develop urban centers that are at once integrated, habitable and sustainable”

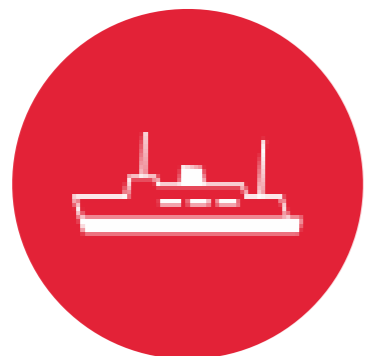
3. OUR VISION OF A SMART CITY. THE IMPORTANCE OF GOVERNANCE

IESE CITIES IN MOTION
Urban development model



3. OUR VISION OF A SMART CITY. THE IMPORTANCE OF GOVERNANCE

Smart Cities or Smart 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



4. PPPS IN SMART CITIES

4. PPPS IN SMART AND SUSTAINABLE 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



4. PPPS IN SMART AND SUSTAINABLE CITIES



STREET LIGHTNING: SURREY (UK)

- Public-private partnerships (PPPs) operated by ESCOs
- Replacement programme 66.000 street lighting columns, financing of facilities, operation and maintenance, energy supply
- Energy savings of over 5.3 GWh and over 750 tonnes of CO2 emissions annually
- Ownership of existing facilities remain with the municipality
- Need for documentation of existing facilities, technologies, age and their status
- Output-based specification

4. PPPS IN SMART AND SUSTAINABLE CITIES

ENVIRONMENT: VANCOUVER LANDFILL GAS COGENERATION PROJECT



- Procurement method: B-O-O
- Capital cost: \$10.3 million
- Contract term: 20 years
- Reduce greenhouse emissions converting landfill gas in electrical power (56,000 megawatts per year approx.)
- Owner and operator of landfill: City of Vancouver
- Owner and operator of cogeneration system: Maxim Power Corporation (2003)
- Client of electricity: BC Hydro
- 20 Supply contract with landfill and 20 years purchase agreement with BC Hydro



4 PPPS IN SMART AND SUSTAINABLE CITIES



- The aim of the project was to increase the use of bicycle in the city to reduce traffic congestion and pollution
- Greenfield large-scale bicycle-sharing program
- Procurement model: BFOM, 10 years.
- 20. 600 bicycles with 1.450 stations
- Project Sponsor: Paris City Council. Paris, France. The program was later expanded to Paris '30 suburban municipalities
- Project Developer: Cyclocity (<http://en.cyclocity.com/>), Owner: JCDecaux (outdoor advertising company)
- Payment method: low user based fees + right to manage advertising billboards in Paris + city advertisements. Winner pay city royalties (2 millions euros annually). Quality indicators 12% of incomes of rentals of bikes

4. PPPS IN SMART AND SUSTAINABLE CITIES



BARCELONA GIX: NETWORK INTEGRATED MANAGEMENT. CONNECTIVITY: WIFI AND OPTICAL FIBER

- Barcelona has a network of 500km of fiber optic and 670 WiFi hotspots.
- The WiFi has capacity of optical fiber termination and media conversion. A new business model has been developed to improve the network by means of exploiting the excess of network to repay investment costs
- 2014. City Council awarded PPP contract to Abertis Telecom for the management and operation of all the networks of fiber optic and Wifi hospots.
- Firts time to integrate all the network: Barcelona's MunicipalTelecommunications (GIX).
- GIX has two goals: to be the basis of the network or infrastructure on which the new ICT model is sustained, and to be the pillar on which the smart city strategy is based.
- Contract 8 years (+2), 9 Milion €
- Repayment of investments: commercialization of the remaining capacity of the network and wi-fi premium services



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



Sponsored by:



Ajuntament
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