

6<sup>th</sup> UNECE International

PPP FORUM

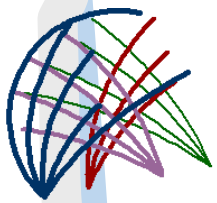
Barcelona | 4 - 6 May 2022



**Session:**

**Strengthening coordination of urban development  
PPPs with the 2030 Agenda and the SDGs  
06.05.2022**

Co-organised and Moderated by  
Prof Raymond Saner, CSEND & Basel University  
Prof Mateu Turró, ESGPAR & Universitat Politècnica de  
Catalunya



# Sustainability Triangle



**Urban Development**

- VLRs & Declaration
- City & National Links
- Policy Coherence for city SDGs (9, 11)

**Investments**

**2030 Agenda  
Economic Dimension**

**2030 Agenda  
Environmental Dimension**

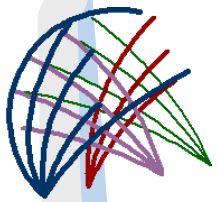
**Governance  
(M+R+E)**

**SDGs  
17 Goals**

- Value for Money
- Value for Society
- Value for Future Generations

**2030 Agenda  
Social Dimension**

**Target 17.17  
“Public, Private &  
CSO Partnerships**



# Speakers



- Ms. Sedef Yavuz-Noyan, Turkey
- Ms. Angelina Nuñez, World Bank
- Mr. Juraj Jurik, GIB
- Ms. Irina Zapatrina, Ukrainian PPP center
- Mr. Andrea Tinagli, EIB - Union for the Mediterranean
- Ms. Lichia Saner-Yiu, CSEND

# **SDG-PPPs**

# **URBAN DEVELOPMENT PPPs**

# **TURKEY**

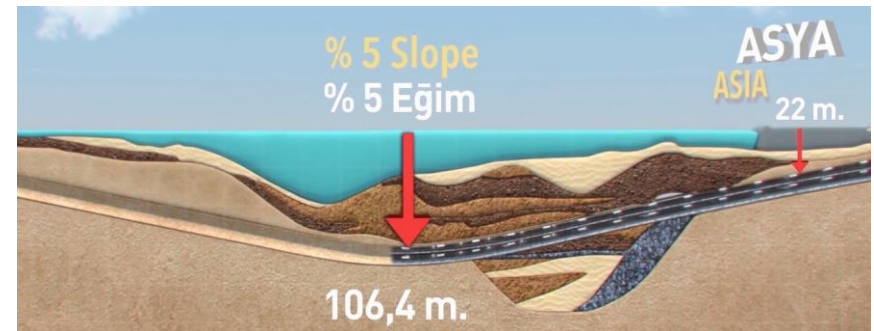
6.5.2022

Sedef Yavuz Noyan

Head of PPP Department  
Presidency of the Republic of Turkey  
Presidency of Strategy and Budget

# Improving the Urban Infrastructure Eurasia Tunnel

- ❑ Eurasia Tunnel is a project which connects the Asian and European sides of İstanbul under the seabed



- ❑ The project also includes rehabilitation of existing approaching roads to tunnel and their surrounding environment

# Improving the Urban Infrastructure

## Eurasia Tunnel

❑ The tunnel reduces the travel time and helps make the city a more comfortable and healthier place to live in



❑ During 4 years of operation, 64 million vehicles used the tunnel.

❑ The tunnel made the city and its people save:

- ❖ 111 million hours of travel time
- ❖ 152.000 tonnes of gas
- ❖ 64.000 tonnes of carbondioxide emission



# Improving the Urban Infrastructure Eurasia Tunnel

- ❑ The length of the pedestrian-only parts was increased by 5 folds on the European side of the city.

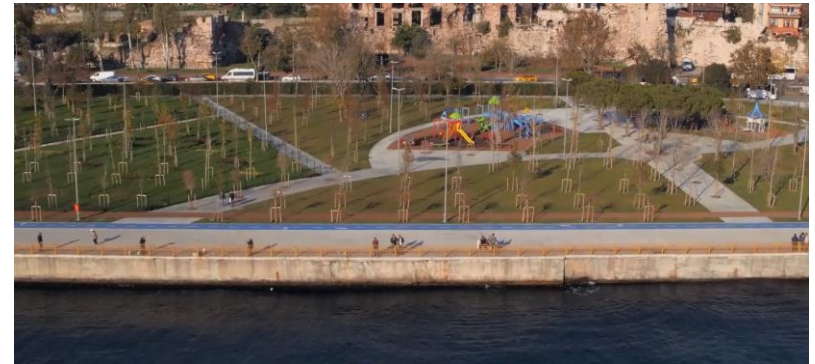


- ❑ 12,000 additional trees were planted at the coastal park on the European side, and access to the coastline was made easier through pedestrian overpasses and level crossings compliant with the disabled standards.



# Improving the Urban Infrastructure Eurasia Tunnel

- ❑ Cycle track, play and exercise areas with a length of 7 km were renewed. Kid playgrounds were increased by 100 percent, while forestation was increased by 400 percent.



- ❑ A pilot biofiltration work was carried out by planting 187 trees of 13 species and 2,088 bush plants of 10 species in an area of 7,300 square meter as part of the landscape arrangements of the project. Fifty percent of the total area was allocated for the landscape.



# Improving Urban Resilience Through Housing

- ❑ A comprehensive policy towards supporting modern urbanization by cooperation of central government, Housing Development Administration (TOKI) and local administrations.
- ❑ Production of sufficient and qualified social housing in healthy and liveable urban areas, especially for the citizens who do not have housing, with low down- payments and low installments with long term, as if paying rent.
- ❑ Slums, areas with a high risk of natural disasters (earthquake, flood, landslide etc.) are transformed.
- ❑ Renewal projects and not only produce renovated housing areas; but also provide major recreation areas, city parks, city quarters, trade centers for the city.

# Support mechanisms

- ❑ Different methods apply:
  - ❑ Traditional Public Procurement
  - ❑ Real Asset Based PPPs
  
- ❑ Support mechanisms:
  - ❑ Land allocation
  - ❑ Credit assignment
  - ❑ Public relief
  - ❑ Technical assistance



***THANK YOU***

# Public-Private Partnerships for Investment and Delivery of Affordable Housing

**Angelica Nunez**  
**Lead Operations Officer**  
**The World Bank**

# The Housing Sector plays a significant role in achieving the SDGs

THE HOUSING SECTOR PLAYS A KEY ROLE IN A NUMBER OF SDGS...



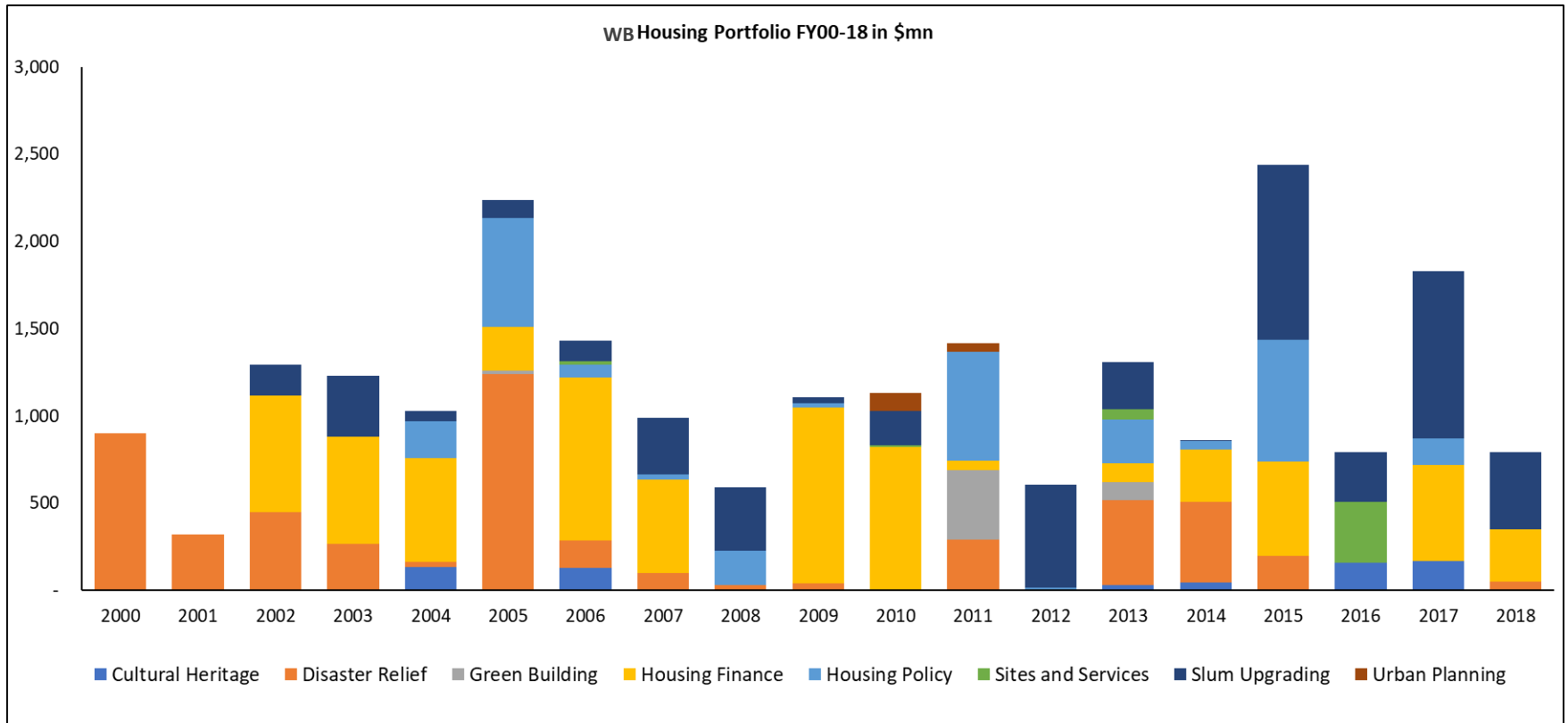
## Better housing conditions increase quality of life

Healthy housing is shelter that supports a state of complete physical, mental and social well-being. It does so by providing shelter from the elements and facilitating comfortable temperatures, adequate sanitation and illumination, sufficient space, safe fuel or connection to electricity, and protection from pollutants, injury hazards, mold and pests.

## Sustainable buildings improve city & community resilience

Ensuring access to safe and affordable housing – including upgrading of slum settlements – makes cities safe and sustainable. Sustainable building design, climatic and cultural adequacy of housing can improve the impact of housing in the urban environment, on climate change, and on city resilience.

# The World Bank invested US\$22.3B in its housing portfolio from 2000 to 2018 – largely in Disaster Relief, Slum Upgrading and Housing Finance





# Emerging Markets face numerous challenges in developing their Housing Sector

## Addressing these, requires sustained commitment and support from public & private sectors

Demand

### Supply

#### Access to Land, Urban Planning and Building

**Codes:** Unclear and contested land tenure, slow and costly title and lien registration. Restrictive land use and zoning regulations, unrealistic and costly building code requirements

#### Lack of Infrastructure Services and Standards

Road, water and sanitation, electricity, solid waste. Unrealistic and costly standard requirements and lack of climate resilient building standards

#### Developers Lack Financial and Technical Capacity; High Cost of Building Materials

Lack the financial and technical ability from developer/builder industry. High cost of building materials: high import content, limited adoption of new technology and lack of competition



#### Low purchasing power

Low incomes make housing unaffordable. Informality of employment reduces bankability of customers.

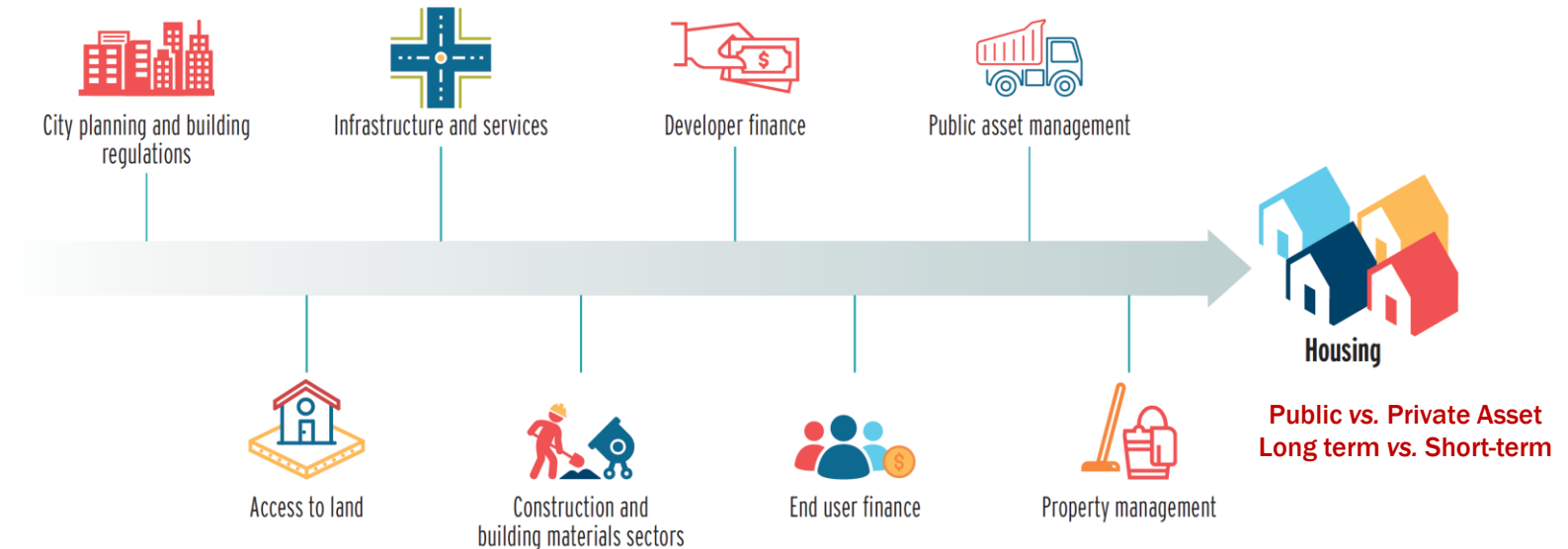
#### Inaccessible mortgage financing

Lack of long-term local currency funding of financial intermediaries, inability to save for down payments and low household purchasing power. Lack of adequate land administrations systems that facilitate mortgage/lien registration increase risk perception.

#### Inefficient rental regulations and systems

Though renting is the most common way to secure shelter in most developing countries, this has remained a neglected area by governments and by DFIs. This has led to unregulated and unstructured rental markets.

# Non-traditional public-private partnerships along the Housing Value Chain Ecosystem



“A **partnership** between the public and private sectors, established through a **contractual relationship** which seeks to access private sector finance, design, construction, commercialization, maintenance or operational management for the delivery of affordable housing and, in some cases, ancillary services. The public sector contribution can be provided in the form of cash or equivalents such as land, development rights, revenues (rents/tariffs) generated from land, infrastructure and building assets, taxation relief and/or a share in the equity generated over a fixed period. The **private party's remuneration is significantly linked to performance.**”

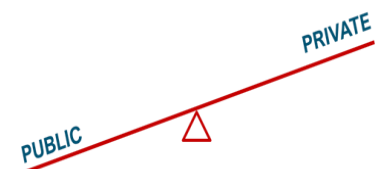
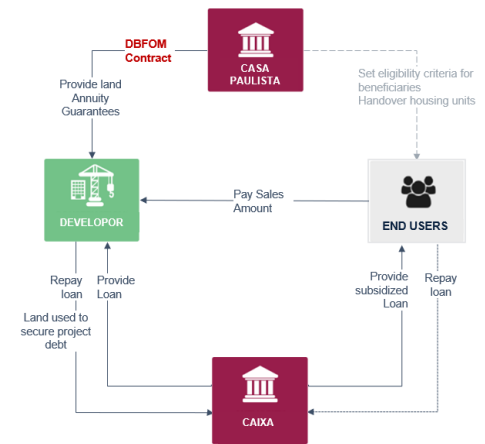
# Brazil: Casa Paulista

- Initiative launched by State of São Paulo in 2012 to redevelop large urban areas (divided into 4 “special interest districts”) in downtown São Paulo
- Sites included dilapidated/underutilized areas comprising ex-industrial, residential + commercial uses (including slums)
- Objective: Re-develop into mixed use/mixed income, housing existing residents
- 14,000 affordable units + associated infrastructure within the 4 districts
- State issued a call to enter into a 20-year partnership (contract) with private player to design, build and maintain the district:
  - Public:
    - Defines and regulates special districts
    - **Sets minimum number of affordable units required**
    - Commits housing subsidies from existing programs (CAIXA)
    - Commits to annuity payment
    - Off-taker Guarantees
  - Private
    - Designs to meet minimum number of affordable units WITH possibility for non-AH uses (cross-subsidization)
    - Commits equity and developer finance
    - Responsible to build & maintain
- Open bidding: Based on a business plan and design. Bidders compete on annuity requirement



# Brazil: Casa Paulista

- One district allocated: 3,683 housing units in one of Sao Paulo's most vulnerable territories
- 2,260 housing units were targeted at low-income families earning up to 6 six minimum wages monthly (USD 1,200). 1,423 units were targeted at families earning between 6 and 10 minimum wages (or USD 2,090)
- To date 50% of the units have been delivered and are now occupied by residents.
- Created incentives for inclusive and integrated urban design (not plot by plot)
- Annuity facilitated access to developer finance
- **High minimum requirement of social housing (>55%) resulted in very high annuity payment**
- Affordability is a concern: Most beneficiaries have been low-middle income bracket with demonstrable household income. The scheme has struggled to have success with the base of the pyramid which has a more challenging credit profile.
- Unintended consequences: High increase in land value due to rapid acquisition and speculation by developers

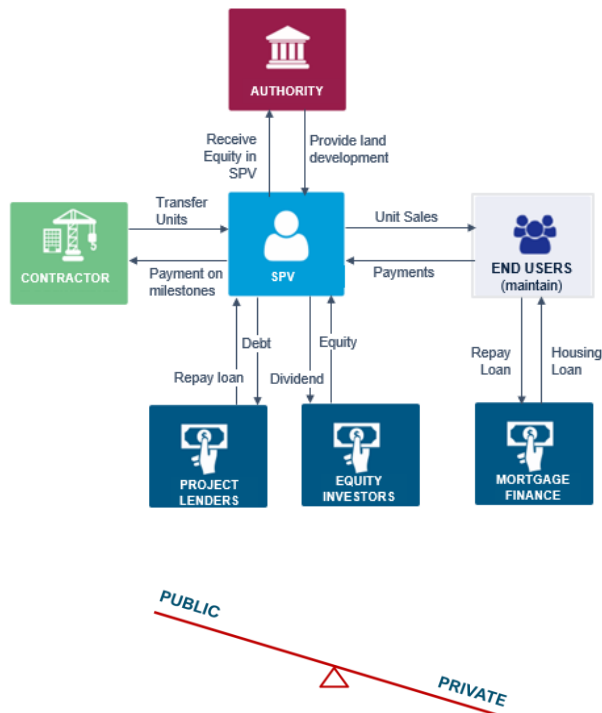


# Kenya: Naivasha AH Project

- Large affordable housing deficit
- Launched in 2017 by the Nakuru County Government on a 22.4 ha site
- Objective: leverage public land for housing development. Needed a solution that would not impose legal, fiscal or performance obligations upon government
- Project anchored in 23 large employers as ‘anchor clients’ to develop 2400 units: 70% AH (between \$75-1500 pm), and 30% market housing (>\$1500 pm). Site also allows for 20% commercial development use
- County formed an SPV/project company for design, construction, financing, marketing, managing, operating and selling the units.
- Procurement focused on **capitalization of the company through an investment offer memorandum**, as opposed to a typical PPP
- Investors compete on (1) residual valuation of the land, (2) housing affordability mix, (3) equity: debt leverage and (4) phasing



# Kenya: Naivasha AH Project



- Investment offers for project scheduled to close in 06/2020 but delayed due to COVID19
- County intends to put in place plans new policy and regulations to streamline and replicate
- Private sector effectively assumes ownership/ control of the SPV through equity investment.
- SPV assumes all responsibilities to provide low-income housing (design, build, financing construction, offtake identification, underwriting, financing and recovery, operating and maintenance)
- Affordability: Business Case assessment for prototype determined feasibility at between \$75-500 per month



# Reflections

- 1. Responsiveness to context:** Partnership models are specific to country context (policy, legal, fiscal, institutional), city context (planning statutes, development rights, property taxations), and site context (location, developability, infrastructure, marketability).  
**Need for flexibility**
- 2. Levels of intervention:** Need to look at **entire housing value chain:** Ecosystem level (through policies, public institutional intermediation, etc.) and at project level (land, infrastructure, and development rights).
- 3. Inducing participation:** The challenge for government is to **optimize** their **limited resources** strategically, and to gradually wean the private sector from these dependencies as the market matures.
- 4. Replication:** Strategic use of subsidies, cross-subsidies or incentives can ensure both affordability and profitability; however, **unless the subsidy or incentive is sustainable**, and that they are regularly reviewed and adjusted replication cannot be guaranteed, and market cannot be developed.
- 5. Potential for rental housing and/or crowd-investing**

# 6<sup>th</sup> UNECE International PPP Forum



Making water infrastructure sustainable: Addressing riverine flooding with Nature-based Solutions (NbS) in the Thessaly Region, Greece

*Pre-feasibility study outcomes*



© Thanos Giannakakis / WWF Greece

Juraj Jurík, Director, Nature-based Solutions  
Global Infrastructure Basel Foundation (GIB)

## Project Partners



## Funded by



# Challenges in the Thessaly Region

## Occurrence of extreme floods

- Mediane Ianos, September 2020
  - € 0.5 - 1 billion in economic losses

## Water scarcity

- Economic consequences for cities and sectors (agriculture).

## Loss of native habitats

- Lack of natural spaces for people to enjoy and for native species to thrive.



Credit: The Guardian, 2020

# Ambition



Credit: <http://nwrn.eu>

## 1. To identify suitable Nature-based Solutions (NbS) delivering flood risk reduction services

- a) Key interventions
- b) Specific location

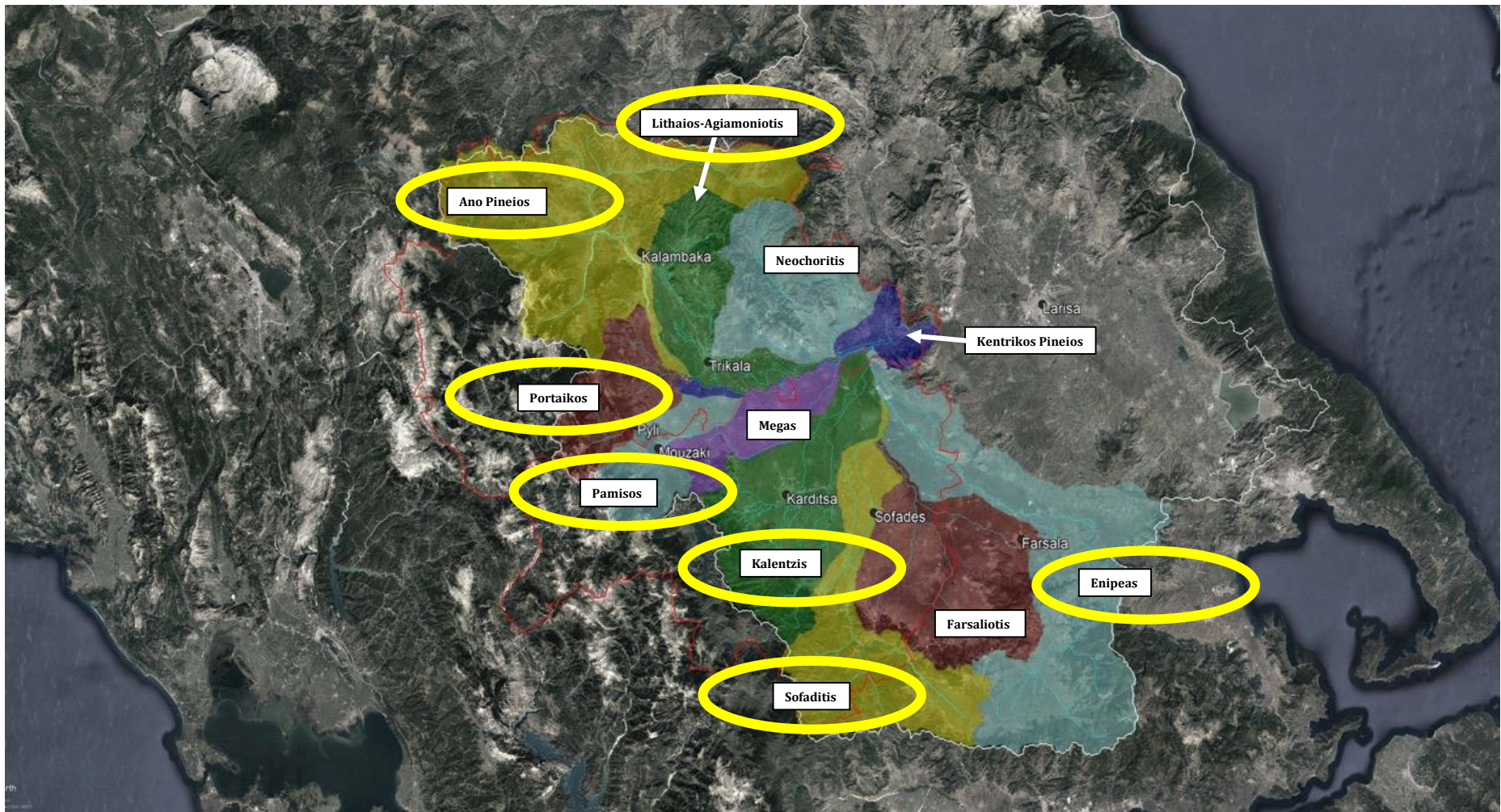
## 2. To assess feasibility of NbS

*Space available & land ownership, policy & governance structure, stakeholders' interest, finance.*

## 3. To identify benefits

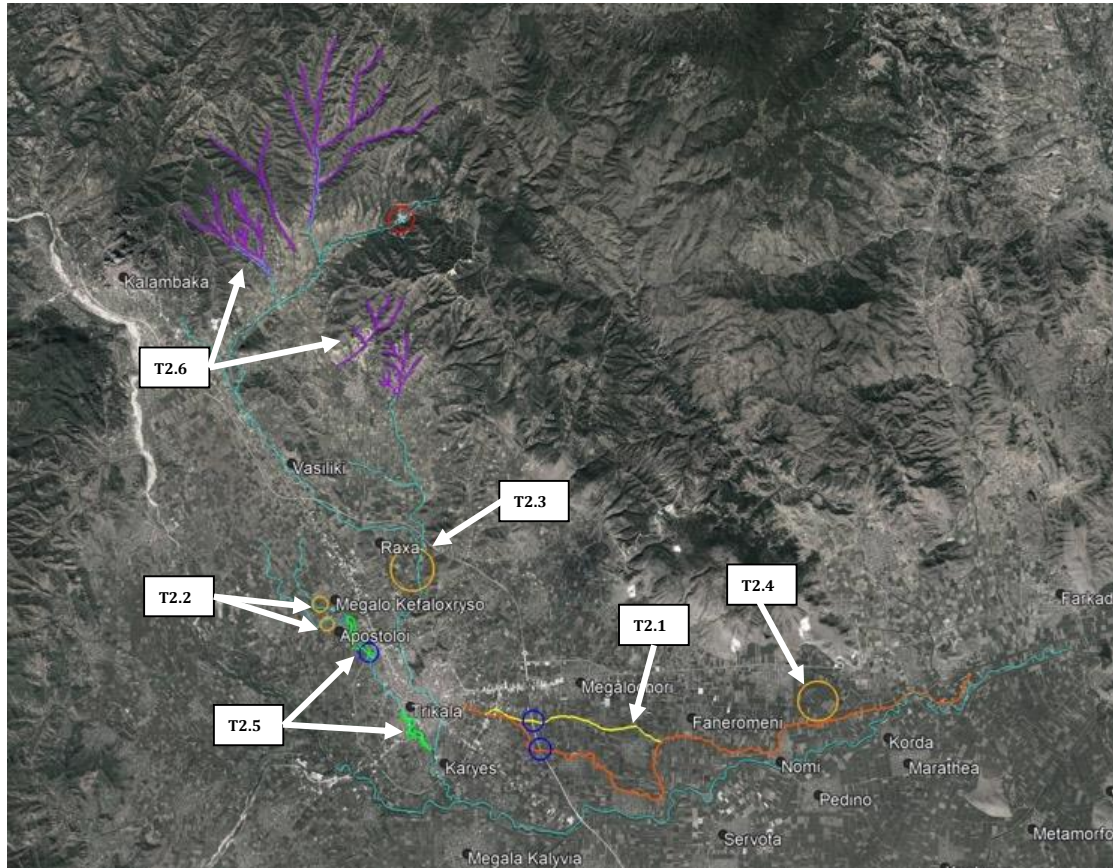
*Maximising flood safety (primary need), whilst optimising water availability, recreation and biodiversity (other regional needs).*





Credit: WWF Greece

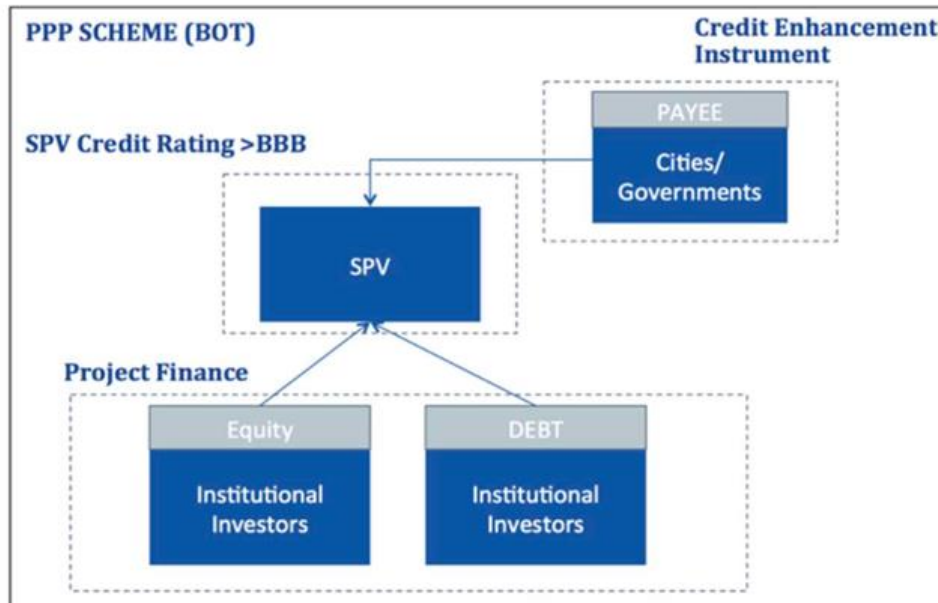
# Lithaios-Agiamoniotis sub-basin (Trikala)



- River Restoration
- Forest riparian buffers
- Floodplain restoration & management
- Basins, ponds and lakes
- Restoration of natural infiltration
- Targeted planting for “catching” precipitation



# Financing



- 1.) The private sector can pay for the upfront development cost of the NbS asset (**BUILD**).
- 2.) An Availability scheme, typical in concessions, could be set up to remunerate the private sector using a fraction of those (non-incurred) compensation payments based on the operating performance of the asset (**OPERATE**).
- 3.) At the end of the concession agreement the investor will transfer the asset back to the public sector (**TRANSFER**).



# Thank you

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*Contact: [juraj.jurik@gib-foundation.org](mailto:juraj.jurik@gib-foundation.org)*





# Attracting private business to rebuild Ukrainian cities considering SDGs

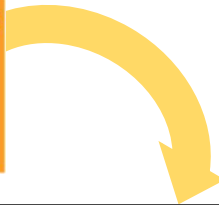
Prof. Iryna Zapatrina, PPP Academy, Ukraine

6<sup>th</sup> UNECE International PPP Forum – May 6





# New reality in Ukraine



February 24, 2022

**11.1 access for all to adequate, safe and affordable housing and basic services** – on April 28, Kharkiv - 25% of apartment buildings are uninhabitable, 50% of schools were destroyed

**11.2 access to safe, affordable, accessible and sustainable transport systems for all, expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons** – most of public transport does not work on security issues, the subways are used as bomb shelters

**11.4 protect and safeguard the world's cultural and natural heritage** – on April 28 - 200 cultural heritage sites have already been destroyed by the war

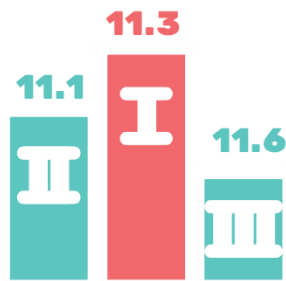
**11.7 universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities** – on April 22, 30% of Kharkiv's citizens left the city, most of them women and children



# New challenges for development of Ukrainian cities after the war: what is waiting for us?

- **People:** decrease of population, especially in some cities that were sufficiently destroyed in the war (we have near 11 mln of refugees for now, many of which will not return to Ukraine due to loss of housing)
- **Industry & life support infrastructure:** destroying of heavy industry and energy & water supply infrastructure, re-locating a lot of business to the West of Ukraine, closing of some foreign business
- **Environment:** negative consequences of explosions of energy facilities, oil storage facilities; significant part of the territory are mined, a lot of nature reserves were destructed
- **Transport:** destroyed roads, bridges, airfields, railway transport facilities, municipal transport
- **Health:** 369 hospitals were damaged, and 39 hospitals were completely destroyed in Ukraine





11.3 inclusive and sustainable urbanization, integrated and sustainable human settlement planning and management

11.1 access for all to adequate, safe and affordable housing and basic services

11.6 reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

# We need rethinking the future of the country

- new functional, spatial and logistical infrastructure planning of the country with more efficient use of land, energy, and resources
- new approach to developing cities, especially those that were sufficiently destroyed
- new requirements to location and technical characteristics of residential building and social infrastructure
- new logistic and new approach for rebuilding of life-support & transport infrastructure
- to build green, innovative and resilient infrastructure from zero level





# New priorities of rebuilding cities in the context of SDGs



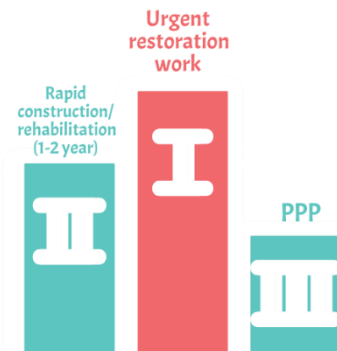
## The main goal is safety:

1. mitigating the risks of military invasion



2. technical safety (requirements for housing, social and transport infrastructure):





Does it make sense to involve private business in the restoration of cities, because everything needs to be done urgently?

PPP is incredibly important for creating new generation of infrastructure facilities which need of using new innovative technologies and equipment, the experience of there using does not exist in Ukraine or is limited (modern energy, heat and water supply systems, household waste management enterprises, modern clinics, high-speed trains, tunnels, etc.)





## Is private business ready to invest in urban infrastructure?

- ❑ Guaranties of political/war risks and effective demands
- ❑ Non-concession PPP based on availability payments
- ❑ Clear, understandable and fast procedures

We understand that

The government is working with international organizations to create such conditions

In the coming months, new approaches to attracting private business to rebuild Ukrainian cities will be announced



# Thank you for your attention



**АКАДЕМІЯ  
ПУБЛІЧНО-ПРИВАТНОГО  
ПАРТНЕРСТВА**

<https://appp.com.ua/en/>



6<sup>th</sup> UNECE International

PPP FORUM

Barcelona | 4 - 6 May 2022

# Political, Legal and Administrative Difficulties in Urban Regeneration PPPs and Incorporation of SDGs in EU and EIB Financing

Prof Mateu Turró,  
ESGPAR & Universitat Politècnica de Catalunya

Mr. Andrea Tinagli  
EIB - Union for the Mediterranean

**Full text is available at the end of this  
chronological compilation of the speakers'  
presentation material.**

Prof Mateu Turró,  
ESGPAR & Universitat Politècnica de Catalunya

Mr. Andrea Tinagli  
EIB - Union for the Mediterranean

6<sup>th</sup> UNECE International

PPP FORUM

Barcelona | 4 - 6 May 2022



**Session:**

**Strengthening coordination of urban development  
PPPs with the 2030 Agenda and the SDGs**

***Call for Including Infrastructure Investment  
& PPPs Explicitly in the Voluntary Local  
Review Requirements (Cities)***

**Prof Lichia Saner-Yiu, CSEND**

**Prof Raymond Saner, Basle University**



# Guiding Principles on People-first Public-Private Partnerships



- Principle 2 – Deliver more, better, simpler People-first projects by joining up government and allowing cities and other local levels to develop projects themselves

[https://unece.org/DAM/ceci/ppp/Standards/ECE\\_CECI\\_2019\\_07-en.pdf](https://unece.org/DAM/ceci/ppp/Standards/ECE_CECI_2019_07-en.pdf)



# KEY MONITORING & LEARNING INSTRUMENT – VOLUNTARY LOCAL REVIEW (VLR)

# The World First VLR

<http://www.changemag-diinsider.com/blog/voluntary-local-reviews-for-implementing-the-2030-agenda>



## Voluntary Local Review

New York City's Implementation of the  
2030 Agenda for Sustainable Development

July 2018

**NYC** Mayor's Office for  
International Affairs

**#ONENYC**



# What is VLR?



- ❑ VLRs is a **tool to shape local action** for global impact.
- ❑ There are as **many forms** of VLRs as local governments conducting them. VLRs are no longer simply a means for local governments to report on SDG progress.
- ❑ a VLR is **an attitude to sustainable development encouraging learning**, both about one's own city and from others, and thus clarifying internal sustainable development needs and helping to elucidate solutions.
- ❑ VLRs hold the power to amplify local sustainability by encouraging **cross-sectoral collaboration within local administrations**.

<https://sdg.itsd.org/commentary/guest-articles/how-can-voluntary-local-reviews-vlrs-amplify-local-sustainability/#:~:text=VLRs%20are%20a%20tool%20to,and%20helping%20to%20elucidate%20solutions.>

# Measuring the distance to the SDGs in regions and cities

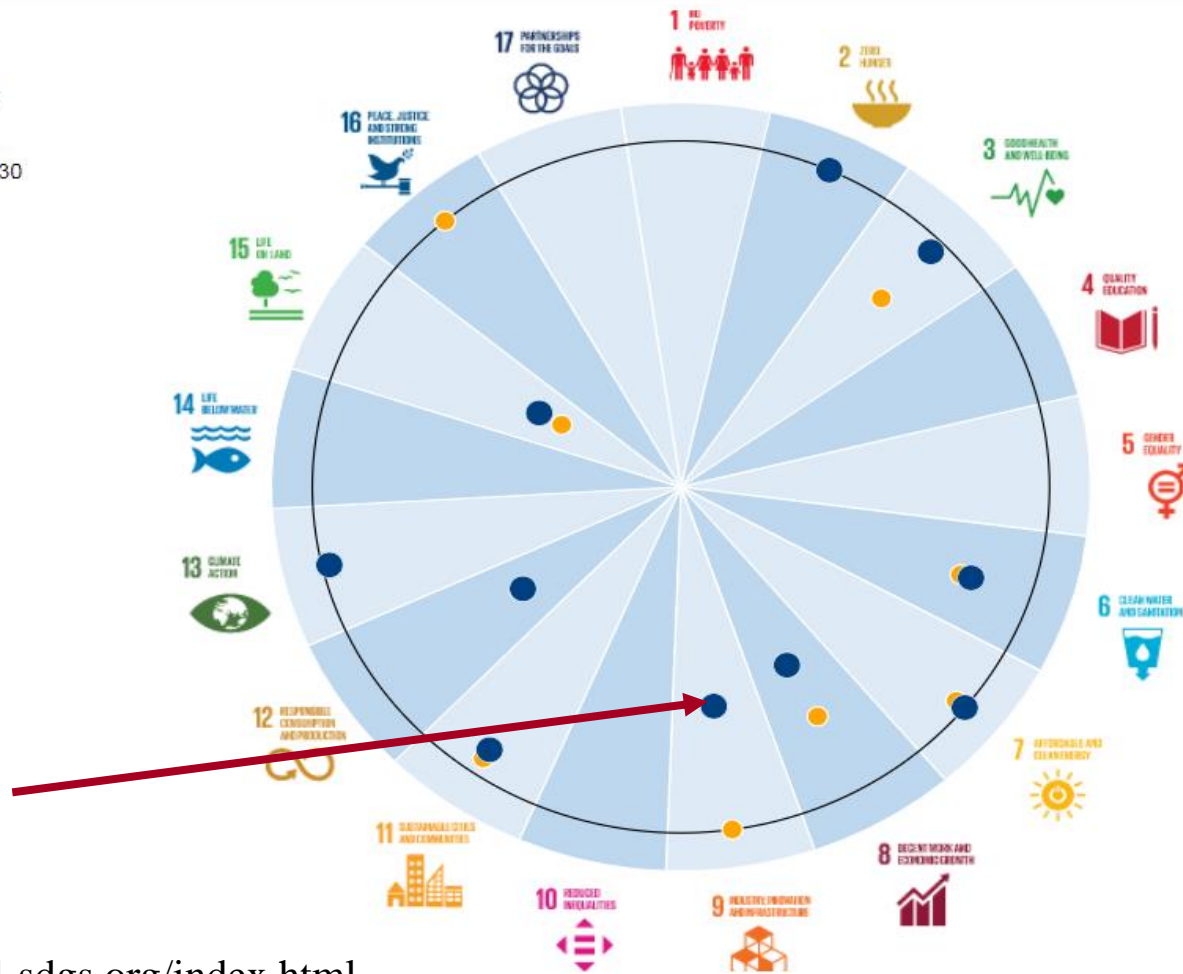


## Overview of Geneva, Switzerland

See all cities and indicators

How to read this graph

- Selected city
- Country average
- End value for 2030



<https://www.oecd-local-sdgs.org/index.html>

# Target 17.17 in 2020



## United Nations Committee for Development Policy (CDP) 2020 Voluntary National Reviews (VNRs) Reports – Under-reported goals and targets



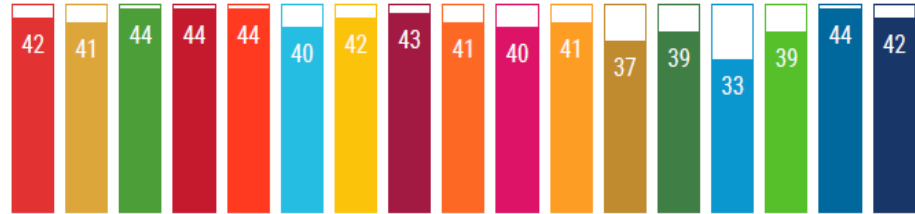
VNRs of



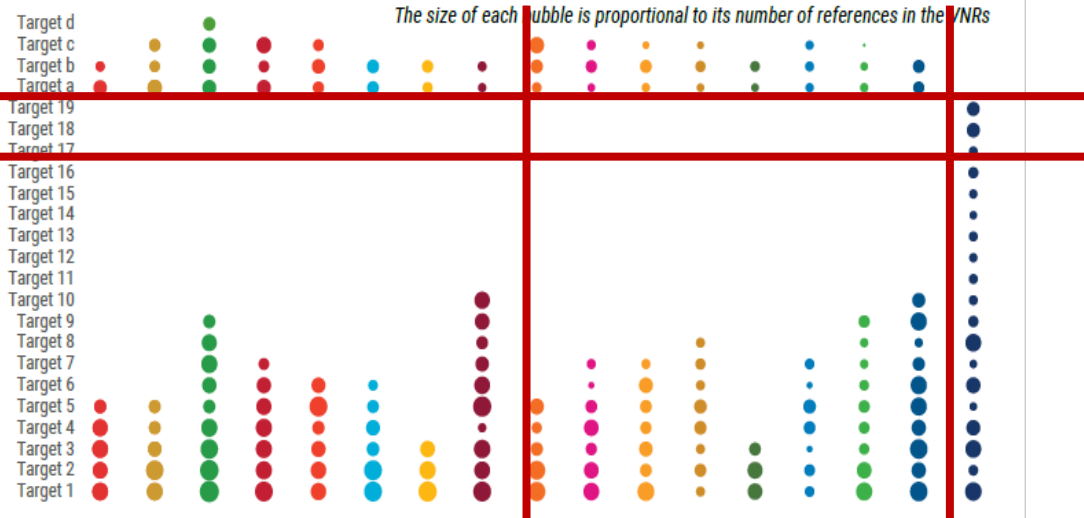
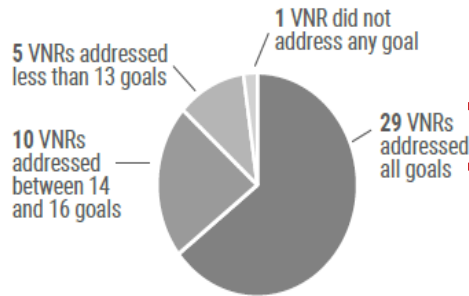
**45** COUNTRIES\*

### Number of VNRs addressing each SDG

➔ Goals closely related to the environmental dimension of sustainable development (6, 12, 13, 14, 15) and inequality (10) are least reported on



Did all VNRs address all SDGs?



Targets least reported on relate to the environmental sustainability; the representation of developing countries in international institutions; or support to LDCs.

### Targets referred to by number in the VNRs (directly or indirectly) \*

➔ Goals least reported on are also those in which the coverage of targets (referenced by number) was the lowest

\* Target analysis covered 35 of 45 reports



**United Nations**

Department of  
Economic and  
Social Affairs

## Global Guiding Elements for Voluntary Local Reviews (VLRs) of SDG implementation



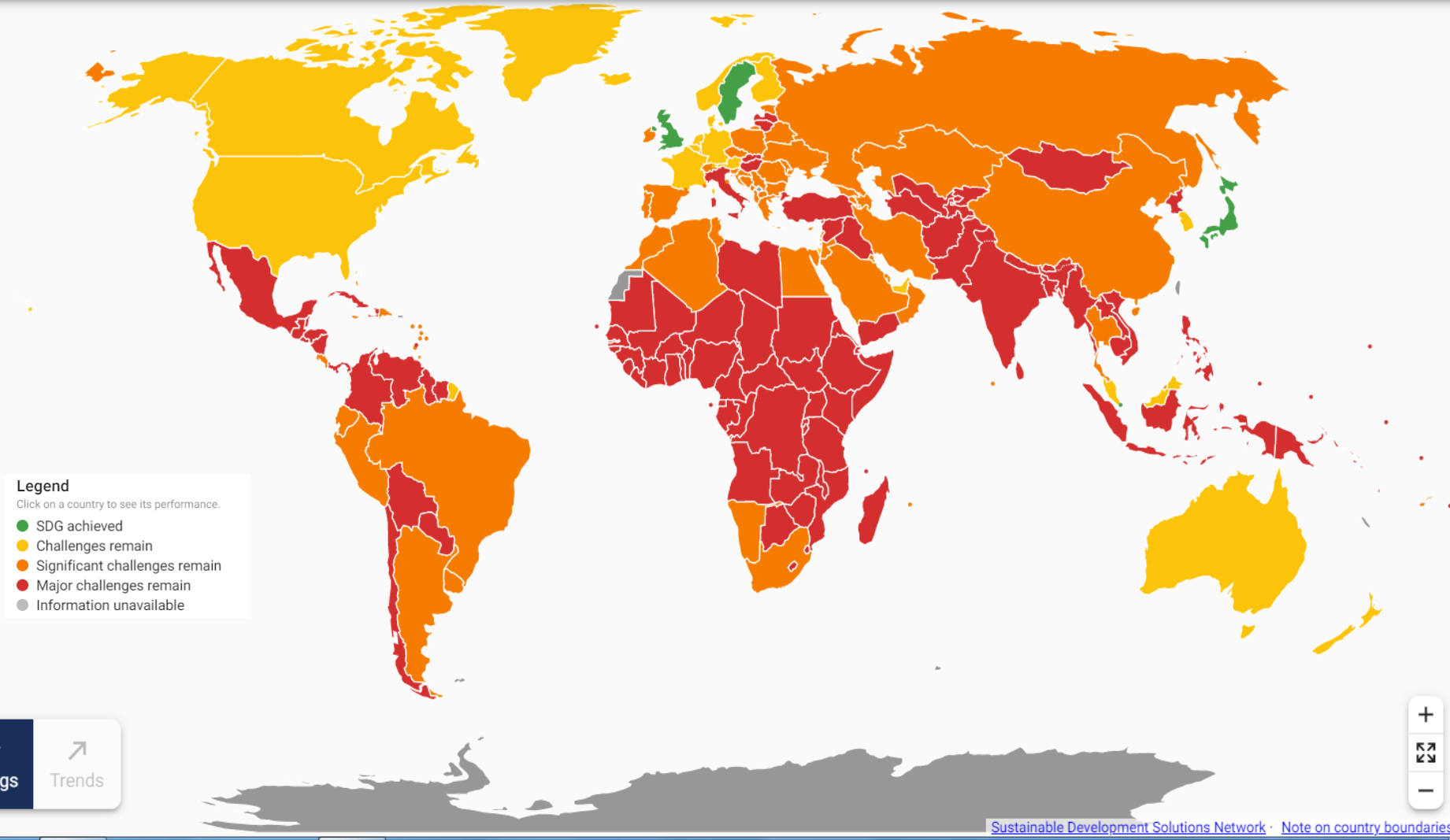
# Global Guiding Elements for VLRs of SDG implementation by UN DESA (2021)



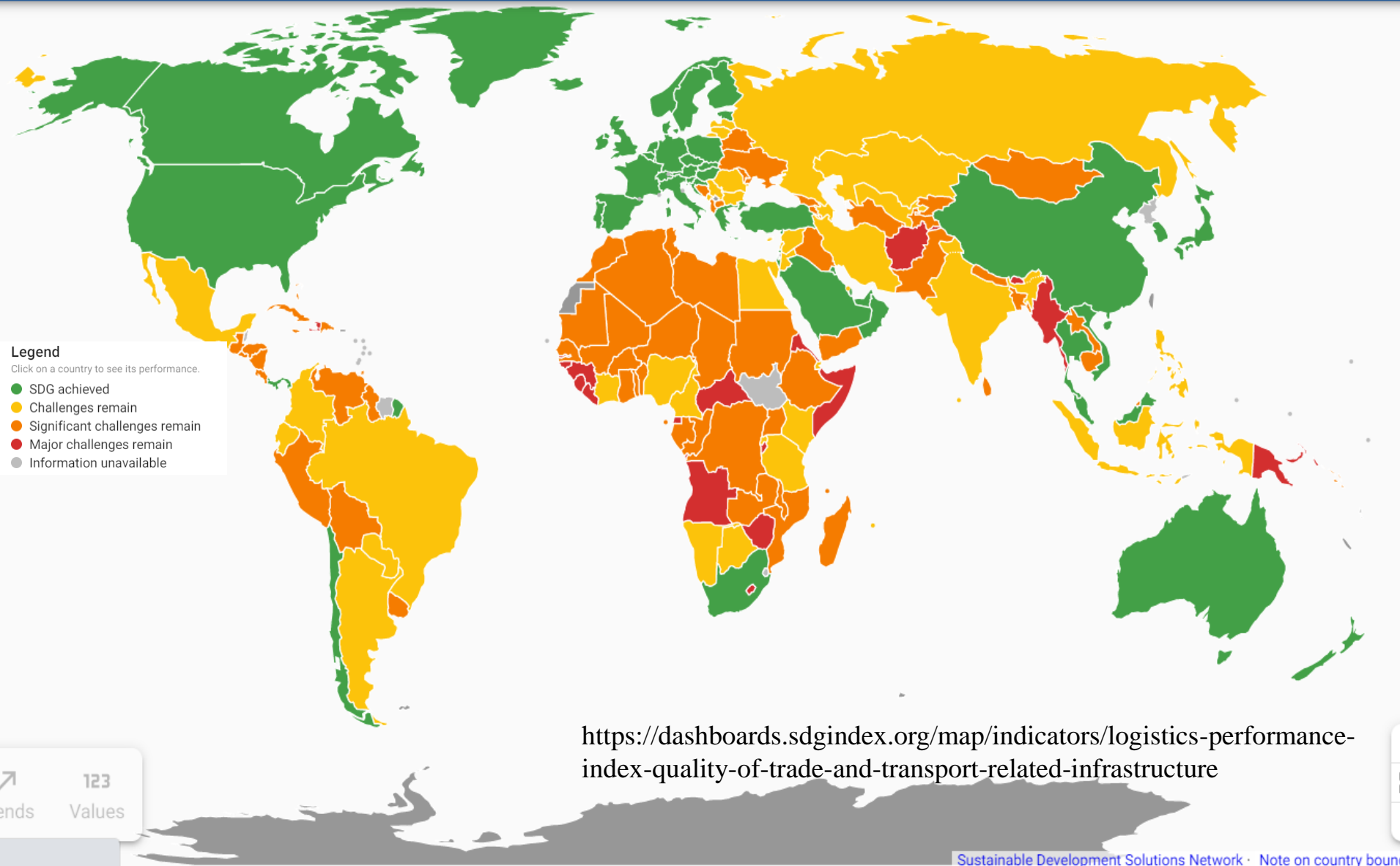
“Cities and regions can utilize this section to identify specific needs they may have in relation to means of implementation and to clarify what types of partnerships and collaboration they are interested in forging to address these needs. Cities and regions may also reflect in this section on their experiences from and actions towards decentralized cooperation, showcasing useful good practices.”

[https://sdgs.un.org/sites/default/files/2021-06/GlobalGuidingElementsforVLRs\\_FINAL.pdf](https://sdgs.un.org/sites/default/files/2021-06/GlobalGuidingElementsforVLRs_FINAL.pdf)

# SDG 9, 3Is



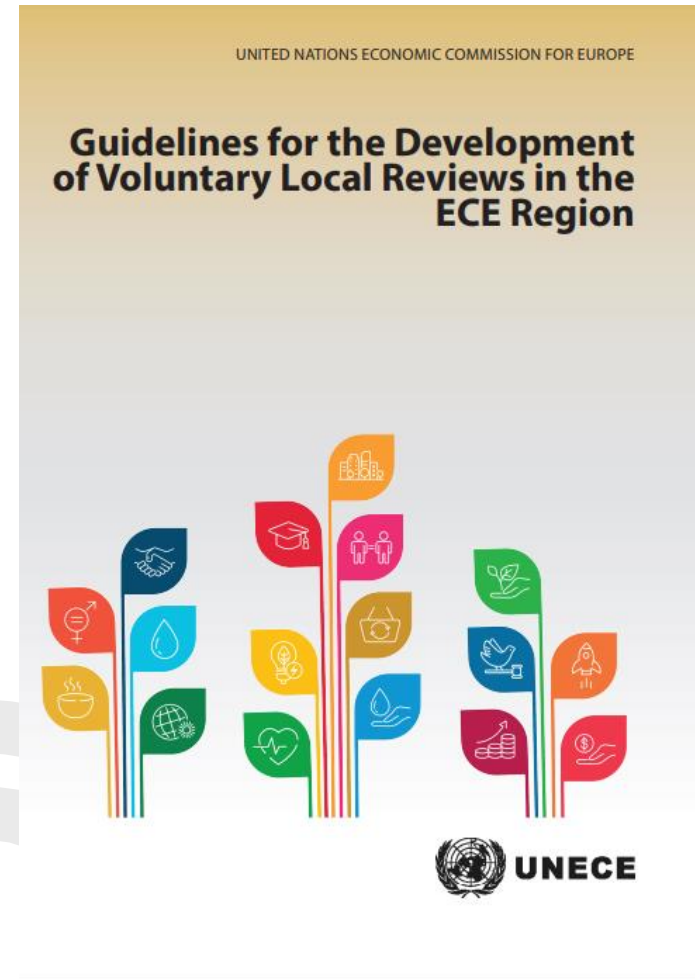
# Logistic Infrastructure Index



# UNECE Guidelines (2022)



## Guidelines for Development of Voluntary Local Reviews in the ECE Region (2022)



<https://unece.org/sites/default/files/2022-02/VLR%20guidelines%20en.pdf>



**T**hank You