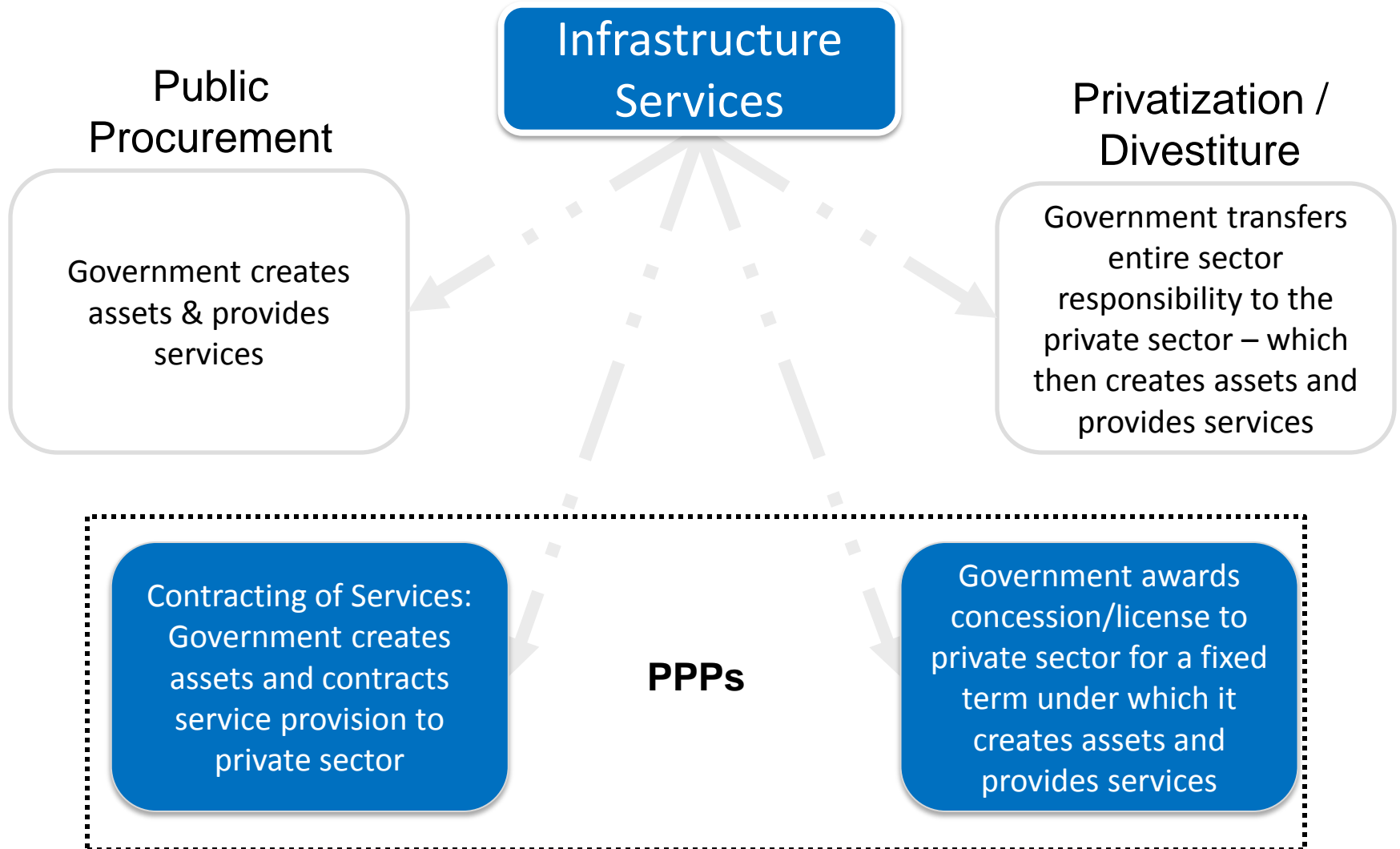


Session 6: Financing South Asia's Urban Future: Good Practices in PPP for Urban Development

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**Chandrima Sinha
Director, IDFC Foundation**



FINANCIALLY FREE STANDING PROJECTS

Examples - Toll Roads, Urban renewal (real estate projects)

1. Role of public sector - planning, licensing & statutory approvals
2. No financial support/ payment by government
3. Revenues through user charges

PROJECTS WHERE GOVERNMENT PAYS FOR SERVICES

Examples - Roads - annuity/ shadow tolls, waste management

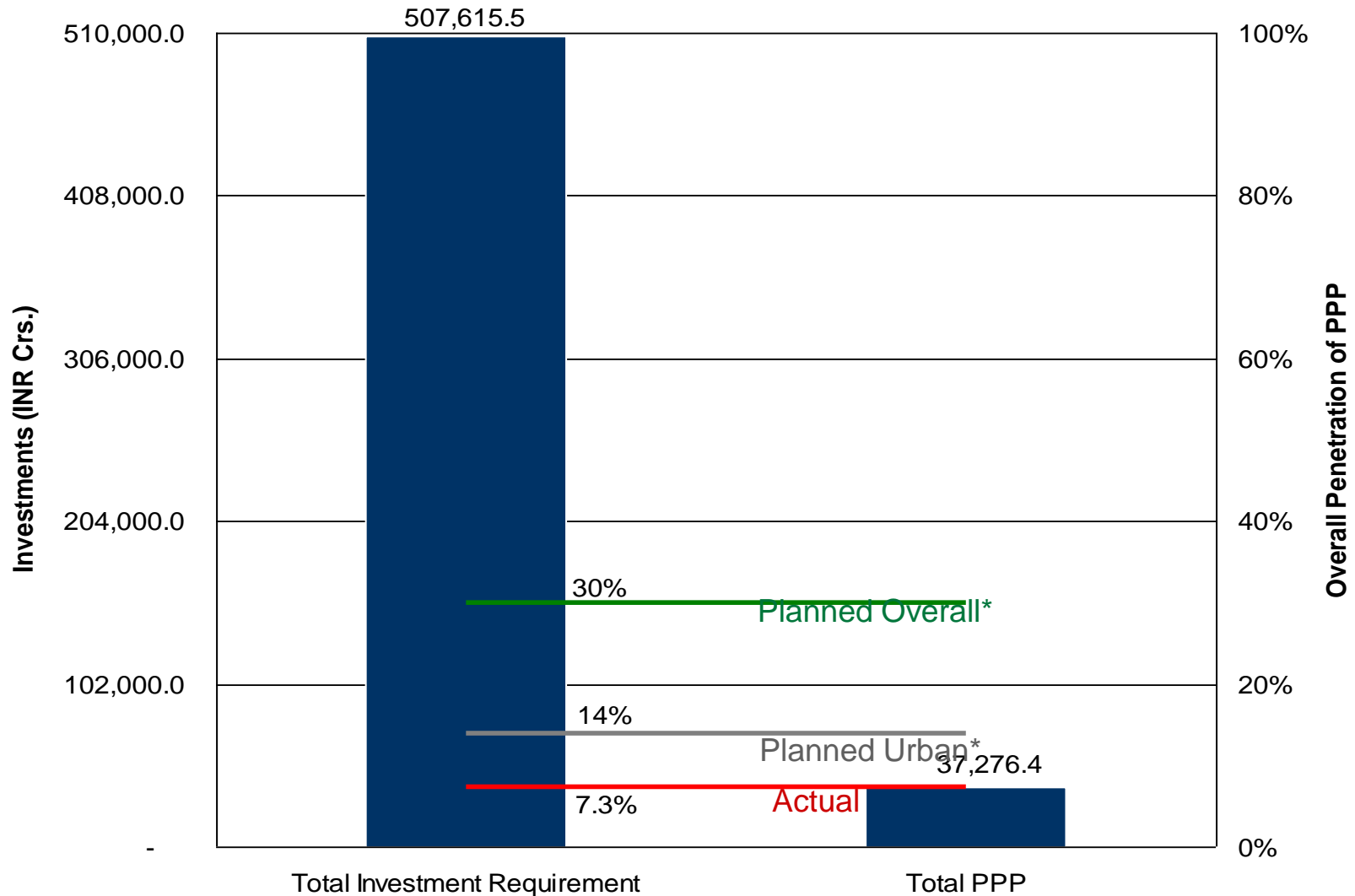
1. Private sector paid a fee (tipping fee), tariff (shadow toll) or periodical charge (annuity) by Government for providing services
2. The payment is made against performance
3. There may be demand risk transfer – either in part or whole

HYBRID STRUCTURES





















Example – water supply project with viability gap funding

1. Combine the financially free standing nature – levy of a user charge – with payment by the public entity
2. Payment could be as a viability gap subsidy or an annuity payment
3. Principle of leveraging operates here

Penetration of PPP is low in Urban sector



Why is Urban sector different

	Roads	Ports	Airports	Urban	
Clarity on PPP					<ul style="list-style-type: none"> • Projects are location specific • No established model
Revenue model					<ul style="list-style-type: none"> • Public good • Highly subsidized • Lack of mechanism to address tariff related issues • Weak financial health of ULBs • No market for sale of products/recyclables
Enabling frameworks					<ul style="list-style-type: none"> • Land acquisition and infrastructure support • Powers of a private operator – billing / collection / disconnection / • ROW over private properties • ULB Employees
Project pipeline/ Projects offered					<p>26 projects attempted till date</p>
Removing bottlenecks					<ul style="list-style-type: none"> • Institutional set-up • Political interventions • Tariff regulation

- **Unbalanced emphasis on construction contracts** instead of performance based O & M contracts
- **Obsolete planning** norms especially for highly congested cities
 - Allowing more low-rise buildings requiring larger area and increasing expenses on infrastructure
- **Fiscal and financial un-sustainability** of Urban Local Bodies
- **Lack of focus on the O & M** of facilities and service standards for the urban infrastructure available
- Lack of focus on common spaces like markets, bridges, footpaths etc leading to creation of slums
- **Presence of multiple authorities** having overlapping jurisdictions leading to lack of an integrated approach to development
- **Lack of capacity** in ULBs for implementing PPP based projects

* FICCI report on Urban Infrastructure in India , 2011

Where have PPPs been used?

Easier projects

- **Commercial real estate**
IT Parks, Commercial complexes, Entertainment-linked real estate (multiplexes, amusement parks) – largely private initiatives; some as PPPs
- **Projects with real estate “kicker”**
Re-development of markets, multi-level parking facilities, convention centres with hotels, sports complexes
- **Projects where user-pay arrangements can be reasonably secured**
Bulk water supply projects, water distribution to industrial areas, industrial waste water treatment, MSW Collection & Transportation, Road improvement

Increasing difficulty...

- **Solid Waste Management** – Treatment and disposal facilities
- **Mass Rapid Transport Systems** – bus or rail based transportation systems
- **Urban Redevelopment & Renewal** – areas around railway stations, older market areas, drain development, lake area development
- **Retail Water Distribution and Sewerage** facilities

SOLID WASTE MANAGEMENT SECTOR

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_4751

