

Sustainable cities

Corporate sector view

*Strictly Private
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September 2015*



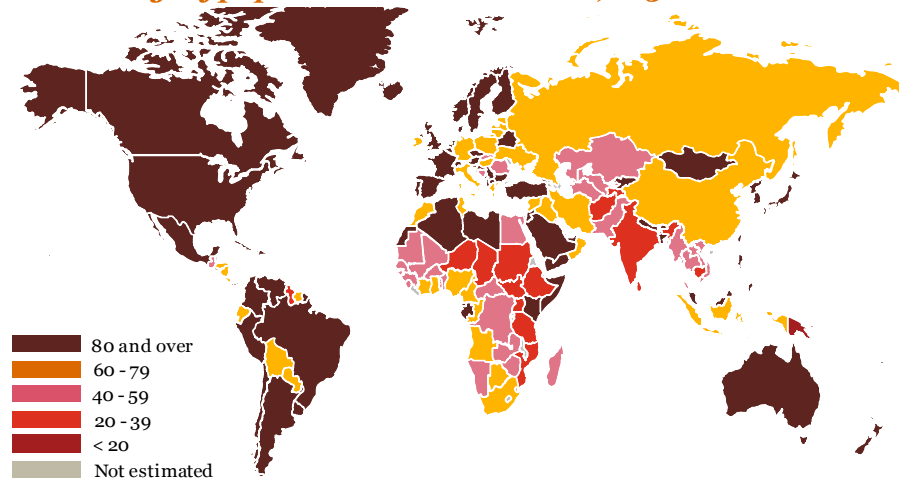
Why do we need smart cities?

To provide better living conditions for existing and future generations, cities need to be improved by adopting the smart route and at the same time focusing on the sustainability aspect.

Major City Challenges

*In the 1950s, less than 30% of the world's population lived in cities. Currently, that proportion has risen to 50% and, **by 2030**, the UN projects that **some 4.9 billion people will be urban dwellers**. By 2015, the UN estimates that there will be **22 mega-cities** – those with population of 10 million or more – with **17 located in developing economies**.*

Percentage of population in urban areas, 2030

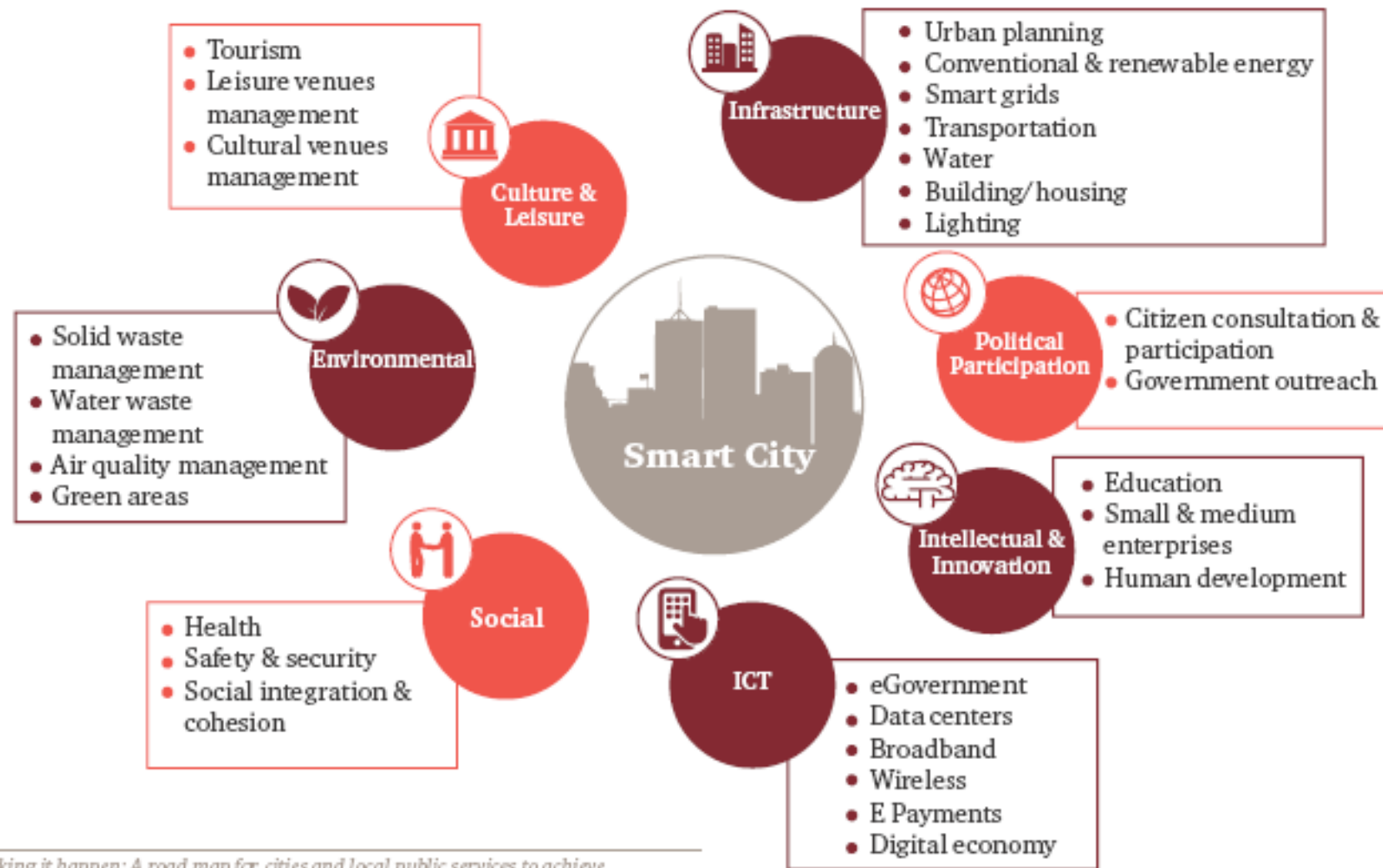


Source: UN Department of Economic and Social Affairs.

Smart cities are not just places where new smart technologies are adopted; they are places where basic safety, security, and environmental needs are met.

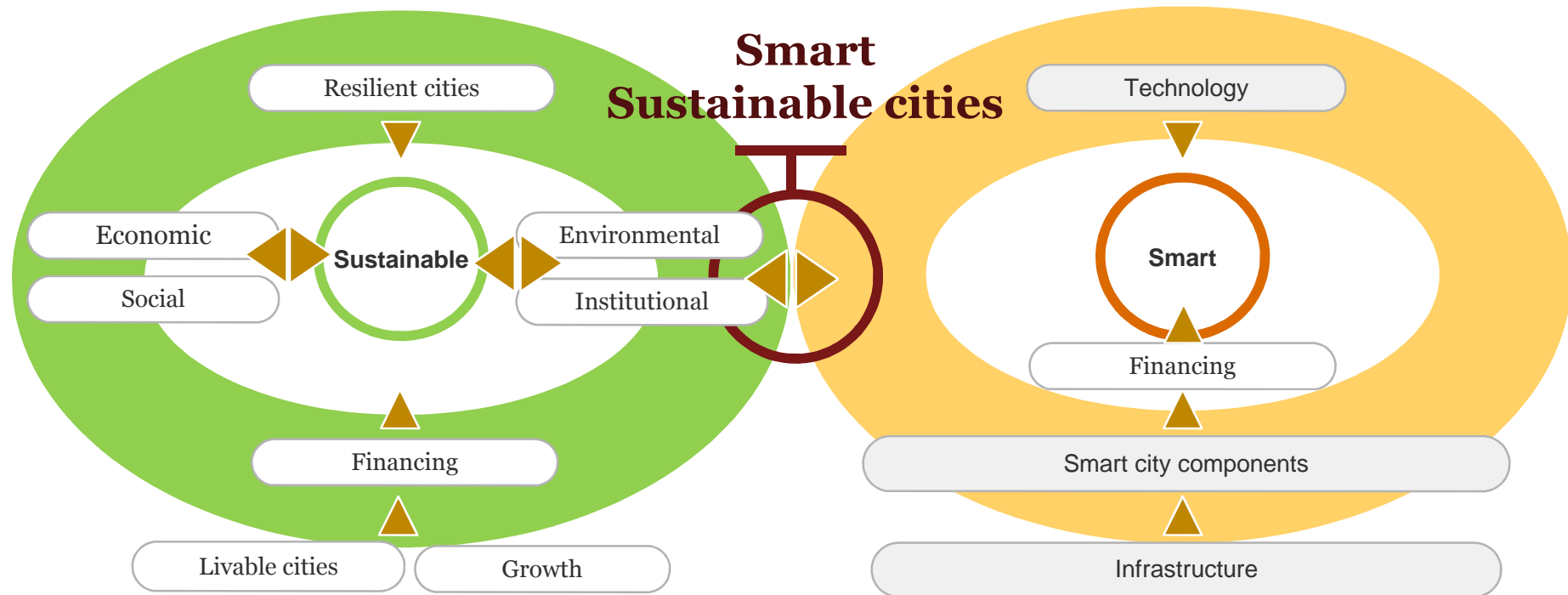
Where is sustainability element in smart cities?

Important principles to creating truly a smart city:



Where is sustainability element in smart cities?

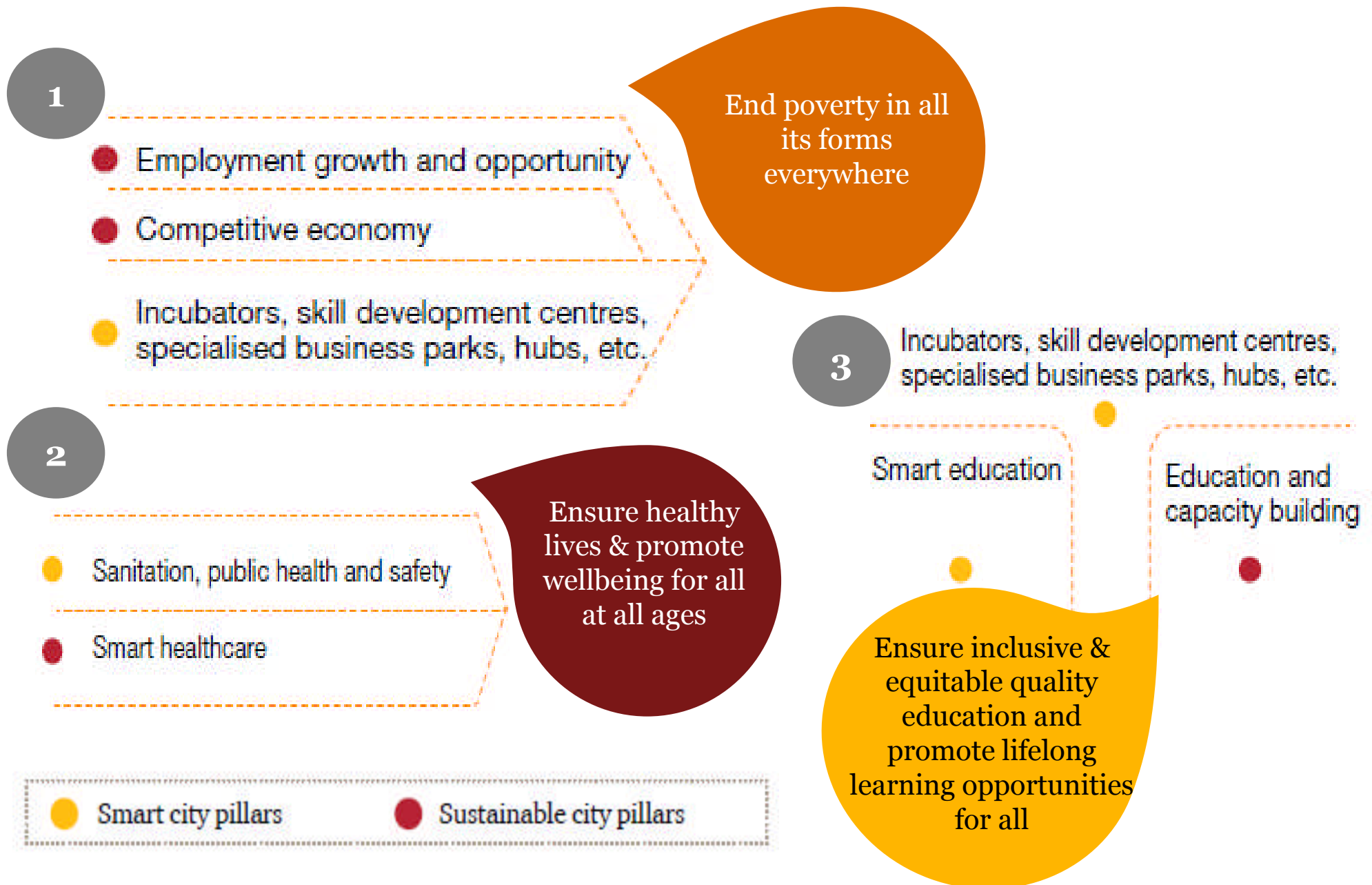
Smart sustainable city is an innovative city that uses information and communication technologies (ICTs) and other means to improve quality of life, efficiency of urban operation and services, and competitiveness, while ensuring that it meets the needs of present and future generations with respect to economic, social and environmental aspects



Sustainable development encompasses all aspects of a city's healthy development and address economic/financial, social, and environmental issues.

Smart cities leverage technology and utilise existing and planned infrastructure investments to provide a higher quality of living to residents, a conducive investment climate for businesses and allow maximisation of resource utilisation and transparency for governments.

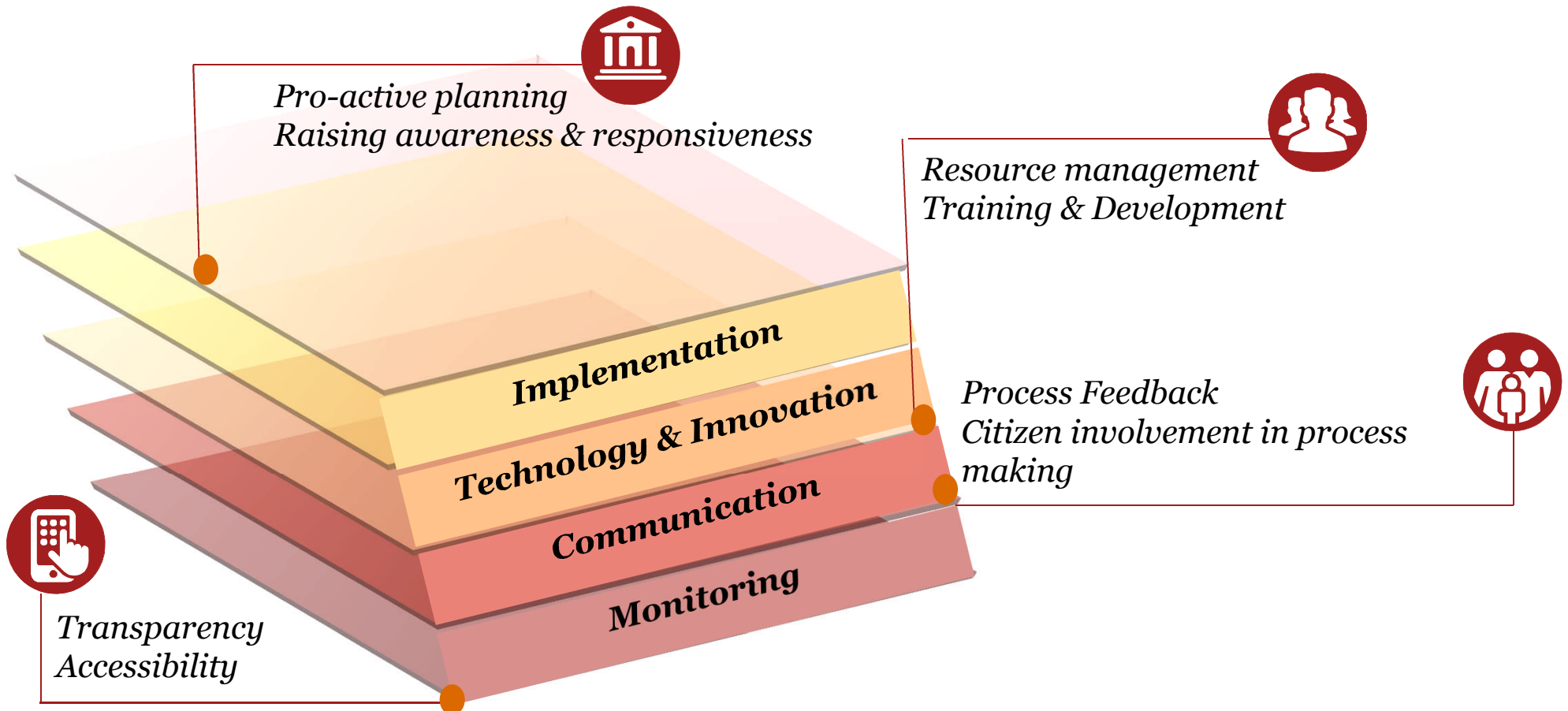
Smart cities and sustainability development goals (SDGs)



What is the governance model?

“Responsibility and accountability are integral towards making our community more sustainable.”

- Engaging citizens in governance
- Opening up data for transparency and service delivery
- Active involvement of the private sector
- Tapping innovative financial sources
- Integrated approach in both planning and execution



What is in it for private sector?

Private sector looks at the smart cities concept as an opportunity to innovate products and services. Many organisations in the private sector are increasingly ready and willing to invest in their urban environments to the benefit of their core strategies and profit, in a **'shared value'** fashion.

- **For an automotive producer**
 - Are my vehicles becoming obsolete?
 - How much to bet on the electric vehicles market?
- **For a financial institution**
 - How to become the payment platform of choice?
 - What are my opportunities in infrastructure financing?
- **For a health care provider**
 - How can I leverage technology to provide universal health care?
 - How to deal with privacy issues?
- **For a utility provider**
 - How to make my grids smarter and smooth the peaks in my network to serve smart homes?
 - How much to invest in renewable sources?
- **For a telecom operator**
 - How to configure my network to carry all the new traffic?
 - What value added services can I provide for a smart community?



What is the challenge?

Nearly all cities have limited access to funds and ways of financing their plans. Some lack even the most basic legal and institutional frameworks to facilitate access to finance from the capital markets.

*Cities are now **reliant on private sector support to scope, finance and deliver projects**. It is becoming much more common to see private sector finance help to cover the cost of delivery with long term management contracts for maintenance and operation to secure the investment and provide confidence to the public sector in sustained delivery.*



Case Study - Singapore

In **Singapore**, Public Utilities Board (PUB) took the lead in developing the reclaimed water technology ('NEWater') to help private companies address the level of technological risk associated with NEWater.

Key benefits include:

- Collaboration among water companies
- Private sector participation in NEWater supply via a PPP approach, and
- Encourage innovation in the private sector to further reclaimed water technologies.



The case of Singapore highlights how closely involving the private sector in the city's own innovation efforts can serve to be a win-win situation for all, not least the city's own development and sustainable competitive advantage.

Case Study – Melbourne

In **Melbourne**, the shift to increasing residential development in the Central Business District (CBD) came from a shared public and private burning platform when the office market slumped significantly.

Government and the private sector were willing to make concessions to enable conversion of old office space into residential space to occur efficiently and rapidly.

This reduced the glut of office space and increased the activity and diversity of service available in the CBD.

Victoria is recognised internationally as a leader in public-private partnerships. Through public-private partnerships and other mechanisms, private provision of services in public transport, health, custodial services (prisons), education and public housing is now widespread



Case Study – Naya Raipur

The project is related with the Greenfield development of a modern and world-class new capital city, Naya Raipur, for the State of Chhattisgarh.

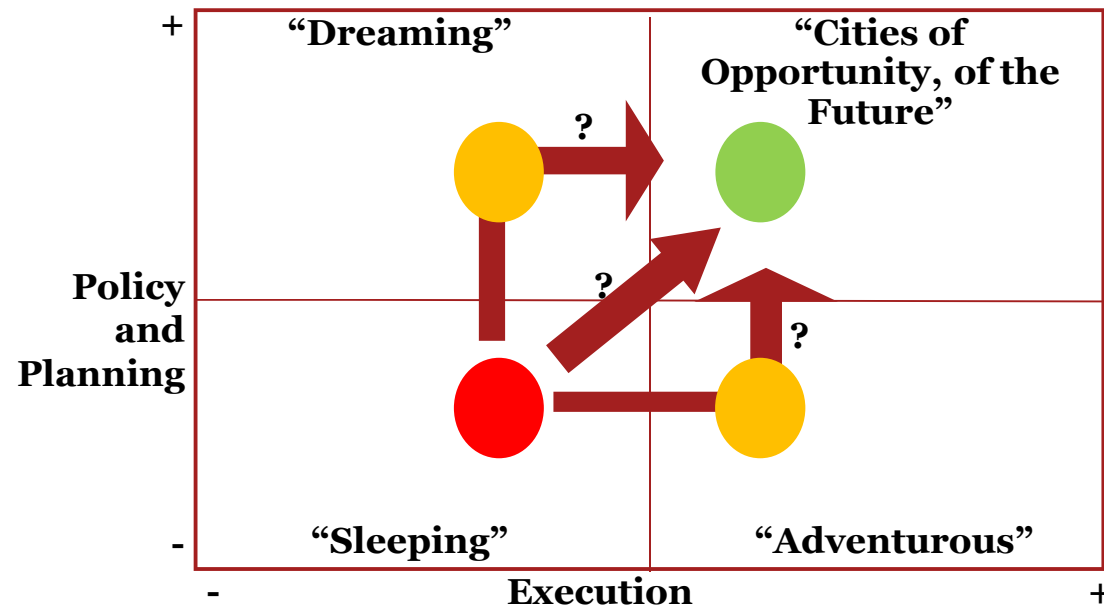


The government has offered a host of incentives for industries with an intention to make it an investment destination.

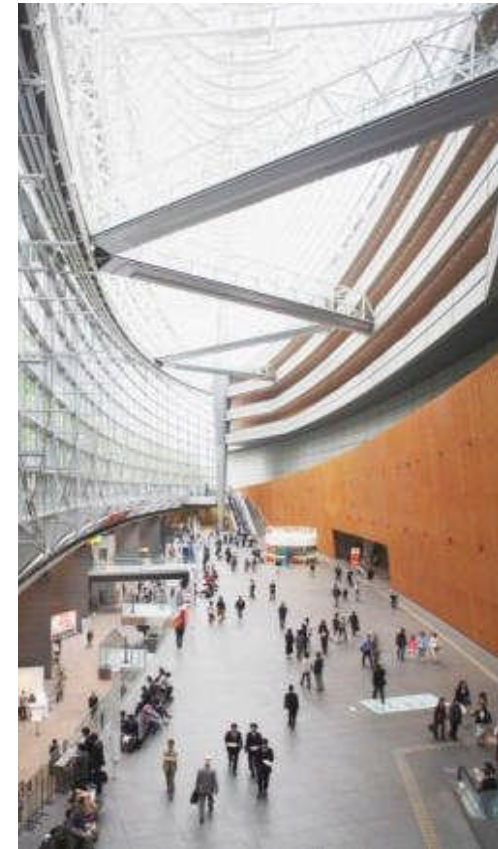
- 100 per cent exemption on electricity duty for 12 years for IT and ITES sectors,
- 100 per cent exemption on stamp duty and entry tax,
- Up to 90 per cent discount on land premium.

Next steps

A combination of policy setting and execution capabilities is fundamental for a smart city's success



Which path will the cities in our region take?



Thank you

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