



सत्यमेव जयते



**NITI Aayog**  
(National Institution for Transforming India)



*South Asia Regional Conference On*

# URBAN INFRASTRUCTURE: New Approaches to Public-Private Partnership & Municipal Finance Innovations

*November 15-16, 2018 | Pravasi Bhartiya Kendra, New Delhi, India*



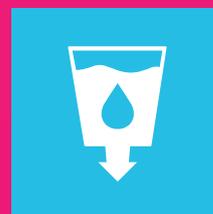
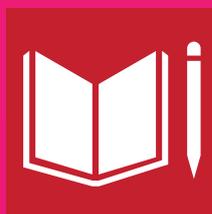
## Conference Background

- ❖ Globally, the deficit in infrastructure implementation, vis-à-vis the demand, is not only huge but steadily growing, especially so in the Asian region. In India alone, until 2040, estimated investments of around \$4.5 trillion are required in the infrastructure space. With respect to urban needs, the population in South Asia is expected to grow by around 250 million till 2030, while that in India is expected to reach around 590 million during the same period. There are an estimated 98 million people who reside in the slums of Indian cities and are disproportionately deprived of access to basic services and infrastructure. These gaps must be addressed, so that the cities grow equitably and in an environmentally responsible way.
- ❖ Countries need to explore innovative models to implement infrastructure projects. Public-private partnerships (PPPs) has been one such option that enables governments to optimally share the risks associated with a project's life cycle. However, for making government procurement more dynamic, it is critical to focus on wider options of "Partnership - Private & Public". Furthermore, for PPP to work in India, a deeper deliberation is required on the means of democratising the governance at the city level with a view towards providing greater operational and fiscal autonomy to ULBs. Also, to enable effective private sector intervention, it is imperative to create a robust framework for alternative sources of infrastructure finance, with cities focusing on innovative sources of municipal financing such as cooperation on housing and community-based financing, land value capture and environmental externality financing.
- ❖ These challenges and the emerging opportunities necessitate focusing on the institutional environment to improve the delivery of sustainable urban infrastructure and services and evaluating alternatives for long-term, predictable financing. Hence, the National Institution for Transforming India (NITI) Aayog, the apex policy think tank of the Government of India, has partnered with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the Asian Development Bank (ADB) to host a conference at the Pravasi Bhartiya Kendra in New Delhi on November 15-16 , 2018 to deliberate on key regional issues, perspectives and the way forward on "**Urban Infrastructure: New Approaches to Public-Private Partnerships and Municipal Finance Innovations**".

## Conference Objectives

The overall objective of the conference is to:

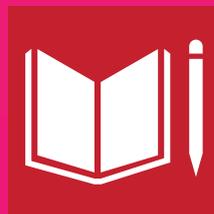
- ❖ Review overall issues and assess the sustainability of PPPs and urban finance in South Asia, specifically India.
- ❖ Broaden the knowledge base regarding PPPs and municipal finance innovations in South Asia through elaboration of international best practices and knowledge partnerships.
- ❖ Take the knowledge and recommendations forward, for better policy interventions by the government and execution by the private sector while disseminating and raising awareness within their networks.



# AGENDA

**Day 1 - November 15, 2018**

TIME	SESSION
09:00-10:00	REGISTRATION AND MORNING TEA
10:00-11:30	<b>INAUGURAL SESSION</b>
11:30-12:30	<b>SESSION 1: IMPLEMENTING URBAN INFRASTRUCTURE</b> <ul style="list-style-type: none"><li>❖ Governance at the City Level – Clarity of Responsibility and Coherence in Output</li><li>❖ Newer and Innovative Means of Financing and Implementation</li></ul>
12:30-13:30	<b>SESSION 2: PARTNERSHIP- PRIVATE &amp; PUBLIC</b> <p>Deliberations on newer frameworks for procurement, involvement of international contractors, global best practices, modalities for scaling up successful models and engaging the private sector.</p> <ul style="list-style-type: none"><li>❖ Analysing the Growth, Issues and the Way Forward for the PPP Framework in India</li><li>❖ Newer Approaches for Procurement of Infrastructure Services</li><li>❖ Standardisation of Documents</li><li>❖ Global Best Practices and Key Learnings</li></ul>
13:30-14:15	NETWORKING LUNCH
14:15-16:30	<b>SESSION 3A: ALTERNATIVE SOURCES FOR INFRASTRUCTURE FINANCING</b> <p>Exploring alternative means such as domestic/global insurance/pension funds, sovereign funds, private equity, etc. via newer instruments viz. municipal bonds, credit enhanced debt, etc. along with suitable incentives and supportive regulatory framework.</p> <ul style="list-style-type: none"><li>❖ Newer Products and Investors</li><li>❖ Challenges and the Way Forward</li></ul>
14:15-16:30	<b>SESSION 3B: BREAKOUT PARALLEL SESSION - PPP FRAMEWORK SECTOR FOCUS</b> <p><b>Urban Social Infrastructure (Health &amp; Education)</b> Effective governance of health and education needs a degree of centralised policy and finance, with decentralised management and local funding. Therefore, it is critical to attract private funding to ensure additional resources, improved service coverage, and enhanced service quality. Thus exploring complementary advantages of the public and private sectors is imperative.</p>
14:15-16:30	<b>SESSION 3C : BREAKOUT PARALLEL SESSION - PPP FRAMEWORK SECTOR FOCUS</b> <p><b>Smart Cities - Ease of Living</b> Smart cities with focus on sustainable and inclusive development, offering enhanced quality of life are the future. Key challenges, however, are financing, implementation and operation of the smart solutions. Further brainstorming is required on horizontal and vertical coordination between the three-tier governance, cohesion in policies, master development plan, effective administration, municipal bonds and sustainability of ULBs, etc., to explore the way forward.</p>
16:30-16:45	TEA/COFFEE
16:45-17:45	RECOMMENDATIONS FROM EACH GROUP, FOLLOWED BY PLENARY DISCUSSION



## Day 2 - November 16, 2018

TIME	SESSION
9:00-9:30	MORNING TEA
9:30-10:30	<b>OPENING SESSION ON MUNICIPAL FINANCING</b>
10:30-11:30	<b>SESSION 1: URBAN UTILITIES</b> Focus Sectors: Water Supply, Water Treatment, Solid Waste Management
11:30-13:00	<b>SESSION 2: HOUSING &amp; COMMUNITY - BASED FINANCING</b> <ul style="list-style-type: none"><li>❖ Benefits of adopting PPP models in affordable housing for municipal governments.</li><li>❖ Overcoming the challenges such as increasing land prices, poor legal infrastructure, limited long-term funding, inefficient regulatory regimes and inappropriate land planning.</li><li>❖ Community-based housing finance for urban poor to leverage funds</li></ul>
13:00-13:45	NETWORKING LUNCH
13:45-15:15	<b>SESSION 3: LAND-LINKED FINANCING</b> <ul style="list-style-type: none"><li>❖ Strengthening capacities for effective land-linked financing and land value capture .</li><li>❖ Strategies for governments to extract greater value including land value taxation, land pooling, negotiated extractions, tax increment financing, special assessments, joint development, betterment levies, transportation utility fees, impact fees and air rights.</li></ul>
15:15-16:45	<b>SESSION 4: ENVIRONMENTAL EXTERNALITY FINANCING</b> <ul style="list-style-type: none"><li>❖ The application of environmental taxes that can facilitate sustainable urban development whilst simultaneously contributing to local tax revenues.</li><li>❖ The challenges or potential risks of externality financing.</li></ul>
16:45-17:00	TEA/COFFEE
17:00-17:30	<b>SESSION 5: THE WAY FORWARD &amp; CLOSING REMARKS</b> NITI Aayog, UN-ESCAP and ADB

## Conference Outcomes

The expected outcomes of policy dialogue are twofold:

- ❖ A more granular understanding of challenges and future opportunities for use of PPPs and innovations in municipal finance for sharing best practices and case studies, including empirical evidence on areas where PPP and urban finance strategies have and have not worked.
- ❖ Recommendations for public, private and civil society organisations for future PPPs, municipal fiscal policies and reform agendas.

### For further details, please contact:

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