No.2 "Roles of city leaders to attract good involvement of private sector"

	City/Organization	Title	Name
1	Batam Indonesia Free Zone	Vice Chairman	Mr. Jon Arizal
	Authority		
2	Cebu	Mayor	Mr. Michael L. Rama
	Province of Cebu(MCDCB)	Vice Chair of Research	Ms. Dominica
		Program Organizational	Bardinas Chua
		Development Executive	
		Committee, Metro Cebu	
		Development and	
		Coordinating Board	
3	Ulaanbaatar	Head of Strategic Policy and	Mr. Bayarbaatar
		Planning	Sandagdorj
4	Vientiane	Director General of	Prof. Douangsavanh
		Department	Linkham
5	Asian Development Bank	Director, Concurrent	Mr. Takeo Koike
		Technical Advisor(PPP),	
		Office of PPP	
6	KPMG AZSA Sustainability Co.,	Director	Mr. Stuart Kay
	Ltd.		
7	Ministry of Foreign Affairs of Japan	Director for Development	Mr. Tadayuki
		Assistance Policy	Miyashita
		Coordination Division,	
		International Cooperation	
		Bureau	
8	Ministry of Land, Infrastructure,	Director for International	Mr. Shinichi
	Transport and Tourism, Japan	Affairs Office, City Bureau	Fukunaga
	Japan Overseas Infrastructure	Senior Director, Project	Mr. Hiroki Kawata
	Investment Corporation for	Department	
	Transport & Urban Development		
9	PricewaterhouseCoopers Co., Ltd.	Vice President, Cities	Mr. Hidetomo Nagata
		Solution Centre Japan	
10	World Bank	Senior Economist	Dr. Hyoung Gun
			Wang
11		Former Vice President of	Dr. Bindu N. Lohani
		Asian Development Bank /	
		Special Advisor for Y-PORT	
		Center	

BATAM : RENEWED BUSINESS OPPORTUNITIES 4th Asia Smart City Conference





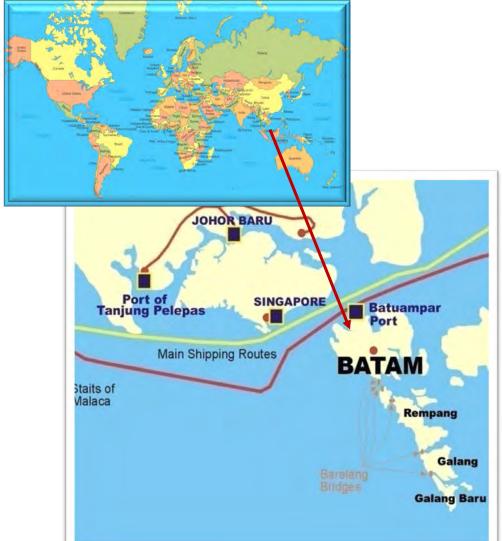
JON ARIZAL
Vice Chairman

e-mail: jon.arizal@bpbatam.go.id

City of Yokohamal | October 19th – 21st, 2015

PROFILE BIFZA





Background:

- Previously recognized as BIDA (Batam Industrial Development Authority).
- Along with the enactment of Batam as a Free Trade Zone based on Laws No. 44 year 2007, BIDA is currently recognized as BIFZA (Batam Indonesia Free Zone Authority)
- BIFZA is a Government Institution

Main Role:

 Organizing, Managing and Developing the Free Trade Zone and Free Port of Batam

Location:

- 20 km of South Singapore situated between Mal acca Strait and Singapore Strait
- The area of Batam is 415 sq-km and total area of Barelang (Batam-Rempang-Galang) is 715 sq-km

ECONOMIC INDICATOR



22 Industrial Estates 1,699 Multinational Companies

(Electronic Electrical Industry and supporting Industry, Shipyard Industry, Supporting Oil Company Industry, Tourism, Trading)

Total Investment is USD 17.71 Billion				
Government Investment	USD 3.62 Billion			
Domestic Investment	USD 5.82 Billion			
Foreign Investment	USD 8.27 Billion			

January - December 2014

135 new companies valued at 568 Million USD

Realization (LKPM)y-o-y	2014	2015
Investment (US \$ Thousand)	117,537	331,659
Projects	31	158

- Laporan Kegiatan Penanaman Modal (LKPM) / Investment Activities Report
- Jan-Jun Period (First Semester)
- Up to December 2014







CURRENT BIFZA INFRASTRUCTURE



4 Cargo Ports/ 5 Ferry Terminals



Electricity of 372.25 MW









Telecommunications 111,768 Line Units



More than 1,600 Paved Roads



Clean Water 6 water reservoirs

Source: BP Batam Ringkasan Eksekutif

FORTHCOMING PROJECT DEVELOPMENT



Batam- Bintan Bridge

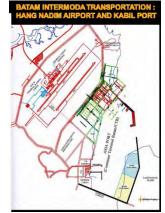


Batu Ampar Port Expansion





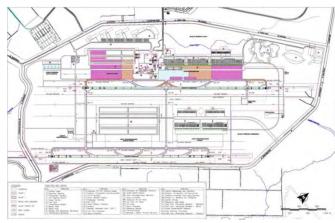




Tanjung Sauh Container Port



Monorail



Hang Nadim Airport Expansion

FOR FUTURE INFORMATION



Batam Head Office

BIDA Building Batam Centre, Batam 29400 Tel. (62-778) 462047, 462048 Fax. (62-778) 462240, 462456 E-mail: inquiry@bpbatam.go.id

marketing@bpbatam.go.id

Japan BIDA Liaison Officer

Mr. Hajime Kinoshita Shinsabashi TOEI Building 7FI.4-12-22 Minami Semba Chuo-ku, Osaka

Phone / Fax: (81-6) 6253-6133,

Fax (81-6) 6253-6134

Email: batamosaka@alpha.ocn.ne.jp

Jakarta Representative Office

Jl. DI Panjaitan Kav 24 Jakarta 13410

Tel: (62-21) 8580009, 8580010, 8580011

Fax: (62-21) 8580038

Singapore Liaison Officer

Mrs. Gloria Tan 111 North Bridge Road Peninsula Plaza #21-01 Singapore 179098

Tel: (65) 67343411 Fax: (65) 62359959

E-mail: <u>bidasin@yahoo.com</u> gloria@batam.go.id

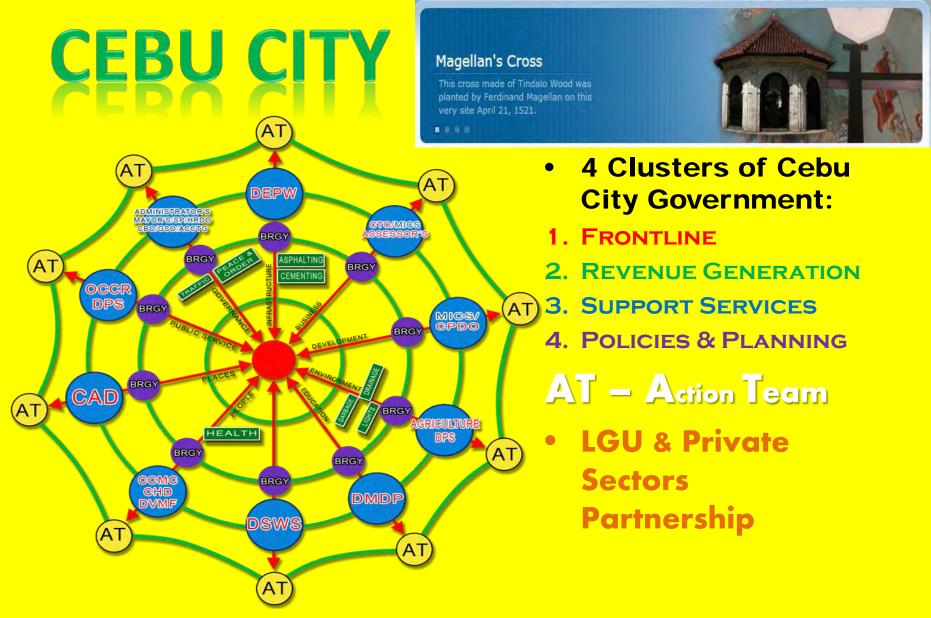
www.bpbatam.go.id

THANK YOU



THE 4TH ASIA SMART CITY CONFERENCE

ROLES OF CITY LEADERS
TO ATTRACT GOOD
INVOLVEMENT
OF PRIVATE SECTOR

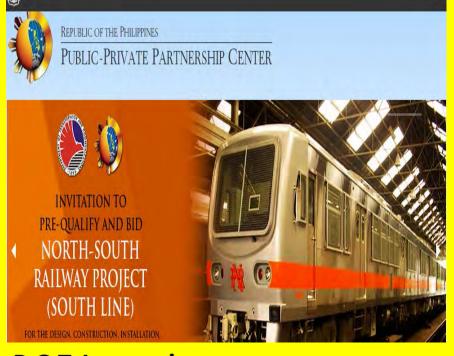


SPIDERWEB APPROACH DEVELOPMENT STRATEGY





Welcome to Cebu City!



B.O.T. Law under the National PPP Center

Existing PPP Framework in PH



J.V. by Local Government Units under RA 7160





Mactan Cebu International Airport

3rd Mactan Cebu Bridge







Existing PPP in Cebu by the National Government and Local Government Units

CEBU CITY



P.P.P. Cebu City Gov't.





SRP FILINVEST-CEBU CITY (LGU)

J.V.



SM Malls

South Road Properties (SRP) **SALE**



AYALA-SM CONSORTIUM

CEBU CITY



Cebu Metropolican Cathedral is the ecclesiastical seat of the Metropolitan Archdiocese of Cebu.

CEBU

Republic of the Philippines











* Provincial Capital City

Private Sector and Metro Cebu LGUs Cooperation





4th Asia Smart City Conference

Yokohama, Japan

MEGA CEBU:

Shared Public – Private Sector Platform for Sustainable Urban Development

October 20, 2015

Roles of City Leaders to Attract Good Involvement of the Private Sector



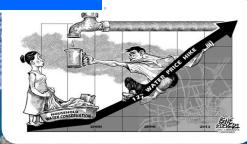


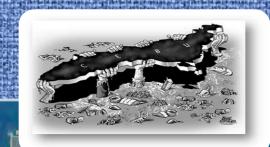




Assets & Challenges



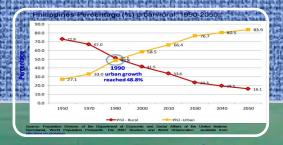




No Entry

No Water or We've Got SW

No Dry Ground



Calcutta Sofia Zhuhai Manila Ansan Genoa	INDIA Bulgaria China Philippines Republic of Ko	0.418 0.418 0.411 0.411 0.410 0.410	3 0.3 7 0.3 7 0.3 4 0.3
Zhuhai Manila Ansan	China Philippines Republic of Ko	0.417 0.417 rea 0.414	7 0.3 7 0.3 4 0.3
Manila Ansan	Philippines Republic of Ko	0.410 rea 0.414	7 0.3 4 0.3
Ansan	Republic of Ko	rea 0.41	1 0.3
Genoa	Italy	0. 413	3 0.4
Konakry	Guinea	0,308	0, 294
Srinagar	INDIA	0.308	0, 294
Cebu	Philippines	0. 306	0. 301
Port-au-Prince	Haiti	0.306	0. 290
Freetown	Sierra Leone	0.305	0. 298
Patna	INDIA	0.305	0. 290
		Freetown Sierra Leone	Freetown Sierra Leone 0.305

SPRAWL: Is this the kind of growth we want?

More People in Cities

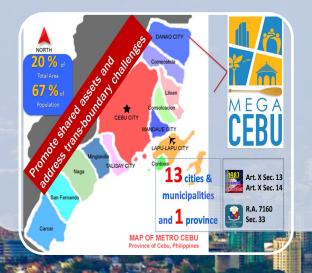
Low Urban Competitiveness

Sprawl: Unsustainable Growth





Interests & Directions







Leaders Who Want Change

Leaders Who Want to Leave a Legacy

Leaders Who Want to Collaborate





Aspirations & Vision



Shared Identity

 Tangible & Intangible Assets



Common Ground

• History & Significance



Collective Future

• W.A.V.E.S.: Mega Cebu Vision 2050





Information, Knowledge & Understanding



City Region

• Metropolis: Mega Cebu



Smart Growth (6Cs):

Connected

Compact

Complete

Complex

Convivial

Conserving



3 Es

- Evidence
- Expertise
- Engagement





Development Strategies & Plans





Koadmap Study for Sustainable Urban **Development of Metro Cebu 4 STRATEGIES 7 SUB ROADMAPS** Metropolitan Competitiveness **Enhancement** Competitiveness **Urban Structure and** Land Use 3 Urban Transport and Mobility **Highway Network OVER ALL ROADMAP** Water Supply and Disposal Management Livability 5 Solid Waste Management 6 Smart SRP Metropolitan Development Management 7 Metropolitan

3 + 1 Development Strategy

4:7:1 Roadmap

Administration



The 4th Asia Smart City Conference « Session 2» Roles of city leaders to attract good involvement of private sector

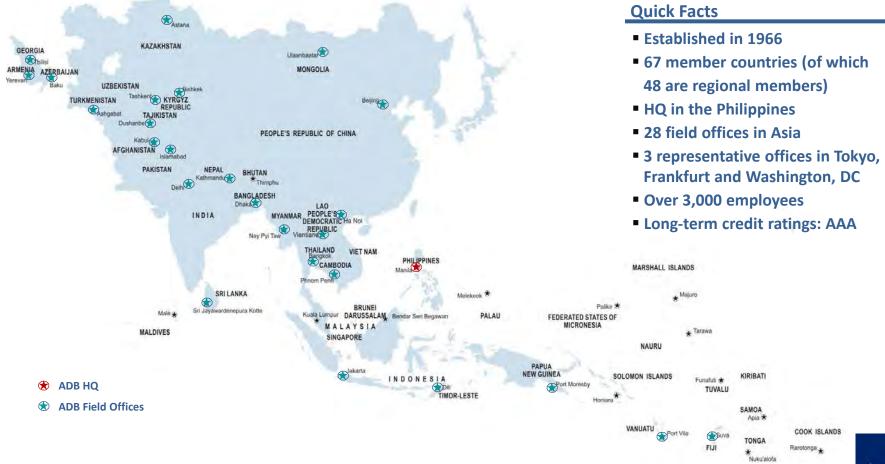
20 October 2015 at InterContinental Yokohama Grand

Takeo Koike
Director
Office of Public Private Partnership



The Asian Development Bank

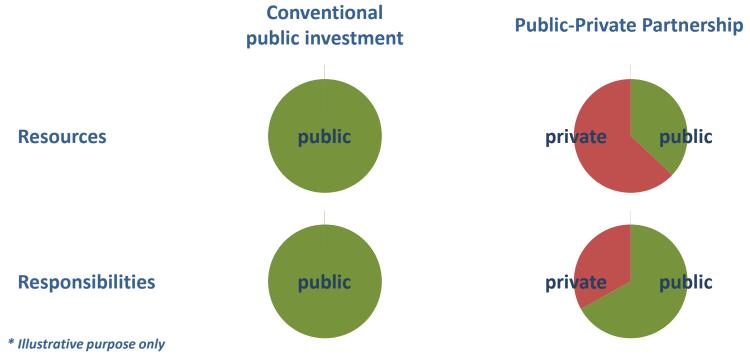
ADB was established by agreement of its member countries to foster economic growth and cooperation in the Asia and Pacific region, and to contribute to economic development of its developing member countries in the region, collectively and individually.



Public-Private Partnership

Huge need for infrastructure development

- Use of private sector resources (financing, technical expertise and efficiency)
 Partnership is the most important
- Inviting the private sector ≠ The public sector should become hands-off
- PPP should be discussed as one of the methods to deliver infrastructure services where public sector undertaking remains critical



ADB

If PPPs can deliver more, why not more prevalent in Asia?

Challenges are common

Advocacy and capacity development

- Inconsistent and insufficient political commitment
- Limited or lack of understanding about PPP contracts, private sector's risk appetite/tolerance, risk allocation, government's role & responsibility
- Lack of government capacity for project identification / PPP conceptualization

Enabling environment

- Underdeveloped regulatory frameworks & unclear implementation
- Limited coordination among central ministries / regional governments
- Delay in land acquisition and insufficient compensation / resettlement
- Delay of approval / permit processes (deal specific/symptomatic?)

Project development

- Limited capacity for project and budget implementation
- Limited capacity for project selection and prioritization / bid management
- Limited fund availability for initial deal structuring, pre-feasibility study
- Poor quality of project viability assessment with wrong assumptions/forecasts

Project financing

- Lack of long-term local currency liquidity, e.g., weak banking sector, lack of project bond market / institutional investor interest in asset class
- Lack of secondary or securitization market for project finance assets
- Recent regulations (Basel III) constrain banks' to provide project finance
- Private infrastructure finance for country risk requires credit enhancement

ADB's PPP Operational Framework and Modalities

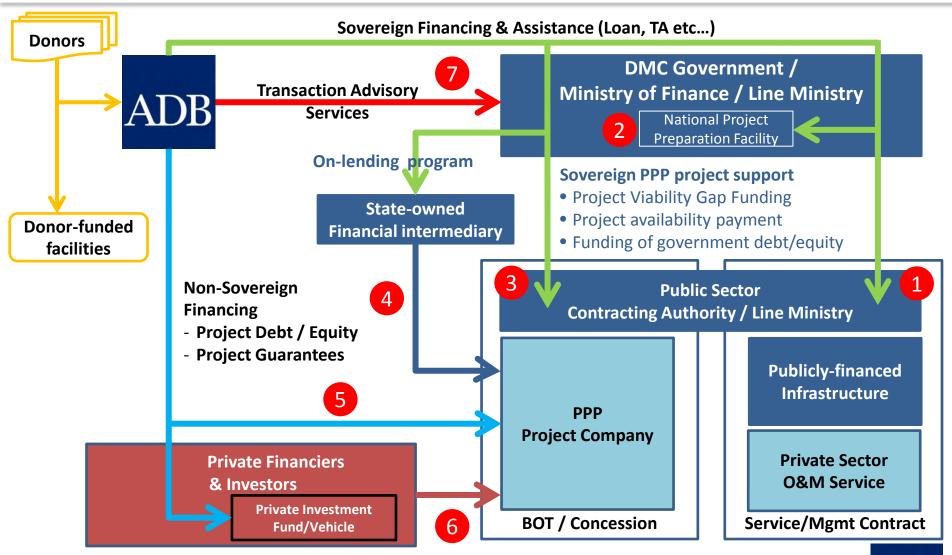
Planning and coordination

Pillar 1	Pillar 2	Pillar 3	Pillar 4					
Advocacy and capacity development	Enabling environment	Project development	Project financing					
 Create awareness Invoke leadership Identify PPP potential in sector planning and the private sector development agenda Develop capacity of Government Enhance external knowledge management links 	Develop policy, legal, regulatory and institutional framework to facilitate, guide and manage the development of PPPs (country and sector specific)	 Assist in the development of pathfinder projects Provide support (including advisory support) throughout the process from structuring to bid management and contract award/financial close. 	 Provide long-term debt financing including local currency Catalyze commercial financing by equity, debt and guarantees. Provide public sector financial support through schemes to ensure viability and cash flow sustainability. 					
ADB is unique in having comprehensive operational modalities to support PPP								
Knowledge dissemination, training	PPP Act; Streamlined PPP regulation; Tariff reform	Feasibility studies	Nonsovereign financing					
	PPP units;	Preparation support	Sovereign financing					

Transaction
Advisory Services

ADB

How can ADB catalyze more PPPs?



What can we do to achieve successful PPP?

- Create world class legal / regulatory framework + institutions
- Show strong, consistent, universal government commitment
- Stand on economic and social rationale
- Make the process transparent, consistent and predictable
- Accelerate reforms to establish financial sustainability
- Provide partnership support
- Take expert advice and prepare projects carefully
- Look for suitable financing sources
- Show an investor friendly face





Japan's PPP Assistance Measures for Facilitating Quality Infrastructure in ASIA

Tadayuki Miyashita
Director,

Development Assistance Policy Coordination Division,
International Cooperation Bureau,
Ministry of Foreign Affairs of Japan
Oct. 20th, 2015

Japan's PPP for the development of Asian Countries

There are huge needs for infrastructure development in Asia, but public financing can not meet such needs



Potential actors such as private sectors and local governments in Japan are willing to cooperate for the development of Asian countries

Solution: PPP

Challenges facing PPP

- 1 Insufficient relevant legislation system
- **2** Lack and/or delay of related infrastructure development
- 3 Insufficient support and finance for project formulation and implementation

Japan's PPP assistance measures

1Technical Cooperation

- (1) Improvement of PPP-related institution
- (2) Improvements in government financial support
- (3) Examination of government funding possibility

2ODA Loans and Grant Aid

3New ODA scheme

- (1) PPP Infrastructure F/S assistance
- (2) Private Sector Investment Finance
- (3) Viability Gap Funding (VGF)
- (4) Equity Back Finance (EBF)
- (5) Two-Step Loan
- (6) Contingent Credit Enhancement Facility for PPP Infrastructure Development
- (7) New Grant Aid for PPP Projects

CASE: Japan's PPP projects in Indonesia

■ Growing need for Infrastructure in Indonesia

► Indonesia's Mid-Term Development Plan (2015-2019)



ISSUE

- Too many institutions were involved in infrastructure development in the Indonesian government
- Lack of experts for promoting PPP

Solution ①

PPP-Network Enhancement Project

KPPIP development support

- Key functions
- Core process
- > Funding decision guideline

Solution 2

MPA(Metropolitan Priority Area) Support Facility

- Japan provided expert advisory service for infrastructure implementation
- Assist KPPIP staff in making draft of KPPIP priority project list
- ➤ Develop tools and templates to assist KPPIP staff in prioritization, action plan development, etc.
- Assist KPPIP staff in analyzing the regulations and recommend revisions

Foundation of Infrastructure Development in Indonesia



JOIN - Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development -

October 2015

1. What is JOIN?

We are the *first* and *only* government-private sponsored fund in Japan that specializes in overseas infrastructure investment.

We support your country on building safe and reliable infrastructure through PPP arrangements.

We work in collaboration with Japanese companies, banks, institutions (JICA, JBIC, NEXI, etc.). & government.



2. What does JOIN do?

JOIN is a "*HANDS-ON*" fund: we not only provide funding but we also bring Japanese expertise and high-end technology solutions to infrastructure projects worldwide.

Equity Investment

Spreading Safe and Reliable Infrastructure Around the World

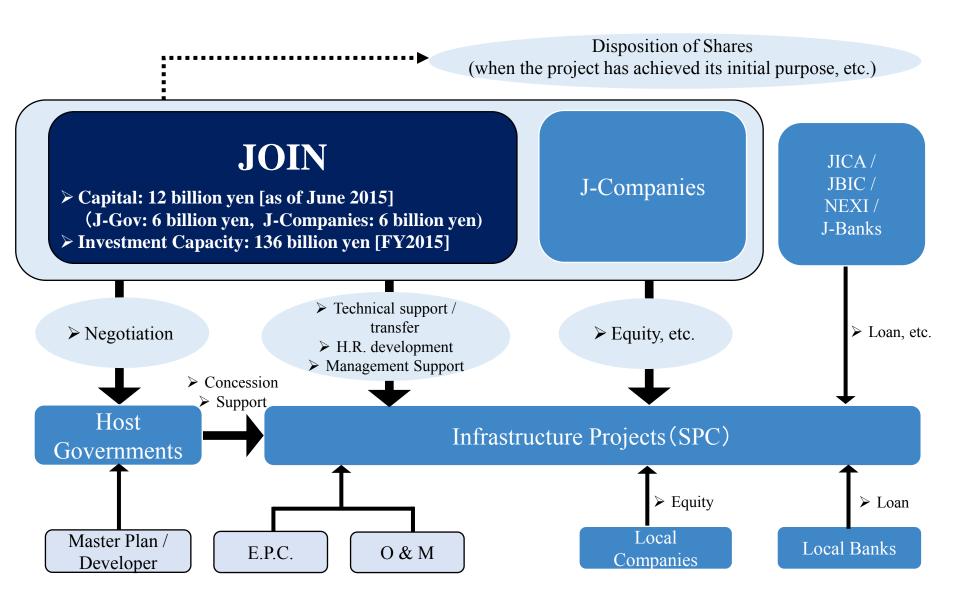
Technology Transfer

Human Resource Development

3. Why was JOIN established?

<Government Priority Policy> To promote Japan's infrastructure system in the overseas markets Target of Infrastructure-related Orders **10 Trillion yen** $(2010) \rightarrow 30$ **Trillion yen** (2020)(Ministerial Council for Overseas Infrastructure Development) Cooperation J-Company **JOIN** JICA **JBIC NEXI** J-Company Banks Equity / O & M / Loan / Equity / T.A. / Management / H.R. Development Master Plan / Policy Advice Japan's contribution to infrastructure projects in overseas countries will lead to mutual economic growth

4. How does JOIN function?



5. Our Focus

High-speed railways



Urban railways / transport system



Toll Roads



Ships / Offshore units



Port terminals



Airport terminals



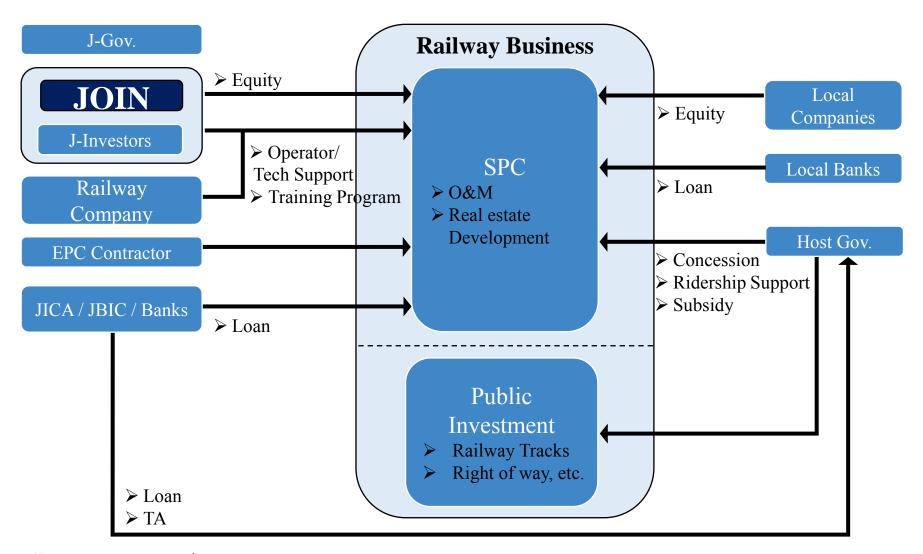
Urban development



Logistics



6. Illustration of the Prospective Project – High-speed Railway

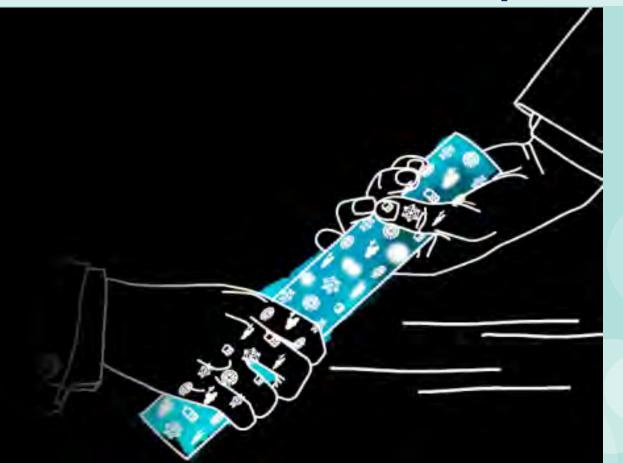


- # Important Points:
- (a) The role of the host governments, (b) Integration of railway technology

7. Company Outline

Company Name	Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN)	
Location	2-2-3 Marunouchi, Chiyoda-ku, Tokyo (Marunouchi-Nakadori Building, 9	
Established	October 20, 2014	
President and CEO	Takuma Hatano	
Contact	TEL: +81-3-5293-6700 (main line) / FAX: +81-3-3218-5561	
E-mail	info@join-future.co.jp	
Website	http://www.join-future.co.jp/english/	

Smart cities Role of city leaders to attract good involvement of private sector



Hyoung Gun Wang Senior Economist SAR Urban Unit

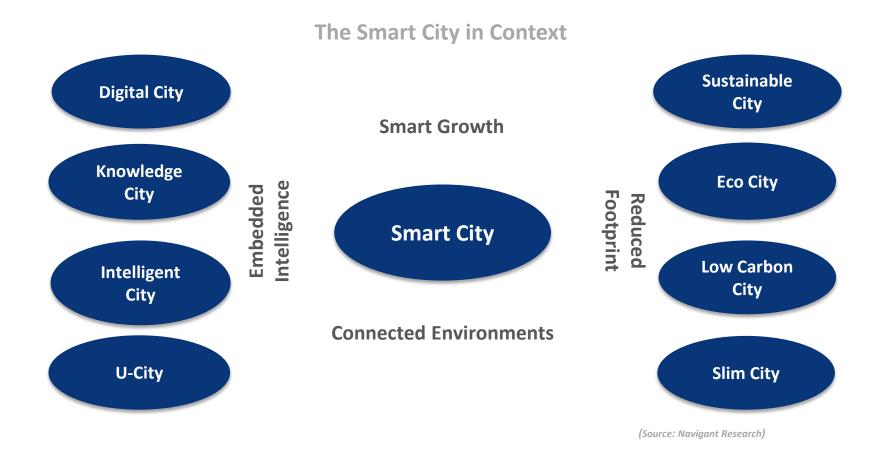


ICT impact on urban development

Function Effect Target 24-hour Monitoring **Public services: Increasing:** Transportation, Security, Efficiency, Productivity, Waste ... **Real-Time Information** Transparency, Competitiveness, Monitoring, Land Management sharing **Analysis Based upon Real-Environment:** time Field Data Air, Energy, Water, Disaster ... **Decreasing:** Real-time response Green Gas, Crime, Pollution, **Vulnerability Governance:** Tax, Procurement, Custom ... **Prompt Citizen Feedback**

Smart City

- A smart city is characterized as the
 - integration of technologies into a strategic approach
 - to make a city more livable, competitive and inclusive



Integrated Smart Cities



Inclusive Smart Cities

Smart Cities in SAR Countries Context

- ➤ What's 100 smart cities in India here 300M without electricity, 600M without toilets?
- ➤ Hi-tech city, infrastructure and CCTV network that "keep out" the poor



"Is India's 100 smart cities project a recipe for social apartheid?" - The Guardian, May,2015

ICT as Enabler for Inclusive Cities

> Smart services can make **citywide impacts** in cost efficient, visible and fast manners







<CPS> <Crime Prevention>

<Complaints Portal>

<Bus Kiosk>

Four Keywords of Smart City Solutions



Cloud: Connects public/private data to have effective cross-departmental collaboration and resource sharing. The scalability and cost-effectiveness reduce costs without cutting essential services.

Big Data: Provides vital real-time insights from multiple data sources to make more analytic decisions, and respond faster in emergency.

Mobile: Help cities reach citizens anywhere, anytime. Citizen-centric applications enable people to directly engage and interact with their city governments for services.

Social media: can open two-way dialogues with citizens and businesses to better inform them and understand their needs.

Smart City Applications

Sectors	Applications	Key Technologies	City
Smart Governme nt	Public safety, social care, tele-heath, e-education, smart s treet lighting, citizen portals, w aste collection	Sensor networks, cloud computing s ervices, data analytics, open data pl atforms, lighting networks, emergen cy response systems	Chicago, Houston, New York, Amsterdam, Helsinki, Bristol, Barcelona, Sunderland, Busa n, Seoul, Rio de Janeiro
Smart Water	Water system upgrades, consumption monitoring, wastewater treatment, environmental safet y systems, flood management	Smart water meters, sensor and com munications networks, water monit oring and management systems, wat er system analytics, weather forecas ting	Dubuque, Masdar City, Nice, Paris, Washington, D.C.
Smart Transporta tion	Traffic monitoring and manage ment, congestion management, road user charging, emergency response, public information sy stems, smart parking, integrate d traffic light management	Intelligent transportation systems, E V charging systems, road use pricing systems, sensors networks, monitori ng and management parking, traffic monitoring, predictive analytics, veh icle telematics, public portals and s mart apps, open data platforms	Dallas, San Francisco, Stockh olm, Amsterdam, Hamburg, Santander, Singapore, Shenz hen, Zhenjiang, Toyota, Rio d e Janeiro
Smart Buildings	Public sector energy manageme nt programs, grid integration fo r renewables, EV charging statio ns, lighting/waste/water manag ement	Building energy management syste ms, energy performance manageme nt, grid integration, intelligent lighting systems	London, Amsterdam, Songdo , Tokyo, Yokohama
Smart Energy	Demand management, EV supp ort, energy efficiency program, renewable energy integration	Smart meters, home energy manage ment, distribution automation, grid analytics, demand response systems	Austin, San Diego, Bilbao, Év ora, Friedrichshafen, Lyon, M álaga, Yokohama

The World Bank: Tamil Nadu e-Governance Initiatives under TNUDP3 & TNSUDP, India

Initiatives in progress

- Centralized Web Application for ULBs: Property Tax & Birth/Death Certificates modules the 4 ULBs (09/14), Others rolled out (03/15), Full scale up of 29 ULB modules (09/15)
- Scale up of GIS Systems: Previous pilot GIS in 17 ULBs will be scaled up to 118 ULBs
- Mobile Applications: Will include training and support under TNSUDP

New initiatives planned under TNSUDP

- Central Citizen Portal: gateway for all the application SW on an integrated web system
- Citizen Service Centers: Easier and efficient service delivery to citizens at ULB offices.
- Strengthening the ICT Infrastructure: Upgrading of ICT assets and infrastructure
- Capacity Building and Training: for ULB staff

Model Cities Component

- Concept will be developed to support TN to the next level in 'intelligent planning and coordination among multiple agencies' to support 'new models of governance' in the urban sector
- Development of a model cities roadmap and action plan

Tamil Nadu's E-Governance Projects

Operating

Modules



Future

Planning



The World Bank: TA to develop Smart City Initiatives for Dhaka, Bangladesh

CHALLENGES

- Traffic problem
- Transportation problem
- Solid waste problem
- Water logging problem
- Water(River) pollution
- Housing problem

:

GAPS

- Shortage of Manpower
- Lack of ICT trained & dedicated manpower
- Lack of Logistics
- e-Governance systems
- Lack of ICT infra (including basic equipment)







Smart City Approach for Dhaka (example)

Top-Down:

Urban ICT/e-Gov.
Policy & Plan

- + Policy and action plans
- + Setting up the ICT Organization
- + Realistic projects (cost efficient)
- + Sustainable development

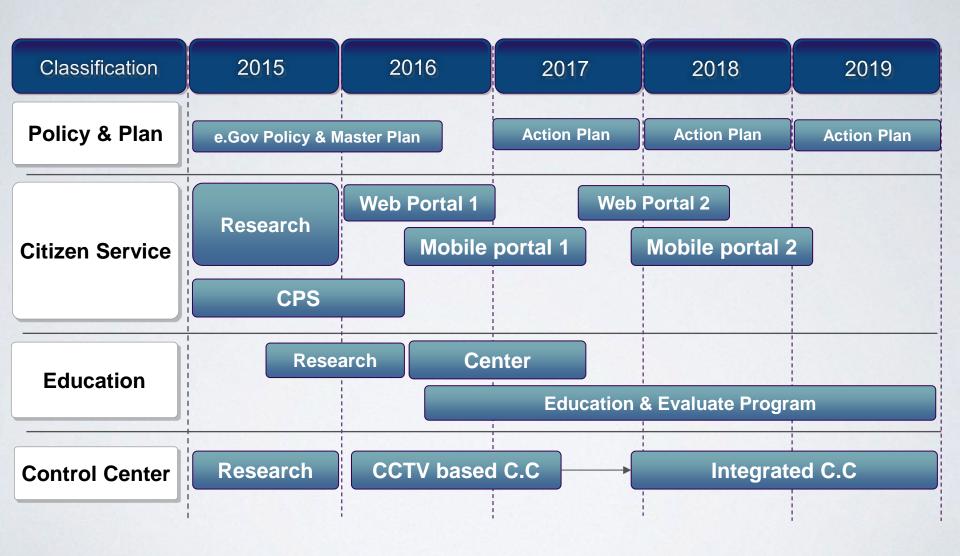
Bottom-Up:

Engaging Citizens

In Public Service

- + based on Human-ware
- + Smart town test bed (connected community with VOC)
- + Strengthening self-participation ability (incentives from the city)

Smart city roadmap for Dhaka (example)



Role of city leaders to attract good involvement of private sector: Understand key success factors

- 1. Visions for its own 'Smart City': Needs for clear project scopes through prioritization and a roadmap and short/mid/long term action plans
- **2. Building Consensus :** Understanding citizen needs, secure the willingness of the state and local government to share information
- Real impacts on citizen's everyday life: Practical, affordable, and customized systems
- **4. Open Approaches:** Seek the balance between innovation vs. economies of scale. Consider both Top-Down and Bottom-up Approach
- 5. Whole of Government Approach: Collaboration among agencies are one of the critical success factors
- **6. Financial sustainability:** Specific strategies to optimize the Life Cycle Cost of the system. PPPs to be considered

Main components of a Smart City program

A multi-dimensional Smart City approach to make a city more livable, competitive and inclusive

Environmental Sustainability

- **Energy efficiency**
- **Pollution**
- Resources

Citizen Well-Being

- **Public safety**
- Education
- Health care
- Social care

Economic Viability

- Investment
- Jobs
- Innovation

Smart city vision, objectives and **Policies**

Smart Energy **Smart** Water

Smart Transport

Smart Buildings

Smart Government

Smart infrastructure Services

Smart City Operating System

Sensor Networks Analytics

Intelligent Devices Control Systems

Communication Platforms **Web Services**

Smart Information System

Role of city leaders to attract good involvement of private sector: A package of engagements

Start with a smart city roadmap and action plans

- 1. Quick Diagnostic Assessment
 - Status of existing infrastructure, urban management, service delivery and related inter-agency coordination (water, sewerage, transport, DRM, health, education etc.)
 - Identification of key challenges and gaps
- 2. Customized smart city solutions and new ideas
 - Prioritization of interventions, based on technical and financial feasibility
- 3. Development of a roadmap and multi-year action plans
 - 6 months, 1 year, 2-3 years, 4-5 years

Step by step implementation of smart city projects

- Starting with quick & high-visibility solutions to build broader consensus and incentivize public opinions
- 2. Smart city project development and funding mobilization, building on the initial success

Thank you

Hyoung Gun Wang

Senior Economist, SAR Urban Unit hwang4@worldbank.org

