

## Public/Private Partnership in Historic Cities' Development Programmes

In developing countries, especially those who got their independence after the 1950s, Development Strategies gave the State a leading role in creating growth and development. The same has been true in centrally governed political systems. During the 1980's and a good part of the 1990's, and most recently in this new millennium, this approach seems to look for a change. Markets or Civil Society came to be seen as the prime movers of development. In practice. This led to a process whereby the State was rolled back. Now in 2007, the State-versus-market debate is losing poignancy. In this community dismounting of the State is now perceived to be as much an error as the earlier focus on central government leadership and governing bureaucracies. There are issues at stake on globalization, as we write today in Kenya January '07 - Forum. But the role of the Private Sector well defined is seen to be positive by all.

The UNDP World Development Reports acknowledges the need 'for an effective State' that can play a 'catalyst role' alongside markets, citizens and communities in the **equitable** provision of goods and services.

In this new context the promotion of the new **public-private partnerships** is gaining momentum. The challenges of Sustainable Development, globalization and poverty alleviation call for the full mobilization of different domestic actors, resources and capacities. Bridging the public-private divide through 'dialogue and joint action' could yield major development benefits. It may improve the overall quality of policies while ensuring an effective task division between state, private sector and civil society in promoting development.

This, in turn, may increase ownership and accountability, as non-state actors can participate in shaping policy, exercising choice and **delivering goods** and **services**.

If we were to look at the policy debates on the relationship between members of the Lome Group, we would have to assert that success would primarily depend on appropriate blend of public **and** private action.

So far, ACP-EU cooperation has not created many synergies between public and private actors. There has been a tendency again to either go back to a central government role, or to have a sliced approach in which separate policies, instruments and budget lines are provided for special categories of actors, e.g. state, private sector, NGOs. This to the point that the Lome funds of the EU have been split under separate categories of actors.

Promoting truly balanced and effective public-private partnerships is not an easy task. In Heritage Fund it may be complex. Research is necessary blending characteristics of conservation and **sustainability**.

Levels of mistrust among the players are often high.

There is little experience in dialogue, let alone joint action between a wide variety of actors.

Adequate mechanisms to facilitate information flows, participatory **decision-making** and implementation, are not readily available.

Capacities to **engineer** partnerships are not as yet fully adequate.

As to the **urban world**, the rapid concentration of hundreds of millions of people in urban areas has placed an extraordinary strain on the ability of governments, both municipal and national, to meet the needs of city dwellers. Urban environmental problems – such as water and sanitation, waste management and energy – are particularly acute, and growing worse, as available services and resources are overwhelmed by growing/migratory populations.

We are all too familiar, as indicated above, that deficiencies in the provision of urban services are caused by several factors. The rapidly increasing size of cities, the high concentration of the poor and the inadequate management and technical skills of municipalities and government agencies to deal with urban services. Governance is a top priority today at all levels. But at the core of the current breakdown is the issue of insufficient government resources. Both supply and demand of services are effected by limited budgets that prevent municipalities from providing adequate services, especially to the poor.

Today most urban infrastructural services in developing countries are provided by the public sector. Municipalities alone can not meet the continually expanding demand for services.

The growing complexity and cost of urban-related problems call for innovative interactions between an increasing number of actors in cities. Therefore, the formation of **partnerships** between the public and the private sector institutions is one of the most promising of the newly emerging forms of cooperation. Working together, cities and private enterprises can pool together their resources, expertise and unique approaches to problem-solving to tackle urban challenges in a comprehensive way.

UNDP initiated some years ago a global programme to promote public-private partnerships in support of Sustainable Development goals. The public-private partnerships for the Urban Environment Programme became operational, and expanded to become an international collaboration scheme involving governments, businesses, NGOs, the scientific and academic community (MIT) and other developed and developing countries and institutions. Presently UNDP and the non-for-profits Swiss Association (Sustainable Project Management) are acting together in a catalytic and supporting role for this unique network of scores of public and private institutions.

There are presently various forms and degrees of involvement of the **private sector** in the delivery of public services. Privatization has been looked upon as a policy instrument which could involve a range of forms of possibilities, e.g. contracting a private company for specific services; transferring public sector responsibilities to NGOs; deregulation and the outright sale of public assets to private investors. While privatization became an increasingly important instrument of public policies in the 1980's, the 90's show us that potential negative social and environmental implications of full-fledged privatization have become to be questioned. What is the score in this new millennium?

Now, public-private partnerships in this respect are a form of privatization in which government and private enterprises assume **co-responsibility** and **co-ownership** for the delivery of city services. Advantages of the private sector have to be combined with the social responsibility, environmental awareness, local knowledge and **job generation** concerns of the public sector.

It is evident that to support this process, **capacity building – training** and other types of human resource development, is a key component for an adequate joint action. Most training institutes on PPP are located in the United States and Canada. And Western Europe. They run courses in European universities as well as in USA and at times in developing countries, with the collaboration of international organizations, such as the World Bank, regional banks, UNDP, etc.

Projects developed in cities with public-private partnerships include at the moment among others, the following:

- Water and air pollution
- Water supply provision
- Improve Insufficient sanitation infrastructure
- Excessive waste of natural resources in industrial production processes
- Inadequate or nonexistent waste management procedures
- Environmentally unfriendly technologies
- Lack of environmental education
- Lack of environmental considerations in industrial and urban development initiatives
- Ineffective and wasteful energy sources and technologies, including public transport and industrialization.
- Housing- social

In matters of **urban heritage** there is no doubt that with an integrated view on rehabilitation of historic centres or cities, **there is room for private-public partnerships**.

**Heritage preservation and conservation** is definitely the responsibility of the central State in terms of legislature and other aspects inherent to urban development policies. Local governments are recently taking full responsibility. Special Agencies e.g. Habana are yielding good results. As is Vilnius, Barcelona, Cairo, Istanbul. And some North-African cities not to mention .well established; case s in Europe such as in Amsterdam Holland in the form of corporations.

It is also evident that mechanisms should be sought to create special type of “companies” - this is clear in the housing sector, e.g. Holland - if necessary on a public-private scheme, to meet the specific characteristics of Historic City conservation and management. It could be asserted that there cannot be, and should not be, an outright privatization of management of cultural heritage assets of a given historic city or centre. This is particularly true in the management of historical and/or ecological sites.

**Institutional mechanisms** could, however, be created to meet the special demands of the **heritage** component of interdisciplinary action in historic cities.

It can thus be said that historic cities and centres have special characteristics which may well demand **innovative** approaches for **local government** structural mechanisms and in addressing institutional and financial issues, especially the types and its modus-operandi of investment.

Considering the conservation is one and **only** one of the components of rehabilitation, which includes elements of Sustainable Human Development and Global Management of Sites-Urban M Programmes, Archaeological Sites, it would be necessary to develop some guidelines for local and central governments, and to that matter, to the private sector, on various forms of joint public-private partnerships in the city, country itself, and/or in the very structure of the **international private sector**.

This is absolutely necessary if we were to look into ways of means of PPP's, e.g. in adaptive re-use of buildings, tourism industry, bearing in mind an equitable Conservation and Sustainable Human Development.

There is no doubt that joint **training** and **capacity-development ... capacity building** programmes are necessary between the totality of the municipality,(in an intersectoral manner ) the Ministries of Culture and other Ministries concerned, and the interested private sector organizations to be able to build confidence and adequate terms of reference for the establishment and implementation of PPP's.

In this respect it is suggested that on the basis of experiences so far, and other research at the local/national and international level, some special thoughts be given to PPP's in historic cities in the years ahead.