



NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY
TABLE RONDE NATIONALE SUR L'ENVIRONNEMENT ET L'ÉCONOMIE

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**DATA AND INFORMATION SOURCES FOR ASSESSING THE
MOST PROMISING STARTING CITIES AND REGIONS
TO PURSUE**

**A CANADIAN SUSTAINABLE CITIES INITIATIVE:
REPORT TO THE NATIONAL ROUND TABLE
ON THE ENVIRONMENT AND THE ECONOMY**

1. PURPOSE

This short report indicates to the National Round Table on the Environment and the Economy (NRTEE) how The Bayswater Consulting Group, Inc. proposes to collect and apply information to select potential starting points among urban regions around the world for a Canadian "sustainable cities initiative".

The main "pool" from which such starting cities or regions will be drawn will be 171 cities and urban regions in which Canadians are already involved in various aspects of urban planning, environmental management, and development. These cities and regions were mapped out by Bayswater over the period March-April, 1998 under a contract with the Department of Foreign Affairs and International Trade. Among the them, 35 appeared to have particularly intensive relationships and contacts with Canadian organizations and companies. These will receive most attention in the coming months. Others currently having less intensive contacts may be added at the suggestion of Canadian and other experts in the field.

There are four main variables at play in determining the most appropriate starting cities and regions from amongst a list where Canadians are already active:

- the state of governance in the prospective urban region, and perhaps more generally in the country concerned;
- the degree of urban environmental need;
- whether Canadian organizations and companies have capabilities which match those needs;
- whether Canadian expertise and products or services to improve the urban environment can be financed in the urban centre or region concerned.

In each case, the consultants propose to go to the most authoritative sources of information and data available in order to develop sound intelligence reports for consideration by Canadian governments, research institutes, non-governmental organizations, and companies.

At the same time, they will be seeking to gauge interest in a sustainable cities initiative and to assess ways in which such an initiative can be made more explicable and credible.

2. CONTEXT OF THE INFORMATION-GATHERING

The Foreign Policy Committee of the National Round Table on the Environment and the Economy (NRTEE) is continuing to explore the potential for a "Sustainable Cities Initiative". This initiative would seek to engage ongoing teams of Canadian experts, private sector companies, and government departments and agencies in integrated planning, environmental management and development work in selected urban-centred regions around the world. The aim would be to remain continuously engaged over a substantial period, perhaps up to 10 years.

Canadian private sector companies, as well as individual units within government and urban experts have already expressed considerable interest in a "teaming" approach to Canadian analysis, marketing, financing, and project management in a variety of urban settings.

It is essential to capitalize on this interest and to be ready to present to the NRTEE and its partners, information and advice on selected "priority cities" by September of 1998. The aim is to permit timely verification of viability and interest by key stakeholders and to have cities ready to be "piloted" beginning in the autumn of this year.

The consultants are being asked to cross-reference data from the "Map of Canadian Capabilities" with other information to support decisions regarding approximately 7-10 cities particularly ready for a coordinated and integrated "sustainable cities solutions" approach. Methods of doing so may include:

- correlating the environmental and economic priorities of selected cities and urban regions with Canadian capabilities and experience by means of transparent and replicable research methods;
- consulting with Canadian and foreign centres of urban expertise and others listed in the "Mapping Canadian Capabilities" document as to priority cities, environmental priorities, receptive city officials, etc.;
- ascertaining criteria applied by the World Bank, the United Nations, and regional development banks for selection of such cities and how these may relate to Canadian selection process;

- ascertaining environmental priorities on a regional and city-region basis, referring to factors such as per capita income, level of sanitation services, population health, etc., according to World Bank, World Resources Institute, regional development bank and other sources;
- determining potential Canadian company capabilities in consultation with Industry Canada, DFAIT, CIDA and other Federal government departments, industry associations, market analysis reports, etc.;
- gathering information as to which cities are committed to and capable of private-public partnerships, e.g., by having in place necessary legislation and financing mechanisms.

The aim is to assess, among the approximately 7-10 cities or regions resulting from the review, which are most promising. A further detailed analysis of the opportunities in these would be pursued, based on methods to be agreed with the NRTEE.

In concert with DFAIT, and under the direction of the Chair and Policy Advisor for the NRTEE Foreign Policy Committee, the consultants would also identify potential stakeholders who could participate in a coordinated approach to each of these "starting" cities or regions. The aim is that these stakeholders be consulted by NRTEE to ascertain their interest in participation, and the ways in which they would be prepared to contribute.

3. SOURCES OF INFORMATION ON GOVERNANCE

The issue of governance is central to a sustainable cities initiative for three main reasons:

- Much procurement for projects to improve the urban environment is still carried out by governments, whether national, provincial or local.
- The policy framework for most relationships between environment and urban development is set by government policies, or the lack of them.
- In cases where private sector financing and operation of urban services is contemplated or actively promoted, governments still set the standards to be met by such arrangements; through policies on such issues as charges for energy, water, solid waste removal, etc., they often determine the viability of such projects.

The four main information sources for "baseline" information on governance in candidate cities and regions will include:

- Transparency International, an organization based in Germany, which publishes an annual corruption perception index of increasing credibility.
- World Bank reports on governance and reform in various countries of operation, including projects specifically designed to increase governmental capacity.
- CIDA reports on different countries and country priorities for Canadian development assistance.
- Reports by Canadian urban experts specifically on the issue of governance.

With this baseline information in hand, the consultants will conduct a set of strategic interviews designed to probe further a selected number of the most promising urban regions.

In general, those countries ranked very low by Transparency International will be removed from the list of promising locations for starting cities at the outset, unless other factors, such as strategic Canadian interest, intervene. Where there are questions not able to be answered from readily available information, contacts may be made, in consultation with DFAIT, with Canadian missions abroad.

Since Chile ranks among the highest of any emerging or developing economy in terms of favourable operating conditions from the standpoint of corruption, etc., this interview process will begin with Santiago. Other cities in countries with solid governance marks will also "go to the head of the class" and be considered in relation to environmental need.

4. URBAN ENVIRONMENTAL NEED

There are obviously huge unmet needs for environmental improvement in cities and urban regions around the world, including in Canada itself. The quality of environmental data on various global cities tends to be inversely proportionate to the actual need on the ground: more need = less and poorer data.

With these two caveats in mind, the main sources for data and information on urban environmental needs will be:

- World Resources Institute data series on urban environmental need in countries around the world, prepared in conjunction with the World Bank and the United Nations;
- other United Nations reports, such as those of the UN Environment Programme, the UN Centre for Human Settlements, and UNESCO;
- CIDA reports on urban environmental need, as available;
- Industry Canada reports on urban opportunities for Canadian environmental industries, which are another way of indicating need;
- qualitative information on environmental conditions in World Bank and regional development bank reports.

In general, those places with the highest environmental need will be placed highest on the list of prospective starting cities and regions. However, other aspects of the situation will also be considered, such as strategic location within a larger cluster of countries affected by a common ecosystem, e.g., a shared sea or mountain cordillera, a shared river basin. Other factors may come into play, such as common environmental problems arising from similar technologies, giving rise to one city as a testing bed for solutions with much wider application.

5. CANADIAN CAPABILITIES IN RELATION TO NEEDS

The mapping process already carried out by Bayswater for DFAIT and NRTEE shows that Canada has an impressive array of capabilities in relation to all aspects of urban environmental improvement, and over the whole life-cycle of urban environmental issues. Nevertheless, capability is also a comparative matter, in relation to:

- what is offered by competitors and/or potential cooperants from other countries;
- capacity of individual regions and cities to pay for and to apply effectively what is offered by Canada;
- capacity of Canadian companies and organizations to find complementary organizations in other countries to deliver their products and services, to complement their offerings where they have gaps, etc.;
- whether Canadian capabilities fit within an integrated package, and indeed to contribute positively to a framework for integration.

There are few authoritative information sources on Canadian capabilities in relation to specific requirements of given markets, since most existing tools in this connection are geared to markets in developed countries of the G-7. This aspect of the project will therefore rely on:

- interviews with CIDA project officers for the countries concerned;
- reported results of CIDA efforts to introduce relevant Canadian technologies to date;
- Industry Canada reports on environmental opportunities in specific countries; and
- direct contacts with Canadian companies interested in the target regions.

The aim will in setting out the most appropriate Canadian capabilities will be:

- to focus on urban pollution prevention and other solutions which are patently attractive from a financial perspective, e.g., urban mass transit, urban energy efficiency technologies, telecommunications solutions, etc.;
- to avoid "technology push" solutions;
- to focus on solutions which show Canada as a centre of urban innovation.

In no case will there be an attempt to exclude given Canadian solutions: they will simply be annotated in relation to what the urban region in question appears to have as priority needs, and also a prognosis by local area experts on the viability of the solution. An overall map of the "goodness of fit" of various capabilities should result.

6. FINANCING

Both funding (i.e., grants and coverage of soft costs such as community organization and planning) and loan financing or investment in capital projects are essential to building sustainable cities. Various sources and methods of financing can support companies exporting or investing in energy, transportation, telecommunications, water supply, sewage collection and treatment, institutional commercial and industrial buildings and housing.

In some cases, International Financial Institutions may also be prepared to support the "soft" side of urban sustainability through lending for services to strengthen institutions, develop and deliver community services to the poor, or establish new governance and regulatory frameworks.

Included in scope of work on financing will be:

- International Financial Institutions, focusing on urban infrastructure and opportunities for private sector financing;
- Canadian government financing agencies focusing on both development assistance and repayable loan or equity financing, as well as risk insurance;
- Private sector financing sources and methods of risk-hedging, as well as methods of securing revenues from savings.

In each case, the consultants will make comments on the apparent accessibility and relevance of the funding for sustainable cities projects and programs from a Canadian perspective.

Principal information sources will be:

- Websites of the various financial institutions;
- DFAIT and Industry Canada studies of financing;
- Direct interviews with key potential sources of financing, beginning with those who are members of the NRTEE Advisory Committee on Financing Sustainable Cities.

Since the list of candidate cities and regions should be rather short by this stage, it should be feasible to link financing to Canadian capabilities to needs and governance instruments in some detail for each of those selected.

7. SYNTHESIS AND INTUITION

While many quantitative factors and substantial hard intelligence needs to be brought into play in ordering and selecting starting cities and regions, the final selections will also involve considerations which arise from the interaction of the four factors described above. The aim will be to find an "elegant mix" of different elements holding out the prospect of early and sustainable success.

In addition, it will be important to have a mix of individual cities and regions which compose a "portfolio" as a whole, with some calling for more stress on the governance and capacity-building aspects of sustainable cities solutions while others call for immediate commercial response, etc. The aim will be to have a sufficiently diverse array of regions, sizes of centre, environmental issues, Canadian team composition, financing arrangements, etc., that the results will be useful for future planning and action along these lines in a variety of markets.

ANNEX "A": CANADA'S CENTRES OF URBAN EXPERTISE

ORGANIZATIONS:

Alternatives
Bureau de la coopération, CEGEP de Saint-Laurent
Bureau de la Recherche et de la Coopération Internationale, Sherbrooke
Canadian Centre for Pollution Prevention
Canadian Universities Consortium, Calgary plus
Canadian Urban Institute
Care Canada
Carrefour Canadien International
Carrefour de Solidarité International de Sherbrooke
Centre Canadien d'Étude et de Coopération Internationale
Centre de Recherche en Transports, Montreal
Centre for Environmental Design Research and Outreach, Calgary
Centre for Human Settlements, British Columbia
Centre for Sustainable Regional Development, Victoria
Centre for Urban and Community Studies, Toronto
Centre for Water Resource Studies, DalTech
Club 2/3
Comité de Solidarité Tiers Monde de Trois-Rivières
Département d'Études Urbaines et Touristiques, UQUAM
Department of Civil Engineering, McGill
Department of Geography, McGill
Department of Urban & Rural Planning, DalTech
École d'Architecture, Laval
Faculty of Architecture, Manitoba
Faculty of Environmental Studies, Waterloo
Faculty of Environmental Studies, York
Federation of Canadian Municipalities
Green Building Information Council
Green Communities Association
Groupe Interuniversitaire de Montréal
Institut d'Urbanisme, Montréal
Institute for Bioregional Studies, Charlottetown
Institute for Environmental Studies, Toronto
Institute of Asian Research, British Columbia
Institute of Urban Studies, Winnipeg
INRS-Urbanisation
Intergovernmental Committee on Urban and Regional Research
International Centre, College of the North Atlantic, St. John's
International Centre for Sustainable Cities

International Institute for Sustainable Development
Jeunesse Canada Monde / Bureau régional du Québec
McGill School of Architecture
McGill School of Urban Planning
Oxfam - Québec
Rooftops Canada Foundation
Solidarité Union Coopération
Station Expérimentale des Procédés Pilotes en Environnement de l'Université
du Québec à Montréal (SEPPE-UQAM)
Sustainable Development Research Institute, British Columbia
Transport Institute, Manitoba
YM/WCA of Winnipeg
Other Organizations

ROLE IN IDENTIFYING MOST PROMISING CITIES AND REGIONS:

To comment on governance, environmental needs, appropriateness of given solutions and strategic approaches to the market.

ANNEX "B": KEY INDUSTRY, MUNICIPAL, AND PROFESSIONAL ORGANIZATIONS

ORGANIZATIONS:

Air & Waste Management Association
Alliance of Manufacturers & Exporters
Asia Pacific Foundation of Canada
Association of Consulting Engineers of Canada
Bureau des relations internationales - Montréal
Canada - ASEAN Centre
Canadian Association of Energy Service Companies
Canadian Association of International Development Consultants
Canadian Council for Human Resources in the Environment Industry
Canadian District Energy Association
Canadian Environment Industry Association
Canadian Environment Industry Association, British Columbia Division
Canadian Environment Industry Association, Ontario Division
Canadian Environment Technology Advancement Corporation - West
Canadian Home Builders' Association
Canadian Institute of Planners
Canadian Manufactured Housing Institute
Canadian Society of Landscape Architecture
City of Moncton
City of Toronto
Corporation professionnelle des urbanistes du Québec
Economic Development Edmonton, City of Edmonton
Environmental Services Association of Alberta
Halifax Regional Municipality
Manitoba Environmental Industry Association
Montreal International
Newfoundland Environmental Industry Association
Nova Scotia Environmental Industry Association
Prince Edward Island Environment Industry Network
Réseau Environnement - Québec
Royal Architectural Institute of Canada
Toronto International Partnership
Transportation Association of Canada

ROLE IN IDENTIFYING MOST PROMISING CITIES AND REGIONS:

To comment on probable interest of members, and on ranking of Canadian capabilities for supplying appropriate solutions.

**ANNEX "C": GOVERNMENTAL ORGANIZATIONS WITH
RELATED MANDATES AND SERVICES**

GOVERNMENT DEPARTMENTS AND AGENCIES:

Canada Mortgage and Housing Corporation
Canadian Commercial Corporation
Canadian International Development Agency
Environment Canada
Export Development Corporation
Foreign Affairs and International Trade Canada
Human Resources Development Canada
Industry Canada
International Development Research Centre
National Research Council of Canada
National Round Table on the Environment and the Economy
Natural Resources Canada
Public Works and Government Services Canada
Transport Canada
Western Economic Diversification Canada

ROLE IN IDENTIFYING MOST PROMISING CITIES AND REGIONS:

To comment on relevance to Canadian interests, relevance to international development priorities, potential for applying Canadian expertise, and Canadian capabilities.

ANNEX "D": CANADIAN CAPABILITIES TO IMPLEMENT SUSTAINABLE CITIES

CORE PRODUCT/SERVICE:

1. Building components suppliers
2. Building consulting services
3. Building systems suppliers
4. Consulting engineering services
5. Environmental impact assessment experts
6. Environmental consulting services
7. Infrastructure components suppliers
8. Infrastructure systems suppliers
9. Market intelligence experts
10. Planning software suppliers
11. Project brokering services
12. Project financing services
13. Project management services
14. Technology transfer services
15. Urban design services
16. Urban capacity-building and training services
17. Urban planning services
18. Urban research services

ROLE IN IDENTIFYING MOST PROMISING CITIES AND REGIONS:

To comment on relevance to Canadian interests, potential for applying Canadian expertise, and Canadian capabilities.

ANNEX "E": MULTI-CITY PROGRAMS OF CANADIAN ACTIVITY

PROGRAMS:

Canada-Baltic Municipal Cooperation Program
Canada Southern Cone Environmental Technology
Cities Feeding People Program
Development of Management Skills for Urban Local Government
Economy and Environment Program for South East Asia (EEPSEA)
Energy Efficiency in Buildings Project (China)
Environment, Equity and Energy Efficiency (South Africa)
Growth and Change in Medium-Sized Cities (China)
Healthy Cities and Villages (East and Central Africa)
Latin America Urban Water Management Network
Multipurpose Waste Recycling
Open Cities Project (China)
REDATAM and GIS Generic Population Related Application Tools
SACDEL II - Training Support System for Local Development in Latin America
Small Grants for Population and Urban Development Research
Solid Waste Management Project
Support for Municipal Development Program - West
Sustainable Cities (Global)
University Partnership Program in Urban Development
Urban Environmental Management Project (UEM) Phase II
Vietnam-Canada Environment Program
Water and Sewage Human Resources Development
Water and Waste Management Project
Yangtze Basin Urban Environment Study (China)

ROLE IN IDENTIFYING MOST PROMISING CITIES AND REGIONS:

To comment on relevance of a sustainable cities initiative to pursuing their activities further and building on lessons learned, relevance to international development priorities, potential for applying Canadian expertise, and Canadian capabilities.

ANNEX "G": POTENTIAL FOREIGN PARTNERS

CONTENTS:

Asia Pacific Cities Forum
International Council for Local Environmental Initiatives
International Network on Water, Environment and Health
International Secretariat for Water
International Smart Cities Institute
International Winter Cities Secretariat
Metropolis

ROLE IN IDENTIFYING MOST PROMISING CITIES AND REGIONS:

To comment on relevance of a Canadian sustainable cities initiative to pursuing their activities further and building on lessons learned, relevance to international development priorities, potential for applying expertise, and capabilities from different countries in the same market.