Realizing The Transformative Power of The Western Region Development: Opportunities and Challenges

20th and 21st September 2016

6.00 PM 20th September 2016, Liberty Ballroom, Ramada
8.30 - 5.30 21st September 2016
OAK Room, Cinnamon Grand
Realizing the Transformative power of western region urban agglomeration development

The Western Region Development Project will create a modern urban agglomeration. The challenges in designing and executing an urbanization project of unprecedented scope and scale are many.

Some of the areas that would require extensive planning and execution are:

1. Bridging the gap between “vision and action”
2. Rapid deployment of talent, ideas, and capital
3. Facilitating the deployment of cutting edge technology to build smart businesses and smart communities
4. Building institutional infrastructure (policy framework, friction-free inter-agency collaboration, political stability, quality of governance, and social infrastructure) that will ensure flawless execution and induce investor appetite
5. Building and deploying innovative funding models and sources
6. Making the project climate positive
7. Positioning and marketing the country as a high potential investment destination

The Summit will aim at creating a discourse that will:

1. Promote Western Region Development and Colombo International Financial Centre as high potential investment destinations
2. Identify opportunities for businesses in technology, logistics, construction, environmental services, builders of transport systems, power & energy, public services, telecommunication, hospitality, facility management and construction, civil engineering, and other related fields
3. Help to attract leading global and regional business to Sri Lanka
4. Help project management to identify possible pitfalls and barriers that could compromise the quality of execution
5. Provide insights to policy makers

The Transformative Power of Western Region Development - Multi-generational & multi-dimensional transformative power

The government intends to undertake an ambitious development project to convert the districts of Colombo, Gampaha, and Kalutara into an integrated urban agglomeration. This will be the largest, most complex, and most capital-intensive development project Sri Lanka has ever embarked upon. This project is unlikely to have peers in the region. It will create a lasting multigenerational and multidimensional effect. The transformative impact will also be felt across the region and the globe.
The multi-dimensional transformative power of such a project will positively alter:

1) Physical landscape and built environment
2) Social fabric and livability
3) Business landscape
4) Economy
5) Global standing of Sri Lanka

Physical landscape and built environment

The most visible aspect of the project will be the transformation of physical landscape and built environment. In addition to creating a world class Central Business District (CBD), the project will also form a cluster of satellite cities: airport, science and technology, industrial, logistics, plantation, and forest.

Sustainability and citizen centricity will both be key considerations and outcomes in altering the physical landscape and built environment. As such, due consideration needs to be paid to prevent the environmental and social degradation associated with the unplanned and unchecked growth of some of the megacities in the developing world, such as Manila, Sao Paolo, Lagos, Mexico City, Mumbai, and Kolkata.

Social fabric and livability

Transforming the Western Province into a coherent urban landscape will induce positive changes in the composite demographics of the region, which consists of its wealth, education level, and employment rate. The region will also attract world-class talent, which will provide innovative ideas for economic and social development.

The improved physical and soft infrastructure, which will bring together the features of world-class modern cities including sustainable housing, will augment the livability of the region.

Business landscape

Taking the Western Province to the level of a world-class urban center will make the region one of the most competitive urban centers in Asia.

The ease of conducting business will be parallel to those of advanced economies and global financial and business centers. The region will be a magnet to regional and global businesses, which seek environments conducive to business growth defined by the geographic location and the availability of high-quality infrastructure, talent, and facilitating governance and institutional framework.

Economic impact

A project of such scale and scope will create an intense, rapid, and lasting economic impact, which will reverberate throughout the region. As mentioned earlier, urbanization is the key driver in propelling the nation into the level of a high-income economy.

Global standing of Sri Lanka

Sri Lanka has been a regional trading hub for millennia. Historical chronicles, going back over 2000 years, reveal the value of the nation in regional trade in ancient times.

The Western Region Development will reposition Sri Lanka as a modern nation, which is seamlessly integrated into the global supply chain. It will be a regional and international gateway.
As in the case of “LBR LBO Infrastructure Summit 2015,” international, regional, and local thought leaders will share their expertise, experience, and perspectives. The quality of presentations and panel discussions will be similarly thought provoking and stimulating.

The working titles of the proposed sessions are:

1. The transformative power of turning the Western Region into an ultra modern urban center
2. Execution: Bridging the Gap Between Vision and Action
3. Designing intelligent, viable, and sustainable transportation solutions
4. Livability, resilience & climate positivity
5. Making USD 40 Billion Plus funding a reality

Session Outline

Day 1: 20th September, Liberty Ballroom, Ramada

Opening Ceremony 1800 - 2130 HRS

Speeches
Opening Remarks
Chief Guest’s Speech
Feature Presentation on "Port City Colombo"

Session 1 (06.30 - 08.30 PM)

The transformative power of the Western Region Development Project: Physical landscape, built environment, economy, livability and country reputation

Emerging global role for Sri Lanka “The New Window of Opportunity”
Transforming nation’s global standing
Dimensions of transformation
Technology: next new frontier for Sri Lanka
Panel discussion

Inauguration reception - Courtesy London Stock Exchange Group
**Session 2**

“Bridging the Gap Between Vision and Action” – governance, political stability, institutional infrastructure, talent, innovative ideas and capita

Executing to Win – a vision for managing greenfield infrastructure life cycle & inclusive development
What makes large scale infrastructure development success
Friction-free interagency collaboration
Facilitating governance structure
Digital transformation
Acquisition of world class talent & innovative ideas
Panel discussion

**Session 3**

Building an adaptive, demand-supply optimized and service-oriented public transport network

Designing intelligent, viable, and sustainable mobility solutions
Customer centric transportation - Learning from international experiences
Western Region Transportation Master Plan
Highways Master Plan
Evaluating Transport Infrastructure Investment Risks
Private sector perspectives
Rails systems provider
Panel discussion

**Session 4**

Housing for cohesive urban communities

‘Future of Urbanisation in SL and inclusive housing in megapolis’
Megapolis strategy to address housing challenge
Capitalizing the People’s Housing Process
Improving equitable access to housing in Colombo port City
Ensuring equitable access to housing through public-centered market based mechanism
Private sector experience and perspectives on improving equitable access to housing
Panel discussion

**Session 5**

Making USD 40 Billion Plus funding a reality (Sources of funding, innovating financial tools and promoting Sri Lanka as a prime investment estimation)

Marketing Sri Lanka as a prime investment destination
Improving ease of doing business and facilitating capital flow
Innovative funding solutions & International experience
Country Risk - facing the reality of credit worthiness
Innovative funding solutions & business models
Managing risks in large scale infrastructure development
Investor perspectives
International marketing perspectives
Panel discussion

**Summit Curator Overview and concluding remarks**

**Networking Reception**
Chief Guest:  
Hon. Patali Champika Ranawaka 
Member of Parliament
Minister of Megapolis and Western Development

Dorothy Chang PhD 
Head of Centre for Logistics & Transport 
School of Professional and Continuing Education 
University of Hong Kong

Damitha Kumarasinghe 
Director General 
Public Utility Commission of Sri Lanka

Harsha de Silva PhD 
Hon Deputy Minister 
Ministry of Foreign Affairs

Dimantha De Silva PhD 
Senior Lecturer Department of 
Civil Engineering 
University of Moratuwa

Helani Galpaya 
CEO 
LIRNEasia

Lalith Lankatilleke 
Senior Human Settlements Officer 
United Nations

Kumudu Gunasekera PhD 
Director 
Slaix Inc

Anupam Yog 
Strategy Director 
The Partners/WPP, Singapore

Kamal Dorabawila 
Principal Investment Officer 
IFC

Senerath Bandara 
Deputy General Manager - Finance 
Ocean View Development Company (Pvt) Limited

Amal S Kumarage PhD 
Senior Professor Dept Transport & Logistics Management, 
Faculty of Engineering 
University of Moratuwa

Ajay Singh 
Mass Transit Systems Expert 
New York City Transit Authority

Shivanka De Zoysa 
Management Consultant 
Fairway Holdings

Sumedha Rathnayake 
Director General 
Urban Development Authority of Sri Lanka

Nihal Fernando 
Additional Director General/ 
Project Director (Port City) 
Urban Development Authority of Sri Lanka

Shankar Arumugham MRICS 
National Director & Head of Operations - Strategic Consulting/Urban Solutions 
JLL India & Sri Lanka

Brian Kealy 
Country Manager / Managing Director 
Microsoft Sri Lanka

Gordon Lee 
Risk Consultant 
Allianz Insurance Global Corporate, Hong Kong

Anarkali Moonesinghe 
CEO Sri Lanka 
CMIB Bank

Nayan De Mel PhD 
Executive Director and Head of Research 
Verté Research

Gayani de Alwis 
Management Consultant and Lecturer 
PIM/University of Moratuwa

Liang Thow Ming 
Chief Sales & Marketing Officer 
CHEC Colombo Port City (Pvt) Limited

Jagath Munasinghe PhD 
Director General/Senior Lecturer 
Director General, National Physical Planning Department / University of Moratuwa

Rohan Paulus 
Head of Project Management 
London Stock Exchange Group

Jim McCabe 
Chief Executive Officer 
Standard Chartered Bank Sri Lanka

Ruwan Waidyaratne 
Managing Director 
Hayleys Adrantis

Dinusha Panditaratne JSD 
Executive Director 
Lakshman Kadirgamar Institute of International Relations and Strategic Studies

Anarkali Moonesinghe 
CEO Sri Lanka 
CMIB Bank
Most developing nations have been economically driven by rapid urbanization. Sri Lanka, perhaps, is the least urbanized nation among the lower middle-income economies, in the region of 40%-45% at the highest.

The present government anchors its strategies to drive the nation to the next level of economic development on rapid urbanization. This includes developing Colombo, Kalutara, and Gampaha districts into a modern urban agglomeration and developing a number of provincial cities.

Over the last two hundred years, the world population living in cities grew from an insignificant proportion to nearly 60%.

This rapid growth of urban landscape has been dramatic and has altered the structure of societies: demographically, economically, socially, and politically. Urbanization has brought economic opportunities and public goods conveniently and economically to vast swaths of the population.

Edward Glaeser, the Fred and Eleanor Glimp Professor of Economics at the Faculty of Arts and Sciences of Harvard University, observes that urban agglomeration facilitates the intensification of the division of labor and knowledge, the specialization and the trade that fuel progress. Glaeser argues that globalization and technology have increased the “returns to being smart”. In other words social progress, education and enterprise, manifest most in large, international metropoles.

The “Beyond GDP” article series of the World Economic Forum observes that the rise of emerging market megacities acts as magnets for regional wealth and talent. This has been the most significant contributor to shifting the world’s focal point of economic activity.

McKinsey Global Institute research suggests that from now until 2025, one-third of the world’s growth will come from the key Western capitals and emerging market megacities.

The scale itself does not necessarily bring social harmony and prosperity. The growth of cities has had adverse effects too. Overpopulated mega-cities are burdened with crumbling physical and social infrastructure, failed education systems, increasing environmental damage, crimes, and urban poverty. Many cities fail to get the infrastructure right, creating immense transport congestion and pollution by vehicular emission. Most of the mega-cities in the emerging world suffer badly from such intractable issues.

On the other hand, well-planned and managed urbanization drives growth, progress, jobs, and prosperity in the wider national economy.
The “Moonshot” of making Sri Lanka the most competitive nation in the Indian Ocean Region

“Our objective is to make Sri Lanka the most competitive nation in the Indian Ocean and to develop the island as a mega city for the region that will go between Singapore and Dubai thus making it competitive, and the time has come for us to think how we are going to do it.”

Hon. Ranil Wickremesinghe, Prime Minister of Sri Lanka.

Surpassing its peers in the South Asian region, Sri Lanka has now reached the status of a lower middle-income economy.

The “demographic dividend” was a primary driver of Sri Lanka’s economic growth and structural changes during the recent past, which made youth labor abundant for mass manufacturing; competitive labor costs and a relatively educated workforce that could be easily trained for skilled work.

Sri Lanka’s economy transitioned from a previously predominantly rural-based agriculture economy towards a more urbanized economy driven by services. In 2015, the service sector accounted for 62.4 percent of Gross Domestic Product (GDP), followed by manufacturing (28.9 percent), and agriculture (8.7 percent). The country ranked 73rd in the Human Development Index in 2014, and has comfortably surpassed most of the MDG targets set for 2015.

Sri Lanka also benefitted immensely from the acceleration of the process of globalization, which facilitated increased cross-border flow of capital, goods and services, and labor.

However, the strategies that made recent economic progress a reality will no longer be useful in the context of the evolving regional and global economic landscape and the aspirations of society. Moving up to a high-middle-income economy necessitates a new set of strategies – deploying cutting edge technology, creating business-friendly policy and institutional framework, facilitating the creation of high value industries and services, significantly improving worker productivity, and of course physical and soft infrastructure.

Hon. Ranil Wickremesinghe, Prime Minister, has set a “moonshot” target for the nation – making Sri Lanka the most competitive nation in the Indian Ocean Region. This includes building an ultra modern urban center covering an area of 3,600 sq. km in the Western Region.

The Colombo International Financial Centre constructed and promoted by China Communications Construction Company Limited (CCCC) will be an integral part of the megacity and will be developed as an international financial center. (Please see the next section) A vital element of a competitive economy, in today’s context, is a topnotch infrastructure, both physical and soft. World-class infrastructure attracts the investment and talent needed to create next-generation innovative enterprises, encompassing all modern industries and services and public services. Such infrastructure improves quality of life and minimizes damage
to the biophysical environment.

The complex, highly capital-intensive and unprecedentedly ambitious Western Region Development project has the potential to transform the whole Western Province into a world-class metropolis. If executed well, this will be a model metropolis on par with those found in advanced and developed nations.

The Colombo International Financial Centre of Colombo will be the most visible element of the new ultra modern urban center that will emerge in the Western Province. It will be Sri Lanka’s first world-class urban built environment, rivaling key modern global business and financial centers around the globe.

The Colombo International Financial Centre will attract regional corporate offices of global transnational companies: global financial services companies (commercial and investment banking, insurance, financial advisory services including wealth management and private banking), premium property developers and operators, hospitality, health care, retail and entertainment operators, transnational higher education institutions to set up urban campuses, mobility services, international, legal and other business services, and other sectors which turn the wheels of the modern global economy.

It also has a very high potential to attract wealthy pensioners and senior citizens who wish to take up residence in a tropical country with a cosmopolitan culture, modern urban features, and advanced infrastructure which facilitates high-end luxury living.