



Urban Governance for Infrastructure

Developing countries currently undergo unprecedented urban growth. This offers huge potential for climate friendly, inclusive economic growth and poverty reduction. Promoting urban governance for strategic planning and investing of urban infrastructure will contribute to the overall objective of more liveable, competitive, resource-efficient and resilient cities.

Rationale

The pace and scale of urbanisation has become one of the most striking features of sustainable development, offering huge opportunities but also generating significant challenges. Efficient urban governance is key to react with smart decisions to a fast-changing environment and infrastructure needs. With increasing urbanisation, municipalities deal with systems of extreme complexity. Local governments must collect and digest an immense amount of information and translate them into decision, to perform their duties and deliver infrastructure services in a fair and efficient manner. This requires a governance system that embraces evidence-based planning, fair and transparent regulations, and participatory decision taking for collective interventions and infrastructure investments.

In many developing countries, urban governance systems are not in harmony with the increasing responsibilities and challenges that cities have to meet. Municipalities often lack access to precise data and analytics for an adequate understanding of their economic, social and environmental development. This often results in poor regulations on urban development, such as unbalanced and harmful restrictions, urban sprawl, and unequal distribution of rights.

Approach and Principles

Urban governance for infrastructure refers to how national and sub-national governments and stakeholders negotiate and decide on how to plan, finance and operate urban areas in relation to infrastructure and public services with limited resources. The strength of urban governance systems depends on the capacities of the administrative and governing bodies, a clear institutional set-up, fair and transparent regulations and policies, and a participative involvement of different stakeholders to engage throughout decision processes.

Given its mandate on infrastructure financing, SECO/WEIN is focussing its support mainly on governance aspects related to economic infrastructure and public services, with the cross-cutting topics of climate change, gender and digitalization. Interventions start upstream with governance aspects around the planning of economic infrastructure investments, followed by aspects of financing of investments, and concluding in governance issues on operation and maintenance of public infrastructure. SECO offers a wide variety of support on specific topics, which ranges from consulting, technical assistance and capacity building, to catalytic investments.

Country/region
Global

Number of programs and projects
since 2013
34

SECO contribution since 2013
USD 170 mio

Topics

Within this approach, SECO focusses on three thematic priorities for implementation:

1. Urban Governance for integrated planning

- Understanding the context: Data and analytics. SECO supports access to relevant spatial data through data sharing policies, data collection and surveys, the systematisation of data in geoportals, as well as the access to analytic tools and knowledge products, which support the interpretation of data.
- Setting the course of action: Urban policies, strategies, plans and regulations. SECO supports municipalities in developing key guiding documents that support governing urban development toward sustainable economic growth
- Participatory decision processes, stakeholder involvement and multi-sectoral coordination: SECO supports the development of processes that guide the engagement of a broad group of stakeholders who would provide qualitative input to urban planning instruments, the identification and prioritisation of projects.



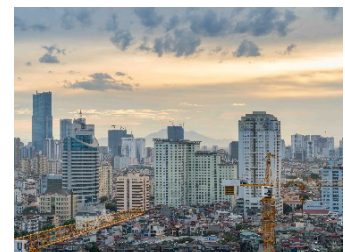
2. Urban Governance for infrastructure finance

- Expanding the municipal resource base: In close coordination with SECO/WEMU, SECO/WEIN focusses on approaches that enable municipalities to diversify their own-source revenue and long-term financial planning, which are closely linked to upstream spatial planning and urban development work.
- Accessing financial and capital markets: WEMU supports municipalities in the several factors that determine if they are worthy to receive credit and improves their capital investment planning, while WEIN provides support to municipalities and state-owned utilities to develop capacities to borrow on commercial terms for sustainable infrastructure projects. Beyond that, WEIN provides technical assistance and capacity development for municipalities to select the right financing options, such as private sector participation.
- Preparing bankable projects: WEIN support municipalities to define clear eligibility and readiness criteria and transparent processes for investment prioritization, and subsequently (co-)funds project preparation studies. SECO can prepare / finance catalytic investments, which help to bring urban plans to an actionable project level.



3. Urban Governance to operation urban assets

- Improving efficiency in operations: The focus includes the support in the modernisation of municipal administrative processes like reducing red tape through the simplification of permitting processes. Interventions to strengthen the organisational development include an assessment of the current institutional capacity, the development of appropriate coordination mechanisms, evidence uptake and structured decision-making, and accountability. SECO also supports the development of urban dashboards and observatories like control rooms that feed from multiple-source big data to monitor, predict, simulate, and manage urban development-related tasks.
- Running urban assets: Public asset management and operation and maintenance (O&M). SECO can support an inventory of infrastructure and other physical infrastructure, including their maintenance and status of use; and support to preparing a comprehensive management plan. While WEMU supports the development of asset management policy and procedures, WEIN supports sector asset management plans. Activities in support of municipalities O&M include the diagnosis of current capabilities and the preparation of long-term O&M strategies, as well as annual operating plans based on cost-benefit analyses and use-case development for more efficient and technology-based public asset management.



Further information and contact details

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