



TOWARDS A NEW URBAN AGENDA

Urbanization and municipal finance: Financing planned city extensions

Tuesday 14th from 8:15 am -9:45 am in Elily Hotel, Unison



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Urbanization and municipal finance: Financing planned city extensions

Organizing partners: UN-Habitat, Cities Development Initiative for Asia (CDIA), Fonds mondial pour le développement des villes (FMDV)

Abstract

Urban growth of the past few decades has largely resulted in crowded slums and sprawling settlements in the urban fringe. Orderly expansion and densification of existing and planned neighbourhoods are needed to provide cities with a spatial structure that can support socioeconomic and environmental sustainability. Effective municipal financing is vital to implement planned expansions and densification to enable sustainable growth and development of cities.

Event description

Planned City Extension (PCE) and/or Planned City Infill (PCI) Development are alternatives to unplanned urban expansion. They do not require the expansion of municipal boundaries, but rather plan for population growth in a way that supports extension or densification of well-planned, economically vibrant urban spaces, including infrastructure and services. PCE is a methodology to address sustainable urban growth at a required scale including the provision of a quality and connected street network, sufficient public space, serviced buildable plots, etc. for cities/countries that are urbanizing rapidly.

An integral component of UN-Habitat's PCE/I initiative is the 3-legged approach to planning and implementation. This methodology combines (1) urban planning and design, (2) urban legislative and regulatory frameworks, and (3) urban finance. The theory behind the 3-legged approach is that quality urban planning alone cannot achieve implementation and needs the support of targeted regulations and an implementable financial plan.

Developing a realistic and implementable financial plan is crucial to the successful implementation of Planned City Extensions since they typically require substantial investments in infrastructure and frequently land acquisition. It entails a baseline assessment of financial capacity and financing options, a calculation of implementation costs and revenues; and development of a strategy to finance planned extensions and infills.

This Side Event will focus on financing options, revenue enhancement instruments and strategies to finance planned extensions and infills in the fast growing cities of the developing world.

Discussion Topics

- The need to harness, capture and share the value generated by urbanization
- What financing options do cities and municipalities have for PCI/E?
- What can cities and municipalities do to increase their local revenue and improve municipal finance?
- What can national governments do to empower municipalities to broaden their revenue base, diversify their sources and strengthen their overall financing capacity including through accessing domestic and international capital market?
- Addressing sustainable forms of financing from different sources in order to adjust to changing priorities.
- Good practices and lessons learnt in financing PCI/E

Speakers

Executive Director: UN Habitat

Marco Kamiya: UN Habitat

Government representatives: Mayor, Ministry official

Technical experts: representatives from international or non-governmental organizations

Side Event Programme

Sustainable urban development calls for new models of planned urban development, with proper legal framework, and adequate municipal finance. UN-HABITAT has developed innovative model schemes to integrate urbanization with finance, showcasing the interactions between planned city extension and financing. As the world is increasingly urban, and city's act as the economic motors for development, highlighting city finance mechanisms is of vital importance to sustainable development and financing.

Opening remarks: Dr Joan Clos, Executive Director, UN-Habitat

Financing Planned City Extensions (two speakers 15 mins each)

- The business case for planned city extensions: a three pronged approach to urban development and planning
- Bridging urban planning and financing: financing approaches and lessons

Discussants: Where is the money? Revenue potential and financing possibilities (two discussants 5 minutes each)

Discussion and closing (40 mins)

Time Available: 90 minutes

6. Organizer Information

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