

Urban Management students learning from Asset Management Action Plans (AMAPs)

Linking theory to practice



The purpose of this document is to showcase the results of the fruitful cooperation between IHS and UN-DESA. The document highlights the process of collective curriculum development, as well as the outputs of student's work.

What is an AMAP?

Asset Management Action Plans (AMAPs), developed by the UN-DESA team, are an action planning approach to infrastructure asset management, that has helped many local governments across the world to create local plans for the sustainable development of their own city/municipality.

The challenge

A key urban management challenge for municipalities is to identify, prioritize and manage infrastructure assets for sustainable development. Our urban management students had the task to identify potential finance mechanisms which may help local governments in financing life-cycle activities of infrastructure assets while considering the country-specific enabling conditions. 120 students from 42 nationalities took on this work in groups and analyzed the six AMAPs presented in the following pages.



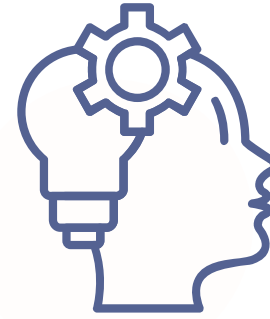
The process



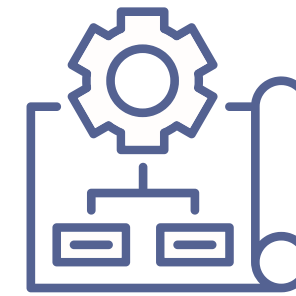
UN-DESA and IHS cooperated to integrate the recent Asset Management Action Plan (AMAP) Guide by UN-DESA into the UMD Masters's course on Urban Governance and Finance.



The course focused on academic debate, and the current trends in thinking and practice related to the governance and finance of cities. This course was part of the Finance component of the course, which included an exercise on AMAPs.



In this exercise, students were asked to put themselves into the shoes of different local governments and, according to their respective AMAPs, visualize the challenges they may face in managing the asset through its life cycle.



For each AMAP, students had to analyze the context, outline the life cycle maintenance activities for the municipal asset and highlight which activities can be associated with the level of local governments.



In their output, students referred to how the level of decentralization may affect the life cycle management of the asset. Lastly, they made recommendations on how to finance the life cycle maintenance of the asset.

Output from students

The excerpts below are part of the students' work and final submissions. For each Asset Management Action Plan (AMAP), students analyzed the context, outlined the life cycle maintenance activities for the municipal asset, and highlighted which activities can be associated with the level of local governments. In their output, students referred to how the level of decentralization may affect the life cycle management of the asset, and they made recommendations on how to finance the life cycle maintenance of the asset.

AMAP for Butwal Sub-metropolitan City, Nepal

Asset: solid waste management infrastructure

“Solid waste management is a local government-level project that can be funded through local revenues and intergovernmental transfers. Because of decentralization, the local government controls their tax revenues, which can increase or decrease according to certain factors that the local government might find logical, but they need to justify the financing of local projects by the national government”.

AMAP for Federal District, Brazil

Asset: composting treatment plants

“The usage stage is considered the costliest stage of the lifecycle of an asset (United Nations, 2021). An autonomous body may finance this stage by acquiring a loan from a financial institution, subcontracting the operation costs or entering into PPPs so as to ensure the delivery of the service. This will be conducted in accordance with the Provisions applicable to public companies and mixed economy companies, Law No. 13,303, of June 30, 2016.”

AMAP for Brahmanbaria municipality, Bangladesh

Asset: Humayun Kabir Poura Super Market

“Local government has the political power to manage the asset, but it lacks the financial capacity for the acquisition and construction phase, which results in relying on the national government to assist with the capital fund. This process could be time-consuming due to the various interests of different authorities and will negatively affect the lifecycle of the asset. However, once the new market is built, the decentralisation will allow the municipality to directly perform decisions and activities related to the operation phase of the new market. This will reduce the hierarchy and bureaucracy and make the process more time efficient”.



AMAP for Belize City, Belize

Asset: city hall

“Asset management requires an information system that tracks assets, how they are being managed, their costs and reliability under that management (Fane et al. 2004). By adopting the benefit model, the government can finance the life cycle maintenance of the asset. Funding can come internally (government) or externally and recommendations made can be seen through by the implementation of user fees and charges.”

AMAP for Nairobi City County, Kenya

Asset: housing infrastructure

“Nairobi City County could provide a diversity of housing ownership types for the Makongeni ward project by including rental and leasehold/ownership models which can allow for residents in the leasehold/ownership model to be responsible for maintaining the properties and reduce the financial burden on the county. In order to increase leasehold/ownership accessibility for lower income groups the county government will need to create partnerships with banks, lending institutions and micro-finance institutions (MFIs) like the Housing Finance Company Kenya and Equity Bank, among others. We recognize that this model may not be immediately viable as the loan products are not likely available yet so this could be further along in the life cycle of the properties.”

AMAP for Isiolo municipality, Kenya

Asset: Isiolo municipal market

“Other than the recommendation of revenue streams, we also propose cost-cutting tools to improve the efficiency of market operation (Table 5).”

Table 5: Isiolo Market efficient operation

SUGGESTED COST CUTTING/SAVINGS	FEASIBILITY
Renewable energy	Grants from the national government can help fund renewable energy implementation and subsidise maintenance. After implementation, high cost of energy may be mitigated to a great extent. Decentralisation allows counties to address energy infrastructure more directly.
Public-Private Partnerships (PPPs)	County governments in Kenya are allowed to engage in PPPs. There is a huge potential for successful PPPs to reduce the cost of maintenance and share associated risks. Cytonn (2022) notes that Kenya has one of the most mature PPP markets in Africa, with a comprehensive legislative framework.

Who are we?

The Institute for Housing and Urban Development Studies (IHS) is an education, advisory and research institute which falls under the Erasmus School of Social and Behavioural Sciences and the Erasmus School of Economics. For 65 years, it has been our mission to develop human and institutional capacities, reduce poverty and improve the quality of life in cities. IHS is about making cities work.

IHS offers a one-year MSc programme in Urban Management and Development (UMD), with four specialisation tracks. This structure allows students to specialise within their chosen field whilst benefiting from a broader understanding of sustainable urban management. 120 students from 42 different nationalities are taking the master's this year.

Rooted in the United Nations Charter and guided by the transformative 2030 Agenda for Sustainable Development, the UN Department of Economic and Social Affairs (UN DESA) upholds the development pillar of the United Nations. UN DESA brings the global community together to work towards common solutions to the world's most pressing problems, and helps countries translate their global commitments into action.

Together with UNCDF, UNOPS and a growing global team of experts, The Infrastructure Asset Management (IAM) team at UN DESA is shaping a robust programme of capacity development activities for local and central governments across the globe. Its goal is to maximize the value of public infrastructure investments and leverage them to finance sustainable development for generations to come. Project activities are currently funded by the UN Peace and Development Fund and the UN's Regular Programme of Technical Cooperation.

For more info, please contact IHS staff.

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