



PRESS RELEASE

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CITIES NEED TO INSTITUTIONALIZE INVESTMENT PROMOTION AND FACILITATION TO ATTRACT INVESTMENT FOR DEVELOPMENT

UNCTAD and UN-Habitat convene leaders to explore means of mobilizing finance required for cities

Nairobi, 20 July 2016 – At a panel organized by UNCTAD and UN-Habitat on 20 July as part of the UNCTAD World Investment Forum 2016 in Nairobi, city leaders and investors agreed on the importance of private investment for the development of cities and that a concerted effort is required to plan city development and acquire technical expertise and the institutional capacity at the city level to attract and facilitate these investments. Some city investment promotion agencies, such as those in Durban and Hong Kong, are best practice examples, said UNCTAD Secretary-General Mukhisa Kituyi. These institutions can help prioritize investment projects in Sustainable Development Goal (SDG) sectors and develop pipelines of bankable projects. Participants referred to UNCTAD's Global Action Menu for Investment Facilitation, which can guide cities in facilitating the investments required. They echoed the importance of investment facilitation at the local level.

Aisa Kirabo Kacyira, Deputy Executive Director of UN-Habitat and former mayor of Kigali, said that "besides financing, there is the need for planning and the right technical expertise on the city level for sustainable urban development." However city planning only plays a catalytic role—the amount of resources needed calls for excellent partnerships. She encouraged those present to convert long-term plans into bankable projects and find partners.

Partnerships are a key to success, remarked Evans Kidero, Governor of Nairobi City County, who said that cities should partner with the private sector, citizens, and international organizations like UNCTAD and UN-Habitat. He also emphasized citizens' responsibilities and the need for residents to feel at home.

Foreign direct investment (FDI) can be an important source of finance for addressing urban challenges such as creating sufficient jobs, alleviating traffic congestion, and providing adequate infrastructure. To attract investors, strong data, transparency, and certainty are essential, observed James Donovan, Chief Executive Officer of ADEC Innovations, and James Mugerwa, Managing Director of Shelter Afrique, a pan African housing financial institution. Alignment is needed between city and national development planning as well as between cities and investors.

Russell Curtis, head of the Durban Investment Promotion Authority, said "There are many city-level investment and development challenges we all face daily. As we collectively build more effective and practical partnerships which target better investment facilitation functions, we will see accelerated achievement on the SDG sectors, and beyond."

Key messages and suggestions from this panel will be summarized in a forthcoming discussion paper highlighting the role that investment by the private sector can play in sustainable urban development. This paper will be presented at the third United Nations Conference on Housing and Sustainable Urban Development (Habitat III), in Quito, Ecuador, in October.

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