

**Practitioners' Conference on
MOBILIZING URBAN INFRASTRUCTURE FINANCE IN A
RESPONSIBLE FISCAL FRAMEWORK
Brazil, China, India, Poland, and South Africa**

Jaipur, Rajasthan, India

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Summary Statement

Urban public investment is under challenge. In some countries, such as Brazil and India, investment in vital infrastructure systems such as water supply, wastewater collection and treatment, solid waste, and road networks, is stagnant or falling relative to GDP, despite publicly embraced targets calling for greater service coverage and improved environmental quality. In other countries, like China, urban public investment has grown at record rates, raising questions as to whether investment can prudently be sustained in a potentially overheating economy.

To meet ambitious infrastructure goals, much of urban public investment must be financed through debt. However, national and international fiscal policymakers and participants in financial markets are concerned with rising public debt levels and the exposure of national economies to sub-national borrowing, which has, in the past, proved risky and difficult to control. Attempts to shift urban infrastructure investment from the public sector to the private sector, either through private investment in new infrastructure systems or full-scale commercialization of 'public' service suppliers, have fallen short of expectations. Efforts at economic cost recovery have a mixed (though instructive) record of implementation.

The result is tension between two valid policy perspectives: the need to boost urban infrastructure investment levels and the need for prudent fiscal management across all levels of government--all in the context of decentralizing service delivery responsibilities.

The conference will address different dimensions for reconciliation between fiscal policy and urban infrastructure investment: in policy design, analytical understanding, national and international debt rules, and the politics of policy implementation. India, China, Brazil, Poland, and South Africa will share their experience. All five countries face large infrastructure investment demands. All are pursuing a form of decentralized urban infrastructure management against a backdrop of significant fiscal management challenges. It is hoped that the conference will promote a dialog between investment financing perspectives that usually proceed in isolation from each other, while also generating a body of practical, transferable implementation experience.