

# Managing Infrastructure Assets for Sustainable Development

DESA tools and capacity development support for local governments

December 2020



2030 Agenda for Sustainable Development

Addis Ababa Action Agenda - 2015

Infrastructure Asset Management

para. 34 - strengthening subnational capacity



Financing (flows) and well-managed infrastructure (stocks) are two sides of the same coin.

# What is Infrastructure Asset Management?

**Infrastructure assets** are all physical assets essential to the delivery of basic public services.

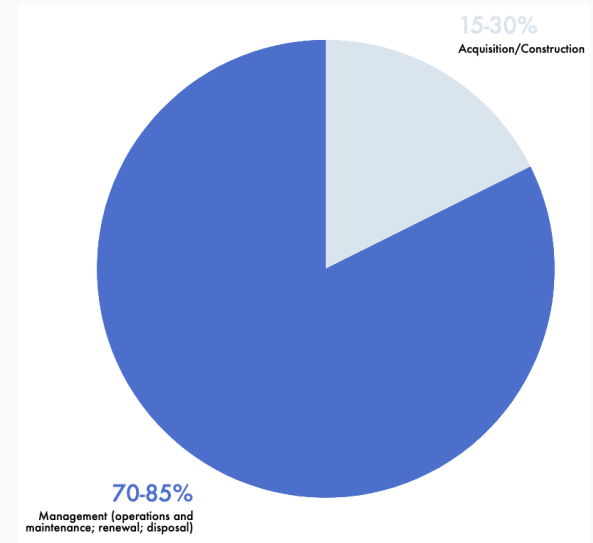
**Asset management**, then, refers to the coordinated series of activities that monitor and maintain things of value. Good asset management:

- Balances risk, cost, opportunities and performance
- Focuses on the asset's entire lifespan
- Applies a portfolio management approach
- Employing the right organizational factors (human and technological)

# Why infrastructure asset management?

**Infrastructure management is a public investment strategy.** By integrating into public investment strategies the financial, human and material resources needed to manage assets over their entire lifespan, we strengthen the sustainability of public investments to the benefit of present and future generations.

- Lower long-term public expenditures
- Higher revenue potential
- Greater debt sustainability
- Improved creditworthiness to attract new investment

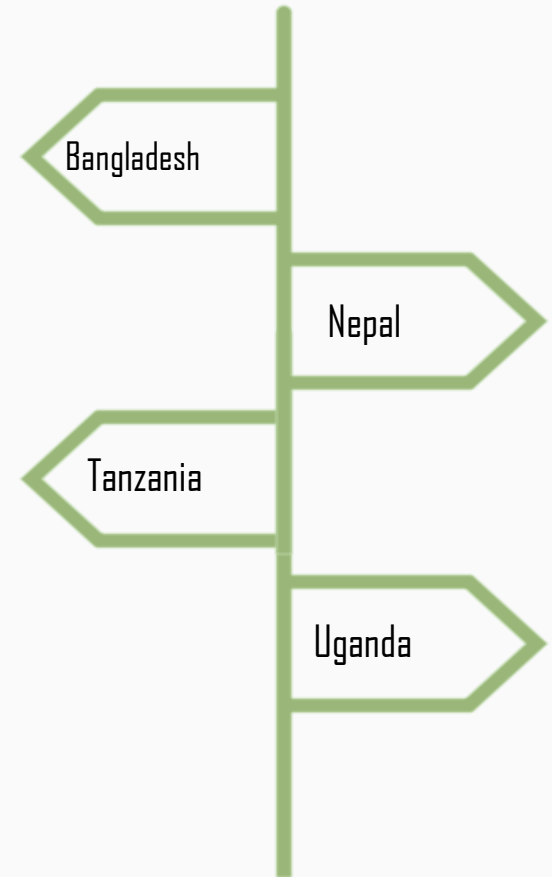


## Support for asset management on the ground

Joint effort with UNCDF to support municipalities and districts in four pilot countries in building capacity for improved asset management.

There has been steady uptake of asset management- related activities. Over forty districts and municipalities in the pilot countries have designed and/or put in place Asset Management Action Plans.

- For 2021, the Ministry of Finance, Planning and Economic Development in Uganda has mandated that each local government allocate budget for AMAPs.



## Part One: Fundamentals

- Basic tenets of asset management
- Asset management framework
- Needs assessment (Diagnostic Tool)
- Taking action (AMAPs)



## Part Two: In Focus

- Asset management information systems
- Climate-resilient infrastructure
- Emergency response AMAPs
- Enabling environment

# Asset Management Diagnostic Tool

## Part One

Self-assessment

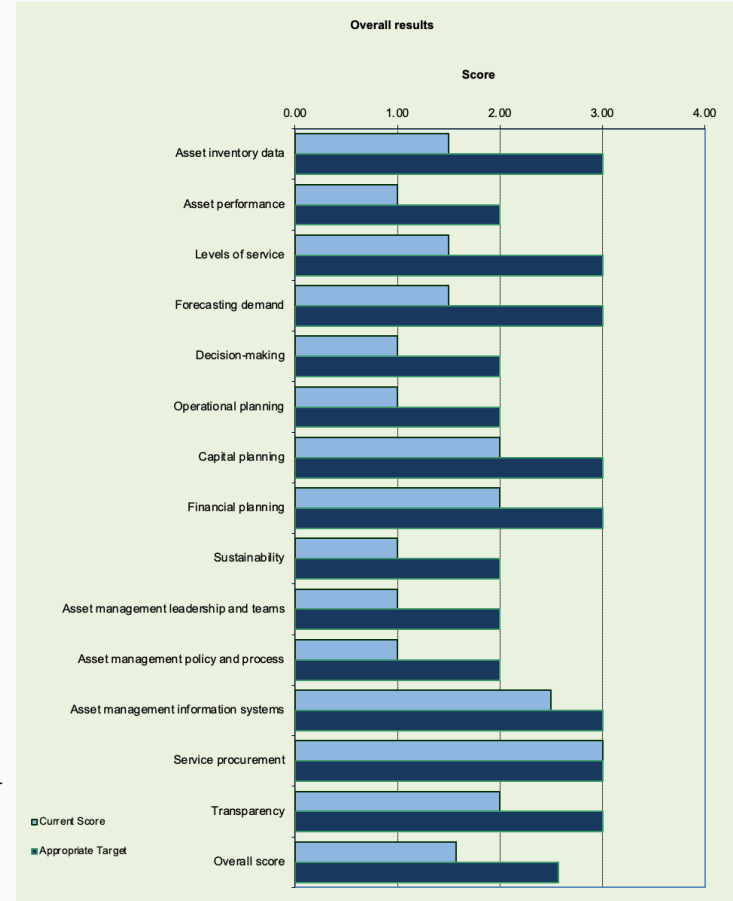
## Part Two

On-site assessment

## Part Three

Evaluation and recommendation of interventions

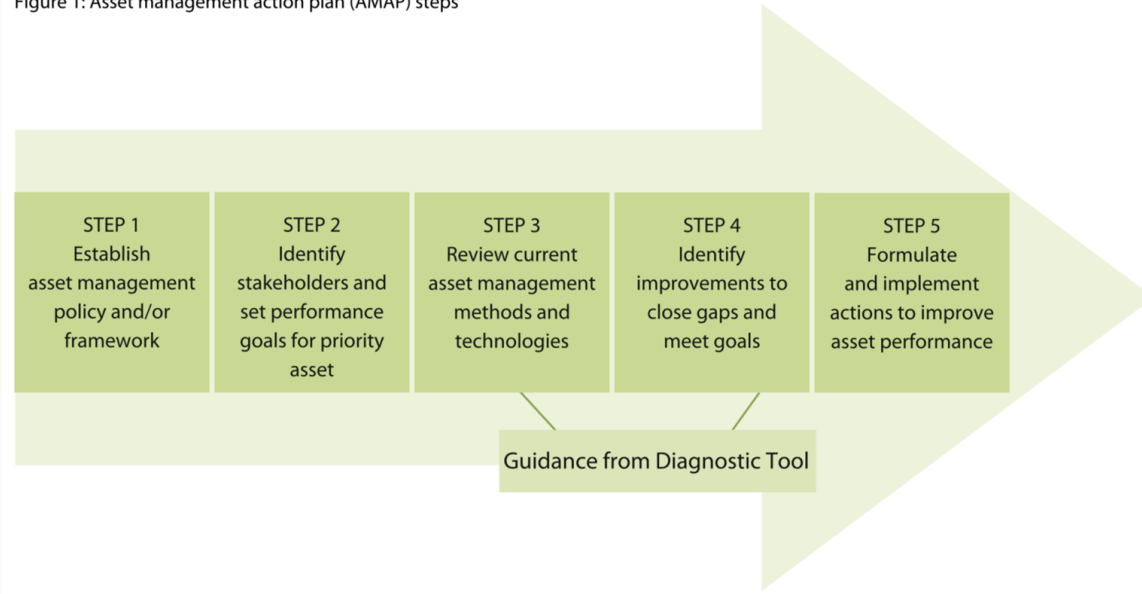
*Graph displaying result of Diagnostic Tool along 14 measurements*



# Asset Management Action Plan

To help lay out a clear and comprehensive roadmap of actions and measures to improve the performance of priority assets.

Figure 1: Asset management action plan (AMAP) steps

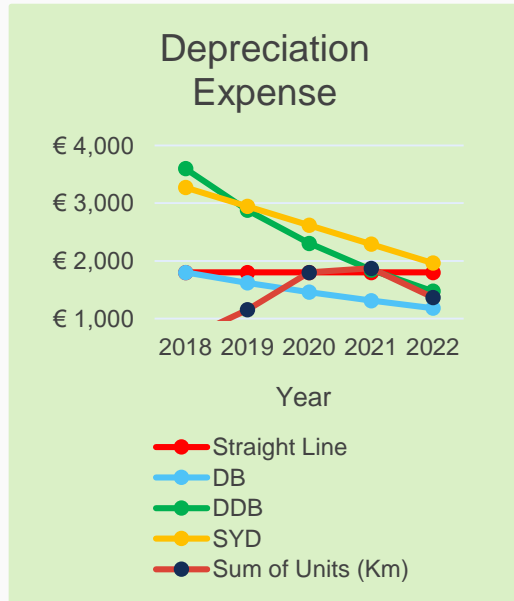


Adopting AMAPs is a sign of good, financially responsible governance.

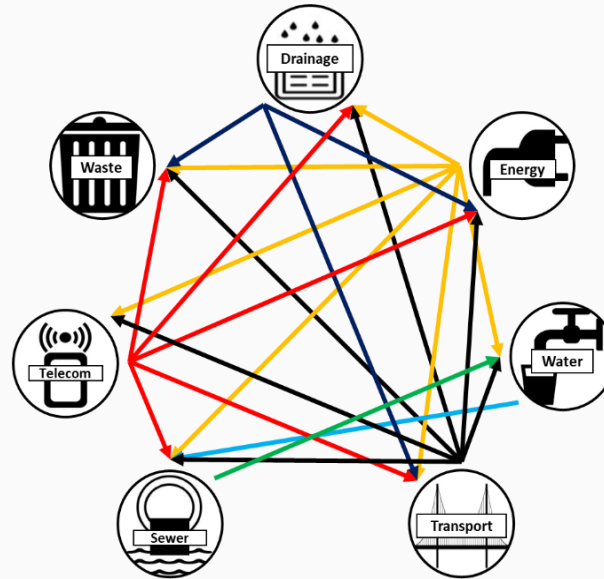


## Data

How to build an effective asset register database



Reliable calculations of depreciation support sound financial planning and decision-making.



## Climate resilience

How to address risks posed by climate hazards

## Health emergencies

How to strengthen public health preparedness and emergency response



Photo courtesy of UN Photo

# Key takeaways by chapter

## Basics

- Asset management allows governments to maximize the **service and financial value** of physical assets to the benefit of communities.
- There are four phases of an asset life cycle (**Plan, Acquire, Use and Dispose**), each of which requires policies and actions that draw on a **unique set of human, material and financial resources**.

## Diagnostics

- Asset management begins with a comprehensive assessment of **current needs and challenges**.
- The **Asset Management Diagnostic Tool** measures governments' awareness of asset management techniques and identifies areas for policy intervention.

## Dynamics

- **Effective asset management must be embedded in an asset management framework** rooted in community needs and national development priorities.
- Governments can use an asset management framework to design and implement policies and strategies based on the **three pillars of asset management: demand, life cycle and financial management**.

## Action plans

- Governments can use an **Asset Management Action Plan (AMAP)** to map out actions and measures to improve the performance of **priority assets**.
- An AMAP consists of a series of critical steps, including stakeholder analysis, performance projections, gap assessment and corrective actions to ensure follow-through and sustainability of improvement efforts.

# Key takeaways by chapter (cont.)

## Data

- A multifunctional, structural and hierarchical **asset registry database** is a prerequisite for an effective asset management information system – and ultimately, for improved service performance.

## Emergency response

- Governments can strengthen preparedness in by putting in place **emergency operations plans and procedures** for assets that are critical to an effective emergency response (e.g. health facilities, water and sanitation systems and medical equipment).

## Climate resilience

- More than half of the world's population now lives in cities. As a result, climate change is, to a great degree, an **urban issue**. Climate change threatens local services and the assets they rely on, jeopardizing the quality of life of residents.
- **Climate risk assessments** provide information needed to mainstream climate resilience into government operations through asset management practices.

## Enabling environment

- The enabling environment should consist of **sound legislation, policies and practices**, as well as the sustained commitment and support of local and national decision-makers and stakeholders.

# Capacity development support to come

- Translations of Handbook into Spanish, Swahili, Bangla, Nepali and French
- Online Solutions Dialogues
  - A series of virtual two-day workshops to introduce key concepts on infrastructure asset management in a highly interactive and collaborative setting.
  - There will be three thematic rounds in each of three regions: Africa, Asia-Pacific, and Latin America and the Caribbean.
- Massive Open Online Course
  - Comprehensive training at own pace on a wide range of asset management tools and techniques in support of sustainable development
- Informal Advisory Board of experts on infrastructure asset management

# Thank You!

Should you have any questions or comments, you're welcome to contact:

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