

# Open-Ended Consultative Meetings on the New Urban Agenda

Statements submitted by the representative of the Government of Indonesia  
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Delegation of the Republic of Indonesia: Lana Winayanti (Senior Advisor Ministry of Public Works and Housing), Kemal Taruc (Senior Advisor, President's Advisory Board)

## **DAY FIVE: FRIDAY, APRIL 29, 2016**

### **NOTES ON THEMATIC PANEL ON FINANCING URBAN DEVELOPMENT**

Thank you Mr. Moderator.

Congratulations to the panelists and Mexico City Declaration,

Indonesia would like to underline that the two issues presented today, i.e., "Municipal Finance and Local Fiscal Systems" and "Financing Urban Development" are basically inseparable and should be understood as one agenda.

While it is undoubtedly essential and with no exception that all level of government should work prudently within the rules of the game, as stated, (i.e. policies, constitutions, laws, and legislative frameworks) on the four key fiscal components (expenditures, revenues, financial management, and borrowing) of fiscal policies, it is equally important and it is imperative that the New Urban Agenda to underscore that in less mature financial market countries the existing informal, community's financing for in-kind, self-help infrastructure and basic services provision (said as "informal economy" and "social production of habitat and housing") should not be undervalued as a "source of resilience to the recurrent urban crises," as stated in the Mexico City Declaration.

The new framework of formal municipal finance and private investment in the New Urban Agenda should be aligned and enhanced in an innovative and synergetic way with the existing community's resource mobilization and social production – i.e., urban financing in political and ethical perspectives. It should show a clear commitment of National Urban Policy to encourage inclusive and participatory urban development for all people and urban stakeholders.