



## DIALOGUE

# URBAN ECONOMIES, PRODUCTIVE CITIES AND MUNICIPAL FINANCE

### Key words

2030 Agenda; City Finance; Municipal Finance; New Urban Agenda; Sustainable Development Goals; Urban Economy; Urban Productivity

### Objectives of the session

The objectives of this Special Session are:

- To discuss challenges facing cities, in particular in developing countries, in expanding finance to pay for local infrastructure and provide basic services.
- To share knowledge and experiences, from both developing and developed countries, on effective mechanisms and strategies to expand local finance
- To discuss strategies that can be used for monitoring and reporting on the implementation of the New Urban Agenda in the areas of municipal finance and urban economy.

### Introduction of the topic

The New Urban Agenda provides a roadmap for the achievement of sustainable urbanization. It is expected to contribute to the realization of the Agenda 2030, including SDG 11 and other urban related goals and targets. Achievement of these goals depends, to a large extent, on the ability of cities to effectively address their productive potential and make municipalities financially sound.

Improving financial management, getting the financial accounting in order, improving balance sheet, and expanding capital investment plans, cities will be able to expand financial capacity. Enhanced revenues comes from a variety of sources. Fixing financial management top to bottom can have significant benefits. Understanding accounting principles, training on capital investment plans and helping to set up basic electronic government systems have immediate results; later, support must be given to improve technical knowledge of more complex financial instruments such as bonds, credit ratings, loans, green financing and others.

Once the principles of municipal finance are in place, cities can take advantage of instruments such as land value finance, management of local assets and expansion of productive capacities.



## Guiding questions

Q1: As a first basis for local governments, what are the key challenges local authorities and their partners are facing in financing cities in developed and developing countries?

Q2: What kind of instruments and cases are available to help cities to improve financial management?

Q3: Once the house is in order, what are the constraints for local authorities to support productive economies (activities) in cities, in particular in developing countries?

Q4: What are effective/innovative solutions to address these challenges?

Q5: What strategies can you suggest for building an effective coordinating mechanism between UN-Habitat and other UN agencies, Multilateral Development Banks, Private Sectors, and other partners in supporting the implementation of the New Urban Agenda in these areas?