



CONCEPT NOTE

Roundtable 1: Cities as national and regional drivers of socio-economic resilience and growth

Monday, 2 October 2023

Overview:

2023 has been a particularly challenging year for Urban Economies especially in developing countries. The global economy growth itself is declining to about 2.5% and, apart from the initial COVID-19 crisis in 2020 (which demonstrated that the global economic architecture makes countries highly vulnerable to shocks and that structural transformation remains of critical importance), and the global financial crisis in 2009, this is the weakest growth experienced since 2001.¹

Given the size of the contribution of cities to the national economy, the future of many countries especially those in lower- and middle-income countries, will be determined by the productivity of its urban areas.² Cities are the engines that create value that boosts economic recovery, yet they lack adequate financing mechanisms.

For this economic growth and recovery to be sustainable, we need cities that can absorb, recover, and prepare for future economic shocks.³ It is crucial that this is also packaged under the green recovery framework that scales up private and public investments to finance the transition to a climate-neutral economy in a post-COVID world.

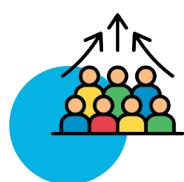
Cities all over the world have already embarked on this

journey through implementing various models and approaches requiring proactive engagement with different stakeholders at all levels.

UN-Habitat, in partnership with the World Economic Forum, believes that these models can be localised and scaled up through the Global Partnership for Local Investment, where experiences are shared to build a local finance framework for cities and communities, to help distribute existing funding and finance to where it can deliver the greatest impact.

In cities where securing private finance for public service delivery may be premature, such that it would risk leading to inequitable access to service delivery or place unsustainable financial pressure on government budgets, cities can leverage OSR tools such as UN-Habitat's Rapid Own Source Revenue Analysis (ROSRA) tool. The ROSRA helps local governments optimize their Own-Source Revenues (OSR) and thereby puts in place the preconditions for accessing private investment.

Cities also have the Cities Investment Facility (CIF) at their disposal to help unlock significant private capital flows to inclusive, sustainable urbanization projects, by assisting in project identification, preparation, and financing.



There is wide appreciation to urgently increase capital flows towards sustainable infrastructure including local infrastructure particularly given the rapid growth rate of cities in emerging and developing countries.

1 (IMF), I. M. (2023). *World economic outlook April 2023*. Washington DC, USA: International Monetary Fund.
2 (UN-Habitat), U. N. (2022). *World Cities Report 2022*. Nairobi, Kenya: United Nations Human Settlements Programme (UN-Habitat).
3 (OECD), O. f.-o. (2023). *Resilient Cities*. Retrieved from [oecd.org](https://www.oecd.org/).

UN-Habitat, in collaboration with UN Capital Development Fund (UNCDF) – the UN Subnational Financing Hub – on the SDG Cities joint initiative, further provides innovative financial mechanisms and instruments that promote urban resilience and transformation through local government finance. For example, the International Municipal Investment Fund (IMIF) accompanied by a Technical Assistance Facility (TAF) managed by UNCDF serves to increase the capacity of local governments from emerging and developing contexts to access capital for their projects of infrastructures and services. As a vital instrument for sub-national financing, the “Global Guarantee Facility for Sustainable Cities”, backed by the European Fund for Sustainable Development plus (EFSD+) will be used to support local transformative investments and test innovative infrastructure financing solutions that can be taken to scale, specifically in Africa and Southeast Asia.

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Optimizing and rethinking the structure and usage of development finance including local government finance as way of closing the global infrastructure gap is one of the key focus areas of this year’s World Habitat Day in the Republic of Azerbaijan, a country that is a good reference for the design and establishment of new resilient urban economies, especially in the post-conflict reconstruction context.

Proposed programme: Roundtable 01

How can city managers improve revenue collection and generation to create financial resilience and ensure long term sustainability?

Monday 2 October 2023, 14h30-15h45

SESSION #1: Cities as national and regional drivers of socio-economic resilience and growth.

14:30 – 14:35	Master of ceremony to introduce the scope of session and the moderator (5')
14:35 – 14:40	Fire starters (5')
14:40 – 15:20	Panel Roundtable (40')
15:20 – 15:40	Example showcase from 2 cities (20')
15:40 – 15:45	Closing remarks by the Moderator and Master of Ceremony (5')
15:45 – 16:00	Coffee break

