2023 has been a particularly challenging year for Urban Economies. The global economy growth itself is declining to about 2.5% and, apart from the initial COVID-19 crisis in 2020 and the global financial crisis in 2009, this is the weakest growth experienced since 2001. ((IMF), 2023).

Given the size of the contribution of cities to the national economy, the future of many countries will be determined by the productivity of its urban areas. ((UN-Habitat), 2022). Cities are the engines that create value that boosts economic recovery.

For this economic growth and recovery to be sustainable, we need cities that can absorb, recover, and prepare for future economic shocks. ((OECD), 2023). 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.

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.

As a vital instrument for sub-national financing, the European Fund for Sustainable Development plus (EFSD+) Guarantee Facility works for Cities and Local Governments by promoting global policy goals necessary to unlock finance for cities in the developing world.
Optimizing the usage of development funds 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.

References


Proposed programme: Roundtable 1

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

**Monday 2 October 2023, 14h00-15h30**

1. Welcome and opening remarks (15 mins)
2. Fire-starters (10 mins)
3. Facilitated roundtable discussion with Q&A (40 mins)
4. Example showcase from 2 cities (10 minutes each) (20 mins)
5. Closing remarks (5 mins)