

URBAN ECONOMY

Cities are the main creators of economic wealth, generating over 70 per cent of the world's Gross Domestic Product (GDP). Most industries and businesses are located in or within immediate vicinity of urban areas, providing city residents with jobs. Because most employment opportunities are within urban areas, cities attract large parts of a country's job seeking population. This is especially true in developing countries, where an increasing share of economic activities take place in cities, and the differential between urban and rural wages is growing.

THE CHALLENGES

- Cities are increasingly unable to provide equitable economic opportunities for all, particularly for young men, women, and vulnerable groups due to the lack of policies that create sustained economic growth.
- It is estimated that the global rate of youth unemployment is about 13 percent, and **young people are three times more likely to be unemployed** than older age groups.
- Local and municipal authorities in most developing countries are faced with an ever-increasing gap between revenue generation and expenditure needs.

UN-HABITAT'S APPROACH

The UN-Habitat Urban Economy Unit focuses on three key clusters:

Local Economic Development

UN-Habitat assists urban authorities in the design of local economic development strategies, provides technical tools and advisory services on spatial economic analysis, and promotes innovative policies and strategies for improving urban productivity, including the informal economy.

Youth Empowerment

Through the Youth Empowerment Programme, UN-Habitat supports partners to provide urban youth, particularly those living in informal settlements and post-conflict countries with opportunities for healthy and productive livelihoods by developing scalable best practices and cutting edge research and policy for all levels of government.

Municipal Finance

UN-Habitat assists local authorities to build capacity for more efficient generation of revenue from existing local sources, and to develop necessary institutional and legal reforms for implementation of innovative land-based revenue-generating tools.

Key Programmes

1. **Local economic development programme** – supports local authorities to assess local economies, and based on these assessments, helps them to design local economic development programmes and strategies that respond to specific local needs and conditions.
2. **One Stop Youth Resource Centres programme** - creates safe and generative spaces that provide young people with information and resources critical to youth-led development, while at the same time strengthening the capacity of cities to engage youth in local decision making and city development processes.
3. **Urban Youth Fund programme** – provides small grants to youth organizations to implement innovative solutions to social and economic challenges that they face.
4. **Strengthening local government finance** – promotes local government revenue generation through innovative financing tools such as land value sharing and through improved efficiency of revenue generation.

5. **Global Municipal Database** – a valuable resource that facilitates greater transparency with regards to data on public finance, and increases public access to fiscal data in order to facilitate more efficient and effective urban planning and management of urbanization.

70%

The minimum percentage of the world's **Gross Domestic Product (GDP)** generated by cities, which are the main creators of economic wealth

IMPACT

- The Urban Youth Fund has provided support to 296 youth groups in 173 cities in 75 developing countries.
- One Stop Youth Resource Centers have been set up in Nairobi, Dar es Salaam, Kampala, Arua and Kigali. 3000 youth benefit from each centre every week.
- The Automated Financial Management Systems programme in Somalia has helped 15 district authorities to improve revenue generation by over 200 per cent in 5 years.
- In Afghanistan, revenue in four local authorities increased on average by 15 per cent in a few years as a result of improved property registration programme introduced by UN-Habitat.
- The Kiambu County government in Kenya doubled its revenue collection between 2013 and 2015 as a direct result of technical assistance to automate its accounting and billings systems provided by UN-Habitat.

CONTRIBUTING TO SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES
3 GOOD HEALTH AND WELL-BEING 	2 ZERO HUNGER 	1 NO POVERTY 				

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER
15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS

These strategies address **Goal 8** - Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 11 - Making cities and human settlements inclusive, safe, resilient, and sustainable.

BENEFICIARY VIEWS

“Kiambu County government was able to double its revenue generation between 2013 and 2015 as a result of its partnership with UN-Habitat through the Revenue Enhancement Programme, which has helped the county government automate its accounting and billing systems, expand its revenue base, seal its revenue loopholes, and realign its revenue collection machinery.

Kiambu County Government Website, Kenya

“The Nairobi One Stop centre is very important – it promotes social cohesion and integration. Youth need a centre, a place to meet, share and learn together. Having such a space shows that youth are cared for, and it’s a platform for their self-development.

Stephen Nyagah, Founder, Urban Volunteers Organisation

DONORS AND PARTNERS

EMPLOYMENT OPPORTUNITIES

FOR A BETTER URBAN FUTURE

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