

Two efforts to improve data on city finances

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By Gabriela Rico via [Citiscopes](#)

Municipal finances can be a murky area in some parts of the developing world. In some cities, even basic information about how much money is going into the local budget and how much is going out can be difficult to find.

Two projects set to launch in the coming months aim to address this problem. The hope is that collecting and publishing municipal fiscal data will have multiple benefits. City leaders will have better information to manage with. Business and development partners will have more visibility into the cities they're working in. And citizens, academics, NGOs and journalists will be better equipped to hold public officials accountable and push for greater transparency.

The first of the new resources is called the Global Municipal Database. It's a collaboration between the [Lincoln Institute of Land Policy](#) and [UN-Habitat](#). For selected cities in Asia, Latin America and Africa, researchers plan to collect key fiscal indicators such as expenditures, revenue and borrowing, among others that are relevant to financial management and planning.

Project leaders won't yet reveal which cities they're collecting data on, the number of those cities or a full list of the indicators. But they describe the database, which will be published online, as "technically rigorous." The official launch is set to happen early next year; the project will be presented at the U. N.'s Habitat III conference on cities in Quito, Ecuador.

[Read: [How have the New Urban Agenda drafts dealt with municipal finance?](#)]

Lourdes Germàn, Director of International and Institute Wide Initiatives at the Lincoln Institute, says the scope of the database will "go beyond the financial" and collate data that "could be used for planning the future of the city." "Finance is really a pillar for local governments," she says.

Marco Kamiya, Acting Coordinator of the Urban Economy and Finance Branch of UN-Habitat adds: “Reporting on fiscal data can open a dialogue with international partners about steps to improve the financial health of governments.”

Collecting the data is a challenge. Some of the information is held by municipal or government officials and can be requested directly. But there are gaps. A team of experts is conducting original data collection to ensure the integrity of the information. Germàn says municipal-level data will be presented along with some indicators for the national government in order to show how it fits into the bigger picture.

“One of the key things that we also understand is that cities and municipalities are part of a larger intergovernmental framework,” she says. “There is a lot of data out there at the country level. So one of the things that we’re doing is also to show that broader national context of data.”

Macro view

Improving that macro-level view is the idea behind the second of the new resources. It’s called the Global Observatory on Local Finance. It’s a collaboration between [United Cities and Local Governments \(UCLG\)](#) and the [Organisation for Economic Co-operation and Development \(OECD\)](#) , and funded by the [French Development Agency](#) .

The idea here is to take a national-level look at the state of municipal finances in 100 countries around the world. Those countries will include both developing ones for which data can be difficult to find, as well as OECD countries that generally have easier access to this information. The findings will be published on a website with an interactive map of the various countries.

The Global Observatory on Local Finance will not include data on specific cities but rather an overview on all local governments in a country. It will look at indicators such as local revenues, local expenditures, and debt. It will also summarize the territorial organization and state of fiscal decentralization for each country.

[Explainer: [What are ‘green bonds’ and why are cities so excited about them?](#)]

While this information may be very basic, developers hope that future editions of the Observatory will include more complex, micro-level data. In fact, one of the goals of the project is to raise awareness about the importance of collecting financial data at the municipal level, and to structure a dialogue between national and local governments on the subject.

“It is very difficult to reach 100 countries with the same methodology,” says Charlotte Lafitte, of UCLG’s Committee on Local Finance and Development.

The project is gathering data through multiple methods, namely working with the chief financial officers of selected countries, looking at International Monetary Fund data, and utilizing connections through organizations such as the French Ministry of Foreign Affairs. For about 15 countries, it’s been very difficult to collect precise information. Rather than seeking to fill those gaps in the data, the Global Observatory on Local Finance will instead highlight them in order to push for more efforts around data collection and transparency.

The project will launch in mid-October at [UCLG’s Congress](#) in Bogotá, Colombia.

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Enlaces

[1] <http://citiscopes.org//story/2016/two-efforts-improve-data-city-finances>

[2] <http://www.lincolnst.edu/>

[3] <http://unhabitat.org/>

[4] <http://citiscope.org/habitatIII/news/2016/08/how-have-new-urban-agenda-drafts-dealt-municipal-finance>

[5] <https://www.uclg.org/>

[6] <http://www.oecd.org/>

[7] <http://www.afd.fr/lang/en/home>

[8] <http://citiscope.org/story/2016/explainer-what-are-green-bonds-and-why-are-cities-so-excited-about-them>

[9] <https://www.bogota2016.uclg.org/en>

[10] <http://www.shutterstock.com/es/?kw=shutter%20stock&gclid=CMylrLHkrM8CFeQp0wodk4QENg>