



GUIDE TO MUNICIPAL FINANCE



UN HABITAT
FOR A BETTER URBAN FUTURE

GUIDE TO MUNICIPAL FINANCE

Nairobi, 2009

UN  HABITAT

The Human Settlements Financing Tools and Best Practices Series

Guide to Municipal Finance

First published in Nairobi in 2009 by UN-HABITAT.

Copyright © United Nations Human Settlements Programme 2009

All rights reserved

United Nations Human Settlements Programme (UN-HABITAT)

P. O. Box 30030, 00100 Nairobi GPO KENYA

Tel: 254-020-7623120 (Central Office)

www.unhabitat.org

HS/1146/09E

ISBN: 978-92-1-132113-5

ISBN(Series): 978-1-132027-5

Disclaimer

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers of boundaries.

Views expressed in this publication do not necessarily reflect those of the United Nations Human Settlements Programme, the United Nations, or its Member States.

Excerpts may be reproduced without authorization, on condition that the source is indicated.

Cover design : Andrew Ondoo/UN-HABITAT

Cover photos: Xing Quan Zhang/UN-HABITAT

Acknowledgements:

Director:	Oyebanji Oyeyinka
Principal Editor and Manager:	Xing Quan Zhang
Principal Author:	Enid Slack
English Editors:	Eric Orina and Cilla Ng
Design and Layout:	Andrew Ondoo

TABLE OF CONTENTS

CHAPTER 1	Definition of Municipal Finance and Objectives of the Guide	1
	Definition of Municipal Finance	1
	Objectives of the guide	1
	Outline of the guide	2
CHAPTER 2	Municipal Finance Issues, Challenges, and Trends	3
	State of Municipal Finances	3
	Issues and challenges	10
	Recent trends in Municipal Finance	14
CHAPTER 3	Principles of Municipal Finance	17
	Role of local government in the economy	17
	Major functions of municipal governments	18
	The benefit model of local government finance	18
	Public finance principles	19
CHAPTER 4	Municipal Revenues	21
	Sources of municipal revenue	21
	Characteristics of a good local tax	22
	Taxes	23
	User fees	33
	Intergovernmental transfers	35
	Types of transfers	35
	Rationale for transfers	36
	Design of transfers	38
	Problems with transfers	38
	Implementation and management of municipal revenues	40
CHAPTER 5	Financing Capital Expenditures	41
	Funds from operating revenues	41
	Intergovernmental transfers	42
	Mobilizing private capital	42
	Municipal borrowing	43
	Public-private partnerships	44
	Development charges	45
	Tax increment financing	50
	Land value capture taxes	54

CHAPTER 6	Municipal Budget, Financial Reporting and Auditing	56
	Expenditures at the local level	56
	Municipal budgeting	56
	Accounting standards	61
	Accounting concepts	62
	Auditing	63
	Performance-based measurement	63
CHAPTER 7	Municipal Borrowing and Access to the Capital Market	65
	Role of municipal borrowing	65
	Capital markets	66
	Pooling municipal debt	66
	Borrowing instruments	67
	Credit ratings	68
CHAPTER 8	Concluding Comments	71
	REFERENCES	78
	APPENDIX	78

LIST OF TABLES ,FIGURES AND BOXES

Tables

Table 1	Distribution of Municipal Expenditures, Selected OECD Countries, 2006 (%)	4
Table 2	Distribution of Municipal Expenditures, Selected Countries in Central and Eastern Europe, Asia, Africa, and Latin America, 2006 (%)	5
Table 3	Distribution of Municipal Revenues, Selected OECD Countries, 2006 (%)	6
Table 4	Distribution of Municipal Revenues, Selected Countries in Central and Eastern Europe, Asia, Africa, and Latin America, 2006 (%)	7
Table 5	Local Government Expenditures as a Percentage of GDP and Total Government Expenditures	9
Table 6	Urban Population by Major Area, Selected Periods, 1950-2050	10
Table 7	Percentage Urban by Major Area, Selected Periods, 1950-2050	11
Table 8	Sources of Municipal Operating Revenues for Selected Cities	22
Table 9	Base for Property Taxes	27
Table 10	Types of Intergovernmental Fiscal Transfers	36
Table 11	Development Charges, Greater Toronto Area, 2007	49
Table 12	The Steps in the Capital Budget	58

Figures

Figure 1	Public Debt, Spending and Investments – the Role of Local Governments (2000)	15
Figure 2	Different Financing Tools for Different Services	18
Figure 3	Calculating the Tax Increment	53
Figure 4	Steps in the Budgetary Process	59

Boxes

Box 1	Public Finance Principles	20
Box 2	Characteristics of a Good Local Tax	22
Box 3	How Property Tax Capitalization Works	23
Box 4	Road Pricing in Singapore	34
Box 5	Public Finance Principles for Designing Fiscal Transfers	39
Box 6	Types of Public-Private Partnerships	44
Box 7	Calculating Development Charges	47
Box 8	Implementation of Tax Increment Financing	50
Box 9	Steps for Tax Increment Financing	52
Box 10	Citizen Involvement Participatory Budgeting in Porto Alegre	60
Box 11	Municipal Finance and Management Initiative in Ghana	67
Box 12	Illustration of a Tax-Free Bond	67

ABBREVIATIONS AND ACRONYMS

CBD	Central Business District
ERPS	Electronic Road Pricing System
GDP	Gross Domestic Product
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IU	In-vehicle unit
GAAPs	Generally Accepted Accounting Principles
MDGs	Millennium Development Goals
OECD	Organisation for Economic Co-operation and Development
PAYG	Pay-as-you-go
P3s	Public-Private Partnerships
TIF	Tax Increment Financing
VAT	Value added tax

FOREWORD



The global housing crisis, especially in the developing world, is getting worse by the day making the right to adequate shelter a quest that is becoming more and more difficult to meet, despite the targets set by the Millennium Development Goals.

Such is the rate of urbanization – the influx of people into towns and cities, and their natural growth – that the world has now reached a point where for the first time now, half the global population lives in towns and cities.

By the year 2050, six billion people – two-thirds of humanity – will be living in towns and cities. And as urban centres grow, the locus of global poverty is moving into towns and cities, especially into the burgeoning informal settlements and slums, of the developing world. In the developing world, this is happening so fast that slums are mushrooming in what is termed the urbanization of poverty.

And for this, we need innovative governance, and local thinking and reporting if we are to bring hope to the urban poor. Equally importantly, we need to support our towns and cities, indeed our countries, to adopt pro-poor policies and strategies that will obviate the need for further slum creation.

It is against this background, that the Human Settlements Financing Tools and Best Practices series focuses on the development of know-how, knowledge and tools in human settlements financing, from which Member States can learn in delivering affordable housing to the poor.

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_19098

