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## Vaduz Declaration

*Adopted by the participants of the “Financing Smart Sustainable Cities Forum Liechtenstein”, on 8 November 2016*

We, the participants of the Forum on “Financing Smart Sustainable Cities Liechtenstein” (Ruggell, 7-8 November 2016), express our deep gratitude to the Government of the Principality of Liechtenstein for their gracious and excellent hosting of the Forum.

This Forum should be seen as a starting point for activities and actions on financing smart sustainable cities.

We are aware that half of the global population lives in cities and, by 2050, the 70% to 80% of the global population will be living in cities. We are also conscious that urbanization brings many challenges and pressures such as migration issues, urban renovation, increased inequalities, aging populations, and social and ecological transitions that decision makers have to overcome to deliver the required goods and services to people. Cities need new financing mechanisms, targeted investments and innovative solutions which, together with sustainable urban planning, technology, transport, energy, natural resources, education and other services, contribute to enhance the quality of life and the economic development of a city. This will support the transition into smart sustainable cities and the achievement of the Sustainable Development Goal 11.

We re-iterate the principles agreed in the [Rome Declaration](#) (18-19 May 2016) and support the work of the [United Smart Cities \(USC\) program](#) and [United for Smart Sustainable Cities \(U4SSC\) initiative](#), and this conference is a contribution to that work.

We invite national and local governments, municipalities, international organizations, representatives of the financial sector, businesses and other stakeholders to work together on the implementation of the following priority actions towards financing smart sustainable cities:

1. **Adopt and use key performance indicators (KPIs), standards and harmonized approaches** to help cities to set up priorities for action and improve their performances and

to identify investment opportunities by effective monitoring and reporting. To identify key investments and to improve cities' performances are two important elements in the path towards achieving smart and sustainable urban development.

2. **Introduce environmental, social and governance (ESG) issues** into organizations' decision making processes, policies, practices and investment analysis, and investing in companies which are able to manage the environment, social and governance impact associated with their businesses and at the same time influence companies to improve their performance in environment, social issues and corporate governance.
3. **Promote an open dialogue** among all the relevant stakeholders to encourage participative governance, transparency and accountability to bridge the gap between finance institutions, investors and cities.
4. **Support new financing mechanisms for smart sustainable cities**, which favour profitability and economic impact of the investments and at the same time support good governance, environmental sustainability and socio-cultural development.
5. **Take the leadership** to manage and mitigate social and environmental risks associated with financial activities and foster long-term social and environmental returns, which will contribute to the positive economic impact of the financial sector.
6. **Invest in the development of local communities** by also engaging citizens to create liveable cities and in active partnership with organizations and institutions at local level.
7. **Foster innovation and entrepreneurship** by leveraging on existing and new technology to support sustainable economic prosperity and also support education, cultural activities and know-how of communities.
8. **Improve access to financial services and financial literacy**, also through the use of social media and ICT, to enable all people to adapt and use financial services wisely for the empowerment of communities and the smart and sustainable development of cities.
9. **Combat financial crime and corruption**, including cyber-crime, by ensuring an effective corporate governance and transparency as well as enhancing information and access to information for employees and customers.
10. **Support the New Urban Agenda and help achieve the Sustainable Development Goals**, in particular Sustainable Development Goal 11: "Make cities and human settlements

inclusive, safe, resilient and sustainable”, in collaboration with national and local authorities to create smarter and more sustainable cities and communities worldwide.