



## GLOBAL TASKFORCE

OF LOCAL AND REGIONAL GOVERNMENTS

FOR POST-2015 DEVELOPMENT AGENDA

TOWARDS HABITAT III

# Position Paper

## **The Global Taskforce of Local and Regional Governments in the 3rd International Conference on Financing for Development**

The Global Taskforce gathering the constituency of Local and Regional Governments welcomes the recognition of the role of local and sub-national governments in the Addis Ababa Action Agenda and the commitment of national governments to support the financing and capacities of local governments, particularly in developing countries (para 34). We acknowledge the reference to local authorities as one of the stakeholders of the Global Partnership for Sustainable Development (para 10) and of the follow-up process (para 130).

This is significant progress considering the fact that the role of local and sub-national governments was not included in the two previous conferences (Monterrey, 2002 and Doha, 2008). It also builds on recent UN Consultations which recognize the importance of strengthening the capacity of local authorities and their associations, and the need for the localization of resources alongside the localization of the SDGs.

The lack of a specific track of consultation and engagement for local and regional governments indicates a failure to acknowledge an adequate role for this group, as referred to in para 42 of the Rio+20 outcome document. Our constituency would like, however, to commend the CSO and Business Forums for the space provided and their continued partnership.

### **Well-resourced and empowered local government key to Addis outcome**

As recognized in the Addis Ababa Action Agenda, expenditure and investments are being devolved to sub-national levels to deliver the critical public services and infrastructure needed to achieve the SDGs. However, in many developing countries, human and local revenues did not follow this devolution. As a result, the gaps in access to basic services and infrastructures, as well as slum expansion, have increased in many urban areas and territories over the last decade, particularly in the least developed countries, weakening the achievement of the MDGs.

In this regard, we welcome the explicit recognition of the need to support local governments in their efforts to mobilize revenues in paragraph 34. This needs to entail local taxation and improved and predictable intergovernmental allocations, as well as the need for a suitable regulatory and legal environment at national level, in order to ensure that local and regional governments have appropriate powers and capacities. Fairer taxation and allocation of resources are critical to mobilize local resources to

support development and to reduce inequalities between communities and territories.

Well-structured and -supported local governments can contribute substantially to mobilizing domestic resources in order to achieve the SDGs, promoting participatory mechanisms to increase citizen engagement and strengthen local accountability. For this to occur, national governments must adopt adequate fiscal decentralization frameworks to empower and support local governments to ensure they meet their responsibilities in local development.

### **Local and urban infrastructure: investment focus for inclusive service provision**

For the financing of urban development, FfD3 also requires greater recognition of the huge demands growing cities face in terms housing, basic services and resilient infrastructures. We express our concern that this issue is insufficiently reflected in paragraphs 12-18. In 2050, almost two thirds of humanity will live in urban areas, radically transforming our societies and our planet. The amounts dedicated to urban areas must double or triple over the next 20 years in order to fill this gap. Further, less developed countries, particularly in Africa and Asia, will receive most of this urban growth (94%).

We expect that the launch of new infrastructure initiatives mentioned in paragraph 14 of the Action Agenda and the call for a Global Infrastructure Forum, as means to address the gaps in infrastructure and capacities, will adopt an approach adapted to the needs of urban areas for developing countries.

An asymmetric and integrated financing system that creates robust incentives for stronger local governments to borrow and access financial markets and enables weaker local governments to improve their capacities and begin to borrow should be promoted. Local development banks and municipal funds play an important role in pool funding for investments in local development and infrastructures, as recognized in paragraph 34. Local and regional governments have demonstrated solid innovation skills in local financial engineering that should be better supported in terms of scaling-up, adaptation and replication.

Local and regional authorities are ready to play their part in this initiative as well to contribute to a strong and inclusive Global Development Partnership at all levels (international, national and local) that supports a universal, sustainable and truly transformative development agenda.

### **Resilience is mainly a local and territorial capacity and investment**

We also welcome that paragraph 34 expresses support for “cities and local authorities of developing countries, particularly in LDCs and SIDS, in implementing resilient and environmentally sound infrastructure”, including in key elements in implementing SDG 11. In addition to the Sendai Framework, it is important to make reference to global climate finance as an opportunity to finance sustainable local/urban development.

The urgency and scale of global ecological crises and the increasing inequalities that the world is currently facing at all levels and spaces clearly demonstrates that sustainable development is not an option but the only way to ensure the sustainability of humankind.

### **Public-private partnerships accountable to communities**

The expectation expressed in the Action Agenda on “blended finances” and the increasing role of private finances in the development agenda raises questions and will require careful monitoring. We recognize that the scale of necessary investments in infrastructure and service provision in cities will require contributions from all stakeholders, particularly the private sector. Clear regulations and institutional support are needed in many countries to create an enabling environment for investments in basic services and infrastructures.

However, public financing is, and will continue to be, a critical source of financing for many public services in order to guarantee access for all, including the poor. And in many LDC countries, public finances will probably continue to be the “backbone”, or the only source, of funding. ODA should be better targeted to support local governments in these countries to deliver basic services, and to leverage domestic resources to finance basic services and infrastructures.

Local and regional governments have a long experience in building partnerships with the private sector with both positive and controversial experiences. PPP projects have proved to be complex undertakings that often require long and costly processes and negotiation capacities. Where promoted, public-private partnerships should include sufficient safeguards to ensure the accessibility, affordability and quality of the services and infrastructure that they are expected to deliver. In order for participating partners to contribute to reinforcing public policies and protecting the commons, local governments need to be empowered to become active partners with the private sector, strengthening accountability and civil society participation.

We would also like to acknowledge the important role of remittances in local economic development, as well as the great responsibilities and impacts that the phenomenon of migration entails for sub-national governments.

With regard to capacity building, innovation and technology, with their long and wide experience in city-to-city and decentralized cooperation, local and regional governments can also contribute to promoting peer learning between equal partners.

Finally, we share the feelings of many stakeholders that the level of ambition of the Action Agenda of Addis, including with regard to taxation monitoring and implementation, is insufficient if it is to function as the operational Means of Implementation (MoI) for the Post-2015 development agenda; which was one of the goals of this conference.

We expect that the next global summits in 2015 – on the SDGs and COP 21 – will help to revive our hopes and encourage the mobilization of all stakeholders, and transform the Addis Agenda into a more ambitious implementation process. Likewise, we look to Habitat III in 2016 to

contribute to the actual implementation and achievement of the Post-2015 agenda through the development of a full-fledged urban agenda that will include an ambitious territorial approach.

### **A constituency ready to contribute**

Local and regional governments will remain mobilized to build broader partnerships for the implementation of an Addis Ababa Action Agenda with the aim to “localize” the financing for development through the diverse but complementary strategies and programmes they are designing and implementing.

We strongly recommend that the implementation of the outcomes of the FfD3 is guided by the outcomes and shared agenda of the Post-2015 Intergovernmental negotiations to be achieved by September 2015.

Sustainable local and urban development is an opportunity for global transformation both for developed and developing countries if understood as a territorial agenda with the interest of the communities at heart.

For more information on the Global Taskforce please visit [www.GTF2016.org](http://www.GTF2016.org) or write to [globaltaskforce@uclg.org](mailto:globaltaskforce@uclg.org) The Global Taskforce was represented in Addis Ababa with a delegation of 60 elected officials, representing 21 countries.

