



Funding our Future : Cities Take the Lead!

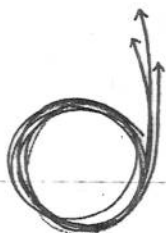
Global Campaign for Local Authorities' Access to Sustainable Funding for Urban Development

Introductory Note

29 octobre 2012

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FMDV

Supporting local authorities
to access funding

I – The Campaign in a nutshell - Context, challenges and objectives

In preparation for the Habitat III Summit in 2016, and in order to strengthen the position of the urban topic in the United Nations Post-2015 Development Agenda and the Post-Rio+20 Sustainable Development Goals (SDGs), the Metropolis and UCLG city networks, with support from the FMDV, wish to join hands with UN-Habitat, Cities Alliance and other strategic partners to launch and implement "Funding our Future: Cities Take the Lead!" – a *Global Campaign for Local Authorities' Access to Sustainable Funding for Urban Development*.

Funding Our Future: Cities take the lead!, the Global Campaign for Local Authorities' Access to Sustainable Funding for Urban Development aims to give local authorities the operational and technical means, references and resources (strategies, mechanisms, tools, as well as cooperation and exchange spaces and flows) to allow a resilient funding of their development strategies and programmes.

For the first time, a global Campaign, launched at the initiative of the main city networks, will specifically and technically concern the topic of local authorities' access to funding for their development and will have a definite focus on action.

It will be complementary to the advocacy developed by Metropolis and UCLG for effective decentralisation and to position local and regional authorities in the debates on the Post-2015 Development Agenda and Habitat III, with the aim of achieving more sustainable and inclusive urban development.

At a time when it is difficult to establish decentralisation policies and mechanisms on a global scale, the Campaign will combine two integrally linked dimensions for this purpose:

- A strategic "Resources for Action" capitalisation dimension aiming to:
Identify, promote and disseminate applicable and replicable solutions and good practices for urban development funding, implemented by local authorities alone or in partnership with territorial stakeholders (innovative or simply effective local mechanisms and instruments for sustainable access to financial resources, which are either applied or forward-looking).
- An operational "Here and Now" spin-off dimension aiming to:
Demonstrate through examples that local governments are at the forefront of organisational action for access to sustainable funding for their development strategies and programmes, *via* enhanced cooperation and solidarity activities (co-training, capacity building and transfers of engineering and know-how among local authorities) and the setting up of pilot projects in volunteer territories, the initial results of which will be evaluated for Habitat III.

Funding our Future: Cities Take the Lead! has been designed and organised on the basis of the conclusions of *GOLD II, the Global Report on Local Governments*, produced by UCLG in 2010 on the topic of funding local authorities. It sets out 4 main lines:

- The definition of prerequisites, in terms of capacity building for territorial authorities (legal and regulatory framework for the decentralisation of powers and resources, organisation and governance, training and engineering), to absorb demand for urbanisation and create a sustainable offer for their residents;
- The need for local governments to have access to funding via an assessment of their requirements based on the vision and specific realities of the territories;
- The integration of concerted and coordinated policies (territorial levels, stakeholders);
- The development of the economy and local wealth as pillars of local development.

The Campaign's mandate will be to support these trends on the basis of 3 programmatic inputs:

- By exploring and **developing policies, mechanisms and tools implemented locally**, which have improved the quality and efficiency of access to funding for local authorities and their partners in order to contribute to more sustainable and inclusive development (case studies, regional and global publications).
- **By proposing "possible avenues for action"**, (combining "accepted good practices" and "realistic forward-looking approaches"), which it will disseminate during the discussions it will organise between local, regional and global stakeholders (regional seminars, technical and operational recommendations for Habitat III).
- **By organising pilot operations for cooperation** and knowledge and skills transfers, in a spirit of solidarity, between local authorities, combined with a "pilot project" component implemented in volunteer territories (co-training, pilot spin-off operations).

This thematic Campaign has been initiated by the main city networks and is complementary to the UN-Habitat Global Urban Campaign "Better City Better Life", in which UCLG and Metropolis are already playing an active role. It will endeavour to contribute to the debates on the Post-2015 Development Agenda and SDGs and also meets the firm commitment and increasing mobilisation of local authorities in terms of the main topics of international debate, including the preparation of the Habitat III Cities Summit, in the context of a global financing crisis whereby the local economy, and particularly cities, are now clearly at the centre of applied urban development issues.

The Campaign is politically backed by Metropolis and UCLG, in close partnership with Cities Alliance and its members. It will be gathering the many stakeholders concerned and developing a dialogue between them: local authorities, city networks, civil society, international organisations, researchers, donors and the private sector.

This global Campaign will be broken down geographically by Region in order to follow and report on the specificities and the creativity of the territories in Africa, Asia-Pacific, Europe, Eurasia, the Middle East and West Asia, North America and Latin America.

It will be led and implemented by Metropolis and UCLG, in close partnership with the FMDV, to facilitate access to funding for local authorities, *via* their Secretariats and Regional Offices and by coordinating and mobilising the appropriate expertise.

The Campaign leaders will be working in close collaboration and cooperation with the existing working groups of the main stakeholder networks that have been identified (such as the UCLG Local Finance Committee and its members), on the basis of their tools and the dynamics in which they are engaged, and with a common interest in the specific topic of the Campaign.

II - A "Mobilisation for Action" Campaign

Funding our Future: Cities Take the Lead! will highlight initiatives in the field, developed at the local or regional levels, and will consider the conditions for reproducing them. The aim is to achieve a cooperative and mutually-supportive transfer between territories facing the same challenges and difficulties.

The Global Campaign aims to:

- **Identify, propose and disseminate** practical, tried and tested strategies, as well as appropriate operational mechanisms and instruments implemented by local stakeholders. The objective is to meet the realities of the challenges facing local authorities for the sustainable funding of the urbanisation of their territories,
- **Implement programmes for training, transfers and replication** *via* pilot projects conducted in volunteer territories through cooperation between networks and local authorities,
- Gather the views of **local governments and make their voices and those of their partners heard**; produce updated, specific and appropriate recommendations with a view to the new Cities and Regions Summit scheduled at Habitat III in 2016 on the topic of the sustainable funding of urban development, addressed on the basis of the vision and real needs of local governments,
- **Strengthen the skills, dialogue and cooperation of regional networks** for exchanges and cooperation between urban development stakeholders on the funding aspects of their discussions and projects.

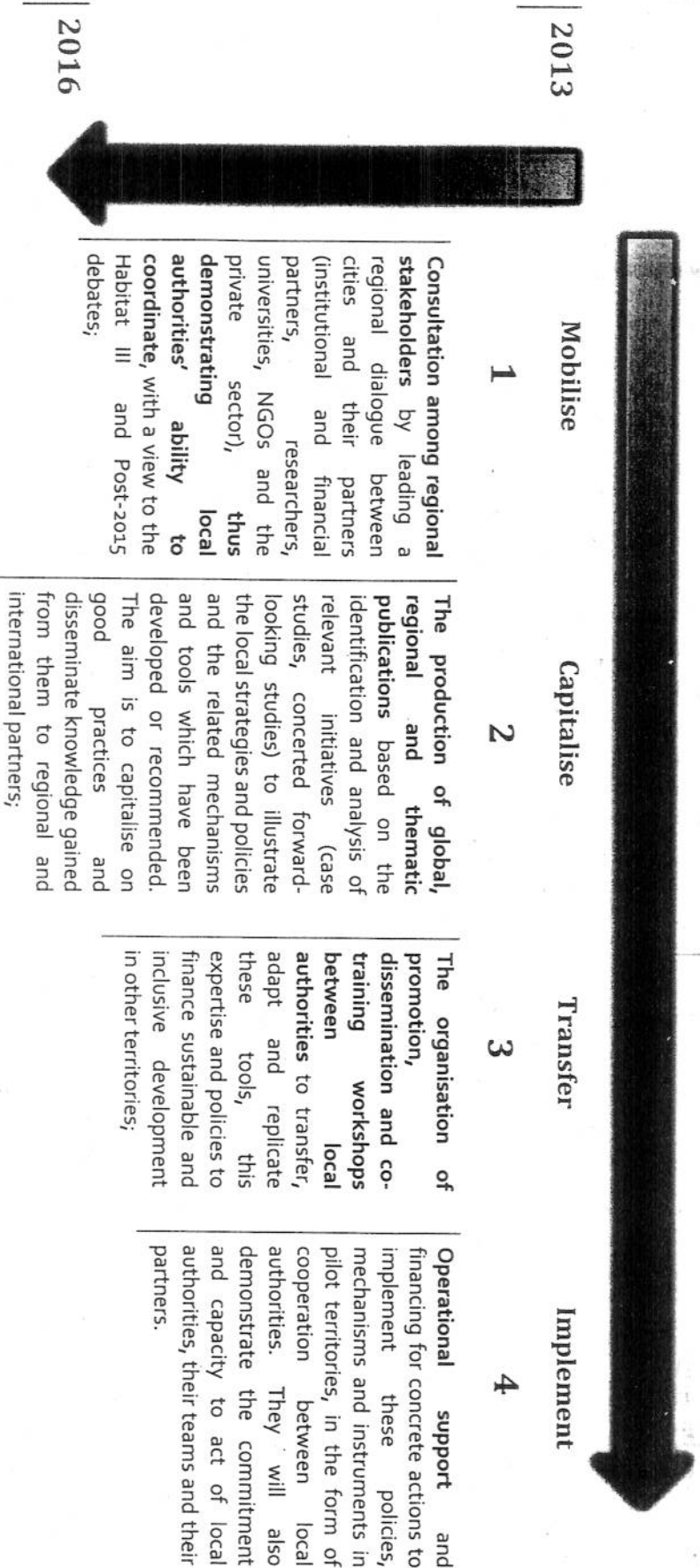
In addition, the Campaign will aggregate knowledge, expertise and recommendations based on 4 strategic topics, with respect to the funding potential they represent:

- **Urban development finance stakeholders and mechanisms – donor funding strategies:** How do these stakeholders interact with territorial authorities at the regional level? What strategies to implement for dialogue and coordination? What tools to develop to take efficient and harmonious action at the local level?
- **Innovative instruments, endogenous finance, social finance:** Identify, characterise and strengthen a “different” economy and finance, which operate according to objectives and rules tailored to the local challenges for a sustainable and resilient transition of territories;
- **Public service delegation:** Public-private partnerships – alliances and potential to be re-examined in a changing environment;
- **The Instruments – Drivers of local development:**
 - Local taxation: Better organise what already exists, invent new mechanisms to mobilise local resources;
 - Management and organisation of operations to increase land value: Demographic and real estate pressure on land, the distribution of land/the right to the city, strategic territorial planning, etc.
 - Mechanisms for equalisation and solidarity among territories, notably to support small- and medium-sized cities.

These general and cross-cutting topics will be addressed based on current trends and illustrated by operational, innovative and efficient solutions, which allow these sources of funding to be organised and managed as effectively as possible. This work will illustrate cities’ advocacy activities, which have already been developed by UCLG and Metropolis with the Global Urban Campaign and for the debates on the Post-2015 Development Agenda.

III – Activities developed during the campaign

To achieve its objectives, the Campaign will promote a dynamic which will grow in momentum and is based on 4 complementary activities implemented simultaneously or successively, depending on the capacity of local and regional stakeholders and the agenda:



These activities will be aggregated and published via a global publication and regional and thematic progress reports in several languages. The aim is to produce strategic visions and operational recommendations, which will be presented to the United Nations General Assembly with the aim of promoting new paradigms of sustainable funding for urban development. They will enrich contributions to the next *GOLD IV Local Authorities Report* produced by UCLG.

Practical examples of initiatives, tools and projects which have been developed by local authorities and can be promoted and replicated:

- *Tools to improve tax collection (c.f. Ciudad Bolivar in Venezuela via a PPP, or Tajumulco in Mexico).*
- *The introduction of new local economic and financial architectures, for example via social and complementary currencies as instruments for the development and resilience of the economy and local stakeholders (c.f. community development banks in Brazil, and territorial currencies in the UK, France and Germany)*
- *The strategy to increase land value (Dakar, Senegal, with its DKL project, for example)*
- *Collaborative cooperation programmes based on migrant remittances (Quito, Ecuador, for example)*
- *Cooperation for participative and self-managed housing (c.f. in Uruguay, Brazil, etc.)*
- *Relocation practices for activities and production and consumption cycles (circular economy, dynamic short channels, urban agro-ecology: Cities in Transition, AMAP, etc.)*
- *New eco-social centres of excellence and green territorial marketing (c.f. Vancouver, Växjö, Copenhagen, etc.)*

IV – Functioning/Organisation

At the heart of the Campaign:
“leader” local authorities... among others

The International Secretariats of Metropolis and UCLG will coordinate the Campaign in partnership with the FMDV:

- In close partnership with the other Campaign initiators (UN Habitat, Cities Alliance, for example),
- In coordination with the regional branches of each organization,
- And in dialogue with the existing regional or thematic networks of local authorities and recognised stakeholders in the region (international bodies and their representations, bilateral institutions, regional development banks, universities, researchers, private partners, NGOs, etc.).

A “policy leader” role will be given to local authorities of varying sizes (metropolises, medium-sized cities) and to city networks and associations in order to steer the Campaign both regionally and politically.

A **Regional Steering Committee** will be tasked with leading the Campaign and adapting the agreed agenda and with co-producing and conducting the activities defined for its implementation and deployment.

V – Two converging Agendas

A specific agenda for the Global Campaign

The Campaign will be symbolically announced by its initiators in December 2012 during the Africities Summit for a 4-year period: 2013-2016.

Following this announcement, the first years will serve as a launching pad to mobilise and unite other initiators and partners who are interested at the international and regional levels, and to prepare the coordination and communication mechanisms and tools and the global and regional operational agenda for 2014-2016.

During Year 1 (2013), a series of events will announce the initiative at the regional level and will organise the creation of regional steering committees.

The official and operational launch of the Campaign will take place in October 2013 during the UCLG World Congress in Rabat, Morocco, and will disclose the specific roadmap of the Campaign.

The Campaign will subsequently be organised on the basis of the major international and regional events (depending on the local agenda) and the priorities and opportunities identified to mobilise regional stakeholders.

The international agenda for Cities' diplomacy

The global agenda comprises several major institutional events and should, in addition to the Campaign Agenda, promote the debate between regions at the international level, in line with the collective objectives of *Funding Our Future*.

The events are:



- **December 2012 – Dakar, Senegal – Africities Summit:**
Announcement of the Global Campaign by the main initiating city networks;
- **January 2013:**
Launch of the Campaign for the Middle East and West Asia Region during the UCLG MEWA General Assembly;
- **March 2013:**
Launch of the Campaign for the Latin America Region in Mexico City during a consultation workshop organised by Mexico City;
- **April 2013 – 24th Governing Council of UN-Habitat**
- **July 2013 – Johannesburg, South Africa – Metropolis and FMDV Board of Directors Meetings:** 1st consultation workshop for the Africa Region;
- **September 2013 – United Nations Summit on the Millennium Development Goals**
- **October 2013 – Rabat, Morocco – UCLG World Congress:**
Operational launch with all the initiators and partners. Meeting to present regional and thematic progress. Organisation of the agenda;
- **2014 – Hyderabad, India – Metropolis World Congress:**
First training sessions, presentation of studies in Asia;
- **2014 - World Urban Forum VII – Medellin, Colombia**
- **2015 – Millennium Summit:**
- Presentation of the MDG Final Report and adoption of the Post-2015 Development Agenda
- **2016: Habitat III – World Summit of Cities and Regions**

VI – Initiators & Signatory Partners

The Campaign's (core) initiators have been identified with the aim of establishing a strong political and institutional base.

The other partners will be identified as contacts are made and through voluntary initiatives to join following the launch, and as a result of the mobilisation effect as the Campaign gains momentum and visibility.

The networks and institutions already positioned as initiators today are: Metropolis - UCLG – UN-HABITAT – Cities Alliance – FMDV.

Other stakeholders and networks of regional authorities and/or thematic networks are likely to be asked to join the Campaign's Launch Committee and to take the message and stated objective to their networks, members and partners.

The second phase will involve attracting the institutional, technical and financial partners which are directly concerned by the preparation of Habitat III:

- International donors and cooperation agencies,
- Private foundations,

- Civil society and stakeholder networks (thematic, NGO, academic, think tanks, emblematic personalities),
- Financial institutions (regional specialised financial institutions, private banks),
- As well as the private sector.

VI – An annual budget

The funding arrangements for the Campaign will be based on a combination of complementary sources, including a contribution from members, such as “leader” local authorities, the main traditional donors and the private sector (there will also be the benefit of the in-kind input from partners *via* the human and material resources they provide, the organisation of events, shared expertise, etc.).

The annual budget is estimated at EUR 2 million for all the 7 world regions and the global coordination.