



05.

**THE AGENDA
OF LOCAL
AND REGIONAL
GOVERNMENTS
FOR HABITAT III
AND BEYOND**

THE AGENDA

The central message of GOLD IV is that local and regional governments must be empowered to take a leadership role in the implementation of global development agendas, in particular the New Urban Agenda.

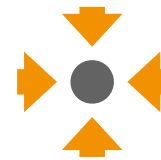
Local and regional governments are best placed to lead, since every community, settlement and territory must 'co-produce' a response that is context-specific in order to fulfil the agendas' ambitions. This response must address the challenges of poverty, rising inequality, insecurity, environment depletion and climate change.

Moreover, the recommendations of the New Urban Agenda need to apply to all types of human settlement, all spaces and territories in which people live, in order to truly build livelihoods and citizenship. The New Urban Agenda should reinforce the aims of the SDGs; the COP 21 commitments on climate change; the Sendai Framework for Disaster Risk Reduction; and the Addis Ababa Action Agenda (AAAA) on financing for development. It is imperative that it is grounded in the principles of the Universal Declaration of Human Rights (1948) and the UN International Covenants on Civil and Political Rights, and Social, Economic and Cultural Rights (1966). It should at the same time build on the UN International Guidelines on Decentralization and Access to Basic Services, and Urban and Territorial Planning.

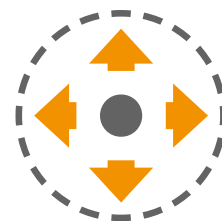
Effective decentralization, together with the progressive endowment of powers, resources and capacities to local and regional governments, is a precondition for unlocking the full potential of these key actors. Only then can the SDGs and the New Urban Agenda be achieved. There can be no 'transformed world' without first transforming the cities and settlements in which we live.

The following recommendations build on the research and consultations with local and regional governments that formed part of the report's preparation. They also draw upon the recommendations of the Global Taskforce of Local and Regional Governments in the Habitat III process. They encompass the reforms that must be immediately implemented to support countries, local and regional governments and other stakeholders in the New Urban Agenda to take action.

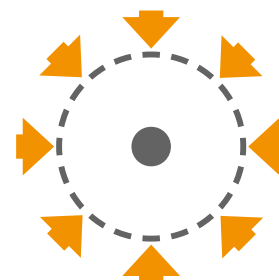
The first set of recommendations on '**local action**' addresses how sub-national governments can contribute to the achievement of the SDGs, the Paris Agreement, the Sendai Framework and the New Urban Agenda. The second set of recommendations on '**national action**' focuses on national legal, institutional and policy reform. The final set of recommendations on '**global action**' tackles three of the most potent enablers of national and local development: global governance, international financing and decentralized cooperation. All the recommendations seek to empower local and regional governments to take their rightful place at the head of a new international agenda for inclusive and sustainable development.



LOCAL ACTION



NATIONAL ACTION



GLOBAL ACTION



**REALIZATION
ON THE GROUND
OF THE NEW
URBAN
AGENDA**

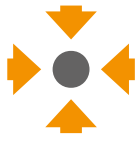
1. Improve the strategic management capacity of local and regional governments.
2. Boost participation by fostering a buoyant and autonomous civil society to co-create cities and territories.
3. Harness integrated urban and territorial planning to shape the future of cities and territories.
4. Ensure access to quality and resilient infrastructures and basic services for all.
5. Foster local economic opportunities to create decent jobs and social cohesion.
6. Put the 'Right to the City' at the centre of urban and territorial governance.
7. Lead the transition towards low carbon, resilient cities and regions.
8. Promote local heritage, creativity and diversity through people-centred cultural policies.

**A NEW
MULTILEVEL
GOVERNANCE
SYSTEM**

1. Renew institutional frameworks to promote shared governance and effective decentralization.
2. Build coherent and integrated national urban and regional policies in consultation with sub-national governments.
3. Rethink sub-national financing systems to reconcile financing with sustainability.
4. Involve local and regional governments in the follow-up of the SDGs, the Paris Agreement and the New Urban Agenda, supported by accurate territorialized data.

**LOCAL AND
REGIONAL
GOVERNMENTS'
RIGHTFUL PLACE
AT THE GLOBAL
TABLE**

1. Include organized local and regional government networks in the governing structures of international development institutions.
2. Create new instruments to finance local sustainable infrastructure, services and housing.
3. Support decentralized and city-to-city cooperation, learning and knowledge-sharing to foster innovation.



LOCAL ACTION: REALIZATION ON THE GROUND OF THE NEW URBAN AGENDA

As a result of the growing links between global and local challenges, **local and regional governments now play a greater role in the regulation of the urban fabric and territories, and the protection of the commons.** As such, they often lack the resources to meet these new challenges, putting pressure on their ability to fulfil pre-existing responsibilities. To contribute to what in the SDGs is termed a 'transformed world', local and regional governments across all world regions must be proactive and commit to the following actions:

1.

IMPROVE THEIR STRATEGIC MANAGEMENT CAPACITY

Local and regional leaders must develop new capacities and modes of leadership to respond to and take advantage of new opportunities that are opening up for the achievement of the SDGs and the New Urban Agenda, for example:

- Implement shared governance to renew local democracy; develop new governance models sensitive to a range of factors, including gender, to foster equality and based on human rights; and protect human dignity and wellbeing.
- Make innovation a way of life by establishing partnerships for innovation, creating interactive spaces for planning and experimentation (e.g. city labs); use new ICT to promote e-governance, collaborative decision-making, quality and coverage of local data; and improve transparency and accountability.
- Develop a strategic management approach to deal with local finance and assets effectively, and utilize them as a lever for resource mobilization; strengthen capacities to negotiate with the private sector on behalf of urban public goods and frame their

interventions within public interest rules; improve the management of risks and crises.

- Attract the best people to protect the common good by developing inspiring careers in public office; investing in training local public servants, and promoting their involvement in peer-to-peer learning and knowledge networks (e.g. learning platforms); respect the labour rights of public servants and public service providers.
- Draw up a code of conduct, with independent control mechanisms and bodies to fight corruption.
- Build solidarity between cities and territories and enhance inter-municipal cooperation; foster partnerships between and within cities and their hinterlands; create economies of scale; and ensure food security and protect natural resources, thus strengthening rural-urban partnership.

2.

BOOST PARTICIPATION BY FOSTERING A BUOYANT AND AUTONOMOUS CIVIL SOCIETY TO CO-CREATE CITIES AND TERRITORIES

Participatory democracy, shared public services, cooperative housing, and collaborative and solidarity-based economies contribute to a new governance approach. Local and regional leaders should:

- Empower citizens to fully participate in local political, social, economic and cultural life, and thus create adequate conditions, mechanisms and means (spaces, funds, etc.) for effective participation (e.g. participatory planning and budgeting); promote citizen-based monitoring of public policies and public release of local data; and develop public spaces and fora for public interactions and innovation; support the autonomous organization of civil society and communities; and ensure broader transparency and accountability.
- Co-create societies starting from cities and territories, and facilitate effective local and regional partnerships with civil society, the business sector and academia to make progress towards the co-creation and co-management of the cities and territories.
- Involve all stakeholders in service provision for all; promote co-production; hold policy dialogues with key stakeholders (i.e. civil society, central governments, service

operators, trade unions); draw up local charters defining levels and standards of services, roles and responsibilities, rules of accountability as well as long-term and sustainable financing and management models.

- Implement social housing programmes and support citizen initiatives for alternative decent housing: civil society initiatives can contribute to the co-production of affordable housing (e.g. community land trusts, the social production of habitat, and housing cooperatives).
- Recognize informal settlements as a legitimate and historical means of urban production in developing countries and work with slum dwellers to integrate informal areas in the urban fabric.
- Encourage the 'civic economy' and invest in collaborative, social and care economies, improving decent work and livelihoods for all; involve citizens and local communities in activities such as voluntary action in services, shaping new economic models and sharing innovations; create new economic opportunities (e.g. shared mobility, accommodation, agriculture, collaborative financing and crowd-funding, cultural products, cooperatives).

3.

HARNESS INTEGRATED URBAN AND TERRITORIAL PLANNING TO SHAPE THE FUTURE OF CITIES AND TERRITORIES

Strategic planning is an essential component of management. It integrates spatial planning, land use, economic stability, infrastructures and other dimensions that are key responsibilities of local and regional governments. Local and regional governments should:

- Shape cities and territories according to the needs of their inhabitants; engage in long-term **strategic participatory planning**, working with all local stakeholders and social movements to create a shared vision of cities and territories for the next 10-20 years.
- Use flexible and dynamic planning to promote better quality of life, urban density, multi-functionality, socially-mixed neighbourhoods, connectivity and safe public spaces; invest further in rapidly growing cities; ensure infill and planned extensions; and prevent slum expansion, especially in risk-prone areas.

- Utilize land-use plans and regulations as a strategic tool to manage urban sprawl; reduce disaster risk; foster social inclusion; value local culture and heritage; reduce land and housing speculation and guarantee security of land tenure.
- Ensure updated land and real-estate registers and enable mobilization of land and property added-value capture by local authorities to finance local investments.
- Build integrated and polycentric metropolitan areas and undertake comprehensive planning that integrates the whole metropolitan functional area to ensure equal access to infrastructures, services, works and amenities for all.
- Develop closer cooperation between regions, cities and rural municipalities for planning to generate economies of agglomeration.
- Agglomeration, strengthen the role of intermediary and small cities; ensure inter-connectivity and developmental synergies; and relieve urbanization pressures on natural resources.

4.

ENSURE ACCESS TO QUALITY AND RESILIENT INFRASTRUCTURES AND BASIC SERVICES FOR ALL

Access to basic services is a human right that should be guaranteed for all. Local and regional governments should expand services and, at the same time, reduce the environmental impact of urban infrastructures. To 'square the circle', they must be given powers to experiment with innovative approaches:

- Design infrastructure plans alongside land-use plans, including long-term investment strategies; coordinate between metropolitan and neighbouring local governments to ensure that basic service infrastructure accompanies and guides urban growth.
- Improve the management and delivery of public services; devise transparent management models adapted to local contexts and prevent public service 'deserts' in rural areas; facilitate innovative partnerships for co-production and co-management of services with socially responsible businesses and local communities (e.g. through public-private partnerships, PPPs), and public-private-people partnerships, PPPPs).
- Promote the affordability and financial sustainability of public services; develop

mechanisms to guarantee minimum access levels, and make basic services affordable to all (e.g. through social tariffs, cross-subsidies and safety nets); ensure adequate cross-subsidies to balance service budgets between structurally profitable and unprofitable services (e.g. electricity versus waste management).

- Explore new models of service co-production and support small-scale and informal basic service delivery for the most vulnerable; investigate technological options (small, independent systems, off-grids for renewable energy and street lighting adapted to local contexts); small-scale and informal basic service delivery, particularly in informal settlements, can also be an option if local governments contribute to guarantee quality and underpin coordination with official operators to limit gaps in provision and protect public health.

5.

FOSTER LOCAL ECONOMIC OPPORTUNITIES TO CREATE DECENT JOBS AND SOCIAL COHESION

Local and regional governments should have the necessary policy powers and resources to control economic development levers and take advantage of an ongoing transformation of the global economy to boost endogenous economic development:

- Harness local human capacities and assets by supporting local investment and entrepreneurship.
- Support a broad range of local economic initiatives to adapt local economies to global challenges and improve their resilience; facilitate access to new technologies (e.g. clusters with Small, Medium and Micro-Sized Enterprises - SMMEs, innovation and knowledge economy, cultural economic activities).
- Implement local-level public procurement systems that include social and environmental responsibility criteria; create opportunities for local enterprises, particularly SMMEs, to contribute to local economic development and job creation.
- Promote labour-intensive growth strategies with the participation of business and local communities to create more jobs and livelihood opportunities; and offer training to harness local human resources and foster higher productivity.

- Promote circular economies to encourage reuse and recycling; and short economic circuits to foster economic development in surrounding areas.
- Promote the 'civic economy' and acknowledge and integrate the informal economy (e.g. recognize informal workers, simplify registration procedures, provide incentives for payment of taxes, facilitate access to regulated public space, services and infrastructures, create spaces for social dialogue, improve the labour rights of informal workers).

6.

PUT THE 'RIGHT TO THE CITY' AT THE CENTRE OF URBAN AND TERRITORIAL GOVERNANCE

Growing inequalities create new forms of poverty and exclusion. Local and regional governments face the daily responsibility of tackling socio-spatial exclusion and promoting social justice, integrating migrants, preventing discrimination and urban violence, and protecting social rights to ensure prosperity and wellbeing:

- Reduce poverty and inequalities at the local level by identifying deprivation, and targeting policies efficiently (e.g. social assistance, youth programmes, elderly care, disability programmes, food security), taking into account each group's specificities and improving reach-out policies.
- Support housing policies and ensure the full and progressive realization of the right to adequate housing for all by developing inclusive and supportive housing policies for people on low incomes (e.g. through public supply of affordable land and public financing for social housing).
- Work with communities to upgrade slums; regenerate poor neighbourhoods; recognize and support the social production of habitat; ensure secure tenure for the most vulnerable; and prevent forced evictions.
- Complement social targeted policies with the recognition of the indivisibility and universality of human rights as expressed in the **Global Charter-Agenda for Human Rights in the City**.
- Facilitate access to newcomers (e.g. migrants and refugees) to rights and services; strengthen integration and inclusion policies and strategies (e.g. in employment, education, health, housing, and culture).

7.

LEAD THE TRANSITION TOWARDS LOW CARBON, RESILIENT CITIES AND REGIONS

Greener cities and territories are the key to a sustainable future. Local and regional governments must move towards sustainable production and consumption patterns and act to mitigate and adapt to climate change:

- Be vectors of awareness, change and knowledge for citizens, creating an educated and responsible public that respects its environment and grows to demand a healthy, sustainable, resilient and clean city and territory.
- Reduce the ecological footprint of cities, particularly of urban infrastructure and public services (e.g. transport, public lighting, buildings, water, sanitation, waste, heating and green spaces).
- Increase the use of renewable energies, climate change mitigation and adaptation initiatives; and ensure the responsible management of natural resources, taking into account its effects on the urban ecological impact and rural environment.
- Integrate environmental and natural risk prevention into planning processes, following the principles of the Sendai Framework for Disaster Risk Reduction.
- Invest in the renewal of obsolete infrastructure and the expansion of public services, according to the principles of the Paris Agreement, the SDGs and the Sendai Framework, promoting territorial cooperation, the integration of smarter technology, and resource-efficient implementation.
- Encourage urban agriculture and nature-based solutions and projects stemming from civil society, especially through subsidies and by creating truly enabling conditions.
- Adapt transport systems and promote public multimodal transport and low-carbon mobility.

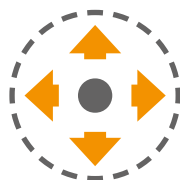
8.

PROMOTE LOCAL HERITAGE, CREATIVITY AND DIVERSITY THROUGH PEOPLE-CENTRED CULTURAL POLICIES

Culture is a vital element of citizenship, integration and co-existence. It should be seen as the fourth pillar of sustainable

development. All citizens have the right to culture. Cities and territories should promote active cultural policies, in particular:

- Draw up and implement cultural policies and activities that ensure the right of all citizens to access and take part in cultural life, and guarantee good governance of cultural policies.
- Build on the cultural and heritage potential of cities and territories to promote a sense of place, identity and belonging; and integrate culture and heritage in urban planning.
- Recognize cultural diversity as a prerequisite for innovation, co-responsibility and peaceful resolution of conflicts.
- Acknowledge and promote creativity as an aspect of human experience and a source of progress.
- Integrate heritage and culture in urban planning, for example through the application of appropriate cultural impact assessment methods.
- Integrate the cultural economy into local economic development strategies.
- Promote exchange and learning through cultural activities and spaces to support new urban activities that are consistent with sustainable production and consumption.
- Reconnect culture and education to support the acquisition of cultural skills and knowledge; and develop digital tools for cultural transmission, innovation and bridging cultures.
- Adopt and promote the **Agenda 21 for Culture**.



NATIONAL ACTION: A NEW MULTILEVEL GOVERNANCE SYSTEM

- Local leadership will only flourish if there is a national enabling environment for local and regional governments adequate legal frameworks and resources, as well as a transformation of top-down approaches.

Moreover, it can only succeed if the uneven decentralization found in many countries and regions is urgently addressed. National governments should:

1.

RENEW INSTITUTIONAL FRAMEWORKS TO PROMOTE SHARED GOVERNANCE AND EFFECTIVE DECENTRALIZATION

- Create an effective system of multilevel governance (MLG), according to the principle of subsidiarity; recognize the interdependence of different spheres of government; and build solidarity by linking levels and responsibilities. Subsidiarity must be supported by a clear definition of local jurisdictions and responsibilities.
- Ensure an enabling environment for local and regional governments – with adequate political, administrative and fiscal decentralization – where local and regional governments can experiment, innovate, and capitalize on their resources and the potential afforded by their locations and populations.
- Reaffirm and apply the International Guidelines on Decentralization and Access to Basic Services for All, adopted by the UN Habitat Governing Council in 2007 and 2009, as the pillars of a MLG framework.

2.

BUILD COHERENT AND INTEGRATED NATIONAL URBAN AND REGIONAL POLICIES IN CONSULTATION WITH SUB-NATIONAL GOVERNMENTS

- Move urban and territorial policies up the national agenda to harmonize the dynamics of urbanization with overall processes of national development.
- Facilitate regular coordination between central government ministries and agencies, representatives of local and regional governments, civil society and the private sector, as part of the MLG approach, to harmonize national, urban and territorial development policies; integrate from the beginning local and regional governments in the design of public policies.
- Foster a leading role for regional and local governments in defining regional development policies, particularly

supporting regions and cities with limited capacities.

- Ensure coordination between strategic infrastructure and regional plans; and improve the design and co-financing of strategic infrastructures to make national and regional development strategies more coherent and supportive of local initiatives.

3.

RETHINK SUB-NATIONAL FINANCING SYSTEMS TO RECONCILE FINANCING WITH SUSTAINABILITY

- Ensure appropriate fiscal decentralization and equitable sharing of national resources to reach, in the next decade, a minimum percentage going to local governments (e.g. 20% of the total public budget) so they can meet their devolved responsibilities.
- Give local and regional governments adequate fiscal powers and capacities to mobilize part of the wealth created in their territory through diversified tax resources, non-tax revenues, including land-based finance, and user charges.
- Provide appropriate instruments for local governments to be able to capture part of the land and property added-value and generate finance for infrastructures in growing urban areas; control the 'eviction' effects of growing real-estate prices and taxes on the poorest communities, in order to avoid segregation processes.
- Ensure appropriate, regular and predictable transfers to complement local budgets, including equalization mechanisms to support lagging regions, and an adequate redistribution of resources across the whole territory.
- Collaborate with local and regional governments to redefine financing strategies; and regulate the role of private finances to support sustainable cities, channelling long-term investments to enhance basic infrastructures and public goods through incentives and specific development funds for sustainable regional/urban development.
- Improve local and regional governments' access to responsible borrowing through municipal development banks or funds; and to private finance through appropriate mechanisms such as bonds and PPPs.
- Enact policies and establish legal frameworks to attract national and

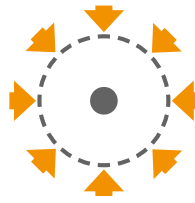
international investments, both sustainable and inclusive, in local development and infrastructures. In less developed countries, donors' support should focus on supporting cities and regions with weak financing profiles through grants to increase their capacities and allow them to access borrowing in the future.

- Facilitate local and regional governments' access to climate financing and ODA to enhance their investment capacity, through a range of adapted financial tools such as direct loans or guarantee mechanisms combined with capacity building at the local level.
- Establish national participatory mechanisms to oversee proportionate allocations to regional and local governments; gather consolidated public sub-national finance data.

4.

INVOLVE LOCAL AND REGIONAL GOVERNMENTS AND THEIR ASSOCIATIONS IN THE FOLLOW-UP OF THE SDGS AND THE NEW URBAN AGENDA, SUPPORTED BY ACCURATE TERRITORIALIZED DATA, LEARNING TOOLS AND OPPORTUNITIES

- Create national mechanisms for participatory followup of the SDGs, the Paris Climate Agreement, the New Urban Agenda, the Sendai Framework, and the AAAA. These mechanisms should involve all levels of government, civil society, the private sector and academia.
- Strengthen the role of sub-national governments and local stakeholders in generating data for urban and territorial governance; national governments should support sub-national levels and local stakeholders in the generation of localized data, linking them to the operationalization of indicators, joint planning, and implementation and evaluation across all spheres of government and territories.
- Strengthen the role of Local and Regional Government Associations to support, monitor and promote the implementation of the SDGs through their constituency.
- Evaluate and share experiences, and promote practical tools for implementation.



GLOBAL ACTION: LOCAL AND REGIONAL GOVERNMENTS' RIGHTFUL PLACE AT THE GLOBAL TABLE

For global policies and agreements to properly harness local experience and commitment, the place of local and regional governments in international policy-making needs to change. They must be part of a structured consultation as a recognized and organized global constituency rather than subject to ad hoc consultation processes. The efforts of local and regional governments to organize and produce informed inputs must be acknowledged as part of the decision-making process by taking the following steps:

1.

INCLUDE ORGANIZED LOCAL AND REGIONAL GOVERNMENT NETWORKS IN THE GOVERNING STRUCTURES OF INTERNATIONAL DEVELOPMENT INSTITUTIONS

For decades, the international movement of local and regional governments has steadily contributed to shape international development agendas by participating in debates, showcasing practices and implementing policies to achieve internationally agreed goals. The complexity of the challenges we face, in which local and global are now intrinsically linked, requires a step forward in the way local and regional governments are considered in international policy-making:

- Local and regional governments should be acknowledged with specific status in the UN.
- The **World Assembly of Local and Regional Governments** – facilitated by the Global Taskforce of Local and Regional Governments – should be the liaison point for this constituency. This implies a far more interconnected system of organizations speaking with one voice to achieve more coherent policy-making.

- Enhance political dialogue: there should be a **system-wide consultation mechanism for local and regional governments** in development institutions, in particular the United Nations, to enhance political dialogue.
- Local and regional governments should have a **concrete role in the follow-up and review of global development policies**, and the New Urban Agenda, the High-Level Political Forum, the Paris Agreement, AAAA, the Sendai Framework, and the Global Partnership for Effective Development Cooperation, in particular.
- Set up a **global fund for infrastructures, basic services and housing** to mobilize resources for leverage (e.g. de-risk, financial guarantee, PPP), and facilitate access to financing from banks and markets, particularly in low-income countries.
- **Improve access to sub-national authorities to climate finance.** A sub-national window should be included in the Global Climate Fund and other green financing mechanisms and selection criteria redesigned with sub-national authorities to enable cities and regions to receive adaptation and mitigation financing directly or through domestic local financing institutions.
- Support the **Global Observatory on Local Finance** to review the effectiveness of fiscal decentralization processes; assess national and local government capacity to finance and implement development at the local level; and encourage the production of reliable public data on sub-national finances.

2.

CREATE NEW INSTRUMENTS TO FINANCE LOCAL SUSTAINABLE INFRASTRUCTURE AND SERVICES

The current model of financing does not respond to the needs of most existing and emerging cities and territories. Budgetary constraints and failures in financial markets are inhibiting major investments in the renewal and/or expansion of basic infrastructures. At the same time there is excess finance in the international system. These problems will not be resolved by current policy discussions, even if progress is being made in facilitating flows from the Green Fund to sub-national governments. To face these structural challenges, a global partnership for urban housing, local basic services, and infrastructures financing could mobilize representatives from national and international financing institutions, regional development banks, institutional investors, donors, and sub-national leaders. This could enhance new financial mechanisms as defined in the AAAA for the localization of means of implementation set out in the SDGs, the New Urban Agenda, the Paris Agreement and the Sendai Framework. As part of this initiative, the following actions could be explored:

- **Convene a high-level panel of international experts** and local elected leaders. This would agree strategies with financing institutions to translate criteria in international agreements into bankable proposals for new and existing financial actors. It would reconcile financing with sustainability, and leverage urban and local development (e.g. lending to local and regional governments through sub-sovereign loans, guarantee mechanisms to channel global savings towards local level in developing countries).
- **Decentralized cooperation, municipal international cooperation, and solidarity and learning networks should have an enhanced role** in programmes set up to implement the SDGs and the New Urban Agenda. This should include recognition of local and regional governments in dealing with humanitarian crises and promoting post-crisis reconstruction.
- **Attract development partners and academic institutions** to support decentralized cooperation in order to better monitor and promote the scale and commitment of ongoing cooperation between cities and local governments.

3.

SUPPORT DECENTRALIZED AND CITY-TO-CITY COOPERATION, LEARNING AND KNOWLEDGE-SHARING TO FOSTER INNOVATION

Local and regional governments should build on their legacy of decentralized cooperation and international solidarity to share expertise on how to address global challenges (e.g. climate change, risk prevention, peace-building, development cooperation) and to manage the impact of global phenomena at the local level (e.g. the integration of migrants, the mediation of globalizing economic pressures, and the promotion of cultural cooperation). In this regard:

- A system of decentralized cooperation programmes should be developed to facilitate the **exchange of experiences on how to achieve the SDGs, the New Urban Agenda, the Paris Agreement and the Sendai Framework.**
- Global, regional and national funding should be released to strengthen local and regional government learning networks and create a global knowledge management platform to facilitate local indicators and reporting.

