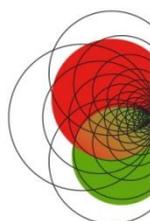




**African Union - Small CH4- New Complex building
Addis Ababa, Ethiopia - 15th July 2015**

#FFDlocal

with the collaboration of:



GLOBAL TASKFORCE
OF LOCAL AND REGIONAL GOVERNMENTS
FOR **POST-2015** DEVELOPMENT AGENDA
TOWARDS **HABITAT III**



African Union
a United and Strong Africa

Background

Sustainable development cannot be achieved without ensuring its local dimension.

This idea has been reaffirmed during the whole process of debate on the post-2015 development agenda, and specifically during the consultation launched by the UN Development Group during 2014 on the future means of implementation of the SDGs.

Art. 42. We reaffirm the key role of all levels of government and legislative bodies in promoting sustainable development. We further acknowledge efforts and progress made at the local and subnational levels, and recognize the important role that such governments and communities can play in implementing sustainable development, including by engaging citizens and stakeholders and providing them with relevant information, as appropriate, on the three dimensions of sustainable development.

Rio + 20 Declaration "The world we want"

The final report¹ on "Delivering the post-2015 agenda - Opportunities at the national and local levels" states that:

- An integrated multi-level and multi-stakeholder approach is needed to promote transformative agendas at the local level.
- Effective local governance can ensure the inclusion of a diversity of local stakeholders, thereby creating broad-based ownership, commitment and accountability.
- Strong national commitment to provide adequate legal frameworks and institutional and financial capacity to local and regional governments is required.

The report is also very clear in its conclusion that:

- Local and Regional Governments (LRGs) are essential for promoting inclusive sustainable development within their territories and, therefore, are necessary partners in the implementation of the Post-2015 agenda.

The international community is coming behind the idea than the local dimension of development is unavoidable.

Empowering the public sector at local level is one of the few strategies that can guarantee the sustainability of the interventions, maintaining the investment in infrastructures and ensuring equal access to services from all citizens.

At the same time, local governments are the people's closest sphere of government and the first gate of access for participation in public affairs; they are essential to achieve sustainable development as first-degree responsible to provide affordable and equitable services for all.

To better serve their citizens, local governments require new empowerment through policies and financial mechanisms. Sustained municipal finances are central to local governments, together with an integrated approach to how the income is employed, ensuring efficiency in the expenditure, and guaranteeing that resources and services arrive to those who need them the most.

¹ Full information about the process available at <https://www.worldwewant2015.org/localising2015>

Mobilizing local resources..

Municipalities cannot depend uniquely on fiscal decentralization or transfers from the central government to address the increasing needs of an increasing population. Innovative sources of funding need to be tackled as well as new approaches to taxation and local revenue. One of the main causes of local unsustainability is the lack of capacity for municipalities to access, manage, and mobilize the necessary financial resources, many times accompanied by the absence of adequate planning or data able to inform decisions affecting present and future costs of local services.

On the other side of things, local revenue needs to be employed in offering affordable and safe basic services such as water, sanitation, energy, safety, mobility or public space. Applying saving and efficiency strategies to municipal management is as essential as increasing the municipal revenue, and this is rarely achieved without including elements of transparency and accountability to the municipal functioning. The opacity in financial management erodes trust in local service provision, discouraging private sector growth.

As pointed out by the Agenda 2063 “the Africa We Want”, one of the levers for Africa’s transformation is the critical need to mobilize local resources to finance and accelerate its economic transformation and democratic governance. The potential of local revenue remain largely untapped as most local governments in Africa rely more on central government transfers and direct project financing. This situation is worsened by the common challenge posed by the decentralization of responsibilities without the necessary transfer of resources or legal capacities to perform these functions.

Article 7.1. Central governments shall adopt legislation, measures and establish relevant mechanisms to give local governments the authority to mobilise and disburse resources at the local level for local economic development.

Article 16.h. Local governments shall identify and establish mechanisms and processes for the efficient use of financial resources in the delivery of quality services as defined by law.

African Union Charter on the Values and Principles of Decentralization, Local Governance and Local Development

.. And new opportunities

Despite the above challenges, municipalities around the world (bigger and small, urban and rural) are experiencing innovative financial strategies through the mobilization of local resources (land value based financing, local taxes) or accessing to external resources through private investments and accessing the capital market.

To allow local governments to develop such mechanisms, especially in the Least developed countries, it is necessary to create the appropriate legal, regulatory and economical environment and to organize the adapted intermediaries.

It is also necessary to organize the adapted intermediaries at regional and national level and to create the capacities of municipalities to plan bankable projects and creditworthy projects to attracts investors.

A conference-forum to call for joint actions

This event will bring together local governments and their partners such as governments representatives, UN Agencies, international and national financial institutions, private investors, rating agencies and foundations to exchange and share their practices and experiences on innovative financial strategies addressed to local governments.

It aims at identifying the opportunities to inspire and develop innovative models in LDCs contexts gathering different potential partners, in a moment where member states are gathering in Addis to discuss the future financial framework of the world's development agenda, willing to remind the international community that all development is local, and as such, all levels of government share the responsibility to serve the citizen and need to be enabled to do so. Local financing is critical for inclusive and equitable growth and needs to be considered as part of the global discourse on Financing for Development.

Objectives

- 1) To identify the needs and gaps around the issue of municipal finance in the Least Developed Countries, with special focus to the African context and paying special attention to the different municipal finance needs from the metropolitan, intermediate and rural scales.
- 2) To provide an opportunity of dialogue and common assessment of financial needs between local and national governments.
- 3) To exchange experiences and innovative solutions about the access of municipalities to the different sources of funding, including
 - Transfers from central to local government
 - Enhancing local revenue
 - Access to capital markets and borrowing
 - Green financing streams
- 4) To identify innovative practices and approaches in the issues of municipal management and finance.
- 5) To identify already available tools to ensure transparency and accountability for better service delivery and increased local revenue.
- 6) To bring the above mentioned issues to the Financing for Development process, including participation and integration into the official side events.

Participants

The activity is opened to representatives from local and central governments of all countries of the world. Thanks to the financial support of the UN Capital Development Fund, the organisers will support a number of local government representatives from LDC African countries. The activity is specifically addressed to:

- Mayors, governors and other elected local government representatives.
- Local government officers and staff
- Local government associations
- Ministers and representatives of Ministries for Finances or in charge of local governments.
- UN agencies
- Representatives of the private sector, civil society and partners involved in the FFD Conference in Addis
- International Financial institutions (the World Bank, the African Bank of development, the french agency for development, USAID, etc)
- National Financial institutions (FEICOM from Cameroun, FEC from Morroco, Findeter from Colombia)
- Foundations (the Bill and Melinda Gates foundation)
- Rating agencies (Bloomfied, Fitch Rating)

Modalities

The activity is free of cost but participation needs to be previously approved by the Secretariat. For more information and registration, please contact

- Diana Lopez Caramazana, Local government and decentralisation Unit, UN-Habitat

Diana.lopez@unhabitat.org

- Carlos de Freitas – Head of Programs - FMDV

cdefreitas@fmdv.net

The resulting identified best practices will be systematized and incorporated to the online Uraia Platform for innovation in municipal management.

More information at:

www.uraia.org

Draft Agenda

Tuesday 14th July – 20h
Official dinner at Yod Abssynia Restaurant
Bole Medhaniyalem Area next to Brass Hospital
Tel. +251 (0)116 612 985

Wednesday 15th July

09:00 – 10.00	<p>Opening SDGs and Financing for Development, from global to local: Update, expectative and future impact for LDCs' local and regional governments</p> <ul style="list-style-type: none">• Joan Clos, United Nations Under-Secretary General and UN-Habitat Executive Director• Hon. Mekuria Haile, Minister for Urban Development and Construction, Ethiopia• Foyeno Folla, Head of Finance and Economy development Bureau, representing the Hon. Mayor of Addis Ababa• Judith Karl, Executive Secretary, United Nations Capital Development Fund• Michèle Sabban, President, FMDV• Representative from the African Union <p>Launch of UNCDF's Municipal Investment Finance Program</p> <ul style="list-style-type: none">• David Jackson, Director for Local Practice Area, UNCDF• Jean-François Habeau, Executive Director, FMDV
10:00– 11.00	<p>SECURING, ENHANCING AND MOBILIZING LOCAL REVENUES FOR LEVERAGE: CENTRAL TRANSFERS, LOCAL TAXATION, GREEN FINANCING & BETTER EXPENDITURE EFFICIENCY, SUSTAINABILITY AND INNOVATION IN LDCs' MUNICIPAL FINANCE</p> <p><i>Moderation</i> David Jackson, Director for Local Practice Area, UNCDF</p> <p><i>Inputs to the debate</i></p> <ul style="list-style-type: none">• Philippe Akoa, General Director of FEICOM, President of RIAFCO <i>On the dynamics of the Municipal Development Funds in Africa, and their network, RIAFCO, and their role and experiences in implementing strategies of financing for local development</i>• El Hadj Malick Diop, President of the Finance Commission of the Local Governments Committee – CCT of UEMOA/WAEMU <i>On the WAEMU Mechanism for Local Governments' financing, an intra-community dynamic of strengthening municipal finance.</i>• Frederick Gume, President of Union of Local Governments Governments of Uganda, ULGA <i>Introduction to local governments' realities in Uganda in terms of financing and municipal finance</i>• Yekbun Gurgoz, Finance Coordinator, Climate And Clean Air Coalition (CCAC) <i>On CCAC Municipal Solid Waste Initiative and Heavy Duty Diesel Initiative, as well as other financial engineering in debate within CCAC</i>

	<ul style="list-style-type: none"> • Gulelat Kebede, Coordinator of Urban Economy Branch, UN Habitat <i>On land-based financing toolkit and revenue enhancement program</i> • Dmitry Pozhidaev, Regional Technical Advisor, Local Development Finance, UNCDF <i>Stocktaking on UNCDF's diverse programs for municipal finance consolidation in Africa and Asia</i> • François Yatta, Head of Programs, UCLG-Africa <i>On Local taxation realities and strategies to implement, and on AfricaFinet – the African Network of Chief Financial Officers</i> <p><u>Comments and perspectives</u></p> <ul style="list-style-type: none"> • Jean-Pierre Elong Mbassi, Secretary General, UCLG Africa
11.15 – 11.30	 <i>Coffee break</i>
11.30 – 12.30	<p>Opened discussion within participants <i>Propositions, initiatives, experiences, comments</i></p> <p><u>Opening remarks</u></p> <ul style="list-style-type: none"> • Fatimetou Abdel Malik, Mayor Tevragh Zeina, Mauritania, President of REFELA – Network of Elected Women of Africa • Mouhamadou Adam Dramane, Director of Prospective, Development and External Relations, City of Parakou, Benin
12.30 – 14.00	 Lunch
14.00 – 16.00	<p>BORROWING AND ACCESS TO THE CAPITAL MARKET: FOR A NEW AGE OF URBAN DEVELOPMENT FINANCING IN LDCs</p> <p><u>Moderation</u> Dmitry Pozhidaev, Regional Technical Advisor, Local Development Finance, UNCDF</p> <p><u>Inputs to the debate:</u></p> <ul style="list-style-type: none"> • Jean-François Habeau, Executive Director, FMDV <i>On the different operational propositions that are discussed between LGs' associations and development finance institutions</i> • Geoffrey Makhubo, Member of the Mayoral Committee for Finance, City of Johannesburg, Vice-President of FMDV <i>On Joburg's financial strategy and experience with Green Bonds, Jozi'Bonds, and the launching of FMDV's Program on Subnational Pooled Financing Mechanisms</i> • Jérémie Daussin Charpantier or Marie Bjornson-Langen, French Development Agency – AFD <i>Outcomes and perspectives on direct loans to subnational entities, the support to Creditworthiness academies, and the PEFA methodology</i> • Michael Metzler, Director of Development Credit Authority, USAID <i>On the mechanisms for guarantees and credit enhancement and their application in LDCs (tbc)</i> • David Jackson, Director for Local Practice Area, UNCDF <i>On MIF program and UNCDF experience with public-private joint venture</i> • Khalifa Sall, Mayor of Dakar, Senegal, President of UCLGA, Vice-President of FMDV <i>On Dakar's experience with enhancing local financing capabilities and strategy of bond issuance.</i> <p><u>Comments and perspectives</u></p>

	Bernadia Tjandradewi , Secretary General, UCLG-ASPAC
16.00 – 17.30	<p><i>Opened discussion within participants</i> <i>Propositions, initiatives, experiences, comments</i></p> <p><u><i>Opening Remarks</i></u></p> <ul style="list-style-type: none"> • Didas Massaburi, Mayor of Dar-es-Salam, Tanzania • Ben Manyenyeni, Mayor of Harare, Zimbabwe
17.30 – 18.00	<p>Conclusions Design of operational joint actions And follow-up of the process for the implementation of the SDGs and the future new urban agenda.</p> <ul style="list-style-type: none"> • Judith Karl, Secrétaire exécutive, United Nations Capital Development Fund • Fatallah Oualalou, Mayor of Rabat, President of UCLG's Commission on Local Finance, representative of the Global Taskforce of Local and Regional Governments • Michèle Sabban, Présidente, FMDV • Khalifa Sall, Mayor of Dakar, Senegal, President of UCLGA, Vice-President of FMDV • François Albert Amichia, President of the Local Governments Council (CCT), WAEMU

Organising partners

United Nations Capital Development Fund - UNCDF is the UN's capital investment agency for the world's 49 least developed countries. It creates new opportunities for poor people and their small businesses by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples' lives. UNCDF programmes help to empower women, and are designed to catalyze larger capital flows from the private sector, national governments and development partners, for maximum impact toward the Millennium Development Goals.

Global Fund for the Development of Cities - FMDV was initiated in October 2010 by Metropolis and UCLG in order to become the international organization that gathers local governments (cities and provinces/federated states) and their networks on the economic and funding solutions for a sustainable urban development. FMDV supports local governments in empowering their local economic dynamics and in accessing the necessary financial resource, to finance their urban development strategies through technical expertise and financial engineering on their projects. The network promotes a holistic approach on urban economy and urban development funding, both in terms of their traditional tools (bank loan, bond emission, local taxation optimization, public-private or public-public partnerships) and in their endogenous variation (local socio-economic revitalization, urban productivity and attractiveness, responsible green economy, local resources valorisation and mobilization, and social and solidarity economy. FMDV supports peer-to-peer knowledge exchanges by enhancing city-to-city cooperation. Based in Paris, FMDV has Regional offices for Africa based in Rabat, for Latin America based in Mexico City, for Middle East and West Asia based in Mashhad in Iran, and three national representations in Istanbul for Turkey, Brasilia for Brazil and Washington DC for the US.

UN-HABITAT, United Nations Human Settlements Program - The Local Government and Decentralization Unit sits at the Urban Land, Legislation and Governance Branch of UN-Habitat. The core role of the unit is to stress the role of local government as a key actor of development, whose relevance has been reinforced by the Rio+20 Declaration "The World we want". The unit supports local governments and their associations, working closely with both central and territorial governments to establish mechanisms of dialogue, to exchange best practices and to support projects for the empowerment of local and regional governments through a fair distribution of responsibilities and resources. The Unit's role is to develop normative and operational frameworks, to share experiences and disseminate best practices on local governance, democracy and access to basic services. Focusing on local governments' needs, the Unit addresses local management challenges through the development of tailored tools, instruments and methodologies to reinforce the capacities of local government. The Unit also promotes city-to-city cooperation and advocates for the essential role of local governments on a global level.

The African Union Specialized Technical Committee on Public Service, Local Government, Urban Development and Decentralization, constitute an important technical organ of the AU. The Committees were established under Article 25 of the African Economic Community Treaty (the Abuja Treaty). With the transformation of the OAU into the AU, the STCs were carried over by the Constitutive Act of the African Union under Articles 14 to 16. The African Union STCs will replace all the AU Ministerial Conferences and they are expected to work in close collaboration with the various departments of the African Union Commission to provide well-informed inputs in their areas of specialisation to the work of the African Union Executive Council. The following three African Union Ministerial Conferences, the Conference of Ministers for Public/Civil Service (AU-CAMPS), the African Union Ministerial Conference on Decentralization and Local Development (AMCOD), and the African Ministerial Conference of Housing and Urban Development, (AMCHUD) have now transformed to the AU-STC on Public Service, Local Government, Urban Development and Decentralization.

The Global Taskforce of Local and Regional Governments for Post-2015 Agenda towards Habitat III, gathers all major local and regional Government networks and their development partners commit to working together and contributing jointly to the international policy making processes as well as

supporting the global, people-centered and planet-sensitive agenda that needs to address the universal challenges of the 21st century. The Taskforce brings the voice and solutions of local government in order to build a joint strategy to contribute to the international policy making debates within the framework of the Post 2015 agenda, Rio+20 follow-up and towards Habitat III. Coordinated by UCLG, the World World Organization of United Cities and Local Governments, the Taskforce represents around 500.000 local and regional governments in all regions of the world, including ICLEI - Local Governments for Sustainability, AIMF - International Association of Francophone Mayors, ATO - Arab Towns Organization, CLGF - Commonwealth Local Government Forum, MERCOCIUDADES - Network of cities of Mercosur, nrg4sd - Network of Regional Governments for Sustainable Development and their partners: UN-HABITAT, CITIES ALLIANCE, DeLog, European Commission, French Ministry of Foreign Affairs, Habitat for Humanity, HLP Post 2015, Huairou Commission, ILO, Millennium Campaign, One UN Secretariat, Slum Dwellers International, SUEZ, UNCDF, UNDP, UNESCO, UNICEF, UNSDSN and the World Urban Campaign.

UNDP Regional Hub for Africa

UNDP's Regional Hub for Africa in Addis Ababa, Ethiopia was inaugurated in 2013 and covers 46 countries across the Sub-Saharan Africa region. Our team of over 80 development policy experts from diverse thematic areas support UNDP Country Offices and manage a host of regional programmes and projects in different countries across the continent. Together with Partners, the Regional Hub endeavours to build and disseminate knowledge on Africa's key development priorities and milestones.

UNDP recognizes the crucial role of continental bodies such as African Union and regional institutions like the Economic Commission for Africa in building peace, resolving conflicts and promoting good governance, sustainable development and poverty reduction. From Addis Ababa, UNDP continues to support programmes that seek to eradicate poverty, place African countries on a path of sustainable growth and development and help Africa to participate actively in the world economy and political stage.

USEFUL READINGS

- **International Guidelines on Decentralization and Access to Basic Services for all**
<http://unhabitat.org/books/international-guidelines-on-decentralization-and-access-to-basic-services-for-all>
- **Inclusive Finance for inclusive growth. United Nations Capital Development Fund**
<http://www.uncdf.org/en/financial-services-for-the-poor>
- **African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development**
<http://www.au.int/en/content/african-charter-values-and-principles-decentralisation-local-governance-and-local-developmen>
- **Financing Urban and Local Development: the Missing Link in Sustainable Development Finance. Global Taskforce of local and regional governments.**
http://media.wix.com/ugd/bfe783_ef32d0e158324c1986c0603bfad6a272.pdf
- **Publications from the Global Campaign *REsolutions To Fund Cities*** (REthinking economic and financial solutions for local development) led by FMDV with the support of UCLG and Metropolis
<http://www.resolutionstofundcities.org>