

Statement of Local and Regional Governments Delivered by UCLG 27 April 2016

We would like to congratulate the Policy Unit for the work done and support the acknowledgement of the role local governments have to play in improving services and transport.

Indeed, they need to set political priorities and ensure that infrastructure, technology and policies deliver on those priorities.

This can only be done if there are three basic principles that are met:

- **A strong local governance**
- **A renewed financial system that allows for service provision to be guaranteed:**
- **Alignment with the 2030 priorities and the principle of leaving no one behind**

A strong local governance that builds on a new social contract putting the inhabitants at the core of decision making.

This will only be possible if we agree to provide adequate competences to these local and regional spheres of governments based on subsidiarity and building on local needs.

A renewed financial system that allows for service provision to be guaranteed: Local governments must have access to adequate funding to deliver their mandates. Fiscal decentralization and ensuring access to own-source revenue is the basis for successful effective decentralization and a well-functioning system of multi-level governance. Efforts to guarantee a minimum of at least 20% of national resources to local government should be explored. Sub-national fiscal policies (local revenues and transfers, coupled with equalization mechanisms) should guarantee local and regional governments the means to assume their responsibilities and to deliver to citizens. Local governments should be strengthened with adequate fiscal powers to mobilize part of the wealth created within their territory, through diversified taxation and land added-value capture mechanisms.

Alignment with the 2030 priorities and the principle of leaving no one behind; Local Governments need to protect the interests of the commons and have the competences to do so on behalf of the communities they represent and in full collaboration with them. Furthermore the policies of local and regional governments need to be in line with the priorities defined by the 2030 agenda. Efforts need to be made to Habitat III Agenda must be an action-oriented agenda that reinforces and builds on the achievement and localization of all of the 17 SDGs, with a particular focus on the governance and local finance issues not adequately reflected in the 2030 Agenda, specifically Goal 11. The New Urban Agenda should go beyond technical and sectoral solutions and lay the groundwork for governance and management structures that emphasize inclusive, participatory decision-making as a basis for resilient, inclusive, safe and sustainable cities and human settlements (Goal 11).

The new urban Agenda also needs to build on an integrated territorial development, planning for urban growth, avoiding urban sprawl and building resilience while taking into account the interdependences between urban, peri-urban, rural and natural areas.

Local and regional governments can mobilize local actors and seize the opportunities in cities and regions to boost economic development and environmental sustainability. Subnational governments are increasingly involved in local economic development policymaking and delivery. Stronger policies for local economic and sustainable environmental development, better use of new technologies, and cultural initiatives for more innovative and creative cities, can contribute to develop new patterns of production and consumption. Inclusive local policies should have the creation of decent jobs at their core and should recognize informality, which characterizes urban development in many cities, as a legitimate and historical means of urban production. Local governments should take a more active role in defining and driving the development of prosperous, dynamic and inclusive cities.

