



## LOCAL GOVERNMENT AND DECENTRALIZATION FOR A BETTER URBAN FUTURE



## who we are


UN-Habitat has the specific mandate within the United Nations System to act as **A FOCAL POINT FOR LOCAL GOVERNMENTS AND THEIR ASSOCIATIONS**, including metropolitan, regional, provincial and other territorial government levels. Local governments have the proximity and scale, being the closest sphere of government and the first gate for people's participation in public affair. In most countries of the world, they also have the legitimacy of being directly elected by their citizens.

UN-Habitat stresses 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". We have not yet discovered a city able to perform without a strong, enabled and capable municipality.

We work closely with both central and territorial governments to establish mechanisms of institutional dialogue and exchange of best practices to **SUPPORT THE EMPOWERMENT OF LOCAL AND REGIONAL GOVERNMENTS** through a fair distribution of responsibilities and resources.

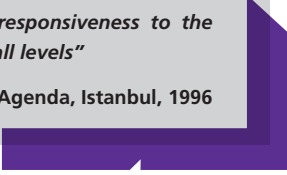
We also work with local governments in delivering access to water and sanitation, waste management, urban safety, urban planning, land use, public transport, employment opportunities and disaster and risk management; promoting inclusive and sustainable local development. We promote the participation of marginalized groups and the representation of women at all levels.

UN-Habitat'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 Programme **ADDRESSES LOCAL MANAGEMENT CHALLENGES** through the development of tailored tools, instruments and methodologies to reinforce the capacities of local government. UN-Habitat also promotes city-to-city cooperation and advocates for the essential role of local governments on a global level.

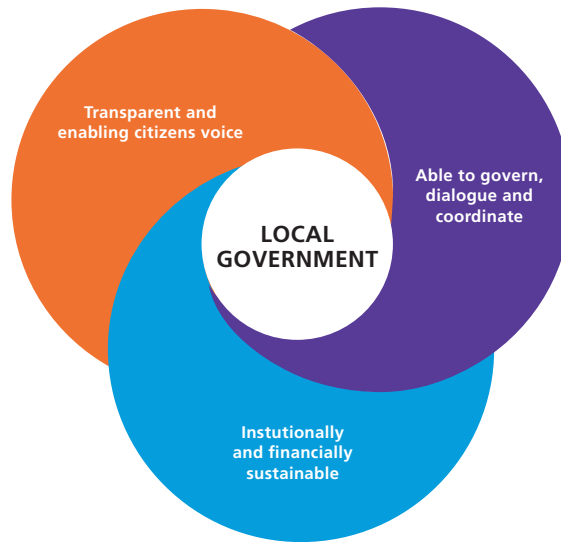


*"We recognize local authorities as our closest partners, and as essential, in the implementation of the Habitat Agenda, we must, within the legal framework of each country, promote decentralization through democratic local authorities and work to strengthen their financial and institutional capacities in accordance with the conditions of countries, while ensuring transparency, accountability and responsiveness to the needs of people, which are key requirements for Government at all levels"*

Preamble of the Habitat Agenda, Istanbul, 1996



## WHAT WE BELIEVE IN AND WHAT WE WANT TO ACHIEVE



## well governed cities and towns

Urban governance is the software that enables the urban hardware to function. Governance prevents conflict, facilitates stability, helps cities to adapt to future challenges and is critical for their performance in an increasingly competitive world.

Governance is the enabling environment that requires adequate legal frameworks, efficient political, managerial and administrative processes, as well as mechanisms, guidelines and tools to enable the local government response to the needs of the citizen.

Local governments have the proximity to translate the principles of good urban governance to effectively manage, govern and develop a city and to ensure equitable access to citizenship. In contexts of fragility

and conflict, local governments have also the potential to build positive state-society relations and deliver services in situations while national institutions remain weak.

Local governments need to establish the necessary dialogue channels with different networks and local stakeholders. To ensure effective measures and to achieve positive results for the citizens, tax-payers and economic agents, coordinated action is required. Challenges such as urban mobility, employment or environmental protection, among others, extend beyond the realm of local governments and cover various legal-administrative divisions in the territory; hence the need for multi-level dialogue, both horizontal and vertical.

# institutionally and financially sustainable local governments

Municipal finances are central to local governments, as their strategic management plays a critical role in ensuring long-term sustainability of local services. One key issue is how to expand their resource base beyond central-to-local transfers.

The question of informality should be addressed both as a sustainability and governance issue. Local governments need support in developing own-source revenue generation and public expenditure management capabilities from scratch. For institutional sustainability, we believe that local governments need to be endowed with the necessary legal framework to be able to do their job.

We promote the use of SMART technologies as a tool to improve service delivery and to increase accessibility

and transparency in the provision of basic urban services, leading the transformation of informal services into formal and safer ones. We promote the implementation of the International Guidelines on Decentralization and Access to basic services for all as a global instrument able to guide countries willing to empower territorial governments with the necessary legal tools towards the fair distribution of resources and responsibilities amongst the various spheres of government.

As the focal point for local government in the UN system, UN-Habitat supports the strengthening of the role of the local and regional governments in the post-2015 development agenda, working closely with the Global Taskforce of local and regional governments. @GTF2016







# transparent local governments enabling citizen voices

The new complexities of cities of today require a constant and fluid dialogue between institutions, on one side, and between people and institutions, on the other. The relations with non-state actors are increasingly important to ensure a real participatory process and stronger inclusion of all in the city decision-making process.

The public should be able to hold institutions accountable for the provision of basic services for all. To do this, people need information about decisions taken by local councils and how public money is spent. There is an increasing need for accountability and transparency measures to ensure institutional effectiveness and better service delivery.

On the other side, more local governments are engaging in public-private partnerships to provide public services. However, some may not have the capacity to properly negotiate PPP arrangements and to follow-up implementation of the agreement on time.

The efficiency of services provided rest on how well the procurement process is conducted, to ensure that the right service provider is awarded and that contracts are cost effective, beneficial both for the private partner and for citizenship as a whole.

A common platform to mobilize stakeholders around a local anti-corruption agenda is critical for sharing experiences and knowledge. This platform acts both as a repository for knowledge on transparency and a platform for local government to engage and dialogue with the citizen.

With the pressure of quality service delivery at an affordable rate, engaging in PPPs is becoming an important tool for local governments. Pro-poor interventions in PPPs are fundamental for ensuring that the urban poor are not marginalized. Citizen participation in this process is essential to ensure that public demand and needs are met.

## HOW WE SUPPORT LOCAL GOVERNMENT

Strong and capable institutions are critical for making the city work. To achieve this vision, UN-Habitat is developing normative frameworks, products and supporting operational activities in the following areas:

### urban governance

#### INNOVATIVE TOOLS FOR MAPPING URBAN GOVERNANCE

In partnership with UCLG and LSE Cities, UN-Habitat is developing a new approach to understand how cities work and plan for future urban challenges. The tool is based on the day-to-day challenges of city governance and management. This approach will allow for the identification of innovative governance and policy approaches through the collection and analysis of city experiences to identify the critical dimensions of urban governance.

#### METROPOLITAN GOVERNANCE MECHANISMS

In partnership with the GIZ German cooperation and FMDV - Global fund for Cities, UN-Habitat is exploring how and why metropolitan region work - or not; and how effective metropolitan governance can be operationalized by application of certain institutional arrangements, mechanisms and instruments. It aims at supporting municipalities to perform cost-effective service delivery and improved municipal administration to address territorial management at the city-region level, metropolitan level and bridging the urban-rural divide.

## **E-GOVERNANCE AND URBAN POLICY DESIGN IN DEVELOPING COUNTRIES**

Production of research methodologies and studies in full partnership with the FUPOL consortium (Future Policy Modeling). UN-Habitat coordinates this repository of knowledge on e-Governance by exploring evidences, practical case studies, and displaying lessons learnt, best practices, critical points of view and research analysis.

## **financial and institutional sustainability**

### **SMART TECHNOLOGIES FOR MUNICIPAL SUSTAINABILITY**

Together with FMDV - the Global Fund for cities development, UN-Habitat is contributing to the creation of the Uraia global platform of exchange of experience in the application of SMART technologies to municipal management, offering participating cities the possibility to increase local revenue while ensuring transparency and citizen participation. Uraia offers services of training in public procurement and open data local policy, the development of pilot applications and the possibility to contact other cities experiencing with the introduction of SMART technologies to public management.

### **INFORMALITY VERSUS FORMALITY IN SERVICE DELIVERY**

Informality is a multi-dimension reality in developing urban areas. Basic services offered informally are often more expensive and less safe than those offered formally. It is crucial that municipalities in the developing world take responsibility in guarantying that basic services are safe and its costs are affordable.

### **ADAPTATION OF THE INTERNATIONAL GUIDELINES ON DECENTRALIZATION AND ACCESS TO BASIC SERVICES FOR ALL**

Assisting requesting countries in ensuring universal access to basic services through an assessment of their current governance structures and devising policies on how to improve current decentralization efforts. Our added

value is both regarding outputs (national guidelines) and the process itself, conceived as an opportunity to build consensus among various stakeholders through institutional and structured dialogue and the exchange of experiences with other countries.

### **SUPPORT TO CITY-TO-CITY (C2C) COOPERATION**

Bringing together municipalities with a specific need of experiences with others that have already experienced challenges and solutions. We promote a specific approach to support global local government associations in their efforts to multiply and create synergies in the exchange of practice and knowledge.

### **SUPPORT TO LOCAL AND REGIONAL GOVERNMENTS VOICE AND ROLE IN THE DESIGN AND IMPLEMENTATION OF THE POST-2015 INTERNATIONAL DEVELOPMENT AGENDA**

Aiming to recognize the local dimension of development and the need for local governments to be empowered to implement the future development agenda. We support the participation of local governments associations in the decision-making processes regarding post-2015 through the work of the Global Taskforce of local and regional governments, the Localizing SDGs United Nations Development Group consultation #Localising2015 (together with UNDP) and the support towards the proposed Urban Goal: "Make cities and human settlements inclusive, safe, resilient and sustainable" #UrbanSDG.

## **voice and transparency**

### **TOOLS FOR ACCOUNTABILITY AND TRANSPARENCY FOR LOCAL GOVERNMENT**

Collaborating with relevant institutions, such as Transparency International in the development of guidelines, tools and effective mechanisms to track and to promote accountability in local governments will result in the strengthening of urban governance systems, including the use of open data at local level.

## GUIDELINES ON PPP NEGOTIATIONS AND PROCUREMENT

Local governments require adequate capacities to properly negotiate PPP arrangements, particularly during the procurement process which will have prolonged consequences in service provision over time. Pro-poor interventions and citizen participation need to be incorporated as crucial for the success and transparency and effectiveness of services provided thanks to public-private-partnerships.

## THE USE OF ICT FOR INCREASING PARTICIPATION OF YOUTH IN URBAN GOVERNANCE

Youthful citizens, who are a large demographic in most urban centres and frequent users of mobile technologies are governance game changers. Pilot projects will inform how ICTs can be a lever and an opportunity to allow them to promote democratic public choice making.

### WE SUPPORT LOCAL AND REGIONAL GOVERNMENTS AROUND THE FOLLOWING AREAS:

#### Able to govern, dialogue and coordinate

- Innovative tools for mapping urban governance
- Metropolitan governance mechanisms
- E-governance and urban policy design in developing countries

#### Financially and institutionally sustainable

- SMART Technologies for municipal sustainability
- Informality versus Formality in service delivery
- Adaptation of the International Guidelines on Decentralization and Access to basic services for all
- Support to city-to-city cooperation
- Strengthening the role and voice of local governments in Post 2015

#### Transparent and enabling people's voice

- Tools for accountability and transparency for local government
- Guidelines on PPP negotiations-procurement
- Use of ICT for increasing youth participation in urban governance



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