



# HABITAT III POLICY PAPER FRAMEWORK

## 4 – URBAN GOVERNANCE, CAPACITY AND INSTITUTIONAL DEVELOPMENT

31 December 2015

*(not edited version)*





***This Habitat III Policy Paper Framework has been prepared by the Habitat III Policy Unit 4 members and submitted by 31 December 2015. It has followed the Habitat III Policy Paper Framework template provided by the Habitat III Secretariat to all Habitat III Policy Units<sup>1</sup>.***

***Habitat III Policy Units are co-led by two international organizations and composed by a maximum of 20 experts each, bringing together individual experts from a variety of fields, including academia, government, civil society and other regional and international bodies.***

***The composition of the Policy Unit 4 can be consulted at [www.habitat3.org](http://www.habitat3.org)***

<sup>1</sup> Note by the Secretariat: In specific cases slightly changes to the Habitat III Policy Paper Framework template have been accepted such as addition of executive summaries, introductions, bibliography, etc. However all frameworks have been adapted to the three basic expected accomplishments: challenges, priorities and implementation. The Habitat III Policy Paper Framework template can be consulted at: [www.habitat3.org](http://www.habitat3.org)





## **Preamble**

*The first meeting of Policy Unit 4 agreed to outline overall assumptions and principles to be taken into account when reading and interpreting the submission made in the formal framework document.*

### **1. A universal Agenda**

The outcome of Habitat III, the New Urban Agenda, should be universal and serve as a reference equally for the global North and South.

### **2. An Agenda mindful of diversity**

Policy recommendations and solutions will need to be understood and applied taking into account a range of different realities, cultures and contexts. There will be no one-size-fits-all approach.

### **3. Holistic approach**

Local government is the best sphere of government to ensure cross-sectoral integration. Sectoral approaches need to be avoided as much as possible and we need to ensure that the outcome document of Habitat III encourages a holistic approach to agenda making and the seeking of solutions.

### **4. Proximity and flexibility**

Building on the flexibility and proximity inherent to local governments will be key. We should avoid approaching local and regional governments as a smaller version of national governments.

### **5. A territorial Agenda**

The New Urban Agenda is not just about big cities or megacities. It is about a territorial and population flow approach to building livelihoods and citizenship. Urban governance is the primary environment for addressing this complex challenge of place-making.

### **6. Intertwined and key contribution to other policy processes**

The commitment and ownership of local actors to the 2030 Agenda and the climate agreement are clear examples of the opportunities created for the Habitat III agenda to unlock the transformative potential of urbanisation.

### **7. Adequate funding and capacity**

Financial and capacity-building resources will need to be put to the service of the implementation of this agenda.

### **8. A political, transformative and action oriented agenda**

While the Habitat III process gives unparalleled opportunities for implementing many of the SDGs it should not be seen as an implementation agenda only. It should be seen as a political agenda for action that could imply renewal of monitoring and governance mechanisms internationally, encouraging renewed partnerships among governments and civil society at all levels and the strengthening of existing platforms for knowledge-sharing and exchange.





1. Challenges: Identify challenges, including structural and policy constraints	
a. Review of the Habitat III issues papers	<p>Multi-level governance:</p> <p><i>Multi-level governance is treated here as a general concept for governance processes involving state and non-state actors evident both between and within governmental levels.</i></p> <ul style="list-style-type: none"><li>- Multi-level governance should be based on the recognition of the different spheres of government (local, city, metropolitan, regional, state/provincial and national and principles of subsidiarity and effective decentralisation (respect for local self-government, clear share of responsibilities, powers and resources).</li><li>- Multi-level governance should be based on a balanced multi-stakeholder involvement aimed at the protection of public goods.</li><li>- Multi-level governance needs both vertical coordination (to cooperate with other governance spheres) and horizontal coordination (to cooperate (1) with other cities and to network with other cities and (2) to coordinate between policy sectors and departments).</li><li>- Multi-level governance needs to take into account territorial cohesion to reduce inequalities between regions (e.g. poverty, demographic issues, infrastructure, etc.).</li><li>- Multi-level governance needs to implement good quality laws rooted in a system of accountability and transparency.</li></ul> <p>Participation and equity:</p> <ul style="list-style-type: none"><li>- There is a need to confront the lack of recognition that participation is necessary.</li><li>- There is a need to include groups of stakeholders that have been typically side-lined in the decision-making process.</li><li>- Limited access to information, transparency and comprehensive communication strategies have presented a major challenge to participation and equity.</li><li>- Lack of inclusion and participation of women, youth and minorities in local government decision-making processes remains a persistent challenge.</li></ul>



- Limited use of SMART technologies for innovative public management, participation and accountability continues to constrain participation and equity.
- The potential of civil society capacity and innovation is often left unexploited.
- There is a crucial question of how to reduce inequalities.
- Obtaining strong and democratic local leadership is a key challenge.
- There is the question of how to counterbalance the limited capacity of local governments to act alone.
- There is the question of how to create effective mechanisms for co-production.

Metropolitan governance:

- Fragmented governance is a persistent challenge.
- Inclusion is compromised and regional income and service level inequalities result in missed opportunities for service provision.
- Efficiency and competitiveness are compromised.
- Externalities associated with metropolitan governance are often not addressed.
- Enhanced urban-rural collaboration is a vital challenge for metropolitan governance.

Capacity-building:

- Decentralisation policies have provided increased authority and resources to local governments, but there is still a gap between the responsibilities allocated to local governments and their capacities to generate local revenue.
- There is an urgent need for initiatives to strengthen capacities of all local stakeholders (local government, civil society, business community) to improve urban governance and participatory processes.
- Capacity-building relating to performance monitoring, transparent budgets, public asset management, public reporting and access to information for citizens is vital for responsible leadership. Enhanced governing capacities also rely on improved data gathering and data distribution.
- Intermediary cities are unique and require specific capacity-building approaches that take local realities into account.
- There is a need to promote city-to-city cooperation as a collaborative and peer-to-peer exchange between cities, administrative



staff and elected leaders, based on north-south, south-south and north-north cooperation and the support of local government associations.

### **a.2 Disagreements/controversies**

#### Multi-level governance:

- Addressing the importance of national urban policies with respect to the development of balanced and dynamic systems of cities (e.g. recognition and support to intermediary cities, complementarity between metropolitan areas, urban-rural linkages).
- The need to adopt a holistic model of sustainable urban development (cross-sectorial, cross-governmental).
- Support to encourage inter-municipal cooperation, especially in specific regions with specific characteristics (e.g. delta regions, mountain regions) and across national boundaries.
- Support to encourage (national and international) cooperation between metropolises and peripheral cities (within countries, and between countries North-South, South-South and North-North).
- The introduction of new forms of democracy, and to innovate and improve accountability, transparency and participation: use of social media and other digital tools, highlighting the relevance of access to public (open) data.
- The conflict between long-term sustainable policies and short-term political mandates.

#### Participation and equity:

- How to avoid paternalism and knowledge hierarchies.
- How to develop better tools for deliberating and engaging all types of participants.
- How to mobilise resources to enable participatory and co-production processes.
- How to avoid capture by elites and vested interests.
- How to ensure that local decision-makers perceive participatory processes add value to decision-making, planning and implementation processes.
- How to develop a culture of communication bridging the gap between political and non-political local leaders and society at large.



- How to integrate the knowledge of the urban poor in local decision-making and project planning and implementation.
- How to change the current paradigm that is reinforcing inequalities in the urban development model.
- How to enforce the many rules and regulations that support grassroots movements.

Metropolitan governance:

*What is metropolitan governance?*

- How to define functional urban regions (e.g. based on commuting flows, system boundaries, etc), what about city networks (e.g. Northern Italy, Randstad, Ruhr Area)?
- There are different types of metro governance (according to the OECD Metropolitan Governance Survey, which covers 263 OECD metropolitan areas above 0.5 million inhabitants, there are four main types: informal/soft coordination 52%, inter-municipal authorities 24%, supra-municipal authorities 16%, special status of “metropolitan cities” 8%).
- Is metropolitan governance necessary only for cities above a certain size?
- Urban patterns may change over time, hence a constant requirement for updating metro governance.

*What does metropolitan governance do?*

- Which sectors should be addressed at the metro level, which should not? In the OECD Metropolitan Governance Survey: over 80% of metropolitan governance bodies work on regional development, over 70% on transport, over 60% on spatial planning, versus only 35% on waste / water.
- Financial resources at the metropolitan level.

*Politics of metropolitan governance*

- Competition with other tiers of government (central, state/regional, local level).
- Broader responsibility of metropolitan areas for the broader national context.
- Legitimacy: who proposes and decides on establishing/setting up metropolitan governance?
- Accountability (checks and balances).



- Politics of core city vs region (progressive policy agenda vs. conservative region).

*New 21st century challenges for metropolitan governance*

- Digitisation will question the very definition of functional urban regions and integrated labour markets.
- New transport technologies creating entirely new geographies of delivery, information exchange and knowledge transfer.
- Demographic change and ageing societies will lead to greater risks of isolation within metropolitan regions and put additional pressures on cost effectiveness of key services (above all health).
- Shift from governing location to governing flows: metropolitan regions offer a critical mass to play a role as origin/destination of global flows of people, capital, material, etc and therefore may allow for additional governance arrangements of flows (beyond trade agreements).

Capacity-building:

*We need to recognise as a starting point that complexity is a reality facing all cities and acknowledge the inherently different capabilities, responsibilities and roles of local government, civil society and the business community.*

- Capacity-building initiatives must acknowledge these characteristics and foster a culture of learning-by-doing.
- Many local governments tend to be risk-averse in their decision-making processes and do not have the tools to allow for experimentation and innovation. Capacity-building programmes need to encourage and provide the tools for innovation by local governments.
- There continues to be a lack of buy-in from leadership at all levels related to the importance of capacity-building in general. There is also an urgent need to recognise different types of capacity-building (leadership capacity vs. more technical and professional skills development).
- Weak civil society has led to a democratic deficit. Capacity-building needs to focus on strengthening the voice and organisational capabilities of civil society.





<p>b. Review / analysis of key publications / documents</p>	<p><b>b.1 Reviews of key documents</b></p> <p>See Annex 1</p>
<p>c. Identify examples, projects, practices</p>	<p><b>c.1 List of examples/projects</b></p> <p>See Annex 2</p>
<p>d. Identify research and data</p>	<p><b>d. 1. SGD targets and indicators related</b></p> <p>Multi-level governance: The following goals and associated targets have been identified as being of particular relevance to multi-level governance:</p> <ul style="list-style-type: none"> <li>- Goal 6: sustainable management of water and sanitation for all             <ul style="list-style-type: none"> <li>o 6.5 “integrated water resources management at all levels, including through trans-boundary cooperation”</li> </ul> </li> <li>- Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable             <ul style="list-style-type: none"> <li>o 11.3 “...capacity for participatory, integrated and sustainable human settlement planning and management in all countries” (see also targets 11.a (linkages between urban, rural and peri-urban areas by strengthening national and regional development planning) and 11.b (integrated policies)</li> </ul> </li> <li>- Goal 16: Promote just, peaceful and inclusive societies. Especially:             <ul style="list-style-type: none"> <li>o 16.6 “build effective, accountable and inclusive institutions at all levels”</li> <li>o 16.7 “ensure responsive, inclusive, participatory and representative decision-making at all levels”</li> </ul> </li> </ul>



- 16.10 “ensure public access to information”
- Goal 17: “Means of implementation”
  - 17.14 “enhance policy coherence for SD”
  - 17.16 “enhance global partnerships... complemented by multi-stakeholder partnerships”
  - 17.17 “encourage... public, public-private and civil society partnerships”
  - 17.18 “enhance capacity building... to increase the availability of data”

Participation and equity:

The following goals and associated targets have been identified as being of particular relevance to participation and equity:

- 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.
- 11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
- 16.6 Develop effective, accountable and transparent institutions at all levels.
- 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Metropolitan governance:

The following goals and associated targets have been identified as being of particular relevance to metropolitan governance:

*Most directly linked SDGs:*

- 11b integrated policy and plans (existence, urban expansion coefficient); 11a Links urban/rural/other; 10.1 income inequality (GINI).



	<p><i>Other related SDGs:</i></p> <ul style="list-style-type: none"> <li>- 1.5 resilience of the poor; 1b regional frameworks; 2.3 access to land for agriculture; 3.6 road safety (number of road deaths per 100 000 people); 6.1 equitable water access; 6.3 waste and water; 6.5 cross boundary integrated water management; 7.2 renewable energy (percentage of renewable energy in total energy consumption); 8.2 and 8.3 productivity; 8.4 resource efficiency; 9.1 trans-border infrastructure (existence); 12c beyond subsidy of fossil fuel; 13.1 Climate change mitigation and adaptation (CO2 emissions, capital expenditure on adaptation); 15.1 ecosystem services.</li> </ul> <p>Capacity-building: The following goals and associated targets have been identified as being of particular relevance to capacity-building: 5.c; 10.2; 11.3; 16.6; 16.7; 16.a; 17.1; 17.9; 17.17.3.</p>
<p><b>2. Priorities:</b> Identify the policy priorities &amp; critical issues for implementation of a new urban agenda</p>	
<p>a. Establish criteria for identifying policy priorities</p>	<p><b>a. 1 List of criteria</b> Universality; diversity; holistic approach; proximity (including application of the principle of subsidiarity) and flexibility; territoriality; links with 2030 Agenda; adequate funding and capacity.</p>
<p>b. Define key transformations to achieve by policy priorities</p>	<p><b>b. 1 List of key transformations</b> Multi-level governance: <i>Good urban governance within an effective legal and institutional framework shall promote and ensure:</i></p> <ul style="list-style-type: none"> <li>- Clear vertical division of responsibilities, powers and resources for effective decentralisation.</li> <li>- Involvement of local governments in processes of metropolitan and subnational administrative reforms.</li> <li>- Effective cooperation between different spheres of government based on principles of respect of local self-government and subsidiarity to promote sustainable urban development (consultation mechanisms, development of shared strategies).</li> </ul>



- Horizontal cooperation between governments and institutions to promote more integrated policies (at national, local and community level).
- A culture of democracy, accountability and transparency (with check & balance mechanisms).
- New governance models based on citizens' empowerment through, for instance, participatory planning and budgets, neighbourhood committees, digital democracy, referenda, and monitoring of urban policies (municipal/metropolitan level).
- The reduction of territorial inequality (e.g. between metropolitan areas and intermediary cities), taking into account urban-rural linkages.
- Acknowledgement of the existence and emergence of urban regions and corridors across national borders, supporting cross-border cooperation to facilitate economic and social development.

Participation and equity:

- Local governments need to be democratic and operate with integrity. Direct democracy mechanisms need to be improved, including the use of local referenda regarding major urban transformations.
- Local governments need to be open and accountable. Transparency, easy access to public information, and comprehensive communication strategies are basic conditions to achieve this.
- Today participation is generally regarded as a technical tool. It is necessary to develop a culture of participation. Embedded in this is the notion that participation is necessary.
- Current participation practices do not guarantee fairness and equality. Participation has to foster or create a mechanism through which the poor and other disadvantaged groups are empowered and must prevent manipulation by local elites and/or vested interests.
- The interface between government and civil society needs to be strengthened. This involves the development of more creative means of communication, deliberation and interaction. We need to create an environment where different groups meet and engage in dialogue at eye level.
- We need to foster innovative ways of state and non-state actors coming together in the achievement of better quality of life for all (such as participatory budgeting and co-production).



	<ul style="list-style-type: none"> <li>- Local actors (including local government) need to recognise the potential for new forms of communication and participation that increasingly make use of new digital technologies.</li> <li>- Inequalities are embedded in the current urban development model. We need a change of paradigm where social development, not just economic development, becomes the driving factor.</li> </ul> <p>Metropolitan governance:</p> <ul style="list-style-type: none"> <li>- It is important to adjust decision-making to system boundaries.</li> <li>- Equity, economic productivity, and environmental sustainability are among the key metropolitan challenges and problems that must be addressed.</li> <li>- The risks of infrastructural lock-in as a result of path dependencies (strong for built environment issues), must be addressed.</li> </ul> <p>Capacity-building:</p> <ul style="list-style-type: none"> <li>- Political leaders at all levels (local, regional, national, and international) will need to recognise the value and the need for capacity-building across all stakeholder groups (elected officials, civil servants, civil society).</li> <li>- We need to allocate adequate resources (time, money, credibility) for capacity-building at local, national and international levels.</li> <li>- We need to foster alliances between local governments and civil society for learning between these actors.</li> <li>- We need to scale up peer-to-peer learning and knowledge associations both within countries and also internationally.</li> <li>- We need to encourage the dignification and professionalisation of local government institutions and create adequate career paths for public service, including higher pay and appropriate training.</li> </ul>
<p>c. Identify common external factors favourable to the</p>	<p><b>c. List of external factors</b></p> <p>Multi-level governance:</p> <ul style="list-style-type: none"> <li>- Informed citizens.</li> <li>- Democracy and rule of law, peace and stability.</li> </ul>



success of the  
policy priorities

- Respect of human rights and diversity.
- Gender and social equity.
- Environmental sustainability.

Participation and equity:

- Political systems that allow for democratic and participatory decision making.
- International donors.
- Education of citizens.

Metropolitan governance:

- A strong voice of the metropolitan agenda, leadership advocating for metropolitan governance.
- The establishment of communities of interest (including business).
- The presence of supranational governance creating incentives and frameworks for metropolitan issues (e.g. EU metropolitan regions).
- The creation of a sense of belonging of population within metropolitan regions (Randstad, Ruhr Area).
- Crisis as opportunity or big flagship events (Barcelona vs. Athens in the case of Olympics).
- Federalism helps: creation of federal states/provinces which reflect metropolitan boundaries.

Capacity-building:

- Sound legal frameworks in particular related to decentralisation; clearly identifying mandates of all spheres of government.
- Greater ability to raise revenue to support capacity-building programmes.
- A closing of the gap between academia and local government realities.
- Stronger learning links between local governments and business sector.
- - New learning modalities such as social learning going beyond traditional methods and cost benefits analysis.



d. Create targets for those policy priorities

**d. List of targets**

Multi-level governance:

- Increase the number of countries with periodic elections of local and sub-national authorities.
- Adopt enabling rules to promote innovative forms of democracy, accountability and transparency to strengthen active citizen participation in local decision-making (e.g. participatory budgeting, referenda, digital democracy).
- Ensure legal reforms and efficient regulation to improve multi-level governance and effective decentralisation to facilitate the implementation of the New Urban Agenda.
- Develop national policies and mechanisms to ensure equal partnerships across governmental levels (national, regional, local) fostering sustainable urban development and territorial cohesion.
- Advance integrated governance across traditional policy sectors.
- Achieve improved metropolitan governance and develop inter-municipal cooperation mechanisms to strengthen urban and territorial management and basic services delivery.
- Achieve equitable distribution of resources between different levels of government and between territories to promote balanced territorial development: local and regional expenditures and revenues as a proportion of national expenditures and revenues.

Participation and equity:

- Improve participation of the community in the election of the local leaders.
- Disseminate and provide easy access to all administrative documents.
- Promote meaningful participation of all in planning and implementation processes.
- Include compulsory participation in the relevant legal framework.
- Ensure access of all to decision-making.
- Ensure access of all to education, health and basic services.



	<p>Metropolitan governance:  <i>By 2030:</i></p> <ul style="list-style-type: none"> <li>- Initiate a top-down/bottom-up process to identify those metropolitan regions in need of metropolitan governance.</li> <li>- Either introduce metropolitan governance as a formal category of multi-level governance within national laws/constitutions or provide the incentives for establishing voluntary metropolitan governance regimes.</li> <li>- Establish/increase dedicated revenue streams to the metropolitan governance institution.</li> <li>- Relevant municipalities are to establish an accountable, metropolitan level institution in the regions identified in target 1.</li> <li>- Relevant municipalities are to identify key sectors (and integration thereof) that need to be addressed at the metropolitan level.</li> </ul> <p>Capacity-building:</p> <ul style="list-style-type: none"> <li>- Increase the share of budgets at all levels used for capacity-building.</li> <li>- Develop local capacity-building strategies, drawing on peer-to-peer learning, academia and the business community.</li> <li>- Map civil society institutions (who are the relevant actors) and develop initiatives to address and scale capacity-building.</li> <li>- Recognise (by law) local government associations as providers of capacity-building and important vehicles for knowledge-sharing.</li> <li>- Increase the share of budgets managed by local governments.</li> </ul>
<b>3. Implementation: Develop action-oriented recommendations</b>	
<p>a. Identify key actions at all levels of implementation</p>	<p><b>a.1 Key actions</b></p> <p>Multi-level governance:  <i>Member States are requested to:</i></p> <ul style="list-style-type: none"> <li>- Review local government legislation and rules to ensure that they are fit for purpose.</li> <li>- Develop national urban and territorial policies based on an improved dialogue and coordination mechanisms between different spheres of government.</li> </ul>





- Ensure adequate financing of subnational governments and create adequate mechanisms (i.e. equalization funds or transfer mechanisms) to ensure territorial balance of development (territorial cohesion).
- Improve dialogue and cooperation with reference to horizontal cooperation: a) inter-sectorial within the governmental bodies (at national, regional and local levels), b) inter-municipal cooperation, c) inter-stakeholder dialogue.
- Enhance citizens' access to different levels of decision-making, enhance influence of citizens on decision-making, and improve transparency and accountability by using for example digital technologies.
- Promote appropriate use of new technologies to facilitate access to disaggregated data for subnational governments and citizens, mindful of the protection of public goods (i.e. big data) to ensure accountability and transparency and improve urban and territorial management.

Participation and equity:

- *The adoption of a legal framework for participation which makes it compulsory for all local authorities. This framework should respect the following:*
  - o The drafting of the legal provisions should be the responsibility of a comprehensive and inclusive platform of individuals and organisations that considers the local context, culture and practice.
  - o It will have to contain the principles of participation, operational mechanisms, the suitable policy arenas (e.g. transport infrastructure, housing, local annual budget), the strategic moments where it must be applicable, monitoring instruments, and financial provision.
  - o It will have to have strong provisions against the opportunistic use of participation for private benefit.
  - o All rules, legislation and traditions must not prevent other spontaneous engagements and collaborations (e.g. innovative co-production processes).
- *The introduction of strict rules for transparency, accountability and comprehensive communication strategies, such as, but not limited to:*
  - o Open data policies.
  - o Codes of conduct.



- Declaration of interests and assets.
- Anti-corruption enforcement mechanisms.
- *The promotion of a culture of participation, inclusion and equity:*
  - Raising the awareness of local leaders through transparency, accountability and comprehensive communication strategies.
  - Acknowledging and supporting the existence of civil society movements and organisations by local authorities.
  - Considering the allocation of a percentage of the local budget to civil society movements. The support can also be in kind, such as the provision of space, equipment, access to the media and other enabling means;
  - Introducing experimentation with innovative processes such as participatory budgeting and community-based monitoring.
  - Gradually taking advantage of digital technologies and social media.
- *The creation of room for co-production and collaboration outside the formal participation framework:*
  - The relevant stakeholders, which will vary with each local context or project, must identify and engage in projects or sectors that have potential for co-production or other forms of collaboration.
  - Individuals, NGOs, CBOs and other civil society organisations have to be assigned with appropriate roles in an equitable manner.
  - Partners in co-production projects must accept co-responsibility about the respective projects/services.
- *A shift in the current urban development paradigm towards an emphasis on social development:*
  - Introducing local measures of social development.
  - Introducing measures for guaranteeing social security.

Metropolitan governance:

- Taking into account the specific economic, social, environmental, cultural/identity characteristics of the different metropolitan areas, establish national standards (such as population thresholds) for identifying areas where metropolitan governance is required.



- Change either the law or constitutional arrangement to encourage metropolitan governance for metropolitan regions (identified as above), or to provide legal frameworks and related incentives to foster voluntary cooperation at the metropolitan scale.
- Assign at least one of the following streams of financing to the metropolitan level: tax revenue-sharing; taxes on income, property, land, consumption; land value capture; user fees; bonds; revenues from land and infrastructure, tax on economic activities; PPPs; municipal credit rating and borrowing; a metropolitan fund.
- Municipalities in the metropolitan region to identify the right mix of institutions and the right time line for rolling out different models, ranging from informal/soft partnerships to more institutionalised arrangements: e.g. soft, informal coordination platforms in a polycentric system; single vs. multi-sectoral agencies; inter-municipal collaboration (potentially beyond national borders); elected or non-elected metropolitan supra-municipal structure.
- Municipalities in the metropolitan region to identify the key sectoral policies to be addressed at the metropolitan scale: e.g. economic development, transport infrastructure, land use and spatial planning, housing, environmental protection, regional recreation, water management, and regional resilience.

Capacity-building:

- Create a system-wide capacity-building alliance allowing for a structural dialogue between local governments and likeminded partners, building on existing local government networks (including peer-to-peer) and other established programmes. This alliance should be led by local government institutions and supported by international development partners.
- Every local government should set up a well-resourced capacity-building programme that is led locally in partnership with civil society and supported nationally and internationally.
- Governance reforms must be accompanied by targeted capacity-building to ensure the changes are sustainable and implementation is successful – this will require alliances of diverse partners from the local to the international level.
- Decentralisation and devolution should be the focus of specific capacity-building programmes, including training around assessment of the state of decentralisation and legal frameworks, identification of barriers and risks etc.
- Accountability and transparency mechanisms are an important priority for capacity-building and should contribute to the



	<p>reduction of corruption and bribery and improve the efficiency of service delivery. As a precondition to such efforts, dignifying the career of civil servants through both financial and reputational recognition will be essential.</p> <ul style="list-style-type: none"> <li>- Sectoral approaches in traditional training need to evolve into more integrated approaches that break down silos and allow for more strategic, system-wide thinking.</li> <li>- Local governments should decide on hiring, rewarding and firing their own staff, based on merits and transparency, to improve the quality of local institutions.</li> <li>- - Awareness-raising initiatives need to be promoted to demonstrate the added value of capacity-building and links between capacity-building and wider policy outcomes.</li> </ul>
<p>b. Analyse financial resources required and instruments for their sustainability</p>	<p><b>b. 1 Financial resources</b></p> <p>Multi-level governance:</p> <ul style="list-style-type: none"> <li>- National governments should be responsible for the implementation of key actions 1 and 3 (see above).</li> <li>- Local and national governments are responsible for the implementation of key actions 2, 4, 5 and 6.</li> <li>- Stakeholders are responsible for the implementation of key action 4c.</li> <li>- Local governments need to have adequate resources to ensure their responsibilities and services delivery: able to raise their own funding (local taxes, fees, land added-value capture), receive regular and predictable transfers and have access to responsible borrowing and financing.</li> </ul> <p>Capacity-building:</p> <ul style="list-style-type: none"> <li>- Capacity-building at the local level is an investment that creates a positive financial return, improved service delivery and higher ethical standards, all of which improve effective urban governance.</li> <li>- International development programmes should always include funding for training and ongoing capacity-building at the local level to ensure the sustainability of any such programmes.</li> </ul>



<p>c. Establish indicators of successful implementation, monitoring and evaluation</p>	<p><b>c.1 Indicators of success</b></p> <p>Multi-level governance:</p> <ul style="list-style-type: none"><li>- The number of countries with adopted national urban and territorial policies through a consultative process, and reflecting the dynamic flows of people (migration), goods, finance and others.</li><li>- The number of countries with reviewed and/or adapted local government legislation to reflect the New Urban Agenda.</li><li>- Increasing decentralisation and deconcentration of subnational finances: local expenditures/revenues as a proportion of national expenditures/revenues (by regions and municipalities).</li><li>- The number of countries that have developed equalisation funds or transfers mechanisms that effectively reduce territorial inequalities.</li><li>- The number of cities that have adopted integrated urban planning in consultation with their citizens.</li><li>- Improved access to disaggregated data at local levels for SDGs and key local development indicators.</li></ul> <p>Participation and equity:</p> <ul style="list-style-type: none"><li>- The number of cities with citizen satisfaction surveys.</li><li>- The number of governments that have adopted a compulsory legal framework for participation.</li><li>- The percentage of local budget decided on in a participatory manner.</li><li>- The number of cities with a locally-developed index or measure of urban poverty.</li><li>- The percentage of the urban population living in slums.</li><li>- The percentage of the urban population with access to education.</li><li>- The percentage of the urban population with access to health, with particular attention to gender equality.</li><li>- The percentage of the urban population with access to basic services.</li><li>- The percentage of the urban population with access to secure tenure.</li><li>- Gender ratios in government positions.</li></ul>
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Metropolitan governance:

- The existence of metropolitan governance institutions with concrete policies in place.
- Evidence of limited urban sprawl and transit-oriented development.
- The convergence of voting patterns in metropolitan regions.

Capacity-building:

- The creation of a knowledge-sharing alliance focusing on local capacity-building.
- The number of cities with capacity-building programmes.
- The number of public officials trained.
- Increased international, national and local financial mechanisms dedicated to local capacity-building.
- - The evolution of academic curricula related to local development, urbanisation and sustainability.

**c.2 Monitoring mechanisms**

Multi-level governance:

- The reporting of indicators.
- A joint commission between national and local governments to monitor implementation.
- Peer-to-peer review between countries and local authorities.
- Multi-stakeholder/citizens' report cards or a similar mechanism.

Participation and equity:

- Citizen satisfaction surveys (e.g. citizens' report card).
- Community-based monitoring.
- Peer-to-peer monitoring and evaluation.
- National observatories.



	<p>Metropolitan governance:</p> <ul style="list-style-type: none"> <li>- Policy monitoring against declared goals.</li> <li>- Regular monitoring of urban extension and share of people living within walking distance of public transport.</li> <li>- Opinion polls.</li> </ul> <p>Capacity-building:</p> <ul style="list-style-type: none"> <li>- Capacity-building initiatives should be evaluated regularly by the local government in consultation with other relevant stakeholders, to ensure effectiveness and continued relevance of these initiatives.</li> <li>- Capacity-building outcomes for programmes sponsored by international organisations need to be defined.</li> </ul>
<p>d. Analyse links with Agenda 2030</p>	<p><b>d.1 Linkages with Agenda 2030</b></p> <p>Multi-level governance:</p> <ul style="list-style-type: none"> <li>- Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all (Target 9.1.)</li> <li>- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status (Target 10.2.)</li> <li>- Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality (Target 10.4)</li> </ul> <p>Participation and equity: See SDG targets outlined in 1d.</p> <p>Metropolitan governance:</p> <ul style="list-style-type: none"> <li>- 11b existence of integrated strategic plans.</li> <li>- 11.1 reduction of metropolitan disparities.</li> <li>- 11a urban-rural linkages.</li> </ul>



Capacity-building:

- Strong link to Goal 16, especially the targets related to reductions in corruption and improved accountability and transparency.
- Strong link to Goal 11 and most of the targets contained within.
- Strong link to Goal 17, especially 17.9 (capacity-building) and 17.16 - 17.19 (knowledge-sharing and multi-stakeholder partnerships and capacity-building around data and measurement).
- - Also linked to 6.a, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies measurement.





## Annex 1: Indicative bibliography

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### **Capacity-building**

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## Annex 2: List of examples, projects and practices

### **Multi-level governance**

- Urban deltas: Ciliwung and Mahakam (Indonesia), Mekong (Viet Nam), Rhine-Meuse (The Netherlands), Nile (Egypt), Pantanal (Brazil), Ganges-Brahmaputra (Bangladesh).
- Cooperation between metropolises and peripheral cities: Amsterdam responsible capital (national and international cooperation).
- Cross-border cooperation: Vienna-Bratislava-Brno-Győr, Hong Kong-Shenzhen, Brazzaville-Kinshassa, San Diego-Tijuana.
- Territorial contracts (Poland, France).

### **Participation and equity**

- Participatory Budgeting in Porto Alegre.
- City Mine(d), Brussels, a multi-local organisation, which promotes self-determined projects in public and semi-public urban spaces.
- Vancouver, a set of city-wide participatory design guidelines.
- The Right to the City-New York policy platform.
- Abahlali base Mjondolo, South Africa slum dweller movement.
- Participatory Rural Appraisal in Gambia and Nepal.
- Law no. 69 of December 27, 2007 on citizen participation in policy decision making, Tuscany Region, Italy.
- Municipal Forums and Social Tenure Model in Uganda.
- Social Cohesion and Equity - Livable cities (various countries in Latin America).
- City wide data collection “knowing your city”.
- Community Organization Development Institute (CODI), Thailand.
- School of Women Leaders on Secure Tenure, Bolivia.
- Asian Coalition for community Action Program (ACCA).
- ‘Building capacity for the urban poor for inclusive urban development’ in Ghana.



### ***Metropolitan governance***

From least to most formalised:

- Soft types of metropolitan governance: Randstad, Ruhr Area.
- Intermunicipal constructs: Barcelona AMB, Montreal CMM.
- Directly elected metropolitan governments: Portland Metro, Stuttgart VRS.
- Lagos State, Shanghai Province.

### ***Capacity-building***

- Leadership in Urban Governance Programme – LUGP – (Singapore).
- Master Class in Strategic Governance (Denmark).
- Association Capacity-building Working Group (UCLG mechanism that has been working for 25 years fostering peer learning).
- Future Cities Programme (Mozambique-South African-Brazilian Cities Peer exchange on strategic planning).
- Resilience Cities Programme and Congress (organized by ICLEI).
- 100 Resilient Cities (Program and CRO'S - Chief Resilient Officers - Funded by Rockefeller Foundation).
- MILE (Municipal Institute of Learning of Durban).
- The Hague Academy for Local Government.
- Training programmes of local governments associations around the world.
- Technical support provided by the International Association of Francophone Mayors.
- PLATFORMA, European mechanism of coordination for development cooperation (hosted by European Council of Municipalities and Regions).