

VENICE 2030

CITY SOLUTIONS

Financing the SDGs at local level

16 – 17th November 2018

FINAL REPORT



Co-organized by:





This document gathers the conclusions and recommendations by participants to the “Venice City Solutions 2030 – Financing the SDGs” that took place in Venice, Italy on 16th and 17th November 2018.

The event was hosted by the [Italian Association for the Council of European Municipalities \(AICCRE\)](#) and financially supported by [Platforma](#) and [UNACLA](#), with the technical contribution of [FMDV](#). The event was co-organised by [UNDP](#), [UN-Habitat](#), [UNCDF](#) and [United Cities and Local Governments](#).

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OBJECTIVES

The approval of Agenda 2030 in September 2015 constitutes a unique opportunity for the world we live in. For the first time, all the member states of the United Nations committed to eradicating poverty, making the first universal plan of action for people, planet and prosperity.

Within the Agenda 2030, cities take a very special place as instruments for growth, equality and opportunity, as for the first time, an objective dedicated exclusively to cities was included in the Agenda. SDG 11 wants to “Make cities and human settlements inclusive, safe, resilient and sustainable”.

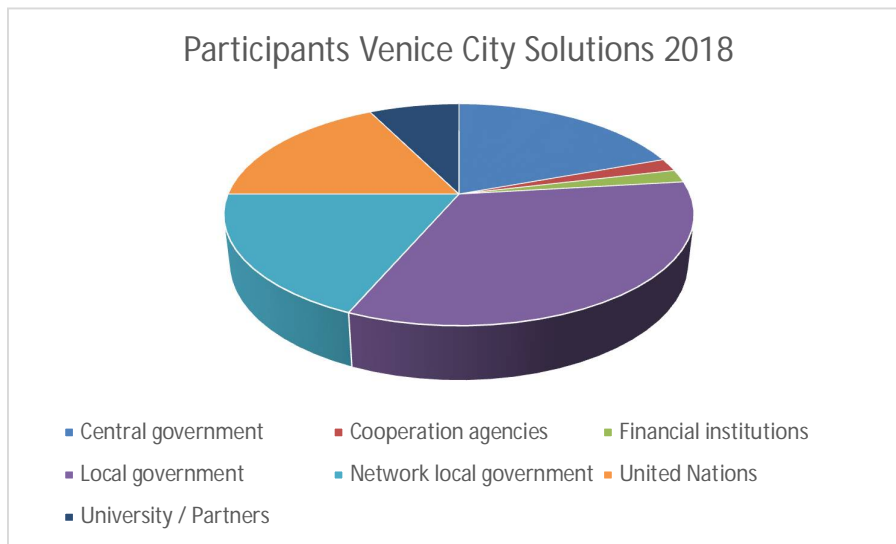
Cities cannot be an opportunity for all in the absence of able, capable and accountable local governments. Local and regional governments all over the world are already committed to implement the SDGs at local level and their global networks have been very present in the design and first stages of implementation of the Agenda 2030. According to UN agencies such as the United Nations Capital Development Fund, investing at local level also produces one of the highest returns in investment and it touches the lives of people right away.

This first edition of the Venice City Solutions explored how to make SDGs a reality for all from the local level. Further editions of the event are planned to happen in the next years.

PARTICIPANTS

The dialogue brought together representatives of central governments, local and regional government associations, Mayors, Governors and other governmental representatives and selected partners to identify existing experiences, gathering data and providing solutions to the challenge of how to finance the implementation of the SDGs at local level.

A total of 114 participants attended the event, including central and local governments from the following 30 countries: Bangladesh, Benin, Belgium, Bosnia Herzegovina, Burundi, Cameroun, Congo DRC, Costa Rica, Croatia, France, Gambia, Germany, Greece, Italy, Ivory Coast, Jordan, Montenegro, Morocco, Netherlands, Peru, San Marino, Serbia, Spain, Tanzania, Togo, Uganda, United Kingdom and Uruguay. Of the total number of participants, a 34% were female and a 66% male.



The activity counted with a total of 36 participants from local or regional governments, 21 representatives from central governments, 20 local government networks, 2 from financial institutions, 2 from cooperation agencies, 8 partners or universities and 19 colleagues from the United Nations System.

OPENING WELCOME

The Institutional welcome was offered by the host of the event, the Italian Association for the Council of European Municipalities and Regions ([AICCRE](#)) in the voice of its **Secretary General, Carla Rey**, who introduced the “Localizing SDG” concept focusing the action of local governments and their communities around 4 key themes: people, planet, prosperity and partnership. In Italy, still 1.778.000 citizens live in absolute poverty and climate change constitutes not a future thread, but rather a present one. Only in the past year, natural disasters have affected 198 Italian municipalities. The world needs to move away from present consumption and production models and start thinking about future generations, who are also in need of decent jobs. Women are still excluded in many countries of the world, and the elder population is at risk. Promoting the SDGs equals promoting peace and good government, human rights, rule of law, freedom and equality access as well as fighting corruption and promoting efficient institutions. Agenda 2030 needs partnerships, cities will be key as 70% of the population will be urban, as urban will be the places of production and consumption. Future investments and innovation need to be centred around people if we want to achieve the SDGs.

Frederic Vallier, Secretary General of [CEMR - Council of European Municipalities and Regions](#), spoke on behalf of [Platforma](#), a European coalition of 30 partners active in decentralized cooperation. He mentioned how Agenda 2030 is the first global public policy devised by United Nations member states, but that also counted with the participation of local governments. Venice City Solutions 2030 fully subscribe the objectives of Platforma to imagine the future based on the principles of co-responsibility, reciprocity and subsidiarity. Venice is a symbol of one of the main challenges linked to climate change; as it was only two weeks ago that the city was flooded, reminding us how grave the situation is. There is no alternative, either we change our development model or life on planet will be compromised. We need to think about future generations and the Venice event is essential as it concerns how to finance, therefore, make possible to achieve Agenda 2030.

“We’re not financing the agenda. It’s more than just aid. It’s changing the way financing Local & Regional Govs and the way LRGs can mobilise long-term source of revenue to take action” @UCLG_Saiz ,Secretary General of UCLG.



Emilia Saiz, Secretary General, UCLG - United Cities and Local Governments recognised the importance to start a more structured dialogue between central and local governments as no single sphere of government can achieve the Agenda 2030 by themselves. Local governments are fully committed to SDGs as it is the agenda that the constituency has been committed to since long ago. In 2015, in the middle of political, economic and social polarization, two significant contributions were made to build hope: first reaching the consensus that sustainable development shifted from a North-South issue to a universal agenda; second transformative solutions to achieve the society we want are common and collective. The global agendas, including the Paris Agreement and the Agenda 2030, go beyond the goals and constitutes the bases for a renewed social contract. UCLG, with its 250.000 members around the world has put the Agenda 2030 at the core of its action and fully committed to work as an ally to make a difference. In particular, processes such as the Voluntary National Review should reflect this new framework of partnership and co-ownership. But we need to talk about how to transform the financial systems and development cooperation to understand local demands and harness local solutions. Make the relevant changes in legal frameworks and give access to international finance for local and regional governments. Adapt to and adopt the perspective of local and regional governments.

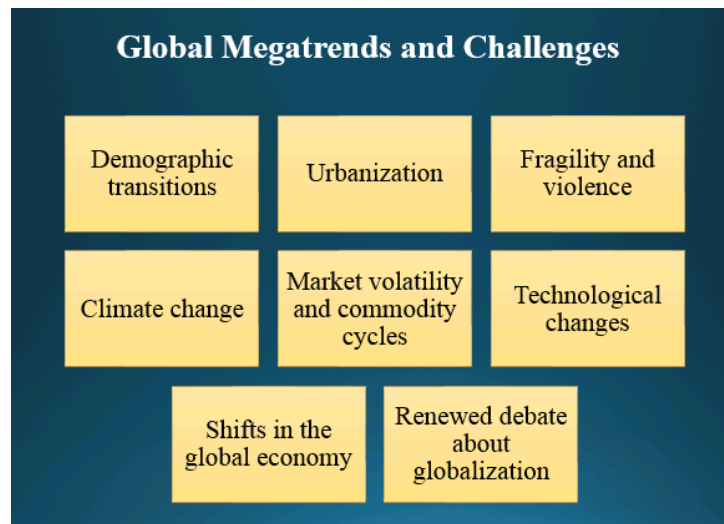
Stefano Bonaccini, President of the Emilia-Romagna Region, Italy, President of AICCIRE and President of CEMR thanked the coral effort made by UCLG, AICCIRE and the United System to be able to bring together central, local governments and their partners to Venice. Many examples today show the consequences of the impact of natural or human induced disasters in the economy, but also in terms of human casualties. The Region that he presides, Emilia-Romagna is committed to reduce 40% of CO2 emissions by 2030, to prevent pollution that many times causes such disasters. We must lose fear about the electoral impact of such courageous measures. We are here to better understand how projects and innovative ideas can be financed, putting local priorities first. Resources are not finite, international development financing institutions need to make difficult decisions about where to invest, but the governance of such institutions is also influenced by central governments. Local and regional government need the support of their national counterparts to influence the way finance is decided, making sure that local development becomes a priority.

The keynote speech was delivered by **Mahmoud Mohieldin, Senior Vice President, World Bank Group** who started his intervention remembering the experience of the Millennium Development Goals (2000 – 2015) and how many of their successes and failures regarding water and sanitation or poverty reduction happened depending of the capacity of reaction at local level.

Well-managed urbanization can result in better development outcomes, but climate change risks may delay development progress as the number of disasters keeps rising. In this sense, cities are very vulnerable to climate change, but also have a critical role to fight it. The rate of technological advancement is unprecedented, but at the same time the divide between the educated/skilled elite and the less educated keeps growing. Differences are also bigger between declining provincial towns and thriving metropolitan centres and the polarization between rich and poor countries prevails.

Managing these challenging trends requires a comprehensive response in terms of policy change. We need renewed public policies to manage the direction and effects of change. These new policies need to concentrate on a) investing in human capital b) investing in resilience (including social protection) and c) investment in infrastructure. All those investments require,

of course to be financed, but we also need data to be able to inform policy decisions. Data is the new oil, is a source for action and information generation.



The World Bank Group is supporting the implementation of the 2030 Agenda at local level. How? By promoting territorial development, building resilience and maximizing finance. A territorial lens allows policies & investments to be better tailored to local endowments and constraints. In order to maximize finance at local level, the World Bank has calculated that the global investment needed for urban infrastructure is about \$4.5-5.4 trillion per year, including a 9-27% premium to make this low emission and climate resilient. We are aware that only a very small fraction of this can be supplied by official development assistance. The key components of financing sustainable development are composed by three flows: International and domestic public sector, domestic resources and international cooperation.

To assist cities, expand access to finance we should start by strengthening sound city financing systems: 1. Generating more own source of revenues 2. Increasing fiscal transfers based on a formula (not ad hoc) 3. Improving the accounting and financial management performance of city governments and service delivery agencies 4. Establish regulatory frameworks for facilitating private investment in urban entities and projects.

The World Bank Group is supporting cities and national governments put in place the financial framework to attract investment and grow in a sustainable manner. In East Africa, the World Bank has an operational portfolio of almost \$1 billion in urban projects focusing on improving financial and institutional performance in Ethiopia, Kenya, Tanzania, and Uganda. In Morocco, a EUR 172 million World Bank loan aims to improve the city of Casablanca's investment capacity by improving its revenue management and attracting private investment to municipal infrastructure and services through public-private partnerships.

To provide capital directly to cities for investment in infrastructure, the World Bank current urban portfolio encompasses 180 projects with a commitment value of around \$24bn globally. Through the capital raising strategy of the World Bank Cities Resilience Programme, we are helping cities around the world raise the finance they need to build resilience to climate change and disaster risks while the City Creditworthiness Initiative strengthens the financial performance of local governments, and prepare them to tap domestic and regional capital markets without a sovereign guarantee. The initiative has trained over 600 municipal officials from 240 cities in 25 countries.

Moving from individual operations that may or may not address all binding constraints in a place



To area based strategies and operations that address binding constraints to development in a coordinated manner



Unlock social, human, and economic wealth that cities already own but is out of sight – or “hidden”. Understanding the city’s balance sheet to better recognize the long-term consequences of political decisions and make choices that mobilize real returns rather than rely on more taxes, debt, or austerity. Public assets: even poor cities own large swathes of poorly utilized land, or they control underperforming utilities and other commercial assets. Most cities could more than double their investments with smarter use of these commercial assets.



WBG: 2030 Agenda @wbg2030 · Nov 16

Mohieldin: WBG supports cities expand access to finance: 1) strengthening building blocks of sound financing systems; 2) providing capital directly to cities; 3) exploring innovative ways of leveraging investment from private, non-traditional sources #venicecitysolutions2030



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