



# La Commission des Finances Locales pour le Développement

## INTRODUCTION:

With a full-time secretariat, the Committee was mobilized this year on the development of its intervention strategy, the construction of a program of activities consistent with the ambitions of the UCLG, as well as research funding to implement different projects.

**The strategy** that will be proposed to members at the UCLG World Council in Dakar in December 2012, was constructed from four sub-goals and three modes of operation:

- The overall mission of the Committee, "Promoting the financing of local governments," involves working towards optimizing their four main sources: the structural revenues related to legal and institutional contexts of fiscal decentralization, the access to loans, the valuation of land and the use of public-private partnership;
- The operational modalities are organized around three main axes: the animation of high-level discussions between members and national governments, the animation of a network of local finance professionals in order to contribute to the debate, share and capitalize on their experiences, and the deepening partnerships with donors so as to better take into account the needs of local governments.

## ACTIVITIES IN 2012:

1. The feasibility study of an **international observatory on local finances** is underway. This tool is a means of exchange to enrich the debate on fiscal decentralization, but it responds primarily to the need to organize, at the national level, the dialogue between local government associations and ministries of advocacy in order to base advocacy on an accurate and reliable overview of the local situation in the country, and identify reforms to be undertaken;
1. **Partnership with major donors** is well underway:
  - ⇒ The World Bank supports CFLD through funding provided by two multi-donor funds which it manages (Cities Alliance, PPIAF). It also plans to bring together, on the sidelines of one of its meetings and working closely with UCLG and CFLD, finance ministers, as well as those in charge of decentralization and urban planning on the subject of financing urban investment ;
  - ⇒ The African Development Bank (AfDB) has solicited the support of UCLGA and CFLD to decline the urban strategy it has recently adopted. During the Africities Summit, it will host sessions dedicated to financial institutions, and will hold an internal seminar late February 2013 to educate its leaders and teams on financing local investments. Finally, a session devoted to the establishment of a new financial instrument dedicated to local communities will be held at the annual meeting this year in Marrakech (May 2013) ;
  - ⇒ The French Cooperation and AFD, the main financial partners CFLD in 2012, support the partnerships with the multilateral institutions mentioned above. In addition, several national cooperation projects are based on the activities developed by the CFLD;

2. The **network of local finance experts** is taking shape with the arrival of a large delegation of CFOs of African cities during the Africities Summit. The financial support of their mission will encourage their involvement in the various activities implemented by the CFLD.
3. **High-level workshops** have been organized:
  - ⇒ In Niamey, in April 2012, the workshop was attended by the Ministers of Finance, Decentralization and Urban Development or their representatives of eight UEMOA member countries on the theme "financing urban investments in the UEMOA, the importance of scale change";
  - ⇒ In Tunis, in May 2012, in a conference organized by the National Federation of Tunisian Cities on "decentralization, strong instrument of democracy and local development", the CFLD participated in the session on financial decentralization. The members of the committee on decentralization of the constituent assembly also attended the seminar;
  - ⇒ During the Africities Summit held in Dakar from 4 to 8 December 2012, the CFLD, in addition to its support for the organization of the session by the AfDB financial institutions, will host two special sessions ; one on the programs to support the financial management of local authorities through the PEFA framework, and the second, on the valuation of land in urban operations.

### **PROVISIONAL PROGRAM 2013:**

Based on the activities developed for the African continent in 2012, the CFLD should in 2013:

- on the one hand, develop the different projects and programs launched with UCLG Africa, which will be the "pilot project" of the CFLD (debates, network observatory on local finances, partnerships with regional banks, support programs and pilot projects) ;
- on the other hand, expand its action by engaging other regional sections of UCLG so as to be able to fulfil its mission to the UCLG World Secretariat in 2014 and 2015 (development of a roadmap with two regional sections, expanding exchanges of experience and the network of financial professionals local, top with the World Bank, Rabat, 2013 ...).