LOCAL GOVERNANCE
A cornerstone of Good Governance and a critical condition for the Post-2015 Agenda

Summary of Recommendations

The performance of local governments as service providers and regulators of local service provision will significantly determine whether many of the MDG targets can or will be met and, indeed, whether the future development agenda can be achieved and sustained. Local governance and local development therefore constitute a nexus for responding to the challenges of poverty, inequality and sustainable environment.

The following summarizes the **main recommendations for an inclusive approach to Governance dimensions in a Post-2015 Agenda**:

- Governance should be recognized as a transversal theme of all MDGs framework

- The imperative of greater decentralization to local governments must be recognized. The basic guiding principle of subsidiarity must be promoted as a vehicle to strengthen democracy and service provision, and ensure an "enabling environment" for local authorities to take on their responsibilities.

- The entrenchment of local democracy needs to be supported and secured as a cornerstone of local and national governance.

- The distribution of resources and responsibilities between central and local governments needs to be clarified and balanced to allow local authorities to assume the tasks they are allocated and to be accountable to the people who elected them.

- Urban governance needs an integrated approach, especially for large urban areas and intermediate cities. The consolidation of this multi-level governance framework places local authorities as prominent players in city governance.

- Strengthening the capacities and accountability in local governments is critical to reinforcing people's confidence in public institutions.

- Strengthening gender equity in local governance strengthens democracy and must be encouraged through improving the participation of women in local councils.

Some Fundamental Developments that will shape Governance Post-2015

The drive towards increased local democracy and decentralization has emerged as a key response to people's demands for democracy and regional claims for greater autonomy.

The Principle of Subsidiarity can provide a strong underlying guide for decentralization and local governance. While the progress of local democracy is still in process and sometimes confronted with great difficulties, citizen demands for increasingly tailored services make the need to decentralize functions and responsibilities from the State to lower levels increasingly necessary.

Local Governments and Poverty Reduction

Local governments have key roles in a range of public services that are important for poverty reduction. The mayor's office is usually the main focal point for local inhabitants to voice their concerns and request to alleviate poverty. So much of the innovation in the last 20 years in improving and extending basic services to low-income populations has been by local governments in urban areas.

Bridging the Gap between Local Government Responsibilities and Resources

A critical gap between tasks and resources remains a serious impediment to effective local governance. In the context of decentralization reforms, local authorities have gained increased responsibilities and powers in the delivery of basic services (infrastructures for schools, public health facilities, access to water and sanitation, waste management, etc), urban planning, social policies, environmental management and local economic development.

But in all areas, there is a significant imbalance between new responsibilities and resources available to implement them which restrain the achievement of the Millennium Development Goals. This imbalance is reflected in the low ratio of local expenses to public expenditure: averaging near 8%for a majority of African countries (25% in Europe), and also concerns qualified human resources. Lack of resources restricts local government's ability to the deliver basic services and erode the role of local authorities. This generates profound disappointments that threaten local democracy and, in turn, the foundations of democracy at national and regional levels.

Taking Rapid Urbanization into Consideration

The world is currently facing rapid urbanization, with the increase of one million plus cities and medium-sized towns, and to varying degrees depending on the regions, with the impoverishment of its suburbs, insufficiency of infrastructure and difficulty in delivery of basic urban services. The importance of rural-urban migration, urbanization of poverty and the impact of new environmental challenges (climate change adaptation, disaster risk prevention) have deep implications for local governance and are not well captured in the MDGs.

Increasing urbanization also creates a need for innovative mechanisms to govern and serve metropolitan areas that are growing in size, complexity and number. Developing solid intergovernmental relations and appropriate governance in metropolitan areas represents a daunting challenge because many different actors are typically involved in service provision. Local governments are key players in the building of this urban governance and megacities can become real engines of growth and contribute to regional integration.

To respond to this challenge, a fresh look at financing local authorities in the face of these added challenges will be required as well as improving partnership with national governments.

Strengthening Participatory Democracy and Accountability

Commensurate with the transfer of responsibilities and resources to local governments, there will be a need to ensure that accountability and participatory democracy are well entrenched in the system. Local authorities have developed innovative forms of citizen participation that contribute to renewing the approach of local democracy by **ensuring that decisions and choices are not only inclusive, but relevant and locally owned.**

Some of these innovative practices include: participatory budgeting or planning, village assemblies or "dialogue days" between local elected officers and communities, quotas reserved to ensure the representation of women, traditional authorities or certain minorities, the use of medias and new technologies to encourage participation, as well as different kinds of referendum or consultations.

However, considerable efforts are needed to strengthen local transparency, citizen participation and information, and control systems based on respect for local autonomy (accountability). Women´s participation in local governments is also a way to develop a gender approach in local governance.