Local Economic Development (LED)

What?

- Support design and implementation of inclusive LED strategies in partnerships with local urban authorities, civil society actors and the private sector

- Assist local and regional authorities in building their capacity to harness local assets and use their planning and regulatory tools for inclusive LED

- Promote good LED practices (place, people, process centered)
How?

- Local economic profiling (econ structure, assets, drivers)
- Economic development planning
- Adapting action ideas to local context: hard infrastructure, local business environment, soft infrastructure, urban re-development, inward investment, sector and business cluster development, skills development
- Promote peer learning about successful LED policies and strategies
- Help address capacity gaps
- Inputs to the economic aspects of work by other branches
Levels of intervention

National
- Policy, legislation and Programme framework
- National urban policy

Municipal/Metropolitan
- LED strategies and plans
- Urban development and regeneration
- Urban services for job creation
- Public pvt partnerships
- Inter municipal cooperation

Community
- Economic empowerment
- Livelihood improvement
- Community contracting
- Promotion of supply chain economic activities
Pipe Line Projects

- Colombia: Bogota, Manizales and Santa Marta
- Egypt (Al Margha)
- Kenya (Kisumu)
- Mozambique: Nacala and Nampula
- Philippines
- Brazil
- Costa Rica: Brunca region/MDG--
- El Salvador: scaling up of Santa Tekla and Apopo
- Haiti: Support to the development of skills in safer construction
- Mexico:
Strategic Partners (actual and potential):

- ILO
- Women in Informal Employment: Globalizing and Urbanizing (WIEGO)
- Cities Alliance
- Urban authorities in partner cities and line Ministries
- Private sector
- Civil society actors
- Funding agencies
- Plan International
- UNIDO
- UNCDF
- LEDNA
Why focus on improving Municipal Finance?

- Improve economic development through better local services and infrastructure
- Facilitate and encourage sustainable urbanization
- Improve democratic governance
- Improve the environment
- Improve quality of life, fairness and future prospects
Areas of exploration to develop Pipeline of Projects:

- Municipal Finance Diagnostic Assessment
  - Analysis and recommendations for improving operational efficiency

- Municipal Asset Mapping/Audit
  - Analysis to map and evaluate all local assets to determine how best to "sweat" these assets to benefit of municipality

- Computerisation of Municipalities
  - Understand impact of computerisation (digital cadastre, etc.) on municipal revenues/efficiency (e.g., Nacala, Mozambique) and explore set-up of programme to promote esp. in Africa

- Municipal Finance Fund (Basic infrastructure)
  - Understand extent and performance of muni fin funds (e.g., World Bank/IFC Muni Development Funds, or CABEI PROMUNI fund in Central America). Explore set-up of fund esp. in Africa context with eg. African Dev. Bank

- Support UN-Habitat projects for any given city in collaboration with other Branches (e.g., Nampula, Nacala, Kigali, Kisumu, etc.)

- Capacity Building & Research
Municipal Finance support in Somaliland and Puntland, Somalia

within the UN Somalia Joint Programme on Local Governance & Decentralized Service Delivery

Intervention areas since 2008 resulting in improved accountability, transparency and efficiency of municipal financial systems

In partnership with 13 local governments and the central governments of Somaliland and Puntland
1) **Strengthening the revenue base of municipalities**

Development of automated systems and procedures for revenue collection, including maintenance data, procedures, manuals, and intensive on-the-job training:

- **Automated accounting and reporting of revenues** to increase the transparency and hence public willingness to pay taxes
- **Property and business license taxation** database established in 5 municipalities using automated billing – e.g. 280% increase in property revenues; more applications under development
- **Surveys on revenue potentials** to identify most promising sources for each district, focusing collection efforts on most gainful sources
2) Better essential service delivery through improved budgeting and accounting

- Improved transparency in the use of public funds for services by re-structuring of municipal budget formats (‘Chart of Accounts’) by services. Distinguish between a Current Budget for operations and maintenance, and a Capital Budget for infrastructure and asset investments.

- Improved Public-Private Partnership arrangements for sector services through design of better financial and management procedures.

- Guidelines developed for municipal asset management for optimal allocation of scarce economic resources for enhanced basic services provision.
3) **Improved regulatory framework in municipal finance**

Advised by the improved financial systems and practices of municipalities since 2008, the programme progressed in 2010 to include policy and institutional support to the central government:

- Development and implementation of ‘**Road Map towards Municipal Finance Policy**’. The Road Map spells out the 5-year targets, scope and nature of the financial management changes agreed for Somaliland and Puntland
  - New budget format legalized in Decrees by central governments in 2011
  - Automated systems legalized in Decrees by central governments in 2012
- **Support to institutional development** to consolidate local level progress in the emerging national systems
  - Common programme framework with Public Financial Management partners (the World Bank, UNDP, ADB,...)
## Participatory Budgeting (PB) in Africa

<table>
<thead>
<tr>
<th>Mozambique</th>
<th>Democratic Republic of Congo</th>
<th>Senegal</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Chibuto</td>
<td></td>
<td>• Kaolack</td>
</tr>
<tr>
<td>• Manica</td>
<td>• Masina</td>
<td>• Mekhe</td>
</tr>
<tr>
<td>• Nacala</td>
<td>• Ndjili</td>
<td>• Rufisque-Est</td>
</tr>
</tbody>
</table>

*URBAN ECONOMY AND FINANCE BRANCH*
Local Infrastructure Improvements:

BEFORE

AFTER
Local Infrastructure Improvements:

BEFORE

AFTER
ERSO-Financed Project Example, Nicaragua

Local Infrastructure Improvements:

BEFORE

AFTER
**Urban Youth: The Strategy**

**Mission:** To improve the livelihoods of urban youth through their inclusion in governance and the social and economic life of cities.
Two defining features of the 21st century –

- The growth of cities and the expansion of the global youth population.

- More people under the age of 25 today than ever totaling nearly 3 billion
- As many as 60% of all urban dwellers will be under the age of 18 by 2030
Urban Youth: The Rationale

Two trends bring about challenges and opportunities.

• Urbanization provides opportunities for positive economic development in both the formal and informal sectors of the economy.
• Youth are in the most productive times of their lives, a youthful average age a “demographic gift”.
• Targeted educational and employment policies can drive economic growth and development just as happened with the “Asian Tigers” in the 1970 and 80s.
UN-Habitat has three principles in working with youth:

1. Youth as assets
2. Youth-led Development
3. Youth Self-organization

UN-Habitat’s core programmes - the One Stop Youth Resource Centre and the Urban Youth Fund - adhere to these principles.
One Stop Youth Resource Centres

Youth Empowerment Programme

One Stop Youth Resource Centres
- Dar es Salaam
- Nairobi and Kampala
- Kigali

Proposed Centres
Burundi, Burkina Faso, DRC, Cameroon, Brazil
One Stop Youth Resource Centres

Youth Empowerment Programme

The One Stop Centres provide a holistic programme which supports healthy youth livelihoods through:

- Safe and dedicated space for young men and women
- Training in employment and entrepreneurship.
- Engagement in local governance
- Access to health services
Urban Youth Fund
Youth Empowerment Programme

Supports youth-led organizations in improving the livelihoods of youth and their communities.

Provides grants of up to $25,000 for innovative youth-led ideas and solutions for job creation, good governance, adequate shelter and secure tenure.

Undertakes research on best practices in youth-led development so as to inform youth policy and practice at the local, national and international level.

URBAN ECONOMY AND FINANCE BRANCH
2009 – 2011
172 projects
$2,647,675 total grant

African & Arab States
83 projects
$1,265,040 granted

Latin America & Carribean
24 projects
$697,212 granted

Asia – Pacific
56 projects
$675,423 granted
Voi Youth Forum
Voi Town, Kenya

“Garbage is wealth and Work” youth project focused on creating both environmental and economic sustainability through waste management. The project started in March 2010 through to March 2011 and to date, 132 young people, 61 of whom are women have greatly benefited from its marvelous outcome.
Team for Nature & Wildlife
Kathmandu, Nepal

TNW is a project focused on changing the lives of youth and the community at large through empowerment on environmental conservation and sustainable development. The project encourages youth to become environmental entrepreneurs. This has led the youth to form 2 agro-cooperatives, 1 Floriculture and vegetable farming group and 3 cottage and small scale industries.
Kuwuka JDA
Maputo, Mozambique

KUWUKA JDA’s project of Promoting school environmental youth clubs in Maputo—over 200 students trained and 7 School Youth Environmental Clubs established and over 300 trees planted. The project’s goal was to increase environmental awareness and encourage good environmental practices.
Current and recent Achievements

• Fund has given grants to 172 youth-led organizations globally totalling approximately $3 million USD

• 4th Call for applications recently completed, with announcement will be on the World Habitat Day, 1st October.

• The Fund is partnering with the Mauritian Employers Federation to provide $100,000 in grants in Fall 2012

• The Youth Fund is working on a new system for displaying information of all projects and mobile phone monitoring. The first part will be ready for WUF.
Strategic Partners
Youth Empowerment Programme

Local Authorities
Kampala, Nairobi, Dar es Salaam, Kigali

Urban Youth Research Network
University of Colorado, University of Nairobi, Children’s Environmental Research Group, University of Trondheim, International Centre for Child rights and Development, e-Social Sciences

National Governments
Governments of Brazil, Mauritius, Mexico, Nigeria, Norway

Youth Organizations
Norwegian Youth Council (LNU), TakingITGlobal, PeaceChild,

Private Sector
BASF, Mauritius Employers Federation,

Multi-Lateral Agencies
Inter-Agency Network on Youth Development, UNICEF, ILO, Cities Alliance, UNDP

Civil Society
Arab Urban Development Institute, International Federation of Social Workers
Ongoing Projects in Urban Economy (USD Millions)

- Global: 21.8
- Africa: 3.1
- Arab States: 2.0
- Asia: 1.5
- ROLAC: 0.22
- Eastern Europe: 0.66
<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Project Budget</th>
<th>2011 Budget</th>
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<tbody>
<tr>
<td>Urban &amp; Municipal Finance</td>
<td>14.02</td>
<td>1.38</td>
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<tr>
<td>LED</td>
<td>4.65</td>
<td>2.91</td>
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<tr>
<td>Youth</td>
<td>10.75</td>
<td>1.67</td>
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<tr>
<td>Total</td>
<td>29.43</td>
<td>5.97</td>
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</table>
### Youth Empowerment for Urban Development funded by Government of Norway from 2008-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 Grand Total</th>
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<tbody>
<tr>
<td></td>
<td>Exp</td>
<td>Exp</td>
<td>Exp</td>
<td>Exp</td>
<td>Budget</td>
<td>Budget</td>
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<tr>
<td>Youth Op Fund Grant</td>
<td>-</td>
<td>210,966.60</td>
<td>1,373,824.90</td>
<td>804,977.00</td>
<td>761,029.49</td>
<td>590,000.00</td>
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<td>Youth Emp &amp; Op admin</td>
<td>402,032.39</td>
<td>1,276,400.25</td>
<td>1,623,473.14</td>
<td>1,665,163.18</td>
<td>1,179,534.71</td>
<td>1,209,937.00</td>
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<tr>
<td>Psc</td>
<td>52,264.20</td>
<td>194,887.28</td>
<td>334,922.77</td>
<td>206,757.47</td>
<td>166,404.06</td>
<td>143,995.00</td>
</tr>
</tbody>
</table>

**Total Expenditure**: $14,000,000.00

**Total Grant received**: $12,196,569.44

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**Graph**:
- **Youth Op Fund Grant**
- **Youth Emp & Op admin**
- **Psc**
- **Total Expenditure**

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**Grand Total**