



UCLG Committee
on Social Inclusion,
Participatory Democracy
and Human Rights



Global Platform for the Right to the City
Plataforma Global por el Derecho a la Ciudad
Plataforma Global pelo Direito à Cidade



CDMX
CIUDAD DE MÉXICO

DECLARATION ADOPTED IN THE FRAMEWORK OF THE SIDE EVENT “URBAN JUSTICE AND EQUITY”

MEXICO HABITAT III CONFERENCE ON “FINANCING URBAN DEVELOPMENT”

Mexico City, 8th March 2016

Financing the Right to the City for all

The urbanization process has accelerated in recent years.

The financial means that cities and metropolitan areas need to meet their inhabitants’ needs and aspirations in terms of public services, housing for all and access to fundamental rights (health, culture, education) have never been as important as they are now. Our urban planet’s social and human future largely depends on local powers’ ability to meet these challenges –which we characterize as “Right to the City for all”. In this context, local finances, the financing of urban development, and their control by local governments with citizens’ participation become a democratic challenge for inhabitants’ well-being.

However, too often local finances become adjustment tools of austerity policies, turning the urban into a real-estate opportunities market and into a speculation source, which facilitates social and spatial exclusions, far from cities and inhabitants’ general interest. Local finances should prioritise the implementation of public policies enforcing the Right to the City –putting the city at the service of all inhabitants’ urban, social, economic, cultural, environmental and political rights.

In this sense, local governments have the responsibility to conduct initiatives for spendings to meet population’s needs, by promoting policy’s articulation for an integrated development of the city and its citizens.

The New Habitat Agenda to be defined in Quito during the Habitat III Conference cannot ignore this issue. Therefore, it should include recommendations towards:

1) An actual redistribution of wealth:

- At the global level, between countries that face high urban growth trends with little resources and rich countries, by creating international solidarity funds –among others, those created to finance the fight against climate change.
- At the national level, by promoting a fairer distribution of wealth through equalization between rich and poor territories –and ultimately enabling the latter to generate local development dynamics.
- At the local level, diminishing the social inequality gap by reorienting public spending towards the most vulnerable sectors.



ake resources effectively available and thus enabling governments, in their different contexts, to mitigate market's externalities.

3) A participatory and transparent management of local resources:

- **A totally transparent management of public money:** publication of local administration's accounts, local officials' (both elected and non-elected) declaration of assets, reinforced control mechanisms for public markets and local procurement, and fighting against corruption at all administrative levels through simplified review procedures for citizens.
- **An active participation of citizens in monitoring the proper use of public finances, especially through platforms of public services' users, citizen representation in urban improvement operations, or through participatory budgets** –which are especially important, as they put citizens at the heart of planning, assignment, monitoring and assessment of public spending.
- **Reduction of corruption and tax evasion**, both at international and local level (focusing on issues such as informal real estate, reporting real estate transactions...)

4) The acknowledgement of local governments' role in promoting public policies for a fair and responsible economic development that generates local wealth for the benefit of their inhabitants. Local governments should be able to benefit from the added value that has been created in their territories, and also to facilitate its direct return in terms of employment and local wealth, and indirectly through fiscal contributions to reinvest in territory development. Tax revenues resulting from these economic activities should be earmarked to improve urban environment, public spaces and community facilities. Additionally, activities that generate negative externalities on the environment (polluting transports, industrial activities...) should be subjected to special taxes used in benefit of sustainable development.

5) Water and energy for all. Common goods' management should always be transparent and include citizen participation, aiming at placing public interest above individual's, at increasing citizens' access to these resources and ensuring their sustainable management.

6) Public, citizen and sustainable control of public space through better urban planning. To do so, it requires:

- **An effective urban planning, aiming at conduct neighbourhood improvement operations by prioritising the needs of the community's most vulnerable and the general interest.** In this sense, local administrations need to have adequate juridical and fiscal tools, well-adjusted to each context.



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eighbourhood improvement and rehabilitation of public space operations, for the benefit of the most vulnerable groups in the city, counting on citizens' participation in the whole process –not only in decision-making, but also in the implementation of these operations.

- **Real estate and land markets' supervision** requires the elaboration and management of reliable data by local administrations: addresses' system, creation of land registries, creation of an observatory of prices and rentals in each city area.

7) Redistributive mechanisms, aiming at fixing urban and metropolitan inequalities.