

POLICY COUNCILS TOWNHALLS

FUTURE ENVISIONING EXERCISES

VISION DOCUMENT

Governance Architecture

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The Future Envisioning Exercise on the renewal of governance architecture made it clear that the ambition of the Pact for the Future is far from being a mere commitment by local governments to contribute to a new social contract. The Pact is an exercise of reflection by our multi-stakeholder ecosystem that forces us to review and recast the ways in which we relate to each other, to ourselves, to others and to the planet.

Looking at the Future from the lens of Governance Architecture is both a point of arrival and a point of departure. We got here by being aware that the transformation that our communities are calling for will only occur if this is done in partnerships, and this has been reflected throughout the years. The UCLG Town Hall Process is in itself a space for co-creation among different actors, and the broader calls of our constituency towards UN Member states at the UN High-Level Political Forum address the need for the multilateral system to truly reflect the voices of local communities, through the representation and inclusion in decision making mechanisms of the local governments that represent them.

We depart from here by ensuring that the global agendas are understood as one by our constituency. We are bringing to the table the question of *who* is brought to the decision-making table, and thus who holds power, and how institutions need to be transformed to ensure this power is shared equally. Among other key ideas, the need for non-state actors to rally around SDG 11 and the Summit of the Future; the importance of involving the youth in discussions around governance; and transforming multilateral institutions to ensure we overcome the challenges we face in an inclusive manner.

1. Shared understandings and aspirations for rebuilding Governance Architecture as an entry point for unfolding the Pact for the Future

- Our constituency and its allies share common aspirations for renewing governance, rebuilding its architecture, changing the way we govern and who gets to be involved. Governing in partnership, rethinking leadership, changing the rules of the game, are still abstract ideas that we commit to concretizing.
- It is now time to foster institutional changes supporting and adequately providing the new essentials: rights and public services that our collective must protect, strengthen and promote in alliance with all sectors of our societies. Our constituency and partners have jointly assessed that the necessary renewal of the social contract needs to be based upon, and further encourage, the fundamental protagonism of women and feminist leaders in decision-making processes.
- It was agreed upon that when decisions are made that affect us collectively, we all need to take part in decision-making. Participants shared the understanding that, in order to achieve Our Common Agenda and the 2030 Agenda while leaving no one behind, partnering with civil society organizations at the grassroots level is essential, focusing on the need to better listen to the voices of women and youth. In this way we seek to

contribute to the development of critically aware communities, where the voice of our young people is at the heart of local (and global) agendas. This is a necessary condition for equality.

- We need to regain trust and to strengthen democracy through new tools, empowering local communities to contribute to the reforms that we need for our public services, social and environmental systems: food, education, health, economic development. And now is the moment to do so, building upon democratic innovations and the essential role of LRGs in safeguarding democracy against the threats faced at national level.
- As movement of LRGs, we believe that part of the discussion that we are involved with in the UN is not only about democratizing the system, but reforming it to reflect what people are worried about. We call national governments, international organizations and the UN system to recognize local governments more than just a sideline in documents but as a key partner in global development, with a privileged position and firm commitment to bringing the voices of populations into global conversations.
- The municipal movement has the ambition to lead the necessary change in leadership and the exercise of power, ingraining a feminist and caring approach to governance. How can current global emergencies and their impacts in all dimensions of life and governance, can be leveraged as a unique opportunity to bring about the transformations we need to give up the top-down and command and control approaches prevailing so far, and their threatening consequences on democracy, governance, and trust?
- A renewed multilateralism, flexible and adaptive to deal with complex crises, needs to structurally involve LRGs to facilitate and reinforce their role in preventing conflicts, fostering security and promoting peace. We also need more space for experimentation, for taking risks and innovating.
- We have now to look inward, rebuild and strengthen our own governance architecture with a focus on subsidiarity to better represent in international instances our inhabitants and communities, taking into account cultural diversity, different geographies and governance systems, and a wide range of initiatives for climate action.

is the way forward, building on the call of the New Urban Agenda to apply the principle of subsidiarity, empowering local and regional governments and policymakers, to be able to ensure the policy frameworks are effectively geared to meet the goals. This renewed focus on the goals is also essential as we get closer to the UN Summit of the Future.

Special attention was devoted to the **management of crises and complex emergencies** as a key element of the governance renewal that, in the present global context, needs to be acknowledged as a structural feature of governance and that has particular implications for LRGs, most of which are currently missing from debates at the international and national levels. In particular, with respect to the governance of complex emergencies, it was underlined how multilevel governance systems need to considerably change to allow for adequately managing this type of emergencies, which require rapid and radical government interventions at all levels and which change as the emergency changes stages. Ensuring that these interventions are grounded in the principles of respect for human rights, inclusivity and participation requires intensive work that still needs to be done in a collective manner. Participants also agreed on the importance of adopting a wider understanding of crises and emergencies that extends beyond western understandings and action frames, which is particularly relevant in territories which have been undergoing overlapping crises for such long periods of time that it could be argued they need governance models suitable for governing in a permanent crisis state. Adopting a territorial, inclusive approach to the redefinition of governance architecture is thus crucial and effective, as shown by the work of the African Union shared in the conversation, which has advanced peace frameworks through intergenerational dialogues.

Participants also highlighted the critical of renewed governance systems to enable **people-centered policymaking**. Indeed, the role of diverse stakeholders and tools were highlighted in this regard. For instance, channels of communication between young people and intergovernmental actors were singled out as important spaces for inclusion. While proximity was also highlighted as a key lever for centering people in policy-making processes. As such, small and mid-sized cities were spotlighted as places from which to learn about proximity-based local governance, where populations are in more direct contact with the local government and it is often to work hand in hand to solve local needs as they arise. Moreover, the concrete bold actions put forward by the government of the Vasque Country illustrated the role that LRGs can play in articulating people-centered governance values in the territory but also internationally, as shown by the efforts to promote the 2030 agenda from all three levels of subnational government in the territory, the creation of a participatory multistakeholder forum to bring the 2030 Agenda closer to populations, the alignment of policies with the UCLG Pact for the Future and the “NOW 2030 Proposal”, proposing ways forward in order for stakeholders such as LRGs to play a central role in the 2024 Summit of the Future. All these efforts are also tightly linked to the transformation of the economic system, as they imply aligning budgets to priority actions, building adequate indicators and aligning these to subnational budgets.

3. Shared principles linking the vision with the municipalist movement’s commitment to urban and territorial equality

The previous section compiles the contributions of participants to the collective conversation, which have allowed to identify several dimensions that are critical for redefining Finance and the Economy as an entry point for a sustainable future. The following analysis contributes to the conversation about how local actions

designed to address some of these critical topics could be shaped, for these actions to effectively advance urban and territorial equality, avoiding unwillingly reproducing inequalities.¹

Key topic addressed during the FEE	How can local actions related to this topic be underpinned by the GOLD VI principles for equality?
<p style="text-align: center;"><u>Defining a new governance architecture</u></p>	<ul style="list-style-type: none"> ● Adopting a right-based approach can empower LRGs and stakeholders to advocate for and protect the rights of local communities, and incorporate a human rights perspective in decision-making processes and policies. ● Addressing the spatial dimension of inequalities can help to engage and empower marginalized communities to participate in decision-making processes. ● Promoting a new culture of subnational governance can foster a culture of collaboration, cooperation, and mutual accountability among all stakeholders, including LRGs, civil society organizations, and the private sector. It can strengthen the capacity of LRGs to effectively manage local affairs and engage with diverse stakeholders. ● Adopting an adequate financing and investment architecture is important to develop a financing and investment framework that supports the goals and objectives of the new governance architecture and explore innovative financing mechanisms and partnerships to mobilize resources for local development. ● Engaging with time can ensure that decisions reflect the current needs and aspirations of local communities and can allow a long-term perspective by integrating sustainable development goals into local planning processes and policies.
<p style="text-align: center;"><u>Management of crisis and complex emergencies</u></p>	<ul style="list-style-type: none"> ● Adopting a right-based approach can ensure that emergency response efforts are inclusive, non-discriminatory, and respect the dignity and well-being of affected individuals and communities and empower local actors to advocate for the rights of those affected by the crisis. ● Addressing the spatial dimension of inequalities can help to implement measures to ensure equitable distribution of assistance and recovery efforts. ● Promoting a new culture of subnational governance can enhance the role of LRGs in decision-making processes, ensuring their active participation in crisis response and recovery efforts and promote transparency and accountability in governance structures and decision-making processes related to crisis management. ● Adopting an appropriate funding and investment architecture can allow for the exploration of innovative funding models, partnerships to maximize available resources and ensure their efficient use.

¹ This analysis is based on the findings of the 2022 [GOLD VI report](#), the flagship publication of the organized constituency of LRGs, produced in partnership with Knowledge in Action for Urban Equality. The key notion is that for local actions of any kind to advance urban and territorial equality, they must be based on a set of principles, related to the notions of rights, space, governance, finance and time. The five principles in their entirety can be found [here](#).

- Engaging with time can help to learn from past crisis experiences to inform current emergency management strategies and to integrate climate resilience strategies into crisis response and recovery efforts to better prepare for future emergencies.

4. Policy orientations: Key takeaways

i. The crisis of multilateralism and peace is tied to a model based around national governments

The systemic crisis that we are going through calls for a renewed dialogue between local, regional, and national governments, since multilateralism is currently based around national interests. As we are currently seeing, the order that stems from World War 2 has been unable to maintain Peace and ultimately reduce inequalities. LRGs and intergovernmental organizations are challenged, and often opportunities for peacebuilding are found at the local level. Local actors have an intimate contextual understanding that is necessary and critical for lasting peace outcomes, and local and regional governments are essential to envisioning solutions for the current state of polycrisis.

ii. A local-global coalition for a more inclusive multilateral system is needed to change the rules of the game.

Transforming the current governance structure means expanding the agenda of the international governance system. This entails reforms to reflect what affects communities' daily realities. To this end, it is becoming critical to place human rights at the centre, and the way to do this is by rallying all non-state actors -local and regional governments, academia, NGOs-around the SDSGs, and towards the upcoming policy processes. The role of non-state actors needs to be inclusive towards each other, opening spaces for participation and enhancing partnerships to ensure that

this platform is born. The upcoming Summit for the Future, to be held in 2024, represents a galvanizing moment for the renewal of governance. The UN Secretary-General's Our Common Agenda represents a huge opportunity to partner with civil society at the grassroots level, building trust in institutions, we need to look at innovative mechanisms and ensure that people recognise that institutions are responding to their needs and how to amplify that sentiment.

iii. Supporting local and regional governments for accelerating the fulfillment of the Global Agendas

The exercise has made clear that LRGs are aware that they cannot achieve the global agendas and particularly the UN Sustainable Development Goals (SDGs) alone. It is about supporting each other, all spheres of government, civil society, and communities and investing in the governance architecture we aspire to create - not only in times of crisis. For this, it will be essential to ensure continuous dialogue amongst all actors at each stage of the renewal process to enhance ownership, trust and accountability and ensure that a new multilateral system is one that reflects the views of all.

iv. Gender equality at the heart of a renewed social contract.

A renewed social contract will not be possible without women's empowerment ensuring gender equality and opportunities for all. Including the voices of women and children in decision making processes, facilitating participation of women in leadership positions is just one of the steps

needed to renew our governance architecture. To this end, LRGs can play a key part in fostering gender equality through governance practices, including grassroots women within local policy making, and fostering care services to tackle gender norms and promote access to opportunity for women and girls. Thinking of what are the rights and social public services that our collective must protect and strengthen for the whole of society will also be key, thus making sure that the most marginalized are not left behind.

v. *Local and regional governments and their networks need to be at the heart of global decisions*

LRGs and their networks believe there is a strong role that they can play bringing the voice of communities in the international forums. It is the level of government closest to the people, and it can bring local voices to the global decision-making tables. In this regard, the role of LRGs will need to transform from engaging in consultations to becoming a true partner of the international system. To this, the international system needs the political will to recognize LRGs beyond the sideline in documents but as a key partner in global development for the governance of peace, security, economic opportunities, and managing conflict.

vi. *A global financial ecosystem that works for all populations*

The renewed global governance ecosystem needs to be able to adequately fund the services that communities need. The current multilateral system is facing incredible challenges, and we are off track from ensuring that the global agendas are financed. To respond to the inequity in income distribution, and the challenges often faced in developing policies that curb inequalities, the current global finance ecosystem needs to be reconsidered to be

more open, more transparent, and more inclusive. The taxation frameworks and mechanisms need to be rethought to disengage from a model of profit maximization; envision a new way of measuring wellbeing, and empower non-state actors and finance the goals. Only then will we be able to make our current models less vulnerable to private interests that often clash with the common goods.

vii. *A renewed global framework for governing emergencies*

Multilevel governance systems need to be prepared for addressing the new demands of responding to complex emergencies (climate breakdown, health emergencies, security and energy crisis, crisis of rights and citizenship for communities). It is essential to transform multilateral institutions that address emergencies, and this calls for including LRGs, and non-state actors into spaces that are traditionally still held by national governments, including the United Nations Security Council. It is critical that supranational institutions such as the World Bank, UNDC, or the Red Cross, are engaged in dialogues with LRGs.

viii. *A renewed governance of the New Essentials*

The new essentials are innovative public services that our constituency must protect, strengthen and promote in alliance with the whole of society. It is necessary to foster an institutional change that allows for the proper management of the new essentials. The role of LRGs in providing services such as **housing, universal health coverage, education, decent work, inclusivity, and the right to food and water is critical to ensure that they properly reach our populations.**

These new public services need to be at the heart of multilateral discussions and

multilevel agreement. The goal must be, once identified and agreed upon, to manage these as a global public good. The governance of the new essential means, in many cases, reassessing the role of the public sector, removing them from the logic of the market. Healthcare needs to be delivered to all, regardless of legal status or income; housing needs to be decommodified and brought back to communities, managed through institutions that place shelter as a human right; food and water need to be understood beyond profit, and away from market fluctuations, and work and digital inclusivity need to be addressed beyond their service to private companies, with a focus on the delivery of services, the results

ix. Enhancing local and global governance to rebuild trust

The renewal of the international system is tied to the efforts done at all levels to rebuild trust between communities and their institutions. The conversations around governance need to be tied to those around the renewal of local democracy, to those around citizenship; and the renewal of the multilateral system needs also to respond to needs of communities, and not just national interests. A governance architecture that addresses the provision of basic services and protection of common goods will also be one in which communities trust. It is the duty of LRGs to uphold the renewal of trust

between communities and institutions, as first respondents and representatives of the citizens. To this end, LRGs also need to be the actor that listens to the decisions that are moving forward on decision-making with young people, with horizontality, In this way we seek to contribute to the development of critically aware communities, where the voice of our young people is at the heart of the local agenda

x. Subsidiarity as a critical element for a cooperative governance

The current multilateral system places a disproportionate emphasis on the Nation-State, who is currently the actor that leads the allocation of powers and responsibilities. This, in turn reduces the necessary roles of both supranational and subnational governments. The renewed governance architecture needs to understand that there are social and political issues that need to be dealt with at the level closest to communities.

The values of decentralization, subsidiarity, self-government and accountability are at the heart of the transformations that the international system needs. They are critical to meet the expectations of our communities, to ensure that local visions are met at the international sphere, and to restore confidence in our governments.

5. Pool of resources

Title
UCLG, KNOW (2022). GOLD VI. Pathways to urban and territorial equality: Addressing inequalities through local transformation strategies.
UCLG Town Halls (2022). “Trust and Government Policy Paper”
UCLG (2022). The Pact for the Future of Humanity
UN (2022). Secretary-General’s Report on “Our Common Agenda”
Mid-term review of the Sendai Framework for Disaster Risk Reduction