



**UN Major Group for Children and Youth**  
**Intervention at the Open-Ended Informal Consultative Meeting for Habitat III**  
***Enhancing Financing and Other Means of Implementation,***  
**Municipal Finance and Local Fiscal Systems**  
29th April 2016

Thank you for giving us the Floor

The UN Major Group for Children and Youth would like to share some views and concerns about the discourse and deliverables in regard to these thematic areas.

**Question 1 regarding Importance of National Governments**

All levels of government should work together in a horizontally and vertically integrated manner to develop legislative frameworks to enable direct access to international public finance, and to raise direct revenues through domestic resource mobilisation.

We advocate for fiscal and monetary policy realignment to create liquidity through frameworks that are people centered and planet sensitive. Such initiatives need to price and internalise social and environmental externalities.

Specific policy interventions include:

- For Fiscal Policy- *Ecological Tax Reform- Shifting the tax base and collection from the value addition and labour to extraction and pollution.*
- For Monetary Policy- *Adoption of UNEP's ERISC- Ecological Risk Integration to Sovereign Credit. The trends in municipal extra territorial ecological footprints of governments, and functional territories play a determining role in their rating.*

**Question 2 regarding Importance of Key Actors**

Legislative frameworks focused on PPP's should operationalise the "do no harm" principle.

Perverse incentives by governments to treat contingent liabilities from PPP's as "off balance sheet" are unacceptable as it undermines communities and amounts to unsound fiscal management.

In addition, any partnership before formulated and during its implementation should be subject to ex post and ex ante community-based assessment and scrutiny of its economic,

social, and environmental impacts within the bounds of environmental thresholds and biocapacity.

Such an assessment should also include the distribution of value created and loss incurred between the public, community and private parties.

### **Question 3 regarding Integration of planning & finance**

Many marginalised groups, including grassroots actors, lack knowledge of municipal fiscal and planning systems, as a consequence they cannot access available financial government subsidies or in turn contribute to the municipal revenue systems, or enter PPPs.

It is necessary to pursue fiscal capacity building at the grassroots with a particular focus to women's groups since they are highly over-represented in the informal economic sector.

Governments should Facilitate partnerships between grassroots women, local authorities, and technical experts to build the capacity of women's groups and provide them designated spaces to participate in monitoring and financing systems at all levels.

Thank you