

PRESS RELEASE

Innovation, Proximity and Solidarity: Local Economic Development as Immediate Response

#BeyondTheOutbreak

Local and regional governments are playing a key innovative role in giving impetus to the maintenance and reactivation of local economic development systems. They are taking the lead in providing financial support to economic actors as well as to the most vulnerable citizens by fostering social dialogue together with civil society in the economic recovery.

The 10th Live Learning meeting on 30 April was hosted as usual by UCLG, Metropolis and UN-Habitat, with the UCLG Committee on Local Economic and Social Development. This live learning session demonstrated **how local and regional governments are acting to provide financial support to the economic community** and businesses through loans, assistance to access the financial market and providing grants to employees. It further showed the important range of innovative actions taken by local and regional governments as part of their immediate response to the pandemic in fostering social dialogue, safeguarding public services and protecting workers. The session highlighted policies based on solidarity and proximity, at the level closest to citizens, putting action for the most vulnerable first.

Maimunah Sharif, Executive Director of UN-Habitat, recalled that local economic development is not just a matter of economy, but needs to focus on citizens. She indicated that Local Economic Development should be the commitment of all city leaders and everyone. *"We owe vulnerable communities the promise that we will create the space and opportunities for new jobs and more jobs,"* she said.

Emilia Saiz, Secretary General of UCLG, stated that many citizens work under insecure conditions. It will be critical to further rethink an economic model based on local, small businesses with cities supporting each other and harnessing the potential of territories.

Sangheon Lee, ILO Director of Employment Policy Department, shared the four pillars of ILO to fight the pandemic: lending and activating financial support to specific sectors including the health sector extending social protection for all, implementing employment retention measures and providing financial support for enterprises. He further emphasised the need to protect workers in the workplace,

expand access to paid leave, and utilize social dialogue through collective bargaining and labour relations institutions and processes.

The first round table was moderated **Emilio Rabasco**, of the Andalusian Fund of Municipalities for International Solidarity (FAMSI) who identified the key challenges for local economy and employment, and mitigation responses.

Njabulo Sithebe, Premier's Special Economic Advisor, Gauteng region, South Africa, presented the city-region's economic and social stimulus responses which included support for people during the post-lockdown period and helping them access new markets. He recalled that Johannesburg was among the most unequal societies and that COVID-19 exposed the areas of weakness such as urban residents having nowhere to live.

Dave Smith, Head of Sheffield City Region, in the industrial heartland of the United Kingdom, said that the main challenge remains sustaining business, as the risk of unemployment is very high. He emphasised the need for collaborative leadership between national and local governments.

Carolina Durán, Secretary of Economic Development Bogota Municipality, Colombia, shared the main highlights of the programme Bogota Solidaria en Casa, including the transfer of cash for those in the need, as well as the reactivation of the economic system to ensure employment in present and post period.

Onur Eryüce, Counsellor to the Mayor of Izmir Metropolitan Municipality, Turkey, shared insights from the organised response from their local government, including supporting entrepreneurship and innovation, agriculture through cooperatives and municipal corporations aiming to increase economic activities in their cities and with other cities around the world.

Darko Mrvaljevic, Councillor of Danilovgrad Municipality, underscored some quick wins for the city, including fiscal relief measures and reducing taxes for many businesses through complementary financial support and local tailor-made interventions. Public-private solidarity, a voluntary cut from the salaries of local staff, medicine provision from the Red Cross and financial transfer to vulnerable populations were also other innovative immediate measures at the local level

Emilia Saiz, Secretary General of UCLG, opened the second part of the session highlighting the importance of the 2030 Agenda as a framework that remains valid for the post-COVID era, and arguing that it is up to local and regional governments to protect it She also mentioned that, in spite of the diverse initiatives showcased in the exercise, it was essential to highlight what they had in common. *"The protection of those that suffer most, the protection of jobs, and the importance of solidarity and international aid is critical to respond to the outbreak and beyond"*

The Mayor of Seville, **Juan Espadas** addressed how Seville and Spain as a whole were entering the de-escalation phase, and how local governments had now the responsibility to start planning for the return to economic activity. He highlighted the need to reduce unemployment and business closures in the short term, and work on creating jobs closer to consumers and reducing the ecological footprint in the aftermath, with the 2030 Agenda as a framework.

Victor Everhardt, Deputy Mayor of Amsterdam. introduced the idea of the “1.5 metre society”, in the aftermath, highlighting how the new normality will look. He stated that many sectors will not return to their previous success and that Amsterdam was already looking for new job opportunities for this new normal in order to build back better.

Garth Frizell, Councillor, Prince George, and Vice-President of the Federation of Canadian Municipalities (FCM) addressed how FCM was providing support to municipal workers, through on-line training courses, and looking for ways to support local governments prepare courses and projects and contribute to local economic development programmes. Support for small and medium enterprises was also a key priority for FCM.

Mohamed Sefiani, Mayor of Chefchaouen and Chair of the UCLG Forum on Intermediary Cities highlighted how, in the pandemic aftermath, priorities needed to change, and called for reinforcing green, and circular economies to reinforce a true ecological transition in order to create a more dynamic local economy.

Laxmi Karkhadkar, Mayor of Panchgani, addressed the critical impact of the COVID-19 pandemic in a city that has a strong tourism sector, and highlighted the experience of supporting local cooperatives and providing work to local workers in the aftermath to reduce dependence on tourism and develop a new model of growth.

Josep Mayoral, Mayor of Granollers, highlighted a two-fold programme to recover from the impact, an economic “shock plan” for the short term to alleviate the worst effects, and a long-term “city pact” among all stakeholders in order to build back from the identity of the city. **Elvira Dolotkazina**, Vice-Mayor of Nizhnekamsk highlighted the measures taking by her city to save jobs, including a centre of development of entrepreneurship to help small and medium enterprisers in the midst of the outbreak, and providing PPE equipment to local businesses.

The session was closed by partners from UNDP-ART and ILO. **Andrea Agostinucci**, from UNDP-ART commended the initiatives showcased in the session, and called for placing resilient local and urban economies at the centre of efforts for rebuilding, and to apply knowledge from the territorial perspective.

Pierre Martinot-Lagarde, Advisor, ILO, addressed some critical elements of response, in his view, including placing value on local public service provision and highlighting the importance of local economic development and local actors, preserving business environments, through social dialogue and trust among stakeholders with disparate interests.

In this wrap-up segment, both speakers addressed some of the key priorities for local economic development in the future: supporting and avoiding the disappearance of small businesses and job creation; promoting innovative businesses; improving working conditions and supporting and acknowledging care-related work; and rethinking models of consumption and production, supported by new technologies were among the key lessons that should be addressed in the recovery.

Cities were called to upload their experiences in the platform www.citiesforglobalhealth.org where over 300 cases can be found.

The live learning exercises will continue throughout May,

About Live Learning Experience Series:

The Live Learning Series hosted by UCLG, Metropolis, and UN-Habitat, has brought together more than 2,000 participants over the course of ten sessions in which participants from local and regional governments, the UN system, and partners from civil society shared their experiences, initiatives, and actions to support their communities facing the pandemic through the provision of key basic services.

The series started late March and cities across the globe have shared their experiences, initiatives and actions in response to the pandemic. They also shared their frontline views on how cities may transform beyond the outbreak. More information [here](#)

About United Cities and Local Governments (UCLG)

UCLG is the global organization of local and regional governments and their associations that represents and defends their interests on the world stage. Representing 70 per cent of the world's population, UCLG members are present in all world regions: Africa, Asia Pacific, Europe, Eurasia, Middle East-West Asia, Latin America and North America - organised in seven continental sections, a metropolitan section and a regional forum. This network covers more than 240,000 cities, regions and metropolises and more than 175 local and regional government associations present in 140 countries. UCLG includes among its main areas of political interest local democracy, climate change and environmental protection, the achievement of Sustainable Development Goals, the role of culture in sustainability, local finance, urban development and city diplomacy for peacebuilding. Visit www.uclg.org and follow [@uclg_org](https://twitter.com/uclg_org) for more.

About UN-Habitat

UN-Habitat is the UN agency focused on our cities, towns and communities. UN-Habitat works in over 90 countries supporting people in cities and human settlements for a better urban future. Working with governments and local partners, its high impact projects combine world-class expertise and local knowledge to deliver timely and targeted solutions. The 2030 Agenda for Sustainable

Development includes a dedicated Goal on cities, SDG 11 – to make cities inclusive, safe, resilient and sustainable. Visit www.unhabitat.org and follow [@unhabitat](https://twitter.com/unhabitat) for further information.

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