Mayors Migration Council

BRIEF:

MUNICIPAL FINANCE FOR MIGRANTS AND REFUGEES: THE STATE OF PLAY

AN OVERVIEW OF THE BARRIERS FACING CITY GOVERNMENTS AND A PATH FORWARD FOR BUILDING MORE INCLUSIVE CITIES

April 2022

in partnership with

UCLG United Cities and Local Governments

UNCDF Unlocking Public and Private Finance for the Poor

UN-HABITAT

Credits and Acknowledgments

This report was prepared by Samer Saliba and Vittoria Zanuso of the Mayors Migration Council (MMC) with the support of Delivery Associates.

This report was designed by Huemul Estudio.

This report greatly benefits from the insights shared by experts from UN Human Settlements Programme (UN-Habitat), United Nations Capital Development Fund (UNCDF), United Cities and Local Governments (UCLG), the Inter-American Development Bank (IADB), and the World Bank, as well as by city officials from Estación Central, Chile; Jakarta, Indonesia; Amman, Jordan; Mexico City, Mexico; Freetown, Sierra Leone; Zurich, Switzerland; Bristol, United Kingdom; and Los Angeles, United States.

The MMC thanks Jaffer Machano of UNCDF, Lennart Fleck of UN-Habitat, Serge Allou of UCLG, and Soraya Goga of The World Bank for their contributions.

Front and back cover: Medellin, Colombia.
A grantee of the Global Cities Fund for Migrants and Refugees.
Credit: Juan Alberto Casado, iStock Photo.

Content

With funding from the Global Cities Fund for Migrants and Refugees, the Addis Ababa City Administration is connecting the Koyefeche IDP settlement to the city's water lines.
Credit: Samer Saliba for the Mayors Migration Council.

About

The Mayors Migration Council (MMC) is a mayor-led advisory and advocacy organization that aims to accelerate ambitious global action on migration and displacement through city diplomacy and practice, creating the conditions for urban migrants, displaced persons, and receiving communities to thrive.

To fulfill this mission, we support mayors to i) access and influence State-led diplomatic processes most relevant to migration and displacement; ii) secure financial and technical resources to implement global migration and displacement goals locally; iii) elevate mayoral leadership on the international stage through global communications; iv) generate and disseminate knowledge grounded in local experiences; and v) build relationships with local and global champions.

Created by mayors for mayors, we are a nimble team of political advisors and urban practitioners led by a Leadership Board of global city leaders, including the mayors of Amman, Bristol, Freetown, Kampala, Los Angeles, Milan, Montreal, and Zürich. We are managed as a sponsored project of **Rockefeller Philanthropy Advisors** and operate with the institutional support of **Open Society Foundations,** the **Swiss Agency for Development and Cooperation**, and the **Robert Bosch Stiftung,** in addition to other project-based donors.

For more information visit **www.mayorsmigrationcouncil.org.**

Many Venezuelan refugees are finding refuge in Ecuador's cities. Through the Global Cities Fund for Migrants and Refugees, Quito ratified its first city-wide human mobility plan. Credit: Glenn Specht, iStock Photo.

Foreward

More than 70 percent of the world's population will live in urban areas by 2050. By that same year, some estimates suggest that more than one billion people could be displaced due to the climate crisis. Many of these journeys will lead to cities, which are already the primary destination of migrants and home to 70 percent of the world's refugees, internally displaced persons (IDPs), and stateless people.[1]

As well documented by the UN Secretary-General's Report on the Global Compact for Safe, Orderly and Regular Migration,[2] local governments play an '"instrumental role" in creating the conditions for migrants, displaced people, and receiving communities to thrive and 'must be seen as allies in efforts to promote and implement the Compact.'

But city leadership far exceeds available resources. While estimates vary by region, the World Bank projects that local governments may have lost up to 25 percent of their annual revenues in 2021 alone due in large part to the Covid-19 pandemic.[3]

Cities also face systemic barriers to access finance. Locally, city governments have limited channels of own-source revenues (OSR) and often lack the capacity to prepare projects that are financially attractive for investors. At the national level, central governments often restrict their borrowing ability. Internationally, most financial investment mechanisms require national sovereign guarantees or high levels of credit worthiness that cities—especially those in low-income countries—rarely have.

There are a few strong examples of international mechanisms that are directly accessible to city governments, such as the **International Municipal Investment Fund**[4] of the UN Capital Development Fund (UNCDF) and United Cities and Local Governments (UCLG), or that focus on migration and displacement, such as the **UN Start-Up Fund for Safe, Orderly and Regular Migration (Migration MPTF)**,[5] but mechanisms that are both accessible to city governments and have this thematic focus are rarer. These include the **Lives in Dignity Grant Facility** set up by the

European Union (EU) and UN Office for Project Services (UNOPS),[6] or the **Financing Durable Solutions Initiative for Forcibly Displaced Persons and Host Communities**[7] created by UNCDF and the UN Refugee Agency (UNHCR).

To model behavior and send a positive signal to the field, the Mayors Migration Council teamed up with C40 Cities Climate Leadership Group (C40 Cities), the UN Migration Agency (IOM), UCLG, the United Nations Human Settlements Programme (UN-Habitat), and UNHCR, to set up the **Global Cities Fund for Migrants and Refugees** (GCF),[8] a mechanism to address the unmet needs of cities as they support migrants and displaced people. By directly funding cities to implement projects of their own design, the GCF builds precedents of fiscal feasibility in city governments that are often disregarded by donors with low risk tolerance. With nine city grantees, five more on the way, and an active pipeline of over 20 projects, in less than two years the GCF tripled its initial amount and built a marketplace of investment-ready, city-led solutions.

Despite the impact and scaling potential of the GCF, the significant finance gap for city-led inclusion of migrants and displaced people requires a fundamental shift in how governments, donors, and global institutions partner and operate. This type of systemic change does not happen overnight—it requires a multi-year, multi-strategy approach and a movement of innovative disruptive leaders behind it.

This report aims to provide a small starting point in this direction. It explores the municipal finance landscape for migration and displacement, discusses the barriers cities face when accessing resources and their mitigation strategies, and puts forward concrete recommendations to unlock a virtuous cycle for financing more inclusive cities.
With the support of our like-minded partners UCLG, UNCDF, and UN-Habitat, we hope that this resource provides helpful insights for a path forward.

Vittoria Zanuso
Executive Director,
Mayors Migration Council

Acronyms and abbreviations

C40 CITIES
C40 Cities Climate Leadership Group

DAC
Development Assistance Committee

EBRD
European Bank for Reconstruction and Development

FD
Forcibly Displaced

GCF
Global Cities Fund for Migrants and Refugees

IADB
Inter-American Development Bank

IFC
International Finance Corporation, World Bank Group

MMC
Mayors Migration Council

MIGRATION MPTF
United Nations Start-Up Fund for Safe, Orderly and Regular Migration, or UN Multi-Partner Trust Fund

Daily wage workers on their way to work.
Adilabad, Telangana, India.
Credit: Sujeeth Potla, Unsplash

MPTF
Multi-Partner Trust Fund

OECD
Organization for Economic Co-operation and Development

OSR
Own-Source Revenue

SDG
Sustainable Development Goals

SME
Small and Medium Enterprises

UCLG
United Cities and Local Governments

UNCDF
United Nations Capital Development Fund

UNOPS
United Nations Office for Project Services

US
United States of America

Syrian refugee families transiting through Sentilj, Slovenia.
Credit: vichinterlang, istockphoto

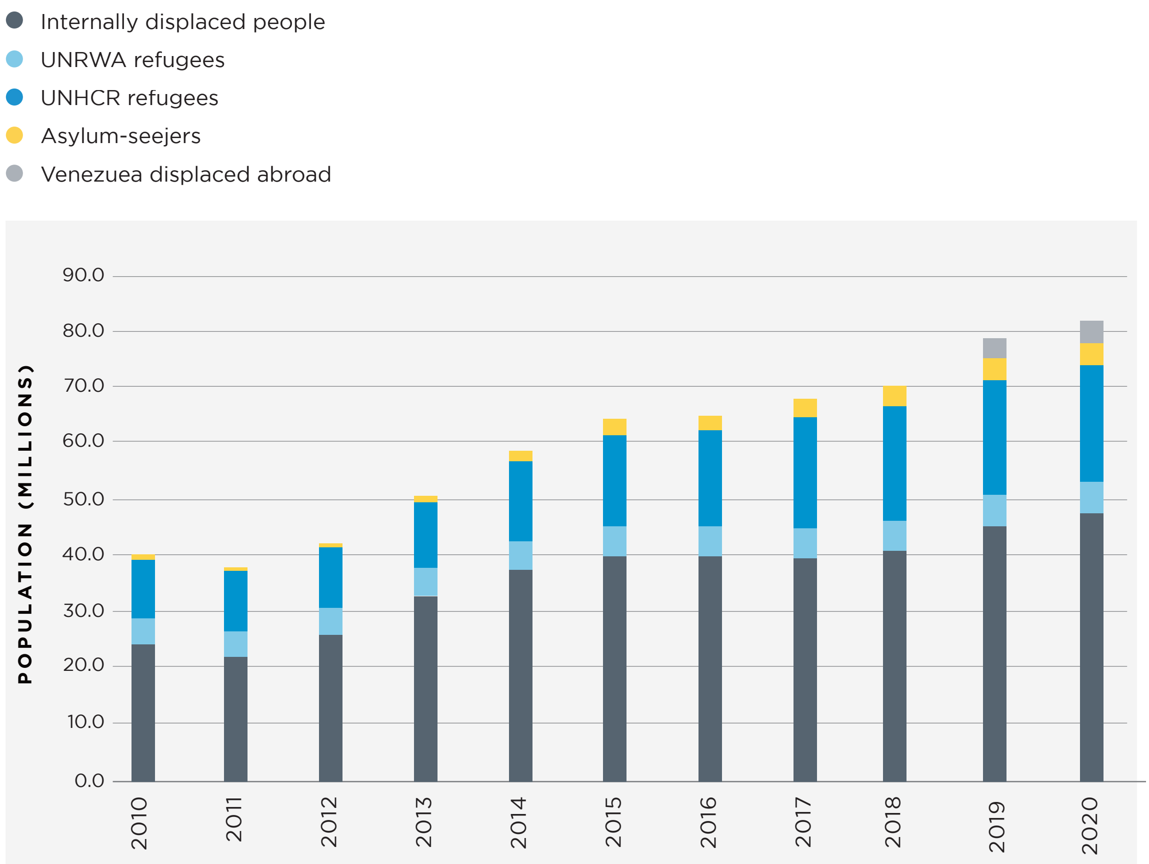
Introduction

In the last 30 years, the number of international migrants has more than doubled. The current global estimate is that there were around 281 million international migrants in the world in 2020, which represents 3.6 percent of the global population.[9]

It is also projected that over one billion people around the world could be displaced by 2050 due to the climate crisis.[10] Meanwhile, 82.4 million people worldwide were forcibly displaced at the end of 2020 because of persecution, conflict, violence, human rights violations, or events seriously disturbing public order.[11] Today, over one percent of the world's population, 1 in every 95 people, is now forcibly displaced. Among them are nearly 26.4 million are refugees, around half of whom are under the age of 18.

Mirroring the growing proportion of the world's population living in urban areas, migration and displacement have also become more urban. Approximately 70 percent of refugees, internally displaced, and stateless people live in urban settings,[12] and one in every five international migrants are estimated to live in just 20 cities.[13] These international migration and displacement movements are further compounded by in-country rural-to-urban mobility. By 2017, 4 billion people lived in urban areas globally. This number is set to grow to over 7 billion people by 2050.[14]

Figure 1. Global forced displacement (at end-year)[15]



While international development, humanitarian agencies, and national governments play an important role in supporting migrants and displaced people, particularly during crisis periods, cities are ultimately their primary destination given the prevalence of economic opportunities, social connections, access to public services and housing options, and the relative individual autonomy that cities provide. Cities can often provide the best opportunities for social inclusion, but they can also further marginalize people in situations of vulnerability, putting them at risk of discrimination, violence, or being trapped in a cycle of poverty.

Recognizing this, city leaders are rising to the task of providing vital urban infrastructure and services to meet the needs of a growing number of residents, particularly within low-income and marginalized areas of their cities. This includes affordable housing, quality education and health services, access to basic utilities, transportation infrastructure and services, as well as ensuring cohesion and peace between increasingly diverse communities.

However, many city governments, particularly those in low-income countries, lack sustainable revenue streams and access to financial resources to address the needs of their most marginalized residents.[16] National government restrictions mean city governments in low-income countries have little freedom to generate and spend money as they see fit, while few international actors are willing to bet on cities, especially on

Street view in Lagos.
Lagos, Nigeria.
Credit: agafapaperiapunta, istockphoto

projects that might promote the inclusion of migrant and displaced communities. The Covid-19 pandemic has further constrained municipal finances. The World Bank estimates suggest city governments saw revenue losses of up to 25 percent in 2021,[17] while respondents of the Emergency Governance Initiative (EGI) survey to 33 territories from 22 countries across all continents reported a 10 percent average decrease in their overall revenue and a five percent increase in their expenses.[18]

Focusing on this issue, this report examines the constraints and opportunities for cities, especially in low- and middle-income countries, to finance projects, programs, and services for migrant and displaced communities. It is organized in two parts:

- **Part I** provides an **overview of the key barriers** cities face when trying to secure financial resources to meet the needs of their migrant and displaced communities and the mechanisms they potentially have at their disposal.

- **Part II** articulates **what needs to change** to better resource city government-led projects focused on the inclusion of migrant and displaced communities. It provides a series of high-level recommendations for different stakeholders that are a relevant part of the solution, together with examples of promising approaches.

Part I:

Understanding the Municipal Finance Landscape for Migrant and Refugee Inclusion

Sources of Funding for Migrant and Refugee Inclusion

Broadly speaking, city governments can finance their programs, projects, and services through three main channels:

- **Municipal revenues,** made up of taxes and fees levied by the city (typically referred to as "own-source revenues" or "OSR") or by the national government (through tax sharing mechanisms) and intergovernmental fiscal transfers, received by the city, from a relevant subnational or national government.
- **Donor funding,** such as grants or donations from national governments, multilateral agencies, or private sector organizations.
- **External financing,** such as issuing debt (loans and bonds) or public-private partnerships.

"Bakhita" by artists Rosk & Loste.
Palermo, Italy.
Credit: Helen Elizabeth Yu

Municipal Revenues

Own-source revenues (OSR)

Most subnational governments, including city governments, have some form of OSR stream, typically in the form of taxes and fees levied on residents. While in developed countries, local taxes represent a large share of municipal revenues (typically 50 percent or more),[19] in low- and middle-income countries OSR typically represents a very small share of total government income (~10-20 percent).

Taxes enforced by cities typically include taxes on property, sales, consumption of goods, and, to a lesser extent, on income. Cities also often charge user fees for services and facilities, regulatory fees to cover the cost of issuing licenses and permits, and development impact fees, imposed on new constructions, among others.

In many countries, cities lack the capacity to regulate and enforce tax and fee collection and complex political environments and dynamics lead to a tendency of preserving this status quo. Establishing and strengthening tax collection systems is a challenging undertaking for municipal policymakers due to the lack of incentives to increase OSR caused by many factors, such as vested interests and an overreliance on fiscal transfers or on grants and subsidies that greatly surpass the short-term potential of setting up OSR collection systems and that can be managed at a lower political cost.

Intergovernmental Fiscal Transfers

Most subnational governments, including city governments, rely heavily on fiscal transfers from national governments, particularly in low-income countries. In 2016, 51 percent of subnational revenue globally was generated through fiscal government grants and subsidies, versus 43 percent through OSR such as municipal taxes and fees.[20] Cities in low-income countries typically generate significantly less OSR and are even more dependent on government transfers, which can often make up between 80 to 90 percent or more of municipal revenues.

In most cases, intergovernmental fiscal transfers are earmarked by national governments for specific expenditure areas, limiting the flexibility of subnational and city governments to direct funds to local priorities. This limits city governments' ability to use such transfers to fund inclusion-focused projects, which are typically not on the top of national governments' priority lists. As the primary revenue source for many city governments, the amounts and conditions of fiscal transfers can then affect the solutions local officials are able to deliver for migrant, displaced, and receiving communities. This is also shaped by countries' degrees of decentralization.

Cities in Chile, for example, have limited political and fiscal autonomy relative to other countries in the region and rely heavily on national government policies and funding flows to attend migrants' needs, not having the authority or the funds to support them themselves.[21]

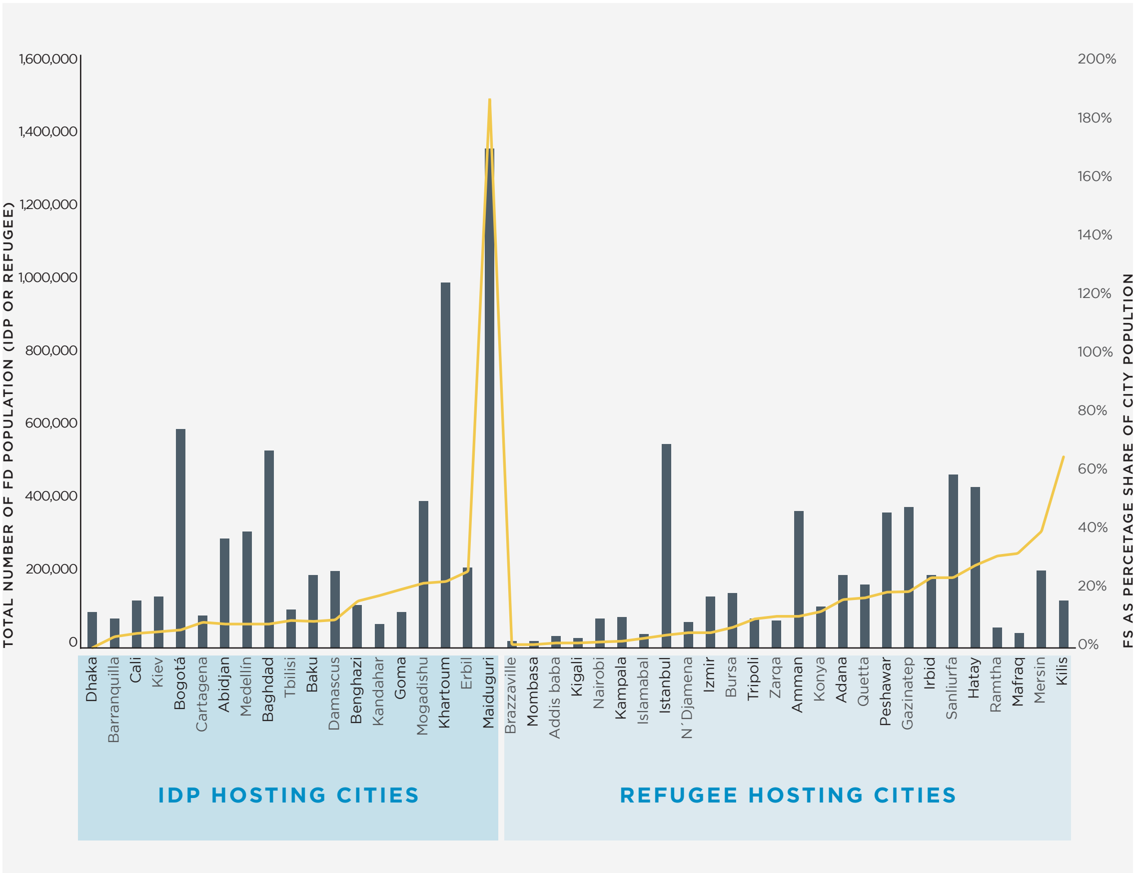
In the UK, the national government transfers funds to cities to support the local resettlement of refugees, but not asylum seekers. While useful, these funds may fall short of British cities' full financial needs, as is the case in Bristol. To close this gap, Bristol has raised additional funding, spent their OSR, and solicited the support of civil society partners to complement core services for refugees and asylum seekers, such as housing, with wrap-around services such as childcare and campaigns against xenophobia and discrimination.[22]

Meanwhile, the city of Los Angeles, California, has a general fund that combines their OSR with state and federal transfers, giving the city greater flexibility when making funding allocation decisions, particularly for social programs that are usually targeted to both host communities and migrants and refugees[23].

Although intergovernmental fiscal transfers are a relatively secure revenue source, they can be unpredictable due to political and macroeconomic cycles. In Freetown, Sierra Leone, a delay in the arrival of intergovernmental fiscal transfers during the pandemic put the city in a precarious financial position and increased its reliance on donor funding to cope with the health emergency, which adversely affected the city's migrants.[24]

Further, intergovernmental transfers to city governments are often based on a formula that includes population size. These formulas tend not to consider population increases and inflows, particularly for displaced populations who are viewed by national governments as "temporary",[25] despite the length of displacement for refugees averaging 20 years and the length of displacement for IDPs averaging over 10 years.[26] This exacerbates the financial challenges of cities experiencing large influxes of displaced people, especially as the cities with the greatest number of displaced people relative to their population size pre-displacement are those in low- to middle-income countries, as Figure 2 shows.

Figure 2. Share of forcibly displaced (FD) in IDP and refugee-hosting cities[27]



Multicultural activities in Iriga City, Philippines.
Credit: Iriga City.

External Funding and Financing

Foreign aid and international private donor funding can be a relevant source for facing emergencies and humanitarian crises, as well as for longer-term migration-related development projects, especially for cities with limited OSR capacity and available resources. The city of Jakarta, Indonesia, for example, relies heavily on NGOs and UN support to provide short-term relief to its refugee residents[28]. The Inter-American Development Bank (IADB) funds have been crucial to support Venezuelan refugees in Latin American cities, particularly in Colombia.[29] The city government in Estación Central, Chile, has also leveraged small donations from philanthropies, foreign embassies and local businesses to support migrants within their limited attributions, connecting them with the relevant national services at arrival and developing small programs to support entrepreneurs and employment seekers.

Figure 2. Potential funding and financial sources for migrant and refugee inclusion at the local level (non-exhaustive)

NAME	AGENCIES INVOLVED	CURRENT FOCUS	MECHANISM
Bloomberg Mayors Challenge	Bloomberg Philanthropies	Innovation around COVID-19 (2021), but typically a variety of urban challenges	Grant funding
Blue Peace	UNCDF, Swiss Agency for Development and Cooperation, Geneva Water Hub	Peace through water resource management	Blended financing
Cities Initiative	IFC	Urban infrastructure implementation and efficiency challenges	Technical Assistance & Investment
City Climate Finance Gap Fund	World Bank, Europe Investment Bank, Global Covenant of Mayors, German and Luxembourg governments	Low carbon, resilient, livable cities	Technical Assistance & Connection to investors
EU Asylum and Migration Fund (AMF)	European Union	Early-integration measures	Grant funding
European Social Fund Plus (ESF+)	European Union	Medium- and long-term integration initiatives	Co-financing (accompanied by public or private financing)
Financing Durable Solutions Initiative for Forcibly Displaced People and Host Communities[30]	UNCDF	Durable solutions for displaced communities in East African cities	Financing
Global Cities Fund for Migrants and Refugees (GCF)	Mayors Migration Council, C40 Cities, UNHCR, IOM, UN-Habitat, UCLG	Inclusive crisis response	Grant funding
Global Concessional Financing Facility	World Bank, EBRD, EIB, IsDB, IMF, UN, supporting countries	Middle-income host countries of refugees	Concessional loans
Global Innovation Fund	CityNudges	Behavioral nudge into tax payments, energy and water consumption	Grant funding
International Municipal Investment Fund (IMIF)	UCLG, UNCDF, Meridian, FMDV	Investment projects and programs of general interest	Blended financing
Lives in Dignity (LiD) Grant Facility	European Union, UNOPS	Development-oriented approaches to new, recurrent and protracted displacement crises	Grant funding
Local Climate Adaptive Living Facility (LoCAL)	UNCDF	Climate adaptation	Performance based financing
Migration Multi-Partner Trust Fund (MPTF)	IOM (MPTF Fund Management Unit)	Implementation of the Global Compact for Safe, Orderly and Regular Migration	Grant funding
Neighborhood, Development and International Cooperation Instrument Global Europe	European Union	Poverty eradication, sustainable development, peace and stability promotion	Grants, blended finance and guarantees
Urban Financing Partnership Facility	Asian Development Bank	Climate change mitigation and adaptation of urban infrastructure projects that benefit the poor	Technical Assistance & Investment
Urban Innovative Actions	European Union	Test new and unproven solutions to address urban challenges in the EU	Grant funding
Urban Planning and Infrastructure in Migration Contexts	UN Habitat, Swiss State Secretariat for Economic Affairs (SECO)	Municipalities hosting displaced populations in Myanmar, Jordan, Egypt and Cameroon.	Technical Assistance / Potential funding
Zurich Development Fund	City of Zurich	Global poverty alleviation, including via city-to-city cooperation	Grant funding

DIRECTLY ACCESSIBLE TO CITIES	MIGRATION AND/OR DISPLACEMENT FOCUS	VALUE
Yes	Not explicitly	Awards $1 million USD to 38 city grantees
Yes (not exclusively)	Not explicitly	Varies
Yes	Not explicitly	$8B USD initiative with loans in the tens of millions
Yes (local governments in developing countries)	Not explicitly	Capitalized at €55M EUR with 33 cities receiving support in 2021
Yes (not exclusively)	Yes	€9.9B EUR available for the 2021-2027 period
No (but regional governments are eligible recipients)	Yes (not exclusively)	€99.3B euro available for the 2021-2027 period
Yes	Yes	To be determined
Yes	Yes	Currently valued at $3M USD across 14 city grantees
No (but cities can be implementation partners)	Yes	$551M USD approved to date with project contributions in the tens of millions
Yes	Not explicitly	Grants of $300,000 USD
Yes	Not explicitly	Varies, with project investments less than $25M USD in value
No (but cities can be implementation partners)	Yes	€24 million EUR to be allocated between 2021 to 2025
Yes	Not explicitly	More than €99M EUR mobilized across over 300 local governments
No (but city governments can be implementation partners and beneficiaries)	Yes	Grants budget between $1M - $5M USD
No (but city governments can be implementation partners and beneficiaries)	Yes (10% for migration-related activities)	Overall allocation of €79.5B EUR
Yes	Not explicitly	Varies
Yes (not exclusively)	Not explicitly	Overall budget of €372M EUR for 2014 – 2020
Yes	Yes	Overall budget of $3.65M USD
Yes	Not explicitly	Varies

Out of the mechanisms described in Figure 2, three stand out as positive precedents for supporting cities on migrants and displaced communities' inclusion efforts, and have the potential for further expansion:

1. **Global Cities Fund for Migrants and Refugees:** The Mayors Migration Council (MMC) teamed up with the UN Migration Agency (IOM), United Cities and Local Governments (UCLG), the United Nations Human Settlements Programme (UN-Habitat), and the UN Refugee Agency (UNHCR) to set up the Global Cities Fund for Migrants and Refugees (GCF), a mechanism to address the unmet needs of cities as they support migrants and displaced people. By directly funding cities to implement projects of their own design, the GCF builds precedents of fiscal feasibility in city governments that are often disregarded by donors with low risk tolerance. With nine current city grantees, five more to be announced in May 2022, and an active pipeline of 20 projects, the GCF acts not only as a funding source but also as a tool to elevate city leadership and actions to a global audience of national governments, humanitarian and development agencies, and financial institutions. The GCF currently features two chapters, the GCF for Inclusive Pandemic Response and the GCF for Inclusive Climate Action. As the GCF expands to cover more regions and topics, it stands to become a permanent marketplace of investment-ready city-led solutions that accelerate the implementation of the Global Compact for Migration (GCM) and the Global Compact on Refugees (GCR).

2. **Start-Up Fund for Safe, Orderly and Regular Migration:** Heeding the call of the GCM to be implemented at local, national, regional, and global levels, the UN established the Migration MPTF. The Migration MPTF is designed to support initiatives that focus on the implementation of the GCM at all levels, with UN agencies serving as grant recipients. Grants vary in size and scope, typically ranging from $1 to $5 million USD or more.[31] With a seat on the Migration MPTF Steering Committee, the MMC worked to ensure the fund's operational manual and project proposal template asserts that proposals will be stronger if they include collaboration with city governments and track, as part of the fund's results framework, the percentage

Clients receive cash transfers as part of Mexico City's Global Cities Fund for Migrants and Refugees project. Credit: Government of Mexico City.

of funded projects that enter into implementation agreements (financial or other) with city governments. As a result of this emphasis, one of the first seven programs financed under the Migration MPTF is a partnership of the city governments of Mexico City and Santiago de Chile, intended to build the capacity of each city government and their stakeholders to promote inclusive livelihoods opportunities. In the future, the Migration MPTF could include city governments as direct recipients, rather than just beneficiaries or implementation partners.

3. **International Municipal Investment Fund:** Established by UNCDF and UCLG and managed by third-party fund manager, Meridiam, the International Municipal Investment Fund (IMIF) channels private sector finance (in the form of equity) towards projects sponsored by cities and local governments that promise to deliver a measurable impact towards the Sustainable Development Goals (SDGs) and the Paris Agreement. For smaller scale projects, the IMIF is also able to mobilize concessional loans from UNCDF's own balance sheet. The fund has a target capitalization of €350 million USD and is designed to support cities with project investments of less than $25 million USD. Prior to project financing, UNCDF is operating a technical assistance facility (IMIF TAF) to prepare the project pipeline for the IMIF and for other investors, and to advance policy and regulatory reforms that expand local fiscal space and create room for other innovations. Although it does not have an explicit focus on migration or displacement, inclusion efforts are aligned to several SDGs. Going forward, the IMIF could include a migration lens into the technical facility so that infrastructure projects are also assessed on their inclusion effects.

For larger investments and infrastructure needs that could support urban inclusion goals, cities usually seek external financing. However, many city governments are hindered in issuing debt by tight fiscal rules or borrowing restrictions imposed by national legislation. Many of these international and national regulations have been implemented to reduce moral hazard and prevent subnational entities (who cannot control monetary policy or offer sovereign guarantees) from overspending and going bankrupt. For those city governments that are allowed to borrow, there are multiple financial mechanisms available, including those described in Figure 2.

More traditional financial mechanisms include loans from domestic or international capital markets, municipal bonds, or concessional loans from multilaterals or development banks (MDBs) that offer more generous conditions (e.g., lower interest rates or grace periods).

The first two, with financing from the private sector, have been more widely used by cities in high-income countries, which usually have more freedom to borrow, more developed capital markets, and fiscal rules that are—or are perceived as—more financially sound. Municipal bonds, for example, have been widely used in the U.S for financing urban expansion since the 1850s, while similar instances have been rare among cities in lower-income countries. Even if these mechanisms have been typically used to finance infrastructure projects, they could be leveraged to help fund initiatives that promote urban inclusion, such housing, public transit, and sanitation projects targeting marginalized communities.

Concessional loans have been used in several cities. In Amman, Jordan, and in Freetown, Sierra Leone, international (blended) financing has been used to finance much-needed infrastructure investments responding to growing populations, such as expanding solid waste services in the first instance (with European Bank for Reconstruction and Development funding) and water and sewage infrastructure in the second (through the Blue Peace fund). In each instance, the loans are leveraged to build and demonstrate financial management capacity within city governments, setting the bases for accessing larger funds. However, many of the loans provided by multilaterals have sovereign guarantee requirements (such as World Bank and Inter-American Development Bank loans) and project cycles and disbursement are usually managed by multilateral country officials and national level agencies (such as Ministers of Finance), in part to mitigate exchange rate risks. Therefore, even if city governments have worked closely with donors and multilaterals, a large proportion of donor funding ultimately tends to be channeled through national accounts, depending on the level of political decentralization in each country. These processes are more likely to encounter the vested interests of national governments, who may prefer to manage international revenues themselves rather than channeling them to city governments.

City governments can also be constrained in the use of these mechanisms by their creditworthiness level (typically equal to, or more likely, lower than their national government's sovereign credit rating), which can be challenging to increase when local revenue is not predictable or stable, when there is low development of financial markets, or fiscal rules are opaque.

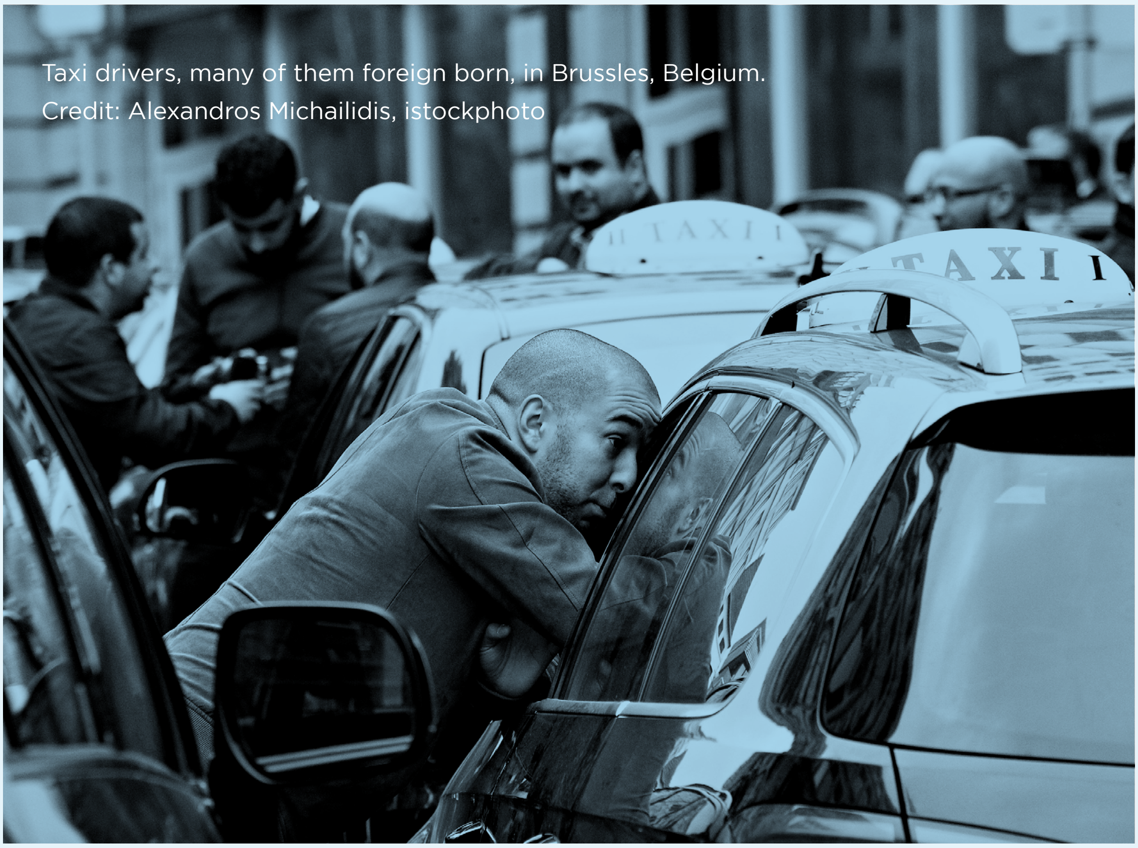
Refugee women learn cosmetology skills at Makasi Rescue Foundation, a refugee-led organization in Kampala, Uganda.
Credit: Helen Elizabeth Yu for the Mayors Migration Council.

Funding and Financing Innovations on Urban Migration and Displacement

Less traditional financing mechanisms begin to address some of these issues and could be used specifically for urban inclusion of migrant and displaced communities. Some that have been used or have the potential to be used by city governments to support inclusion include:

- **Performance-based finance (PBF):** PBF is a financial instrument that makes payment, or part of payment, contingent on successful achievement of predefined outcomes. It contrasts from many forms of traditional funding or financing, which typically provide complete payment for an activity regardless of the result. PBF can take different forms, from aid, to contracts, to bonds. Besides incentivizing performance, PBF enables flexible course correction of programs by setting targets but not dictating the way in which to achieve them. The World Bank has a large performance-based program through which cities could potentially access financial resources for refugee inclusion by working with national governments on designing outcome-oriented projects, such as the one to improve student performance among both Lebanese and Syrian children in Lebanon. The model has also been used by UNCDF in their LoCAL performance-based climate resilience grants for city governments[32] that could be extended to cover migrant inclusion related infrastructure investments.

- **Social impact bonds (SIBs):** a type of PBF, SIBs allow organizations and city governments to raise upfront capital from private-sector investors, charities, or foundations, who receive a return on investment upon the achievement of pre-agreed results. Only if the agreed-upon outcomes are achieved, the government (commissioner) proceeds to payment, transferring the financial risk of non-delivery to the investors. SIBs have been used for migrant inclusion by cities in high-income countries, such as Belgium,[33] Switzerland,[34] the Netherlands,[35] and the US,[36] though there are only a few cases in low-income countries, such as the Educate Girls' Development Impact Bond in India.[37]



Taxi drivers, many of them foreign born, in Brussles, Belgium.
Credit: Alexandros Michailidis, istockphoto

Social Impact Bond for Migrant Mentorship Program in Brussels, Belgium[38]

In 2014, the Brussels Employment Office (BEO) teamed up with KOIS Invest to raise capital for a mentoring program for unemployed migrant youth. DUO, the service provider, matched young jobseekers with an immigrant background with people who could accompany and support them in their job search. DUO's mentees' employment rate was 28 percent higher than that of the control group composed of 4,000+ jobseekers. The program lasted three years, with an investment of €347,000 EUR and an average annual return for investors of four percent. The SIB enabled DUO and BEO to pilot the program, and DUO is now a long-term partner, helping the public sector meet its employment creation goals.

Blended finance: blended finance mechanisms use capital from public or philanthropic sources to create investable opportunities for the private sector in low-income countries that lead to more developmental impacts. By bringing in public or philanthropic funding, these mechanisms reduce the perceived and real risk and improve poor returns (for the risk relative to comparable investments). These characteristics make blended finance mechanisms a potentially interesting resource for cities, that could use national or international funds to leverage private investments for financing projects focused on the inclusion of migrant and displaced communities. Although the overall volume of blended finance is still low at a global scale ($9 billion USD on average per year from 2015-2019),[39] the mechanism was gaining some traction before the Covid-19 pandemic and should continue to grow in coming years after a weaker 2020. In July 2020, the World Bank Group's International Finance Corporation (IFC), in partnership with the government of the Netherlands, launched a $17.5 million USD blended finance investment facility to help de-risk and increase the financial viability of high-impact projects benefiting refugees and their receiving communities.[40] Funds will be invested in programs usually led by cities, like education and livelihoods services, creating an opportunity for city leaders to use the facility to address local needs.

Local pooled financing mechanisms (PFMs): pooled financing is the cooperation between local authorities with a focus on financing local investments (typically infrastructure) through external debt sources. PFMs open opportunities for small and medium size cities and/or cities with low credit worthiness to access capital markets, reducing the cost of borrowing by grouping projects (and risk) through diversification. Mechanisms can be constructed in different ways, from a deal in which two or more cities issue a bond together (but each is responsible for its part of the payment) to creating special purpose vehicles to act as an intermediary between cities and capital markets. The latter has been used in several countries in Europe, which have set up Local Government Funding Agencies that issue bonds in capital markets and lend the proceeds to local authorities. While setting up a PFM can be complex, it has the potential of unlocking greater financing resources for cities, which could be used to prepare for or address growing population needs. In partnership with the African Development Bank, UCLG Africa is currently setting up the Africa Territorial Agency, bringing together some one hundred cities across the continent with the aim of issuing bonds for financing urban projects in rapidly growing African cities by 2026, which could include investments for migrant and displaced communities.

Key Barriers to Municipal Finance for Inclusion of Migrant and Displaced Communities

Cities face several barriers that prevent them from accessing financial resources to support their migrant and displaced communities, impacting both the demand and the supply sides.[41]

Figure 3. Main barriers for municipalities to access funding for inclusion

GOAL	PROBLEM HYPOTHESIS	PRELIMINARY BARRIERS
Increase and improve cities' access to financial resources to support the inclusion of migrant and displaced communities	**Supply:** Limited and often unsustainable offer of financial resources for cities to support migrant and displaced communities	**ONE: Limited familiarity** of investors and funders with municipal finance environments and local inclusion needs
		TWO: Mismatch between supply of financial resources and local needs for inclusion projects
		THREE: Inaccessibility of available financial resources to city governments due to financial requirements or application processes
	Demand: Limited capacity of city governments to access and/or manage financial resources to serve migrant and displaced communities	**FOUR: Lack of knowledge, skills, and incentives** to generate and administer OSR
		FIVE: Limited evidence, policy frameworks, or political support to invest in long-term inclusion and lack of alignment between local and national priorities on social inclusion issues.
		SIX: Low autonomy of city governments to raise OSR or access financial resources for multilaterals or capital markets

1. **Many investors have limited knowledge of municipal finance environments and local needs** due to the lack of market data on investment opportunities, fiscal rules, and/or partners, and consequently may be reluctant to invest at the municipal level.42 Additionally, financiers tend to perceive local inclusion projects as high risk and/or low return compared to other types of projects due to 1) often poorly defined outcome indicators, 2) the complexity associated with estimating the return on investment of inclusion initiatives, 3) questions around city governments' capacity to design financially sustainable programs and be able to implement them and achieve the intended results, or 4) the uncertainty associated with potential changes in migration and displacement responses due to political, environmental or macroeconomic conditions.

2. **There is an apparent mismatch between the existing supply and demand for funding and financial resources.** Local projects are usually too small for financiers (e.g., 45 percent of projects surveyed by C40 Climate Finance Facility and CDP Carbon Disclosure Project are less than $10 million USD43), making them expensive in terms of transaction costs. Many funds target infrastructure investments or crisis response, rather than long-term inclusion. For example, 72 percent of Development Assistance Committee (DAC) funding for refugee hosting was focused on humanitarian rather than development issues,44 and although the Syrian displacement has persisted for a decade, the responses continue to be focused on emergency relief highly targeted to refugee camps rather than more longer-term, coordinated solutions led by city governments.

3. **Requirements and application processes for funding opportunities of multilaterals, international private donors, and investors are not typically set up for city governments.** Typically, development banks such as the IADB and the World Bank have country offices that work in collaboration with national government officials on defining project needs. Frequently, city and local officials are engaged as part of the scoping and prioritization processes, but decision-making power remains at the national government level and funds are channeled to cities through a central authority. In Colombia, for example, cities have received IADB funds to finance migrant inclusion projects such as the creation or improvement of schools and increasing access to affordable home renting,45 but through processes led by the national ministries. Additionally, financial requirements to access loans, both from private capital markets or multilaterals, such as sovereign guarantees46 and certificates of creditworthiness, can be burdensome or impossible for cities to meet.

On the demand side:

4. **City governments have limited capacity to collect** or take full advantage of potential OSR sources,[47] to build and maintain the credit worthiness[48] that would allow them access to capital markets, or to

prepare bankable projects that are attractive to investors. Most city governments have limited financial fluency and/or limited connections in the donor, investor, and general municipal finance landscape. Cities such as Amman, Jordan and Freetown, Sierra Leone have been proactive and intentional in building financial relationships with multilaterals like the World Bank, the EBRD, and UN agencies, but this can be more difficult for secondary and smaller cities, where the administrative capacity of the city government is more stretched.

5. **Many cities lack the evidence base, policy frameworks, or political support** to effectively prioritize inclusion outcomes for migrants and displaced communities and direct adequate funding for long-term inclusion projects and policies.

6. **Many city governments also have limited autonomy to raise, access, or manage financial resources.** It is estimated that between 70 and 80 percent of intergovernmental fiscal transfers, which represent the main revenue source for many cities, particularly in low-income countries, are non-discretionary funds that are earmarked for particular spending priorities, leaving little flexibility for city governments to direct funds towards their own priorities or spend on cross-sectoral initiatives.[49] Additionally, many countries have stringent regulations on municipal borrowing,[50] and provide limited autonomy for city governments to generate their own revenues. Cities in Chile, for example, rely completely on national government policies and funding to support migrant and displaced communities, since they do not have the funds or authority to provide services or support them in their arrival.

Figure 4. Barriers by the numbers

- **72% of the OECD's Development Assistance Committee funding for refugee hosting communities was focused on humanitarian rather than development issues,**[51] which are more related to long-term inclusion initiatives led and prioritized by cities.

- **Only 4% of the 500 largest cities in developing countries are deemed creditworthy** in international financial markets and 20% in local markets.[52]

- **60% of subnational government revenue in low-income countries comes from grants and subsidies**[53] from national governments, and **between 70 and 80% of these are non-discretionary** funds that are earmarked for specific spending priorities, usually within one sector[54] (e.g., education or housing), making it difficult to redirect funds for local emergencies or cross-sectoral inclusion efforts.

- **Only 16% of 160 countries sampled provide significant taxation autonomy** to their local governments.[55]

Every city faces one or more of these barriers to financing for urban inclusion to varying degrees. Barriers and potential solutions are highly context dependent and solutions to these barriers must be considered within the context and specific challenges faced by each city and considering how different barriers interact.

Train departing from Tonggi Railway Station.
Dhaka, Bangladesh.
Credit: Noor Hossain, istockphoto

What's Different about Municipal Finance for Migrant and Displaced Communities?

While this report identifies barriers to municipal finance for the inclusion of migrant and displaced communities, many are barriers to municipal finance in general, preventing cities from accessing resources to support their general populations, including migrants and displaced people. Similarly, the challenges that urban migrants and displaced people face are often the same as marginalized receiving communities, such as inadequate affordable housing or poor access to social services. In these instances, serving migrant and displaced communities over receiving communities may create or exacerbate social tension and cause harm.[56] Nonetheless, the growing rates of both urban migration and displacement require greater investment in city governments to implement projects that focus on the inclusion of migrant and displaced people while mitigating the challenges faced by all marginalized communities and fast-growing, at-risk urban areas.

These projects—and who resources them—will vary in size and scope depending on the context and key characteristics, including:

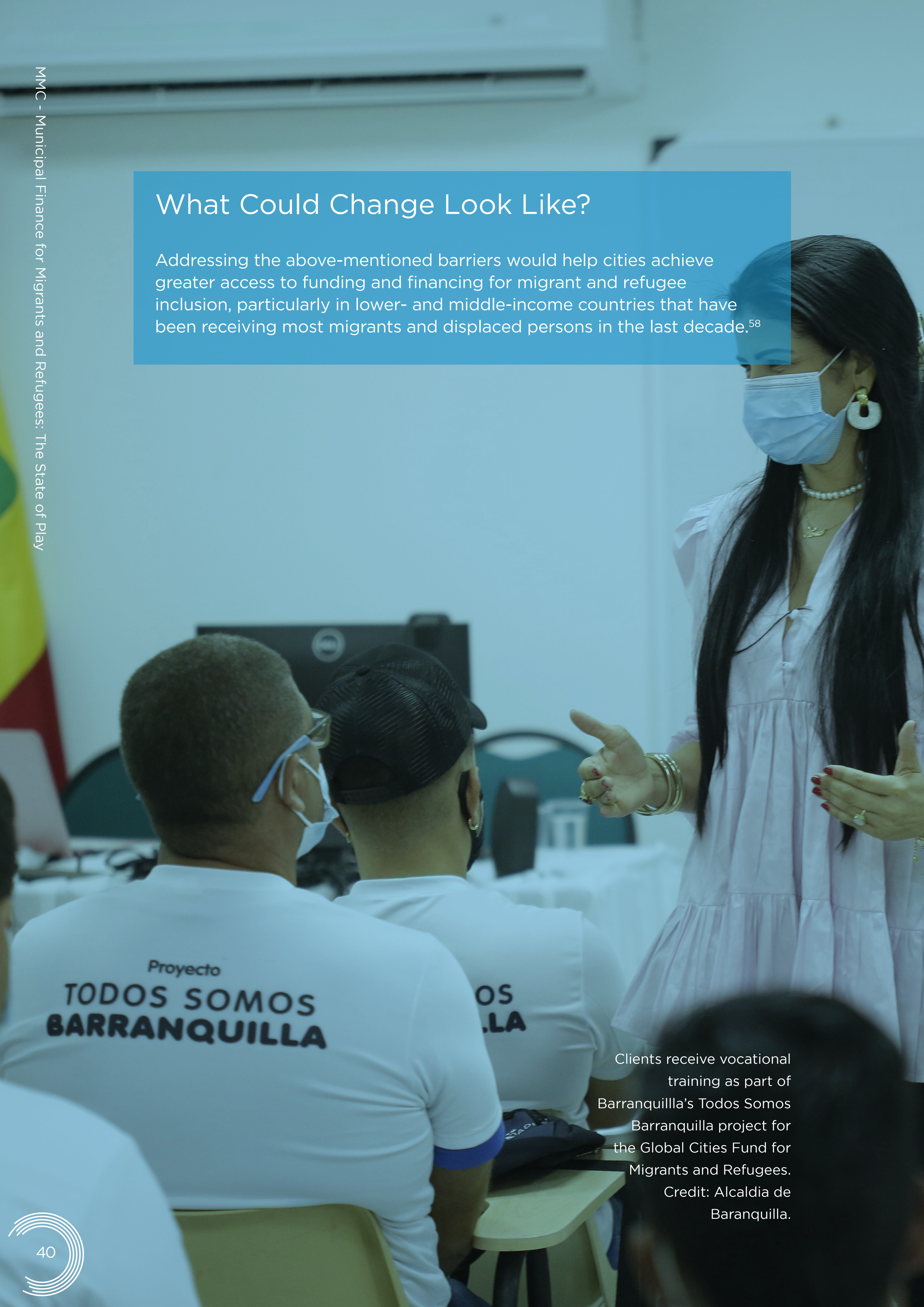
- Voluntary migration versus forced displacement.
- Cities in high-income countries versus cities in low- to middle-income countries.
- Small scale versus large scale inflows.
- Internal versus external migration and displacement.

On one end of the spectrum is a city such as Bristol, UK, where the city government is addressing a financial gap in providing wrap-around services for asylum seekers whose applications have been refused by the national government—a population likely less than 1,000 people. On the other is a city such as Maiduguri in northeast Nigeria, a secondary city which saw its population increase from one million to two million in the space of less than 10 years due to internal displacement. This has caused a physical expansion of the city's borders, resulting in more people living in unplanned and underserved areas of the city.[57] Despite this situation, the Maiduguri Metropolitan Council remains under resourced and on the sidelines of a response led by the international humanitarian community and Nigerian national and state governments, one that has tended to focus on emergency response rather than long-term urban resilience.

While context matters, resourcing an *intentional* focus on city-led and long-term urban inclusion of migrant and displaced communities will allow cities to both respond to and prepare for migration and displacement while addressing broader challenges related to urban growth and marginalization. This is as true for Bristol as it is of Maiduguri.

Part II: Recommendations for Addressing the Investment Gap

Street vendor in Khatmandu, Nepal.
Credit: Corey O'Hara, iStock.



What Could Change Look Like?

Addressing the above-mentioned barriers would help cities achieve greater access to funding and financing for migrant and refugee inclusion, particularly in lower- and middle-income countries that have been receiving most migrants and displaced persons in the last decade.[58]

Clients receive vocational training as part of Barranquillla's Todos Somos Barranquilla project for the Global Cities Fund for Migrants and Refugees. Credit: Alcaldia de Baranquilla.

Figure 5: Addressing the barriers could lead to the following outcomes

PRELIMINARY BARRIERS	WHAT CHANGE COULD LOOK LIKE
ONE: Limited familiarity of investors and funders with municipal finance environments and local inclusion needs	**Donors and investors have an increased knowledge of local projects and more accurate information on the fina**ncial and social value of inclusion of migrant and displaced communities. Investors become more aware of the potential ROI of social inclusion projects. Donors become more aware of local priorities and coordinate efforts with city and local governments.
TWO: Mismatch between supply of financial resources and local needs for inclusion projects	**Cities have a more diverse set of financial resources** available that match their needs in supporting migrant and displaced communities
THREE: Inaccessibility of available financial resources to city governments due to financial requirements or application processes	
FOUR: Lack of knowledge or skills to generate and administer OSR	**Cities have increased capacity** to manage their financial resources and implement local projects focused on inclusion
FIVE: Limited evidence, policy frameworks, or political support to invest in long-term inclusion	**City leaders are equipped with more supportive evidence** of the economic value of inclusion projects and gain political support to prioritize projects that promote inclusion
SIX: Low autonomy of city governments to raise OSR or access financial resources for multilaterals or capital markets	**Cities have more freedom and flexibility** to raise funds and direct their OSR and other revenues to projects focused on inclusion. Cities acquire a greater understanding of how financial markets work and how to meet donor and investor expectations.

Ultimately, addressing the main barriers that prevent cities from accessing funding for inclusion of migrant and displaced communities would support a virtuous cycle of sustainable access to resources and better outcomes on the ground.

Creating a Virtuous Cycle

Unlocking financial resources is a first step to improving cities' capacity to promote long-term urban inclusion. Larger investments and long-term policy solutions will become viable only if cities continuously diagnose local population needs, scope outcome-oriented projects, and prove to be good stewards of the resources directed to inclusion projects.

To appeal both to national government ministries and international financiers, cities will have to present plans and projects that are outcome-oriented and financially viable. To do so, they will need better data and information on what potential financiers are looking for.

Figure 6: Virtuous Cycle

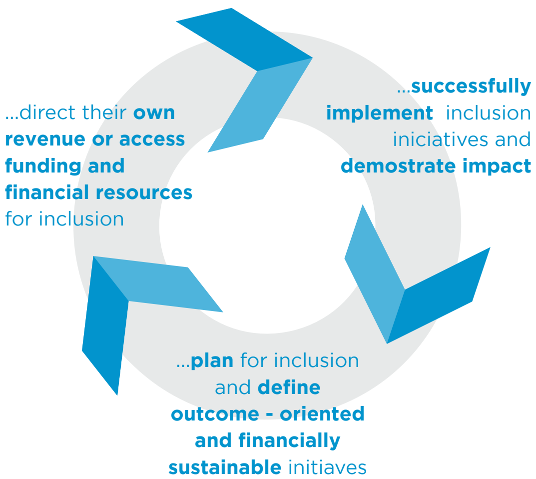


Figure 6 puts forward a simplified theoretical framework. Once cities gain greater access to funding streams by presenting solid investment cases, successfully establishing the connections with potential investors and donors, and adequately funding and financing inclusion projects and policies, they will have to prioritize policy implementation, coordinate efforts with regional and national governments, and demonstrate measurable impact on the ground.

Understanding the main drivers of inclusion and building an empirical understanding of how different policies and initiatives affect outcomes of migrant and displaced communities will help cities further develop their own theory of change for social inclusion and scope projects that are outcome-oriented and more likely to attract funding.

This improved understanding of local needs and capacity to scope more attractive projects will further increase the city's access to resources for investment and reinforce the cycle.

The following case below describes how the city of Freetown, Sierra Leone, has taken steps to take advantage of this cycle.

Syrian refugees in Gaziantep, Turkey.
Credit: City of Gaziantep.

Case Study: Building and Demonstrating Financial Management Capacity in Freetown, Sierra Leone

In Freetown, Sierra Leone, internal displacement during and after the 1991–2002 civil war and rural-to-urban migration have led to a large population growth in the last 40 years. Infrastructure development has not kept pace with the increase in population, leaving critical gaps in sectors such as water and sanitation.

The Freetown City Council (FCC) had limited resources at its disposal to make the necessary investments. The main local revenue source, intergovernmental fiscal transfers, are highly controlled by the national government, so the city does not have adequate flexibility to allocate resources as they see fit, while their OSR generated by local taxes is limited. Applying for loans or issuing bonds is not currently an option, since the city government lacks the credit history, ability to pay, and the national government support, both political and financial, to pursue access to capital markets.

Tricycles being delivered to clients through Freetown's Waste Management Micro-Enterprise Program.
Credit: Freetown City Council.

Faced with these barriers, the city decided to leverage smaller amounts of money to develop and demonstrate their financial management capabilities to funders and investors over time. They have deployed complementary strategies:

- Positioning themselves in the international municipal finance space: the Mayor of Freetown participated in multiple events to build relationships with multilaterals and share the fresh approaches the city was implementing to address gaps in urban inclusion, thereby increasing the city's visibility and credibility among potential funders.

- Applying for small grants and funds: the city's focus has been on relatively small grants that they use to unlock public and private investment for both infrastructure (e.g., Blue Peace Initiative) and non-infrastructure projects (e.g., expanding a waste management micro-enterprise program via the Global Citis Fund for Migrants and Refugees) that helps them demonstrate their capacity to manage larger financial investments in the future.

- Having a strategic plan to guide expenditure and investments: the city uses its three-year Transform Freetown plan, with concrete targets covering issues ranging from tackling environmental degradation to facilitating job creation, to guide their projects. This has allowed them to build the case for investments while using funds with a more integrated and longer-term view (rather than seeing them as a one-time, isolated support).

- Strengthening internal processes: in parallel to other efforts, the city government has also looked to increase their revenue collection by improving property registers and enforcement, and to ensure the adequate regulatory frameworks so that they can partner with the private sector on service delivery or infrastructure maintenance.

Helping cities most in need of resources reach this virtuous circle of urban inclusion will require extensive collaboration between the stakeholders in the municipal finance and migration fields.

Recommendations

Supporting cities to achieve greater access to funding and financing to better serve their migrant and displaced communities requires transformational change within the municipal finance landscape that will not happen overnight. That said, this change begins with the meaningful collaboration between all stakeholders, from city and national officials to multilaterals (i.e., donors), development banks and financiers (i.e., investors) that play a role in migration policy and in city finance. The collaboration of these stakeholders will be key in unlocking resources for urban inclusion.

Below, we present a series of recommendations to decision-makers at each of these groups of stakeholders. We understand that working on multiple potential fronts simultaneously is likely not possible nor desirable and some of the proposed strategies might not be mutually re-enforcing. We urge decision-makers in all levels to consider potential reform entry points, considering their local context, current capacity, and political environment. While there is no universal sequence for implementing these recommended changes, they are relevant to unlocking more resources for financing urban inclusion projects.

City government leaders should:

1. **Work to strengthen municipal finance capacities,** including sound budgeting practices, increased revenue generation, and transparent financial management, with a specific focus on improving the overall quality, reach, inclusivity, and participatory assessment of public service provision. This will open more fiscal room for investments, especially by maximizing the potential of OSR streams, building the case for further investment.

2. **Build relationships with national government officials and other relevant funders and actors in the migration space** (e.g., multilaterals, development banks, or think tanks such as World Bank, IADB, EBRD or OECD) to engage in national and international discussions on migration and displacement policy and inclusion, while advocating for the role of cities and the need for more flexible funding and financing resources to respond to local needs.

3. **Consider a People-in-Place approach to urban inclusion,** linking interventions for migrant, displaced, and other marginalized communities to the places where they reside, while working to better understand these communities' residents' needs to improve the provision and expansion of public services.

Cities need to engage in open dialogue and coordinate their efforts with national governments to properly manage migration challenges. Therefore, national government leaders should:

4. **Engage city officials in policy deliberations about migration and displacement,** to both understand challenges from those working more directly with migrants and displaced communities and better inform policy and funding attributions for local inclusion.

5. **Broker connections between city governments with multilaterals and national or international financiers/donors** to finance their local project needs while supporting them to meet relevant requirements (e.g., providing sovereign guarantees or clarifying fiscal rules) and reducing barriers to access when possible and applicable.

6. **Provide national expertise in support of cities** to help them build financial projects and programs and foster the creation of intermediary financing bodies (such as subnational development banks), while also setting up mechanisms for cities to access external financing sources.

The last important piece of the urban inclusion puzzle—multilateral, national and international development banks, and other organizations that focus on the migration and city finance space—have an important role to play in enabling cities to fund and implement policies and projects that will lead to greater inclusion. These organizations should:

7. **Provide and mobilize, to the extent possible, direct funding and financing for city governments** to support inclusion of migrant and displaced communities.

8. **Support and incentivize cities to embed inclusion into their project priorities and investment plans.** For example, mechanisms that finance urban infrastructure projects should carve out budget to invest in the inclusionary aspects of each project.

9. **Provide or fund technical assistance to cities** to strengthen their capabilities and support them on project preparation and implementation and on financial management, including budgeting practices, revenue generation, and identifying local finance sources and innovative financing models to enable the implementation of small and medium-sized projects with greater agility

10. .**Develop mechanisms to increase city government participation and influence in policy and funding deliberations,** to both increase direct funding opportunities for cities and ensure local needs are considered in project design and implementation.

Case Study: Leveraging Multilateral Funds and Private Sector Investment to Expand Infrastructure and Services in Amman, Jordan

During the past decade, forced migration and displacement, particularly of Syrians and Palestinians, have put pressure on Amman's infrastructure and budget for service delivery.

It is estimated that there are over 300,000 Palestinians without national ID numbers and over 435,000 Syrians in Amman, among whom around 40 percent are registered as refugees.[59] As only Jordanian citizens pay local fees and taxes, this has generated a shortage for funding services for all the city's population (e.g., in solid waste, revenues reach just 50 percent of spending). Moreover, intergovernmental fiscal transfers have not increased in line with the arrival of refugees, so the city has had to look for other sources to complement their revenues, relying on collaborations with the private sector and international donors or multilaterals.

Market in Amman, Jordan.
Credit: urf, iStock Photo.

In focusing their efforts and looking for resources, the Greater Amman Municipality (GAM) has pursued several strategies by leveraging their connections and considering their strengths:

- Maximizing the use of multilateral funds: GAM is intentional in building their network with multilaterals for collaboration, focusing on getting access to non-reimbursable grants or concessional loans given their limited revenue generating capacity. They now have access to European Bank for Reconstruction and Development (EBRD), UN Habitat, and other donors' funding and financing.

- Catalyzing private sector investment: GAM's focus has been securing investments for infrastructure needs. Through the Amman Vision Company, a private company owned and operated by the Municipality, GAM has found success raising and managing private investments.

- Leveraging institutional and regulatory frameworks: unlike other cities in Jordan, GAM is set up as an independent institution, affording the city greater liberties that they have used strategically to connect with the private sector and donors and direct funding and financing towards local priorities.

- Strengthening financial management capabilities to pursue new resources: besides securing external funds, the city is also exploring ways to improve their internal capacity to open new financial opportunities, from HR systems or managerial skills programs to building approaches for issuing municipal bonds and efforts that unlock the city's access to more investments.

Thanks in part to this strategy, GAM recently won the Bloomberg Philanthropies *Global Mayors Challenge*, which awards $1,000,000 USD to cities with the most innovative urban solutions in the wake of Covid-19. GAM's project, entitled "Amman is Listening," will establish a city-wide online participatory forum that allows residents to navigate city services and raise issues directly with GAM. GAM will leverage the project to help refugees better acclimate to Amman and build greater accountability between the city government and displaced residents.[60]

Refugee learns sewing skills as part of entrepreneurship program at Makasi Rescue Foundation.
Kampala, Uganda.
Credit: Samer Saliba

Conclusion

In this era of urban expansion and increasing urban migration and displacement, cities are increasingly asked to do more with less. **To better address the needs of both newcomers and their receiving communities, there is an urgent need to finance and empower city governments whose cities are the primary destinations for migrants and displaced people.**

Barriers for cities' access to funding and financial resources come from both the supply side, in the way investors, funders, and policy and financial deliberation processes are defined and carried out; and the demand side, in the limited capabilities and autonomy that many cities, particularly in low-income countries, must manage their own resources and access external sources of funding.

Expanding city governments' access to resources for the inclusion of migrants and displaced communities will require a transformation in how governments at all levels deal with migration and displacement challenges, adopting a more holistic perspective of what it means to promote inclusion and the value it creates, and diagnosing challenges to adequately target investments and build a stronger case around financing for inclusion.

To increase their investment capacity and improve their creditworthiness, city governments should invest in improving governance and the stewardship of their OSR and fiscal transfers at the local level.

National governments play an important role in this transformation, as they typically hold a large share of government revenues and many of the relationships with multilaterals and development banks. They should grow aware of local migration challenges and support city leaders to fund and implement policies critical to urban inclusion.

Resourcing urban inclusion will also demand a change in the way multilaterals and MDBs conduct their business, as city voices need to be more actively heard and local leaders must become important actors in shaping what investments in urban inclusion will look like. Multilaterals can also play an expanded role in supporting cities to diagnose challenges, scope more attractive and sustainable inclusion projects, and implement initiatives successfully.

Cities have a central role in building a more inclusive society where migrants, refugees, and internally displaced people thrive. This paper is a call for action for cities, national governments, multilaterals, and other organizations working in this space to ensure migration and inclusion policies and projects are demand-driven, outcome-oriented, and financially resourced.

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