

CAPACITY BUILDING WORKSHOP – CITIZENSHIP SERIES

**THE IMPACT OF SMART TECHNOLOGIES IN THE MUNICIPAL
BUDGET: TAX RECOVERY AND ENERGY SAVINGS FOR
BETTER PUBLIC SERVICES**

Nicosia, Cyprus
19 and 20th April 2016

CONCEPT NOTE

co-organised by:



in the framework of:



in partnership with:



THE URAÍA PLATFORM

Launched in June 2014, the Uraía Platform officially started activities in the early months of 2015. In this short time, it has become a useful instrument for cities and their partners addressing the challenge of implementing innovation in municipal management through the use of SMART technologies. The objective of Uraía is to support cities in implementing SMART strategies to improve municipal finances, service management efficiency and increase transparency and accountability, by offering opportunities to share experience, build capacity and develop pilot projects and apps. The Platform constitutes today a network of 60 partners from all around the world, including cities, their associations, research institutions and private sector.

The progressive introduction of the SMART technologies for city management is producing an important impact in local public administration; this fact presents both opportunities and challenges due to the rapidity of change and the difficulties for public administration to follow the pattern of transformation. Contemporarily, and thanks to the use of mobiles, citizens all over the world are increasingly interested in knowing how public goods are managed; and correspondingly local governments are increasingly demanded to deliver more and to deliver better. Uraía's partners recognise the need to communicate more with their citizens and to introduce more transparency to the management of public services, including their cost, their efficiency and how and where taxes are allocated.

THE CAPACITY BUILDING WORKSHOP- CITIZENSHIP SERIES

Once a year, the members of Uraía meet up to discuss a topic that is priority in their agenda and jointly elaborate guidelines, collect practices and assess projects with common elements of interest. In 2014, the Platform partners met in Santander (Spain) to exchange experiences, discuss needs and define the strategic priorities and activities of Uraía. In 2015, the Platform met in Oslo (Norway) to discuss partners' experiences on SMART projects led in collaboration with private companies. Based on the experiences of the participants, the Platform elaborated a document on **'Public-Private Partnerships for SMART City Management. Recommendations for local governments to prepare and implement SMART PPPs'**. The document takes a practical point of view on the main issues local governments face when dealing with SMART technologies and engaging in contracts with the private sector, highlighting difficulties, solutions and experiences shared by practitioners in city management. To see the example set by last year workshop in Oslo, you can download the document in http://issuu.com/uraiaplatform/docs/oct_2015_-_uraia_-_smart_ppp_-_eng.



Uraía point of view: the impact of SMART technologies in the municipal budget

Local governments around the world struggle to offer accessible and qualitative services to their citizens with limited financial resources. SMART technologies are known to present great opportunities to municipalities wishing to improve the link with citizens and increase services management efficiency. In addition, although there is little reference about it, SMART city solutions can also have an important impact in the municipal budget, either by helping local governments increase their revenue or reducing costs.

Increasing municipal revenue. An important part of local governments' revenue originates in local tax collection, in this context, SMART technologies can help municipalities to increase revenue by enhancing tax recovery performance thanks to better control and monitoring. As an example, ICT technological innovation through mapping tools, software and applications, can assist municipalities to establish an accurate inventory and analysis of land value and associated improvements of private and commercial real property in order to maximize property tax collection. Another example, is the possibility for citizens and small enterprises to declare and pay taxes via mobile money, which has proven to increase tax collection particularly in informal settlements and fight informal activities. In addition, increased transparency through SMART solutions such as Open Data policies and participatory budgeting, might also contribute to build trust in the local government, and thus increase local tax payment. At another level, increased transparency in local administration might also help municipalities improve their rating note and thus facilitate access to external financial resources, such as transfer from central governments; national and international credit markets; loans and grants from international development and financial institutions.

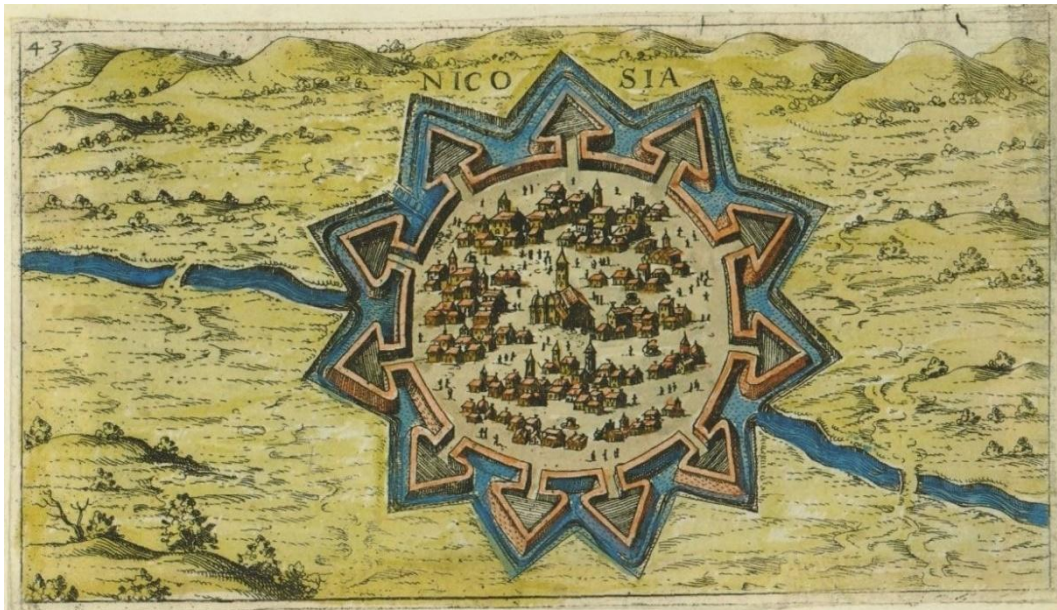
Decreasing expenses. SMART technologies offer an opportunity for local governments to reduce costs in two main aspects. First of all, it has an impact on internal functioning thanks to the optimization of administrative procedures such as e-government policies and improved management of municipal assets such as office buildings. Second, by generating savings in the management of infrastructure and services offered to citizens such as transportation, waste and water management, public lighting, etc. and particularly thanks to solutions that aim at increase energy efficiency to reduce the energy bill. The contribution of SMART technologies to reduce energy consumption and preserve the environment has been largely acknowledged: SMART meters, sensors, and SMART grids are being employed by public authorities in many places of the world in order to monitor and optimize the energy consumption of public buildings and public lighting. The same tools are also used to raise awareness and eventually change energy consumption patterns. However, little has been said on the impact of energy bills on municipal budgets, although for municipalities, expenditure on energy often comes second after expenditures on staff and human resources. Correspondingly, the implementation of innovative technologies to save energy consumption of municipal assets and infrastructure has beneficial short-term impacts both on the environment and on the recurrent bills of the municipality. In the developing world, where there is a need to include SMART technologies to newly built infrastructure, and to plan for the maintenance cost of future public services, this is particularly relevant for the sustainability of the investment, given that the price of energy tends to be higher and volatile.

In 2016, in its upcoming gathering and guidelines report, the Uraía Platform will aim to identify the trending topics and challenges regarding the current use of SMART technologies and its impacts on the municipal budget. Uraía will particularly focus its work in exploring how technological

innovation can help cities to increase municipal revenue by improving tax collection and generate savings through energy efficient policies. And even more important, how these increased municipal resources are transformed into better, more efficient and inclusive public services.

The CEMR Congress

In the European context, cities and regions have been using SMART technologies to innovate in municipal management for years, especially when it comes to environmental initiatives. As such, they provide an excellent set of experience and knowledge acquisition about how municipal innovation produce effects both in the financial and environmental sustainability of the municipality. The CEMR (Council of European Municipalities and Regions) Congress provides an excellent opportunity to gather experts and decision makers and to collect information and experiences from the industrialised world. The idea of holding this year Capacity Building workshop “citizenship series” in Nicosia was to take the opportunity from the presence of many European cities and regions and to be able to exchange experiences and to contribute with new ideas coming from cities all over the world.



Goals

The objective of the workshop is to exchange experiences on initiatives that used SMART technologies to improve tax recovery and increase energy efficiency and how these experiences produce an impact on municipal budget and are transformed into better services to all citizens. The workshop will offer an opportunity for cities to discover available SMART solutions that can have a significant impact on the municipal budget and get inspired by their peers' experiences.

The workshop will result in a document that will seek to capitalize on the exchanges, case studies, challenges, opportunities and views shared by decision makers who face similar situations regarding the pressing need to address the citizen's demands in more innovative ways. Getting more resources yes, but also spending less, and better.

Topics

The sessions of the workshop will discuss the impact on the municipal budget of the introduction of SMART technologies. More specifically, the exchanges will focus on how SMART technologies can:

- Increase municipal revenue by improving tax collection (mapping tools, electronic and mobile payment, transparency, tackling informality, creating trust in the public sector...)
- Generate savings through energy efficiency policies in municipal assets and services (energy production, municipal buildings, public lighting, household energy provision and consumption, etc.)

Methodology

The workshop will combine plenary sessions and more in-depth debates in working groups, as well as a technical visit to SMART experiences of the Municipality of Nicosia.

The first day of the event will be for exclusive participation of Uraía partners and invitees, targeting a number of 40 experts and decision makers, with a spread of 50% European and 50% from outside of Europe. Participants will include representatives from local governments, network of cities, research centres, international organizations, and private sector companies. Participation is by invitation only and will have to be previously approved by the Secretariat. The activity has no costs for participation. Uraía will be able to finance the travel and three nights' accommodation for 10 participants from developing countries.

The second day session will be opened to all the other participants in the CEMR Congress. Please note that participation at the CEMR Congress needs to be considered separately but that Uraía participants can have reductions regarding the Congress fees, to be considered in a separate basis. More than 30 sessions will be organized during the Congress on the 20th, 21st and 22nd, on the following topics: Governance & Leadership; Economy & Finance; Business, Technology & Innovation; Society & Culture; Environment, Climate & Energy; Cooperation & Partnerships; EU Integration. More information on the program of the Congress here: <http://www.cemr2016.eu/>.

DRAFT AGENDA

All sessions will take place at the Filoxenia Conference Centre in Nicosia.

| FIRST DAY – TUESDAY 19 th APRIL | |
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| 09.00 – 9.30 | <p>Opening remarks by:</p> <ul style="list-style-type: none">▪ Iñigo de la Serna, President of the CEMR and Mayor of Santander▪ Jean François Habeau, Executive Director of FMDV▪ Diana Lopez Caramazana, Unit Head, Local government and decentralization, UN-Habitat. <p>Round of introductions by the workshop participants.</p> |
| 09.30 – 11.00 | <p>First-round of plenary presentations: Speakers will share their experiences of application of SMART technologies to generate savings through energy efficiency policies (energy production, municipal buildings, public lighting, household energy provision and consumption, etc.).</p> |

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| | <p>Cross-cutting issues to be stressed by speakers will include: existing technologies used to improve energy efficiency; collaboration with the private sector, civil society and academy; communication and inclusion of citizens; among others.</p> <ul style="list-style-type: none"> ▪ Nikolas Efstathiou, Treasurer of the Municipality of Nicosia, Cyprus ▪ Denise Fampou Tchaptchet, Mayor of Douala, Cameroon ▪ Julio Cesar Ciambelli, Director ICT, Municipality of Montevideo, Uruguay ▪ Eduardo Jiménez, Director ICT, City of Cartago, Costa Rica ▪ Vincent N'cho, Vice-Governor of Abidjan, Ivory Coast ▪ Erasmo Lázaro Bendezú Oré, Deputy Mayor, Municipality of Ate, Peru ▪ Valentina Rigamonti, Regional Coordinator for Europe and Central Asia, Transparency International ▪ Enock Arinda, Fiscal Decentralization Expert, Rwanda Association of Local Governments (RALGA) ▪ Patricia Sendin, Send a City, Spain ▪ Orange, France |
| 11.00 – 11.30 | <i>Coffee Break</i> |
| 11.30 – 13.00 | <p>11.30 – 12.30: First round of working groups to address recommendations from experience in SMART technologies, energy efficiency and the impact on municipal budget.</p> <p>12.30 – 13.00: Presentation of the conclusions of the working groups.</p> |
| 13.00 – 14.30 | <i>Lunch</i> |
| 14.30 – 16.00 | <p>Second-round of plenary presentations: Speakers will share their experiences of application of SMART technologies to increase municipal revenue by improving tax collection (electronic payment, transparency, tackling informality, creating trust in the public sector...).</p> <p>Cross-cutting issues to be stressed by speakers will include: existing SMART solutions used to improve tax collection; collaboration with the private sector, civil society and academy; communication with the citizen about the use of municipal taxes; increasing transparency and accountability in municipal budgeting; among others.</p> <ul style="list-style-type: none"> ▪ Ouafa Moniati, Director of Finances, Marrakesh, Morocco ▪ Thiago Santim, Manager of Water and Sewage Control Platform, City of Guarulhos, Brazil ▪ Lidia Cobas, Coordinator of the United Cities and Local Governments Committee on Digital and Knowledge Cities ▪ Victor Gancel, Programme Manager, Low Carbon City Lab ▪ Falah Sabah Al-Kubaisy, Adviser, Ministry of Municipalities Affairs, Bahrein ▪ Rudra Singh tamang, Chief Executive Officer, Kathmandu Metropolitan City, Nepal |
| 16.00 – 16.30 | <i>Coffee Break</i> |

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| 16.30 – 18.00 | 16.30 – 17.30: Second round of working groups to address recommendations from experience in SMART technologies, tax collection and the impact on municipal budget. 17.30 – 18.00: Presentation of the conclusions of the working groups. |
| 18.00 – 18.30 | Conclusions for the day. |
| 20.00 | <i>Official dinner offered by the Uraía Platform</i> |

SECOND DAY – WEDNESDAY 20th APRIL

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| 09.00 – 11.00 | <p>Uraía Platform pre-session to the CEMR Congress (open to CEMR participants)</p> <p>Topics to be addressed will include:</p> <p>The application of SMART technologies to increase municipal revenue by:</p> <ul style="list-style-type: none"> – improving tax recovery performance (data analysis to fight fraud, mapping tools) – facilitating payments (mobile money) – building trust of citizens with transparency policies such as open data and participatory budgeting – Tackling informality – Fostering local economic development <p>The application of SMART technologies to reduce expenses by:</p> <ul style="list-style-type: none"> – optimizing administrative procedures (e-government policies) – reducing energy consumption in municipal assets (public lighting and municipal buildings) |
| 11.00 – 11.30 | <i>Coffee Break</i> |
| 11.30 – 13.00 | Uraía closing session (Uraía members only) – Way forward to identify main issues, challenges, successes and recommendations for local governments to develop SMART projects that improve municipal finances. |
| 13.00 – 14.00 | <i>Lunch</i> |
| 14.00 – 15.30 | Informal field visit to Nicosia Municipality. |
| 15.30 – 16.00 | <i>Welcome coffee (foyer)</i> |
| 16.00 – 18.00 | Official opening of the CEMR Congress |
| 18.00 – 20.30 | <i>Cypriot evening reception</i> |

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