

**PARALLEL SESSION**

**Financing Metropolitan Governments: Sharing Solutions & Framing Implementation**

**Session organized by FMDV & GIZ**



**Date:** 8 October 2014

**Time:** 12:00 – 13:30h

**Venue:** TBD

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**PROGRAM**

**Opening**

**Facilitator:**

**Balakrishnan Elangovan**, *CDIA India representative, Cities Development Initiative for Asia*

**Speakers :**

- **Jean-Paul Huchon**, *President of Ile-de-France Region, President of Metropolis (political leader for REolutions Europe)*
- **Geoffrey Makhubo**, *Member of the Mayoral Committee for financial affairs of Johannesburg (political leader for REolutions Africa)*
- **Miguel Ángel Mancera**, *Mayor, Mexico city, (political leader for REolutions Latin America)*
- **Felix Klauda**, *Team leader Urban Development and Mobility, KfW Development Bank*

**Discussion with the audience**

**Conclusions from the Facilitator**

**Summary of key issues by facilitator:**

- What are the global trends and policy contexts of metropolitan territories in different regions of the worlds?
- What are the main challenges to be faced by metropolitan regions over the next decades?
- Which feasible and innovative ways and mechanisms have been identified by cities, regions and development agents in responding to these challenges via planning, budgeting and financing interventions?
- Who can be valuable partners for financing the development of metropolitan regions?
- Which further support and facilitation is needed at the local level to identify and access adequate financing sources?
- What innovative modes exist for cities to access financing (e.g. PPP, incentives for increased municipal income/budget, shared budgets with neighbor or partner cities, inter-communal finance approaches; ...)?

**Panel discussion and Questions from audience: Panelists**

## SUMMARY

The session is organized in the framework of the REsolutions to fund cities program initiated by FMDV and the conceptual and action-oriented work of the GIZ Sectorprogram Sustainable Development of Metropolitan Regions on behalf of German Development Cooperation. Both programs share the common objective of identifying suitable financial solutions to meet the challenges of urban and metropolitan development. In this sense, the session will feature different examples of financial solutions ranging from local level models and partnerships up to national approaches, regional facilitation and financing agents. The session is going to promote a discussion between a variety of urban stakeholders, financing and facilitation agencies, from different sectors and scales, and raise pending questions regarding financing metropolitan development. Speakers will present innovative or efficient strategies and mechanisms implemented by (or in cooperation with) local authorities to sustainably finance urban services and local development. By presenting concrete solutions from around the world, this session aims at inspiring urban policy makers as well as financing and development agents. It will also offer the opportunity to metropolitan stakeholders to participate in the global debate on the urban paradigm shift, endorsed by cities' networks.

As such, the session will define relevant points to be fed into a common agenda on economic and financing specific issues for metropolitan territories in preparation of the Habitat III summit. The discussion is also to enrich the further work of FMDV and GIZ in these respects.

## BACKGROUND QUESTIONS

- What strategies and instruments do local authorities use today to fund their urban development projects?
- What are the prerequisite in terms of policy, strategy, structures etc that allow local authorities to diversify their funding? How do they qualify for access to additional financing sources?
- How do local authorities mix institutional, private and local resources to create the necessary financial leverages for a sustainable urban development? Who has proven as a reliable partner?
- How do local authorities mobilize and optimize the use of the local resources for their urban development? Which investments fields of urban and regional development are most pressing for the future?
- Which strategies are implemented to attract investors and secure the economic environment of their territories?
- Which institutional and regulatory arrangements need to be made in order to enhance governance (cooperation and coordination between neighbouring municipalities, sectors, scales and various stakeholders)?
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- Which institutional and regulatory arrangements need to be made in order to foster an efficient management (development of managerial skills and tools, avoid costs of inaction, integrate externalities)?

- Which tools ensure socially and economically integrated choices of development and create endogenous dynamics? How can a coherent territorial investment strategy of metropolitan regions be set up, ensured and financed?
- How can funding strategies be replicated and adapted to different territorial scales and urban profiles and which role for the city-to-city cooperation?
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- What kind of facilitation and mechanisms are further needed, e.g by development agents, to allow cities' and regions' better access to finance?