Metropolitan Panel

Creating and Mobilizing Wealth, Producing Sense, Building Future: Relocalizing Economy and Finance for Local Sustainable Development

14th of October 2015
2.30 to 4.15 pm – Polo Reale - Room Leonardo - Turin, Italy

Contact

Carlos de Freitas – Director of Programs
cdefreitas@fmdv.net
Office: +33 1 53 85 73 82
Cell.: +33 6 61 72 92 70

Helene Jourdan – Project Manager
hjourdan@metropolis.org
Office: +34 93 342 9468
I. Summary

Local, metropolitan and regional governments (LMRGs) are undoubtedly the main engines of national economies, catalysts for cultural, political, socio-economic and technological innovation. And, when properly institutionalized, empowered, led and managed, they deliver cohesive development planning, efficient local public services provision and responsible public expenditure, allowing better quality of life for citizens, creating more economic opportunities, better integrating depressed areas and reducing inequalities, as well as addressing environmental sustainability issues.

However, their ability to ensure sustainable local economic development (LED) logics and dynamics -as a basis for local wealth creation, mobilization and redistribution-, is being put to the test by multidimensional global crises. Urbanization rhythms; demographic evolutions; creation of a multipolar world with common but differentiated responsibilities; multilevel and multi-stakeholder governance issues; legal, regulatory and institutional archaism and bureaucracy; information and data revolutions; communication and technological mutations; health and education quality, financing and access issues; climate and environmental risks and pressures; land, food, water, energy and other resources and raw materials availability, access and affordability; growing inequalities, insecurity and conflicts; multiplying speculative bubbles and social, monetary, economic and financial systemic crises, are part of the main challenges faced by LMRGs, alongside central governments, but, by definition, status and location, in a very direct, frontal day-to-day manner, and often without comparable and articulated prerogatives, and clear decentralized mandates and means.

Calling for renewed and/or reformed development patterns; conceptual frameworks; monetary and financial systems; intermediary structuring institutions; government and governance architectures; and socio-economic partnerships, these global tendencies have led to an increased fragility of local real economy, and fewer sources of financing for investment in local development; and by doing so, have mechanically led to reducing LMRGs’ margins of manoeuvre.

Nevertheless, and despite -or maybe thanks to- this critical context, some LMRGs have shown tremendous creativity and leadership, rethinking and redesigning the traditional LED methodologies and tools, innovating in shifting the power balance between local and global dynamics. Usually, they built high potential and added value economic development strategies upon the valorisation and mobilization of their local resources, promoting an endogenous development by acknowledging the diversity of local economic stakeholders, and better integrating local communities, profit and not-for-profit actors’ savoir-faire. By promoting this sense of local economic community and solidarity, they generate and strengthen the territory’s resilience, meaning its deep-rooted ability to face crisis and anticipate and engage with necessary transitions or mutations.

Depending on the cases, LMRGs:

- redesigned their masterplan (new economic corridors, new asset management dynamic like for land, or districts revitalization) for new development opportunities;
- increased their efficiency in their public spending and investment planning allowing for better leverage of public funds and avoided costs;
- changed and leveraged the focus, structure and impact of their capital investment (seed capital, quasi-equity, etc.);
- enhanced their public procurement’s local multiplier effect;
- adopted news decrees and regulations to renew their supporting policies for job creation, business development services provision, professionalizing training (especially for youth, women, seniors and unemployed);
- remobilized their public -or public-private- corporations (such as LED or development agencies),
- created debureaucratisation processes, financial inclusion offices, local conditional cash transfer systems;
- incentivized the use of new technologies for new socio-economic forms of producing and redistributing wealth (social and solidarity or sharing economies and finance, smart cities processes)
implemented new LED impact and performance assessment indicators and scoreboards, linked with impact-based subsidies and funds, spreading information on local economic dynamics allowing for stakeholders to better engage with the territory;

or integrated or supported new typology of structures or economic logics as for the provision of basic services and local infrastructure production (social and solidarity economy’s, like “cooperatives of common interest”, social businesses, community land trusts, etc.).

Some of them:

- dramatically changed the face of local production (e.g. focus on green economy, development of tourism);
- upgraded their “brand” (territorial marketing, investment opportunities listings and advertising) and organized inter-metropolitan or city-to-city business road-shows and commercial agreements;
- aligned new fiscal policies to reinvigorate some parts of the territory (depressed areas) or some productive sectors;
- or shifted the import-export local balances to create well-integrated, diverse, efficient and productive service, industrial or manufactory clusters, attracting new investors, skilled workforce and technical innovation (multipolar and multi-sector clusters).

They also gained in financial autonomy by:

- diversifying and localizing their financing sources (e.g. mini-bonds and crowdfunding), mobilizing local savings for local investment and thus strengthening the local sense of community;
- creating territorial or thematic revolving, endowment or trust funds;
- implementing local or thematic currency schemes to create a virtuous circle of consumption and production (relocalization, B2B barter and mutual credit schemes) or to avoid costs (e.g. incentives to green, climate-friendly behaviors, energy efficiency buildings) and reinvesting savings in LED programs and actions.

And the list goes on..

When looking carefully at the so-called best practices or success stories, one can notice that, each time, these LMRGs designed the LED strategies, tools, institutions or partnerships on the basis of their own knowledge of their real needs and by reconnecting with their territory resources (human and environmental capital, knowledge management networks, culture, identity, history/memory, structuring institutions, endogenous financing resources, etc.). Some of these dynamics have also allowed for better wealth sharing and creation between center and peripheral cities, as well as revitalizing the rural-urban linkages.

But even if replicable and adaptable, often successful or at least efficient, there is still need to question these strategies, methodologies and tools, and the concepts they entail sometimes (competitiveness, attractiveness, growth, etc.), in order to assess their collateral impacts in the short, medium and long terms (benefice or damage), and identify which ones are building a real and actionable paradigm shift for LMRGs’ sustainable present and future, and which ones are merely coping with emergencies and multidimensional pressures, without allowing applicable systemic change.

It is of extreme importance, in the international tensed context, to find the right bridges, and solidarity, cooperative and win-win processes both between LMRGs themselves, and between these two differentiated dynamics to get every territory on board for the achievement of the new Sustainable Development Goals to be adopted soon.

Highly complex, and time and capital consuming, these LED dynamics, nevertheless, produce high leverage long-term impacts. In that sense, it is essential to understand how LMRGs and their partners, in different contexts and realities, are working together around the world to face these challenges and implementing efficient and innovative solutions where local economy finances local development, basically reinventing economy and finance for local sustainable development purposes.

Let us get inspired!
II. Reference topics explored during the Session

Depending on the presentations, some of these aspects of LED innovations, policies and tools will be explored during the debate:

A. **Incentivizing local entrepreneurship for local development** (innovative clusters, planning for local sustainable value chains, revitalization of city-centers, tax policies, seed capital for innovation, specific public-private joint ventures, public procurement orientations and local and regional eco-development planning, local export bureau and Foreign Direct Investment, territorial marketing, etc.)

B. **Mobilizing local resources for local investment** (mini-bonds, crowdfunding, social finance, local development trust funds, social stock exchange, participatory budgeting, local taxation innovation, corporate environmental and social responsibility, etc.)

C. **Innovating in local economic dynamics/forms** (youth and gender economic empowerment policies, local and thematic currencies, green or sharing economy, territorial clusters for economic cooperation, etc.).

III. Plan of the Panellists’ presentation

The panel will consist of a dialogue between metropolitan mayors and deputy mayors responsible for LED, with a first general presentation of the metro LED dynamic implemented, strategies and tools used, institutions created and impacts. Then 4 rounds of debate based on one question by the moderator will allow for more detailed information and proper views expressed by the panellist on the logics, perspectives and sense of the LED metropolitan policy.

Sample of the main questions to be addressed by the panellists are: *(to be reviewed after all speakers deliver their presentations axis/topics)*

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<thead>
<tr>
<th>Section of the debate</th>
<th>Questions to be addressed</th>
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<tr>
<td><strong>I. LED at a glance</strong></td>
<td>What does LED mean at a Metro level?</td>
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<tr>
<td><em>Brief generic presentation of the metropolis' LED policies and results</em></td>
<td>What LED plan/program (transformative strategies, tools and processes) are the Metropolis and its partners implementing and why? (Content, objectives, steps, agenda, articulation with other metro dynamics).</td>
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<td>OR</td>
<td>How did the Metropolis define this LED logic, horizon and plan? (Inspiration, mapping of metro LED realities and dynamics, participatory or consultative processes, etc.)</td>
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<td><em>Sector specific LED policy that the Metropolis wants to introduce in that section briefly and then to deepen more in details in the next sections</em></td>
<td>At which implementation stage/step is the Metropolis now?</td>
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<td></td>
<td>What impacts, achievements, failures and lessons learned, next steps?</td>
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## II. Implementing a culture of LED

### New institutions, processes, tools in detail

What new skills and competences, new institutions, articulations/governance and logics/cultures were/are needed at local, metro and regional levels for LED policies’ and programs’ implementation for success?

How are you engaging with the recreation of LED sustainable value chains? What about Research & Development dynamics?

What specific tools did you create or integrate? How did it work for you? (Main obstacles, solutions, results)

What are your needs (if any) and remaining challenges, and how to address them?

What tools for systematization are now available for adaptation and replication for other local, metropolitan and regional governments?

How do you deal with the balance between the complex concepts of development, sustainability, growth, attractiveness, competitiveness, productivity, efficiency, redistribution, local/global and urban-rural linkages? And how does it impact and spread within your LED policy implementation?

### Investment in human capital/new profiles

## III. Partnerships

Which type of partners did you approach when renewing and planning/implementing the new LED policy? (e.g. advisors; experts; ministries; specific public or private institution like development agencies; private sector; specific NGOs like for youth, gender, unemployed; banks or Funds; etc.)

Which partners are strategic and more dynamic now, and why?

How did they engage with the LED policy (process, financing, sensitization, etc.)?

At which level or step did they engage?

Do some of them need specific support (training, tools, communication, funding, etc.) to better engage with the Metro’s LED Policy/Program?

Which partners still need to be conquered? And why?

What differences between informal sector businesses, SMEs and multinationals in engaging with Metro LED dynamics? How did you address them?

## IV. Means of implementation

What are the challenges encountered by Metros in financing LED strategies and implementation?

What solutions did you find (national or international funding, endogenous mechanisms – see Section “Reference topics” - metropolitan finance upgrading and renewal, etc.)?

How the local wealth produced through LED policies is captured and reinvested for the common good at the territorial level? How to ensure that this LED is not captured by some stakeholders alone?
V. Metro: at the crossroads of micro, meso and macro?

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<td>What remains to be done at:</td>
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<td>- your level (including in terms of strategic cooperation with other metros, internal administrative processes/dynamics, financing reforms),</td>
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<td>- national level,</td>
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<td>- partners’ level?</td>
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<td>What role do the metropolitan governments have and what role must they play to encourage the local economy to finance local development? (relocalization/real economy).</td>
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<td>Which links between local, metro and macro economies in a globalized world at times of multiplying systemic crises? How far is your LED policy envisioning a specific option on this topic?</td>
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<td>How do you integrate the formal/informal economies specific logics and needs in your LED policy/action plan?</td>
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<td>What kind of partnerships could be established to redefine the <em>glocal</em> dynamics in a sustainable fashion? To what ends and with what results?</td>
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<td>Talking about sustainability: the development models are put to the test by Climate Change, biodiversity requirements and natural resources preservation and revitalization. How your LED policy/strategy is including these core international as well as local concerns?</td>
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**IV. Panellists (to be confirmed)**

**For Africa**

David Simango  
Mayor of Maputo City – Mozambique

**For Asia**

Nur Nidhi Neupane  
Chief of the Department of Revenue of Kathmandu Metropolitan City – Nepal  
(on behalf of the Mayor) - *To be confirmed due to specific circumstances*

**For Europe**

Jean-Louis Missika  
Deputy Mayor in charge of Planning, Architecture and Economic Development, City of Paris – France

**For Latin America**

Vicente Trevas  
Secretary for International and Federative Affairs, City of Sao Paulo – Brazil

Luis Revilla  
Mayor of the Autonomous Municipal Government of La Paz – Bolivia

**Transversal approach**

Dmitry Pozhidaev  
Regional Program Advisor, UNCDF

**Moderator**

Carlos de Freitas  
Director of Programs, FMDV