

Habitat III Side Event Submission

Title of event: Financing the New Urban Agenda: Multi-level Metropolitan Finance for 21st Century Cities

Describe the event format, for example, researches presentations, projects of networks, signing of agreements, book launch, etc. (100)

This interactive panel discussion aims to bring a range of research, practitioner, and policymaker perspectives on the role of metropolitan finance in implementing aspects of the New Urban Agenda.

- M. Mohamed Sadiki, Mayor of the City of Rabat - Morocco, Head of UCLG Committee on Local Finance.
- Luiz de Mello, Deputy Director for Public Governance and Territorial Development at the OECD
- Teresa Ter-Minassian, former director of the Fiscal Affairs Department at the International Monetary Fund
- George McCarthy, President, Lincoln Institute of Land Policy
- Ms. Khady Dia Sarr, the Director of the City of Dakar Municipal Finance Program
- *Moderator:* Alaina Harkness, Fellow, the Brookings Institution Project on 21st Century City Governance

Provide a summary of the main theme of your event * (500)

Cities and metro-regions have emerged as the clear drivers of the national and global economy, but central and state governments still play vital roles in creating enabling environments for economic growth and innovation. Current estimates place the global infrastructure gap at nearly US \$1 trillion per year. While not all of these investments are in cities, many costs are tied to urban expansion, particularly in developing countries and emerging economies where the urban infrastructure deficit could run as high as US\$6.3 trillion by 2030. As demand for investment funding continues to outstrip public investment capacity governments must implement solid fiscal frameworks that mobilize and maximize local resources, push for fiscal autonomy, inclusiveness and equalization, and ensure fiscal responsibility.

The Zero Draft of the New Urban Agenda (NUA) rightly points to how essential sustainable finance systems are to both the infrastructure required to improve quality of life, and the ongoing provision of basic city services. Cities must also work to identify creative and innovative funding mechanisms, from land-based financing with value capture and sharing to public-private partnerships, such as social impact bonds, that make it possible to blend and invest private, public, and civic capital to provide for essential needs of cities and residents.

Given the rising trends of fiscal devolution and political gridlock within national governments, cities and local governments are positioned to lead by initiating and financing local projects. However, local governments cannot achieve this alone – they need to coordinate with national governments to jointly develop funding mechanisms and solid fiscal frameworks based on the mobilization of local resources, increased fiscal autonomy, inclusiveness (equalization) and fiscal responsibility. Cities such as Copenhagen and Medellín have demonstrated the city's unique capacity for multi-level and multi-channel fiscal governance that allows for increased economic investment, infrastructure development, and social benefits.

As the world works to implement and finance the NUA, we need a rigorous understanding of what works, as well as the cross-sector and multi-level cooperation and leadership necessary to implement successful practices. Reliable and comparable data on subnational finance is essential for the design of development policies in order to create a climate of trust and accountability and enhance the multi-level governance

framework through appropriate reforms and informed dialogue among all international, national and local stakeholders.

This expert panel will discuss efforts to develop advance our understanding of the financial and fiscal conditions across countries and within subnational governments, including an international database on subnational finance being developed by UCLG and OECD which aims to help national and local policymakers make evidence-based decisions. It will highlight examples of successful urban finance strategies from around the world, and share recommendations to support financing and implementing core components of the New Urban Agenda. And finally, it will highlight the role of advocacy and education in building the case for local finance and fiscal policy in the international debate on the Sustainable Development Goals and Habitat III, and supporting meaningful national dialogues between central and local governments on the sharing of national resources and responsibilities.

Provide 10 key words describing your event * (100)

Metropolitan finance, urban governance, multi-channel finance, fiscal decentralization, sustainable development

Enumerate three expected outcomes when organizing this event (100)

Identify indicators of efficiency and effectiveness in financing sustainable development programs. Enumerate how the financial interests and imperatives of public and private institutions align to serve the public good. Create a space for meaningful networking and dialogue between public and private officials on innovative and adaptable financing structures and options at the local level.

Please explain to what extent the event will be relevant to the implementation of the New Urban Agenda (60)

The expert panel will advance our understanding of the financial and fiscal conditions across countries and within subnational governments in order to highlight successful urban finance strategies and share recommendations to support the financing and implementing core components of the New Urban Agenda.

What is your outreach strategy to promote attendance at this event? *

Max. 500 Characters

Our session organizers and partner organizations have already been actively working to promote Habitat III events via our established social media channels (Twitter, LinkedIn, and Facebook) and newsletters, and through specific targeted outreach to interested individuals and organizations. We will build audience through a hashtag (#NUAMetroFinance) that will allow the conversation to build before, during, and beyond the event itself. We are also planning to promote the event in person (Surabaya, in Bogota for UCLG the week before, and at Habitat III itself using a mix of electronic media, flyers, and posters. We will also display posters announcing the event and distribute flyers at partners' spaces in the Habitat Village and Exhibition.

What is your monitoring strategy to follow up on the expected outcomes of this event? *

Max. 500 Characters

We hope for a high level of engagement on social media, and will monitor it closely before, during, and after the event to track the quantity, quality, and diversity of engagement and interactions. In addition, we will pay close attention to the way that these themes are discussed in specific settings, including dialogues and exchanges of countries' practices and bilateral meetings and in thematic studies on subnational finance. A worldwide Observatory on sub national finances and organization, jointly developed by UCLG, AFD and OECD, will serve as a specific monitoring instrument.