

III LATIN AMERICAN AND CARIBBEAN FORUM ON HOUSING AND HABITAT

Santo Domingo, Dominican Republic, June 12-14, 2018

Housing Laboratories (LAVs)

Conceptual Note

Housing Lab. Metropolitan Governance

Thursday, June 14, 11 am-3:30 pm

Embajador III Room

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Objective

To drive the dialogue between the agents involved in metropolitan governance to delve into the subject's importance and complexity; to identify the potential/limitations of current initiatives; and to identify trends for its evolution. To that end, the Housing Laboratory is divided into two interconnected moments: discussions about the political sphere, and analysis of the tools and experiences to reflect on the trends for the future.

Key words

Coordination and integration of players, diversity, metropolitan governance.

Description

Issues

The current pattern of urban growth in Latin America and the Caribbean (LAC) is observed in medium-sized cities, where demographic increase is concentrated - predominantly in poverty - and is marked by disorganized territorial expansion that usually exceeds the population growth (OECD, 2015). This phenomenon has led to the emergence of cities comprised of more than one administrative body, which poses the challenge of a joint governance at the inter-municipal level.

However, metropolitan governance is not limited to coordination among different municipal authorities. It also includes decisions on interrelated territorial systems – e.g. the rural-urban interface, or the functional relationship between the agglomeration of cities - involving the **coordination of multiple scales, levels, sectors and players** (government, civil society, the private sector, the academia, international organizations, among others). Some of the most common metropolitan issues include: management of water basins and natural areas, management of transportation and solid waste, industry location and the transformation-revitalization of the economy, urban infrastructure provision, and public security (Le Gales et al, 2018).

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Current context - LAC

Metropolitan governance in LAC has been one of the results of the complex process of decentralization and democratization of the public sector, which has been transferring responsibilities and resources from central government levels to local governments since the 1980s (IDB, 2005). This has occurred with **insufficient tools and function structures** for the creation of consensual metropolitan projects. Nevertheless, today there is a series of initiatives for metropolitan government under development, mostly designed from the top-down, but with the influence and innovation capacity of non-governmental agencies (bottom-up) as well. These initiatives include financial, regulatory and technological tools, institutional arrangements, and metropolitan projects.

Examples of these initiatives are the National Consortium Law (Brazil), a proposal that came from the bottom up, and the Metropolitan Areas Law (Colombia). These types of tools have the potential to grant legal recognition to a group comprised of different players or segments of the public sector, to receive/manage funding, therefore enabling the design of more integrated projects from the beginning. Another type of initiative is the institutional arrangements such as

the Metropolitan Planning Institute for the Guadalajara Metropolitan Area (Mexico) or the Metropolitan Authority of Medellin (Colombia). In these arrangements, in particular, an organized and active civil society plays an important role in their evolution. It is usually necessary to perform an extensive analysis of metropolitan management initiatives in the region to identify the potential and areas of opportunity that may guide future trends.

Challenges

One of the most important challenges for the development of metropolitan governance is in the **political level**; that is, in the democratization and redistribution of power among the players in the public sector, and the integration of other stakeholders. The objective is to create consensual, inclusive agendas for the metropolitan territory. In this sense, different conditions influence the construction of different governance models. For example, the level of participation of non-governmental organizations and of citizens in the public agenda, which varies from little to none. In contrast, there are strategic alliances, usually close and tight, between players such as the public and private sectors (Marques, 2012). There is no linear, normative model for the evolution of metropolitan governance, as it is a process that depends on the political players, their conflicts and negotiations, and that is gradually built according to the potentials and characteristics of each individual case.

Another challenge is the development and strengthening of **tools of a technical nature** (technology, information, regulatory, financial, fiscal, among others) that promote the coordination, participation and co-responsibility among different stakeholders involved in the territory's decision-making process. Both challenges, political and technical, are closely related, and require greater integration and complementarity for the metropolitan agenda to advance.

In addition, **context-related aspects** that define and differentiate metropolitan areas have significant impact in the shaping of a metropolitan governance model, including geography, the social-economic development sector, size of the territory, distance between functional municipalities, among others.

Another challenge worth highlighting is the **relationship between metropolitan governance, urban planning and housing policies**. These are pillars that require greater linkage to identify alternatives for the improvement of precarious and social housing, taking into consideration the different capabilities of neighboring municipalities, for example, housing density, financial resources, natural resources (e.g. water), territory organization programs and infrastructure. The

study carried out in Brazil's Greater ABC Region, for example, included a total of seven municipalities to detect areas in need of social housing improvement/provision, while, at the same time, mapping funding, land regularization and urban planning programs of each municipality in order to expand the understanding and identification of comprehensive solutions for housing in the territory (UFABC, 2016).

Finally, in summary and specifically, the following challenges have been identified:

- a. At the political level, to redistribute power and to develop methodologies and incentives which promote the creation of integrated, plural and inclusive metropolitan institutional arrangements with a clear planning and implementation strategy;
- b. At the technical level, to strengthen legal, fiscal, technological and financial tools, and to enhance the generation of and access to information which facilitates and fosters the creation of collaborative projects (OECD, 2015b) (Le Gales et al, 2018);
- c. At the public-sector level, improving technical and functional capabilities and roles of public servants, to generate a public agenda in coordination with other players and in line with the needs of the population (Ibid).
- d. Regarding the participation of less included sectors, to develop a space for dialogue and legitimacy among top-down metropolitan institutional arrangements, the private sector, and multiple civil society players;
- e. As for the articulation of urban agendas, to generate information and studies which enable the connection and linkage of different agendas and territory planning, in order to generate solutions that improve social and precarious housing in the metropolitan territory.

Key questions

1. What are the main topics/issues which require the focus of metropolitan governance for LAC?
2. What are the common conditions (political, technical or context-related) of metropolitan governance initiatives in LAC that have enable them to advance? How do these initiatives promote/hinder the upgrading of informal settlements and social housing?
3. In situations where the participation of some stakeholders, e.g. the civil society, tends to be low or non-existent as regards metropolitan decisions, which functions/roles, capabilities, spaces and/or methodologies could broaden the conversation to create of a concentrated project portfolio that is plural and inclusive?

4. What is the role of the private sector and of the public sector (at different levels) in the improvement of democratic conditions for metropolitan governance?
5. What lessons and relationships could be generated between formal institutional arrangements (which are top down) and more informal arrangements (bottom up) for the construction of metropolitan governance?
6. What processes for power redistribution among the different players could contribute to the development of tools (e.g. legal, financial or technological) which foster alliances among sectors, territories and institutions for the improvement of housing and public infrastructure?
7. What are the limitations and potentials, as well as the relationships, of the two common funding sources of metropolitan projects (tax funds/federal governmental transfers versus funds from land value capture/public-private partnerships) to strengthen metropolitan governance?
8. How effective are metropolitan projects triggered by issues or sectors (housing or mobility) compared to integrated and complex approaches (inter-sectoral projects)?
9. How can crises (e.g. economic or environmental) be used to strengthen the metropolitan governance agenda? And what are the priority areas of practical actions and research for its evolution?

Map of current cases of metropolitan governance in LAC

- Institutional arrangements: Guadalajara, Mexico; Medellin, Colombia; Bucaramanga, Colombia; the Greater ABC Inter-Municipal Consortium (Brazil).
- National laws: for the creation of metropolitan institutional arrangements. Metropolitan Areas Law (Colombia), Strengthening of Regionalization Law (Chile), National Law Statute of the Metropolis (Brazil).
- Metropolitan projects: Pocket parks and spaces for public use (Chile); Caribbean Diamond and Santander (Colombia), an initiative leveraged by the National Government through Findeter.
- Funding: Metropolitan Fund, at the federal level (Mexico); Credit with a metropolitan focus from Territorial Development Finance - Findeter (Colombia).
- Information management and decision-making tools: Lincoln Institute.

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