



Marrakesh City Council



MARRAKESH - 2014

# CONFERENCE RESOLUTIONS AFRICA

## **Financing African cities: Which agenda, alliances & solutions?**

December 11<sup>th</sup> & 12<sup>th</sup>, 2014

Marrakesh – Kingdom of Morocco

Concept Note & Draft Program – October 2014

*In the framework of*



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## **I. Background:**

**Create and seize present opportunities to fund tomorrow's cities:**

**The rallying cry of the African stakeholders of the urban fabric**

With 1.3 billion of city dwellers by the year 2030<sup>1</sup>, which will represent more than one African out of two, Africa offers the greatest potential of urbanization worldwide. The 52 metropolitan cities of over one million inhabitants, and the multitude of intermediary cities, abound with unique opportunities for economic innovation and human development to be grasped by all urban stakeholders.

**This potential is based specifically on an emerging middle class that should match the one of China by 2020<sup>2</sup>, a growth rate of about 6% per year<sup>3</sup>, and an economic weight estimated at U.S. \$ 700 billion<sup>4</sup>(approximately 36% of Africa's GDP).**

However, ensuring that the African cities of tomorrow will be endowed with a secure and attractive economic environment at the national, regional, and international levels implies responding to the needs created by the urban transitions. Those needs revolve around urban infrastructures, appropriate regulatory frameworks, strengthening of urban/ peri-urban/ rural balances, and capacities of planning, management and transparency to secure, in the long term, the necessary investments.

Urbanization will only become an asset if African cities are able to take on the current challenges and anticipate the ones of tomorrow, through the implementation of planning policies, a better access to basic services, the promotion of economic development, employment and integrated economic development, the right to the city for all, the preservation of natural resources, and climate change resilience, among others.

Taking on these challenges requires the mobilization of investments estimated at about U.S. \$ 80 billion<sup>5</sup>per year.

Mobilizing such levels of funding requires the involvement of all stakeholders, both public and private (local governments, people population, national or local public institutions and authorities, the private sector, banks and institutional/ private investors).

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<sup>1</sup>UN-Habitat (2014). *The State of African cities 2014*. Nairobi: UN-Habitat

<sup>2</sup> African Development Bank (2011) "The Middle of the Pyramid: Dynamics of the Middle Class in Africa

<sup>3</sup> The World Bank (2012). *2011 Annual Report* Figures excluding South Africa.

<sup>4</sup> Oxford Economics Report (2013). *Bright Continent: Future of Africa's opportunity cities*

<sup>5</sup> Thierry Paulais (2012). *Financing Africa's cities. The imperative of local investment*, Pearson

## **II. Key Objectives and Themes**

### **REsolutions Africa/Marrakesh 2014 Conference**

The objective of the Conference in Marrakesh is to stimulate exchanges between the diverse stakeholders, in order to go beyond the existing findings and wishes, in order to move towards principles and proposals for actions, as well as commitments.

It will lay a great emphasis on the sharing of questionings and experiences, and on the development of concrete, consistent and adapted responses to African cities, in accordance with the diversity of local contexts.

**For the conference organizers (FMDV, Marrakesh City Council and UCLG Africa), the meeting should achieve outstanding progress by:**

- ❖ **Promoting a shared vision of the diagnosis** concerning both structure and conditions associated to the financing of African cities
- ❖ **Encouraging the emergence of strategic alliances** in order to offer adequate and sustainable solutions for the financing of African cities, consistently with the socio-political and economic context of the continent, and with due consideration to the international financial environment evolution
- ❖ **Suggesting a realistic continental strategy** based on the different stakeholders' commitments to work together implementing the necessary partnerships able to mobilize financing for the African cities; considering the challenges linked to the continent's rapid urbanization

**The discussions will focus on:**

- ❖ *Strategic urban planning and optimal management of investments,*
- ❖ *Valuation and mobilization of endogenous territorial resources for the promotion of sustainable local development,*
- ❖ *Loans from the banks and financial institutions that are partners of urban development,*
- ❖ *Direct access to the capital markets to finance African cities,*
- ❖ *Development of efficient and balanced public-private partnerships,*
- ❖ *Opportunities offered by the innovative financing mechanisms.*

### ***III. Target audience, organization, & spaces offered by the Conference***

#### **3.1 - Participants to the conference**

**The conference will mobilize over 250 participants, made up of the following representatives:**

- ❖ African local governments and their networks (Mayors, CFOs, Treasurers, urban development thematic networks),
- ❖ National public authorities (Ministers of Finance, debt offices, central banks)
- ❖ Financial institutions (stock exchanges, commercial banks, rating agencies),
- ❖ Regional institutions of development,
- ❖ Official development assistance stakeholders (multilateral and bilateral aid donors, development banks, philanthropic foundations),
- ❖ Private investors (property developers, businesses),
- ❖ Institutional investors and fund managers (investment companies, pension funds, insurance companies, sovereign funds),
- ❖ Academic institutions (researchers, professionals, think tanks),
- ❖ Civil society representatives (NGOs, trade unions).

#### **2.2 - Proposed organization & spaces**

**The conference will be preceded by a one-day training seminar on credit rating**, organized for the members of the CFOs' Network "Africa Finet", within the framework of the program coordinated by UCLG Africa. Chaired by Mrs. Ouafa Moniati, Chief Financial Officer of Marrakesh City Council, the "Africa Finet" network aims in particular to improve the recognition of these professionals as a quality corps to support local elected officials in the decision-making process, and to strengthen their competences and areas of cooperation.

The conference will then be held over **2 days dedicated to the urban development financing chain, and to the existing and possible solutions.** It will consist in plenary and parallel sessions that will cross the views and experiences of local elected officials and finance Ministers with the ones of the other African urban development stakeholders, in order to make significant progress in bringing the discussion forward. At the end of the conference, the ***Declaration of Marrakesh REsolutions*** will enable every stakeholder to make a stand and to commit up to 2016, for the evaluation to be presented at the Habitat III Summit.

**A “Bank of Opportunities”**, open to all, will be dedicated to 30-minutes to 1-hour presentations held by actors from both institutional and private sector, and from the civil society, about several financial, technical or strategic solutions that could be offered to local officials; on the other hand, It will also constitute an opportunity for some African local governments’ representatives and elected officials to benefit from the presence of a plurality of continental actors. They will be able to discuss issues related to the topic of urban funding with their partners. This time-slot will also be dedicated to the organization of **parallel meetings** for already existing networks wishing to benefit from the event to gather and discuss with their members and partners about finance.

A time-slot will also be dedicated to **Side-Events**, during which private, institutional and civil society actors, as well as local governments’ representatives, will have the opportunity to introduce concrete topics and research programs related to urban investments financing in Africa.

## IV. Draft program

### 4.1 –The Program at a glance

WEDNESDAY DECEMBER 10th DAY 0 AFRICA FINET SEMINAR (see appendix 2)	THURSDAY DECEMBER 11th DAY 1	FRIDAY DECEMBER 12th DAY 2	
08:30: Reception of CFOs Introduction of the AfricaFiNet Seminar	08:45: Welcoming Reception Opening of registrations	08:45: Welcoming Reception	
09:00-10:00: Credit risk and financial ratings in Africa	09:00 - 10:00: Official Opening Ceremony	09:00-11:00: PARALLEL ROUNDTABLES B: Funding African cities through loans and the capital market	
10:00-13:00: Financial rating viewed by a local African rating agency	10:00 - 11:00 : Cross analyses of experts	ROUNDTABLE B1	ROUNDTABLE B2
	11:00 – 11:15: Coffee Break	11:00 – 11:15: Coffee Break	
	11:15-13:15: PLENARY SESSION Rethinking African cities' funding strategies	11:15–13:15: PARALLEL ROUNDTABLES C: Funding African cities through public-private partnerships and the innovative funding mechanisms	
		ROUNDTABLE C1	ROUNDTABLE C2
13:00-14:00: Lunch Break	13:15 – 14:30: Lunch Break	13:15 – 14:30: Lunch Break	
14:00-15:00: Economic and Financial Intelligence, a decision-making tool for investors	14:30 - 16:30: PARALLEL ROUNDTABLES A : Investment planning and enhancement of endogenous resources in African cities	14h30 – 16h30 : PLENARY SESSION Conclusions and prospects for funding today the African cities of tomorrow	
15:00-16:30: Securitization and methodology of rating of FCTC	ROUNDTABLE A1      ROUNDTABLE A2		
16:30-17:00: Coffee Break	16:30 – 16:45: Coffee Break	16h30 – 16h45: Coffee Break	
17:00-18:30: Case Studies	16:45-18:15: Bank of Opportunities & Side-Events	16h45 -18h15: Closing Remarks	
Free evening	19:30: Gala Night at the invitation of the Marrakesh City Council	19h30: Moroccan Closing Dinner	

## 4.2 – Detailed draft program

*At this stage, most speakers have confirmed their participation, some of them are pending confirmation.*

*The AfricaFiNet Seminar, on the 10th of December, is detailed in appendix.*

### Day 1

#### 9h - 10h: Official opening ceremony

- **Mohamed Boussaïd**, Minister of Finance of Morocco
- **Abdeslam Bikrat**, Wali of the Marrakech-Tensift-El Haouz Region
- **Fatima Ezzahra El Mansouri**, President of the Greater Marrakesh
- **Khalifa Abbacar Sall**, Mayor of the City of Dakar, President of UCLG Africa, Vice-President of FMDV
- **Mpho Parks Tau**, Mayor, City of Johannesburg -Vice-President of FMDV

#### 10h – 11h: Cross analyses of experts

##### **The African cities of today and tomorrow: Which investment and funding priorities?**

*The experts will be invited to present the major economic transformations of the African continent, in relation to the issues and challenges resulting by its fast growing urbanization. They will introduce the characteristics and complexity of African cities within the diversity of regional contexts. The session will analyze the opportunities offered by urban development throughout the strategies that are supporting both urban growth and investment planning, and helping to imagine tomorrow's African city.*

- **Rajivan Krishnaswamy**, Senior Urban Finance Advisor, Cities Alliance & World Bank
- **Alioune Badiane**, Director Project Office, UN-Habitat

#### 11h – 11h15: Coffee Break

#### 11h15 - 13h15: Plenary session

##### **Rethinking the funding strategies of African cities: Diagnosis & critical mapping**

*Local governments, economic and financial experts and stakeholders will be invited to revisit the existing funding strategies.*

*The session will provide answers to the following questions:*

- *What are African cities' investment priorities?*
- *Which conditions to meet, in the face of which difficulties and opportunities?*
- *What are the really practicable funding sources, strategies and tools?*
- *Which roles to be given for each stakeholder of the African cities' financing chain?*



### **Session witness**

- **Henry K Rotich**, Minister of Finance of Kenya

### **Moderator**

- **Jean-Pierre Elong Mbassi**, PhD in City Planning, Secretary General of UCLG Africa

### **The floor to local elected representatives**

- **Geoffrey Makhubo**, Member of Mayoral Committee for Finance, City of Johannesburg, Vice-President of FMDV
  - *Fund raising to deliver the necessary services and infrastructures for the sustainable development of a major African metropolitan city – realities, experiences and challenges*

### **Other stakeholders**

- **William Cobett**, Director of Cities Alliance
  - *Trends and urban interventions of aid donors in the area of funding of cities, and sharing of meaningful experiences on existing possibilities of funding mechanisms*
- **Patrick Dlamini**, DBSA Director and Chief Executive Officer
  - *Approach of a national development bank specialized in the funding of infrastructures and loans to local governments.*
- **Karim Hajji**, Director of the Casablanca Stock Exchange (Morocco)
  - *Maturity of African capital market and relations with local governments*
- **Representative from the private sector**
  - *Private sector's point of view on the investment opportunities represented by African cities, the prerequisites and the shape of the public-private partnerships to be built/ strengthened.*
- **Allal Sakrouhi**, Wali, CEO of the Communal Equipment Fund (Morocco)
  - *Prospects from a Specialized Financial Institution towards the transformation of the Moroccan local governments' sector.*

## **13h15 – 14h30: Lunch Break**

## **14h30 – 16h30: PARALLEL ROUNDTABLES A FIRST STEPS: PLANNING, MANAGING AND MOBILIZING RESOURCES**

### **ROUNDTABLE A1**

#### **Programming and managing urban investments in African cities**

*As the first conditions to access financial resources, both strategic urban planning and priority investments programming are helping cities to improve their attractiveness and productiveness. There will also help to rally the strength of the diverse stakeholders interested in committing themselves in its development. On the other hand, capacity building constitutes an essential element that needs to be promoted.*

*Here are some of the topics that will be addressed during the roundtable: conducting and controlling the local diagnosis based on relevant indicators for the chosen local context;*

*bringing out the priorities for the city and its population; identifying the resources available to call for new cooperation; ensuring a quality of expenditures guaranteeing the security of investments (transparency, participatory budget).*

### **Session Witness**

- **Amadou Ba**, Minister of Finance of Senegal

### **Moderator**

- **Yusuf Patel**, President of the South African Planning Institute

### **Keynote presentation**

- **Ede Jorge Ijjasz-Vasquez**, World Bank Group Senior Director for Social, Urban, Rural & Resilience Global Practice
  - *Reminder of the issue of urban planning as a prime condition for urban investment*

### **The floor to local elected representatives**

- **Fatima Ezzahra El Mansouri**, President of the Urban Municipality of Marrakesh (Morocco)
  - *Priority investment program “Marrakesh, city of permanent resurgence”*
- **Maty Mint Hamady**, President of Nouakchott City Council (Mauritania)
  - *Experience of the urban observatory regarding diagnosis and urban indicators*
- **Mohamed Idaomar**, Mayor of Tetouan (Morocco) and President of Medcities
  - *Cooperation examples in the Mediterranean area focused on urban planning*

### **The other stakeholders**

- **Sithole Mbanga**, CEO of South African Cities Network
  - *Participatory budgeting: reality of needs and control of resources allocation, efficiency of intervention, fiscal citizenship*
- **Valérie Mancret-Taylor**, Managing Director of the Institute for Urban Planning (IAU), Regional Council of Ile-de-France
  - *Lessons learned from the Master Plan implementation in order to program investment in African urban regions*
- **Laurent Widmer**, Program Manager with the State Secretariat for Economic Affairs (SECO, Switzerland)
  - *SECO activities for a sustainable urban development (case study of the PACUM in Mali)*

## **ROUNDTABLE A2**

### **Enhancing and mobilizing territorial endogenous resources for local development:**

#### **Strengthening local autonomy and predictability**

##### *Focus on local taxation and valuation of land*

*Facing dwindling financial resources and insufficient allocations from central governments and development stakeholders to African local governments, exacerbated by the local banking sector weakness, local taxation constitutes the prime source of endogenous resources accessible to local authorities.*

*In the international debates, local taxation and land value-creation constitute the bulk of the proposals to establish local budgets capable of meeting the current and future needs of African cities. What is the reality of African local governments' capacities? What progress are to be made in terms of fees on services delivered to the population and local businesses?*

### **Session Witness**

- **Claver Gatete**, Minister of Finance of Rwanda

### **Moderator**

- **Carl Wright**, General Secretary of the *Commonwealth Local Government Forum*

### **Keynote presentation**

- **François Yatta**, Expert in local finance and President of Local Economic Development Network of Africa (LEDNA)
  - *An overview of the state of transfers of national financial resources to African local governments, as well as the checks and opportunities of the implementation of local taxation*

### **The floor to local elected representatives**

- **Didas Massaburi**, Mayor of Dar Es Salaam (Tanzania)
  - *Operation of local taxation in the Tanzanian capital city*
- **Fathallah Oualalou**, Mayor of Rabat (Morocco)
  - *Project on the improvement of taxation in Rabat through the taxation of land and real estate assets / Feedback of the study on land value-creation, conducted by the Committee on Local Finance for Development.*
- **Diriba Kuma**, Mayor of Addis Ababa (Ethiopia)
  - *Presentation of the land lease system to fund urban development*

### **The other stakeholders**

- **Ouafa Moniati**, CFO of Marrakesh City Council, President of the “AfricaFiNet” Network
  - *Local taxation in Marrakesh and role of CFOs (dynamics of the Association of African CFOs: “Africa FiNet”)*
- **Marc Trouyet**, Director for democratic governance at the French Ministry of Foreign and European Affairs (MAEE)
  - *Participation of the MAEE in strengthening local finance in Africa, and presentation of the study on local taxation in Africa (conducted by FMDV)*
- **Representative of the German Federal Enterprise for International Cooperation (GIZ)**
  - *Back on the GIZ’ experience as part of its support to the improvement of local revenues in Sub-Saharan Africa program*

**16h30 – 16h45: Coffee Break**

## 16h45 – 18h45: Bank of Opportunities & Side Events

- Space dedicated to B2B meetings between representatives from African local governments, partner companies and private and institutional investors.
- Provision of a platform to introduce innovative projects led by urban development stakeholders (local governments and their partners)
- Space dedicated to parallel meetings between existing networks and institutional partners:
  - « The Deposits and Consignments Fund Forum »
  - Meeting between African economic and local political leaders
  - Meeting of the African Specialist Financial Institutions Platform
- Space dedicated to **Side-Events** (non exhaustive list):
  - Presentation of the Marrakesh City Council' development plan, "*Marrakesh, City of Permanent Renewal*"
  - Funding reconstruction and heritage preservation, the case of Tombouctou (Mali)
  - Presentation of the Dakar Municipal Finance Project (DMFP)
  - Introduction to Coaching Territorial (Echos Communication, NGO)
  - Introduction to unique experiences of the implementation of participatory budgeting in Africa
  - Introduction to the program CoMun "Strengthening Municipal Structures" in Maghreb – CoMun (GIZ Morocco)

19h30 - Gala Night at the invitation of the Marrakesh City Council

### 9h-11h: PARALLEL ROUNDTABLES B

#### BORROWING: FOR A NEW AGE OF AFRICAN URBAN DEVELOPMENT

##### ROUNDTABLE B1

##### **International and regional funding agencies, specialized financial institutions and private banks: which partnerships for local development?**

*How to create a common culture of borrowing between the national and local authorities and the international or regional banking stakeholders?*

*Direct or retroceded loans, guaranteed or not by the central government, in local currency or assuming the exchange rate risk: Which are the prerequisites, conditions, incentives and guarantees?*

*Which possibilities to strengthen the role of commercial banks in local investments funding?*

*How could Regional and National Development Banks fill the gaps in the market, and offer appropriate and sustainable supply and long-term funding, by positioning as intermediaries between capital markets, aid donors and private operators?*

*The debate will focus on the future of specialized financial institutions, by showing the undergoing evolution of the existing arrangements on the continent, regarding their conditions of intervention, legislative and regulatory statutes, and types of resources.*

##### Session Witness

- **Thiam Diombar**, Minister of Finance of Mauritania

##### Moderator

- **José Tonato**, Head of the Urban Development Unit, African Development Bank (AfDB)

##### Keynote presentation

- **Marie Bjornson-Langen**, Deputy Head of the Local Government and Urban Development Division, French Development Agency (FDA)
  - *Challenges and opportunities of bilateral development agencies' loans to African local governments*

##### The floor to local elected representatives

- **Ulisses Correia e Silva**, Mayor of Praia (Cape Verde)
  - *Commercial Banks' loan system to Cape Verde cities*
- **Seifallah Lasram**, Mayor of Tunis (Tunisia)
  - *Testimony of projects funded with the help of the Caisse de Prêt et Soutien des Collectivités Locales (CPSCL), a Local Government Credit Fund*

##### The other stakeholders

- **Christian Adovelande**, President of the Francophone West African Development Bank (BOAD)
  - *Role of regional development banks in the provision of long-term funding*

- **Philippe Camille Akoa**, Director of the FEICOM (Cameroon)
  - *Presentation of the types of funded projects and FEICOM upgrading challenges*
- **Mouhamadou Gueye**, Director Business Development of Shelter Africa
  - *Presentation of Shelter Africa' thematic loans and possibilities to replicate these approaches for African local governments*
- **Jaffer S. Machano**, Director Strategic Planning, Tanzanian Investment Bank
  - *Experience of the Tanzanian Investment Bank and the blocking factors*
- **Mogopodi Mokoena**, Chairman of the Infrastructure Finance Corporation Ltd
  - *The INCA experience in South Africa and the blocking factors*
- **Evelyne Tall**, Deputy Group Chief Executive Officer / Group Chief Operating Officer of Ecobank Transnational Incorporated
  - *The role that commercial banks have to play in order to fund cities*
- **Representative from the European Investment Bank**
  - *Interventions in Africa to serve as financial leverage with commercial banks*

## **ROUNDTABLE B2**

### **Access to the capital market in Africa:**

#### **A credible prospect? For whom?**

*Though its importance still ranks low across the African continent—due to the financial arrangement complexity, the induced costs, the level of requirements, and the prerequisites-, the municipal bonds issue remains a perspective to be encouraged.*

*Today, principally the major metropolitan cities have acquired enough maturity and solid administrative management capacities, and only few national institutional contexts are enough secure for the markets. However, medium-sized metropolitan cities and intermediary cities should also be encouraged in their effort to attain a management and budgeting efficiency that will enable them to be candidates for this type of financial resources.*

*It is also essential to shed light on how the process of financial ratings is integrating the cities' specificities. The debate will also raise the underlying question of controlling of long-term local government debt without subjecting them to debt-related risks that have been widely explored by central governments across the world.*

*Market stakeholders - stock markets, pension funds, insurances -, will also intervene to discuss the possibilities of bringing African local governments closer to the financial market at the national, regional or international levels.*

### **Session Witness**

- **Ngozi Okonjo-Iweala**, Minister of Finance of Nigeria

### **Moderator**

- **Michael Metzler**, Deputy Director of the Credit Enhancement Authority, USAID

### **Keynote presentation**

- **David Painter**, Municipal Infrastructure Finance Advisor, PPIAF – Sub-National Technical Assistance (SNTA) Program
  - *Prerequisites for African local governments to get access to the financial market*

### **The floor to local elected representatives**

- **Khalifa Sall**, Mayor of Dakar (Senegal)
  - *Presentation of the Dakar Municipal Finance Program (Public Offering)*
- **Geoffrey Makhubo**, Member of Mayoral Committee for Finance, City of Johannesburg (South Africa)
  - *Presentation of Jozibonds, municipal bonds issue for the population*

### **The other stakeholders**

- **Fabrice Toka**, Directeur, Business & Relationship Management, Sub-Saharan Africa, Fitch Ratings
  - *Financial (and extra financial) ratings of African local governments criteria (including impact investment)*
- **Lars M. Andersson**, Founder of the Swedish Local Government Funding Agency, Kommuninvest
  - *Conditions for the replication in Africa of the syndicated bond issue of Local Government Funding Agencies*
- **Nicky Newton-King**, Chief Executive Officer of the Johannesburg Stock Exchange
  - *Review of the listing possibilities of local governments' bond issue on African stock markets*
- **Sid'Ahmed Ould Raiss**, Governor of the Central Bank of Mauritania
  - *Point of view of a Central Bank on the reliability of a local bond issuance (introduction to the operation and bond issuer)*
- **Fernando de Gama**, Senior Vice-President, Evenson Dodge International
  - *Credit enhancement and the role of guarantees to access the financial market*
- **Linah K. Mohohlo**, Governor of the Bank of Botswana, Head of the Pula Fund
  - *What investments opportunities for sovereign wealth fund on the local governments' market in Africa*

## **11h – 11h15: Coffee Break**

### **11h15 – 13h15: PARALLEL ROUNDTABLES C**

#### **PUBLIC-PRIVATE ALLIANCES AND INNOVATIVE FUNDING MECHANISMS**

##### **ROUNDTABLE C1**

##### **Developing public-private partnerships (PPPs) in order to aggregate interests, and share know-how, benefits and risks**

*The potential of private businesses' investment capacities has still to be activated to finance the African urban development. Experiences of alliances between the private sector and local governments, and through a joint funding of urban facilities, will be introduced.*

*Moving forward the mixed picture given by such types of partnerships, the way is now open to new types of so-called "new generation contracts" that will allow renewing this approach across the African continent. The terms of the success of PPPs and their new impacts - notably encouraged by the smart technologies that improve urban services' delivery - will be explored. The growing role of private investment funds and sovereign funds to fund major infrastructures will also be addressed, as well as the essential role of small urban services operators and their relations with African local authorities.*

### **Session Witness**

- **Baledzi Gaolathe**, Minister of Finance of Botswana

### **Moderator**

- **Gulelat Kebedé**, Coordinator of the Urban Economy Departement, UN-Habitat

### **Keynote presentation**

- **Yasser Charafi**, Senior Investment Officer, International Finance Corporation (IFC)
  - *Appraisal and perspectives of PPPs for urban development in Africa*

### **The floor to local elected representatives**

- **Robert Beugré Mambé**, Governor of the Autonomous District of Abidjan (Ivorian Coast)
  - *Strategy for the creation of new PPPs in Abidjan*
- **Babatunde Raji Fashola**, Governor of Lagos State(Nigeria)
  - *Experience of the Lagos State Public-Private Partnerships Office*

### **The other stakeholders**

- **Stanley Litow**, Vice President, IBM Corporate Citizenship & Corporate Affairs and President, IBM International Foundation
  - *Role of the new generation PPPs in the planning of Smart Cities, and opportunities in Africa*
- **Adama Ndiaye**, President of the Federation of the African National Right Insurance Societies (FANAF)
  - *Role of insurance societies in offering guarantees for private investments*
- **Etienne Pahin**, Director of the Thales Group in Morocco
  - *Private investments in the area of transport, and relations with African local governments*
- **Katharina Schneider-Roos**, Deputy Executive Director, & **Deborah Huber**, Director Standards Development, Global Infrastructure Basel Foundation
  - *Introduction to Credit Rating as a tool in promoting private-sector investment in sustainable infrastructures.*
- **Hubert du Mesnil**, President of the « Delegated Management Institute »
  - *Tools to improve urban services quality and performance*

## **ROUNDTABLE C2**

### **Innovative funding mechanisms:**

#### **Where are they? Real prospects for African cities**

*The discussion will focus on the arrangement that can sustainably transform the African cities potentials into own financial resources, and on related innovative funding mechanisms.*

*Several transversal experiences will explore the possibilities offered by the redefinition of financial architectures (institutional and monetary innovations), socio-cultural solidarities (transfer of migrants' funds), sustainable funding (climate finance, clean development mechanisms) or even participatory housing.*



*Through its specific loans terms and conditions, the Islamic finance will also be presented as the reflection of a new financial inclusion opportunity for local governments.*

### **Session Witness**

- **Saada Mkuya Salum**, Minister of Finance of Tanzania

### **Moderator**

- **Abdeljalil Cherkaoui**, Coordinator of the African Network of Social and Solidarity Economy (RAESS) / Founder of the Panafrican Development Institute for Northern Africa (IPD-AN)

### **Keynote presentation**

- **Carlos de Freitas**, FMDV Expert in innovative funding & Coordinator of the Palmas Institute Europe
  - *General introduction to the concept of innovative financing mechanisms, and international examples*

### **The floor to local elected representatives**

- **André Kimbuta**, Governor of Kinshasa, Democratic Republic of Congo
  - *Mobile-enhanced participatory budgeting*
- **James Nxumalo**, Mayor of Durban, South Africa
  - *Clean Development Mechanisms: program harnessing GHG emissions right from waste sorting centre*

### **The other stakeholders**

- **Mohamed Bekhechi**, Lead Counsel, ESSD and International Law, World Bank
  - *What opportunities for sustainable urban development through the new funds created through the United Nations Framework Convention on Climate Change*
- **Joel Bolnick**, Director of Slum Dwellers International
  - *Integration of the informal economy and endogenous territorial resources, community funding in slums*
- **Kobie Brand**, Regional Director of ICLEI Africa
  - *Small infrastructures funding case studies through crowdfunding*
- **Representative of Islamic finance in Africa**
  - *Assets of Islamic finance in the funding of urban investment needs*
- **Simone Pettoruso**, Coordinator of the Italian NGO “Community, Engagement, Service and Volunteering (CISV) “
  - *Presentation of the project called: “Senegal Piémont and Sardaigha: Migration and Co-development”*
- **Will Ruddick**, Economist and Director of the program “Bangla Pesa”
  - *Presentation of the social and complementary currency*

**13h15 – 14h30: Lunch Break**

### 14h30 – 16h30: Prospective plenary session

#### Conclusions and prospects for financing today the African cities of tomorrow

The final plenary session will offer the opportunity to the Mayors, Ministers and present partners, to share their commitments regarding the efficient engineering of the mechanisms and strategies for financing the local governments' urban investments.

- The recommendations from the round-tables will be presented to the assembly for a general discussion and their adoption.
- **The Declaration of the Marrakesh REsolutions, on financing cities in tomorrow's Africa**, will be published.
- A 2014/2016 agenda on financing African cities will be proposed, made of proposals adapted to the African continent, for a sustainable financing of investments, in the perspective of preparing the next Habitat III Summit.

#### Facilitation:

- **Jean-Pierre Elong Mbassi**, General Secretary of UCLG Africa
- **Ghazi Hidouci**, Former Governor of AfDB / Former Minister of Finance of Algeria
- **Jean-François Habeau**, Executive Director of FMDV
- **Nicéphore Soglo**, Former President of Benin / Mayor of Cotonou
- **Babatunde Raji Fashola**, Governor of Lagos State (Nigeria)

### 16h30 – 16h45: Coffee Break

### 16h45 -18h15:Closing remarks

- **Mohamed Hassad**, Minister of Interior of Morocco
- **Adeslam Bikrat**, Wali of the Marrakech-Tensift-El Haouz Region
- **Khalifa Ababacar Sall**, Mayor of Dakar / President of UCLG Africa
- **Fatima Ezzahra El Mansouri**, President of the Urban Municipality of Marrakesh
- **Aisa Kirabo Kacyra**, UN-Habitat Deputy Executive Director
- President's Representative of "Ile-de-France" Region, Metropolis, and FMDV

### 19h30: Moroccan closing dinner

## V. Presentation of the co-organizers of the Conference & Contacts

The **Global Fund for Cities Development (FMDV)** is an operational network of local governments established in 2010. The work of FMDV aims to build up the financial capacity of local authorities through the sharing of competencies and knowledge, and by encouraging cooperation and solidarity between the cities. By placing local economy at the heart of local development strategies, FMDV intervenes both in operational support across the system of project funding (design, organization, financial engineering) and in the coordination of the dialogue between the stakeholders for the promotion and dissemination of solutions for the capacity building of local authorities in the area of access to and management of urban development funds.

Based in Paris, FMDV has regional offices in Rabat for Africa, in Mexico for Latin America and in Mashhad for the Middle East, and national offices in Brazil, United States and in Turkey.

**United Cities and Local Governments of Africa (UCLG Africa)** is the umbrella organization and the united voice representing African local governments across the continent. It emerged from the merger of the three pre-existing associations of local governments which were the African Union of Local Authorities (AULA), the Union of African Cities, UVA (*Union des Villes Africaines*) and the African Chapter of the Lusophone organization of local authorities, UCCLA (*Uniao das Cidades Capitais de lingua portugue sa, Africana, Americana e Asiatica*). UCLG Africare groups 40 national associations of local governments of all the regions of Africa, as well as 2000 cities having over 100 000 inhabitants. UCLG Africa accounts for at least 350 million of African citizens. Founding member of the World Organization, UCLG, it is its regional section for Africa. Its headquarters is located in the City of Rabat, Kingdom of Morocco where it enjoys the diplomatic status as a Pan-African International Organization.

The **Municipality of Marrakesh**, with more than 3 million inhabitants, is a central tourist and cultural landmark of international outreach within the Moroccan Kingdom. Through the implementation of its development plan for 2017 « Marrakesh, City of Permanent Resurgence », Marrakesh is most certainly becoming a reference model in terms of sustainable and integrated urban development. Furthermore, Marrakesh established itself as a leader within the ongoing debate about African local governments' growing role in the urban agenda. Indeed, the Municipality hosted the 5th edition of the *Africities* Summit, organized by UCLG Africa in 2009, and holds since 2013 the presidency of *AfricaFiNet*, the network of African local governments chief financial officers hosted by UCLG Africa. Therefore, following on from its past commitments, the Municipality will host of the « REsolutions Africa/ Marrakesh 2014 » conference.

### Contacts

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## **Appendix A**

### ***REolutions to Fund Cities: a worldwide programme hosted by cities, and today developed in Africa***

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In response to the debates initiated at the international level on this topic, notably the discussions on the Post 2015 agenda and the United Nations Habitat III Summit in 2016, and in order to mobilize, to ensure that the voice of local authorities is heard, to demonstrate their expertise and, lastly, to conduct a sustainable intermediation with their partners, FMDV launched, in 2013, in partnership with Metropolis and UCLG, the world program “***REolutions to Fund Cities –REthinking the economic and financial solutions for local development.***”

Unfolded regionally, this program aims to identify, adapt and transfer economic and financial strategies and mechanisms that already helped cities to improve the impact and performance of their local development policies, and to make the latter sustainable and replicable strategies in other territories.

**“REolutions Africa” aims to provide local authorities with a wide range of appropriate and complementary tools for a sustainable hybridization of their financial and economic resources and the setting up of adequate conditions to promote their optimal planning and management.**

**The program works for the establishment of a dialogue between local governments and all the urban stakeholders (from the regional to the local level, institutional, public, academic, public and private sectors) with the aim of strengthening and boosting productive alliances and sustainable sources of innovation and transition.**

**3 successive phases have been deployed** to prepare local governments and their partners to integrate and to commit themselves in the new local economic development strategies and the diversification of their financial resources:

1. Consultation of stakeholders and dissemination of information (conferences and publications),
2. Trainings and capacity building (training workshops and city-to-city cooperation),
3. Operational support for the implementation of pilot projects.

**As the first activity of this multi-annual program, the *Africa REolutions / Marrakesh 2014* Conference will be followed by a technical publication on the good practices of funding, and technical workshops to prepare volunteer territories – and their partners – in developing quickly operational activities.**

## **Appendix B**

### ***Training workshop of the African Chief Financial Officers - AfricaFiNet Network***

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#### **1. Context**

Thanks to the support of UCLG Africa, the Africa Finet Network was created in 2013, and brings together 34 African Chief Financial Officers.

Chaired by the City of Marrakesh and host by UCLG Africa, the network aims to support capacity building of African cities in financial management, and to help them to diversify their financial resources. This process is made possible through awareness sessions, training workshops, and the establishment of a dialogue between African local authorities' CFOs and financial stakeholders.

The Marrakesh 2014 training workshop is organized within the framework of the African *REsolutions* Conference which seeks to identify funding solutions offered to African cities in order to meet the inherent challenges of a resilient and inclusive sustainable urban development.

This conference is a great opportunity for the associated networks to both attend debates on financing solutions among several high-level stakeholders, and acquire a strong knowledge on the different paths to access to financial markets.

#### **2. Objective of the training workshop**

The regulations governing the management of credit risk, and the modernization of the financial market, are linked to the introduction of credit ratings and other new financial instruments in the financial environment of local authorities.

The objective of this training workshop is to familiarize the participants with the assessment of credit risk and its impact on the capital market, with the contribution of specialized institutions, such as Pan-African and international rating agencies. Moreover, it will offer the opportunity to the participants to learn about the different financial instruments that are adapted to the African financial markets and as a perspective for African local authorities in their research for diversifying financing opportunities.

### **3. Indicative content of the training workshop**

It is a one-day training workshop that will address four (4) major topics.

#### **A. Credit risk and financial ratings in Africa (1 hour)**

- Operations exposed to client credit risk
- Role of rating in the assessment of credit risk
- Information on credit risk in Africa /The West African example
- Developments of the legislative framework of rating in Africa / The West African example
- Impact of rating on the Capital Market

#### **B. Financial rating viewed by a local African rating agency (3 hours)**

- Specific features of financial rating
- Rating scales and their meaning
- Rating agencies operating
- Evolution of financial ratings in African countries
- Bloomfield Investment Corporation financial rating methodologies (Corporates, Financial Institutions, Public Entities and Local Governments, Sovereigns)
- STANDARD & POORS (historical background and intervention in Africa and in the emerging countries)
- Banks rating by STANDARD & POORS: assessment of bank risk, the risk specific to this sector and the country risk in which a bank operates.

#### **C. Economic and Financial Intelligence, a decision-making tool for the investors (1 hour)**

- Sector-based analysis & Methodology
- Country risk analysis & Methodology
- Stock market analysis & Methodology

#### **D. Securitization and the rating methodology of FCTC, case study (3 hours)**

- Securitization
- Rating methodologies of financial instruments
- Case study of a Corporate risk rating
- Case study of a local government credit rating

### **4. Expected participants**

The participants are the CFOs of 34 local authorities member of United Cities and Local Governments of Africa, regrouped within the AfricaFiNet Network.

## Appendix C

### Partners

#### Contributors



#### Endorsers

