Edson Aparecido
State Government of São Paulo

Importance of the metropolitan agenda for sustainable urban development
About

Voice of the Mayors

Celebrating its thirtieth anniversary, METROPOLIS wishes to leverage the unique experience of its members, represented by the mayors of the major metropolises, presidents and governors of metropolitan regions. Too often, the expertise of these high-ranking officials is lost once their term has come to an end. However, at a time when global urban development is quickening its pace, their experience is more beneficial than ever for the new generations of local decision-makers, the entire spectrum of public and private local development stakeholders and partners in the international community.

In its capacity as a network of the world’s major metropolises, METROPOLIS also seeks to make an active contribution to the current international debate concerning the revision of the Millennium Development Goals, negotiations on climate change and the preparations for the United Nations Conference on Housing and Sustainable Urban Development (Habitat III).

This is how the idea for Voice of the Mayors came into being, as a wealth of first-hand testimonies from local and regional leaders whose experience deserves to be recounted and disseminated. Bequeathing this legacy also conveys the willingness of METROPOLIS members to share their experiences and to enhance the exchange of knowledge, a concerted effort to contribute towards shaping sustainable urban development worldwide.

Upon the creation of METROPOLIS in 1984, the 14 founding members expressed their desire to work together to strengthen their mutual capacities to manage their cities. Voice of the Mayors helps to achieve this goal with the 136 members that comprise METROPOLIS today and the young generations of local decision-makers.

The testimony you are about to read serves to enhance the association’s training activities and the work carried out within the framework of the METROPOLIS Initiatives, the METROPOLIS Women International Network and of METROPOLIS Youth.

The experience of the leading decision-makers in major metropolises across the world is essential. They manage the day-to-day needs of millions of citizens as regards housing, mobility, education, health, safety and energy, to name but a few. They run cities, urban areas and metropolitan regions that are sometimes larger than certain United Nations member states in terms of population, budget size and global reach. They are the main political leaders on the front line, tackling the challenges facing the planet. Nevertheless, this role has yet to be sufficiently recognised in present-day international relations.

It is METROPOLIS’ aspiration that Voice of the Mayors will help these leaders’ words to be better heard, listened to and taken into consideration by the international community.

Alain LE SAUX
METROPOLIS Secretary-General
October, 2014
Edson Aparecido was the first secretary of Metropolitan Development in São Paulo State (2011-2012). He is graduated in History. He had four parliamentary terms of office (two as congressman, and two as state representative.) Currently, he is the Chief of Staff of São Paulo State’s government, position that he’s also occupied between 2012 and 2014.

He articulated the institutionalization of the Metropolitan Region of São Paulo, and the creation of forms of governance to São Paulo’s Macrometropolis, which congregates eight metropolitan arrangements, with 30.5 million people.
Edson Aparecido

Importance of the metropolitan agenda for sustainable urban development

Since 2011, in the previous term of office, the Government agenda gave priority to the metropolitan issues, considering the fact that São Paulo is one of the most urbanized states of the country and with metropolitan areas that concentrates assets and favorable conditions for the sustainable development process, presenting, at the same time, major challenges to be solved, such as: use of water resources and environmental sanitation; urban mobility and public transport; housing conditions and urban poverty; and public safety conditions.

Recognizing needs of this order, the Government committed itself to rescue a planning process, which, prioritizing the functionality of the state’s metropolis and metropolitan areas, could indicate guidelines, projects and actions for sustainable development.

I am proud to be leading this project, which requires the coordination of a set of strategies and actions in many areas, which will be intensified during this government second term. In the political-institutional framework involved the structuring of the planning system and metropolitan governance; the institutionalization of metropolitan regions (MRs), urban agglomerations and micro-regions of the territory of São Paulo’s Macrometropolis (MMP) and the structuring of the Metropolitan agenda, built by projects and actions derived from dialogues between the State government, local governments and members of the private sector and civil society, through meetings in the regions of MMP, overlooking to the appointment of regional development priorities.

The improvement of the planning tools and metropolitan governance emphasized the revitalization actions of metropolitan and sectoral planning, through the formulation and implementation of global and sectoral plans, which have the goal to raise the population’s quality of life, ensure urban development - with social equity - and improve functionality and MMP territory efficiency, the most important economic and urban region of the State.
In connection with the financing of the projects there was a search of new financing strategies, facing the demands scale and the continuous need to expand the implementation of public policies, and also the need for political negotiations with various stakeholders.

I am also leading the initiative of open a front of international dialogue in order to participate in the exchange of successful experiences as a way to improve metropolitan management in the State of São Paulo and discover new mechanisms that could possibly be incorporated into our governance practice.

This article for Voice of the Mayors series, published by METROPOLIS, records historical aspects of the implementation of these actions, emphasizing the progress made to this date. The intention is to disseminate the experience of São Paulo, sharing it with other partners in METROPOLIS. But, what I mainly hope is to receive suggestions that may contribute to the improvement of our planning process and metropolitan governance, through the knowledge of methods, projects and actions that have proved successful in other countries and cities that are part of METROPOLIS.

Political and institutional actions

The Government’s action in this area took as one of its basic references the idea that institutional structures, as well as governance practices are, nowadays, the central elements for public management in urban areas. Cities, and especially the large ones are the poles that structure and give dynamism to the socio-economic and urban development processes in a region or even a country.

This is a hallmark of MMP, territory which accounts for most of the economic activity of the State of São Paulo as well as by the concentration of a significant portion of its urban population. It must be, therefore, the need to prioritize the adequacy of institutional framework for planning and
management of the territory, in order to meet the challenges posed by its position, both within and outside the country.

In other words, due to its size and socioeconomic importance, it is an area of enormous economic, social and urban interest, which, as a guarantee of maintaining its economic competitiveness and people’s quality of life, requires the use of planning instruments and appropriate management mechanisms, in order to define and implement a schedule of priority projects, encompassing integrated intervention projects and/or projects of high strategic potential of public investment.

By giving centrality to the metropolitan theme, the government has prioritized public intervention in the MMP territory and made the decision to restructure the institutional units and of metropolitan governance forms of the state. Thus, in 2011, with the formalization of Decree No. 56 887, the structuring of the State System of Metropolitan Development and the Secretariat of Metropolitan Development began. The primary objective was organizing the metropolitan planning and the public policies formulation for the MMP territory - as well as joint implementation of public functions of common interest that lie within that territory.

Besides the organizing effort of the central planning and governance structures, the Government also undertook a systematic effort formalizing political-institutional units that make the management of metropolitan areas and institutionalized urban agglomerations. Thus, in the period of 2011 - 2014, in addition to being promoted the reorganization of the RM of São Paulo, by adapting its regional management system to the parameters of the federal and state Constitutions, it were also imposed the MRs of Vale do Paraíba e Litoral Norte and Sorocaba and of the Urban Agglomerations of Piracicaba and Jundiaí. There are, therefore institutionalized in the territory of MMP the metropolitan areas of São Paulo, Santos, Campinas, Vale do Paraíba e Litoral Norte and Sorocaba and also the agglomerations of Jundiaí and Piracicaba.
The planning apparatus and management of this regional units were institutionalized with the following structure:

- Metropolitan Development Councils - deliberative councils composed of representatives of the MRs municipalities, state officials in areas that correspond to the management of calls public functions of common interest and representatives of the State Legislative Assembly.

- Metropolitan Development Agencies - local entities of territorial character in order to integrate the organization, planning and execution of public functions of common interest.

- Metropolitan Development Funds - For providing financial support to actions of common interest between the State and metropolitan municipalities, to improve the quality of life and socio-economic development of the regions.

- Advisory Councils - come with the participation of civil society representatives, the State Legislative, the Chambers of the municipalities that integrate the Region and State and Municipal Executive.

Therefore, there are a set of political and institutional instances to which the government assigned an important role and they have been widely used for building political consensus about regional priorities expressed in the Metropolitan Agenda of the State of São Paulo. This is, thus, the result of a shared building process between the state government and the group of municipalities in each region for the development of a project schedule and structuring actions intended to boost the potential and facing the challenges of each region, in sustainable development.

**MMP Development Policy**

In addition to adjust the planning structures and metropolitan governance and expanding the dialogue with key interlocutors, the state government also formalized principles and guidelines of MMP Development Policy, defining, thus, the framework of projects and actions of the Metropolitan Agenda, developing global and sectoral plans to the MMP territory.

It was prescribed that the main metropolitan challenges that should be dealt with were combining territorial development and inclusive urbanization, in order to promote the sustainable development of MMP, ensuring good quality of life for the population. It was also clarified the urgent need to devise challenges of financial and institutional orders, adopting resource mobilization mechanisms compatible with the scale of required investment. Planning tools and collateral management of metropolitan performance are also fundamental elements to guarantee efficiency metropolitan development policies.

The Government establish as one of its principle to incorporate the formulation and implementation of public policy guidance to combine integrated policies with targeted and spatially directed actions. For this, it is established that public policies for MMP should observe the requirements of institutional adequacy and infrastructure, in addition to seeking the implementation of strategic projects for socio-economic and urban development of this territory - with the participation of the private sector and civil society.

In addition, the Government considered imperative to prescribe the principle that MMP is an area that should be the subject of integrated public policies, which are based on the intersectoral action and count with resources provided in the Multi-Year Plan and Annual Budgets. It also established the need to define and implement governance mechanisms in agreement with the complexity of the problems of that territory.

The metropolitan governance model adopted is based on the idea that the integration and complementarity of urban functions and services in a metropolis require joint action of governments and private sector. It means, start with a conception of governance as one of cooperation and collaboration system between different levels of government, business associations and society, in search of the formulation and implementation of public policies.
In order to observe these principles, the guidelines of the development policy adopted for MMSP are:

• To improve the business and investment environment, and the quality of infrastructure and efficiency of public services, in order to attract investment and create jobs, ensuring the economic competitiveness of MMSP.

• To compensate the unequal distribution of economic opportunities, reducing space and living conditions inequities, as well as supporting the development of long-term and market integration.

• To expand the formation of human capital to meet the new requirements of economic competitiveness, especially in the sectors that have important expression in MMSP, as well as changes in the demographic pattern.

• To encourage municipalities to adopt fiscal policies that increase its investment capacity, allowing greater participation in the programs and projects financing related to public functions of common interest.

• To take actions to mobilize the private sector to increase its share in the financing of macrometropolis development.

• To promote inclusive urbanization, through targeted policies that improve people’s living conditions, prioritizing the work in informal urban areas (slums and squatter settlements).

• To ensure the improvement of existing dwellings and the production of new housing units, as well as the progressive urbanization, with the infrastructure implementation, equipment and community public services.

• To improve the quality of urban management, through the adoption of appropriate urban instruments in order to ensure the promotion of urbanization and the effectiveness of public policies.

• To enhance the urban setting in order to meet the requirements derived from socioeconomic conditions, through institutional strengthening of local action, with regard to the information systems improvement and technical training for urban management.
• To ensure the connectivity of MMSP urban system, through the provision of investment in physical infrastructure (air links, road, rail, waterways), information and basic services, with control of externalities arising from economies of agglomeration.

• To implement the goals of the State Policy on Climate Change (SPCC).

In order to implement these guidelines, the Government Schedule has prioritized the implementation of metropolitan planning redemption process, through the formulation of a comprehensive plan and sectoral plans for the territory of the MMSP.

At the core of this process it gave importance to the formulation of Macrometropolis Action Plan (PAM 2013-2040), which was associated with a portfolio of projects agreed upon by the public sector, the private sector and society, and a governance model from that portfolio. It also promoted the formulation of a set of sectoral plans, which ultimate goals were incorporated by the PAM. They are: Housing Development Metropolitan Plan (Emplasa, 2014); Master Plan for Water Resources Utilization of São Paulo Macrometropolis (Daee, 2013); Master Plan of Transportation and Logistics 2010-2030 SLT-GESP, 2014) and the of São Paulo Energy Plan PPE 2020 (SEE, 2013).

PAM 2013-2040

PAM is seen by the Government of the State of São Paulo as a short medium and long term planning instrument, the basic reference for the formulation and implementation of public policies and actions on MMP territory. His guidance is to enable the development of the main potential of this territory and point guidelines, projects and actions to overcome the main barriers to regional development in order to achieve the desired future in 2040, with intermediate objectives for 2025 and 2035.

The major metropolitan challenges that the Plan considers are economic, social and urban. It also focuses on institutional challenges. In the economic area, the central proposal is to ensure the attractiveness of the MMP and the competitiveness of its urban centers, improving general infrastructure, and in particular, the conditions of transport and logistics and urban mobility. From the social point of view, are included projects and actions aimed at housing, sanitation, infrastructure, public facilities and services, and job creation. At the institutional level, the proposal is the adequacy of the planning and management instruments, overcoming legal, institutional and technical deficiencies to meet the population’s needs.
There are also, challenges that PAM intends to face, that are in the scale of investments and in the metropolitan management efficiency. The cities that compose the metropolitan areas, especially small ones, have, of course, low investment capacity. Thus, to implement the projects and PAM projects and actions it was necessary to think about funding models and to consider the condition of inequality between different levels of government, working in regional areas, as well as the need to increase the levels of private investment in metropolitan projects.

PAM 2013-2040, drawn from the MMP Development Policy, defines three strategic pillars: territorial connectivity and economic competitiveness; territorial cohesion and inclusive urbanization and metropolitan governance.

The Plan incorporates the challenge of paving the way to conduct the MMP to the desired future. First, with projects and activities for 2025. Then, for 2035 and 2040.

Beyond the territorial development and inclusive urbanization, are also strategic purposes of PAM:

- To set focused and spatially targeted actions.
- To suggest the adequacy of legislation and policy instruments to promote the socio-economic and urban development.
- To promote the metropolitan governance; and
- To engage other levels of government, the private sector and society in proposing and implementing projects and metropolitan actions.

In this context, the Government has given fundamental importance to the definition of the portfolio of PAM projects involving a wide range of projects and actions to promote territorial cohesion, polycentricity and the sustainability of MMP with social equity. The central guidance that justified the organization was derived from Macrometropolis Development Policy, in order to strengthen and create attractive locational advantages for businesses and for people. At the same time, implementing inclusive urbanization actions, able to overcome the difficulties in raising the infrastructure supply and basic services and equate derived social problems of urban, economic and social dynamics, recognizing social inclusion as an important factor for sustainable urbanization. Also put on the horizon the need
to organize investments, projects and actions that could strengthen the polycentricity of MMP, contributing to the balanced growth as well as to increase territorial cohesion, decentralizing activities and increasing the possibilities of access to skilled services.

On the other hand, planned interventions under the PAM have adopted as basis the need to define specific areas of intervention, called development vectors. In agreement with these ideas, and considering the lines that guided the development of PAM, it has been identified macrometropolitan vectors of development of two types: territorial and systemic.

Territorial vectors were seen as connections that perform specific functions in intermetropolitan level, including new connections created on the basis of producer or urban dynamics. Or, circuits which resulted in the establishment and strengthening of new centers.

Accordingly, territorial vectors articulates structural projects such as: (i) the implementation of logistics platforms and the recovery and/or implementation of rail network for freight and passenger (Department of Transport and Logistics); (ii) regional trains and suburban trains (Metropolitan Railroad Company / Department of Metropolitan Transport); (iii) the structure of the airport complex in MMSP (National Civil Aviation Agency - ANAC), covering the airports of Guarulhos, Congonhas and Viracopos, and in the medium term the airport of Sorocaba, and integrating air transport connectivity structure and MMSP transport.

The systemic vectors are defined by the presence of natural or technical sets, such as the power system, the use of water resources and environmental, technological innovation, professional qualification and fiscal management, and also housing development. They are strategic vectors in the implementation of projects and
actions of PAM, since they have physical and geographical characteristics considered essential to ensure the sustainability and competitiveness of this territory.

In the PAM projects portfolio, territorial and systemic vectors organize projects and structure actions, defined as public and / or private intervention blocks. These are articulated from the Plan central proposals and are directed to the implementation of development strategies to enhance favorable conditions for socio-economic and urban development. Also are structured to meet the challenges and MMP’s bottlenecks, with regard to the systemic economic attractiveness, territorial cohesion and inclusive urbanization. Furthermore, structural projects are characterized as articulated that can ensure the mainstreaming and sectoral integration that the territory requires.

Importantly, the organization of vectors, projects and structuring actions, PAM also incorporated strategies related to metropolitan governance, including definitions of the institutions involved in the implementation of planned projects and actions and possible orientation conflicts; the means, considered instruments and resources required for implementation and the logical sequence and time of the planned actions.

The PAM portfolio projects included a set of 112 selected projects and actions organized by territorial and systemic development axes, and about 50% of these are already underway.

The involved resources in the implementation of projects and actions were estimated at R$ 415 billion for the period 2025, 2035 and 2040, noting that, because it is the implementation of major infrastructure, the projects related to territorial vectors have estimated cost of R$ 254 billion, of which R$ 108 billion for the first period and R$ 140 billion for the second, remaining R$ 4 billion for the long term.

The largest volume of funds involved in the implementation of PAM’s project portfolio is intended to implement the high-capacity passenger transport rail systems, including the metro-rail system of the metropolitan region and the regional train system of MMSP passengers.

Of course, the state fiscal conditions, compared to the current country’s economic scenario, do not allow investments made only with its own budget. Nor would be that an appropriate option, since, once implanted, most projects involve providing services to the State itself and the general population.

Thus, it is clear to the Government that the financial architecture to support the projects and implementation of activities of PAM’s portfolio depends on collaborations that may result in the association of budget with private resources, either directly, or through PPPs and concessions.

It is for this reason that the State of São Paulo puts the private sector, increasingly, as an important partner for the strategic projects implementation, either through sector managers, whether in design proposals and infrastructure projects, as evidenced situation in the discussion of governance instruments and funding possibilities of PAM project portfolio.

**Political consensus**

To end this report, I would like to point out that the redemption process of action planning and metropolitan governance undertaken by the Government gave fundamental importance to the formation of political consensus considered indispensable to cement the possibility of objectives and proposals implementation for MMP territory made under the PAM. For this, it puts in practice the extensive process of information and discussion of their proposals using several mechanisms: internally to own government; within the State; at national level, involving the various levels of government, whose actions overlap in MMP territory, and even internationally.

As natural consequence of different Government departments joint efforts for the formulation of integrated policies for the MMP territory it was also built several partnerships between
Emplasa and sectoral bodies of São Paulo State Government: with the Department of Housing, for the formulation of the Metropolitan Housing Development Plan together with the PAM requirements; the Environment Department for the exchange of cartographic inputs and geoprocessing inputs, as well as, from the PAM coordinates, indicate areas for the application of a vegetation restoration program in the MMP spring areas; with the Sanitation and Water Resources Department, based on funding from the State Water Resources Fund (Fehidro), make cartographic updating the Upper Tiete Basin, one of the most important MMP sources; with the Company of São Paulo Metropolitan (Metro); with the Metropolitan Urban Transport Company of São Paulo (EMTU) for valuation of derivatives impacts of the MMP new subway lines and bus corridors in metropolitan implementation and the Dersa for monitoring the impacts of the use and occupation, derivatives the implementation of the Rodoanel.

Under the state and national level, discussions on planning and metropolitan governance and on the objectives and PAM proposals had the technical cooperation of the United Nations Human Settlements Program (UN-Habitat), hired by Emplasa to perform a wide work to identify relevant actors involved in the MMP development process, including not only the public sector but also the private sector and civil society. The UN-Habitat was asked also to propose a model of macrometropolis dialogue and organize meetings to discuss the proposals of the PAM.

With support from UN-Habitat we also held meetings with the Federal Government, involving the Department of Cities, BNDES, Caixa Economica Federal, Banco do Brasil, in addition to the Department of Mines and Energy and Environment, Department of Finance Administration, Executive Secretary of the Department of Transport and the National Water Agency.

In order to structure and consolidate the private sector and the Federal Government demands related to PAM there were organized thematic meetings. And in this context the budgets of projects by theme and vector were discussed, and it is also detailed the proposed investment by the State Government of São Paulo by 2040, in order to leverage the interest of private actors, with plans to direct investments or indirectly related to the territory of MMP to PAM projects.

The thematic meetings discussed the interventions in infrastructure provided in PAM, including roads, railways, ports and airports.

Simultaneously with this set of actions and to widen the governance of the PAM as well as deepen the metropolitan governance strategies, the Government sought to develop extensive work on the international stage.

It became a member of METROPOLIS (World Association of the Major Metropolises), institution which holds the vice presidency for Latin America and the Caribbean.

Additionally, through Emplasa, the Government coordinated an initiative funded and supported by METROPOLIS, and led the formation of an international partnership network, to perform the Comparative Study of Metropolitan Governance. The project began in 2012 with the accession of 19 metropolitan areas / metropolis of Brazil and the world, and focused on identifying institutional arrangements and financial instruments to make effective the funding of actions involving more than one city. The project was completed in September 2014 and was presented at the 11th METROPOLIS World Congress in Hyderabad (India). The material about the project is available on the Emplasa website (www.emplasa.sp.gov.br) in Portuguese, English and Spanish.

A recent initiative was the affiliation of the State of São Paulo, through the participation of Emplasa, to the Metropolitan Areas Network of the Americas (Rama), international institution designed to articulate metropolitan institutions in countries of the Americas and the Caribbean. Through various technical activities, capacity building, planning, management and metropolitan governance, RAMA seeks to raise awareness around the importance of the metropolitan agenda.
I consider that those initiatives are arguably relevant, particularly by the fact that the constitution of these international platforms for technical cooperation facilitate exchanges to strengthen metropolitan governance capacity.

I would like to end this report by saying that, alongside other partners of METROPOLIS, we are working hard in the conformation of a proposed metropolitan agenda for Habitat III. I consider that the experience accumulated by the State Government on issues related to metropolitan governance, involving mainly aspects and questions concerning the governance structures and funding mechanisms, can serve as a reference for other countries. And I believe, moreover, that the participation in this forum will make it possible to extend the support of international institutions to the state’s metropolis themes as well as strengthen and expand exchanges, partnerships and contacts that can contribute to the improvement of methods and metropolitan governance mechanisms adopted by us.

São Paulo
April, 2015

Thiago Benedetti / Subsecretaria de Assuntos Metropolitanos
The Cities Alliance is a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development. Cities Alliance Members include local authorities, national governments, non-governmental organisations, multilateral organisations, and associate members. METROPOLIS is a founding member of Cities Alliance.

www.citiesalliance.org

The Global Fund for Cities Development (FMDV) was created in October 2010 at the initiative of METROPOLIS, United Cities and Local Governments (UCLG) and 34 founding members (cities and city networks). It is an international political organisation which aims to strengthen solidarity and financial capacity by and among local authorities and is complementary to existing mobilisation, coordination and advocacy networks.

www.fmdv.net

Created in 2004, United Cities and Local Governments (UCLG) is the united voice and world advocate of local and regional self-government. Members of UCLG are present in 140 countries, and are organized into seven regional sections, a Forum of Regions, and a metropolitan section coordinated by METROPOLIS. UCLG’s membership includes over 1,000 cities and regions, as well as 155 local government associations.

www.uclg.org

The World Urban Campaign is a global partnership coordinated by UN-Habitat, designed to promote a positive vision of sustainable urbanization and to place the urban agenda at the highest level in development policies. It is meant to build alliances with all the sectors of society in a movement to provide a knowledge and action-oriented platform to address urban challenges. It is a platform for Habitat III, the United Nations Conference on Housing and Sustainable Urban Development to be held in 2016.

www.worldurbancampaign.org
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