



From cities in crisis to sustainable cities, are we fated to fail?

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ABSTRACT

While more than half of humanity now lives in cities, a significant proportion of these urban dwellers still do not have access to basic services and live in a degraded environment. These cities are in crisis and this crisis seems to be established, permanent and even accepted.

We will call "cities in crisis" all those cities which are today unable to provide quality services to their population, including the most basic services. It seems to us that this terminology is more accurate than "cities of the South", "developing cities", "poor cities". No term is totally satisfactory, but "cities in crisis" seems to be the most appropriate, since it is this crisis that characterises them, a deep crisis, at once social, economic, environmental and financial. These cities are not only to be found in the Global South. They exist in Africa, in the Middle East, Asia, the Caribbean and Latin America, but also in Europe and North America. However, as we are interested by development aid funding, this article will only take into account the cities that benefit from it.

These cities receive the majority of development aid funding, particularly through donors and international institutions, either directly for urban projects or for sectoral projects in urban areas (water, energy, transport, etc.). However, despite this funding, many of them are not on a positive development trajectory, but rather seem to be sinking into the crisis on a long-term basis.

Does this mean that the projects implemented are bad? That expertise is lacking? That the sectors concerned are not the right ones? No, it rather appears that these cities have a failed mutualisation system, unable to generate running revenues and therefore unable to generate the means necessary for the functioning of the municipal administration and the maintenance of their assets. It is a vicious circle because external funding only covers investment. It is cities' responsibility to improve their operation, their management, their maintenance capacity, in other words their mutualisation system. But without the means of functioning, how can a sustainable improvement of the management of these cities be initiated?

The city, a hegemonic model

The City is not a Western model. The "invention" of the city occurred in Mesopotamia more than 5000 years ago. Since then, the expansion of the urban model has been continuous and today it is unique and hegemonic. More than half of the world's population now lives in cities, and within a generation it will probably reach a stabilisation level of around 80%. In spite of the very different geographical, political and economic contexts, it is remarkable to note the permanence of the model. If you look closely, cities are the same, everywhere, and always.

Density, the key to the urban model

What is a city? It is a multitude of people permanently settled in a small space. The city is therefore a way of inhabiting a territory, of creating a society within a limited space.

What characterises the urban model is not the city as a physical form of development (roads, walls, housing, etc.), because these physical elements existed long before, but the permanent density. Living in the city means living in a space whose density is 100 or 1000 times higher than the rural density. The quantitative shift is major. Throughout history, the major trend has been an increase in the number of cities and their population, but not in density. Some old cities were just as dense as our current cities, or even much more.

This density has profound structural effects. It is like compressing a gas, it heats up and the atoms get excited. Density generates friction, relationships, exchanges, proximity, sometimes tensions. It therefore obliges to manage the "compression" of this crowd, to organise the way it inhabits the territory. It is necessary to protect, develop, defend, build, supply, trade. It is also necessary to organise, regulate, arbitrate... in short, it is necessary to administrate.

The city, a system of mutualisation

Density requires sharing and mutualisation. This is because the space available per household is too small to accommodate everything. Moreover, the permanent presence of a large population generates huge volumes of inputs (food, minerals, energy, water...) and outputs (wastewater, waste...). City dwellers must share. This system of mutualisation concerns elements of very diverse nature: public space (roads, parks...), networks (water, sanitation, energy...), supplies, security, equipment... Mutualisation is not necessarily public, as most of the mutualised services are private, such as shops for example. All forms of pooling and sharing come together in the city.

The necessary sharing of services and resources has the logical corollary that an institution must be able to provide these services and resources, operate and manage them. Thus, urbanisation and administration are two sides of the same coin, the city.

The more the population increases, the more complex this system becomes and the more it requires regulation and control. For example, the management of a city with a million inhabitants requires more resources than the management of ten cities with a hundred thousand inhabitants. This can be explained by the fact that as the city grows, new needs emerge: airport, waste treatment plant, public transport system, university... This is shown by the fact that cities grow faster in surface area than in population. Let's take the example of intra-urban transport. A city of a few thousand inhabitants does not necessarily need a public transit system; everything can be done on foot or by individual vehicle. A few tens of thousands of inhabitants need a public transport network, and the bus may be sufficient. For a few hundred thousand inhabitants, heavier systems are needed: dedicated lanes, light subways, expressways, ring roads, etc. For a few million inhabitants, it is necessary to build heavy rail systems (such as suburban trains), to develop a structuring road network that irrigates the entire conurbation, to develop interconnections, to optimise multi-modality, etc. At each additional threshold, it is necessary to keep the system functioning at the lower scale (because there is still a need for these journeys) and to build the systems at the higher scale. With regard to most infrastructures and facilities, there is no obvious economy-of-scale to be expected from the demographic and spatial growth of a city. However, it is because this growth generates more activity and therefore more revenue (taxation, taxes) that these additional costs can be financed.

The city is an inherently unstable and inefficient system. The simple fact of pooling services makes it necessary to define rules for their uses, and therefore requires one or several authorities to which each citizen delegates the satisfaction of his or her needs.

In this way, the city is both a way of occupying space and a system of mutualisation managed by institutions and generating services for city dwellers.

The conditions of mutualisation

Because of the density and the number of people living in the city, it is not possible to manage relationships between individuals without abstract forms of representation. If I manage a city, it is impossible for me to know all the inhabitants. Therefore, I will have to create an abstract, symbolic representation in order to make this reality manageable, hence census or cartography, an abstract representation of a large territory.

The management of a city is thus only made possible by the use of powerful tools of intermediation with the inhabitants. The city dweller is a stick on a clay tablet, a postal address or a tax number, ... so many effective ways of managing relations with the administration and its neighbours.

At the junction of the population and the territory, the land register is located. It is the keystone of the entire system: it is the land register that allows land to be allocated, property to be managed, the census to be recorded, building rights to be issued, the market to be regulated... It is the tool that forms the interface between city dwellers and the space they occupy. It combines the abstract representation of the population (capacity to count) and the abstract representation of space (maps). It is therefore not surprising that, here again, all the " great " cities in history have had a land register, as a system of representation of land use: Dunghu (Sumer), Carthage, Xianyang, Petra, Athens, Rome, Xanadu, Benin City, Tenochtitlan, Chichén-Itzà... It is a tool that has hardly changed since the first cities: the space of the city is divided into units (plots), which are counted, codified, to which rules are allocated and that are associated with people (ownership, right of use). This is a powerful administrative tool.

Two major types of shared services appear with cities: services whose purpose is to satisfy the needs of the population (water, roads, transport, shops, etc.) and services which make it possible to organise the occupation of space (land registry, census, civil status, etc.).

Of course, these services require the necessary means to be functional. The principle is as follows: the city dweller contributes a little and has access to a service whose value is infinitely greater than his or her contribution. This is the genius of mutualisation, its incredible power, whatever the form of the contribution, whether it is in nature, in goods, in money... Without it, there would be no army, no hospital, no airport, no grand boulevard...

The conditions of mutualisation are fairly simple to identify, which does not mean that their implementation is so. It requires institutions that decide (power), tools (writing, maps, laws, cadastres...) and means (taxes and contributions). Remove any of these elements and the mutualisation system collapses. These three elements constitute the administration, i.e. the entity whose function is to manage all or part of the mutualisation system.

Giving oneself the means to achieve one's ambitions

The administration is first and foremost composed of dedicated staff, whose legitimacy, technical and legal tools give it the capacity to act. We will only consider the financial means, even if others means existed in the past (slavery, drudgery...).

Furthermore, history, both ancient and recent, obliges us to recognise and accept the lack of correlation between the political model and the quality of the administration of a city. Thus, although there are an infinite number of political models which can govern the social contract between individuals, there are not an infinite number of ways of managing a city. The management of a city is based on a range of principles and methods which are fairly constant in time and space.

The quality of a city, i.e. its ability to satisfy the needs and interests of its population at any given moment, depends on the efficiency of its system of mutualisation, i.e. its administration. To put it simply: a city that is well functioning is a city in which the institutions that manage it have the means to achieve their ambitions.

The nature of ambition has changed a lot over time. The current urban consensus is on sustainability, structured around the triptych social / economy / environment. It implies a very high level of services, therefore a very high level of mutualisation and, consequently, a very high level of contribution by inhabitants and businesses. Knowing that mutualisation should be implemented beyond each city taken separately, particularly in terms of climate change, since this is a global issue today.

Therefore, it is logical to think that today's cities can only be sustainable if they have an efficient mutualisation system. They must therefore have the capacity to transform part of individual private assets into collective services, mainly through taxes. The services they are supposed to provide to the population are numerous and require significant resources: water, sanitation, transport, education, health, safety, risk management, etc.

No means, no ambition?

Today, and this is a new fact by its magnitude, a large part of the world's cities do not have the means to achieve their ambitions.

However, their institutions do not lack ambition and they take decisions. They plan, they regulate, they produce rules. The system of mutualisation exists, but since their means are negligible, it remains theoretical and virtual.

Today, the question of means can be reduced to that of the budget. Let us quote some figures: the budget of the city of Ouagadougou (2.5 million inhabitants) is about 80 MEUR, or about thirty euros per year per inhabitant, which corresponds to the budget of a city of 30,000 inhabitants in France. Antananarivo's budget is less than 10 euros per year and per inhabitant. Kisumu (Kenya) has a budget of around 100 euros, Ulaanbaatar (Mongolia) less than 200. By way of comparison, the budget of the city of Paris is more than 7 billion euros (around 3,500 euros / inhabitant / year), that of Vancouver is 2,500 / inhabitant / year, and that of Dubai is almost 4,500 / inhabitant / year. The difference is tremendous, while the costs of infrastructures and maintenance are quite similar.

This lack of means has multiple origins that we will not analyse here. Let us only note that for the same ambition (there is no reason why it shouldn't be), the local urban authorities of cities in crisis do not have the same means as those of richer cities.

However, as everyone knows and realises, without means, it is not possible to set up a system of mutualisation, and therefore to offer services worthy of the name, which means that thousands of cities simply do not have the means to be cities, since their mutualisation system has collapsed. Everything is failing:

maintenance of assets, upkeep of infrastructures, delivery of essential services, management of the civil registry... the list of what these cities do not do is a long one.

However, funding does exist, particularly from donors and international institutions. This funding is significant, and often targeted on real needs, particularly essential services such as water, health, education, energy, roads, sanitation...

However, despite the fact that this funding has been provided for more than thirty years, it seems that these cities are not more sustainable than before and that they do not perform better.

This is all the more surprising given that some services have developed rapidly and very efficiently. Mobile phones are a striking example of this. In the last decade or so, telecom companies have financed, deployed and managed networks that are efficient and comparable to those in the richest countries. Their system of mutualisation is well established: an authority (in this case the operator) sets up means (an administration and tools) to collect revenues from customers, which then transforms into a mutualized service. In this way, these operators do for their sector what cities are supposed to do for theirs. It is a private mutualisation, of course, but a mutualisation nevertheless.

It is therefore legitimate to ask why a population that has access to an efficient 4G network does not have access to sanitation, waste collection or drinking water. The proliferation of precarious neighbourhoods, vulnerability to natural risks, the proportion of inhabitants who do not have access to basic services, all this shows that funding for cities in crisis has not significantly improved the situation.

Since the urban explosion of the 1980s, who can say that their situation has been improving?

Investment alone is useless

It is necessary here to look at the mode of financing of the major donors, since it only covers capital expenditure. This is an absolutely decisive point because these investments do not finance the mutualisation system. They increase the city's assets, but do not give the city additional means to manage and operate the existing assets.

Let us remember that the capacity to invest results from the ability to generate regular income to repay a loan, and thus to have immediate financing. This applies to a city as well as to a firm or a household. However, this regular income is made possible by the system of mutualisation. It is the regular income that pays off the debt. Only those who are able to pay their debts are loaned, which is logical and universal. In the case of a city, only a solid operating budget makes it possible to generate investment capacity.

This is demonstrated by the fact that these cities in crisis do not have access to credit. Today, no private bank would agree to lend to one of these cities, as the risk of not being repaid is far too high. Only donors lend to these cities, either directly or through governments. It is an off-market debt, and the issue at stake is not so much repayment but the capacity to finance investments.

If investment is well generated by the functioning, on the other hand, the reverse is not true. Investment expenditures do not generate operating income. On the contrary, any investment generates operating costs, which the capital investment does not cover. Only market services can, under certain conditions, cover all or part of their operating costs (energy, markets, transport, etc.). For non-market services (education, health, roads, sanitation, etc.), the operating costs are usually covered by the community. In addition to these expenses for services, there are also the administrative costs of the city itself (town planning, urbanism, police, civil status...), which are essential to implement the investments.

Every investment generates operating expenses, of three main types:

- Project management costs, i.e. everything that has to be done to enable the investment to be carried out: town planning documents, contracting, contract management, operation of political bodies, public information, study supervision, etc. These costs can, more or less, be estimated at 10% of the amount of the investment.
- Operating costs, corresponding to the costs necessary to run the service on a day-to-day basis: staff, energy, water, cleaning. These costs vary greatly but are rarely less than 5% of the investment amount per year.
- Maintenance costs, incurred to keep the assets in good condition (regular repairs, modernisation, etc.), which generally vary between 2% and 5% of the amount of the investment per year, at least for essential services. These costs include the machines, tools, energy, etc. required for maintenance work, but also the personnel whose work it is.

So, for a capital expenditure of 100, it costs about 10 to implement it, and then between 5 and 15 each year to operate and maintain it. Let's assume that this investment is financed by a 20-year loan, so at the very least the city will have to pay twice the initial investment, once to pay back the loan, once to operate and maintain it.

But cities in crisis, whose mutualisation system has broken down, do not have the means to maintain the existing assets and operate the services.

Making an additional investment therefore means increasing their operating costs, and therefore increasing their operating budget deficit further, widening the gap between what they are supposed to achieve and what they have the means to achieve.

An investment, however great and valuable it may be, has intrinsically no effect on the quality of a city's administration. At the very best, it will provide a response to a given need, but only temporarily if the city is not able to administer and maintain it. If it is not maintained, it will lose its usefulness, and a new one will have to be financed, or even worse, it will become counterproductive. This is the case, for example, with the drainage system. If

it is not maintained, it no longer evacuates rain and has therefore lost its original usefulness. If it is blocked, it can generate additional flood risks and give the illusion of security to the surrounding population. This is where it becomes harmful.

Thus, the fact that external funding does not seem to be an effective lever for improving the situation in cities in crisis is not related to the quality of the projects, but to the nature of these projects. In other words, if these projects miss their target, it is not the archer who is to blame, nor the bow, nor the arrow, but it may be that the wrong target is being targeted.

Consider, for example, the urbanisation of flood-prone areas. This is a priority in every region regions of the world because these urbanised areas are dangerous for their inhabitants and, furthermore, climate change is likely to worsen the situation. There are two simple solutions: (1) improving drainage and (2) taking measures to prevent the future urbanisation of such areas, in particular by drawing up urban planning documents. After all, this is quite simple.

It is of course useful to finance the construction of a network of canals and drains to reduce the vulnerability of these neighbourhoods, and this is investment. However, if these works are not properly maintained and cared for, they will become clogged up and quickly useless. However, in this case, if the investment can be outsourced (external financier), the maintenance remains the responsibility of the city. Its ability to maintain the works therefore depends on its ability to collect revenues, and therefore on the quality of its mutualisation system. If the city does not have the means to achieve this ambition (maintaining a drainage network), this investment becomes useless.

As far as measures to prevent the urbanisation of these areas are concerned, the question is easy to understand. Who would have the idea in Paris, Stockholm or Vancouver of moving to marshy areas that are not eligible for construction? No one would want to, but above all, no one could, because the city administration would immediately come and take measures to stop this unauthorised urbanisation. Yet this is possible in most cities in crisis, although there are planning documents that prohibit the occupation of these flood zones, documents that are no less good than elsewhere. Nevertheless, for these plans to become reality, there must be means of control, of managing building permits, of enforcing town planning; there must be an efficient judicial system to deal with litigations; there must also be an up-to-date cadastre, maps... there must be a powerful administration, which cities in crisis do not have.

Unfortunately, and it is no secret, it is much more expensive to implement and control an urban planning document than it is to draw it up, and, above all, it takes much more time, since its control and regulation must be constant over time. How many of these externally funded urban planning documents have received long-term funding, sufficient for their implementation? Probably none, which does not prevent anyone from being shocked that these plans are never implemented and blaming local governments for the carelessness of allowing flood-prone areas to be urbanised.

From city in crisis to sustainable city, a utopian demand?

At this stage, we might wonder why external funding only focuses on investment.

This is not inevitable. The clearest evidence of this is that most public policies are not based on this investment vs. operation dichotomy. In other words, the implicit rule "external financing takes care of the investment, the operating is the responsibility of the beneficiary" does not apply to all public policies and fortunately.

Let us take three examples:

- Post-COVID19 business recovery funds. In response to the crisis, States are mobilising funding for the benefit of companies that are in crisis, and this is not funding to invest, but to help companies to meet their current expenses in order to preserve their capacity to act. A company in crisis does not need new buildings or new machines, it needs to preserve its capacity to sell, innovate, prospect...
- The international community's response to the AIDS epidemic, through the implementation of integrated financing, taking into account both investment and operations. To fight the epidemic requires nurses, refrigerators, energy, personnel...
- Urban policy for the benefit of neighbourhoods or cities in crisis in France: the ANRU funds take care of investment and operation, and this seems quite appropriate.

In times of crisis, or to face a long-term threat, funding is logically targeted on the current capacities of the institutions financed, more than on their investment capacities. You invest when you have confidence in the future and when you are strong enough to absorb the extra costs in terms of operation and maintenance.

However, the cities we are talking about, those that are not today in a position to administrate themselves, to finance mutualisation, are in crisis. They desperately need to improve their administrative means, to get their mutualisation system up and running again, in other words to be financed and supported in the long term, over a minimum of ten years, let's say. For the cadastre for example, it takes three or four years to set up the system (mapping, identification of plots and taxpayers, administrative processes), this is the stage that requires the most funding. Then it takes at least the same amount of time to deal with disputes and to make the system sufficiently robust, to train the administration, to get the system up and running. This phase is crucial, and it is essentially a question of financing the necessary human resources. Then, there are two or three years left to ensure that the system is effective, during which time support must decrease as the new system generates revenue.

It is not a question of removing investment, which is essential. However, it cannot be dealt independently of the question of operation, maintenance and administration.

How can an efficient mutualisation system be put back in place in cities in crisis? The answer is as simple as the question asked: these cities must generate their own income. This is the priority, the only possible way, and it is possible. Local resources exist, particularly those related to land and economic activities, but they are not subject to taxation and therefore do not participate in mutualisation. It is therefore not so much the available resources as the capacity to mobilise them that is in question.

As we have seen, a city is well administered because its mutualisation system is efficient, it can collect revenues, and thus finance its mutualisation system and improve the services provided. The spiral seems virtuous here and it is easy to see that the "pump" that puts fuel into the system is the collection of income. It is the pump that feeds the entire system.

Conversely, a city whose mutualisation system (administration) is failing will not collect revenues and will not have the means to finance its mutualisation system... which it would nevertheless have to make effective to improve services to the population. It is a vicious circle from which it is difficult to escape. Especially if this same city has a rapidly growing population and external constraints, such as climate change for example, are increasing.

The example of land management, an essential but forgotten tool

Let's take the example of land. Today, it is probably the largest potential resource for cities. Collecting income from land is all the more legitimate since it is first and foremost the services available on the territory that make the price of a plot of land. It is therefore the effort of mutualisation that generates the value of a plot of land. The city consequently appears perfectly legitimate to recover part of this value. However, without a land register or an efficient tax chain, it is impossible to collect part of the land value, whether in the form of annual taxes or taxes on mutations or capital gains.

Managing land is not technically challenging. The Sumerians managed to set up such systems several thousand years ago, so we should be able to do it today. It's not even very expensive. Running a cadastre for a city of one million inhabitants costs every year, more or less the same amount as constructing two or three kilometres of roads... and knowing that today's digital tools make it possible to act much faster and cheaper. As for the initial investment, it is marginal (maps, a few computers...). Everything depends above all on the capacity to mobilise human resources and to set up the appropriate organisation.

Setting up a land register is therefore technically simple and, compared to the costs of infrastructure, not very expensive. But then why do not all cities in crisis engage in projects to set up a cadastre?

Perhaps because setting up a land register is:

- Long, if you take the time needed to deploy the system (a few years to survey, map and register) and the time needed to get it up and running. At least 10 years, certainly much longer in most cities. It also takes time for the system to generate income, for mentalities to change... In addition, it needs time to deal with conflicts and litigation between neighbours.
- Never completed. It needs to be updated regularly, otherwise it quickly loses interest.
- Laborious: it requires investigation, delimitation, counting, attribution, drawing, codification... it's a chain of thousands of small actions.
- Invisible: an abstract representation of the relations between a space and a society, the cadastre has no reality on the ground. At most, we can see the printed maps... in terms of communication, there is better...
- Complex: it involves all services, all levels of power, impacts all or almost all public policies. It is used to allocate rights to inhabitants, to register, to collect land revenues, to regulate the market (real estate transactions), to implement development policies, etc.
- Unpopular: because citizens often take a negative view of the introduction of a tax collection system, even though the city does not provide basic services.

In other words, this requires the continuous mobilisation of a powerful, constant and efficient administration. Hence the opposite of the situation in cities in crisis.

In reality, international donors have financed many cadastres... but only the initial investment and support for the duration of the construction of the tool, i.e. 3 or 4 years at the most. So, at the moment when the tool is set up, and when it is necessary to mobilise the means to make it operational, the financing disappears. But, as the beneficiary cities do not have the means to make it work, these systems quickly become obsolete and useless.

But why not consider international funding adapted to this type of project? There are many reasons for this blockage:

- Political reasons. Here we are dealing with very political regalian functions. But which investor would want to put his finger in it? On the contrary, which State or city would accept that investors interfere in this domain? Moreover, it has an impact on almost all areas of the administration.
- Social reasons. It's potentially explosive. Which mayor would agree to do the dirty job? That is to say, to set up a tool, in sum, a coercive one (the land registry), knowing that there is a good chance that it will be the next generation who will see the benefits of it, by the improvement of services induced by the increase of income and the better management of the territory. And who would dare to embark today on a clearing up of land tenure conflicts? Its political future might be very short.
- Financial reasons. Setting up such a system is not compatible with the constraints of external donors. Donors have to disburse large sums and disburse quickly (3 or 4 years) because they are subject to profitability and efficiency requirements. Moreover, they have legitimate obligations to

monitor the use of funds. It therefore appears impossible today to finance the elaboration of a land register and the associated fiscal chain, over 10 or 20 years, with small amounts each year, and by controlling thousands of small actions. It is quite simply the opposite of what they are asked to do.

However, this is not inevitable, since there is no lack of examples of cities that have significantly improved their mutualisation system, and therefore the services rendered to the population: Chinese cities over the last thirty years, those in southern European countries after their entry into the European Union, European or Japanese cities after the Second World War... The political models and historical contexts were very different, but one element is common to all of them: the implementation of significant integrated financing, and over the long term. Sustainable urban growth is always financed. If nothing is done, there is a good chance that nothing will happen.

Why don't we give ourselves the means to achieve our ambitions?

First of all, this is an essential assumption, we have to accept the idea that cities are the same everywhere, by nature, and that therefore they should all be considered in the same way. These cities in crisis are certainly specific, because of their history and geography, but they meet the same management and funding requirements as any other city.

On the basis of this reflection, let us return to our basic axiom, namely that cities must have the means to achieve their ambitions. However, we know that, when it comes to cities in crisis, they are sorely lacking in means so they cannot meet their ambition.

Two solutions are therefore possible.

The first solution is radical and consists of abandoning all ambitions for them. Then the problem is solved. I highly doubt that anyone would find this option acceptable, because the collective ambition for these cities is great. So it is not a 'solution'!

We all want 'sustainable' cities, i.e. cities that offer a good level of service to their inhabitants, that are engines of economic and social development, and that protect and enhance their environment. We also want these cities to adapt to climate change and contribute to the mitigation of greenhouse gas emissions. Some even go so far as to call for "smart" cities...

If we limit ourselves to the objective of sustainable cities, which is already very ambitious, then we must look at the means necessary to meet this objective, which implies significantly improving the system of mutualisation of these cities, in order to provide services adapted to the population. The sustainability of a city is measured by the services it provides to its inhabitants.

Let us explore this second option.

All financed amenity must be maintained. This is a consensual maxim, struck at the corner of common sense, a principle no one disputes. In other words, an investment will be a 'success' if it renders the services it is supposed to provide for an adequate period of time.

As a reminder, a structure such as a road, a hospital building or a water network has a lifespan of several decades. So, why not envisage that the funders and the beneficiaries are co-responsible and accountable for the proper maintenance and operation of what they are financing – at least for the duration of the loan that financed the project? It does not seem impossible to assess regularly (every 5 years?) the state of a drainage canal, a water distribution network or a school. Similarly, it would not be outrageous that the quality of a project be assessed with regards to its sustainability, and not just on whether the works have been carried out properly. Consequently, it would then be necessary to deal with the issue of operation and maintenance as soon as the project is identified, as one of the components of financing.

But then, it would be necessary to give the donors and beneficiaries (project owners) the means to achieve this ambition and, consequently, to change the way urban development is financed by international institutions. It would be a matter of basing funding on the real needs and capacities of the beneficiaries and no longer on theoretical strategic principles. Innovative financing tools that would meet these needs could be imagined: loans targeted at financing human resources, of small amounts and with long disbursement periods, integrating regular evaluation clauses, in order to assess whether they actually generate an improvement in the management of these cities. Why not also consider a financing vehicle dedicated to land management and fiscal chain? Loans that would make it possible to finance over several years the establishment of a sustainable tax and land chain, which would imply a sufficiently long grace period so that repayment would only take place when the system is generating additional revenue. Public-private partnerships could also be envisaged on these issues, with donors providing guarantees or loans at concessional rates. The creativity of financial engineering can be relied upon to propose proper financial tools when the constraints and objectives are clear.

For a reform of the financing model for cities in crisis, in line with our ambitions

For the donor, this would imply breaking out the damaging commitment-disbursement nexus as the main criterion for assessing its performance. Admittedly, donors are banks, and a bank is evaluated on its financial results, by definition linked to the amount of loans it commits and the sums it disburses. But donors are also development agencies and their mandate is to initiate development in the countries in which they intervene, through adequate funding, which is sometimes even statutory for some of them. Financing, debt and disbursements are therefore means, not an end-in-itself. Consequently, the capacity of donors to disburse money cannot be the primary

criterion for their evaluation and remuneration. What public policy is today, in France for example, evaluated in terms of its capacity to disburse?

Thus, if the sustainability of the infrastructure financed is made a major evaluation criterion, and since funders are not intended to take charge of the maintenance of infrastructure for all eternity, there is no other choice but to focus on improving the mutualisation system. Projects should therefore be set up to generate resources for the maintenance of the works and the structuring of the pooling system. In the end, the projects would be more complex, longer and more costly to prepare and manage. The opposite of the current credo, which urges us to make things quick and simple in order to achieve the commitment and disbursement objectives.

For the beneficiaries (the project owners), the improvement of the administration of the cities would thus become an imperative objective to be integrated into the investment projects. Indeed, as soon as they would have access to means to improve their mutualisation system, this would imply very important duties in terms of maintenance and support: decision-making, continuity of policies beyond electoral mandates, transparency... at the risk, if they do not fulfil their obligations, of no longer having access to funding.

In fact, this is exactly what is happening in many of the richest countries. Poorly managed cities, which do not properly maintain their assets, quickly become very limited in their investment capacity and their financing conditions become more stringent as their deficit increases. The link between good management and access to finance seems quite obvious.

The question of time is decisive.

As we have said, setting up a cadastre, a tax chain or a civil registry system takes time, a lot of time. Time to set up the system and, above all, time for mentalities to change, those of the political leaders as well as those of the people.

Accepting taxes, building regulations and adopting obligations as a city-dweller take time. For example, how long does it take for a whole population to integrate the idea that certain areas cannot be built on? Yes, I can own a plot of land and not be allowed to build on it, whereas my neighbour's is buildable and therefore worth a hundred times more. It's unfair on a personal basis, but it's fair to protect the public interest. This is one of the bases of the urban social contract. These changes do not take place in 3 or 4 years, which is the standard duration of a project.

The funding will therefore have to be put in place over a much longer time period. Of course, the remuneration of the funder should be decorrelated from the disbursements in order to be based on the sustainability of the project. This implies that project evaluation should be carried out by external bodies, independent of funders and beneficiaries. Everyone will agree on this, as both cannot evaluate themselves.

What next?

To ensure that international funding is a real lever for achieving our common goal of sustainable cities, it must be evaluated in terms of the services provided by the investments financed and not only in terms of the quality of their implementation. This means that issues of operation and maintenance have to be addressed and, therefore, resources have to be mobilised to enable cities to assume these charges. In the end, this means getting out of the 100% investment.

Some will claim that this requires such a change of paradigm that it is utopian to imagine that this could happen. Especially since the system is old and strong, its procedures well established, and the technostructure watching over the situation.

Others will object that there is no deadlock, that the principle of reality always prevails in the end, and that history is full of examples of institutions or systems that have profoundly changed, given themselves new objectives and means, once their missions have been clearly redefined.

The ambition to make these cities sustainable, liveable, for the benefit of the local population, is neither a dream nor a utopia, as long as we give ourselves the means to do so.