

CSI Europe

City Sustainable Investment in Europe

Making financial instruments work for cities



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European Métropole of Lille Local Action Plan

Executive Summary – 02.04.2015

1. City context and definition of the initial challenge/policy issue

City context

The European Métropole of Lille conurbation is France's 4th-largest urban conglomeration with a population of over 1.1 million. The European Métropole of Lille brings 85 municipalities together in an area of over 600 km². The conurbation was established by law in 1966 and in 2009 had 1 08 991 inhabitants.



The metropolis is ideally located as a transport and logistics hub and has the potential to be a commuter town for London, Paris and Brussels thanks to the presence of Eurostar and TGV high speed rail links. It is also very well placed on the motorway network in addition to being on the border with, and closely linked to Belgium.

The European Métropole of Lille is part of the Region of Nord-Pas-de Calais (4 million inhabitants). This region is governed by the Regional council. The European Métropole of Lille Local Authority was founded in 1966 and its first president was Augustin Laurent. Each city council delegates to the

European Métropole of Lille's council, a total of 170 voting members. Since March 2014, the President of the European Métropole of Lille is Damien Castelain.

The European Métropole of Lille has a budget of €1.6bn for the main areas of expenditure, which is mainly funded through tax revenue and state allocations.

Initial challenge

On request of the French state, a JESSICA feasibility study was done by PWC for the European Commission and EIB at regional level (Nord Pas de Calais). Local authorities in France were not eligible to manage funds of this sort during 2007-2013. This is part of the French legal system; however it has changed for the next programming period 2014-2020.

At the local level, the Managing Authority (North-Pas de Calais Region) will create a Financial instruments composed of a holding fund on Third industrial revolution. This Holding fund will be divided in three financial instruments:

- One dedicated to energy efficiency
- One dedicated to renewable energy for SMEs
- One dedicated to urban renewal (brownfields).

It is hoped that this implementation will bring together the strategic aims of the conurbation development plans with those of the UDF to create a coherent and comprehensive instrument for the recyclable investment of funds in the regeneration of The European Métropole of Lille and more broadly of the region.



The goal of The European Métropole of Lille's urban sustainable project strategy is to align investment priorities with Europe 2020 objectives and the regions and to encourage the region to make a clear decision about future operation. This is definitively a point of discussion at regional level for the preparation of 2014-2020 programming period.

2. Setting of focus and objectives

The first meeting of the URBACT Local Support Group (ULSG) raised several issues. Among several proposals, four were discussed:

- How to better integrate the private sector and therefore integrate private sector leverage into the development and the implementation of the Integrated Plan for Sustainable Urban Development?
- How to develop projects able to take advantage of funding opportunity? This questioning refers to the concept of project pipeline. It's link with a list of projects that can fit into the financial instrument.
- How to find new way to finance projects?
- How to get involved in the governance of the fund? This influence could be formal or informal. It's related to the investment strategy and the link between Lille Metropole and the Managing authority.

The four issues mentioned above are crucial to develop projects, and all evoke the complexity around financing project.

The ULSG decided to focus on how to better involve the Managing authority into our local strategy.

3. Actions schedule

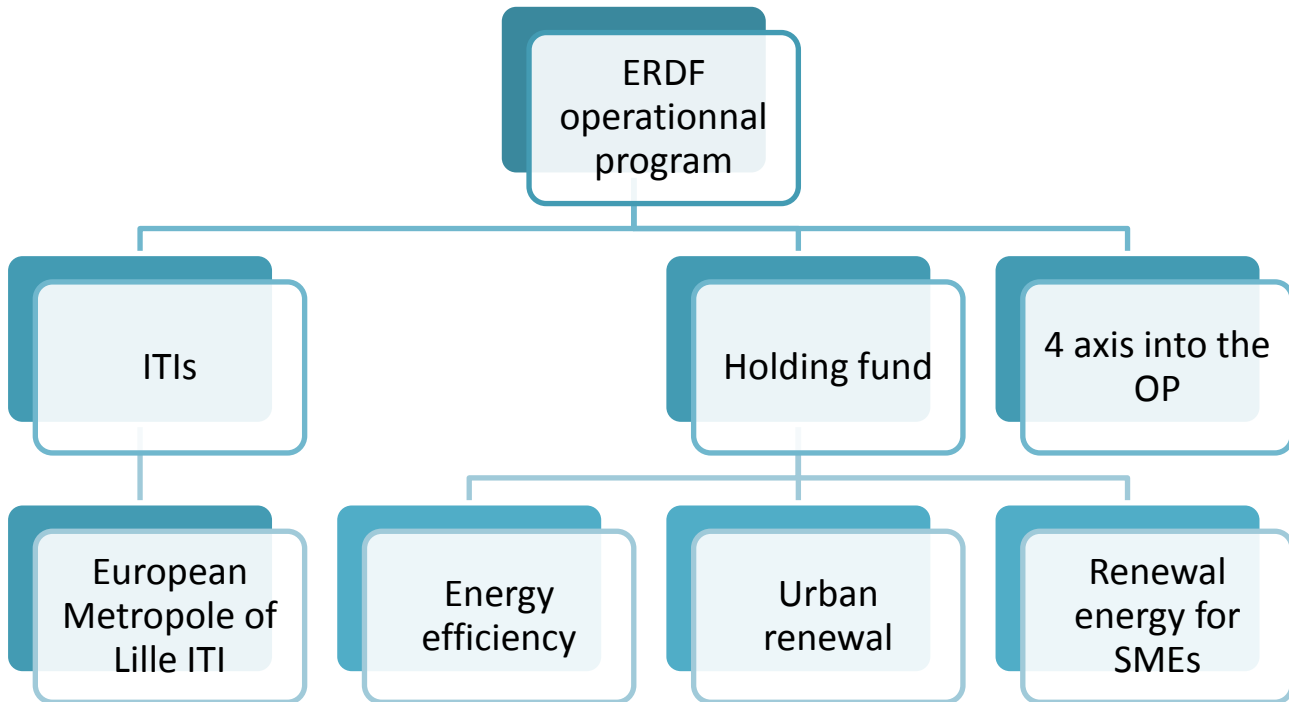
From November 2013 to March 2014: Better knowledge on financial instruments

From November 2013 to December 2015: Develop projects linked to financial instruments and develop a project pipeline

From June 2014 to December 2014: Aligned FI to local strategy

December 2014 to December 2016: Develop a fund dedicated to SMEs into deprived areas (link with ITI)

4. Funding scheme



5. Framework for delivery

However the European Metropole of Lille is responsive for the implementation of the action plan, the actions are linked to the managing authority (Regional Council of the Nord-Pas de Calais).

The better knowledge on financial instruments was an internal work done thanks to the sharing of experience of CSI Europe partners, and especially due to the implication of the lead partner.

The project pipeline is still into consideration as most of the financial instruments are not built yet. This action is taking more time than previously expected.

The political aspect of the alignment of the two strategies has been done (see the risk analysis)

6. Description of the process

Each of the Actions shall be developed, in coordination with the respective strategic partners, bringing together for this purpose the necessary resources in order to be implemented within the proposed schedule.

7. Risk analysis

Several aspects of the LAP objectives cannot be commanded:

- The political aspects: during the project, the mandatory of the European Metropole of Lille had changed. the majority had changed, so did the expectation on the project.
- The Managing Authority is late on its schedule. This is a problem for our own schedule. It is impossible to develop a project pipeline without the borders of the financial instruments.