

## Meeting Report

### **Stronger Cities, Stronger Futures: Leveraging investments for inclusive urban growth and displacement responses**

#### **Background**

On 11 December 2025, the European Commission DG INTPA and Cities Alliance (hosted by UNOPS) have organised, in partnership with ECDPM and the Migration Policy Institute (MPI), an event under the EU-funded program Sustainable Urban Integration of Displacement-Affected Communities (SUIDAC, a 30 million euros initiative supporting secondary cities in East and Central Africa to manage the pressures of displacement and rapid urbanisation).

The event, including two dedicated panels, looked at how cities can leverage investments for inclusive urban growth and migration/displacement response. More specifically, the role of secondary and intermediary cities in the greater Horn of Africa amidst rapid urbanisation, climate change, and unprecedented displacement was discussed. In particular, the exchange focused on how to support effective governance, advance public-private partnerships, and leverage strategic investments in response to economic and migration dynamics along key economic corridors in the Horn of Africa, and beyond.

The event featured two dedicated panels, moderated by Sophie Desmidt (ECDPM) and Camille Le Coz (MPI) with the following speakers:

- Hon. Dr. Sanya Wilson – Mayor of Koboko, Uganda
- Charles Obila – IGAD Platform Coordinator, IGAD
- Thomas Kirchner – Team Leader, Migration and Forced Displacement, DG INTPA A2 Regional and Multi-Country Programs for Sub Saharan Africa
- Federico Silva – Head of Strategy, Cities Alliance
- Renate Bucher – Programme Manager, Migration & Forced Displacement Federal Department of Foreign Affairs FDFA
- Niya Shekarova – International Cooperation Officer, DG INTPA F4 Sustainable Urban Development and Transport
- Amandine Sabourin – Senior Policy Analyst, ECDPM

#### **Main Observations and Take-Aways**

##### **1. Rapid urbanisation and shifting displacement trends in the Greater Horn of Africa**

Discussions highlighted that the IGAD region is one of the world's fastest urbanising areas, reporting an average urbanisation rate of 4% per annum, despite its current urban population being approximately 43%. This rapid growth is driven by factors such as conflicts, climate change, human mobility and a scarcity of rural livelihood opportunities. While cities have traditionally been seen as "sanctuaries of peace" where people seek refuge, the IGAD representative cautioned that recent conflicts, such as the escalation in Khartoum, demonstrate that cities are not always immune from instability.

A key observation shared was that displaced populations in urban areas are often "floating" or "hidden," and consequently, they frequently lack basic services like WASH, education, and protection. However, this population is also often noted as being more self-reliant compared to those in refugee camps, as livelihood opportunities in cities are typically driven by the private sector. The Mayor of Koboko further emphasised that the narrative is changing, as younger people with smartphones increasingly prefer cities over settlements, placing intense pressure on urban infrastructure.

## **2. The centrality of data in local governance**

Mayors are generally focused on the total number of people within their territorial boundaries, regardless of legal status, which inherently encourages integration. The Mayor of Koboko stressed that managing an urban area with refugees is impossible without data, which most mayors lack. This lack of information (e.g., specific demographics of children, the elderly, or those with disabilities) hinders strategic resource allocation.

The Mayor of Koboko explained the successful 'Koboko Model', noting that all planning decisions there are based strictly on available data, enabling targeted investment in education, health services, and livelihood opportunities to provide "hope" to refugees. This model ensures equal treatment, with resource allocation often managed on a 50/50 basis between host and displaced communities. The municipality is actively working to develop its own Community Information Management System (CIMS) to generate its own data, thereby reducing reliance on external donors — a crucial aspect of localisation.

## **3. Aligning EU policies and instruments with local realities**

The discussion touched upon DG INTPA's objective to integrate refugee and migrant-hosting cities into the heart of the Global Gateway strategy, recognising the immense economic potential and stabilisation effect that planned urban development with a strategic outlook and human mobility present along major corridors. The 30 million Euro SUIDAC Programme (Sustainable Urban Integration of Displacement-Affected Communities) was presented as a concrete example of this approach, with EU grants channelled directly to municipal authorities, thereby supporting essential services and local urban development priorities. SUIDAC has established a network of secondary cities across 5 countries – DRC, Ethiopia, Somalia, Sudan, Uganda. Vis-à-vis declining funding towards camps and settlements structures, the EU together with Cities Alliance have created an innovative program which rethinks modern-day out of camp policy, especially in a region where

freedom of movement and regional spatial plans represent long hanging fruits to drive localised and impact-driven development forward. The success of SUIDAC is inspiring new EU-funded urban programs in fragile settings like Burkina Faso and Mali, centred on empowering secondary cities to localise development strategies. Another speaker added that the case for the localisation agenda and the importance of cities 'has now been won', but the next step is to leverage investments at-scale opportunities in fragile and displacement settings. During the second panel, some key findings were presented of recent ECDPM research and consultations on the varying ways in which local authorities are involved in Global Gateway.

To better align support with displacement dynamics and city-level investment, one proposal was to integrate regional economic corridor planning with development strategies for migration hotspots or cross-border hubs, so that the movement of people — not just goods — is considered.

#### **4. The financing gap and the push for investment**

A recurring theme was the financial gap faced by cities, primarily because they rely heavily on national government financing, which often excludes displaced or migrant populations from planning. The Mayor of Koboko highlighted that the direct funding model employed by the European Union Trust Fund (now continued through the SUIDAC programme) was crucial because it treated local governments as actors rather than mere partners, which is viewed as vital for long-term sustainability and even influenced national policy reforms, such as Uganda's Refugee Act.

Participants agreed that since public funding is shrinking dramatically, therefore international partners must find ways to leverage private investments to ensure cities can expand access to essential services. As such, speakers agreed that the focus must shift to bankable projects to build the capacity of cities to generate their own-source revenues, improve their creditworthiness and support ownership of key initiatives.

#### **Key recommendations for the EU and international partners**

- 1. Elevate local authorities to actors in Global Gateway economic corridors:** Partners were urged to treat cities as actors in the Global Gateway localisation agenda, to ensure greater effectiveness and sustainability. This approach, as proven by the direct funding model, helps local governments implement their priorities and bring crucial investments unlocked by national governments and Banks (e.g. AfDB, WB) to cities.
- 2. Invest in data and technical assistance:** It was recommended that resources be invested in building local capacity to generate comprehensive data/information, which was deemed essential for evidence-based decision-making and for influencing national resource allocation formulas. Furthermore, several speakers recommended technical assistance to support cities in financial management, special development planning, and local revenue collection.
- 3. Implement integrated territorial planning:** DG INTPA's approach of using the Global Gateway to achieve a 360-degree approach was supported, emphasising that investments

must link the development of regional economic corridors with the localised development strategies of migratory hotspots along those routes.

- 4. Unlock private sector finance:** Partners should shift toward an investment-driven approach to enhance sustainability. This involves mobilising private finance locally through instruments like guarantees, blended finance, and technical assistance to help cities develop bankable projects that generate own-source revenue.
- 5. Support direct local access and intermediaries:** Facilitate direct funding channels to local governments, circumventing centralised national management where possible. Amandine Sabourin recommended to utilise or create **intermediary structures** (like territorial development banks) to provide assistance and help financial instruments reach smaller, more vulnerable secondary cities. This would also include facilitation of dialogues and establish bridges between local authorities and the private sector to promote economic development and cross-border business.
- 6. Support regional strategy development:** The EU will replicate its support to the Sahel Spatial Strategy in IGAD to manage migration and displacement challenges cohesively, and other actors and donors are being called upon to join forces.