

PROGRAMME BRIEF

PROGRAMME ON INTEGRATED LOCAL FINANCES FOR SUSTAINABLE URBAN DEVELOPMENT IN THE GREATER KAMPALA METROPOLITAN AREA



Key Project information

EU Grant Recipient	KCCA
Leading Partners	KCCA & FMDV
Programme Duration	48 months
<i>From December 2019 To December 2023</i>	
Co-Financing:	(in €)
European Union (EU)	3.86 M
KCCA FMDV UNCDF	0.3 M

Beneficiaries

Kampala
Entebbe
Makindye Ssabagabo
Nansana

Other GKMA
and Ugandan
local governments

Over the past 5 years, Kampala has become a front-runner in implementing performing local revenue mobilization strategies for environmentally sound, innovative and performing service delivery for the citizens in response to the Sustainable Development Goals (SDGs) and Uganda Nationally Determined Contributions to the Paris Agreement. The European Union and Development Agencies have been key supporters of Kampala's transformational journey.

Since 2016, Kampala Capital City Authority (KCCA) has been committed to working with the local governments of the Greater Kampala Metropolitan Area (GKMA) to design and, since its approval by CABINET in March 2020, to operationalize the GKMA economic development strategy (2020-2030).



Picture: Jinja road, Nakassero, © Kampala Capital City Authority

PIFUD aims at strengthening this dynamic of working together to solve collective urban challenges, in particular enhancing local finances.

This collaborative dynamic is reflected in the strategic thinking to identify financing gaps, enhanced management tools and new financing alternatives to accelerate the achievement of the aligned 5 years Local, Metropolitan, and National development plans.

THE PROGRAM FOCUSES ON 3 KEY OUTCOMES

1

Regulatory reforms to allow sub nationals in the GKMA to access Capital markets to finance the much needed infrastructure.

2

Enhancing own source revenues through innovation and automation of local revenue management systems.

3

Innovation and smart solutions for low carbon energy adoption.

A. Design a metropolitan capital investment plan

B. Small-scale investment in low-carbon energy delivery

With the support of



Demonstrative investments

High-Level Policy Dialogues and Advocacy meetings on Municipal Finances

Meaningful policy dialogues was prepared, focusing on :

- * Current bottlenecks to make the required capital expenditure for the LED plan
- * Roadmap to access alternative financing
- * Progress made in implementing policy recommendation to the institutional and legal frameworks
- * Innovative ways to automated revenue administration and to tap into other sources of revenue

Achievement: 10 actionable commitments signed and creation of a Taskforce to support Advocacy process

See Component factsheet



Building on the collaborative efforts of the Urban Development Partners in Uganda, in particular the World Bank, PIFUD supports the roll-out of the revenue automation system in the municipalities of Nansana, Makindye Ssabagabo and Entebbe. This implementation was led in close collaboration with the Local Government Finance Commission and includes:

- ⇒ Readiness Assessment
- ⇒ Streamlining of the Revenue Administration Processes
- ⇒ Customization & Rollout of IRAS Web and Mobile Application
- ⇒ Peer-to-peer training and support for system users
- ⇒ Taxpayer Mass Registration

Small-scale investments in low-carbon public services delivery

PIFUD has invested in solar-powered technology.

Two small-scale investments, pilot projects, aim to reduce the over reliance on fossil fuels of the municipal fleet, improve air quality and test revenue generating business models for the communities.

Learning from UNCDF's activities, PIFUD will aim to attract private and public investment in connecting the last mile of local sustainable economic development.

These pilots are the first step for Kampala to structure "Living Labs" where city-led investments test users satisfaction and secure Public Private Partnership will be socially and environmentally responsible.

- ⇒ 4 e-bikes and a solar charging station at Lubaga Division
- ⇒ 4 Solar panels to be installed in cash strained boarding-schools for hearing impaired children.
- ⇒ A tailored business model to secure financial viability
- ⇒ 2 mini-grids in off-grid communities.



Picture: PIFUD Launch, August 2020, © Kampala Capital City Authority

Capacity Building to enhance local financing strategies

Peer-to-peer learning dynamic is part of the stakeholder engagement of the policy dialogues and demonstrative investments to localize a series of strategic financial tools to achieve of Local Development Plans, including climate action plans:

- ⇒ Capital investment plans
- ⇒ Project preparation facilities

To be explored among alternative sources of revenue:

- ⇒ Land-based Financing
- ⇒ Subnational Pooled Financing
- ⇒ Local Green Bonds
- ⇒ Public Private Partnership

Team contacts

Program Manager (KCCA)

Edison Masereka
emasereka@kcca.go.ug

Deputy Program Manager (KCCA)

Sarah Nafuna
snafuna@kcca.go.ug

Communication Officer (KCCA)

Vanessa Kasana
vkasana@kcca.go.ug

Program Officer (FMDV)

Luc Aldon
laldon@fmdv.net

Meet the rest of the team on:
Kcca.go.ug/pifud

About the implementing partners

Kampala Capital City Authority (KCCA) is responsible for providing services and urban infrastructure in Kampala City for its 2 million residents and about 4.5 million inhabitants in the Metropolitan Area. KCCA leadership includes the Executive Director, the Lord Mayor and the Minister for Kampala and Metropolitan Affairs.

The Global Fund for City Development (FMDV) is a network of cities, initiated by the members of United Cities and Local governments and chaired by the City of Paris, dedicated to promoting and developing finance and investment solutions for a sustainable and integrated urban development.

United Nations Capital Development Fund (UNCDF) is the UN organization with a capital mandate. It tests financial models localizing domestic resources and raising investor confidence in local economies.

Cities Alliance is a global partnership fighting urban poverty and supporting cities to deliver sustainable development. The Cities Alliance operates a multi-donor fund with UNOPS as host and Trustee, and engages in advocacy and operational activities to realize sustainable development.