



## Programme on Integrated Local Finances for Sustainable Urban Development (PIFUD)

### Individual consultancy for a coordinator to support the design of a metropolitan capital investment plan

May 2021

A program co-led by **Kampala Capital City Authority (KCCA)** and **Global Fund for Cities Development (FMDV)**:



Under the **“Local Authorities: Partnerships for sustainable cities”** Program of the **European Commission’s Directorate-General for International Cooperation and Development**:



EUROPEAN UNION

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## I. Introduction and Overview

### 1. About the Programme on Integrated Local Finances for Sustainable Urban Development (PIFUD)

The Program on integrated local finances for sustainable urban development in the Greater Kampala Metropolitan Area (PIFUD) aims to strengthen urban governance, prosperity and innovation in cities. The action promotes multi-level governance and peer-to-peer cooperation to contribute to SDG 11 on Sustainable Urban Development, SDG 13 on Climate Action as well as SDG 9 on Industry Innovation and Infrastructure.

PIFUD's goal is to support the implementation of KCCA and GKMA's existing strategies. It also programs to improve the policy, legal and regulatory framework for municipal finance innovation and integrated urban development, as well as fostering linkages with line ministries and the overall urban policy in Uganda (urban policy dialogues, urban plans, economic development plans, etc.).

Funded by the European Commission's Directorate-General for International Cooperation and Development, and co-led by Kampala Capital City Authority (KCCA) and the Global Fund for Cities Development (FMDV), the 4-million-euro program runs over a 4-year period (2020-2024), and co-benefits KCCA and the intermediary cities of the Greater Kampala Metropolitan Area (GKMA).

The PIFUD addresses political, institutional, economic and social inter-linkages between Kampala city and main secondary cities from the GKMA to tackle common urban development challenges, with a clear focus on local economic development.

Overall, the PIFUD has **three main objectives**:

- Strengthened enabling institutional, regulatory and administrative environment for local finance & investment.
- Upscaled local finance to foster innovation and investment in sustainable and inclusive solutions.
- Enhanced investments for safe, affordable, smart and low-carbon services and infrastructures through robust efficient smart solutions.

### 2. About FMDV - Global Fund for Cities Development

FMDV is a **network of cities, initiated by the members of UCLG**, dedicated to promoting and developing finance and investment solutions for a sustainable and integrated urban development. **FMDV is chaired by the City of Paris, while the City of Johannesburg is a member of the Board of Directors.** Due to enhanced interest in municipal finances and the search for innovative solutions, Kampala became a member of FMDV in 2014 and participated in a number of peer-to-peer exchanges, training, workshops on finance and investments involving key stakeholders of the international private sector in Europe and in Africa.

The following organizations are partners of the PIFUD, strengthening peer-to-peer, decentralized and triangular cooperation:

- **UCLG**, United Cities and Local Governments, is the world leading organization that represents the constituencies of local, metropolitan and regional governments and their associations to defend the interests of local governments in the world.
- **The City of Johannesburg** is a world class recognized city for its excellence in finance and in diversifying its financial resources through innovative instruments such as green and social bonds, retail bonds or investment funds. The City of Johannesburg also has great experience in managing or contributing to international programs with DFIs.
- **The City of Paris** has an international recognition for its capacities in developing innovation in municipal finance, PPPs, attracting private investments through its Green Fund or smart cities through *Living Labs*. Paris is also one of the most active cities in city-to-city cooperation and international networks, chairing C40, AIMF and FMDV.

### 3. Overview of the Integrated planning framework in the Greater Kampala Metropolitan Area

The Greater Kampala Metropolitan Area (GKMA) has one of the fastest urbanization rates in Africa, with an annual population growth rate of over 3.9%. Currently GKMA cities generate over 70% of national revenues but benefit from inequitable urban infrastructures and services. The metropolitan area must efficiently coordinate its infrastructures to enable social, economic and environmental development in a rapidly evolving setting where the population should reach 10 million by 2040 and the recovery of the fiscal and economic contraction in the post-covid-19 era have only made the challenges more daunting.

#### **Institutional context for infrastructure planning :**

The Greater Kampala, was recognized by Cabinet in 2013, when the GKMA Development Framework (by 2040) was approved following the creation (in 2012) of the “special planning area” within the third National Physical Development Plan (2018-2040) (NDPIII). NDP III implementation has been organized through the development of 18 Programme Implementation Action Plans (PIAPs) in order to ensure a strengthened alignment and smooth implementation. These PIAPs are also intended to guide the Ministries, Departments and Agencies (MDAs) and LGs to formulate MDA Strategic Plans and LGDPs and inform resource allocations to the 18 Programmes for implementation.

In 2020, Cabinet also approved the first GKMA Economic Development Strategy (2020-2030) which identifies a list of 42 metropolitan projects making the baseline of a Capital Investment Plan with a starting date of FY 2018/19 until FY 2025/26. To date, KCCA is the only LG within GKMA that has presented its operation document “Development Strategy (2020-2025)” and should have a budgeted development program by April 2021. The GKMA Municipalities and Districts are faced with internal constraints and capacity challenges, which have affected timely formulation and finalization of their development plans.

As of March 2021, under the guidance of the MoKMA (Ministry of Kampala and Metropolitan Affairs), the GKMA local governments are going through a consultation process to shortlist priorities for investment that could be supported by the World Bank under a “GKMA Integrated Programme”. This list will not be comprehensive of the whole GKMA Economic Development Strategy.

As of now, the Ministry for Kampala and Metropolitan Affairs (MoKMA) is the authority coordinating the GKMA LED’s implementation. As such, it chairs the Inter-Ministerial Steering Committee (IMC) and houses the Program Implementation Unit (PIU). The National Planning Authority (NPA) is in charge of the technical coordination of both Metropolitan strategy, and LGPDs.

#### **The Need for more Diverse and Accessible Financial Mechanisms:**

The financing gaps for investment in infrastructure and services is evident. In the face of such constrained budgets, KCCA and GKMA Municipalities must therefore innovate and expand the menu of financing options in order to accelerate the much-needed investments.

- Land-Based Financing (LBF) instruments and policies are already operational in the GKMA in the form of property taxes, land premiums and developer chargers for example. In a context of strategically planning the urban development of the metropolitan area and, transforming the ugandan national urban policy, LBF are levers to plan urban expansion and harness the opportunity of statutory changes of towns into municipalities and municipalities into cities while regulating speculation on rural/urban land. As such, LBF tools are not a “taxing-as-usual” policy, but rather a catalyst for a renewed social contract and sustainable local economic development.
- Public Private Partnerships are regulated by the PPP Act of 2015 and encouraged in a range of planning strategies including Local Development Plans. Up until now, most PPPs have been mega-projects at a national scale and there is a will to use PPPs for a wider range of sectors. There is however room for innovation in improving the way local private sectors including market vendors, work with the local



governments. In fact, GKMA LED recognizes the role of the private sector as users and operators of public infrastructure and services for municipalities.

In this framework, a Capital Investment Plan (CIP) at a metropolitan level is identified as a dynamic tool to link the National Development Programming and the Metropolitan strategic vision to renewed urban land use plans and annual budgeting and financing exercises. As a planning tool, the CIP will be under the political supervision of the Ministry for Kampala and Metropolitan Affairs,, chairing the Inter-Ministry Steering Committee (IMC) and housing the Program Implementation Unit (PIU). The CIP must be designed working closely with the NPA holding the mandate for the technical coordination of the GKMA LED, and the GKMA planners committee. The process is therefore aimed at strengthening the capacities of the mandated stakeholders.

Developing a CIP for GKMA should allow jurisdictions to consider funding requirements for project preparation and sustainable financing opportunities for bankable investments over a scheduled timeline. This assessment includes future costs and revenues that can be captured over the lifecycle of the project. The CIP assesses the timing of when funds are required and supports the territorial clustering of projects: helping to lower transaction costs and increase institutional coherence, connectivity and efficient management of public capital assets, including environmental, social and governance criteria.

## II. Approach for the Implementation of this Work

### 1. Objectives

The PIFUD program is hiring an individual consultant to support the coordination and implementation of bundled activities linked to enhancing local governments' access to local finance and elaborating metropolitan investment plan. The main role of the consultant will be the coordination and the facilitation of the different activities listed below, as well as the knowledge management and guidance in-between the different workshops and in prevision of the replication of the methodology.

The consultant will be in charge of ensuring a coherent articulation between the activities listed and other activities implemented by PIFUD's team during this period of time. He/she will be responsible for the outputs expected.

The activities can be described as two-fold:

#### **Building and strengthening administrative capacities of local governments to leverage financing instrument**

- 1 Organization of a series of workshops on Land Based Financed Mechanisms, Tax recovery and Creditworthiness
- 2 Organization of a series of peer learning sessions and workshops on strengthening capacities for developing PPPs and attracting public and private investments.

#### **Supporting the design and approval of a Metropolitan Capital Investment Plan (CIP)**

- 1 Facilitate and coordinate the design and approval of a Metropolitan Investment Plan (CIP)
- 2 Identify and develop a pipeline of projects for investment
- 3 Elaborate a technical specification report for the creation of a CIP online tool

### 2. Methodology

The consultant will work closely with the PIFUD partners, under the supervision of FMDV. The consultant will be required to coordinate with the different partners such as KCCA, the co-beneficiary municipalities, UNCDF, and Cities Alliance depending on the activities. It is also expected that good coordination with Ugandan partners such as National Planning Authority and the PPP Unit will be instrumental for the sustainability of the mission and its outputs.

Furthermore, an additional technical expert will be contracted and supervised by FMDV under PIFUD's program to provide ad-hoc technical expertise on the production of the GKMA metropolitan CIP. It is expected from the Consultant to work in close collaboration and support the technical expert on the task assigned. The Terms of Reference will be shared by FMDV with the selected candidate for this mission.

The consultant will also provide technical support to FMDV and UNCDF on the production of guidebooks when needed and work with international stakeholders, namely through peer-to-peer knowledge exchanges with Johannesburg and Paris, when needed.

Activities' implementation must be practical and based on case studies/ projects identified on the GKMA Investment menu or the Local Development Plans, in order to have effective outputs.

Before each activity, the consultant must investigate and take into account previous activities organized on the same topic in order to capitalize on existing works and programs.

The consultant will have to carry special attention to gender equality and inclusive issues in the methodology adopted for all activities.

### 3. Target Audience

The support for the municipalities to finalize their development plans and the development of the CIP should include:

- **Local Governments, their related organizations.** The elected bodies and technical staff at KCCA and GKMA's secondary cities are the main target. The consultant will work closely with the municipalities with teams writing up their development plan and investment menu, to secure local ownership of the process.
- **Central Government & Regulatory Authorities,** mostly the National Planning Authority (NPA), both the Development Committee and the PPP Unit of the Ministry of Finance Planning and Economic Development, the Ministry of Local Governments, Ministry of Land, Housing and Urban Development and the coordinating Ministry of Kampala and Metropolitan Affairs, particularly its GKMA Program Implementation Unit. Other pertinent ministries may be included when needed..
- **Private sector representatives should** be engaged to start formalizing **Public Private Dialogues (PPDs) and Greater Kampala Development Forums.** The former must include the financing entities that have been part of the High-level policy dialogue as well as local investors and companies that lack a dialogue with local governments to deploy the appropriate financial and technical solutions or instruments. The latter must increase their capacities of engagement with local authorities on a wide range of sectors (energy, waste management, mobility etc.) linked to the urban development market.
- **Civil society** including communities and local NGOs face a lack of connection, insufficient consultation and investment strategies.

### 4. Scope of work and expected deliverables

The consultant will have the role of a coordinator and facilitator for the different activities implementation listed below. The main task of the consultant is to support FMDV with the organization of different workshops and to coordinate a timely and dynamic process in sync with the GKMA workplan. The consultant will assist the technical expert on achieving the elaboration of the CIP.

The detailed tasks are listed below:

#### 4.1 Increasing and strengthening administrative capacities of local governments to leverage financing instrument

##### 4.1.1 Organize a series of workshops on Land Based finance and creditworthiness:

The objective of this activity is to support the design of a workshop with the GKMA municipalities and relevant metropolitan stakeholders. FMDV will coordinate this activity based on the trainers guide of UN-Habitat/GLTN. The latter will support remote facilitation of the workshop and feed back on the methodological design.

The training will involve the ecosystem of stakeholders engaged in the Metropolitan Area, specifically Ministries, Departments and Agencies (MDAs) and LGs and their partners, to present the set of Land Based Financing instruments that are actionable and strategic in the planning of urban expansion.

The workshops will take as case study the projects scoped within the GKMA Investment Menu and should therefore be organized as an opportunity to continue the work of the GKMA planners on the metropolitan investment plan.

The Consultant will also make sure that the knowledge acquired is reflected throughout the upcoming activities.

This activity will include training workshops, structured in 3 modules:

1. **The first module will aim at** presenting the general principles of LBF, existing tools and assessing these tools in a Ugandan context.

2. **The second module constitutes the hands-on training of the LGs** on assessing the operational priorities with technical municipal staff and assessing the capacity needs and institutional bottlenecks for implementation of these tools.

Following the LBF workshops aiming at improving own source revenue collection, it is expected for the consultant to organize :

3. **The third module that will focus on the necessary steps to improve creditworthiness** to access capital market. This workshop will be the first step of GKMA's LGs capacity building on the topic of credit rating, green bonds and subnational pooled finance mechanisms (which will be implemented later on by a green bond expert).

The Consultant shall support the PIFUD partners to assess the local capacity needs for implementation through evaluation materials and support LGs in designing a roadmap for their operationalization to work around the existing legal and institutional bottlenecks and involve the communities in tax recovery/compliance practices.

The proposed methodology is the following:

- Identify the audience with the help of GLTN identify previous trainings already conducted and innovative practices in Uganda
- Support the general organization: scientific content and agenda of the meeting, development of presentation material, by collecting existing materials in coordination with FMDV and relevant stakeholders;
- Support FMDV in monitoring the workshops and report on it to feed into a Guidebook

**Expected deliverables:**

- (3) Participatory workshops on LBF and creditworthiness with the GKMA municipalities.
- (1) Brief contributing to the guidebook that will be serving as a trainees' report from the workshop and a concrete action plan that can contribute to ongoing discussions with other ugandan and african cities.

#### **4.1.2. Organize a series of Peer learning sessions and workshops on strengthening capacities for developing PPPs and attracting public and private investments.**

PIFUD aims at enhancing LG's capacity to diversify their financial portfolio in order to finance sustainable urban development.

The first objective is to design and organize a peer learning session with GKMA Municipalities on raising awareness on the opportunities of the PPP Act and regulations and assess bottlenecks and onerous procedures from the perspective of local governments, in reference of the legal framework. The Consultant will coordinate with the FMDV and the PPP unit which have developed specific training content. This training should be planned in sync with the activity **4.2.2. Develop a pipeline of projects for scale up (through the approved CIP)** described below.

The second objective is to design and organize a training workshop on the conditions and modalities for GKMA Municipalities to leverage blended finance instruments through DFI's and attract private investments.

Building on the preparation and monitoring of these workshops, the Consultant will be mobilized to support the realization of a simplified guidebook on conditions and modalities of local PPPs that will be drafted by the PIFUD team and in support and coordination with the PPP Unit. Through this process, the consultant will identify onerous legal provisions in the current legal framework that a LG can be exempted from and make necessary recommendations to simplify the process between the PPP Unit and the for the LGs project team.



This activity should be carried out in close collaboration with UNCDF and the PPP Unit.

The proposed methodology is the following:

- Assess the institutional bottlenecks in the Ugandan context and benchmark existing solutions implemented by sister cities to set-up and to implement a municipal PPP
- Identify previous work and workshops conducted for capacity building on PPP for local government
- Coordinate the organization of the peer to peer learning session and the training workshop together with FMDV and the PPP Unit
- Support FMDV and KCCA in mobilizing the relevant participants to enhance local government capacities to set-up municipal PPPs

**Expected deliverables:**

- (1) Peer learning session on Public Private Partnership at LG level.
- (1) Training workshop on attracting public and private investments.
- (1) A brief on bottleneck assessments regarding local PPPs and how to adapt PPP guidelines/regulation for the benefit of ugandan LGs and inputs to the Guidebook developed by the PIFUD team.

## **4.2 Support and facilitate the design and validation of a metropolitan investment plan (CIP)**

### **4.2.1. Support the development of a CIP based on assessed needs in LDPs and GKMA LED strategy and conduct a workshop**

The consultant's mandate is to ensure a dynamic process with the different stakeholders and the technical expert in order to achieve the elaboration and approval of the CIP. The consultant will propose a methodology and guide GKMA Planners committee (mandated to monitor the CIP) and NPA (technical coordinator) to achieve the elaboration and approval of the CIP.

Through this process the consultant will be able to pre-identify 3 PPP projects that will be scaled up later on with the support of FMDV and UNCDF.

The consultant and the technical expert must take into account outputs from previous consultancies conducted for KCCA.

For this purpose, the consultant is expected to:

- Guide the GKMA entities in co-creating an integrated tool and methodology for project scoping through a proposed methodology including workshops.
- Mobilize LGs and MDAs at an early stage through consultation workshops in order to align the investment strategy within the CIP with the GKMA LED Strategy and in sync with the Municipalities budget cycles FY 2022-2023 onwards.

The CIP is expected to be finalized and validated in June 2022.

Depending on the CIP elaboration progress, the consultant will provide technical assistance to support the CIP approbation (optional).

This will be held through 1 workshop and the organization of an endorsement meeting.

For this, the proposed methodology is the following:

**1. Workshops:**

- a. Identify all the key stakeholders for the elaboration of the CIP and support KCCA in securing their participation to each workshop;
- b. Identify all the previous work and workshops done on the capacity building for investment plan elaboration ;
- c. Organize consultations with LGs in preparation of the workshops;
- d. Propose a roadmap and methodology for the CIP elaboration process based on the previous tasks;
- e. Design, facilitate and animate two workshops on the CIP elaboration;

**2. Guidebook:**

- a. Contribute to the production/review of a guidebook on the methodology and modalities to design and operationalization of a metropolitan capital investment plan in Uganda, in collaboration with FMDV, to feed into an online tool (see activity 2.3 below).

**Expected deliverables:**

- (2) Two workshops to support municipalities, MDAs and the MoKMA;
- Consultations meetings with LGs
- (1) Brief on the modalities and methodology for the elaboration and implementation of metropolitan CIP;
- (1) Approval meeting with the GKMA leadership (conditional tranche)

**4.2.2. Develop a pipeline of projects for scale up (through the approved CIP)**

Based on the CIP elaboration process and the different workshops on attracting public and private investment, the consultant will support LG's to develop criterias and guidelines to identify projects that will attract private sectors. Putting into practice, the consultant, with the support of the LG's, will identify 3 PPP projects to be supported by PIFUD to achieve PPP commercial close. This task will be carried as a preliminary phase before PIFUD partners particularly UNCDF and FMDV provide additional technical support for the 3 projects to achieve financial close.

Furthermore, through this activity, the consultant will bring strategy support to the PPP unit, in order to improve their strategy to increase LG's knowledge and capacities on implementing a PPP, based on the assessments elaborated in the **activity 4.1.2.**

The proposed methodology is the following:

- Develop criteria and guideline to identify and develop projects regarding private sectors criteria.
- Support the draft of concept notes for 3 concrete local PPP projects (priorities within the Metropolitan CIP) to be conceptualized as "Living Labs" and in line with PPP Unit's guideline.

The task is expected to be achieved through a workshop to be organized in partnerships with the PPP unit. The methodology for this hands-on workshop will be adapted from the methodology of the PPP Unit and use the learning material developed with them.

- Provide technical support to the PPP unit to elaborate an institutional strengthening and capacity building strategy on local governments project appraisal by the PPP Unit and the Development Committee.

**Expected deliverables:**

- (3) Pipeline/concept notes of 3 concrete PPP identified in the CIP and other local projects captured in the CIP
- (1) Recommendations to operationalize an institutionalized strengthening and capacity building strategy to improve the PPP unit to support LGs access to portals such as the existing instruments for capital investment planning & project preparation.

**4.2.3 Creation of an online tool for the Capital Investment Planning, project preparation and management based on the KCCA CIP model and accessible to GKMA.**

The consultant will have to support the creation of an online CIP Tool accessible to GKMA LGs. This work will be done through close collaboration with the technical expert. The consultant will assess the existing tools and digital supports to implement the CIP online tool. Based on this assessment, the development of new tools, with the technical expert, will be preferred only if the existing tools have significant usage constraints. Otherwise, the consultant will provide guidance to improve access to existing tools by the LGs and possible adaptation of these tools, along with capacity building on usage of the existing tools at the Ministry of Finance and the PPP unit.

It is expected from the consultant:

- A national and international benchmark of the existing tools and digital supports on which could be implemented the CIP online tool.
- Recommendations on the adequate digital support, management organization, content and the different uses of the CIP online tool

**Expected deliverables:**

- (1) Assessment review of existing tools and practices, along with bottlenecks and barriers for LGs to access these tools and capacity building needs of line Ministries and agencies;
- (1) Concept note presenting the online tool benchmarking and the recommendations linked to management, contents and uses of the online tool (existing or to be created) focusing on assessing suitability of existing tools to LGs needs and capacities.

## 5. Summary deliverables

Deliverables	Implementation period
<b>1. Increasing and strengthening administrative capacities of local governments to leverage financing instrument</b>	
<u>Deliverable 1</u> : Participatory workshops on LBF and creditworthiness with the GKMA municipalities.	<u>June to August 2021</u>
<u>Deliverable 2</u> : Brief contributing to the guidebook that will be serving as a trainees’ report from the workshop and a concrete action plan that can contribute to ongoing discussions with other Ugandan and African cities.	<u>September 2021</u>
<u>Deliverable 3</u> : Peer learning session on Public Private Partnership at LG level.	<u>October 2021</u>
<u>Deliverable 4</u> : Training workshop on attracting public and private investments.	<u>November 2021</u>
<u>Deliverable 5</u> : A brief on bottleneck assessments regarding local PPPs and how to adapt PPP guidelines/regulation for the benefit of Ugandan LGs and inputs to the Guidebook developed by the PIFUD team.	<u>December 2021</u>
<b>2. Support the design and validation of a Metropolitan Capital Investment Plan (CIP)</b>	
<u>Deliverable 1</u> : Two workshops to support municipalities, MDAs and the MoKMA on CIP elaboration	<u>September 2021 &amp; February 2022</u>
<u>Deliverable 2</u> Brief on the modalities and methodology on the elaboration and implementation of metropolitan CIP;	<u>February 2022</u>

<u>Deliverable 3</u> : Approval meeting with the GKMA leadership (optional)	<u>March 2022</u>
<u>Deliverable 4</u> : Pipeline/concept notes of 3 concrete PPP identified in the CIP and other local projects captured in the CIP	<u>March 2022</u>
<u>Deliverable 5</u> : Recommendations / roadmap to operationalize an institutionalized strengthening strategy to improve the working relationship of the PPP unit and the Develop Committee to support LGs access to portals such as the existing instruments for capital investment planning & project preparation.	<u>February 2022</u>
<u>Deliverable 6</u> : Concept note presenting the online tool benchmarking and the recommendations linked to management, contents and uses of the online tool.	<u>May 2022</u>

## 6. Modalities

- The consultancy will cover a period of 12 months from June 2021 to June 2022 under a service contract.
- The activities require the Consultant to be based in Kampala. For international consultants not able to settle in Kampala for the period, it is expected to travel every 2 months to Kampala and be available for 2 weeks minimum on site on average. This might vary depending on the requirements of the activities and the delivery of the expected outputs. Travel expenses will be covered by FMDV with a maximum of 10 flights.
- The period may be extended depending on the activities progress.

## 7. Profile

- Master’s degree in International development, Urban management, Public Finance Management or equivalent
- Minimum of 5 years experiences on public investment and local finances
- Working experiences on program coordination and capacity building linked to climate finance
- Working experience in Uganda is highly desirable
- Working knowledge on Land Based financed Mechanisms and Capital Investment Planning is a plus
- Based and hosted in Uganda as well as international candidates in the capacity to travel to Uganda.
- Proficiency in writing and speaking English

## 8. Budget & payments

The consultancy will cover a period of 12 months, with a minimum of 12 days per month and maximum of 20 days depending on the activity plan.

The consultant will receive payments after validation of the deliverables on a quarterly basis. The payment calendar will be as follow:

Period	After validated deliverables
August 2021	Deliverable 1.1
November 2021	Deliverables 1.2, 1.3, 1.4, 2.1
February 2022	Deliverables 1.5, 2.1, 2.2; 2.5
June 2022	Deliverables 2.3, 2.4, 2.6

## 9. Project management

The contact points at FMDV for this work will be the FMDV Program officer, based in Kampala, in coordination with the FMDV Program Manager and FMDV Program Supervisor. Under the supervision of the FMDV team, the Candidate will also be expected to liaise with KCCA Program supervisor and other PIFUD partners (especially *the cities of Johannesburg and Paris, the European Union, UNCDF, the French Development Agency, and Cities Alliance*) as well as city representatives of Great Kampala Metropolitan Area, the co-beneficiaries of PIFUD.

### III. Application and evaluation procedures

#### 1. How to apply

Interested individual consultants must submit the following documents/information to demonstrate their qualifications no **later than the 24/05/2021**:

- Personal CV
- Brief (1 page) description of current and previous experiences, qualifications, and motivation in relevance of the present assignment.
- Brief description (5 pages maximum) of the assignment understanding, including detailed proposal for methodology and organization of task management. **For international candidate**, a special attention will be paid on the description of the **task management on remote working**.
- A signed financial proposal, for the assignment, outlining all-inclusive daily fees in EUR (including professional fees and other professional expenses and taxes).

Documents will be sent to **Luc ALDON**, FMDV Program Officer, and **Sandra REVERDI**, Program manager, by email at the following address:

[tender@fmdv.net](mailto:tender@fmdv.net)

cc :

[laldon@fmdv.net](mailto:laldon@fmdv.net)

[sreverdi@fmdv.net](mailto:sreverdi@fmdv.net)

[ Subject: *name\_PIFUD\_GKMA\_CIP* ]

Documents attached to this tender: PIFUD Project description

## 2. Evaluation process:

Individual consultants will be evaluated based on a combined evaluation of both technical and financial proposals.

The award of the contract will be made to the individual consultant whose CV has been evaluated and determined as

- (a) technically responsive/ compliant/ acceptable, and
- (b) lowest daily fee.

The overall combined score will be 100 points, where weight distribution shall be 60% technical and 40% financial.

### **Technical evaluation (100 points x 60%):**

FMDV will conduct a desk review process to shortlist and technically evaluate candidates as per the following criteria:

1. Demonstrated record of coordinating and structuring multi-stakeholder programs in developing countries and engage with international partners (particularly from the finance community). (25 points)
2. Track record of providing capacity building and technical support to project teams or their advisors on financing infrastructure projects. (20 points)
3. Experience in drafting presentations, concept notes and briefings and designing methodological tools to support the decision-making process. Experiences in the field of municipal finance and investments processes and planning is a plus. (25 points)
4. Demonstrate a good understanding of the ToR, the Ugandan context, the potential challenges and the proposed methodology (20 points)
5. Presentation of the task management organization (10 points)

### **Financial Evaluation:**

The following formula will be used to evaluate financial proposal:

Lowest priced proposal/price of the proposal being evaluated x 30%.

The Price proposal must be submitted as an inclusive daily fee in EUR.

### **Short interview**

- Pre-selected candidates will be invited for a short interview to discuss further on their experiences, availability and modalities. The findings from the interview shall not, in any way, alter the outcome of the combined scoring. However, the outcome of the interview may impact the ranking of the consultants.

## Annexe: Project description

### I. Context:

The 5th World Bank Uganda Economic Update (2015), “The Growth Challenge: Can Ugandan Cities get to Work?” shows that between 2002 and 2010, Uganda’s urban population grew by 5.6%, almost twice as fast as the rural population. As it is the case in many other developing countries, the prospects of good jobs, higher incomes and better living conditions in the cities continue to attract Ugandans from rural areas. With 70% of Uganda’s non-agricultural GDP being generated in these urban areas, the prospect of higher productivity jobs is considerably better than in the countryside. Going by global experience, urbanisation is likely to accelerate with economic development. As a result, Kampala is projected to become a mega-city of more than 10 million by 2040. Currently, the opportunity presents itself for Uganda to leverage urbanisation to benefit a large proportion of the population. However, the achievement of these goals require a comprehensive set of actions that will establish the necessary business and regulatory environment, provide the required systems and infrastructure for the growing population. Appropriate investments in the development of the country’s cities are therefore vital if Uganda is to prevent urbanisation from resulting in dysfunctionality and diseconomies of scale. The following are some of the challenges the Action is addressing to help Greater Kampala fully realize its potential:

One of the key constraint facing Kampala and indeed secondary cities in Uganda is the limited financing for key municipal infrastructures and services. In the last 5 years, KCCA and secondary cities explored solutions to mobilize additional sources of finance to finance urban development: through the capital market (a municipal bond for KCCA and pooled bond for secondary cities); the mobilization of private investment, PPP with smart solutions with positive impact on the budget through the use of smart public lighting or land value capture. On that specific issue, KCCA started to exchange with national authorities and to share on lessons learnt with other cities in Uganda and from Africa and Europe, including through FMDV’s network with the cities of Johannesburg and Paris that have engaged innovative and efficient solutions in those fields. However, more institutional and technical exchanges are likely to be implemented with a stronger political support.

GKMA cities benefit from inequitable urban infrastructures and services. The economic corridor of GKMA generates over 70% of the national revenues but faces great challenges to finance the implementation of the existing urban plans and the necessary services and infrastructures. This is mainly due to a lack of policy dialogue, interaction and connection between stakeholders (both public & private), lack of capacities in mobilizing additional resources and in developing efficient services and infrastructures. The intervention logic will address those problems in a systemic way: from policy dialogue level to capacity building, to demonstrative investment activities and dissemination to other cities.

The government recognizes the Greater Kampala Metropolitan Area as a special planning area to respond to the rapid urbanization and the rising influence of secondary cities, which have mainly grown up without planned land use patterns. This particular focus is anchored in the National urban policy designed with the support of Cities Alliance and approved in 2013. In an attempt to contribute to reorganize the economic corridor, the African Development Bank supports the design of the GKMA physical planning project. To enhance the economic productivity of the GKMA, the World Bank supported in 2016 the development of the Greater Kampala Economic development strategy and its implementation is one of the priorities of all urban development partners. The dynamic and cooperation built between KCCA and the GKMA secondary cities during the elaboration of the strategy will be enhanced by this action. Finally, the DFID provides support on City Infrastructure for Growth that seeks to enhance the GIS capability to support neighbourhood planning.

Broadly, the Action aims at supporting the implementation of KCCA and GKMA’s existing strategies and programs on municipal finance innovation and integrated urban development, as well as fostering linkages with line ministries and the overall urban policy in Uganda (urban policy dialogues, urban plans, economic development plans, etc).

### II. Target groups and final beneficiaries

The four (4) main target groups of the program are as follows:



**Local Governments and its related organizations**, specifically KCCA and GKMA's secondary cities at political and technical levels that need to build comprehensive strategies, instruments and reinforce capacities towards finance and investment on urban development. The building of stronger governing and investment capacities to enhance service delivery and build efficient infrastructures to their territories and citizens will allow to address their needs.

**Central Government**, particularly the Ministry of Finance Planning and Economic Development, the Ministry of Land Housing and Urban Development that need policy and advisory dialogues on technical and legal conditions to implement new solutions to fill in the financial gap for and integrated urban development of GKMA. The Action will address those needs by reinforcing the existing coordination mechanisms and designing the national strategies to unlock those constraints.

**Private sector representatives**, including technology providers, investors and companies lack dialogue with local governments to deploy the appropriate financial and technical solutions or instruments. They will increase their capacities of engagement with local authorities on a wide range of sectors (energy, waste management, mobility etc.) linked to the urban development market.

**Civil society** including communities and local NGOs face a lack of connection and insufficient consultation and investment strategies. The Action will integrate them in the consultation mechanisms. Particularly, the Urban Authorities Association of Uganda (UAAU) will participate in the project and facilitate policy dialogue at all levels.

The final beneficiaries are the citizens with a particular focus on youth and women who are suffering from insufficient interconnected services and infrastructure at metropolitan level. They will benefit from improved quality of urban services as a result of increased investment and financing of public service delivery. The women and youth are particularly targeted for opportunities to create small businesses, jobs and household incomes.

By addressing the needs at different levels (institutional, technical and financial capacities), the program will address the needs and constraints of the involved target groups. The proposal will lay the foundation of GKMA's long-term investment strategy in order to leverage new domestic and international financial mechanisms, including through the European Union External Investment Plan.

### III. Key stakeholder groups

Multi-level stakeholder partnerships are at the heart of this Action. With the objective of promoting an integrated urban development and strengthened governance of GKMA, the implementation of the Action will be based upon a territorial approach to local development (TALD), involving the ecosystem of stakeholders engaged in the Metropolitan Area.

#### Local key stakeholder groups:

**At national level**, the government approved in 2013 the Greater Kampala Physical Development Plan to guide infrastructure and spatial development in the area. Flagged as a national priority, the Ministry of Finance Planning and Economic Development, the Ministry of Lands, Housing and Urban Development, Ministry of Local Government, the National Planning Authority, Ministry of Works and Transport, Ministry of Water and Environment all have expressed support to the Action.

**At the metropolitan level**, GKMA is the regional economic corridor connecting Kampala with other urban secondary cities (Entebbe, Jinja, Nansana, Kira, Makindye Ssabagabo, Wakiso, Mukono, Lugazi, and Njeru, referred to as *secondary cities* in this proposal). It has emerged as the most active development region of Uganda comprising four of the most significant demographic enclaves of the country. With approximately 30% of Uganda's population and over 50% of the urban population, it is the main artery for industrial development, human settlements, power generation, information and telecommunication, tourism and regional integration, transport corridors, and the socio-political capital of the country. The Action will build on the dynamic already established among the GKMA cities during the elaboration of the GKMA local economic development strategy as well as the collaboration



between KCCA and Entebbe Municipality on the European Union CoM SSA project. The economic planners' forum, which brings together all the economic planners from the GKMA cities and the annual stakeholder dialogues are good platforms for multi-sectoral collaboration

**At city level**, KCCA is responsible for providing services and urban infrastructure in Kampala City. As the capital and major economic hub for Uganda with 2 million residents and about 4.5 million inhabitants in the Metropolitan Area, the city's already overstretched urban infrastructure is under enormous pressure. The situation is further worsened with the rapid urbanisation in the economic corridor.

**Private sector, academia, research centers and civil society** in GKMA will also take a stake in the Action. And lastly, the Urban Authorities' Association of Uganda (UAAU) will also play a key role in the multi-stakeholder dialogue and strengthen further exchanges with secondary cities in the country.

#### International key stakeholder groups:

Local key stakeholders will likewise benefit from the support of five main international partners: FMDV as co-leader of the Action, the cities of Paris and Johannesburg as associates and UCLG, UNCDF, Cities Alliance will strongly support the Action:

**FMDV** is a global network of Cities initiated by UCLG and dedicated to promote and develop finance and investment solutions for a sustainable and integrated urban development. FMDV is chaired by the City of Paris and Johannesburg sits at the Board of Director. Due to enhanced interest for municipal finances and the search of innovative solutions, Kampala became member of FMDV in 2014 and participated in a number of peer-to-peer exchanges, trainings, workshops on finance and investment involving key stakeholders of international private sector in Europe and in Africa.

**City of Johannesburg** is a world class recognized city for its excellent in finance and in diversifying its financial resources through innovative instruments such as Green and Social Bonds, retail bonds or Investment Funds. The City has an extensive expertise on all the components of the program and is engaged to share it with the City of Kampala through this program. Both cities have already started to exchange on Green Bond issuances at technical level. The City of Johannesburg has also a great experience in managing or contributing to international programs with DFIs.

**City of Paris** has also an international recognition for its capacities in developing innovation in municipal finance, PPPs, attracting private investments (its Green Fund) or smart cities through *Living Labs*. Paris is also one of the most active cities in city-to-city cooperation and international networks, chairing C40, AIMF and FMDV.

**UCLG**, United Cities and Local Governments, is the leading organization to represent and promote the role of local governments towards international organizations. UCLG is the recognized mechanism of dialogue between central and local governments in driving policies to localize and deliver the international agendas such as SDG, the New Urban Agenda (Habitat III) or the Paris agreement.

**UNCDF** is a UN organization with a capital mandate (unique in the UN System) focused on reducing poverty and inequality first and foremost in the least developed countries. UNCDF develops and tests out financial models which mobilize and recycle domestic resources to meet local needs and which raise investor confidence in these local economies so that they can become centres of growth.

**Cities Alliance** is a global partnership acting as a multi-stakeholder platform that gathers UN agencies, DFIs, national governments and networks of cities. It has been engaged in Uganda for the last ten years supporting secondary cities to develop urban development strategies needed to deliver sustainable development.

## **IV. Outcomes**

The overall objective of the Program is to promote an integrated urban development of the Greater Kampala Metropolitan Area (GKMA) through multi-level governance and peer-to-peer cooperation to



contribute to SDG 11 on Sustainable Urban Development, as well as SDG 13 on Climate Action and SDG 9 on Industry Innovation and Infrastructure.

The program addresses political, institutional, economic and social inter-linkages between Kampala city and main secondary cities from the GKMA to tackle common urban development challenges, with a clear focus on local economic development. It will rely on the expertise of other cities, such as Paris, Johannesburg or other cities engaged in exchanging solutions on all the chain of value of financing through FMDV (from planning, building capacities, structuring the deals, etc.) On the other hand, Cities Alliance will bring its coalition of diversified members engaged on urban development and on the expertise of UNCDF in Uganda in tackling these issues.

By providing capacities to the beneficiaries to upscale the accesses to new financial capacities for integrated urban development, the proposal will contribute to the consideration, promotion and application of critical issues such as human rights, gender equality, good governance, climate change and economic development. Infrastructure and services delivery supported in the program will be assessed by tools that integrate the environmental, social and governance (ESG) criteria.

Activities developed during the program will lead to three outputs that are comprehensive in a systemic approach: Output 1 leads to output 2 leads to Output 3.

**Result 1: Strengthened enabling environment for local finance** : Enhanced institutional, legal, financial and administrative capacities for KCCA and GKMA secondary cities to engage a dynamic around municipal finance and investments through policy dialogues, advocacy schemes, peer-to-peer learning, training and sectorial workshops.

**Result 2: Upscaled local finance to foster innovation and investment in sustainable and inclusive solutions:**

Enhanced KCCA and GKMA secondary cities own source revenues mobilization (tax base expansion, tax recovery and land value capture); Strengthened capacities of KCCA and secondary cities to access capital market (green bond and pooled bond); Strengthened capacities of developing PPPs and attracting public and private investments through KCCA support to GKMA secondary cities to document, re-engineer and automate their revenue management systems and knowledge transfer mechanisms, etc.

**Result 3: Enhanced investments for safe, affordable, smart and low-carbon services and infrastructures through robust efficient smart solutions** Developed metropolitan investment tools to guide GKMA's cities in their choices; Improved cooperation between public and private stakeholders on financing local development through matchmaking activities, road shows and investor conferences; Implemented 3 pilot projects as « *Living Labs* » in Kampala and GKMA target secondary cities on renewable energy and urban regeneration focusing primarily on less developed areas and areas with vulnerable population groups; Improved quality of urban services and connectivity and linkage to growth opportunities in GKMA through development of metropolitan investment tools, promotion of inspiring experiences, design and implementation of demonstrative pilot projects on renewable energy

In order to create coherence between activities and to build a systemic and comprehensive set of capacities for the beneficiaries, the proposal will, when applicable, mobilize the same groups of stakeholders.

## V. Details of the activities

### RESULT 1: STRENGTHENED ENABLING ENVIRONMENT FOR LOCAL FINANCE

#### **Output 1.1 To improve the policy, legal and regulatory framework for municipal finance**

**1.1.1** The enabling environment for municipal finance in GKMA is improved through High Level Policy Dialogues. Proposals and guidance are delivered to central authorities to adjust the policy legislations and regulations.

***Rationale:*** Experiences show that organizing a multi-level and multi-stakeholder’s policy dialogue to agree jointly on the conditions of an enabling environment, particularly at technical and legal levels, enable municipal authorities to successfully secure long term local finance. In Uganda in the last 10 years, Cities Alliance supported the organization of such dialogue around local authorities. UNCDF is already working on similar financial capacity building programmes with municipalities in northern Uganda and in other parts of the country. To make the policy dialogues meaningful and lead to tangible results, capacity of the parliament and Ministry of Finance planning and Economic Development needs to be adequately built and their role explicitly defined.

***Activity 1.1.1.1*** Organization of two (2) high level policy dialogue workshops with central and local authorities and other appropriate partners on localizing finance to evaluate and adjust the enabling environment, and to secure long term local finance for GKMA and more broadly for Uganda’s local authorities;

***Activity 1.1.1.2*** Draft recommendations for revised policy, legislation, and regulations to fill current gaps in legal framework for municipal finance with a specific focus on green/pooled bonds for Uganda’s local authorities;

***Activity 1.1.1.3*** Organize three high-level advocacy meetings with key decision makers to apply the recommendations (Ministry of Finance, Planning & Economic Development, Parliamentary oversight committees responsible for legal affairs, Cabinet, President).

**Roles:** **KCCA and FMDV:** Co-leading coordination of activities, building the scientific content, mobilizing the beneficiaries, concerned authorities and external expertise; **Paris and Johannesburg:** Sharing their experiences, providing expertise for policy dialogues, workshops and legal improvement activities; **Cities Alliance:** Contributing to the policy dialogue, ensuring links with their national programs, contributing technical workshops, the realization of the regulations, legal reforms, guidebooks and activities related to the enhancement of the legal framework; **UNCDF:** Contributing to linkages, dialogue with, and mobilization of, capital markets actors (USE, UCMA, NSSF, banks), ensuring coherence with longer-term capital market development strategies and objectives and transfer of experiences for municipal bond issuance in the region (Arusha and Tanga in Tanzania); **UCLG:** Contributing to the policy dialogue to ensure the coherence with SDG 11 and the localization of SDGs.

### RESULT 2: UPSCALE LOCAL FINANCE TO FOSTER INNOVATION AND INVESTMENT IN SUSTAINABLE AND INCLUSIVE SOLUTIONS

#### **Output 2.1 To enhance Kampala Capital City Authority (KCCA) and GKMA’s secondary cities’ own source revenue mobilization (taxpayer register expansion, property valuation, tax and land value capture)**

**2.1.1** Knowledge and capacities of GKMA’ to increase tax collections are improved through a training workshop. Based on peer-to-peer learning from KCCA and other African cities’s successful and inspiring experiences.

***Rationale:*** Improving tax mobilization is the initial step in engaging a strategy of ensuring and leveraging long term finance for a sustainable urban development including financing of climate action plans already elaborated by KCCA and secondary cities from the earlier support by the

European Commission. The activities are also utilizing local expertise thereby enhancing knowledge exchange.

**Activity 2.1.1.1** *Organize 1 peer-to-peer learning training workshop to share and explore the solutions and conditions of success for increasing tax collection, based on the success of KCCA and other African Cities;*

**Activity 2.1.1.2** *Realization of 1 guidebook that will share practices from Uganda, Africa and other parts of the world to increase sustainably the revenue mobilization of local tax collection.*

**2.1.2** Capacities of GKMA to document, engineer and automate their revenue management systems are improved. Based on KCCA's experience.

**Rationale:** Based on experience and expertise developed while developing its revenue management system called e-cities, KCCA will support secondary cities in the GKMA to implement similar systems. Following the success of the e-cities, which has helped KCCA increase its own source revenues by over 180% in the last six years, KCCA working with the World Bank developed and piloted a similar system at Nansana Municipality. The pilot has been very much welcomed by the municipality and the ministry of Local Government and Local Government Finance Commission – the two national agencies responsible for policy guidance on local finances. Based on this preliminary success and lessons learned from this pilot, other secondary cities in the GKMA together with the Local Government Finance Commission and the Ministry of Local Governments have requested that the system be implement in all the other municipalities and local governments to help them grow their own source revenues. As the system will be designed to cover all the municipalities and local governments in Uganda, the stakeholders agreed to call it the “Integrated Local Revenue Administration System (IRAS). The program targets that IRAS can be rollout to 2 additional municipalities in the GKMA.

**Activity 2.1.2.1** *KCCA support to the secondary cities to document, re-engineer and automate their revenue management systems (rollout of « Integrated Revenue Administration System » (IRAS) to 2 secondary cities in GKMA; Readiness Assessment, documentation of business processes, workflows and regulations, system improvement, testing and activation, procurement of hardware and establishment of centralized database).*

**2.1.3** Knowledge and capacities of GKMA's implementing Land Based Financing partnerships are improved

**Rationale:** Land Base financing has been chosen because of the potentialities of these mechanisms to finance urban development by capturing the increment in land value generated by infrastructure projects (local roads, sewerage, transit water, etc.) but with a strong monitoring on land speculation by land owners, with particular attention to security of land tenure for women as key to their empowerment. It is developed through better planning and balanced incentives and constraints and effective administrative systems, in order to avoid uncontrolled or inequitable gentrification of neighbourhoods - with a special attention to social housing provision and social diversity, actively promoting the right to the city. These mechanisms are encouraged by the New Urban Agenda and the dedicated instrument “Global Land Tool Network” that will be mobilized on the program.

**Activity 2.1.3.1** *Organization of 1 training workshop on “Land Based Financing”, developed together with UN-Habitat and the Global Land Tool Network on land management on the topic of how to finance urban development on the basis of land value increase, while improving land management, transparency and tenure security;*

**Activity 2.1.3.2** *Realization of a 1 guidebook on Land Based Financing with UN-Habitat with guidance and recommendations to use land based financing mechanisms and illustration from existing practices.*

**Roles: KCCA and FMDV:** co-leading the coordination of those activities, building the scientific content for the 4 activities, mobilizing the beneficiaries, mobilizing the necessary external expertise for the implementation of the activities, including UN-Habitat – GLTN (they already expressed their interest)\_KCCA will use its experience and knowledge in deploying such systems utilizing the expertise of her staff (revenue, ICT, treasury and strategic planning teams); FMDV will use its extensive experience and methodology in organizing such sectorial workshops, particularly on land based finance, and developing guidelines out of it; **Paris and Johannesburg:** sharing their experiences and providing expertise on the topics of tax collection and land use to mobilize investment; **Cities Alliance and UNCDF:** contributing to the policy dialogue and ensuring links and bridge with their actual national programs. Contributing at technical level to the technical workshops, the realization of the guidebooks and activities related to the enhancement of the legal framework. UNCDF will integrate the approaches and procedures designed for revenue collection automation and digitization in the context of the Development Initiative for Northern Uganda to ensure better synergies between EU-funded programmes; **UCLG:** providing content on the activities, providing policy positions to ensure the coherence with SDG 11 and the localization of SDGs and connecting the content with UCLG’s activities on secondary cities

## **Output 2.2 To Strengthen capacities of KCCA and secondary cities to access the capital market (green bond and pooled bond)**

**2.2.1** Capacities of KCCA and GKMA on Capital Market access and particularly Green Bonds are improved through training activities, knowledge dissemination and technical assistance provided to KCCA on its Green Bond

***Rationale:*** Once the enabling environment and the local resources recovery and capture (tax and land) and thus the financial sustainability are improved, the program will strengthen KCCA and GKMA’s capacities to access to the capital market through creditworthiness enhancement and two specific mechanisms: The Green Bond for KCCA and Subnational Pooled Financing Mechanisms (SPFM) for GKMA’s secondary cities. While KCCA has worked on preparing its first municipal bond issuance during the last 3 years, Municipal Green Bonds are already operational in many cities, including Paris (2 green bonds since 2015) and Johannesburg (1 Green Bond).

***Activity 2.2.1.1*** Organization of a training workshop for KCCA and GKMA to improve creditworthiness to access capital market. With experiences of Johannesburg.

**2.2.2** KCCA’s credit is rated and improved

***Rationale:*** Along with the current activities developed by KCCA and the Covenant of Mayors with the support of EU, this activity aims at integrating Green Bonds modalities and conditions into the current KCCA’s bonds preparation process to support KCCA to consider issuing a Green Bond.

***Activity 2.2.2.1*** Technical assistance to KCCA for transaction advisory to finalize the issuance of the KCCA’s Green Bond: administrative financial process and roadmap.

**2.2.3** Knowledge and capacities of GKMA’s and KCCA staff are improved on SPFMs through training workshop and a handbook. Based on experiences in Europe and South Africa and to explore opportunities of developing it at GKMA’s level.

***Rationale:*** SPFMs with the strong promotion of FMDV in the international agenda, have been recognized by the Addis Ababa Action Agenda (FFD3) and the New Urban Agenda as instruments that have catalytic role to finance sustainable urban development, specifically for secondary cities. In the declaration of secondary cities conference organized in Jinja (Uganda) with the support of UNCDF and Cities Alliance, participants agreed on the importance to explore those mechanisms and their conditions of application in Uganda. Over the last 15 years, close to US\$ 3 billion have been mobilized in developing countries to finance a broad spectrum of essential public services. In addition, SFPMs have catalyzed the rise of a subnational development-oriented asset class in the domestic capital markets, matching the long-term investment needs of in-

country pension funds and other institutional investors with the availability of creditworthy pipelines of essential infrastructure projects.

**Activity 2.2.3.1** *A training workshops on Local Green Bond Issuance: based on GKMA contexts, technical, financial and legal conditions of success and experiences from other cities in Africa and the rest of the World (Johannesburg & Paris amongst others). Content provided by external experts (Climate Bond Initiative already agreed to contribute) and cities representatives;*

**Activity 2.2.3.2** *Realization of a Guidebook introducing the overview, the modalities and condition of success to implement Local Green Bonds in Uganda, mixing a technical approach with illustration from concrete experiences in Africa and the rest of the World;*

**Activity 2.2.3.3** *Strengthen financial management and reporting systems for KCCA and GKMA secondary cities (cash management, grants management and reporting, etc.);*

**Activity 2.2.3.4** *Realization of updated accounting manual, financial management system and KCCA subnational debt management strategy;*

**Activity 2.2.3.5** *Credit rating for KCCA for 3 years;*

**Activity 2.2.3.6** *A training workshop on Subnational Pooled Financing Mechanisms: technical, financial and legal conditions of success to jointly access to the capital markets, and illustrating the content with practical case studies and experiences from other regions in the world.*

**Roles: KCCA and FMDV:** co-leading the coordination of those activities, building the scientific content for the 4 activities, mobilizing the beneficiaries and the necessary external expertise for the implementation of the activities, including Climate Bond Initiative for contents and supports related to Green Bond or Local Funding Agencies for Subnational Pooled Financing such as Agence France Locale in France or Kommuninvest in Sweden (they already expressed their interest to contribute). FMDV will use its extensive experience and methodology in organizing such sectorial workshops and developing guidelines out of it; **Paris and Johannesburg:** sharing their experiences and providing technical expertise as both cities issued a Green Bonds in the last 4 years (2 bonds for Paris, 1 for Johannesburg); **Cities Alliance and UNCDF:** supporting technically the activities on Subnational Pooled Financing as part of its strategy engaged in Jinja in October 2018 and promoting peer-to-peer exchange with the cities in the region engaged in the preparation of municipal bond issuance (Arusha and Tanga in Tanzania); **UCLG:** providing content on the activities, providing policy positions to ensure the coherence with SDG 11 and the localization of SDGs

## **Output 2.3 To strengthen capacities for developing PPPs and attracting public and private investments**

**2.3.1** Knowledge and capacities of developing local PPPs for KCCA and GKMA's secondary cities are improved through workshops, peer-to-peer learning and a handbook of inspiring practices

**Rationale:** Along with the access to the capital market, financing a sustainable urban development need to be done through a diversified portfolio of financial resources, including from investors from public or private entities. To achieve those results, the National Development Plan II, Greater Kampala Metropolitan Area Strategy and KCCA Strategic Plan identified the necessity to improve the development of PPPs on infrastructures and services along with the mobilization of investment from DFIs or private investors. Equally the government of Uganda has promoted PPPs as an alternative mechanism for delivering infrastructures and public services with the creation of the PPP act and the PPP Unit at the Ministry of Finance, Planning and Economic Development.

**Activity 2.3.1.1** *Organization of 1 peer-to-peer learning to share and explore the modalities and conditions of success of local PPP for KCCA and GKMA's secondary cities. The content will be brought by experts in that topic along with peer-to-peer learning from experiences from the cities of Paris and Johannesburg and other African cities;*

**Activity 2.3.1.2** Realization of 1 guidebook on conditions and modalities of building effective local PPPs that will share inspiring (good and bad) practices from Uganda, Africa and other parts of the world.

**2.3.2** Most promising local projects are technically and financially viable to be developed as “Living Labs” after benefiting from technical assistance to formulate the project, to select the appropriate solutions and organize the technical and financial modalities to engage a small-scale PPPs

**Rationale:** KCCA is already engaged with the PPP Unit on building capacities and identification of potential PPP pipelines (waste, public lighting, street parking etc). Workshops/road shows and handbooks will provide clear overviews of the existing modalities and experiences from other cities.

**Activity 2.3.2.1** Preparation of 3 concrete PPP projects that will be developed under “Living Labs” (small size projects e.g. public street lighting, renewable energy mini grids using school and markets roofs) to achieve commercial and financial close.

**2.3.3** Knowledge and capacities of attracting private and public investments for KCCA and GKMA’s secondary cities are improved through workshops, peer-to-peer learning and a handbook of inspiring practices

**Rationale:** A focus on blending mechanisms, using DFIs instruments to leverage private investments will be done during the workshop and the guidebook.

**Activity 2.3.3.1** Organization of a peer-to-peer learning workshop on attracting public and private investment at local level, to present and introduce existing modalities and mechanisms. It will bring practitioners and public and private investors along with other cities that have developed effective strategies and mechanisms to secure private investment for a sustainable urban development.

**2.3.4** GKMA & KCCA have access to an online “one stop shop” tool to guide them to project preparation facilities to get support on their climate smart projects

**Rationale:** One missing link identified by the Cities Climate Finance Leadership Alliance (CCFLA, a multi-stakeholders coalition of 50 members created by former United Nation -SG M Bank Ki Moon and for which FMDV co-hosts the Secretariat with UNEP) to fill in the investment gap to answer the need of delivering a sustainable urban development by local governments was to reinforce the project preparation of local projects. CCFLA’s scoping and mapping initiative in 2017 showed that more than 100 project preparation facilities mainly developed by donors and DFIs are available for cities but are under used. The program proposes to organize an online one stop shop that GKMA’s cities and more extensively local governments from Uganda and Africa could use to identify the appropriate facility available to request the support of their project to leverage future investments.

**Activity 2.3.4.1** Realization of a guidebook and an on-line “one stop shop” for climate smart project preparation facilities developed by donors and a pipeline of climate smart capital investments addressed to Local Governments.

**Roles: KCCA and FMDV:** co-leading the coordination of those activities, building the scientific content for the 4 activities, mobilizing the beneficiaries and the necessary external expertise for the implementation of the activities, including some European private companies and investors that have expressed their interest to share their experiences and solutions (Société Générale, name others). FMDV will use its extensive experience and methodology in organizing such sectorial workshops and developing guidelines out of it; **Paris and Johannesburg:** sharing their experiences and providing technical expertise in building sustainable and secured PPPS, and developing strategies and mechanisms to attract private investments. For example, the City of Paris launched its *Paris Green Fund* – a mechanism that has mobilized more than 150 million private investments; **Cities Alliance:** supporting technically the activities and mobilize appropriate members to contribute to the workshop and the publication; **UNCDF:** project development in the PPP format, structuring and finance arrangement up to financial closure using tailored project structures and financial instruments (loans and



guarantees), providing linkages with Ministry of Energy and Mineral Development, Ministry of Water and Environment, UMEME, Uganda Solar Energy Association and other relevant partners; **UCLG**: providing content on the activities, providing policy positions to ensure the coherence with SDG 11 and the localization of SDGs

### **RESULT 3: ENHANCED INVESTMENTS FOR SAFE, AFFORDABLE, SMART AND LOW-CARBON SERVICES AND INFRASTRUCTURE THROUGH ROBUST EFFICIENT SMART SOLUTIONS**

#### **Output 3.1 To improve investment plans at regional and metropolitan levels**

##### **3.1.1 An Investment plan is designed, presented and endorsed by GKMA local governments**

***Rationale:*** Improving public investment planning has been identified by government of Uganda and KCCA as a key prerequisite for efficient public investments in urban development. As a requirement from the government, KCCA and indeed other agencies in Uganda have constituted Public Investment Plan (PIP) committees. The next stage is to equip these committees with the required competences and this activity will contribute to this national programme.

***Activity 3.1.1.1*** *Realization of 1 guidebook on conditions and modalities of building integrated investment plans at regional and metropolitan levels;*

***Activity 3.1.1.2*** *Design of a metropolitan investment plan: organization of a collaborative workshop on methodology, guidance to and modalities to design investment plans at metropolitan level and share experiences with other metropolitan areas. The workshop will lead to consultative meetings and the formulation of a metropolitan investment plan;*

***Activity 3.1.1.3*** *Endorsement and approval process of the metropolitan investment plan.*

##### **3.1.2 An online tool for capital investment planning & project preparation and management based on the KCCA CIP model and accessible to GKMA is delivered**

***Rationale:*** For KCCA and GKMA secondary cities to access capital markets, they require capacity to prepare quality bankable projects. Capital Investment Plans are one of the preconditions for creditworthiness.

***Activity 3.1.2.1*** *Realization of an online tool for capital investment planning & project preparation and management based on the KCCA CIP model and accessible to GKMA.*

***Roles:*** **KCCA and FMDV:** co-leading the coordination of those activities, building the scientific content for the 5 activities, mobilising the beneficiaries and the necessary external expertise for the implementation of the activities. **FMDV** will use its extensive experience and methodology in organizing such sectorial workshops and developing guidelines out. **FMDV** and **KCCA** will lead the selection of the external expertise team in accordance with EU's rules and in coherence with existing similar dynamic such as the one developed by the Covenant of Mayors; **Paris and Johannesburg:** sharing their experiences and providing expertise; **Cities Alliance:** supporting technically the activities and mobilize appropriate members to contribute to the workshop and the publication; **UNCDF:** harmonizing and aligning investment planning with the approaches and methodologies developed for the EU-funded project in Northern Uganda as well as existing investment planning efforts by other relevant stakeholders; **UCLG:** providing content on the activities, providing policy positions to ensure the coherence with SDG 11 and the localization of SDGs

#### **Output 3.2 To improve cooperation between public and private stakeholders through matchmaking activities**

##### **3.2.1 A proactive exchange is engaged between local project leaders and solution providers to design the most suitable technical and financial models for local projects through a Match Making activity**

***Rationale:*** Public and private investments, along with PPP's success are conditioned by a good understanding between the project leaders and the solutions providers (technical or financial), they need to "speak the same language » and build a common culture of working together. They are also conditioned by the identification by the project leader of the most appropriate solution for its needs. To achieve those results, the program will organize a matchmaking event in Kampala

to allow GKMA's cities to create link and opportunities for action between their projects and technical and financial partners that will be mobilized from Uganda, Africa and Europe (donors, DFIs, NGOs, companies and private investors). Cities will have the opportunity to present their projects and better understand the solutions provided by those partners to answer their needs and implement their projects.

**Activity 3.2.1.1** *Organization of a match-making event in Kampala between project leaders from GKMA's and private solutions providers on urban priorities such as energy efficiency, water management, sanitation, waste, transport, public lighting and urban infrastructures. Those private solutions providers will be mobilized from Uganda, Africa and Europe.*

**3.2.2** GKMA's cities have a better understanding of experiences developed by European Local Governments and of solutions proposed by technology providers through a study tour in Europe

**Rationale:** To support KCCA and GKMA's city representatives to design and implement innovative urban solution, field visits in European cities will allow to understand the condition of success and the ways to structures « living labs » to test pilot small scaled projects with users.

**Activity 3.2.2.1** *Organization of a study tour in Europe to meet with cities and technology providers, visit cities with innovative projects that have been developed with private technology providers from at least 2 countries: France and Germany, Brussels or Spain;*

**Roles:** **KCCA and FMDV:** co-leading the coordination of those activities, building the scientific content for the 2 activities, mobilising the beneficiaries. FMDV will use its extensive experience and methodology in organizing Match Making events and Study Tours; **Paris:** hosting a meeting in Paris during the Study Tour to present its innovative projects developed with technology providers and meeting with French companies engaged on sustainable cities; **Role of Cities Alliance:** supporting technically the activities and mobilize appropriate members to contribute to the workshop and the publication; **Role of UNCDF:** supporting and enhancing these activities through its long-time partnerships with the Private Sector Foundation of Uganda (PSFU) and UAAU, and leveraging the UN convening role for partner mobilization and ensure effective participation of the foreign missions; **Role of UCLG:** providing content on the activities, providing policy positions to ensure the coherence with SDG 11 and the localization of SDGs.

### **Output 3.3 To implement pilot projects in Kampala and GKMA secondary cities on renewable energy and urban regeneration for selected pilot neighborhoods (the Living Lab).**

**Rationale:** Increasing access to affordable and sustainable energy is a key priority of the KCCA overall strategy and in particular for the Kampala Climate Change Action Plan. It is also in line with Uganda Governments vision of achieving universal access to electricity by 2040. Living Labs are a concept well developed in European cities to test innovation/smart solutions in pilot phases through small scale PPPs that allow public entities to test the satisfaction and appropriation from the users on a new service or infrastructure and develop the economic and financial models to replicate it up to a larger scale. In parallel it allows the solution providers to adjust their technical and financial models to the reality of a new context.

**3.3.1** An integrated solar energy delivery system is implemented with a private operator in pilot schools, approved by the users and the technical and financial sustainability is demonstrated with for scaling up.

**Rationale:** As Uganda has a high solar radiation potential given its positioning on the equator with average daily radiation of 5.1KW/m<sup>2</sup>/day, the potential for using solar Photovoltaic systems to supply power to underserved communities like schools, health centres, slums, government offices, and hospitals becomes an attractive and sustainable solution to increase equitable access. The school solarization project is particularly attractive as it was already identified as a priority intervention by the KCCA services. If successful, it will provide an opportunity to potentially scale up to over 5000 schools across Uganda. The focus on the Kampala school for the physically handicapped for example with over 300 disabled children and similar communities

means that the pilots achieves multiple benefits including improving equitable access to services. Some of the schools targeted by the action have asbestos sheets which will be replaced as part of the implementation of the program and this will achieve health co-benefits for the vulnerable children. Integration of the net metering technology will provide a platform to pilot the national policy on net metering and could generate additional revenues for the cash strapped public schools.

In addition, Kampala City relies heavily on fossil fuel for motorised transport with over 150,000 motorcycle taxis (Boda-Bodas) despite heavy solar potential. This has contributed significantly to the deterioration in the air quality. Thanks to this program, KCCA will pilot electric motorcycles into its fleet together with a solar powered charging station as a first step and demonstration to the stakeholders of the potential and benefits of reducing the use of fossil fuels in motorised transport. This pilot will act a living lab for the big motorcycle tax operators in the city to show case the new technology and business model. It is expected that this pilot will not only act as a catalyst to the energy transition but also provide new business opportunities for women and youth widely adopted. KCCA will work with local innovation companies already testing these technologies to build knowledge and skills to support this business model.

**Activity 3.3.1.1** *Implement pilot projects in KCCA and GKMA secondary cities on solar PV for 4 schools: the Kampala school for the physically handicapped & 4 other primary school in KCCA. With net metering including removal and disposal of asbestos sheets and working with Ministry of Energy and Mineral Development to develop an issues paper to inform the policy on net metering.*

**Activity 3.3.1.2** *Implement a pilot of 4 electric motorcycles plus a solar powered charging station in the KCCA fleet working with local innovation start-ups to test technology adoption, train local youth on the new technology and business model and promote uptake among the motor taxi (boda boda) operators.*

**3.3.2** An integrated small-scale solar mini-grid energy system is developed with a private operator and local communities, approved by the users and technical and financial sustainability is demonstrated for scaling up.

**Rationale:** The pilot of two (2) solar-based mini-grids in the GKMA area is equally targeting fishing communities overlooking the lakefront without access to grid electricity. The intervention means these communities will empower to participate in the formal economy of the city. By bringing the private sector on board, the intervention will act as a test lab for the outputs. The UNCDF's financial models, with proven positive results, will be applied to ensure the program is self-sustaining.

**Activity 3.3.2.1** *Design and construct 2 community Solar mini-grids of 50KWp each in GKMA and fine tune the sustainable business model and technical modalities.*