



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

Consultancy on 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.

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). 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. To achieve the operationalization of this Strategy, and build up its capacities for the the second half of the implementation period, the entities making the GKMA institutional body must address:

The Lack of Integrated Urban Planning:

Currently, there is no urban integrated Physical Development plan at the metropolitan scale and the main challenge is to ensure a consistency between metropolitan and local urban strategies. Furthermore, according to the Physical Planning Act 2010, each district and municipality should have a 5 year Physical Development Plan. This is the case in most LG in the GKMA (renewed in 2018) but these documents have not been aligned with the GKMA Physical Development plan, supported by KCCA and JICA. Many of the interventions of the GKMA LED aim at having a coordinated and coherent investment strategy, starting with the example of Roads and Transport Systems on the one hand and, on the other, Artisanal and Industrial Parks.

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.

Furthermore, 18 Programme Implementation Action Plans (PIAPs) have been developed to ensure a strengthened alignment and smooth implementation of the NDPIII Programmes. These PIAPs are also intended to guide the Ministries, Departments and Agencies (MDAs) and LGs to formulate MDA Strategic Plans and LGDPs that are aligned with the NDPIII and inform resource allocations to the 18 Programmes for implementation.

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. 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.

The design and approval of a GKMA CIP also contributes to the institutional strengthening and operationalization of the GKMA LED Strategy. As a planning tool, the CIP will be under the political supervision of the Ministry for Kampala and Metropolitan Affairs (MoKMA), chairing the Inter-Ministry Steering Committee (IMC) and housing the Program Implementation Unit (PIU). The CIP must be designed working closely with the National Planning Authority 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.

II. Approach for the Implementation of this Work

1. Objectives

The PIFUD program is hiring a technical expert based in Kampala, on Investment Planning and local finance in order to support the **“design of a metropolitan capital investment plan (CIP) to reach approbation”**.

The expert will have the technical responsibility to assist GKMA entities in designing and validating the CIP in June 2022, through 3 main activities:

1. Provide technical expertise on finalizing local development plans and localizing the PIAPs
2. Provide technical expertise on the design and production of a Metropolitan Investment Plan (CIP) to reach final approval stage
3. Elaborate a technical specification report for the creation of a CIP online tool

2. Methodology

The expert will work closely with the PIFUD partners, under the supervision of FMDV. An additional independent consultant (the Coordinator) will be also contracted by FMDV to coordinate, facilitate and ensure coherence in the CIP process. The expert and the Coordinator will work closely under FMDV supervision to reach the validation stage.

It is also expected that good coordination with Ugandan partners such as Ministry of Finance Planning & Economic Development, NPA and the PPP Unit will be instrumental for the sustainability of the mission and its outputs.

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**, particularly the National Planning Authority, both the Development Committee and the PPP & Public Investment Management Units of the Ministry of Finance Planning and Economic Development and, the Ministry of Local Governments and the coordinating the Program Implementation Unit under the Ministry of Kampala and Metropolitan Affairs.
- **Private sector representatives should** be engaged to strat 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. They are critical members of both Municipal and Greater Kampala Development Forums.

4. Content of the mission for the Consultant: scope of work - and expected deliverables

Design and validation of metropolitan investment plan (CIP)

4.1 (12 days equiv.) Support four municipalities to finalize their development plans with the help of NPA

The Consultant is expected to work in a collaborative way with four municipalities, the relevant line MDAs and NPA to get the Local Development Plans approved by June 30th 2021. This activity will be conducted in close collaboration with the NPA which will be responsible for quality control of the LDPs and has the mandate to provide official feedback to the municipalities. The review of the development plans will be based on use of the revised Local Government Development Planning Guidelines. Local Governments must play an active role as it is crucial to achieve a sense of ownership on the side of the GKMA local government.

This process should lead to the localization of the 18 Programme Implementation Action Plans (PIAPs) - and their Results Framework and alignment of the LDPs through the technical cooperation of NPA. This is a key step to help municipalities prioritize their infrastructure needs with a metropolitan scope. It is also the opportunity for inter-municipal cooperation and prioritization of their own financing capacities within a coherent local and metropolitan operational document. The reviewed LDPs should be comprehensive of, but not limited to, the agreed upon GKMA investment menu, aligned with the programmes of the GKMA LED, and the National Development Plan III to have a synced timeline over the budget cycles of FY 2022-23 to FY 2024-25.

The proposed methodology is the following:

- [5 days] Review the four drafts of GKMA District and Municipal Council Development Plans and provide feedback for improvements, regarding the quality and alignment with the NDPIII, the 18 Program Investment Action Plans and the GKMA LED.
- [7 days] Provide technical support and guidance to the four GKMA District and Municipal LGs in the formulation and finalization of their LDPs. This will be done through hands-on support working sessions focusing on revenue mobilization strategy (tax recovery - see below objective 2). The financing strategy should be reflected as soon as the preparation of the BFP FY2022/23 by November 2021.

Expected deliverables:

- A finalized Municipal development plan for each of the four selected GKMA municipalities. The plan should be aligned with the GKMA LED strategy, the 18 PIAPs and the NDP III.

4.2 (40 days equiv.) Support the development of a CIP based on assessed needs in LDPs and strategy in LED and conduct a workshop

The consultant will co-design the CIP by providing technical assistance to GKMA planners to elaborate the CIP tool and help reach an approval stage. The design of the CIP should be the opportunity to identify actionable financing opportunities and the preparatory work to tap into new or alternative financing.

The work will be based on and in sync with the LG's consultations and workshops organized by the Coordinator. Those workshops will aim at strengthening capacities and LG's knowledge on the design of the CIP. The production will be based on the knowledge and methodology acquired during the workshops.. The expert must assist technically the LG's during the whole process of creation and production.

Eventually, this technical assistance activity should build on the outputs of different workshops organized such as the Institutional capacity building training commissioned by the NPA and workshop training attended by 43 GKMA staff supported by the Trust Fund from the World Bank and Foreign, Commonwealth & Development Office (FCDO).

For this purpose, the consultant will be expected to:

- Aggregate the inputs collected during the consultation phase and 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.
- Assist GKMA entities through the whole process to co-design the CIP.

The CIP is expected to be finalized and validated in June 2022. The expert, in coordination with the Coordinator will provide technical assistance to lead the CIP development and approbation. Prior to the endorsement meeting, the technical expert will review the Metropolitan CIP and provide recommendations to improve the document.

For this, the proposed methodology is the following:

1. CIP co-production:

- a. [10days] Collect all relevant information developed prior and during the workshop in order to produce the CIP, in close collaboration with GKMA Planners and in link with the methodology developed for this metropolitan CIP;
- b. [30 days] Lead the design and production of the CIP tool by providing reviews and feedbacks on each step of the process.

Expected deliverables:

- (1) One scoping tool developed with GKMA Planners, in preparation to the workshop and in assistance to the project preparation phase;
- (1) CIP developed in close link with GKMA Planners;
- Quarterly reports of the Technical Assistance provided to municipalities to populate the CIP (e.i. through the CIP tool) and fill out their project presentation templates to be pitched at the workshops.
- (1) Gap analysis and recommendations report to finalize the CIP before the endorsement meeting.

4.3 (3 days equiv.) Elaborate a technical specification report for the 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 expert will be mobilized to provide a technical specification report on the creation of an online tool based on the CIP elaborated, and the assessment elaborated by the Coordinator. The CIP online tool must be accessible to GKMA LGs.

It is expected from the expert:

- [3 days] Technical specifications for the creation of the CIP online tool.

Expected deliverables:

- (1) Technical specifications report for the creation of the CIP online tool

5. Summary deliverables

Deliverables (not including Technical assistance tasks)	Deadlines
Objective 1: Design and validation of a Metropolitan Capital Investment Plan (CIP)	
<u>Deliverable 1</u> : A finalized Municipal development plan for each of the four selected GKMA municipalities.	<u>June 2021</u>
<u>Deliverable 2</u> : One scoping tool developed with GKMA Planners, in preparation to the workshop and in assistance to the project preparation phase;	<u>February 2022</u>
<u>Deliverable 2</u> : One Metropolitan CIP developed in close collaboration with GKMA Planners	<u>March 2022</u>
<u>Deliverable 4</u> : Quarterly reports on the technical Assistant provided to municipalities to populate the CIP and fill out their project presentation templates	<u>September 2021 to March 2022</u>
<u>Deliverable 5</u> : Gap analysis and recommendations report to finalize the CIP before the endorsement meeting	<u>March 2022</u>
<u>Deliverable 6</u> : Technical specifications report for the creation of the CIP online tool	<u>May 2022</u>

6. Criteria

The technical offer will be evaluated based on the understanding of the ToR, the quality of the proposed methodology, and the experience of the expert.

The call is open to individuals, based and hosted in Uganda as well as international candidates in the capacity to travel to Uganda. International Consultant must collaborate with local experts. The profile required is as follow: Expert on public investments planification and municipal finance with a working experience in Uganda or similar contexts - **10 years experiences**

The experts must have:

- Working experience on designing investments plans;
- Working experience on capacity building linked to local climate finance and municipal finance;
- Working experience in monitoring and evaluation;
- Working experience on delivering reports, policy recommendation papers, etc;
- Proficiency in writing and speaking English.

7. Budget

Candidates are requested to include a budget proposal for the equivalent of 55 days to their application. For international consultants, travelling and accommodation costs must be included in the proposal.

8. Project management

The contact points at FMDV for this work will be the FMDV Project officer, based in Kampala, in coordination with the FMDV Project Manager and FMDV Project Supervisor. Under the supervision of the FMDV team, the Candidate will also be expected to liaise with KCCA Project 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.

9. Tender assessment

The global rating (/100) will be a combination of a technical rating (/70) and financial rating (/30).

Technical rating(100 points x 70%) will be calculated as follow :

1. Profile and Experiences / 45:

The assessment will evaluate the current and previous experiences of the expert on activities relevant to the assignment such as the production of municipal investment plans and equivalent documents, or track record on technical support for the project team on local finance and investment plans. The leading role of the Expert on those experiences will be evaluated as well.

2. Methodology /35

The assessment will evaluate the expert understanding of this ToR, the risk assessment and mitigation. The latter must be described in a brief proposal for methodology and approach to the activities. It is recommended for the expert to make clear methodological proposal for each of the different typologies of deliverables as described in the ToR.

3. Organisation/20

The assessment will evaluate the organization and mobilization of the expert. A collaborative organization with PIFUD's partner on site will be valued; For consultants operating from abroad, the methodology for remote posting will be evaluated

Financial rating (/30) will be calculated as follow:

Financial ranking formula: $\frac{30 \times \text{lowest financial offer}}{\text{Analysed offer}}$

III. How to apply

Please submit a proposal outlining your approach and methodology **no later than 24/05/2021**, to **Luc ALDON**, FMDV Program Officer, and **Sandra REVERDI**, Program manager, by email at the following address:

tender@fmdv.net.

Cc:

laldon@fmdv.net

sreverdi@fmdv.net

[Subject: *name*_PIFUD_GKMA_CIP]

Your proposal (max. 10 pages) should include the following:

- Understanding of this ToR
- Description of previous related experience
- Brief proposal for methodology and approach to the activities
- Detailed timetable
- Detailed budget proposal

Documents attached to this tender: PIFUD Project description

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/m²/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.*