

FINANCING URBAN DEVELOPMENT AROUND LAKE VICTORIA



A TOOLKIT

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FOREWORD



It gives me great pleasure to present this toolkit soon after the launching of the Third Phase of the Lake Victoria City Development Strategies (CDS). The overall objective of this new phase is to enable municipal authorities to better address priority local environmental and urban poverty issues to achieve

sustainable urbanization. In this regard, the Financing Toolkit is published at an opportune time when the number of CDS cities has grown to eight with the recent addition of Jinja in Uganda and Mwanza in Tanzania. The Toolkit is intended to assist cities in the Lake Victoria region prioritize their investments and the mobilize the capital to finance them.

Financing investments is an integral part of the CDS process. Increasingly, cities in many parts of the world are raising debt for municipal infrastructure. They do this by accessing capital markets through issuing debt instruments of varying tenure on a non-guarantee basis. In other countries, government owned domestic financing institutions that lend to cities are making efforts to become more market oriented by mobilizing private capital for public infrastructure.

Given the huge backlog in infrastructure development in the Lake Victoria region, long term debt is clearly appropriate as most infrastructure assets, such as water, wastewater and solid waste management provide benefits over a long period of time. Therefore, for the sustainability of investments, the link between city

infrastructure needs and domestic capital has to be strengthened through public-private partnerships. Experience of new financing modalities needs to be institutionalized in city management processes, as a consequence of having been integrated into the CDS procedures. For institutionalization to take place, improving financial management in local authorities is an important first step in order to make them attractive as target recipients of capital.

The CDS Financing Toolkit developed by the UN-HABITAT is designed to assist in addressing many of the financial management issues facing local government, such as the need for improving the budget structure and the reporting of financial information to stakeholders at various levels, increasing the participation of citizens in the budget planning and decision making processes, and strengthening capital investment planning.

The footprint of many individuals and institutions is evident in the pages that follow. Our partner, the Swedish International Development Agency, has continued to provide invaluable support to this process. Our collaborating partners, the eight city and municipal councils have also been instrumental in ensuring progress. Many other experts have been closely involved at various stages throughout the preparation of this toolkit. I trust that their contribution will leave a valuable legacy in terms of improved local government resource management in the Lake Victoria region.

Mrs. Anna Tibaijuka

A handwritten signature in dark ink, appearing to read 'Anna Tibaijuka'.

Executive Director
United Nations Human Settlements
Programme (UN-HABITAT)



An aerial view of Jinja Municipality. Photo ©: Jinja Municipal Council

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ACRONYMS AND ABBREVIATIONS

CBO	Community Based Organisation
CDS	City Development Strategy
IFMS	Integrated Financial Management System
ITDG	Intermediate Technology Development Group
KATODEA	Kagera Tourism Development Association
KCC	Kampala City Council
KIWASCO	Kisumu Water and Sewerage Company
LA	Local Authority
LASDAP	Local Authority Service Delivery Action Plan
LATF	Local Authority Transfer Fund
LED	Local Economic Development
LGDG	Local Government Development Grant
LVRAC	Lake Victoria Regional Local Authorities Cooperation
MDGs	Millennium Development Goals
MTEF	Medium-Term Expenditure Framework
NGO	Non-governmental Organisation
PPP	Public Private Partnership
PR	Public Relations
SAPs	Strategic Action Plans
SIDA	Swedish International Development Agency
SIPs	Strategic Investment Plans
SMART	Specific Manageable Achievable Resource Possible and Time Bound
TNUDF	Tamil Nadu Urban Development Fund
URL	Uniform Resource Locator

BACKGROUND

This document, *Financing City Development Strategies*, is a toolkit specifically prepared to help local authorities raise internal and external resources to finance implementation of priority projects and programmes. It provides useful steps, skills and resources to aid the process of financing a City Development Strategy (CDS). The toolkit is divided into three parts: Part A covers five steps necessary in preparing a bankable CDS, i.e., Preparing the CDS; Integrating the CDS in Existing Local Authority Plans and Budgets; Understanding Your Financial Position; Harnessing Underutilised Local Resources; and Forging Innovative Partnerships to Mobilise and Manage Internal and External Resources. Part B contains useful tips on resource mobilisation for cities, e.g., proposal writing and fund raising skills. The final section, Part C, contains links to organisations that provide funding and other support services to local authorities.

Preparation of this toolkit benefited from the Kisumu Experts Group Meeting held from 9 to 13 January 2006. The Experts developed: a draft guideline on preparing CDS; an annotated draft outline of the Financing Toolkit; and an identification of capacity building/basic training and awareness raising needs to enable cities to access and fully utilize the Financing Toolkit. The present document has been enriched by case studies from Lake Victoria Cities participating in the Lake Victoria City Development Strategies for Improved Urban Environment and Poverty Reduction Programme, as well as relevant examples and lessons of city financing from other countries around the world. This collaborative effort and approach underscores the

- To identify and highlight skills necessary for effective implementation of the city development strategy
- To build capacity of Lake Victoria cities in necessary skills for resource mobilisation and coordination of local socio-economic development processes

EXPECTED OUTCOMES

- A toolkit for strategic decision-making regarding financing options for implementing the investment plans in the CDS process
- A Financing Directory that can enable local governments to easily obtain information on what options are available for external financing
- Ideas on mainstreaming of the CDS plans into municipal financial planning processes

TARGET AUDIENCE

The target audience for this Financing Toolkit for the Lake Victoria Region City Development Strategies include the local authorities around the Lake Victoria basin region, specifically Bukoba, Musoma and Mwanza (Tanzania), Entebbe, Jinja and Kampala (Uganda), and Homa Bay and Kisumu (Kenya), who have or are in the process of preparing CDS/Investment Plans; private sector/businesses; non-governmental organisations; and other partners. Relevant central government ministries responsible for local government are also targeted as their endorsement and support of the CDS process is important. Thus, target groups

预览已结束，完整报告链接和二维码如下：

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