

Connective Cities – Financial Advisory

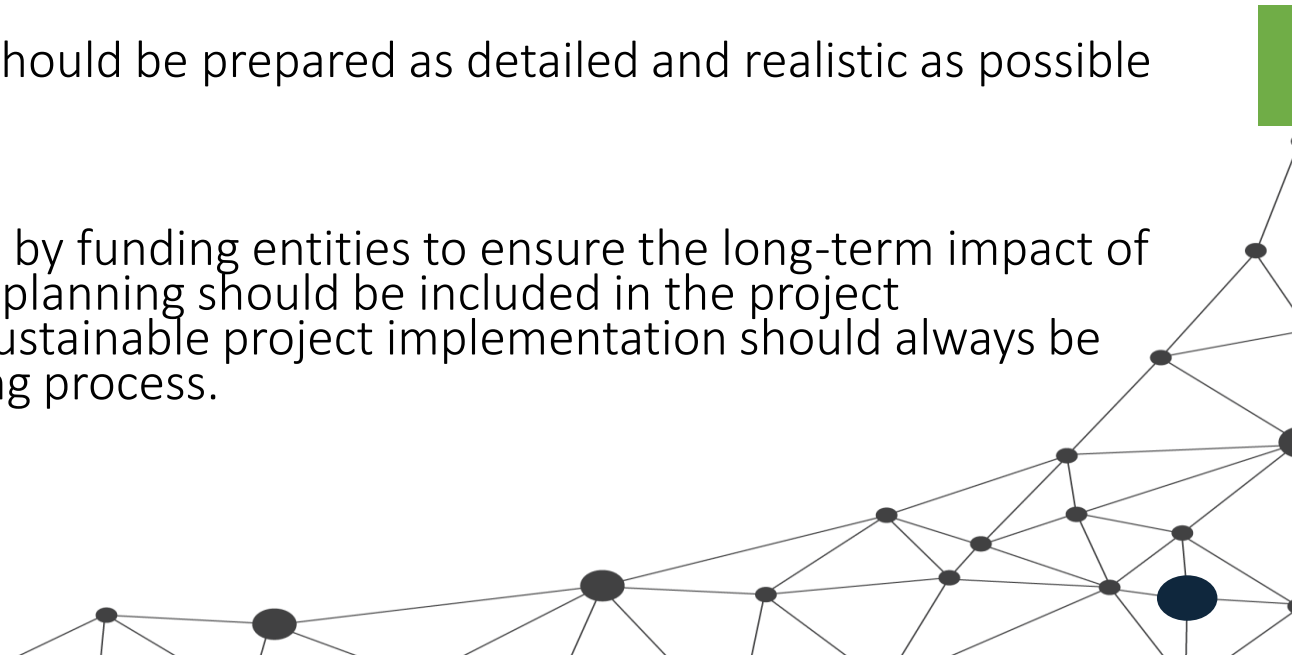


Talking points

- Who are the relevant funding agencies in terms of thematic focus and region? What are the current funding possibilities for urban development projects in the region? Collaboration with NGOs? International/regional Grants? Local or national Governmental loans?
- Identify commonalities of funding applications, eligibility for funding?
- Collect recommendations and advice from regional and international experts regarding common priorities while preparing for funding proposals. Lessons learned?

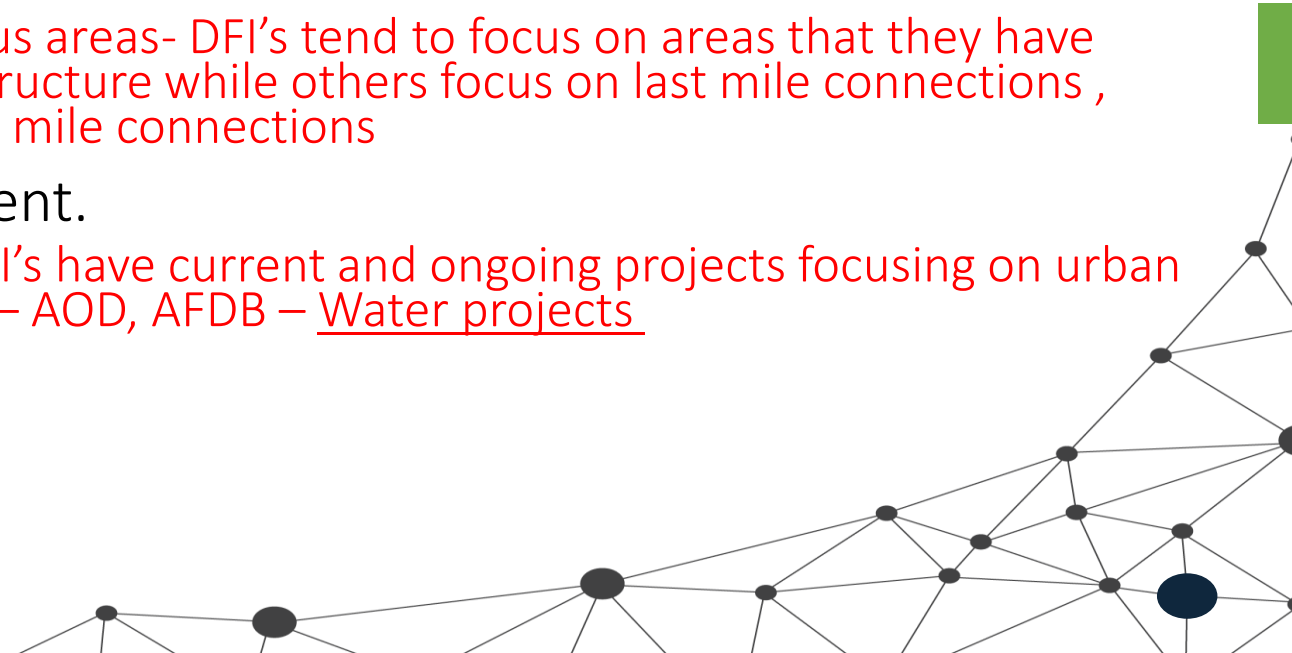


- Experts on project financing share experiences using applied examples in relevant topics or regions.
- What should the participants keep in mind while working on the development of their project ideas?
- The participants should be aware of realistic expectations regarding the scale and duration of funding, also considering the ratio of self and external financing. Funding entities very rarely cover 100% of the expenses; applicants must be aware of their share of expected financial contribution
- The budget and timeline of the project ideas should be prepared as detailed and realistic as possible to match possible funding opportunities.
- Sustainability of the project will be considered by funding entities to ensure the long-term impact of their financial support. Aspects of sustainable planning should be included in the project preparation/development phase. Aiming for sustainable project implementation should always be supported and advised throughout the learning process.



Funding Opportunities

- Who are the relevant funding agencies in terms of thematic focus and region?
 - **World Bank** Group: Climate Change; Fragility, Conflict & Violence; Gender; Infrastructure, PPPs & Guarantees; and Knowledge Management.
 - AFDB – Fragile States, Agriculture & Food Security, Gender
- What are the current funding possibilities for urban development projects in the region? **World Bank has an urban program in Kenya, Water – EA region**
- Collaboration with NGOs? International/regional Grants? Local or national Governmental loans?
 - Different organizations have different focus areas- DFI's tend to focus on areas that they have expertise some focus on the huge infrastructure while others focus on last mile connections , while others focus on providing TA on last mile connections
- Others focus on knowledge management.
 - The current funding possibilities Many DFI's have current and ongoing projects focusing on urban development e.g. WB- KUSP, WSDP, KFW – AOD, AFDB – Water projects



DFI Collaboration



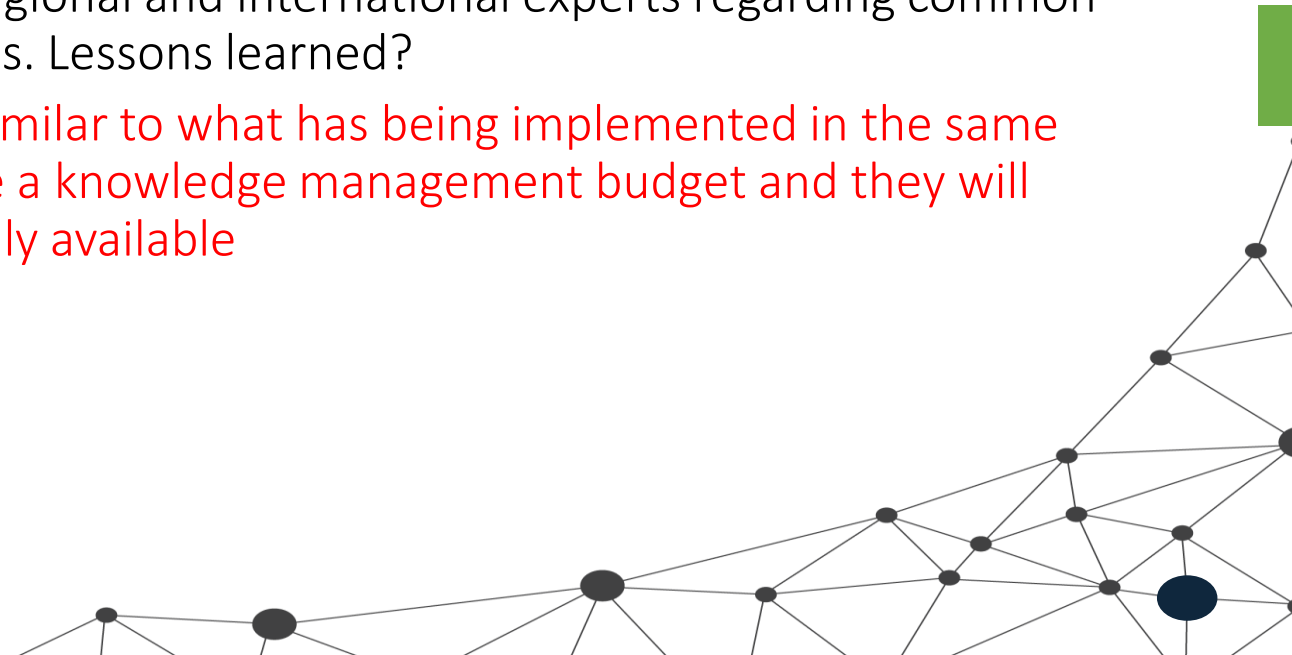
- Cooperation between DFIs (e.g. DFI networks and partnerships) creates synergies and potential for larger investments and developmental impacts. Particularly in Europe, a high degree of collaboration and partnerships exists between DFIs and their networks. These collaborative arrangements provide several benefits including: Sharing of best practices through the establishment of networks and working groups
- In terms of collaboration there are various opportunities that are available for TA e.g SNV, EU, GIZ,



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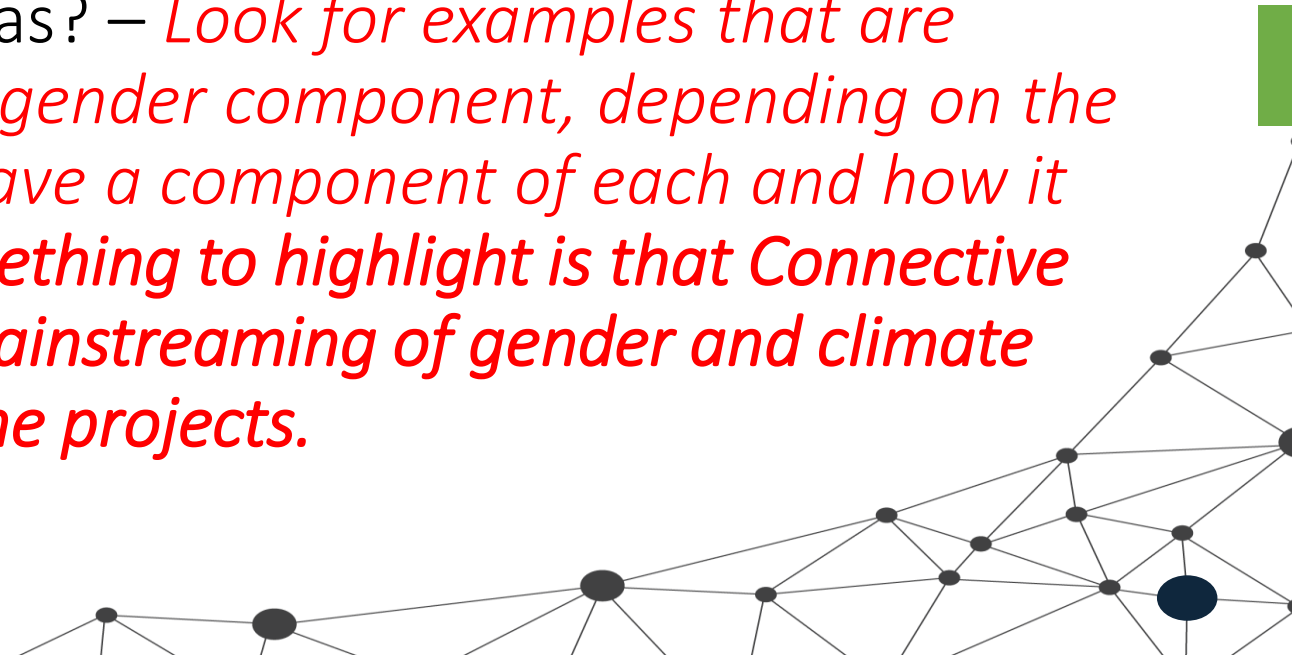


- Identify commonalities of funding applications, eligibility for funding?
 - For infra projects sch as transport and water the main common element is that they have to an aspect of trying to better the quality of life of the project beneficiaries and also key is that they are perceived to be spurring growth by opening up areas for economic growth, improve health, improve access to markets, mainstream gender(empower women and children), tackle climate change issues such as flooding and also important is the aspect equalization and mainstreaming of gender
- Collect recommendations and advice from regional and international experts regarding common priorities while preparing for funding proposals. Lessons learned?
 - Look for success stories or projects similar to what has being implemented in the same areas. Most DFI funded projects have a knowledge management budget and they will publish on the internet and this readily available



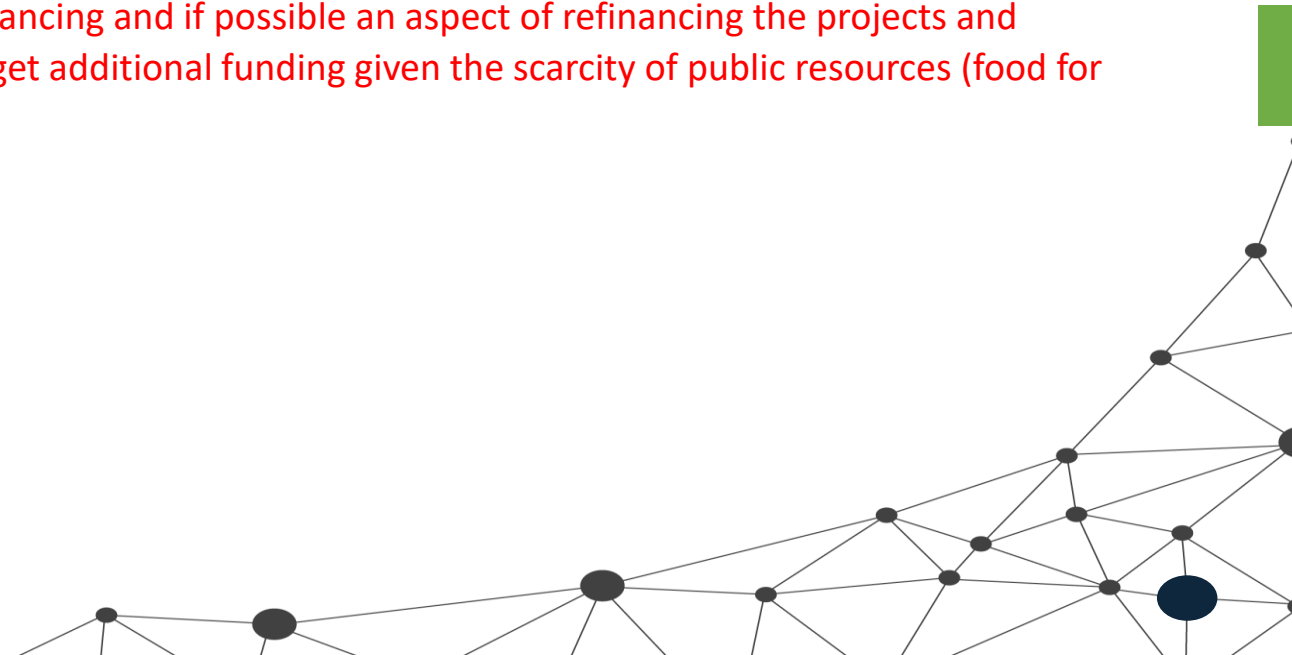
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- Experts on project financing share experiences using applied examples in relevant topics or regions. *Focus on commercial financing give examples using Nyeri*
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- What should the participants keep in mind while working on the development of their project ideas? – *Look for examples that are focused on sustainability, have a gender component, depending on the principles of the funding entity have a component of each and how it will be achieved for example Something to highlight is that Connective Cities is keen on promoting the mainstreaming of gender and climate change aspects in the design of the projects.*



- The participants should be aware of realistic expectations regarding the scale and duration of funding, also considering the ratio of self and external financing. Funding entities very rarely cover 100% of the expenses; applicants must be aware of their share of expected financial contribution
- During the project life cycle from conception, financing and implementation there are various costs that are part of the cycle. Most DFI's or financiers will not finance the project start to finish. At times they may prefer a fully developed concept and there are organizations or NGO's that will help if not the City or utility may develop on its own cost. While the financing will be provided by some other entity. Please note as much as early as from planning there are costs that are attributable to any project.
- The budget and timeline of the project ideas should be prepared as detailed and realistic as possible to match possible funding opportunities. From the point of preparing a strategic and a financing plan all entities need to realize that it will not be hitting milestone after (ask participants to give experiences during seeking of funds) Give an example of a typical financing from the DFI world and Private sector(Kengen Bond process)

- Sustainability of the project will be considered by funding entities to ensure the long-term impact of their financial support. Aspects of sustainable planning should be included in the project preparation/development phase. Aiming for sustainable project implementation should always be supported and advised throughout the learning process.
 - Typical water projects are developed with a plan of up to 5-15 years typically we stretch them to even 40 years and even do not factor in last mile connections, replacement of networks and expansion of treatment works. As for waste water typical they have an longer life span of up to 30 years however there is need to consider expansion possibilities during planning same case applies for roads. The main concern is that during the inaugural project there is a pertinent need to factor the expansion part and also look at ways of securing longer term financing and if possible an aspect of refinancing the projects and recapitalizing on the initial loans with an option to get additional funding given the scarcity of public resources (food for thought)



Thank You

