Access to Capital Markets for African Cities and Subnational Governments

Report on the Training of Chief Financial Officers of Cities and Subnational Governments

September 19-24, 2022
Abidjan, Côte d'Ivoire

GROUPE DE LA BANQUE AFRICAINE DE DÉVELOPPEMENT
AFRICAN DEVELOPMENT BANK GROUP

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PREAMBLE

The Municipal CFO Special Initiative (SI) was approved by PIVP to fill an important gap for the Bank to support Sovereign, Non-Sovereign and Sub-national operations. The Initiative aims at supporting cities financial management teams to improve their governance systems and fiscal conditions, with the aim to access Capital Markets, Bank and other IFIs, and local commercial bank finance. The initiative will assist decentralized authorities to enhance their financial autonomy, access to local currency debt, and strengthening municipal bond markets to finance needed investments. It encourages lending to cities and subnational governments, alongside supporting cities on risk mitigation measures.

The Bank approved its Subnational Finance Guidelines in 2019. However, a major missing link between cities' demand for financing, and their ability to access financing under these guidelines, is their lack of creditworthiness. Cities need to demonstrate they can and will fulfil their financial obligations, which is needed to obtain an investment grade credit rating. This requires cities to run positive balance sheets and to adhere to high standards of financial management practices and audits.

The Bank retained the United Cities and Local Governments of Africa (UCLGA) to support the CFO SI by helping to organize practical training that would benefit CFOs from around 40 cities from 25 countries. The training comprised two sessions as follows:

Session 1 - the Abidjan Week was held in Abidjan from 19-24 September 2022.
Session 2 - the Johannesburg Week is expected to take place in Johannesburg in Q1 2023

During the training, CFOs were exposed to the day-to-day workings of financial markets among other things. In Abidjan, the CFOs participated in a study tour of the "Bourse Régionale des Valeurs Mobilières d'Abidjan (BRVM)" and the regulatory body, the "Conseil Régional de l'Épargne Public et des Marchés Financiers" (CREPMF), a financial institution of the West African Economic and Monetary Union (WAEMU/UEMOA).

Several Bank units participated in the training in Abidjan by making presentations on their respective sectors including: (i) Bank Group's Financing Instruments, Syndication, and Co-financing, (ii) Bank Group's Guidelines for Subnational Finance/Lending, and (iii) the Urban & Municipal Development Fund (UMDF).

Outcomes: Cities participating in the first round of the CFO Special Initiative were carefully selected to ensure they had the capacity to move quickly to preparedness for accessing financial markets. The immediate expected outcome was that cities and local governments understood what financial markets are and the requirements to access credit and debt. In the short-medium term, it is anticipated that cities would develop financial discipline, ability to put their fiscal and financial management in order and would be able to secure positive ratings. In the long-term it is expected that participating cities would be able to access financial markets, and financing from AfDB and other DFIs for transformative infrastructure development and service delivery with or without sovereign guarantee.

1. INTRODUCTION

1.1 The African Development Bank and United Cities and Local Governments of Africa (UCLG Africa) supported by GiZ, and the Sahel and West Africa Club of OECD, organized from 19 to 24 September, the training of Chief Financial Officers of some forty African cities and subnational governments on access to capital markets.

1.2 Participants came from 25 countries: Senegal, Liberia, Gabon, Cameroon, Malawi, Kenya, Mauritius, Zambia, Mozambique, Eswatini, Zimbabwe, Botswana, Central African Republic, Madagascar, Rwanda, Nigeria, Morocco, Mauritania, Benin, Burkina, Mali, Niger, Tunisia, Nigeria, and Côte d'Ivoire.

1.3 These are cities and subnational governments that are also members of the Africa Territorial Agency, a pan-African financial vehicle set up by UCLG Africa to intermediate between the former and the capital markets.

1.4 The opening ceremony held on Monday September 19 was marked by speeches given by Mr. Ripert BOUSSOUKPÉ, Secretary General of the Regional Council for Public Savings and Financial Markets (CREPMF), Ms. Harlette Badou N'GUESSAN KOUAMÉ, Mayor of Arrah and Secretary General of the Union of Cities and Communes of Côte d'Ivoire (UVICOCI), and Mr. Stefan ATCHIA, Division Manager, Urban Development Division of the African Development Bank. The opening speech was made by His Excellency Aka AOULÉ, President of the Economic, Social, Environmental, and Cultural Council of Côte d'Ivoire and President of the Assembly of Regions and Districts of Côte d'Ivoire (ARDCI) and President of the Sud-Comoé region.

1.5 The closing ceremony was held on Saturday, September 24 with the closing speech made by Mr. Fidel YAPI, Director General of Decentralization and Local Development (DGDDL), Ministère de l'Intérieur et de la Sécurité de Côte d'Ivoire.

1.6 This training benefited from the financial support of AfDB, GiZ and of the Sahel and West Africa Club of the OECD. The training was provided by experts from the Regional Council for Public Savings and Financial Markets (CREPMF), the UEMOA Regional Stock Exchange (BRVM) hosted in Abidjan, the Bloomfield Investment Rating Agency, the HUDSON Intermediation and Management company, the Securitization of assets by the West African Development Bank (BOAD), the African Development Bank (AfDB), and the United Cities and Local Governments of Africa.

2. INTRODUCTION TO THE COURSE

2.1 PRESENTATION OF THE COURSE

2.1.1 The first session presented the course outline, the course structure as well as the different modules and the institutional experts who would present the course content. This was followed by round table introductions with participants stating their name, position, and city/ local or regional government they represent, and experiences around municipal finance. Generally, no city among those that attended has had any experience of accessing capital markets. Therefore, the training proceeded with a deep-dive exploration of the prerequisites and conditionalities for accessing capital markets.

2.1.3 As well, 2 Chief Financial Officers, from Ouagadougou (Burkina Faso) and Lilongwe (Malawi) respectively, agreed to share the best practices of their cities on the experience of PEFA and the experience of debt management.

2.2 ALGA AND THE AFRICA TERRITORIAL AGENCY (ATA)

2.2.1 The session on the African Local Government Academy allowed participants to learn about the training offered at UCLG Africa. The Academy offers Continuing Education such as the Executive Masters Program in Management of African Cities (MEMVA) in the French language, with the support of the FACDI fund of the Moroccan Government and Al Akhawayn University of Ifrane in Morocco. To date, there are 21 beneficiaries participating in distance learning from 8 African countries - Benin, Burkina Faso, Mauritania, Côte d'Ivoire, Mali, Niger, Morocco, and Senegal. There is also territorial coaching with 63 Certified Territorial Coaches from Francophone countries, in partnership with the Council of the Oriental Region in Morocco as well as other partners.

2.2.2 A second MEMVA Promotion in the English language involving approximately 30 beneficiaries, has been submitted for funding under the third Call for FACDI projects, and this training will be made in-person. It is worth noting that the establishment of the E-Academy with courses in Soft Skills is being offered by the Cegos Group[1] training entity. Several digitized courses exist to date as a pilot experience, as well as a digital library of more than 900,000 references, language courses (English, French, and Spanish), and courses in office automation. Finally, ALGA organizes every year «The African Forum of Territorial Managers and Training Institutes targeting Local and Regional Governments (FAMI)».

[1]CEGOS is European based international leader in professional and continuing education

2.2.3 Participants wanted to learn more about the eligibility criteria for the courses, the costs, and the different possibilities of sponsoring their participation.

2.2.4 The presentation on the Africa Territorial Agency (ATA) was intended to familiarize the participants with the financial special purpose vehicle (SPV) that United Cities and Local Governments of Africa is setting up to facilitate the access of African cities and subnational governments to capital markets. It is setup as a pooling system with the objective of managing risk and offers guarantee mechanism for cities and subnational governments.

2.2.5 The ATA is an intermediary step before direct access to the capital markets, even if cities that can access capital markets on their own can also be part of it. Drawing on lessons from international experience, the Africa Territorial Agency will be a cooperative society whose cities and territories will be shareholders. Regional and national development banks in Africa, Multilateral institutions, IFIs, and any interested investment fund specialized in the financing of cities could also participate. The Africa Territorial Agency will comprise 100 cities and subnational governments in the beginning which would each undertake to make an initial investment contribution to the fund of 100,000 Euros resulting in 10 million Euros. This initial investment of 10 million euros should make it possible to raise additional resources from financing institutions and or in the financial markets.

2.2.6 This arrangement has several advantages:

1) As a risk guarantee mechanism, ATA will reduce transaction costs for cities that need to access financial markets.
2) The guarantee mechanism is intended to reassure investors. As such, ATA will contribute to a significant increase in the growth of the overall volume of investments financed in Africa in infrastructure and improvement of services in cities and subnational governments.
3) With the establishment of a pooling system, ATA will enable small and medium-sized cities to access financing under the same conditions as large cities.
4) By setting minimum financial management criteria to be met to access resources raised on the capital markets, ATA will encourage cities and subnational governments to adopt or speed up the necessary reforms and spread the culture of financial accountability within the subnational governments.

2.2.7 Exchanges with pan-African institutions are ongoing. Initially, UCLGA/ATA is seeking support of these institutions by contribution to the Agency's capital, which will give it more credibility. They can also offer guarantees not only for the Agency's issuance of bonds and loans (which makes it possible to lower the cost of access to financial markets), but they can also offer direct or indirect loans to local governments. These institutions can also subscribe to the Agency's issued bonds. Financial institutions through their existing financing arrangements and commitments to their member countries, can provide leverage to cities and local governments wishing to access the financial markets.

2.2.8 Today, a little over fifty cities and local governments from 26 African countries - Benin, Senegal, Mali, Côte d'Ivoire, Burkina Faso, The Gambia, Liberia, Niger, Nigeria, Cabo Verde, Sierra Leone, Kenya, Burundi, Uganda, Mauritius, Madagascar, Tanzania, Cameroon, Central African Republic, Gabon, Congo, Malawi, Libya, Tunisia, Morocco, and Sudan – have subscribed to the Africa Territorial Agency. Through this training for preparing subnational governments to access capital markets, it is expected that more cities will be encouraged to join ATA, improve their readiness to go to financial markets and allow ATA to approve and disburse loans.

2.2.9 Following the presentation of ATA, participants wanted more details about the advantages offered by the membership in ATA and the conditions for accessing ATA.

2.2.10 First, ATA makes it possible to benefit from financing of the capital markets, without going there in practice. This makes it possible to circumvent the legislation of certain countries which do not formally authorize access to capital markets for cities and local governments. It should be noted that all African cities and local governments will be able to benefit from ATA, not just the 100 initial subscribers. But more importantly, only cities and local governments with debt and repayment capacity will be able to access its financing. It is therefore very important for cities to improve their financial management, secure good credit rating, while improving the quality of public expenditure. Cities should maintain a basic fact sheet to enable undertaking of due diligence by financing entities. This may include but not limited to revenues generated, risk assessment done, number of projects/sectors identified for investment, and overall auditors' assessment.

2.3 CAPITAL MARKETS ECOSYSTEM

2.3.1 This module focused primarily on the UEMOA financial market ecosystem. The presentations of the capital markets ecosystem began with the definition of the capital market. It was defined as the meeting place between supply and demand for medium- and long-term capital. The capital market allows for the allocation of financial resources by making the surpluses of certain economic agents available to others, serving as funds necessary for their development. The capital market ensures the circulation of the funds necessary for the proper functioning of an economy and allows the channeling and routing of savings towards productive investments. Cities and local governments may hold equity securities, in particular shares, and may be able to issue bonds.

2.3.2 Following the presentation of the financial products that exist, the components of the financial markets were presented as follows: (i) The **Primary market** is the market on which securities are issued. This is the market for new securities whose liquidity will be ensured later by the secondary market. (ii) The Secondary market is the market on which new securities issued on the primary market are traded. This is the "secondhand" securities market.

2.3.3 This module allowed participants to get to know the three main players in the capital markets ecosystem.

1. **Management and Intermediation Companies (SGIs)** which trade listed securities on behalf of third parties (on an exclusive basis), keep the accounts / custodians, place securities issued or to be issued on the WAEMU Regional Financial Market or on any other market admitted by the Regional Council.
2. **Mutual fund management companies (SGOs)** which, in addition to management (several choices), oversee portfolio management and risk management. SGOs may also carry out other activities on a complementary basis within the framework of the collective management of a UCI (Undertaking for Collective Investment).
3. **Wealth Management Companies** which, via investments and stock market negotiations carried out by Management and Intermediation Companies (SGIs), intervene on a discretionary basis in the management of the securities entrusted to them based on a management mandate established with their clients. These companies must not hold the securities and/or funds of their clients.

2.3.4 The definitions and roles of Account Holders and Custodians, Business Providers, Stock Market Investment Advisors, Canvassers and Sponsors, were presented in detail, while emphasizing the elements of interaction among them.

2.3.5 The questions from the participants concerned the differentiation between primary and secondary markets and how they interact with one another. The presenter explained that only the primary market brings capital to companies or to the States: the primary market allows the financing of investments. On the secondary market, security holders sell new and previously acquired securities.

2.3.6 **US Municipal Bonds:** This module provided an idea of the importance of this mode of financing for American cities. The United States has the longest history of municipal bonds issuance. The first municipal bond was issued in 1812 by the city of New York, and many American cities issued municipal bonds thereafter (1840s) to finance urban development. Two types of municipal bonds are issued in the United States:

a. **Tax Backed Bonds.** These bonds are backed by the general revenues of the issuer (the city), including taxes. However, unlike GOs (General Obligations) with dedicated tax, these bonds are not accompanied by a specific tax intended to reimburse them. Instead, bondholders are paid from general revenue, and if this proves insufficient to cover debt service, the issuer usually must raise taxes to cover the shortfall.

b. **Revenue Bonds.** These are a class of municipal bonds issued to fund public projects which then repay investors with the income generated by that project. For example, a toll road or utility may be financed by municipal bonds, with creditors' interest and principal being repaid by tolls or fees collected.

2.3.7 The factors that affect the cost of municipal bonds are prevailing interest rates, inflation, and the credit rating of the bond issuer. The rating of the agencies is based on the health of the local economy, the institutional framework, particularly the quality of the decentralization process, the financial performance and debt profile, governance, and management. Other considerations considered include the systemic risk of the operating environment, the extent of support from higher levels of government, and the history of defaults. The main actors are the Issuer (Conduit Issuer), the Trustee (fiduciary role), the Municipal Councilor, the Legal Team, the Underwriter, and the Guarantor / Credit Enhancer.

2.3.8 Bond issuance is the most common method of financing for cities and subnational governments in many higher income countries. In the US, for year 2022 municipal bond issuance (as of August 2022) stood at US$ 279.5 billion, while those in negotiation as of August 2022 amounted to 13.6 billion. Outstanding bonds in the second quarter of 2022 amounted to US$ 4.0 trillion, representing a +0.2% increase year-on-year.

2.3.9 The discussion on US bonds also highlighted the strength of American cities in terms of taxation and taxes, but also on their institutional environment, which is characterized by stable, predictable, and healthy relations within each of the fifty states and with the US Government.

2.4 AfDB FINANCING INSTRUMENTS IN SUPPORT TO CITIES AND SUBNATIONAL GOVERNMENTS

2.4.1 The presentation of the financing instruments of the AfDB Group, outlined the three legally separate financing windows namely, the African Development Bank (ADB), the African Development Fund (ADF), and the Nigerian Trust Fund (NTF) which were set up to address the diverse financing needs of the continent. The ADF and NTF are concessional financing windows accessible to low-income countries while the ADB is the non-concessional financing window accessible to middle income countries, the private sector and ADF eligible countries, usually in the lower-middle income category.

2.4.2 Through these windows, the Bank provides a wide range of financing products: (i) Lending instruments - ADF loans, fully flexible loans, fixed spread loans; (ii) Risk management products – interest rate swaps, cross currency swaps, and commodity swaps; (iii) Guarantees – partial risk guarantees, partial credit guarantees, and portfolio guarantees; (iv) Equity – direct equity, subordinated debt, mezzanine debt, other quasi-equity; (v) Trade finance – risk participation agreements, trade finance lines of credit, soft commodity finance facility; (vi) Technical assistance funds – trust funds in form of grants, concessional loans, equity in select cases and reimbursable grants; (vii) Partnerships – syndications, co-financing, Africa Guarantee Fund, Africa Export-Import Bank.

2.4.3 Subnational entities are eligible to these financing products under certain conditions. Technical assistance funds are particularly vital for subnational entities as they make it possible to finance feasibility studies, technical or infrastructure engineering studies, and preparation of bankable projects. The Urban and Municipal Development Fund (UMDF) is a multidonor trust fund dedicated to technical assistance to cities and local governments.

2.4.4 Subnationals accessing AfDB financing take two key forms. If the financing request is sovereign-guaranteed (i.e., has the backing of the national government), that request would be eligible to ADF or ADB financing windows depending on the originating country's classification. If on the other hand, the request does not come with sovereign guarantee, then it would only be eligible to the ADB -private window (also known as the non-sovereign operations window). Other factors that are considered include: (i) whether the subnational government/entity is able to demonstrate ownership of the development for which it is seeking financing from the AfDB; (ii) whether the subnational government/entity is eligible for direct sovereign-guaranteed financial support by the AfDB and if not, indirect financial support should be considered; (iii) whether the subnational is eligible for direct non-sovereign guaranteed financial support if such support is being sought; and (iv) whether the subnational is eligible for a specific financing instrument of the AfDB – e.g., credit/risk guarantee, Trust fund grants, etc.,.

2.4.5 For the AfDB Group, in addition to subnational governments, there are four other distinct categories of subnational entities that routinely access Bank's financing: (i) Subnational Public Sector Enterprises (PSEs, e.g., utility companies, parastatals, etc.); (ii) Subnational Special-Purpose Vehicles (SPV), (iii) Subnational development finance institutions and other financial intermediaries (FIs); and (iv) Subnational PPPs.

2.4.6 Discussions with participants concerned the reality of access to these financing opportunities from the Bank by cities and subnational governments. They wanted more details e.g., on the eligibility criteria in the event of a loan not guaranteed by the State, and the elements considered in the credit risk assessment of the city or local authority. In other words, how does the Bank determine creditworthiness for subnational governments.

2.4.7 While acknowledging that until now, no city or subnational authority has had direct access to one of the various financing instruments of the Bank, the Bank is counting on greater information sharing between the States and their cities and local governments while allowing them elbow room to access financial markets as well as resources from multilateral financial institutions such as the AfDB.

2.4.8 More broadly, however, it is important for cities and subnational governments to coordinate with national governments (ministries of finance/economic planning) on securing external financing, from Multilateral Development Banks whose shareholders are the African governments themselves. As well, countries could establish intermediaries to support an array of cities, within the same country, at the same time e.g., for infrastructure improvements and service delivery. There is need to establish a de-risking mechanism at national level or local level to improve opportunities to access financing. Transparency is very critical to cities. Cities should maintain basic fact sheets to enable smooth undertaking of due diligence by financial institutions such as the AfDB and other potential investors. Among the basic information that cities must maintain is (a) current revenues, (b) risk assessment status, (c) number of projects/sectors that would need financing with non-local revenue resources, and (d) audited assessments.

2.4.9 In addition to the Bank's financing instruments, the new ***Guidelines for Subnational Lending/Finance and the Urban and Municipal Development Fund*** were presented. The access of subnational governments to AfDB financing through the African Development Bank (ADB), the African Development Fund (ADF), and the Nigerian Trust Fund (NTF) financing windows is determined, among other things, by the classification of their country. This is consistent with the earlier presentation of the Bank's Financing Instruments.

2.4.10 Countries and their subnational governments classified under Category A are considered ADF only countries and are eligible for ADF and NTF concessional windows only. As of September 2021, Category A comprised 31 countries with moderate to high risk of debt distress. They include Benin, Burkina Faso, Comoros, DRC, Ethiopia, Eritrea, Guinea, Liberia, Madagascar, Mali, Malawi, Niger, Rwanda, Uganda, Burundi, Central African Republic, Chad, Ethiopia, The Gambia, Guinea-Bissau, Mauritania, Mozambique, Sierra Leone, Somalia, South Sudan, Djibouti, Ghana, Sao Tome & Principe, Sudan, and Zimbabwe. Countries with moderate debt distress are eligible for ADF sovereign loans without a grant component.

2.4.11 Lending terms for countries under category A will depend on the GNI per capita of the borrowing country relative to the average GNI per capita of ADF only countries. ADF loans would be guaranteed by the State.

2.4.12 Countries and, their subnational governments classified under Category B are eligible for both ADF concessional and ADB non-concessional windows. As of September 2021, this category included only 5 countries – Zambia, Cameroon, Kenya, Senegal, and Cote d'Ivoire.
2.4.13 The remaining 17 countries and their subnational governments or entities are only eligible for the ADB non-concessional window. These are middle- or higher-income countries classified under Category C, namely, Algeria, Angola, Botswana, Cabo Verde, Republic of Congo, Egypt, Equatorial Guinea, Gabon, Libya, Mauritius, Morocco, Namibia, Nigeria, Seychelles, South Africa, Eswatini, and Tunisia. For these countries, ADB resources may or may not be guaranteed by the State.

2.4.14 The access of cities and subnational governments to the various financing windows and instruments is also subject to alignment with the national development plan or strategy., considerations in the Bank's Country Strategy Paper, the consent/ absence of objection from the Central government, and Bank's overarching strategic objectives which include poverty reduction. In addition, eligibility for direct financial support guaranteed by the Central Government is conditional on a commitment to a well-defined reform program, a commitment to building institutional capacity, an adequate expenditure program and fiscal provisions, autonomy in the mobilization of financing, a legal personality, as well as sound management. Eligibility for direct non-state guaranteed financial support is subject to a credit risk assessment, and to the eligibility criteria of the non-sovereign guaranteed policy.

2.4.15 The Urban and Municipal Development Fund provides institutional support to cities and local governments for planning, governance, and the preparation of investment projects. The amount may vary from US$ 30,000 for small projects up to US$ 1 million for larger size project proposals.

2.4.16 During discussion, participants wanted more clarity on the criteria used for classifying countries into different categories and how this affects the financing for which they are eligible from the AfDB. Access to the resources of the African Development Fund (ADF), the AfDB concessional window is guided by the classification of Regional Member Countries (RMCs) under the Bank Group's credit policy, which is based on two criteria: (i) per capita gross national income; and (ii) creditworthiness to support concessional loans. The degree of concessionality of a loan is measured by its "grant element" where the grant element is the difference between the loan's nominal value (face value) and the sum of the discounted future debt-service payments to be made by the borrower (present value), expressed as a percentage of the loan's face value.

2.5 FINANCIAL AND FISCAL ANALYSIS OF CITIES AND SUBNATIONAL GOVERNMENTS

2.5.1 The module on the financial and fiscal analysis of cities and local governments included three courses as follows: (i) The key concepts of the financial analysis of local governments, (ii) Understanding and monitoring the financial performance of local governments: Balances and financial ratios to monitor, and (iii) Building a financial forecast for local governments.

2.5.2 The presentation of the key concepts of financial analysis focused on the five key functions of cities and local governments - *(i)Feeding the municipality, city or territory; (ii) Building the municipality, city or territory; (iii) Providing the municipality, city or territory with basic services and amenities; (iv) Ensuring the upkeep and maintenance of the basic infrastructure and equipment of the municipality, city or territory; and (v) Governing and administering the municipality, city or territory.* This was followed by the six key strategic priorities cities and subnational governments must embrace: (i) strengthening administration, governance, and internal controls; (ii) human resource management and organizational restructuring; (iii) economic development; (iv) strengthening and mobilizing financial resources; (v) improving the financial planning of budgeting and management; and (vi) delivery of public services and development of infrastructure.

2.5.3 For the understanding and monitoring of financial performance, the presentation was based on international standards, the International Financial Reporting Standards (IFRS) to present the main ratios which are subject to regular monitoring. There are 32 ratios covering both the ordinary budget and the investment budget.

2.5.4 Particular attention was paid to the construction of financial forecasts for cities and local governments. It is a question of getting out of the logic of automatic renewal of the various receipts of the past financial year, increased by 3% to take inflation into account. Modern financial management presupposes the use of all tax loopholes according to their potential, considering the incompressible expenses of cities and local governments as the level of revenue to be achieved, and considering the trajectories of the local economy to establish a smart taxation.

2.5.5 The session detailed the review of spending points that need to be undertaken: (1) Cost of personnel which should only reflect the necessary positions, (2) Cost reduction/austerity measures to eliminate items that are non-essential; (3) Identification and elimination of irregular, unsuccessful, wasteful and unauthorized expenditures; (4) address low levels of repair and maintenance to ensure efficient operation of all assets and avoid minimal disruptions in service delivery; (5) Set spending limits and revenue targets; (6) Provide budget parameters that bind the municipality, city, or territory for a specified period or until the stated conditions have been met; and. (7) The budget and capital expenditures should be reviewed to ensure that no borrowing or leasing is undertaken unless the city or territory has the capacity to repay and, if possible, identify investment projects that generate revenue.

2.5.6 The discussion following the presentation dealt with the indicators of the financial problems of cities and local governments which are crucial for the financial analysis, namely: Budgets which are not credible; Poor accounting and auditing; Inappropriate organizational structures and administrative and governance processes; A lack of monitoring of trends and technological changes; Country-specific structures between national, provincial, and local governments; Inadequate management of debtors; Faulty infrastructure and lack of service delivery; and Insufficient cash flow. The instructor reviewed these different financial problems, emphasizing the solutions that can be applied and, above all the need, to have a holistic approach to the question of financial analysis because these problems are connected and interdependent.

2.6 THE FINANCIAL RATING OF CITIES AND SUBNATIONAL GOVERNMENTS

2.6.1 The session on financial rating of cities and subnational governments was delivered by the Bloomfield Rating Agency, a leading Rating Agency on the African continent, based in Abidjan, Cote d'Ivoire One cannot access the capital markets without going through rating agencies which measure the creditworthiness of the potential borrower and the level of risk that the investor may encounter by engaging in a transaction with the borrower. The criteria for rating cities are made up of both quantitative and qualitative factors. In general, the qualitative factors are more important and relate to the institutional and financial context of decentralization which conditions the framework for the development of local public finances. The aim here is to specify exactly how the political, administrative, and economic climate, and the financial system in the country constitutes a risk to the predictability of the resources of local governments and to the ability for repayment of debt. This qualitative aspect is also supplemented by an analysis of the municipal institution in question, the local public services it provides, as well as any vertical imbalances suffered. Other criteria considered may include (i) the country risk – support of the state and whether the city/local government is seen as a priority of the state; (ii) economic profile – revenues, existing infrastructure needs and jobs; (iii) flexibility and independence of revenue generation by the city/local government; (iv) the city's vision or long-term strategy; (v) management style; and (vi) the socio-economic profile of the city/local government.

2.6.2 As for the quantitative factors, they relate to (i) the socio-economic profile of the local authority, its economic and taxation potential, (ii) the financial and budgetary procedures with a history of the budget and of its various components, and (iii) relation to the financial analysis that emphasizes the current level of indebtedness (including guarantees for the benefit of other institutions), the borrowing capacity, etc. This considers the satellite institutions of the local government based on a consolidated budget. These factors constitute the common denominator of all the rating agencies and make it possible to effectively assess at the end, the repayment capacity of borrowing local governments.

2.6.3 The ratings, which range from AAA to D, are based on an analysis of the solvency of borrowing local governments. As the probability of non-repayment increases, the rating awarded decreases. The triple B note is assimilated to the “fair” (acceptable) mention, which indicates that one is narrowly in the “investment grade” category; a prudent investor can embark on an investment.

2.6.4 The category “speculative grade” warns investors against potential risks and only the reckless or boldest investor can engage in any proposed transactions and usually for the anticipated high rate of return. Rating D is the last rating. The consequence of this rating is simple. A good rating makes it possible to borrow at the lowest cost, whereas the lower the rating, the higher the borrowing interest rate would be, due to the premium demanded by investors who rightly believe that they run risks. Any issuer wishing to borrow presents his case; a team of examiners audits its accounts during a stay in the local community and presents a report. This report is then submitted to a committee which, after examination, sets the rating. Borrowers of course pay rating agencies to be rated.

2.6.5 Following the presentation, the discussion mainly concerned the elements of the financial management of the cities which are not likely to reassure the investors. The concept of the Public Treasury where the financial resources are lodged in a single account as is the case in some countries, and the constraints linked to this unique treasury principle may prove challenging. It means that the accounts can be in positive territory without liquidity being available. The unpredictability and instability of financial transfers from the central Government, and often the non-definition of a field of resources specific to cities and local governments are persistent difficulties cities and subnational governments may face and which would result in poor credit rating. It is important to fix these gray areas to give confidence to investors.

2.7 THE INNOVATIVE FINANCING MECHANISMS OF CITIES AND SUBNATIONAL GOVERNMENTS

2.7.1 The module on green, social, and sustainable bonds presented by the CREPMF made it possible to introduce participants to a new financing lever for African cities and local governments. This novelty in finance refers to the process of taking environmental, social, and governance (ESG) considerations into account when making investment decisions in the financial sector, leading to longer-term investments in sustainable economic activities and projects.

2.7.2 Three considerations are taken into account when issuing green/social/sustainable bonds: (a) environmental considerations may include climate change mitigation and adaptation, as well as the wider environment, for example the preservation of biodiversity, the prevention of pollution, the reduction in greenhouse gas emissions (GHG) and the circular economy; (b) social considerations could refer to issues of inequality, inclusion, labor relations, investment in human capital and communities, as well as human rights issues; (c) governance considerations of public and private institutions – including management structures, employee relations and executive compensation – which play a fundamental role in ensuring the inclusion of social and environmental considerations in decision-making.

2.7.3 Green and sustainable bonds, which serve among other things to finance mitigation and adaptation to climate change, are an essential link in the global climate agenda. As for social bonds, they focus on projects targeting populations living below the poverty threshold, excluded and/or marginalized populations and/or communities, vulnerable groups, particularly following natural disasters, people with disabilities, migrants and/or displaced persons, under-educated people, people with a lack of access to essential goods and services, as well as unemployed people. While in Europe and in the United States green bonds have made a significant leap, their development in Africa is moderate; the first countries to set up a framework on green finance and issue green bonds are Morocco, South Africa, and Nigeria. More recently, Benin has also issued a EUR 500 million SDG bond (guaranteed by the AfDB).

2.7.4 Discussions with participants concerned the eligibility criteria for this type of green, social and SDG bonds. It was specified that in addition to the fiduciary dimension which consists of analyzing the city's debt and repayment capacity, social, environmental, and sustainable considerations are also analyzed. The market for these bonds therefore responds to a dual rating; that of financial risk and that of environmental risk. While credit quality is assessed by traditional rating agencies (e.g., Bloomfield, Moody's, Fitch, Ernst & Young, S&P 500, etc.), environmental, social and governance performance is assessed by other approved agencies. For this category of investors, if the environmental aspects are not good, investors will not lend, regardless of the quality of the credit risk.

2.7.5 **Securitization** is a financial technique that transforms assets producing financial flows into financial securities (hence the term «securitization») by passing through an SPV (Special Purpose Vehicle) such as a FPCT (French term for Fonds *Commun* de *Titrisation* de *Créances*, i.e., Securitization Trust Fund for Collective Investment in Securities). Nearly any asset that produces financial flows can be securitized. For example, most airlines securitize their aircrafts. Securitized assets are generally illiquid, i.e., there is no real market. These may include leases, invoices, loans, mortgages, credit card debt or other financial assets such as royalties, business income, etc.

2.7.6 At the subnational level, examples of assets that can be securitized include: Historical buildings, Real estate (rental income), Land taxes, where they can easily be estimated (e.g., large cities such as New York with a large asset base), Public utility subscriptions, Libraries / public buildings, Infrastructure such as Tramways, Toll bridges, and Stadiums.

2.7.7 The securities issued are backed by the financial flows from the securitized assets. In simple terms, a city that collects fees from a toll bridge or a utility company can be paid all at once by investors for the equivalent of 10-20 years of that revenue in order to implement another infrastructure project. The arranged operation allows investors to commit on the basis of the reliability of the revenues collected. In this case, an operation is set up between the transferer (the city) and the investors via a SPV to allow for the reimbursement of the investors.

2.7.8 For local governments to be engaged in securitization, they need to acquire a lead arranger who would help to create the special purpose vehicle based on established rules. After the SPV has been created, a management company can take over. The SPV receives funds from investors, and manages relationships with various parties. Securitization does not mean the owner of the asset loses that ownership. Local governments will retain ownership of assets that are securitized. It is only the rents (revenue) that are being made available to investors.

2.7.9 Securitization happens in a couple of ways – receivables such as rents, and financial assets such as rents. The key players in a securitization transaction include – the seeding entity (e.g., the local government that wishes to generate capital, the managing company/lead arranger to help with the creation of the SPV, and the investors. In between, is the rating agency that assesses the financial credibility of the financial assets to be securitized.

2.7.10 The advantages of securitization vs. debt are twofold: a high debt to equity ratio impacts negatively on the overall rating of a city. Instinctively, we want to contract debt, but securitization may be more desirable as it helps to monetize assets that were not previously thought of as such. With securitization, there is minimal need to analyze the credit risk of the city/local government, given that the operation is carried out on a particular piece of asset.

2.7.11 **Discussion:** The exchange with the participants mainly concerned the legality of this operation. In Africa, only Ghana, Morocco, Egypt, and South Africa have securitization legislation in place. The legislation in the WAEMU regional financial market is still in the process of being set up. Participants also worried about the impact on the city's balance sheet, suspecting hidden effects. But according to BOAD Securitization, there is no impact since securitization is not debt. This financing lever seems to have made an impression on participants who wanted more information about the companies involved in securitization. Indeed, a city with debts to suppliers could securitize them, which would make it possible to raise capital to pay the companies in one go, while reimbursing investors over several years.

2.7.12 The participants also raised questions concerning additional risks generated by a securitization transaction. While the securities transferred in the securitization transaction may be subject to the risk of default, the default rate or an estimate of the probability of default depends of course on the nature of the receivables that are securitized. The risk is an intrinsic risk that can be assimilated to a credit risk, but it is also a risk linked to changing market conditions and can also be a systemic risk in the event of major difficulties on the financial markets.

2.8 PRODUCTS AND INTERMEDIATION FOR ACCESS TO CAPITAL MARKETS

2.8.1 **This module concerned capital market products which are classified** into two categories: **The Share:** A share represents a title of ownership of a company. It gives the right to take part in decisions and to receive dividends. **A Bond** is a piece of debt issued by a company, a local authority, or a State. By buying bonds, one receives interest in return from the bond issuer in the form of a coupon/certificate. The amount invested is returned to you according to a defined type of amortization and agreed interest rate.

2.8.2 Bonds and Shares are traded on two parallel markets: the Bond market is an important tool for state financing, financing financial institutions and large companies, and an important component of individual and institutional portfolios. The Bond market makes it possible to finance expensive assets whose operation generates cash flows over a long period (e.g., Industrial Plants, Facilities, Equipment, Technologies, etc.). Cities may issue municipal bonds to finance the construction of large infrastructure projects and ecological transitions which are critical for long-term growth.

2.8.3 Increasingly institutional and individual investors, globally, are attracted to sustainable finance, i.e., investment in projects integrating environmental, social and governance (ESG) criteria (also see 2.7.2). Green bonds represent a financing opportunity for cities and local governments because they have the possibility of attracting a new type of investor, who otherwise would not have been interested in their bond issue. Municipal Green Bonds are issued to fund projects that advance environmentally sustainable goals and policies. The issuer (city or local government) must commit to using 100% of bond proceeds to fund initiatives such as energy-efficient buildings, renewable energy, clean water and sewage projects, low-carbon transportation, etc. In otherwords, Green bonds finance climate change mitigation and adaptation solutions. Municipal social bonds aim to finance sectors such as healthcare, education, and affordable / social housing which would result in reduced inequality, poverty, improve access to clean water and sanitation and improve overall quality of life for people. Bonds allow cities to acquire long term debt at low interest rates to meet their obligations while allowing long-term growth..

2.8.4 The stock market, on the other hand, is the basic instrument of business financing, and a major component of retail and institutional portfolios. The stock market allows listed (publicly traded) companies on the stock exchange the ability to stimulate financial liquidity, strengthens equity, and reinforces companies credibility. It facilitates improvement and strengthening of corporate governance of companies and institutions as they become more accountable to shareholders. For companies shareholders, the stock market provides them an opportunity to realize the gains of their investments.

2.8.5 As urbanization continues unabated and infrastructure needs of cities increase, the financing avenues available for cities and local governments to meet these challenges boil down to bonds issuance on the capital market. Generally, cities and local governments have two ways of accessing the capital market. First, cities and local governments can access the capital market directly, individually or with support of sovereign guarantee. The second mode, also known as "the collective access pooling or indirect method," is intended for potential issuers of bonds who cannot directly access the financial market on their own either due to threshold or cost issues. In this case, a group of local governments issues a bond through a specific entity created for the purpose (a Special Purpose Vehicle – SPV). The SPV collects resources on the market and transfers them to the local authorities. The SPV also coordinates the repayment (capital and interest) of investors.

2.8.6 The following is a summary of the different stages to facilitate cities and local governments access and issuance of bonds on the capital markets (BRVM):

1. Preparation of the application file for admission to the BRVM (including the Information Note that has been validated by the Regulator for the issue on the primary market, the issue report, etc.
2. Structuring of the project with the support of a Management and Intermediation Company (SGI).
3. Submission of the completed file including the information note (prospectus), the minutes of the decision-making bodies or Order or Approval, and the Report of the Statutory Auditors.
4. Analysis of compliance with the verification of the completeness of the documents and information required (Instructions n°63/2020, 36/2009 and 47/2011 amending and cancelling Instruction No. 33/2006 relating to public offerings with UEMOA).
5. Examination of the case with the Financial Analysis, Risk Analysis and Governance Analysis.

6. Decision of the CREPMF (Regional Council for Public Savings and Financial Markets, CREPMF) with regular meetings of decision-making bodies; and
7. Listing on the stock exchange and periodic reporting: Publication of periodic and event-based financial information on the issuer's activity.

2.8.7 In addition to the above stages, local governments must maintain records of the annual budgets for the last three (3) financial years; the financial accounts of the last three (3) financial years approved by an authorized body; the projected budgets for the next five (5) years; current balance sheets with revenues and expenditures; and the Information note (containing the financial rating and where applicable, the sovereign guarantee offered).

2.8.8 Intermediation is carried out by Management and Intermediation Companies (SGIs) which represent intermediaries between economic agents and the financial market. They are exclusively authorized to carry out market activities on behalf of issuers of bonds and purchasers (investors). An SGI is the first partner of the local government for a capital market operation such as issuance of a municipal bond. A municipal bond is issued by a subnational government (a city, a municipality, a region, etc.). Municipal bonds give the purchasers a steady stream of interest income and allows repayment of the loaned amount at a later date. Investors are often willing to accept below-market interest rates offered by municipal bonds because of the lower investment risk compared to corporate bonds and because interest earnings may be tax exempt.

2.8.8 The intermediation of the Management and Intermediation Company (SGI) on BRVM is done in six (6) important phases:

1. **Preparation of the project**. Discussions and analyses within the administration of the local government to define the reasons for the issue, the needs to be financed, and the potential characteristics of the operation.
2. **Internal authorizations.** Securing authorizations and production of mandatory administrative documents within the local government itself.
3. **Authorizations of trusteeships** - Securing authorizations and producing the mandatory administrative documents from the custodian entities. (Steps concerning only supervised entities).
4. **Authorization from CREPMF.** Preparation of a visa application file with the CREPMF with an accredited SGI from the market.
5. **Issue of bonds.** Securing authorizations and producing the mandatory administrative documents from the custodian entities. (Steps concerning only supervised entities).
6. **Listing.** Securing authorizations and producing the mandatory administrative documents from the custodian entities. (Steps concerning only supervised entities).

2.8.9 For each of these steps the essential issues that need to be reviewed prior to approaching the market were discussed in greater detail with the participants. Regarding the preparatory phase that concerns the determination of the amount that the city wishes to mobilize, and the repayment period, participants were informed that a city that does not generate net savings cannot go to the capital market, hence the importance of the module on financial analysis (see Section 2.5). In addition, it is necessary to have a bankable project ready, to ensure complete absorption of the financial resources mobilized from the capital market. The most discussed part was the necessary authorizations. Indeed, according to the laws on decentralization, it is necessary to present a deliberation report of the Municipal Council before initiating any external procedures and to secure authorizations from the dual administrative (Ministry in charge of local governments) and financial (Ministry of Finance) supervisory authorities. In reality there are many other unwritten rules (national debt committees, convergence criteria at the regional level, etc.) which restrict access to the capital markets in many countries. Needless to say, the continued pressures presented by rapid urbanization will inevitably force a review of some of the restrictive policies allowing cities and local governments to access more resources to meet their needs.

2.9 SHARING OF EXPERIENCE BETWEEN CFOS

2.9.1 This module focused on two experiences from the city of Lilongwe, Malawi on debt management and city of Ouagadougou, Burkina Faso on the PEFA (Public Expenditure and Financial Accountability).

2.9.2 **Background: Lilongwe** is the capital city of Malawi with a population of about 1.3 million people. The city council of Lilongwe is headed by a Mayor on the political side and a CEO on the administrative side. The primary source of revenue is property taxes which comprise 80% of the city council's revenue earnings. This is followed by revenue from development fees and planning scrutiny fees. As well city council revenue is derived from subsidiary sources such as market fees, licenses, permits, property rentals, sewage connection fees, etc.

2.9.3 The city council of Lilongwe manages debt through financial planning and budgeting with the objective of lowering current debt and moving toward its total elimination. The council uses a number of debt collection strategies as a way of ensuring that accounts receivables for debtors and accounts payables for creditors remain under control. The council has a 5-year revenue enhancement plan.

2.9.4 The major debtors include property rates which account for 80% of municipal revenue, followed by development fees, and property rentals. Creditors include the valuers who undertake valuation of all properties for property rates assessment, the banks who provide development loans, the Malawi Revenue Authority – for all taxes which the city council of Lilongwe collects on behalf of the government (e.g., PAYE on municipal employees and other taxes on fees), Pension contribution of the city's employees and Funds borrowed from the Local Development Authority.

2.9.5 The city council of Lilongwe has instituted a number of best practices to improve revenue collection (and/or efficient debt management):

1. Established a debt section that is designated to debtors with a special desk for property rates assessment.
2. All property rates assessments are made through local banks (this significantly reduces mishandling of funds and corruption).
3. Timely billing of property rates and addressing queries.
4. Door to door delivery of property assessment invoices.
5. Quarterly door to door campaigns to sensitize the population about payment of property taxes.
6. Periodically removing surcharges/interest on arrears (partial debt forgiveness).

7. Regular clean-up of the property valuation rolls to have an accurate debtor list all the time.
8. Engagement of debt collectors on non-compliant clients including taking legal action where necessary.
9. Opened field offices throughout the city to be closer to clients and to improve monitoring of collection.
10. Non-compliance with payment of developer fees may lead to withdrawal of plots and reallocation to those willing and ready to pay. As well, approval for development is contingent upon full payment of development fees.
11. Revise outdated contracts.
12. Removal of political interference in plot allocation and determination of development fees.
13. Legal interventions in longstanding non-compliance cases.

2.9.6 With regard to managing credit, the city of Lilongwe has taken a number of actions including:

1. Arranged for restructuring of loans with creditors to allow longer term payment.
2. Uses special bank accounts with standing order payments to creditors.
3. Government being one of the major debtors, the city council may request it to settle with creditors on the city council's behalf
4. The council may involve the Mayor and councilors to intervene on its behalf in cases difficult creditors.
5. The council produces a monthly report of debtors and creditors which goes to management, and then the financial committee for analysis and decision making.

2.9.7 **Ouagadougou - the PEFA experience:** Ouagadougou is the capital city of Burkina Faso with a current population estimated at just over 3 million (2022). The city adopted the Public Expenditure and Financial Accountability (PEFA) methodology for measuring and improving its performance on public finance management. This methodology is based on the framework for measuring the performance of public finance management of States that are approved by the Community of donors and governments. Several other countries in the UEMOA region have adopted the same methodology at the national level.

2.9.8 At the municipal level:

1. PEFA gives municipalities a firm grounding to mobilize resources from donors, partners and IFIs. It is a commonly understood tool by a wide range of financiers.
2. It helps the user to identify strong and weak points in their public finance system
3. The PEFA can be made public, and it allows comparison with similar or different cities
4. Undertaking a PEFA exercise is a positive undertaking for local governments
5. It allows greater transparency in terms of budgeting, expected revenue, expenditure, financial reconciliation

6. PEFA allows development of good financial planning for revenue generation.
7. In Ouagadougou, PEFA allowed collection of a single tax for a start, thereby simplifying tax collection,
8. The PEFA methodology helped the city to produce comparable data and eliminated fraud and corruption. Furthermore, the system created jobs for young people in the city
9. PEFA allowed identification of strengths and weaknesses of the local government in terms of financial management.

2.9.9 When the PEFA implementation has been successful, we should expect three key results related to public financial management.

1. Overall budgetary discipline (control budget headcount and risk management)
2. Strategic resource allocation (budget planning consistent with the priorities of the public policies)
3. Efficiency of the services rendered (the best services given available resources)

2.10 VISITS TO FINANCIAL MARKETS

2.10.1 Two study visits were organized to the financial market institutions, namely the Regional Council for Public Savings and Financial Markets (CREPMF) and the Regional Stock Exchange of UEMOA (BRVM) based in Abidjan.

2.10.2 At the Regional Council for Public Savings and Financial Markets (CREPMF), participants were welcomed by the President, Mr. Badanam Patoki and the Secretary General, Mr. Ripert Boussoukpé.

2.10.3 As the regulatory body of the regional financial market, the CREPMF presented its various activities as well as the various pieces of legislation which govern the financial market of the West African Economic and Monetary Union (WAEMU).

2.10.4 At the Regional Stock Exchange of Abidjan (BRVM), the participants were welcomed by the Managing Director Mr. Kossi Amenouvé who during his welcome address emphasized the importance of access for cities and local governments to the financial market in order to effectively finance emerging and growing needs linked to urbanization. The Managing Director emphasized the structures that have been adopted by BRVM to facilitate access for cities. He underscored the institutional blockages within countries which has meant that to date no city has yet accessed the BRVM.

2.10.5 The visits to these two key institutions of the UEMOA region capital market allowed participants to gain first hand experience with how they operate, and a precise idea of the governing regulations and day-to-day operations of the capital market.

2.11 THE AFRICA FINET NETWORK

2.11.1 As part of the training, the Chief Financial Officers took the opportunity to reinvigorate their network and to appoint a new management team as the existing team had reached the end of its term in office. The network of CFOs of African cities and local governments has existed since 2012, having been established during the Africities summit in Dakar.

2.11.2 **The Network** of Chief Financial Officers of Cities and Territories of Africa is one of the specialized networks of UCLG Africa set up to represent the voice and interests of senior staff of local and subnational governments on the continent. Africa FiNet operates within the framework of UCLG Africa and aims to build network capacity, and to achieve peer learning and professional exchanges among CFOs of municipal and territorial governments in Africa.

2.11.3 **The mission** of Africa FiNet is to participate through debate, exchange of ideas, and experience on activities carried out within UCLG Africa on issues relating to the definition, implementation, monitoring, and evaluation of the policies and strategies of cities and territorial governments, particularly with regard to local finances, financial decentralization, the improvement of public governance, and the implementation of national and international development agendas.

2.11.4 **The goals** of Africa FiNet are:

1. To organize the common voice and representation of Chief Financial Officers of municipal and territorial governments at the national, regional, and continental levels.
2. To disseminate best practices in terms of the financial management of cities and subnational governments
3. To promote the exchange of experience among the members of the Network;
4. 4. To improve the professional capacities and performance of the members of the Network, and
5. 5. To develop and maintain cooperation and partnership relations with its equivalent in other regions of the world.

2.11.5 **Governance:** The Chief Financial Officers renewed their governance in Abidjan. A new governing body was elected as follows:

1. President of the Africa Finet Network, Mr. Jeremiah Sibande, from Lilongwe (Malawi).
2. First Vice-President, Mr. Jean-Bosco Massoma Ekwalla from Douala,
3. Second Vice-President, Mrs. Sylvie Some Ouoba from Ouagadougou,
4. Third Vice-President, Mr. Kamal Jalouane from Agadir,
5. Fourth Vice-President is Mr. Jean Rubangutsangabo from Kigali.
6. Honorary Members, Mrs. Reshma Bukhory Bahadoor from Flacq (Mauritius), and Ms. Olarike Olayinka from Ekiti State (Nigeria).

3. EVALUATION OF THE TRAINING

3.1.1 At the conclusion of the training, the participating CFOs were asked to provide feedback on the overall and on distinctive components of the training. Five major themes were covered by the evaluation:

1. The introduction of the training which consisted of reviewing the Workshop program, duration, treatment of the various themes and overall usefulness of the training.
2. The evaluation of the themes covered during the training.
3. The way in which participants' questions, need for clarity were managed by the trainers.
4. The facilitation of the training.
5. The logistical aspects of the training

3.1.2 The opening of the training was judged positively by the participants because on average 60% of them strongly agreed. Within this theme, more than 80% of the participants found that the presentation of the program was clear, while only less than 40% of the participants found that the duration of the training was appropriate. Only 3% of the participants were in total disagreement with the duration of the training.

3.1.3 Participants strongly agreed with the topics covered by the courses at nearly 70%. The most "appreciated" courses are Course 11 on *Methods and tools for the financial rating of cities and local governments and* Course 17 *on Intermediation for access to capital markets* where 78% of participants strongly agreed. On the other hand, Course 4 on *Municipal Bonds in the USA* and Course 8 on *Developing a Financial Forecast* were moderately appreciated with 50% and 55% of the participants respectively indicating they strongly agree.

3.1.4 The management of participation during the training was widely appreciated as more than 80% of the participants strongly agreed. Both the exchange of views, the involvement of instructors and CFOs, the atmosphere, and the usefulness of the training were highly appreciated by more than 80% of the participants.

3.1.5 Participants also valued the presentations as being good on average, with nearly 80% indicating strongly agree. For the participants, the presentations facilitated the exchange of views and helped to answer- questions. As well for most participants, the methods, materials, and tools used were appropriate.

3.1.6 Logistics was the aspect that was least appreciated by the participants because just over half (53%) of the participants strongly agreed. It is also the only aspect where the percentage of people who did not agree was highest. The most criticized aspect was the room layout which was considered not to be appropriate by a good number of the participants. Only 40% strongly agreed.

3.1.7 The overall training was greatly appreciated since more than 80% of the participants strongly agreed on the usefulness of the training and more than 80% understood the methodology of access to the capital markets. This training is just the starting point to introduce cities and subnational governments to a long-term support program. More than 80% of the participants were convinced of the need to set up long term support for preparing cities and subnational governments to access capital markets

4. APPENDICES

LIST OF CHIEF FINANCE OFFICERS OF CITIES AND SUBNATIONAL GOVERNMENTS

NUMERO	VILLE	PAYS	NOM ET PRENOM
1	Dakar	Senegal	Diao/Ibrahima Yatma
2	Monrovia	Liberia	James Wleemongar Payyounah
3	Libreville	Gabon	Mrs Mombo Gisele Yolande
4	Brazaville	Congo	Mrs Galiba/Beabaloy Gelika
5	Communauté urbain de Douala	Cameroun	Massoma Ekwalla Jean Bosco
6	Lilongwe	Malawi	Sibande Jeremiah
7	Kisumu	Kenya	Abiero Wilson Opondo
8	Flacq	Mauritius	Mrs Bukhory Bahadoor Reshma
9	Lusaka	Zambia	Kajoba Beston
10	Maputo	Mozambique	Narcy Ossemane Juma
11	Manzini	Eswatini	Mamba Lucky Mfanafuthi
12	Bulawayo	Zimbabwe	Cyprian Bongani Dabengwa
13	Gaborone	Botswana	Maphoto Nathaniel
14	Bangui	Centrafrique	Ressoumis Remex Mathieu
15	Antananarivo	Madagascar	Raharison Jaona Andrianantenaina
16	Port-Louis	Mauritius	Nundloll Indradev
17	Kigali	Rwanda	Rubangutsangabo Jean
18	Lagos	Nigeria	Mrs Edun Tayo
19	Région de Dakhla	Maroc	Hamza Abdam
20	Rabat	Maroc	Bennis Mohamed
21	Rabat	Maroc	Asmae Afifi
22	Région de Marrakech	Maroc	Hassan Raqiq
23	Ville d'Agadir	Maroc	Kamal JELOUANE
24	Nouakchott	Mauritanie	El Mahjoub Chighaly
25	Cotonou	Benin	Orou Boro Aboubakari
26	Ouagadougou	Burkina Faso	Mrs Ouoba Some Sylvie
27	Bamako	Mali	Mrs DIARRAH Fatimata AKA
28	Niamey	Niger	Abdoulaye Mahaman Abdoul maliki
29	Tunis	Tunisie	SMAI Mohammed
30	Abuja	Nigeria	Olorunshola Abdulazeez
31	Ekiti State	Nigeria	Mrs Olarike Olayinka
32	Cocody	Côte d'Ivoire	Mrs Kouakou epuse Nguessan Ginette
33	Plateau	Côte d'Ivoire	Jean Esmel
34	Marcory	Côte d'Ivoire	Koffi Hervé
35	Yopougon	Côte d'Ivoire	Seydou Aimé Ouattara
36	Sud-Comoe	Côte d'Ivoire	AMANI Konan Narcisse
37	District Autonome d'Abidjan	Côte d'Ivoire	Ismael Coulibaly
38	Niamey	Niger	Mme Tankari Rahamata
39	Cotonou	Benin	Yacoubou Alley Kassimou
40	Nasarawa State	Nigeria	Souleiman Ogudu ODULA
41	Edo State	Nigeria	Julius Osemen Anelu
42	Dakar	Senegal	Justin CORREA
43	Cotonou	Benin	Agbedjekou Romulus


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