



Urban and Municipal
Development Fund

Annual Report 2021



AFRICAN DEVELOPMENT BANK GROUP



**Urban and
Municipal
Development Fund**

Improving the quality of life in African cities



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EXECUTIVE SUMMARY

Urbanization is transforming the continent. African metropolises are growing, millions are seeking opportunities in Addis Ababa, Cairo, Dakar, Johannesburg, Kinshasa or Lagos, and in the many fast-growing secondary cities across Africa. The urban economies across the continent are creating new demand for goods and services, new ideas and initiatives, and attracting investors to help create more competitive, innovative, and efficient markets. Realizing those benefits broadly will require that people can rely on essential services and infrastructure like water, sanitation, energy, housing, and transport. A recent report (World Bank, 2020) confirmed that when “Cities provide these [they] are more likely to be positive forces for economic growth, poverty reduction, and human development”. Efforts to address the Climate Challenges and the COVID economic recovery provide added urgency to high-impact investments and improvements in African cities. The Bank’s UMDf was created to support such integrated urban development on the continent.

The present report covers the first full year of UMDf operations, 2021, with the UMDf operationalized, the first projects under implementation, and a continuous pipeline under consideration from partner cities, countries, and departments of the Bank. In 2021 the COVID pandemic overshadowed regional recovery, with distinct regional disparities in African countries, compounded by country specific challenges

affecting most of our UMDf (and Bank) partner countries. Amidst all these challenges, the Bank continued to deliver along a broad spectrum of projects, and as a result of the Bank ability to deliver, UMDf operations have picked up pace in the course of 2021.

Highlights include the recently completed pilot-phase of the AfDB City Program, confirming the potential of close engagement with cities across the continent, and resulting in quality actions plans with detailed multi-faceted investment priorities. The Kebena Urban River Development Project in Addis Ababa has been delivered, and the resulting Bank investment is under preparation to improve urban the livability and resilience in downtown Addis Ababa. Through the Small Grants Initiative (SGI), a total of seven projects were supported ranging from knowledge products, training to electric mobility, and several project preparation studies are underway.

The UMDf supported the development of the Bank’s Sustainable Urban Development Action Plan (SUDAP) and internal capacity building. Important processes and methodologies to guide the expansion process have been prepared, and the team is expanding. More and more cities across Africa show interest in, and demand from the UMDf, and new partnerships are being made continuously. The following report provides a detailed overview of the UMDf progress in 2021.

1. INTRODUCTION



1. INTRODUCTION

1.1 UMDF AT A GLANCE

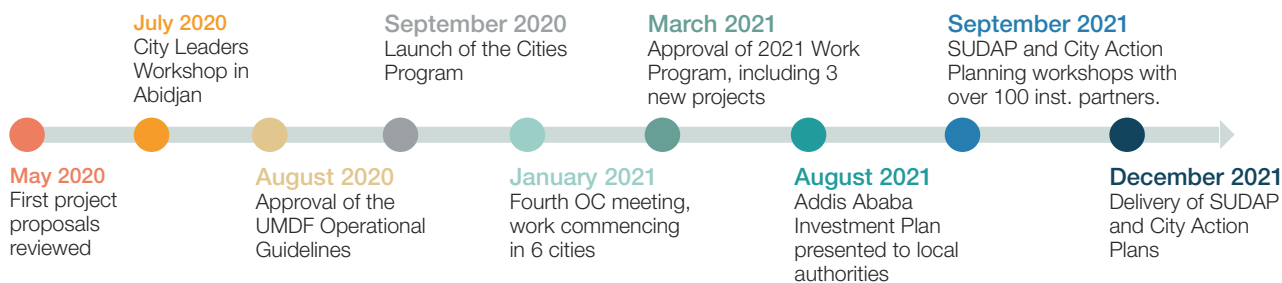
In April 2019, the Bank Group, launched the UMDF with the generous support provided by the Nordic Development Fund (NDF), the Belgium Agence Wallonne a l'Exportation et aux Investissements estranges (AWEX), and the State Secretariat for Economic Affairs (SECO), Switzerland as the initial donors. Through the establishment of the UMDF, the Bank is better positioned to play a catalytic role in helping RMCs build their capacity and ensure adequate infrastructure development (SDG 9) and inclusive, integrated, resilient, and sustainable urban development (SDG 11), and more resilient cities, and infrastructure that supports low-carbon development (SDG 13). Further, the objectives of the UMDF in infrastructure project preparation, capacity development, and technical assistance to improve urban policy and management align closely with the 10-Year Strategy's operational priorities and the High-5's.

African Union, Agenda 2063: The Africa We Want.

We aspire that by 2063, Africa shall be a prosperous continent, with the means and resources to drive its own development, and where: [...] Cities and other settlements are hubs of cultural and economic activities, with modernized infrastructure, and people have access to all the basic necessities of life including shelter, water, sanitation, energy, public transport, and ICT; Economies are structurally transformed to create shared growth, decent jobs and economic opportunities for all.

Source: <https://au.int/en/agenda2063/overview>

1.2 KEY URBAN ACHIEVEMENTS RELEVANT TO THE UMDF



Build resilient infrastructure, promote inclusive and sustainable industrialization and faster innovation



Make cities and human settlements inclusive, safe, resilient and sustainable



Take urgent actions to combat climate change and its impacts

1.3 PARTNERSHIP

The Nordic Development Fund (established by Denmark, Finland, Iceland, Norway, and Sweden), the Belgium Agence Wallonne a l'Exportation et aux Investissements estranges (AWEX) and the Swiss State Secretariat for Economic Affairs (SECO) have generously pledged resources totaling US \$ 5.3 million to the UMDF, as well as providing valuable experience and guidance.

The UMDF is managed by a Secretariat within the Infrastructure and Urban Development Department (PICU) of the AfDB. An Oversight Committee (OC) which meets Quarterly provides general policy direction and ensures effective governance of the Facility's activities. The OC consists of five representatives (as of 26/11/2020): three appointed by Donors, two by the AfDB. The current OC is chaired by the

NDF. The AfDB provides in-kind contributions as host and manager of the Facility. More and more partners are expressing interest in the UMDF, with the first such partnership formalized with the Spanish regional Basque trade and investment agency (BTI) in November 2020, and with the Global Center for Adaptation in May 2021. The Government of South Korea, through the KOAFEC support, has confirmed support of 600.000 USD developing the first investment project from the AfDB City Program, and the European Space Agency (ESA) is supporting the Program with Earth Observation data. With C40 Cities, we are developing a Network of Chief Financial Officers and Danish Industries (DI) a exchange between African and Nordic cities, both in early 2022.

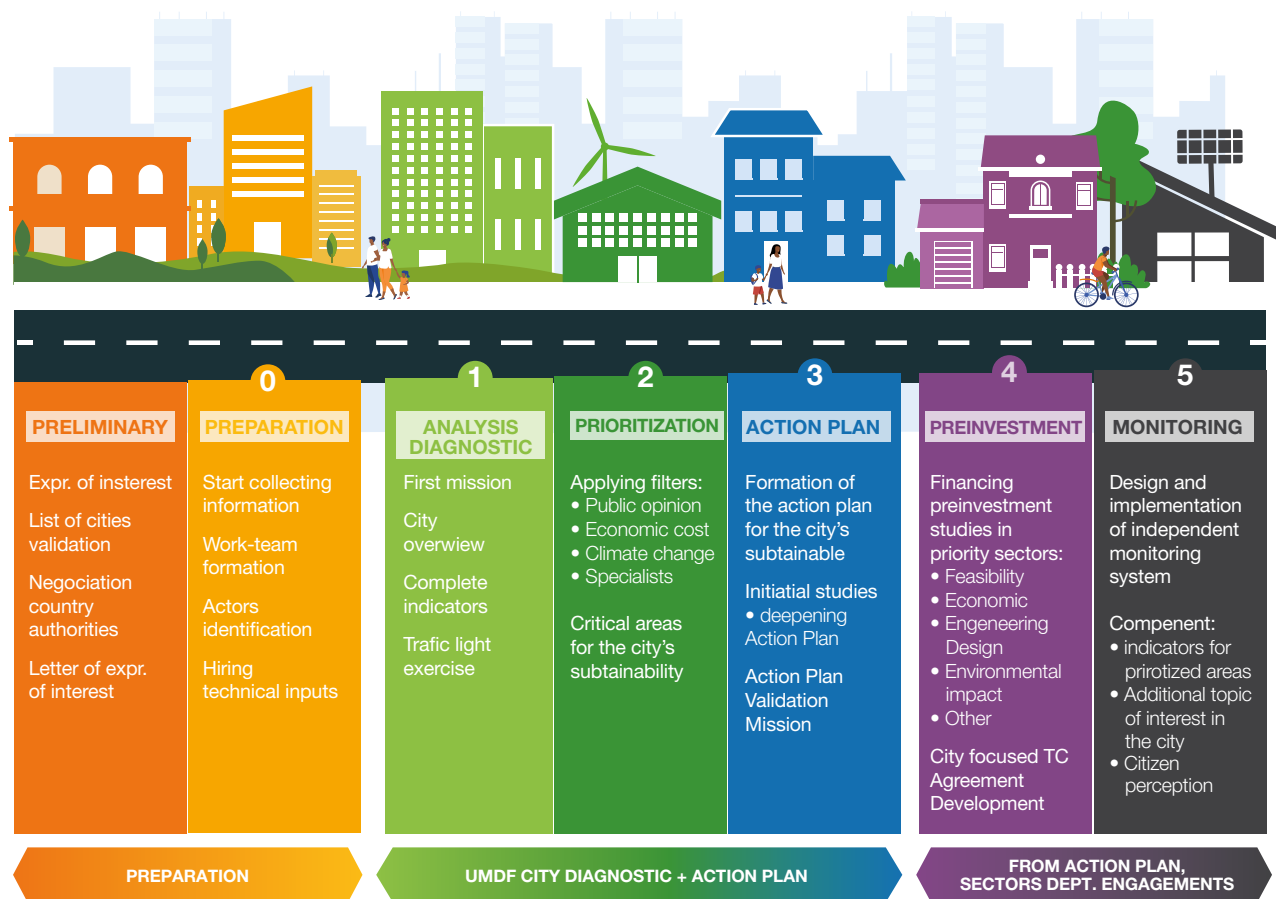


1.4 AREAS OF WORK

The UMDF's overall development objective is to support African cities and municipalities to improve resilience and better manage urban growth and development by improving planning, governance, and quality of basic services. The UMDF is structured around four main pillars that will define the Fund's mandate and work program: (i) improved urban planning, (ii) improved project preparation (i.e., pre-investment phase), (iii) improved governance, municipal finance, and fiscal management, and (iv) increased Bank capacity to support integrated urban development. Support under the UMDF will enhance the ability of cities and municipal governments and the Bank to be more active in the upstream phases of the project preparation cycle in order to reinforce the pipeline quality of bankable projects.



Illustration 2: Process overview of City Program engagement



Source: AfDB



2.

ACTIVITIES REPORT 2021

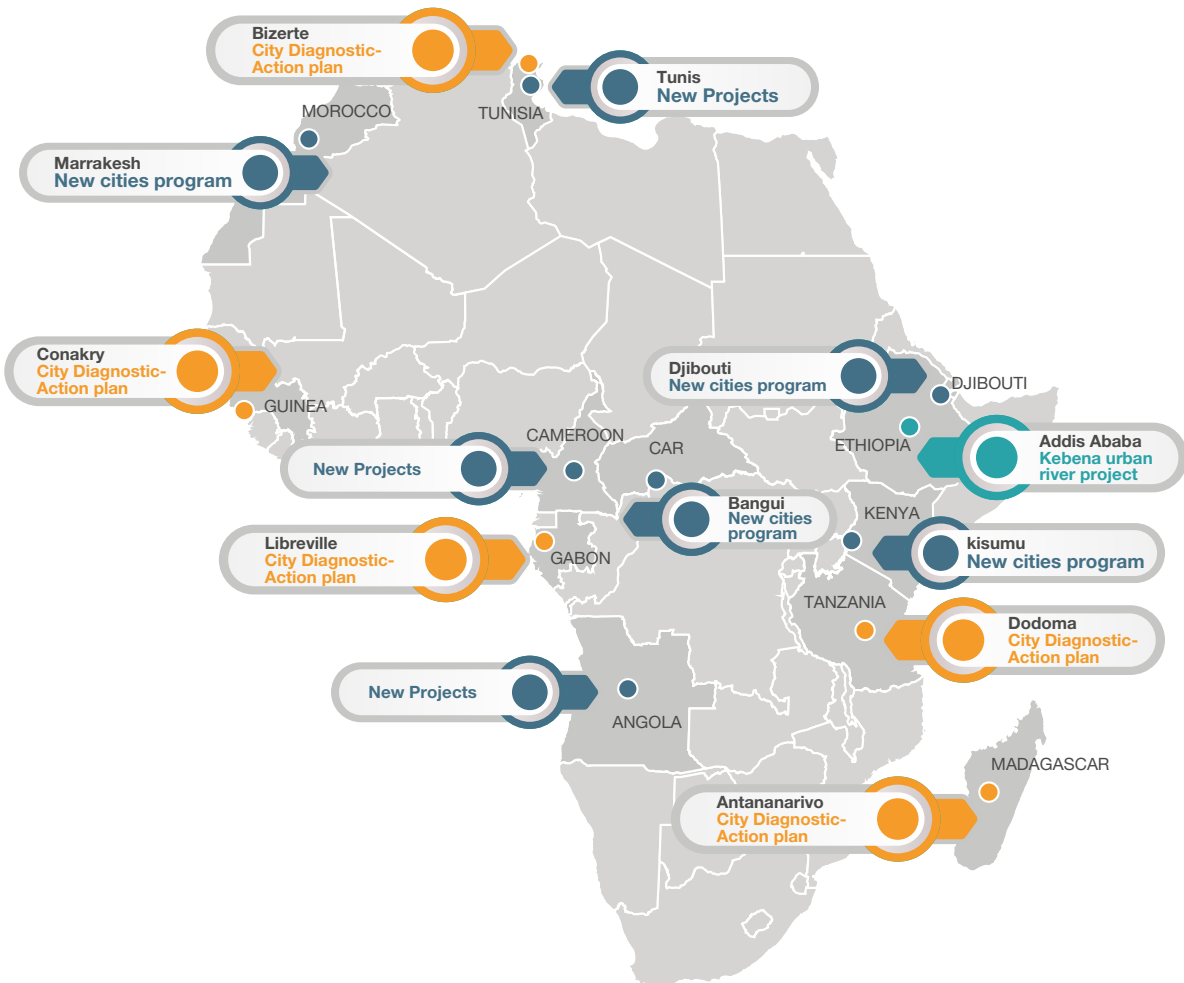
2. ACTIVITIES REPORT 2021

The UMDF Oversight Committee meeting in January 2021 confirmed the general directions on the operationalization of the UMDF and approved the detailed 2021 Work Program in March (see Annex 2), including several new projects to start in 2021 approved during the Mid-year oversight committee meeting.

UMDF operations in 2021 were therefore characterized by the focus on (a) oversight and delivery of previously approved projects, (b) start-up of new approved operations, and (c) further operationalization and development of the UMDF, as well as capturing the lessons of the city-pilot. Highlights include the recently completed pilot-phase of the AfDB City Program, confirming the potential of close engagement with cities across the continent, and resulting in quality actions plans with detailed multi-faceted investment priorities. The Kebena Urban River Development Project in Addis Ababa has been

delivered, and the resulting Bank investment is under preparation to improve urban the livability and resilience in downtown Addis Ababa. Through the Small Grants Initiative (SGI), a total of seven projects were supported ranging from knowledge products, training to electric mobility, and several project preparation studies are underway.

The UMDF supported the development of the Bank's Sustainable Urban Development Action Plan (SUDAP) and internal capacity building. Important processes and methodologies to guide the expansion process have been prepared, and the team is expanding. More and more cities across Africa show interest in, and demand from the UMDF, and new partnerships are being made continuously. The following report provides a detailed overview of the UMDF progress in 2021.



2.1 PROGRAMMATIC PROGRESS

OUTCOME AREA 1 IMPROVE URBAN PLANNING

The UMDF City Program Pilot Phase with five cities was approved by the OC in July 2019 and contracts were signed in December 2020. The city-level work and the Bank’s engagement with partner municipalities commenced early 2021 and to date, all city teams have completed the Diagnostics and Action Plans, with the final city administration validation pending in Libreville and Conakry due to recent change in leadership. The Action Plans contained detailed multi-faceted investment priorities for potential Bank or partner follow-up. One such investment project, and ICT – Smart City development projects is already being started in Bizerte with the generous support of the Government of South Korea, others are currently formulated for future support. Below a

snapshot of the durations and timelines of the City Program, based on recent estimates and discussion with Bank and City partners. Typically, a city that is developing a Diagnostic and Action plan in year one, will start bringing forward one or more investment project preparation to year two, (see below Illustration). Important lessons learned are being systematically captured and reviewed and will inform the to-be-developed methodology, guide, and Terms of Reference to improve the delivery of the regular roll-out and expansion to the next batch of cities. Below is a progress report from the pilot phase and the status of shortlisting of cities for the next program phase (subject to final OC endorsement).

Table 1: City Engagement Process, estimated TA and duration

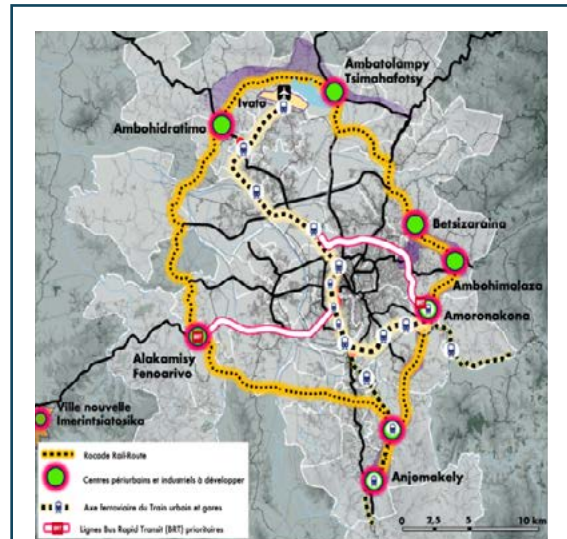
CITY ENGAGEMENT PROCESS, ESTIMATED TA AND DURATION				
Phases	Phase 0: PREPARATION PHASE 0	Phase 1-3: DIAGNOSTIC AND ACTION PLAN	Phase 4 : PRE INVESTMENT, TA SUPPORT,	Phase 5: INVESTMENT PREPARATION, M&E
Estimated Investment	AfDB, City Staff time, possible mission	100.000-200.000 \$US	530.000	AfDB and third-party resources
Duration and Timeframe	1-3 Months	6-9 Months	12-15 Months	12-24 Months
	Year 1		Year 2	Year 2



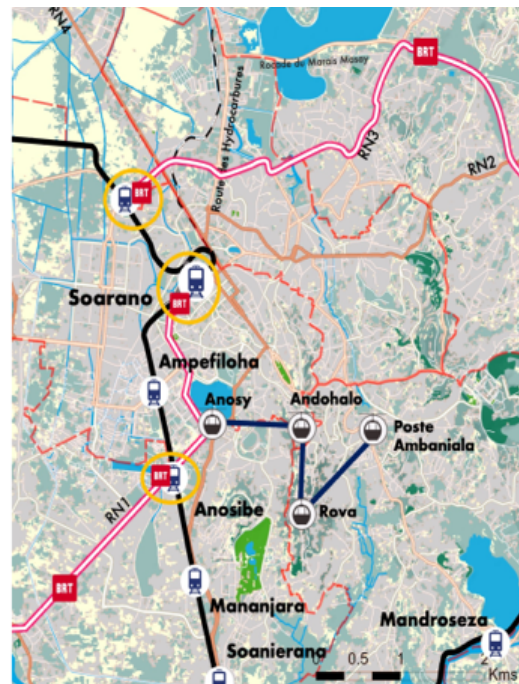
ANTANANARIVO MADAGASCAR

The city of Antananarivo is one of the cities selected by the Bank to develop a city diagnostic and action plan of the mode of urban development to be promoted for the Madagascan capital, and translate it into multisectoral projects in synergy that complement and build on the planning tools and existing actions of the Antananarivo Urban Commun (AUC) . The action plan developed in this document constitutes the roadmap and a basis joint work for the AUC and the African Development Bank. The “Antananarivo, Polycentric, Inclusive and Resilient City” vision proposes a program designed for the quality of life in Antananarivo, accessibility and mobility for all, the rehabilitation of Fokontany, a pragmatic and strategic response to the housing crisis and a holistic approach to resilience to floods to climate change. One of the key challenge was data availability and the computation of indicators in a data poor city and one facing challenges in the context of COVID-19, but overcome with the support provided by the local AfDB country office for outreach and data collection.

The Antanarivo Action Plan identifies urban mobility and accessibility as a first priority in which to invest in order to relieve congestion and develop Antananarivo. The development of the PMUS (sustainable urban mobility plan) is a prerequisite for more detailed definition of priority projects, such as the extension of the railway to Ivato, the creation of BRT lines and the creation of hubs. Eventually, an operational traffic plan for the city center is identified as a tool essential for the management of traffic, parking and pedestrian movements. The action plan also proposes a study of integrated urban programming at a large scale, which aims to quantify and locate urban projects based on public transport infrastructure projects, a step toward implementing a transit oriented development scheme. Such programming could help facilitate planning of other sector projects like affordable housing. With a deficit of 1.67 million housing units in Madagascar, 65% of which just for Antananarivo, the Madagascan capital urgently needs to define a program of ambitious collective and affordable housing construction, to determine the desirable typologies and densities as well as their spatial

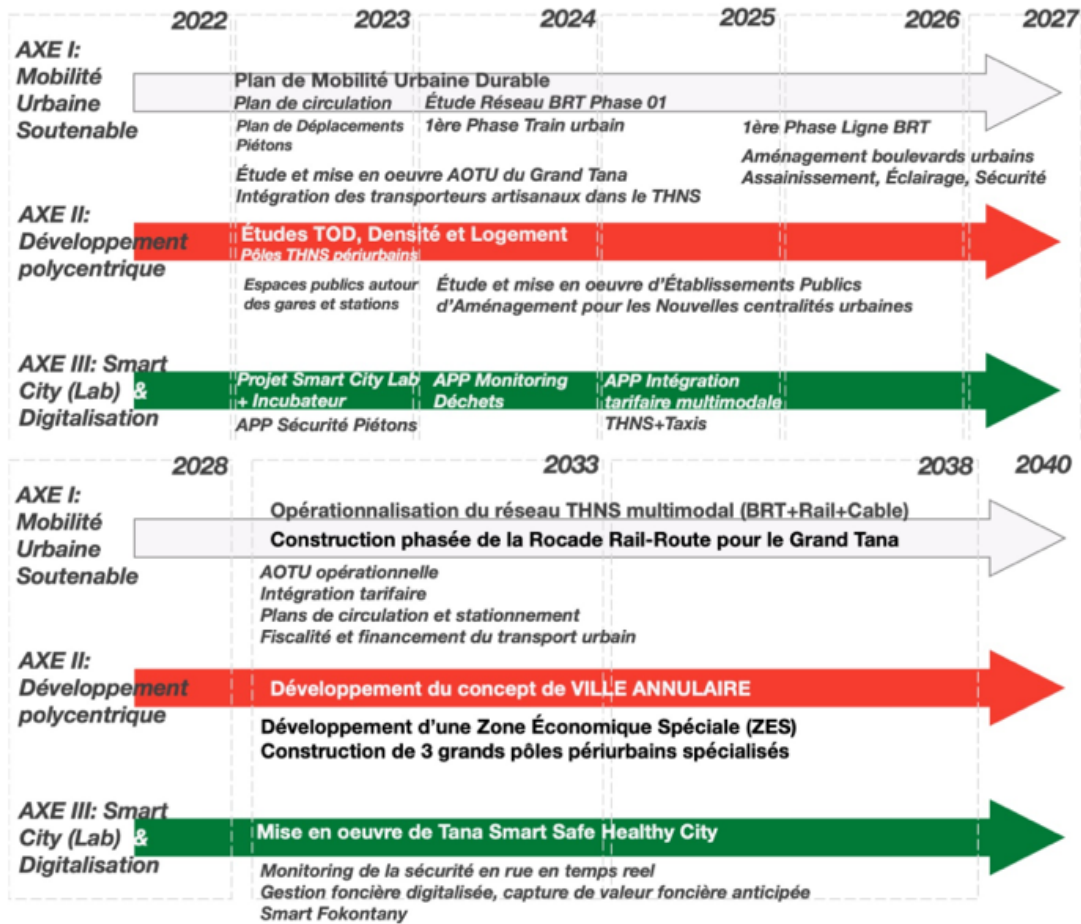


Une "Ville Annulaire et Polycentrique" construite sur un réseau multimodal



Identification des corridors d'accessibilité et de rénovation urbaine

distribution and level accessibility. The action plan proposes the development of a master plan for housing and the financing of pilot projects coupled with zone projects economic (special) and equipment programs, prioritizing proximity major trade poles.



BIZERTE TUNISIA

Tunisia achieved a successful transition with the adoption of a new Constitution in January 2014 and the organization of general elections, but the economy is struggling to return to a path of high economic growth. The City of Bizerte (182.000 Inh / 2020) is the northernmost city in Africa and one of the oldest known settlements in Tunisia (1100 BC). Industries include textile, auto parts, cookware, fishing, fruits and vegetables, and wheat processing. Following the new constitution, the city has started a transformation process in recent years to create more people-centered services, attract more investments and position itself as an economic Hub in northern Tunisia. This transformation strategy is focusing on infrastructure improvements, opening up to international tourism, value chains and the digital data economy. The process is actively supported by several international Partners, including the African Development Bank (AfDB) Group. Bizerte completed the city diagnostic and action plan with the active involvement of the city Mayor, administration and civil society stakeholders,

exemplified by five public workshops over the course of 2021, discussing the city data and investment priorities. As part of the City Program, Bizerte is also being assisted to define steps to improve its credit rating (currently BB-). Overall, the service provision in Bizerte are in-line with Tunisian standards, with near universal provision of essential services.

Investment priorities were identified with three overarching goals in mind, build resilience, further ease the access to citizen through digital and transparent service provision (Smart City), and to accelerate economic growth. The investment priorities in Bizerte are (i) a suite of 'smart city' initiatives, (ii) an integrated resilience initiative, and (iii) a modern city expansion program to guide city development. These three investment priorities all combine elements of planning, governance and concrete infrastructure investments and therefore go beyond single projects but have the ability to transform the city in a sustainable manner.

Bizerte ICT – Smart City Pre-Investment Project 2022, supported by the Government of South Korea (600.000)

Bizerte Smart City - Digital Free Zone Development will be the next step in 2022 supporting the national and local ambition to spur economic growth and create a more people-centered 'Smart City'. The city's ambition is to create an intercontinental digital port and big data hub by setting up a «Digital Free Zone» where local, developing a business ecosystem specializing in data processing and digital services, with a potential to position Bizerte as a leading "smart" city in Tunisia and Africa, setting Bizerte onto a path of inclusive sustainable development. The trunk global data-infrastructure, marine cables, pass very close to Bizerte and access to these data-highways opens up enormous potential for attracting investments. Preliminary ideas for such a project have been developed, now concrete feasibility studies and investment plan has to be finalized. Bizerte further intends to learn from the South Korean experience in developing similar gateways, the most famous example being similar cable landing sites in and around Busan.

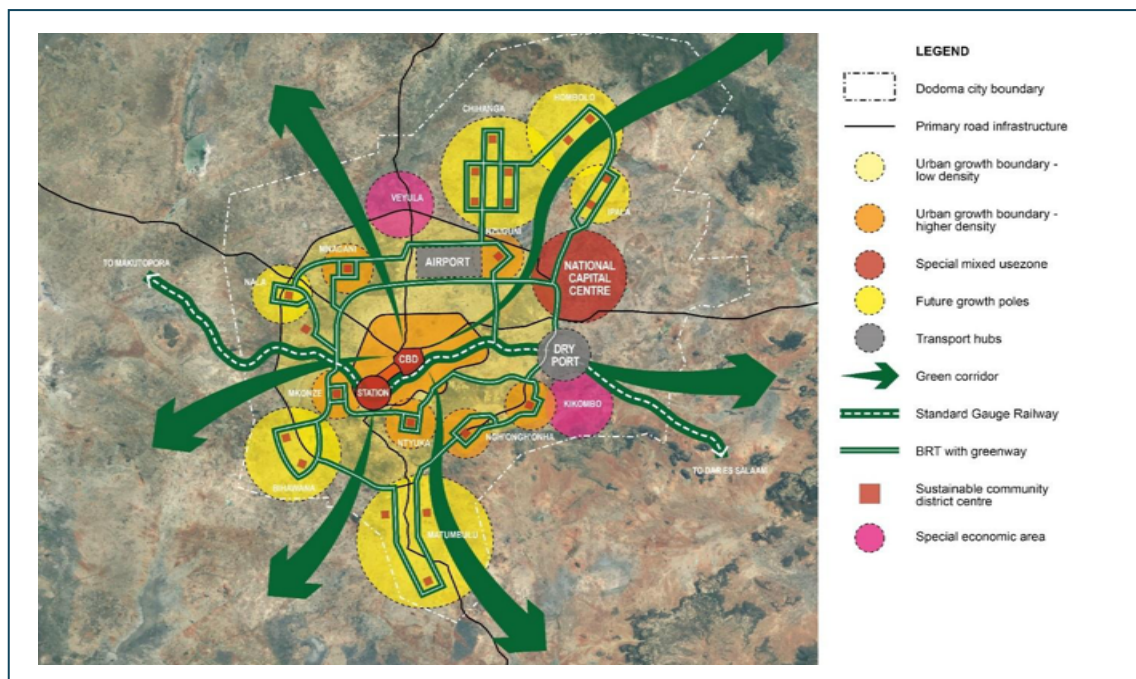


DODOMA TANZANIA

The city diagnostic and action plan shows the city faces multi-level challenges associated with rapid urbanization growth in terms of built-environment, physical and social infrastructures planning and at the same time ensure resilience to disaster risks hazards and climate change vulnerability. Furthermore, a growing industrial sector coupled with lack of environmental enforcement will decrease air quality and increase GHG emissions. Hence, developing a multi-sectoral approach to land use, mobility and environmental planning considering the emissions sources in the sectors of manufacturing industries, building, transport, waste and agriculture, seem to be a key-requirement for an effective urban adaptation to climate change, hazards risk reduction and proactively yield health benefits for the city dwellers. The governance and economic environment in Dodoma have seen improvements in recent years, however the large reliance on transfers from the central government is an apparent bottle neck. The trend is also of increasing dependency. The relatively low level of own source revenue collection is also not improving the city's position to eventually be able to take on its own debt to finance investments. The unreliable transfers from the national authorities coupled with the changing priorities of local politicians create a challenging

governance problem for local administrators. The need for a more stable financial environment and stable investment priorities are key to be able to implement investment plans according to time schedule. There is likely several improvements possible to improve own source revenue collection, both in the sense of improving the collection system itself and in retrieving better cost coverage for services. The stakeholder interviews confirmed that for example utility fees like water supply are flat charges currently. Several neighboring countries have adopted fee-structures where a low rate is applied for a minimum use of the service and then the charge increase with use. This fee structure is compliant with the "user pays" approach putting a higher charge on consumers that use a service at a higher rate.

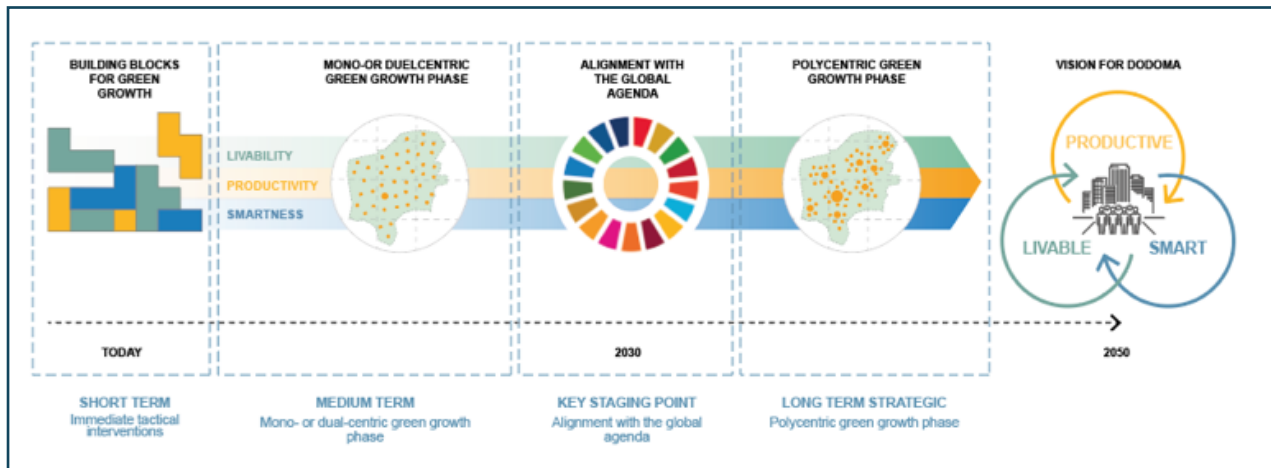
Dodoma is lagging other surrounding cities in development of in 3G and 4G network coverage, however ICT network is not clearly prioritised in the investment plans. As internet connectivity, especially via mobile phone, is considered an important tool for financial inclusion it is likely important for this to have higher priority. The development trajectory for Dodoma is broken down into four key phases and staging points and two broad spatial development scenarios.



Dodoma Case Study: Innovative Stakeholder Engagement in times of COVID-19 social distancing

Connecting with stakeholders proved to be quite a challenge on a remote work basis to the extent that an innovative approach was developed for the stakeholder engagement, which were held as a series of structured conversations in small groups via WhatsApp. A small introductory video was developed and circulated via WhatsApp, followed by 'quiz-style' surveys (Mentimeter) to capture the results, and leverage interdependencies and synergies between groups. Each structured conversation was scheduled for 30 minutes and focused on a specific theme, with eight themes in total.

The results were then discussed and synergized during an internal Sweco-Apex workshop and the final Action plan was confirmed, with cross sectoral constraints and opportunities explored to inform the Action Plan. Following that, the online survey tool was used again to share the final Action Plan results and achieve a consensus on policy alignment. This innovative engagement method allowed for wide public consultation and stakeholder engagement, while traditional meeting formats were not possible due to the pandemic.



LIBREVILLE

GABON

The city diagnosis and action plan established baseline data and indicators illustrating the state of the city, as well as the identification of challenges and opportunities to begin to draw the lines of future urban interventions for long-term sustainability according to three dimensions (urban planning, environment, fiscal management and governance) to identify major urban issues. The Action Plan highlighted the essential elements of the challenges and priorities facing the city in the coming years. The city administration and stakeholders highlighted its priorities by insisting on the axes of development of waste and sanitation, and the issue of transport and congestion in the city.

Land use Management and Resilience:

Adoption of Land-use plans for land management, regulate land prices and strategically plan land use, and to further integrate into the regulatory framework the identification, vulnerability mapping and risk management plan for public infrastructure optimizing the potential of natural spaces and protecting them from urbanization and uncontrolled destruction of ecological resources. Modeling and mapping short-, medium- and long-term risks in Libreville, anticipate them through prevention systems and adapt infrastructure and land use accordingly. Promote better urban resilience through the integration and participation of women and youth in the public and decision-making spheres. Build and rehabilitate urban infrastructure related to the needs of the population, half of whom are very young, and strengthen community solidarity mechanisms, and ensure wastewater and stormwater treatment.

Waste Management: Data and Indicators confirmed that one of the strong public sectors under AUC mandate to be the waste sector. Building on the current relatively developed waste collection system to develop a waste sorting and recovery sector. Strengthen the involvement of the city in the management of local urban services of drinking water supply, sanitation, electricity and waste management (adequate material, financial and human resources).

Mobility: A third priority is to improve mobility for the all throughout the metropolitan area and establish a coherent system that organizes, regulates and harmonizes transport offers so as to facilitate access for all inhabitants of the city and its periphery. Investments are foreseen into modernizing the transit system towards more inclusive and cleaner offerings

The pilot phase concluded with city engagement processes and quality outputs in all five cities, confirming the potential of the approach for deeper engagement with partner cities across the continent in order to prepare transformative investments in sustainable urban development. The city program created an opportunity for AfDB to engage with cities, their administrations and city leaders and Mayors, opening a door to link with the ongoing urban projects from the country office of AfDB and the city. This integrative approach to cities helps identify critical stakeholders and issues of municipalities. The city diagnostic and action plan generated valuable baseline data and indicators reflecting the status of the city. This evidence-based analysis allowed the identification of problems and possibilities, in order to begin drawing the lines of future urban initiatives for long-term sustainability. The Action Plan outlined key steps and investment areas to overcome challenges towards sustainable urban development and city goals.



OVERVIEW

OF THE NEXT CITIES¹ _____

Table 2: Next Cities

Bangui serves as the capital city of the Central African Republic, after years of conflict and violence it is now relatively peaceful and on the road to recovery. In the Central African Republic, 39.8 percent of the population lives in cities, i.e. (2,029,616 people in 2017). The population of cities is growing at a pace of 1.03 percent every year. The combined impacts of the COVID-19 pandemic and renewed insecurity amid post-election disputes have affected the economy. The Government has used Employment Intensive Investment strategies as an efficient way of social mobilization and economic recovery while protecting basic values and rights at work through the Ministry of Economy, Planning, and Cooperation. There are further opportunities to strengthen investment in people and cities. Spatially the city is characterized by a strong city center and peripheral settlements.

Djibouti is strategically placed on a major international commerce marine route, making it a possible African transit point for China's Belt and Road Initiative. The government has already capitalized on its advantageous location by aggressively investing in the transportation and logistics industries. The Port of Djibouti is made up of three major port facilities: the historic port, the Doraleh container terminal, and the Doraleh oil terminal. The city of Djibouti faces some developmental challenges such as a good public transport system, Mobility is provided primarily through the 'informal' public transport system, consisting of minibusses and midibuses operating throughout the city, supplemented by Bajaj and rickshaw vehicles operating within Balbala. There is an opportunity to take on a spatial planning role, leading the long-term development of the transportation network, and cooperating with the housing and other ministries to make clear the planning of land-use decisions.

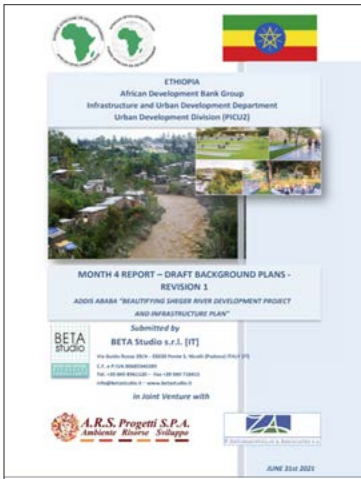
Kisumu lies along the shore of lake victoria, the largest freshwater lake in Africa. It is also the third-largest city in Kenya. Kisumu City is the county's most populous and densely populated urban region. It is primarily driven by the position of Kisumu Harbour on the Winam Gulf. Furthermore, the Mombasa-Nairobi-Kisumu railway connects the city to the other main towns of Nairobi and Mombasa. Kisumu International Airport also serves Nairobi and Mombasa on a daily basis. Following the completion of the passenger terminals, the airport freight facility is now being expanded in expectation of greater commerce brought about by the renewed East African Community comprising Kenya, Tanzania, and Uganda. While the city faces Urban development challenges it is also an upcoming dynamic place with ample opportunities.

Marrakesh is the Kingdom of Morocco's fourth-biggest city. It is the seat of the Marrakesh-Safi region and one of Morocco's four imperial cities. The city is located west of the Atlas Mountains' foothills. It is an essential part of Morocco's economy and culture. Recently the city has grown in size, both geographically and demographically. The building of new roadways, new networks, and the modernization of city centers has been necessary due to socioeconomic changes. In 2017 the city opened Bus à Haut Niveau de Service de Marrakech (BHNS de Marrakech) which runs on solar energy reducing emissions from the overall city's transport system. Significant changes in sustainable development are being implemented not only in the city of Marrakech's urban transportation sector but also in other areas such as air quality, energy efficiency, social inclusion in the suburbs, improving quality of life, ensuring safety, creating jobs, enhancing the city's tourist appeal.

¹ Pending final approval

OUTCOME AREA 2

IMPROVED PROJECT PREPARATION



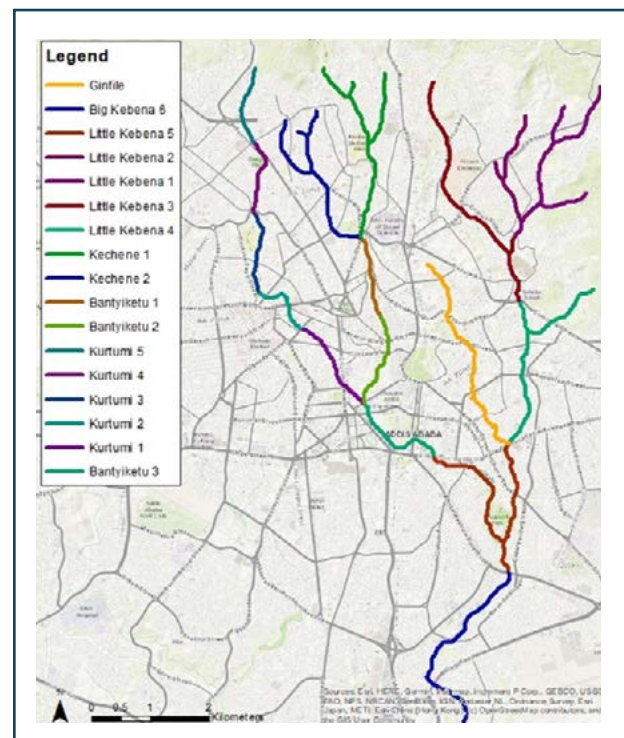
The Addis Ababa Kebena Urban River Development Project:

The overall objective of the project is to substantially improve the economy and living environment of Addis Ababa through establishing new green spaces, improving river water quality, upgrading infrastructure and housing, and creating new economic

opportunities along the river. The specific objective of the UMDf support preparation of the Investment and Infrastructure Plan, which includes (i) mapping the existing and required infrastructure along the 56 km river, (ii) visioning for the corridor development and analyzing the capital investments required to develop the full 56km (iii) demonstrating the financial sustainability of the project. This includes all infrastructure, river channel modifications and development of public spaces and private property along the riverside. **The Investment and Infrastructure Plan has been delivered to the Addis Ababa authorities**, and with this the infrastructure plan, lot sizes and locations of all major components of riverside infrastructure have been identified. The investment plan included proposals for how infrastructure and urban development projects should be packaged in order to suit the financing arrangements for long-term sustainability. The financial analysis took into account capital and operating costs into consideration while balancing costs with sufficient capital financing and recurrent revenue. The infrastructure plan was developed in alignment with the existing infrastructure in the city as a whole and align with existing city-scale master planning, or inform changes required to this planning. The investment and infrastructure plan will be based on existing information and in the case of capital cost and revenue calculations, estimates were made where existing information is not available.

The project relates to the 56 km of the Kebena River and its tributaries, and included the work in the defined buffer zone but also linkages to the city-scale infrastructure:

- Stretches of riverside were identified as packages, with associated local infrastructure, public facilities, public spaces and private property and included under such individual riverside zone packages.
- Larger scale infrastructure which is best done at a scale separate from riverside zone packages.
- Provided a typical layout for the local infrastructure in a riverside zone, including, the positioning of infrastructure and the layout of connections to and from the properties and roads along the riverside.
- Proposals for managing water quality and stormwater.
- Prioritization of riverside zone stretches based on cost benefit analyses



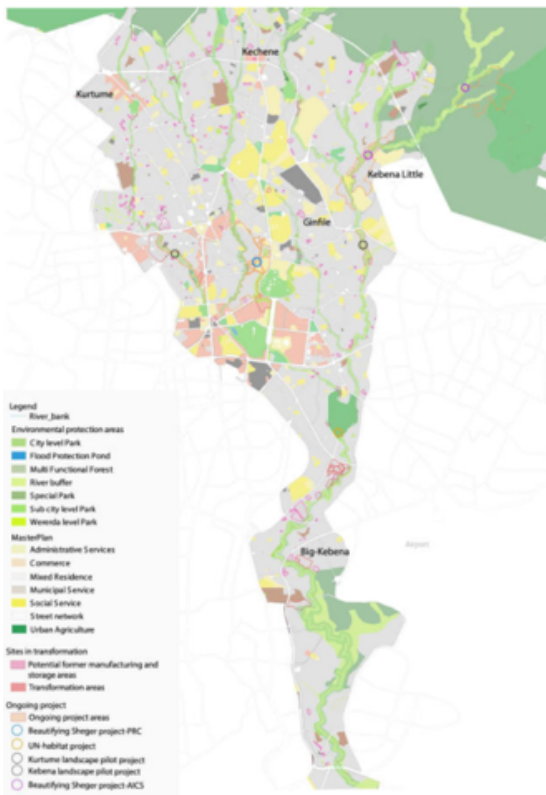
Changing political dynamics and no existing comprehensive plan for riverside development where numerous investors had interest was a key challenge leading to uncoordinated development. For the Bank it was critical to have such a coordination role and document for future Bank investments, particularly in the context of environmental and social impacts. In such a mega-project, it is critical to get buy-in from the government at the very early stages and understand whom the key coordinator from the country perspective is.

Following the completion of the 1st stage (pre-feasibility) of the project and the adoption of subprojects (IP01 and IP08), which can proceed to the next stage as the most technically and financially viable projects. In order to prepare the two projects for implementation the below

activities and studies should be conducted and prepared, as described in detail in the following paragraphs.

Topographical ground survey, the topographical survey to cover the entire zone for development of the intervention section and extend for a distance of at least 500m upstream and downstream the river stretch, in order to implement the hydraulic model for the needs of the detailed design. The survey should also include buildings, structures and networks along the selected segments IP01 and IP08 such as bridges, weirs, culverts, buildings, sewers and drainage pipes/networks etc. The layout of these structures must be presented as well as the cross sections of the bridges and culverts with the upstream and downstream invert levels.

URBAN AND ZONE BASED INFRASTRUCTURES: CLASSIFICATION OF BUFFER STRETCHES BINDING CONSTRAINTS



Definition of Binding constraints - physical elements that have been considered fixed or bindings for the elaboration of the investment packages

List of binding constraints:

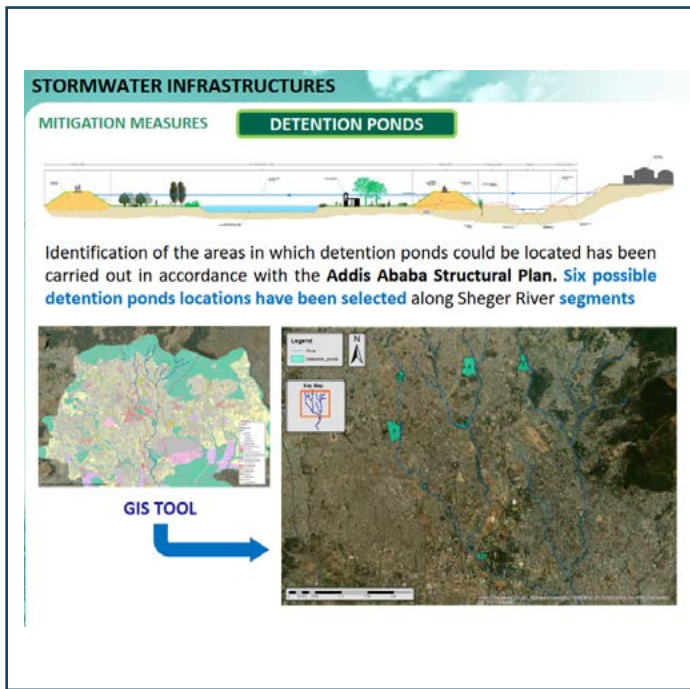
(a) the land use requirements as per Structure Plan along the river buffer and in particular:

- Mixed residence areas.
- Mixed commercial areas
- Open spaces/Environmental protection
- Parking buildings

(b) projects in process to be designed or implemented by other actors along the riverbanks, namely:

- the beautifying Shager Project implemented by the Chinese Government
- Italian Cooperation Agency (AICS) project
- the Korean Project
- the upgrading pilot project promoted by UNHabitat

(c) the buffer boundaries as per the University Landscape Plan Study and the Structure Plan



Ethiopian President Sahle-Work Zewde met with African Development Bank President Dr Akinwumi A. Adesina while on a working visit to Côte d'Ivoire in Dec 2021 discussing Ethiopia's current and post-Covid-19 development priorities. They discussed projects in the pipeline, including \$402 million earmarked for investment in various operations, including the Addis **Ababa Kebena Urban River Development Project**, and an institutional project involving the private sector².

Geological and geotechnical investigations: In order to carry out the design of hydraulic risk mitigation measures, detailed information concerning the geomechanical characteristics of the soils and the foundation conditions will be required. A geotechnical investigation program must be performed including borehole drilling in areas where structures or expansion of existing ones is proposed. Trial pits will be required in selected locations. A laboratory analysis with collected samples from the boreholes and the trial pits will follow.

Socio economic and environmental survey & ESIA: It is important to adopt a participatory approach, involving a multiplicity of institutional and non-institutional actors and stakeholders and promoting a proactive participation of the resident population. Following the approval of the detail design, tender documents shall be prepared following the standard bidding documents of the AfDB or the National standard bidding documents, depending on the guidelines that should be given by the client.



² Please see: <https://www.afdb.org/en/news-and-events/press-releases/ethiopian-president-sahle-work-zewde-and-african-development-bank-chief-akinwumi-adesina-discuss-ethiopia-development-priorities-48018>

Tunis Waste Management. Tunis, the capital of Tunisia is the most populous agglomeration of the country with 2.7 million inhabitants. The municipality of Tunis is the largest municipality, and it is represented in this project as a leader of the 38 municipalities that comprise the 'Grand-Tunis' metropolitan area. Currently, about 85% of the waste produced is collected and transported to the only dumpsite available: Borj Chekir : 1,095,000 tonnes/year. This dumpsite is saturated and needs to be closed as soon as possible. For lack of solution, its closure date has been postponed several times in 2021. Currently, all solid waste collected are buried without sorting or prior recovery. Tunisia is currently establishing a municipal plan for the 'Grand Tunis' and an inter-municipal road-map for waste management, in order to improve governance and an efficient management of waste. The new municipal plan for 'Grand Tunis' will demonstrate the value of establishing one or two new centers of waste recovery. The planned center(s) will have a treatment capacity of 1.2 million tonnes/year and an expected recovery rate of 25 %. Thanks to the waste treatment, buried waste is expected to diminish by 40% This project will benefit from the support of the Africa Adaptation Acceleration Program (AAP), a joint initiative led by the Global Center for

Adaptation and the African Development Bank to galvanize climate resilient actions through a triple win approach to address the impacts of Covid-19, climate change and the economy.

Following the approval of the Project and subsequent discussion with the Tunisian Ministry of Finance and Tunis Municipality. The Municipality is presently finalize the Inter-municipal waste management plan through a working group comprising the 38 municipalities of the 'Grand-Tunis' metropolitan area. Consultants have been hired to commence the work over an estimated 12-month project preparation timeframe, including updating the waste management plan, technical, environmental, and economic studies. An amount of 2-3 Million \$US has been mobilized and earmarked from the GEF in support of the project through the TRACE Program.

Cameroon: Programme National de Développement Urbain - PNDU. Following the approval of the Project and subsequent discussion with the Ministry of Habitat and Urban Development (MINH DU) the detailed Terms of References are being prepared by the Bank and Ministry of Housing and Urban Development to prepare the launch of the Investment Plan in the second half of 2022.



Table 3: Small Grants Initiative – Active and received proposals

Network of Subnational Finance Institutions (20.000 \$US, completed): In light of the rejected project proposal to strengthen RIAFCO (Réseau des Institutions Africaines de Financement des Collectivités locales), the UMDP Approved a small grant to RIAFCO on a small intermediary project preparation facility. This small grant helped build the capacity of RIAFCO for project preparation and formulation, and AfDB and RIAFCO subsequently submitted a 20 M funding proposal on Strengthening National Development Bank for improved urban investments to the German BMUB International Climate Initiative (IKI).

Financial performance of African Cities Database (26.400 \$US,): The financial situation of Municipalities in Africa is very diverse, but generally characterized as weak compared to the investment needs. This small grant allowed an in-depth data capturing and analysis in order to better define AfDB's implementation strategy for the Guidelines for subnational finance and in support of municipal finance. The analysis will be published together with OECD and UNECA in Q1 2022.

Database and Network of National Development Banks: Intermediary financial institutions and national development banks are a crucial actors to support investment into cities in Africa, and a potential business partner for the African Development Bank. They also have the potential to stand as transformative instruments to pave the way for the development of stronger municipal credit markets, to get local and regional governments' creditworthiness strong enough to directly tap into domestic and international capital markets, especially for medium-size cities. The landscape of these institutions in Africa is rapidly changing and emerging, and this small grant provided for a comprehensive analysis of African NDB, and beginning to develop a network with them through joint engagement at the Finance in Common Summit and through bilateral discussion. An SGI of 20,000 USD was approved to FMDV to help the AfDB understand how it can best position itself to support these SDBs by providing an overview of existing SDBs in the region and an initial screening of their current project pipelines. This analysis would constitute the groundwork to further strengthen SDBs' role in the region in the second phase of support in order to fast-track AfDB support for investments of urban infrastructure projects through a more in-depth analysis. As part of this work, we are also looking to undertake a more in-depth analysis of the experiences in Sweden through the Kominvest municipal development bank

Angola E-Mobility Study: The transport sector is currently responsible for about one quarter of energy related carbon dioxide emissions in Angola. This is set to grow to one-third by 2050. In addition, the transport sector is a leading contributor to short-lived climate pollutants, especially black carbon. In Angola, the World Health Organization has classified the air quality moderately unsafe. The most recent data indicates the country's annual mean concentration of PM2.5 is 32 µg/m³ which exceeds the recommended maximum of 10 µg/m³. Contributors to poor air quality in Angola include oil and gas exploration, mining, vehicle emissions, and agricultural waste burning. The development of low-carbon vehicles is one of the major points in the fight against global warming and reducing greenhouse gas emissions and can be a key to unlocking positive economic and sustainable growth in Angola. To be able to develop this mode of mobility, it is imperative that a regulatory framework must be developed to define different items related to the electric mobility. These elements are to be identified and developed through analyzing all aspects: regulation, laws, taxation, electric power, etc.. The objective of this small grant is to analyse the current conditions in Angola in terms of ideas, programs, laws, regulation related to the electric mobility. This study should recommend action plan to develop a regulatory framework orientation to be discussed with different stakeholders in Angola. The final study will inform the systematic replacement of all fossil energy use with increasingly affordable, reliable, and resilient systems designed with 100% renewable energy-driven services, that enable new shared, coordinated mobility services that are electric. Data, insights, and analytics is used as the foundation to move toward efficient, higher-occupancy, affordable, safe, and inclusive mobility options that maximize clean mobility for all.

OUTCOME AREA 3

IMPROVED GOVERNANCE, MUNICIPAL FINANCE, AND FISCAL MANAGEMENT

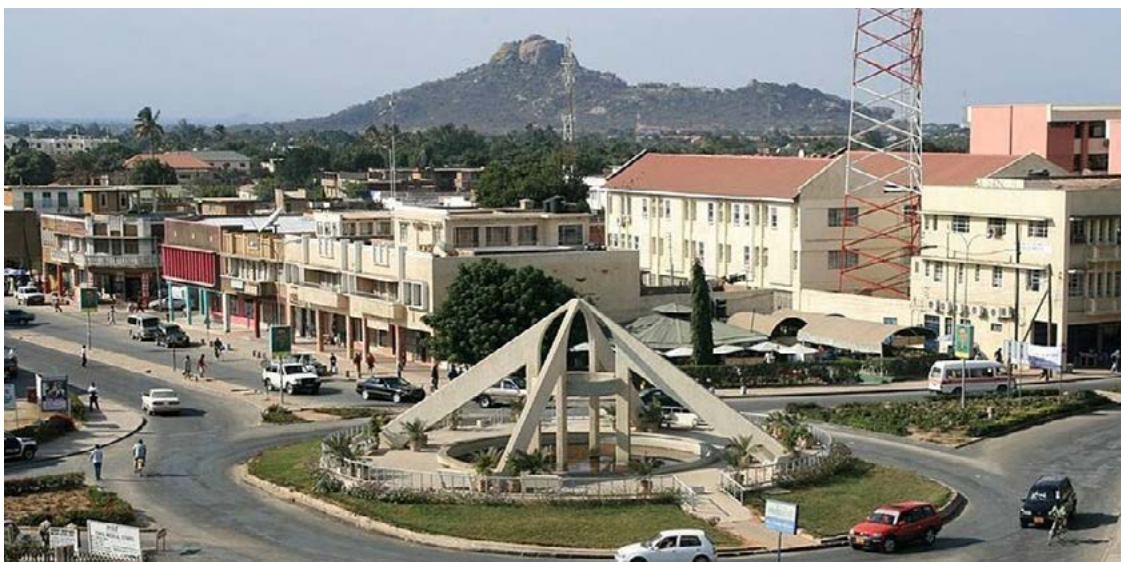
C40-AfDB CFO Network: The UMDf is partnering with C40 Cities to launch the CFO Network of African Cities in recognition of the fact that participation of city Chief Financial Officers (CFOs) is vital to raising sufficient resources to support sustainable urbanisation in Africa, and successfully mainstream climate across city governance. The main objective of the Network is to support the accelerated development of climate-smart project pipelines and the creation of municipal environments favorable to investment, by:

- Building local capacity to improve municipal fiscal conditions in order to deliver equitable and inclusive sustainable urbanization;
- Creating a knowledge pool between financial departments of African cities on existing and emerging business models for climate infrastructure projects; and,
- Strengthening functional partnerships between municipalities and key stakeholders from government, the financial sector and relevant industries.

The initial membership for the CFO network is comprised of UMDf's African Cities Program as well as C40s African Cities CFOs. The first

meeting was held on the 18th of May. Currently an Aide Memoire is being finalized between C40 and the AfDB to underpin this partnership and the initial fundraising to support network activities has commenced. This will also form part of the PIM that is being developed to submit to the OC in September.

SDBs thus appear as a relevant stakeholder/instrument to increase the financial capacity of local governments to address these needs. Besides being financial intermediaries, SDBs also have the potential to stand as transformative instruments to pave the way for the development of stronger municipal credit markets, to get local and regional governments' creditworthiness strong enough to directly tap into domestic and international capital markets, especially for medium-size cities. SDBs can also strengthen cities and regions' capacities on project preparation cycle and appraisal: financial planning, engineering, management, and follow-up. SDBs can mobilize domestic capital and aggregate data on an existing pipeline of projects and their maturity. Being well-established domestic players closely connected to the country's policy and development, they can provide early-stage support, professional engineering, and financing in local currency.

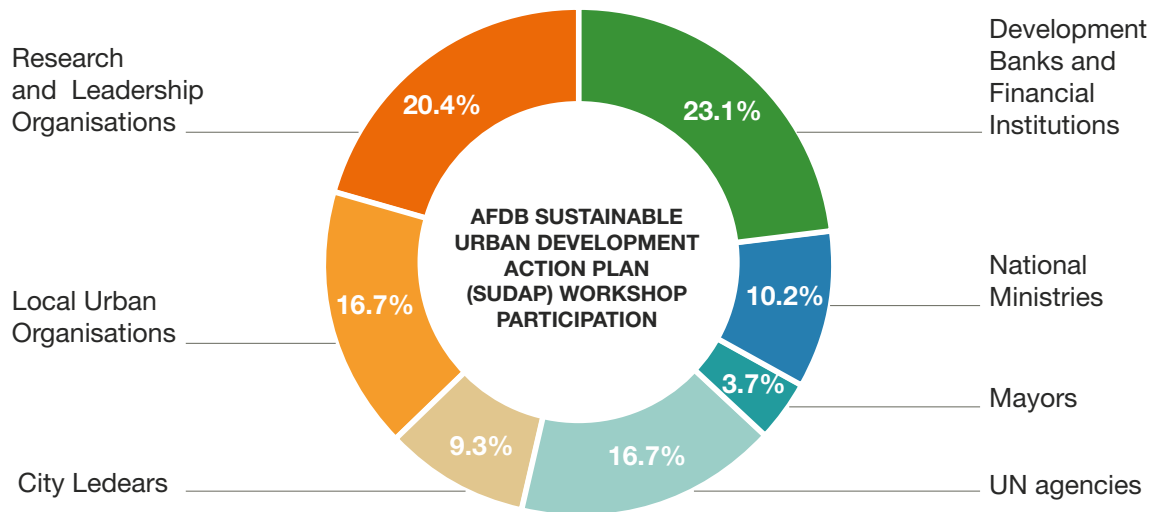


OUTCOME AREA 4

INCREASED BANK CAPACITY TO SUPPORT INTEGRATED URBAN DEVELOPMENT.

The oversight committee approved the project to support the development of the AfDB **Sustainable Urban Development Action Plan (SUDAP)** in 2019. The service provider, Cities Alliance, has been contracted beginning of March. A bank-wide Interdepartmental Working Group (IWG) consisting of 16 staff has been set up and constituted itself early April in a meeting discussing and finalizing the Inception Report, outlining the thematic focus and process. The process to develop the six background papers

has been finalized in August 2021 which will be published separately at various occasions in 2022. The Bank developed the SUDAP in an inclusive 'one bank' process with various internal and external meetings. The concluding large stakeholder workshop in October 2021 to invite feedback on the relevant pillars and draft document saw the participation of over 100 institutional partners. The SUDAP is finalized and submitted to the Board for consideration and final approval by the Bank President.



2.2 ADVOCACY, OUTREACH, AND PARTNERSHIPS

The envisioned meeting and study tour with a minimum of 4 of 5 Mayors and/or Chief Financial Officers could not take place due to widespread travel restrictions, Sweden. UMDF secretariat predictions for the ease of COVID restrictions might have been too optimistic. However, an online seminar with senior city representatives had been completed in May 2021 and regular online seminars with senior, financial, and also junior city representatives is taking place monthly. We are in discussions with the Association of Danish Industries (DI) to organize a study tour in 2022 to Copenhagen to coincide with the ICLEI World Congress in April in Malmoe, and potentially other Nordic cities.

The UMDF is in continuous discussion with existing and new institutional partners and recently the Global Center for Adaptation (GCA) and the UMDF entered into a pro-bono partnership agreement whereby the GCA will provide detailed climate risk and vulnerability assessments for all UMDF partner cities. The objective is to support systematic identification and integration of climate risk into the diagnostics and project preparation processes to climate-proof existing projects, and potentially identify more adaptation-focused projects in cities.

A partnership was finalized with Further discussions are close to finalization with the C40 Cities Network, the European Space Agency (ESA). With the C40 Cities Network the UMDF is finalizing an agreement to jointly establish a CFO Network to improve the capacities of C40 and UMDF cities for developing bankable projects and a better connection with planning and project preparation and financing institutions, with a focus on access to climate finance. With ESA we are exploring the collaboration to use more earth observation data to overcome some of the data challenges in African cities and improve urban planning and decision making.


Promotion and presentation of the UMDF at relevant events were mostly done online in the first three Quarters of 2021. The UMDF was a sponsor to the Dakar Forum, a high profile event in Senegal but also covering West Africa. AfDB Staff presented relevant Bank experiences in various session including intervention in Dakar mobility and PPP roads, . Further the UMDF was presented at the following events. GCF Regional Consultations in Africa, FMDV Infrastructure Roundtable in Abidjan (April 2021), SDU Intensive Program on Urban Resilience (July 2021), Africa Climate Week (July 2021) and a couple of smaller webinars..



2.3 FINANCIAL PROGRESS

The UMDF commenced financial transactions in March 2021 with the first payments for contracts related to the City Program and Addis Ababa projects. As of 31 December 2021, end of the fourth quarter, the UMDF has expended 1,055,449 \$US and committed 3,005,516 \$US. The Bank's Financial Control Department (FIC) completed a financial statement (as of 31 December), please see below screenshots, the full report is attached to this report as Annex 4.

<u>AFRICAN DEVELOPMENT BANK</u>			
<u>URBAN AND MUNICIPAL DEVELOPMENT FUND</u>			
<u>STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021</u>			
(Expressed in USD)			
	Notes	Dec-21	Dec-20
Contribution	3	5,310,332	5,310,332
Net Income	4	12,164	12,263
Total resources available		5,322,496	5,322,595
Less : Disbursements			
Ongoing activities (Annex 1)		(1,055,449)	-
Total Disbursements	5	(1,055,449)	-
Funds available		4,267,047	5,322,595
<u>Represented by:</u>			
Cash in bank	6	4,308,876	5,322,595
Net Accounts Receivable/(Payable)	7	(41,829)	-
Fund balance		4,267,047	5,322,595



2.4 ANNEXES

Annex 1

Status of implementation of 2021 OC recommendations

STATUS OF IMPLEMENTATION

Implemented	Implemented
In progress	In progress
Not yet started	Not yet started



	RECOMMENDATIONS FROM THE OVERSIGHT COMMITTEE	STATUS	UMDF ACTIONS TAKEN
1	OC members requested an updated Work Program 2021, with clear proposals which projects to support.		Annual Work Program 2021 <u>published</u> , Annual Work Program 2021 proposed for OC consideration.
2	UMDF to share City Diagnostics and Sheger River Investment Plan; Share Report Graphic (p4) including country names.		Interim documents shared, final documents shared ahead of OC meeting.
3	UMDF to share financial statements quarterly with OC Members;		Financial statements shared as requested
4	UMDF to develop recommendations for needed profiles in terms of staff, and make concrete arrangements for admin/procurement support.		Three profiles identified and shared with OC.
5	UMDF to update a work plan and interim report according to oc suggestions and approvals		Interim report published.
6	UMDF Secretariat to finalize the Strategic business plan that should contain results framework, then such could be clearer.		Updated Business plan sent to OC for approval

Annex 2

Approved detailed Work Program 2021 and budget

EXPECTED OUTCOMES	WORKPLAN ACTIVITIES /OUTPUTS	TARGET / INDICATOR	ESTIMATED BUDGET (IN USD)	STATUS 12/2021	
1. Improve Urban Planning	Implementation and roll-out of Cities Program to 5 more cities in 2021. Cities to be decided Q2/3 2021, by OC.	Selection of Cities 6-10, contracts signed	600.000	Cities selected, PIM approved, combined with methodology and study tour for a Phase II proposal	
	Develop Tunis Municipal Waste project	Contract(s) signed, 3 of 5 outputs drafted in 2021	500.000	2a First contract signed, planned implementation until 08/2022	
2. Improved project preparation	Implement Cameroon PNDU Investment planning project	Contracts signed, draft investment plan ready, with focus on bankable projects, leveraging finance	120.000	TOR development with Government delayed, planned implementation until 06/2022	
	Support development of a South African Investment program for secondary cities.	Contracts signed, Investment program ready	100.000	Project canceled.	
	Marrakesh Bus Rapid Transit System	Contracts signed, works started	500.000	Extensive coordination with government, other co-financing partners, moved to 2022 WP	
3. Improved governance	Launching and expansion of our Municipal Finance activities including the CFO Network.	PIM approved, CFO network formed and operating	200.000	PIM approved, CFO Network formed, high-profile events planned for 04/2022	
4. Increased Bank capacity	Finalize the Sustainable Urban Development Action Plan (SUDAP)	SUDAP ready for Board/President approval in Q3	200.000	SUDAP submitted for approval	
	Finalize city program methodology, tools and approach	Lessons from city diagnostics captured, Methodology published,	130.000	Lessons-learned report, methodology combined with CP Phasell	
	Develop a GCF green city program, mobilizing resources for the UMDF	Contracts signed, GCF concept note submitted	120.000	Roadmap ready, contracts signed, moved into 2022	
5. Partnerships	Organize 'Majors Roundtable' and study tour with 5 city Mayors, as part of a 2021 Mayor Event if Health Situation allows (ie AfDB annual Meeting, COP26 etc) ⁴ .	meeting & study tour with min 4 of 5 Mayors +CFO completed	30.000	In-person meetings could not happen in 2021, study tour postponed to 2022, combined with CP Phasell	
	Broaden and improve partnerships of the UMDF,	Formalize at least 2 new UMDF partners	10.000	New partnership with C40 Cities, GCA, ESA, Government of South Korea.	
	Present and promote UMDF	2 OC meetings, at least 1 in person	30.000	UMDF presented at Dakar Forum, Africa Climate Week, COP26, GCF Regional Consultations, FICS.	
	Prepare and organize bi-annual OC meetings	2 OC meetings, at least 1 in person	10.000		

⁴ If the Health/Travel situation permits, we intend do organize a city, potentially in combination with a study tour. The 2021 AfDB annual meeting (In Accra, Ghana), COP26 (In Glasgow, UK) or a similar type event could be the occasions for such a meeting, but we are monitoring the situation and evaluate virtual events where possible..

6. Administration	Develop communication strategy, and website	Draft comms strategy ready for OC endorsement in Q2 2021, website online and up-to-date	40.000	Activity and outputs delayed into 2022	
	Improve admin efficiency	Continuous reduction in transaction time for proposals and contracts.	-	Administrative efficiency improved, project start and implementation time reduced	

Annex 3

Received requests for funding as per 15 December 2021

#	PROPOSAL	COUNTRY	CITY(IES)	PROPOSING INSTITUTION	TYPE	DATE RECEIVED	BUDGET	STATUS
1	AfDB City Program Phase II	Regional	Bangui, Djibouti, Kisumu, Marrakesh + 1 unspecified	AfDB	Urban Planning & Project Preparation	01.12.2021	700.000	PIM
2	Marrakesh Bus Rapid Transit System	Morocco	Marrakesh Metropolitan Area	City of Marrakesh	Project Preparation	21.06.2021	AfDB: \$500.000 EBRD: 500.000	Project Brief
3	Kenya Secondary Cities Development Project	Kenya	Up to 12 secondary cities	Government of Kenya	Project preparation Urban Planning	01.12.2021	500.000	Project Brief
4	Cote d' Ivoire City Planning Project for small towns	Côte d'Ivoire	Unspecified	l'Union des Villes et Communes de Côte d'Ivoire (UVICOCI)	Project preparation Urban Planning	13.09.2021	233.000	Project brief
5	Affordbale Housing Toolkit	Regional	Unspecified	Shelter Afrique	Capacity Building, ESW	03.12.2021	180.000	Project brief

All files can be found in the [UMDF Team](#) in the Folder *Files / Projects / Proposals / 2021*. If you have trouble with accessing the Teams or wish to receive the files via E-Mail, please contact m.mayr@afdb.org.

Annex 4
UMDF Audited Financial Statement

Deloitte.

**URBAN AND MUNICIPAL
DEVELOPMENT FUND (UMDF)**

INDEPENDENT AUDIT REPORT

Year ended December 31st, 2021

INDEPENDENT AUDITOR REPORT

To the Board of Governors for Urban and Municipal Development Fund (UMDF).

Opinion

We have audited the financial statements of **Urban and Municipal Development Fund (UMDF)** which comprise the contributions, the net fund balance for the year ended as at December, 31st 2021 and the disbursements from January, 1st 2021 at December, 31st 2021.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of **Urban and Municipal Development Fund (UMDF)** for the year ended as at December 31, 2021 in accordance with the accounting policies set out in note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies set out in note 2 to the financial statements, and for such internal

control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibilities for the audit of the financial statements are described in more details in the appendix to the independent auditor report.

Abidjan June 28, 2022

Deloitte Côte d'Ivoire

Marc WABI,
Chartered Accountant
Partner



APPENDIX TO INDEPENDENT AUDIT REPORT

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

AFRICAN DEVELOPMENT BANK
URBAN AND MUNICIPAL DEVELOPMENT FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in USD)

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Summary of Ongoing Activities (Annex 1)	6



AFRICAN DEVELOPMENT BANK

URBAN AND MUNICIPAL DEVELOPMENT FUND

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

(Expressed in USD)

	Notes	Dec-21	Dec-20
Contribution	3	5,310,332	5,310,332
Net Income	4	12,164	12,263
Total resources available		<u>5,322,496</u>	<u>5,322,595</u>
Less : Disbursements			
Ongoing activities (Annex 1)		(1,055,449)	-
Total Disbursements	5	<u>(1,055,449)</u>	<u>-</u>
Funds available		<u>4,267,047</u>	<u>5,322,595</u>
 <u>Represented by:</u>			
Cash in bank	6	4,308,876	5,322,595
Net Accounts Receivable/(Payable)	7	(41,829)	-
Fund balance		<u>4,267,047</u>	<u>5,322,595</u>

Deloitte. CÔTE D'IVOIRE
VISA POUR IDENTIFICATION

AFRICAN DEVELOPMENT BANK
URBAN AND MUNICIPAL DEVELOPMENT FUND

STATEMENT OF COMMITMENT AS AT DECEMBER 31, 2021

(Expressed in USD)

	Dec-21	Dec-20
Total funds available	5,322,496	5,322,595
Less : Commitments		
Ongoing activities (Annex 1)	<u>(3,005,516)</u>	<u>(1,800,000)</u>
Total funds available for commitment	<u>2,316,980</u>	<u>3,522,595</u>

DÉPARTEMENT DE LA CÔTE D'IVOIRE
VISA POUR IDENTIFICATION

URBAN AND MUNICIPAL DEVELOPMENT FUND (UMDF)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021
(Expressed in USD)

1. Purpose of the Grant

This is a Multi-donor arrangement between the African Development Bank, The African Development Fund, the Nordic Development Fund (NDF) and the “Agence wallonne à l'exportation et aux investissements”(AWEX) and any other Government or entity that becomes a signatory to this arrangement.

The purpose of UMDF is to provide financing to support African cities and municipalities to improve resilience and better urban growth and development by improving planning, governance, and quality of basic urban services.

The Bank in accordance with the common terms set forth in the arrangement, has been designated to administer the contributions.

2. Accounting Policies

The accounts of the Grant are kept in US Dollars and transactions are recorded on a modified cash basis. Disbursements in currencies other than the US Dollars are converted to US Dollars using the cross rates prevailing between the currencies, the Bank’s Unit of Account (UA) and US Dollars on the date of the transaction.

For accounting purposes, the UA is deemed to be equivalent in value to one Special Drawing Right (SDR) of the International Monetary Fund (IMF).

3. Contributions

Total contribution to UMDF as at 31 December 2021 amounted to USD 5,310,332 and made up as follow:

Donors

	<u>2021</u>	<u>2020</u>
AWEX	559,832	559,832
Secretariat for Economic Affairs (SECO)	200,900	200,900
Nordic Development Fund	4,549,600	4,549,600
	<u>5,310,332</u>	

Deloitte 5,310,332 OIRE
VISA POUR IDENTIFICATION

4. Net Income

Cumulative net income as at 31 December 2021 and 31 December 2020 amounted to USD 12,164 and USD 12,263 respectively. Net income is included in the resources of the fund and applied to the activities of the fund. The breakdown of net income for 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Bank Charges	(419)	(279)
Credit Interest	12,542	12,542
Translation gain	<u>41</u>	<u>-</u>
	<u>12,164</u>	<u>12,263</u>

5. Disbursements

Disbursements are payments made for approved projects/activities. The status of disbursements as at 31 December 2021 is as follows:

	<u>2021</u>	<u>2020</u>
Ongoing activities	<u>1,055,449</u>	<u>-</u>

The detailed balances of the ongoing activities as at December 31, 2021 are presented in Annexes 1.

6. Cash in Bank

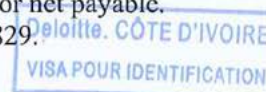
The amount of USD 4,308,876 represents cash balance held in the Grant's account with Northern Trust Int. Bank

7. Net Accounts Receivable/(Payable)

This represents the balance of amounts receivable set off against amounts payable. Depending on which one is greater, we could have net receivable or net payable.

As at 31 December 2021, the Fund had a net payable of USD 41,829.

A breakdown of the balance is as follows:

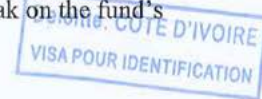


	<u>2021</u>	<u>2020</u>
Consultants	(40,000)	-
Other payables	<u>(1,829)</u>	<u>-</u>
	<u>(41,829)</u>	<u>-</u>

8. COVID-19

The World Health Organization declared the outbreak of COVID-19 - a pneumonia-like disease affecting people worldwide - a global pandemic on 11th March 2020. Currently, there are relatively few cases in Africa, the primary area of the Fund's business operations. However, due to its likely negative impact on commodity prices, financial markets, projected GDP growth, etc., this outbreak is expected to affect the global economy and markets.

As of 1 June 2022, the outbreak had no direct effect on the financial position of the Fund. However, because of its potential impact on the volatility of the fair value of certain financial assets and liabilities, the outbreak may affect the Fund's 2021 financial results. For now, it is not possible to determine the full effect of the outbreak on the fund's operations.



AFRICAN DEVELOPMENT BANK

URBAN AND MUNICIPAL DEVELOPMENT FUND

SUMMARY OF ONGOING ACTIVITIES AS AT DECEMBER 31, 2021

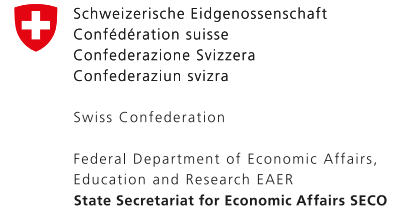
(Expressed in USD)

Activity Code	Activity Name	Amount Allocated	Cumulative Disbursement as at 31/12/20	Disbursements from 01/01/- 31/03/21	Disbursements from 01/04/- 30/06/21	Disbursements from 01/07/- 30/09/21	Disbursements from 01/10/- 31/12/21	Total Disbursement for the period	Cumulative Disbursement as at 31/12/21	Undisbursed Balance as at 31/12/21
G-ET-100-SUP-001	ADDIS SHEGER RIVERSIDE DEVEL	500,000	-	-	58,818	205,863	29,409	294,090	294,090	205,910
G-Z1-100-STY-001	UMDF CITIES DIAGNOSTICS	530,000	-	60,000	101,856	-	160,000	321,856	321,856	208,144
G-Z2-100-ZZZ-001	LTC -SUPPORT UMDF ACTIVITIES	370,000	-	-	9,000	98,350	71,696	179,046	179,046	190,954
G-Z2-100-ZZZ-002	UMDF SMALL GRANT INITIATIVE	200,000	-	10,000	12,640	5,904	59,156	87,700	87,700	112,300
G-Z2-100-STY-001	URBAN DVEPT STRATEGY 2021-25	200,000	-	-	32,500	6,000	1,500	40,000	40,000	160,000
G-Z1-100-STY-002	MUNICIPAL FINANCE PROGRAM	200,000	-	-	-	-	-	-	-	200,000
G-Z1-100-STY-003	GREEN CITY FACILITY	120,000	-	-	-	-	-	-	-	120,000
G-1N-100-PRE-001	TUNIS WASTE MANAGEMENT	500,000	-	-	-	-	-	-	-	500,000
G-CM-100-STY-001	CAMEROON PNDU	120,000	-	-	-	-	-	-	-	120,000
G-Z2-100-ZZZ-091	MANAGEMENT FEES	265,516	-	-	-	-	132,758	132,758	132,758	132,758
TOTAL		3,005,516	-	70,000	214,814	316,116	454,519	1,055,449	1,055,449	1,950,067

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