



City Resilience Program

Can Tho, Vietnam

The City Resilience Program (CRP) aims to consolidate the WBG's city-level engagements across sectors by providing a platform for resilience-building investments with clients in areas of infrastructure, governance and systems, and finance. In addressing all of these elements, the CRP seeks to catalyze a shift from a more siloed operational approach in our engagements with cities to a more comprehensive and ambitious approach that incorporates multi-disciplinary packages of technical and financial services to build resilience. To better address the huge investment needs, the Program also aims to move beyond the Bank's traditional IDA and IBRD financing envelopes by raising other sources of capital through a single investment platform at the city-level, including from MBDs, bi-laterals and investors of private capital.

Engaging at the city-level

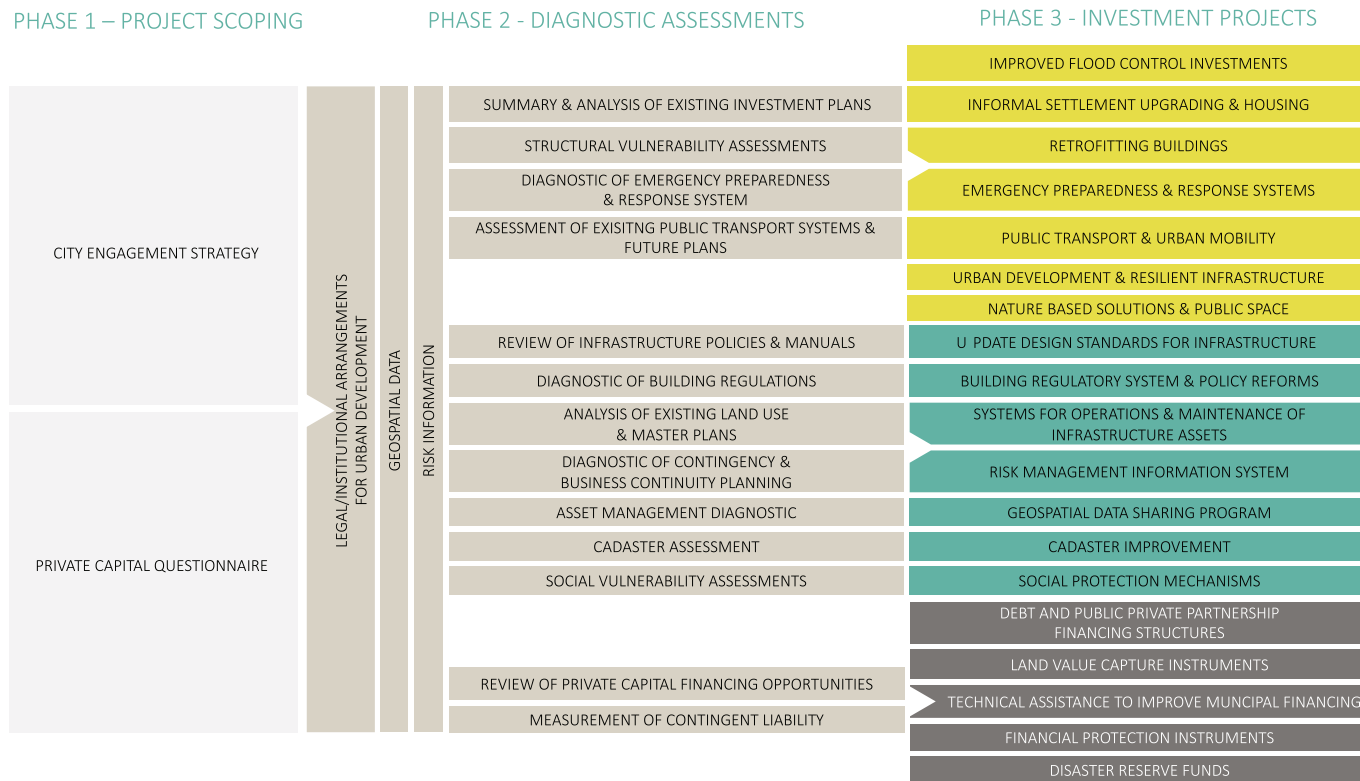
The success of the CRP will be dependent on task teams as the "change agents" that manage city-level client relations. Task teams work with CMUs and clients to identify cities that are interested and ready to benefit more comprehensively from WBG services related to city resilience. Figure 1 on the next page describes the CRP platform, which provides a flexible framework for engagement with selected cities. The framework consists of a cross-cutting foundational exercise that forms the basis for all CRP engagements, as well as optional diagnostic pathways to investment projects, which are pursued depending on the needs and opportunities of a given city's specific context. Underpinning the value

proposition is a wide network of new and existing WBG Working Groups and Communities of Practice that the CRP will convene and leverage.

Cross-Cutting Foundation

The foundation of any CRP engagement is robust analysis of a participating city's legal and institutional arrangements for urban planning and investment. This includes outlining relevant national regulatory frameworks and the respective roles of central and city-level authorities. Second, CRP engagements depend on an assessment of existing data available for the built environment, and a roadmap to help address data gaps and share results on an open platform. Third, available risk information will be collected and analyzed to help city officials to better understand the risks they face. The participatory process

Figure 1. CRP city-level engagement program



of building the foundation would generally involve 3-5 missions that occur on a bi-monthly basis and convene the diagnostic assessments that are required to package investment programs that respond to the needs and demands of our clients.

In parallel, a private capital questionnaire will be completed to assess where each city sits on the spectrum for debt, concessions and land value capture. This will include the verification of underlying market conditions or investment climate, such as the macroeconomic situation, land, housing, and property markets and provide a roadmap for the types of transactions a city can execute based on their legal and regulatory environment.

Creating holistic and ambitious package of services

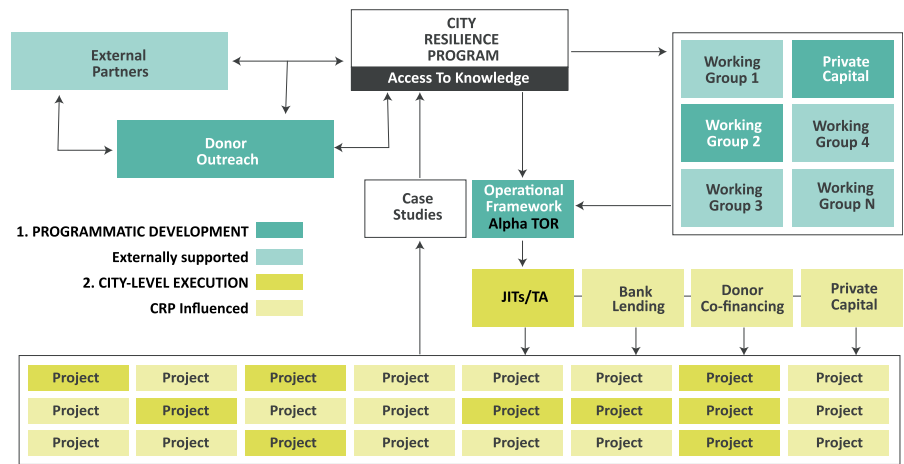
Most city-level projects supported by the World Bank have focused primarily on one of three streams: infrastructure, governance and systems, or finance. However, to become resilient, cities need to better connect and leverage value across all three. By simultaneously and iteratively making progress on all three fronts, cities can increasingly address disaster and climate risks and urban development challenges in a comprehensive manner. In turn, poverty alleviation becomes a more achievable objective.

How will CRP objectives be met

The CRP program does not aim to duplicate or replace the many existing and successful efforts to engage cities on resilience across the WBG but, rather, to convene and curate various best practices under a single city-level engagement framework. To do so, the CRP has drawn on lessons learned from investment programs implemented over the past decade in municipal infrastructure, governance, and finance. It has further reached out to champions of various relevant communities of practice and initiatives, inter alia, geospatial platforms, capital budgeting systems, asset management

programs and emergency preparedness and response systems. With them, CRP has catalyzed new Working Groups and is partnering with existing Knowledge Silo Breakers and Communities of Practice. As such, CRP aims to serve as a broker of best practices to augment the breadth of skills and experiences of World Bank task teams by providing technical, financial and personnel support that will enable Bank teams to deliver even greater value to our clients. The operational model can be seen in Figure 2.

Figure 2. CRP Operational Model



Aligning with the “Cascade” approach

A core objective of the program is leveraging the Bank’s balance sheet to deliver greater resources to cities. This includes crowding in co-financing from other MDBs and bi-lateral agencies around a single investment program. Crowding in private capital is also a key emphasis, with three different types of capital-raising activities identified. The first is improving city credit-worthiness so that cities can borrow from banks and private investors. The second is helping cities better understand and structure concessions to private developers, which would transfer financing, construction and/or operating risks to the private sector. The third, and perhaps most lucrative opportunity, focuses on helping cities capture the increase in land value that results from reducing vulnerable in a given area through public investments in infrastructure. The CRP will provide tools to help city-level stakeholders guide engagement and secure guarantees

from national government stakeholders in order to de-risk their proposed investment programs.

Global Program Development and Support to Task Teams

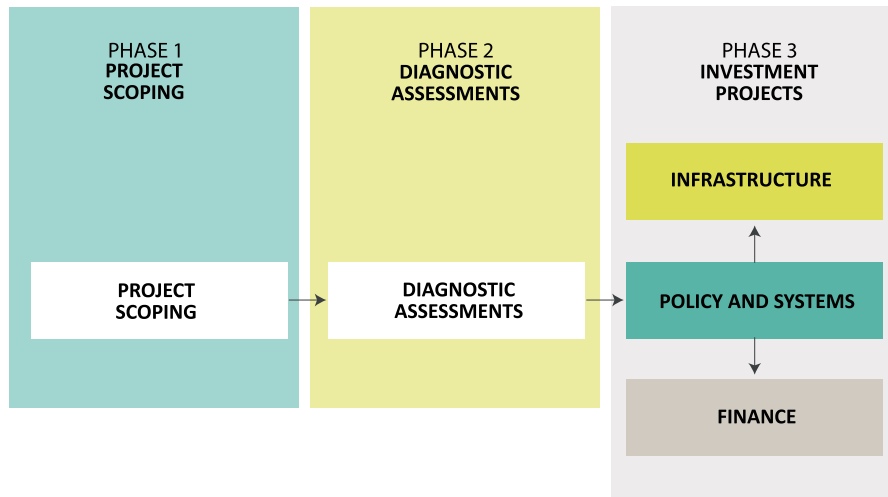
A dedicated core CRP team is focused on developing and refining the operational framework and network of Working Groups across the WBG to ensure the Program is offering the best value possible to task teams and to client cities. Key activities include:

- Developing programmatic applications in line with the operational framework
- Supporting various Working Groups that can deliver specific products to task teams that could broaden or deepen their engagements with cities
- Building of a toolkit for private capital fundraising, including a diagnostic approach along with materials to support the structuring and execution of transactions

- Nurturing of external partnerships and potential donors and other entities active in urban resilience
- Developing a knowledge management platform and tools to ensure that positive experiences from successful projects are documented and shared across countries and regions
- Providing hands on support to task teams as needed

As much as possible, CRP will crowd in existing Bank programs, KSBs and other initiatives in an effort to focus on consolidating and unlocking rather than creating parallel teams and systems. However, it is expected that some new WGs would be established around areas of CRP that require focused programmatic support not yet served by existing Bank initiatives, such as emergency preparedness and response. These WGs will develop new applications and tools and will be engaged to provide continued development and input into terms of references, market surveys, consultant rosters and case studies in support of task teams.

Figure 3. CRP city-level engagement phases



Building on previous urban resilience initiatives

The Program will build on the extensive wealth of experience from active and past technical assistance engagements and lending, in order to support project teams in delivering greater value to cities. In that sense, the CRP builds off of key programs and activities that have served as a foundation and informed the development of CRP, some of which are described below:

- **CityStrength Diagnostic:** A rapid diagnostic that aims to help cities enhance their resilience to a variety of shocks and stresses, which has inspired the technical scope of the CRP engagement program.
- **The CURB Tool:** An interactive planning tool designed to help cities take action on climate change to improve health and air quality, expand the economy and create jobs, and move toward energy independence.
- **City Creditworthiness Initiative:** The City Creditworthiness Initiative offers an intense set of training modules

ranging from revenue management to climate smart capital investment planning, from debt financing options to the enabling environment for sub-national finance.

- **Investing in Urban Resilience Report:** Published in 2016, the Investing in Urban Resilience Report highlights the need and potential for investing in urban resilience in low and middle-income countries, and provides important guiding principles for the CRP.

How to get involved

The deadline for the first call for proposals will be September 5, 2017. Successful proposals will be selected by September 15 and funds will be distributed thereafter to finance diagnostic and investment planning activities. CRP task teams will follow a phased progression of implementation illustrated in Figure 3.

Phase 1 – Project Scoping: Phase 1 defines the engagement strategy and outlines the types of investments a task team and city will pursue. Task Teams that have identified high-potential client

cities can apply for JIT funding of up to US\$25,000 from the CRP to develop a pre-formatted proposal for city level engagement strategy to the client city. Teams will then select and customize model Terms of References for the phase 2 diagnostic assessments according to local context and specific identified investment projects across each stream. A report summarizing the various proposals will be prepared on an annual basis in order to present the program and to communicate the various approaches in each city to management, clients and donors.

Phase 2 – Diagnostic Assessments: Task teams that have successfully completed Phase 1 are eligible for Phase 2 support. In phase 2, CRP offers technical and financial support to enable delivery of the identified needed diagnostics, market intelligence to help teams optimize the procurement process and, for selected engagements, grant resources of approximately US\$500,000 to US\$750,000. In phase 2, Task Teams would seek to identify capacity weaknesses and investment opportunities in the city.

Phase 3 – Investment Projects: The CRP will offer support for outreach to donors, MDBs, and other co-financing partners, as well as operational support to task teams to create the co- or parallel-financing vehicles financed with private capital. Phase 3 will often involve a World Bank Group financed operation. These operations will likely involve a series of investments ranging from city-level flood investment programs to regulatory reform for city borrowing (see Figure 1).

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