



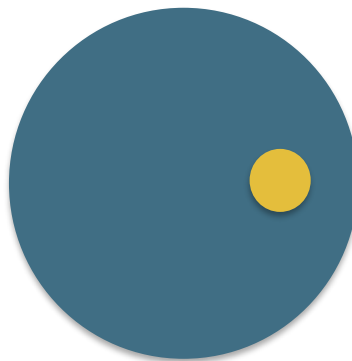
The Path to Creditworthiness

Strengthening Cities' Financial Performance



The Case for City Creditworthiness

CHALLENGE



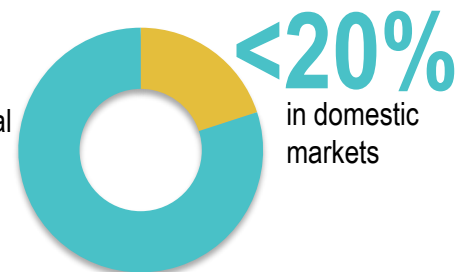
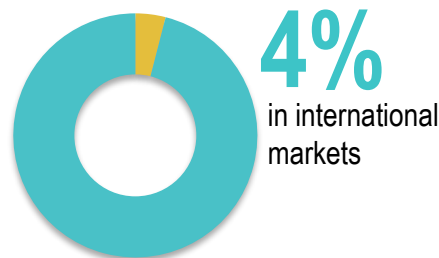
Cities are generating, receiving, and spending very small fractions of what is needed.

SOLUTION

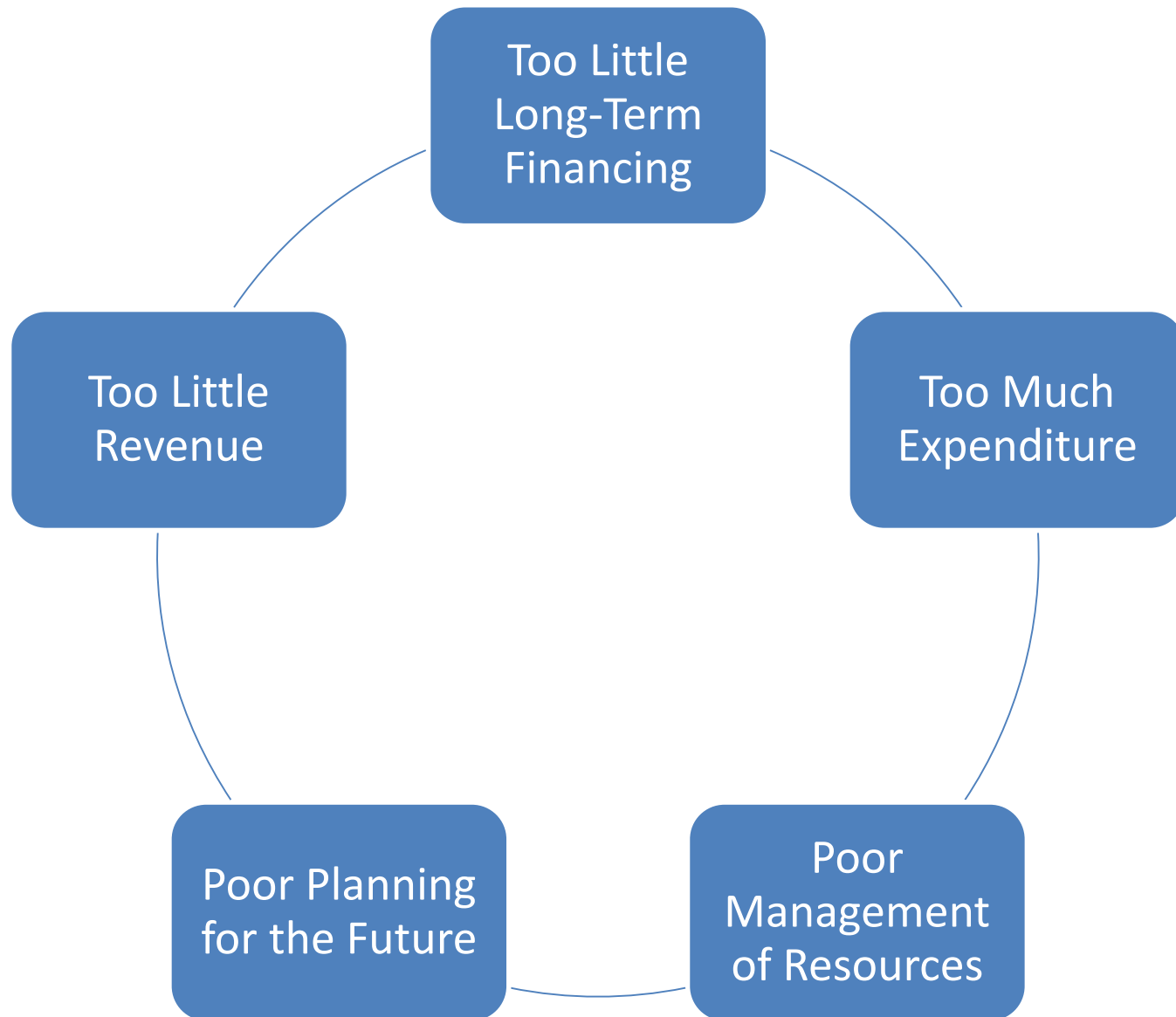
Enhance **creditworthiness** to enable direct access to capital markets



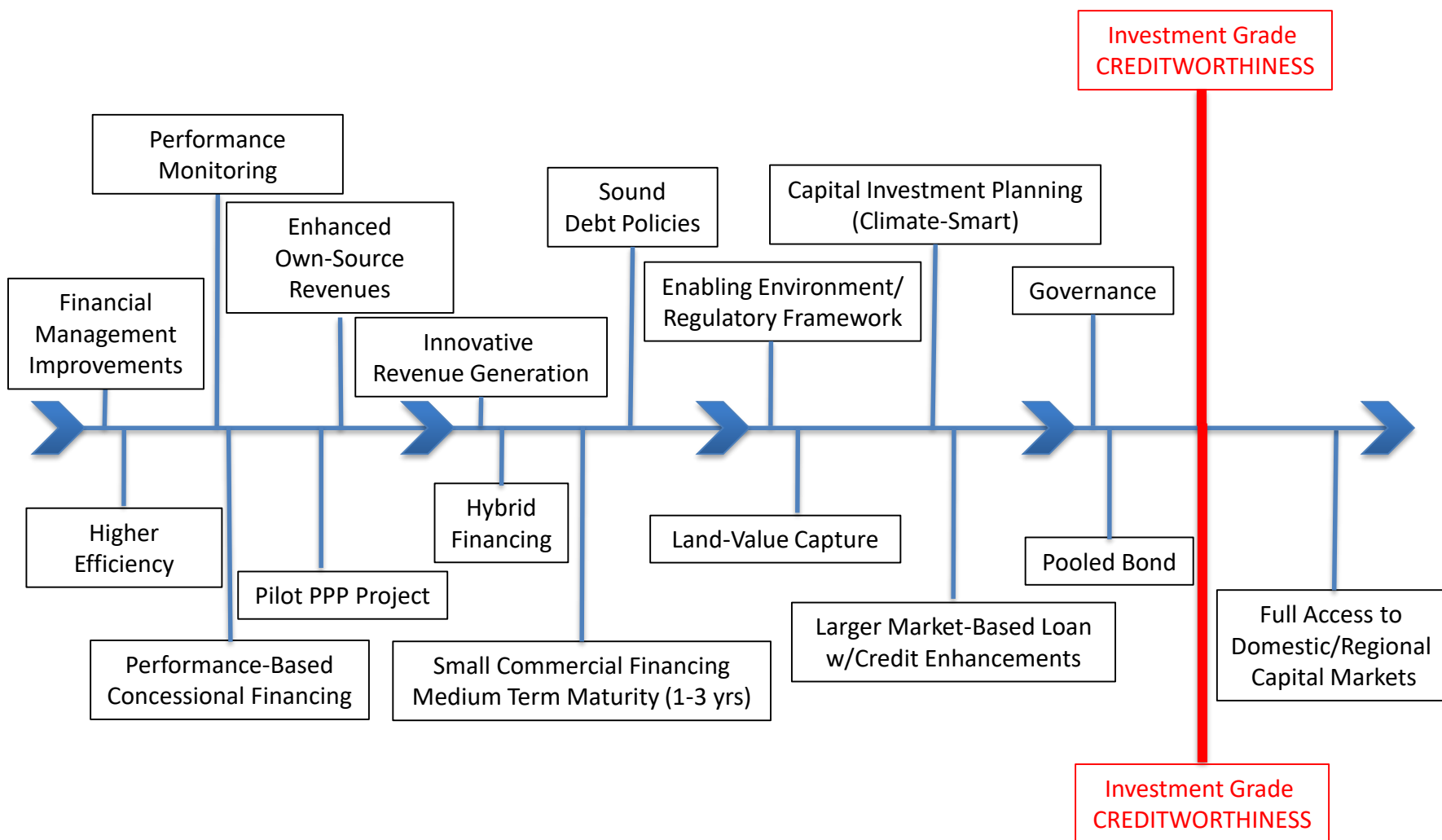
Of the 500 largest cities in developing countries, only a small percentage are deemed creditworthy



Key Financing Challenges Facing Cities



The Path to Creditworthiness...



... Is Paved with More Resources



Scope of Interventions



Sample Activities:

- Preliminary assessment of baseline conditions and action-planning;
- Build capacity to enhance own-source revenues;
- Train planning and financial officials to assess pipeline of projects (incl. PPPs);
- Develop capital investment plans and align procedure with budgeting cycle;
- Assess financial management performance (practices and policies);
- Strengthen project preparation (incl. climate-smart approaches);
- Assess financing options and market-sounding;
- Assist with credit ratings;
- Engagement with investors to identify bottlenecks and solutions;
- Coordination with central government to improve enabling environment;
- Assistance with transaction structuring/closing.

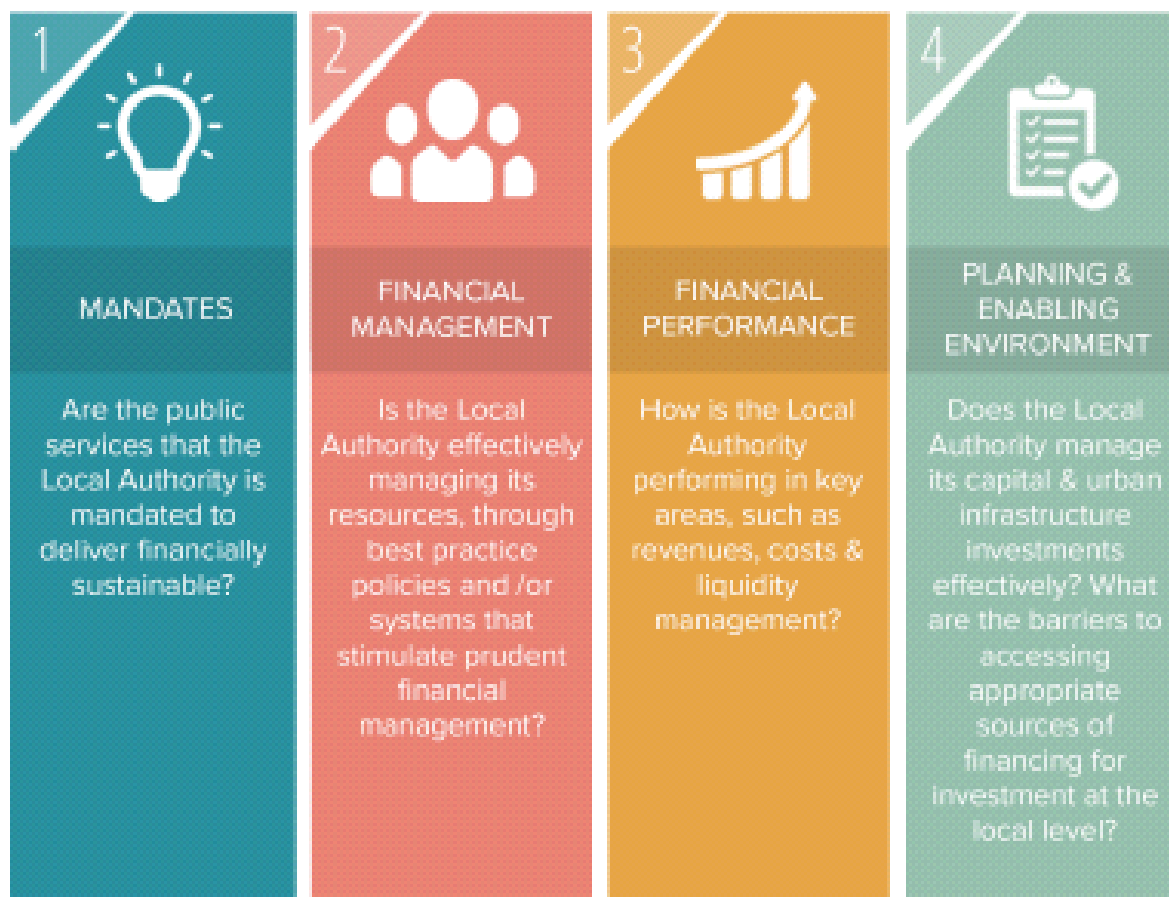


Preliminary Assessment and Action-Planning Toolkit

Online Resource: citycred.org



Areas Covered by the Diagnostic and Action-Planning Toolkit



1 ACCEPT CHALLENGES

2 RANK CHALLENGES

REVIEW AND ACCEPT CHALLENGES FOR YOUR ACTION PLAN

CHALLENGES TRIGGERED BY YOUR SELF ASSESSMENT

90% INTENSITY	Debt Problems	REVIEW	ACCEPT <input checked="" type="checkbox"/>
88% INTENSITY	Capital Investment Planning Poor	REVIEW	ACCEPT <input type="checkbox"/>
83% INTENSITY	Financial Planning Poor	REVIEW	ACCEPT <input type="checkbox"/>
83% INTENSITY	Enabling Environment Limited	REVIEW	ACCEPT <input checked="" type="checkbox"/>
83% INTENSITY	Creditworthiness Unknown	REVIEW	ACCEPT <input type="checkbox"/>
83% INTENSITY	Oversight Weak	REVIEW	ACCEPT <input type="checkbox"/>
79% INTENSITY	Budgeting Problems	REVIEW	ACCEPT <input checked="" type="checkbox"/>
58% INTENSITY	Financing Experience Lacking	REVIEW	ACCEPT <input checked="" type="checkbox"/>
56%		REVIEW	

ADD CUSTOM CHALLENGE

RANK CHALLENGES >

CHALLENGES

9 CHALLENGES ACCEPTED

USER GUIDE

ACCEPT CHALLENGES

This page lists 23 Challenges that many Local Authorities face on their path towards creditworthiness. Your responses to the Self-Assessment questions have triggered specific Creditworthiness Challenges that may apply to your Local Authority. Please proceed to accept only the Challenges that you feel are relevant to your Local Authority.

The Challenges triggered by your Self-Assessment responses are listed first, followed by the other Challenges that were not triggered by your responses.

Challenges are listed in the order of highest "INTENSITY" score, using your Self-Assessment responses to



ACTION ITEM DETAILS AND ACCEPTANCE

RANK 1

Own Source Revenues too Low

Own source revenue is a component of total revenue that is under the dominant (though not complete) control of the Local Authority and therefore subject to its direct intervention for improvement. If a Local Authority's own source revenue is too low, this will jeopardize the Local Authority's creditworthiness.

CHALLENGE ACTION ITEMS

ACTION ITEM 1	Implement monitoring and reporting on the Revenue Enhancement Action Plan	REVIEW	ACCEPT <input type="checkbox"/>
ACTION ITEM 2	Develop a plan of revenue collection improvement actions before seeking an increase in tax, tariff and/or fee rates.	REVIEW	ACCEPT <input checked="" type="checkbox"/>
ACTION ITEM 3	Introduce GIS-linked systems for identifying, calculating, billing and collecting taxes, fees and service bill payments.	REVIEW	ACCEPT <input type="checkbox"/>
ACTION ITEM 4	Introduce a mechanism for early identification and resolution of arrears in tax, fee and service bill payments.	REVIEW	ACCEPT <input type="checkbox"/>
ACTION ITEM 5	Consolidate the tax, fee and service bill accounts of taxpayers and service users.	REVIEW	ACCEPT <input type="checkbox"/>
ACTION ITEM 6	Establish specialized collection teams for major arrears, government arrears, and seizure/sale of property for	REVIEW	ACCEPT <input type="checkbox"/>

< PLAN ACTIONS

ADD CUSTOM ACTION ITEM

FIRST ACTION ITEM >

ACTION PLAN

1 OF 16 ACTIONS ITEMS ACCEPTED

USER GUIDE

ACTION PLANNING - LIST VIEW

You have chosen to view and select Action Items in a list format. Below are a list of Action Items that you may wish to enter into your Action plan. Enter only those Action Items that you feel are relevant for your Local Authority.

1. You can see more information on each Action Item by clicking the "DETAILS" button located to the right of each Challenge.
2. You can select the Action Item by clicking on the "ACCEPT" button.
3. If you wish to add an Action Item that is relevant to your Local Authority, but not included in this list, please click



Number of Self-Assessed Creditworthiness Challenges	18
Number of Selected Action Items	14
Percentage of Questionnaire Completed	32%

REPORT

CREDITWORTHINESS SELF-ASSESSMENT & PRELIMINARY ACTION PLAN

Facilitation support by:
The World Bank Group & The Rockefeller Foundation
For more information, see: www.citycred.org

MUNICIPALITY OF BOLOGNA

ITALY

TYPE OF LOCAL AUTHORITY: Municipal government
QUESTIONNAIRE RESPONDENT: Joshua Gallo
06 September, 2016

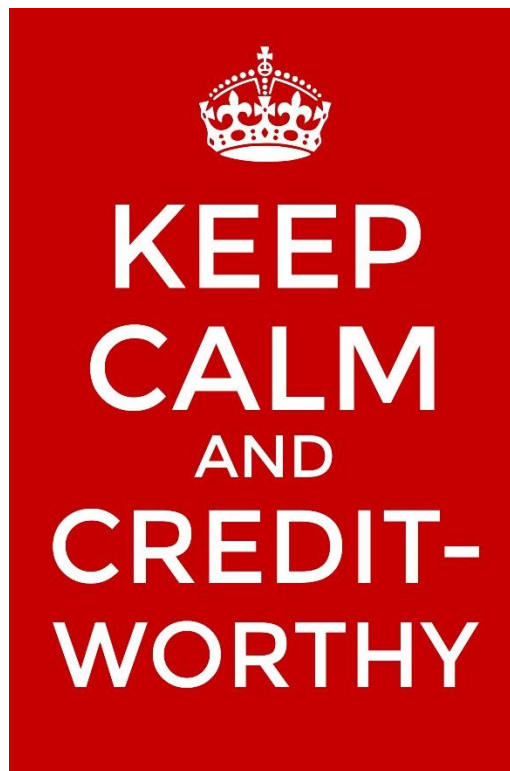


Flagship Training Event: City Creditworthiness Academy



- 5-day training event for financial and planning officers (plus stakeholders);
- Training modules on creditworthiness-drivers (enabling environment, own-source revenues, financial management, capital investment plans, financing);
- Participants complete a self-assessment of cities' weaknesses and strengths;
- Participants complete a preliminary action-plan;
- By the end of the workshop, participants receive a customized report for follow-up engagement;
- Over 300 cities served thus far (from 30 countries).
- Follow-up technical assistance programs in over 10 countries thus far.





THANK YOU!

Contact: Joshua Gallo, jgallo@worldbank.org