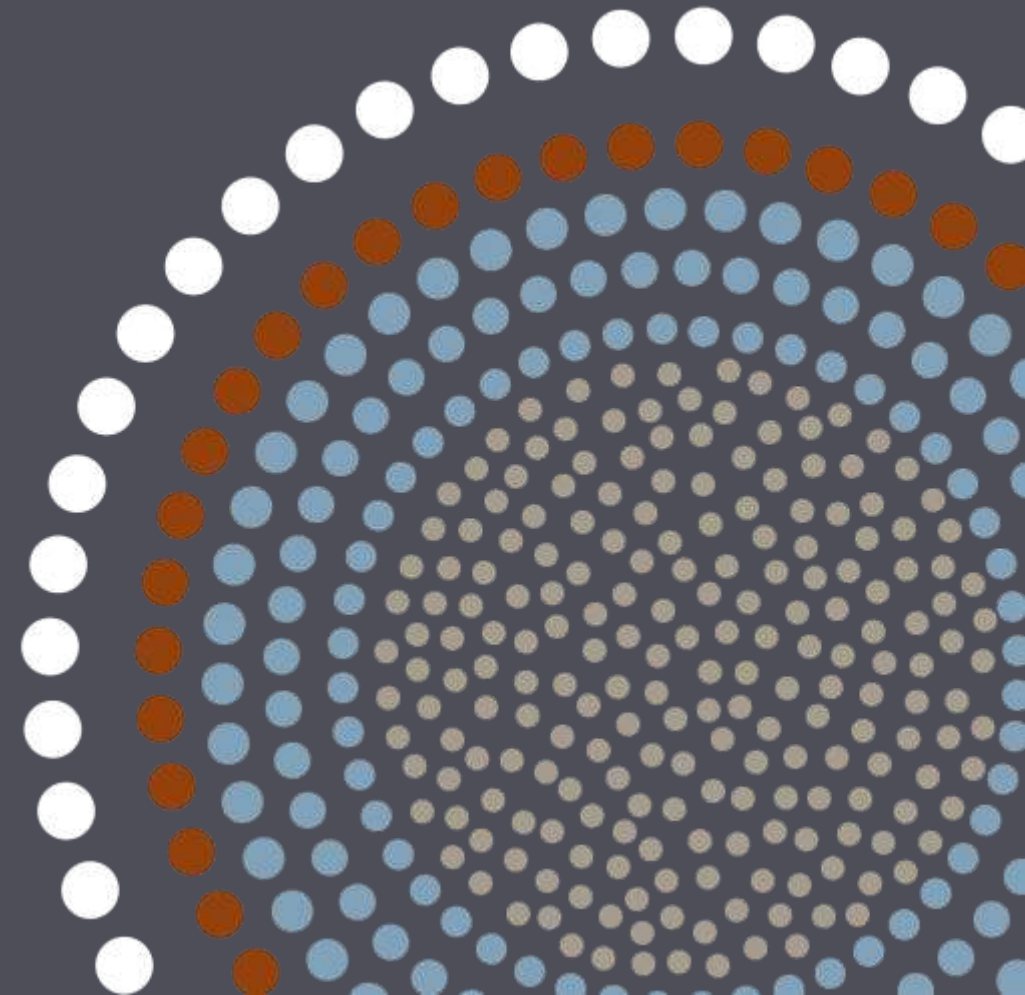


Results-Based Financing Forum 2023



Results-Based Financing for Sustainable, Green, and Inclusive Cities

Hyunji Lee, Urban Specialist
The World Bank



World Bank Financing on Urban Development

2/3rd

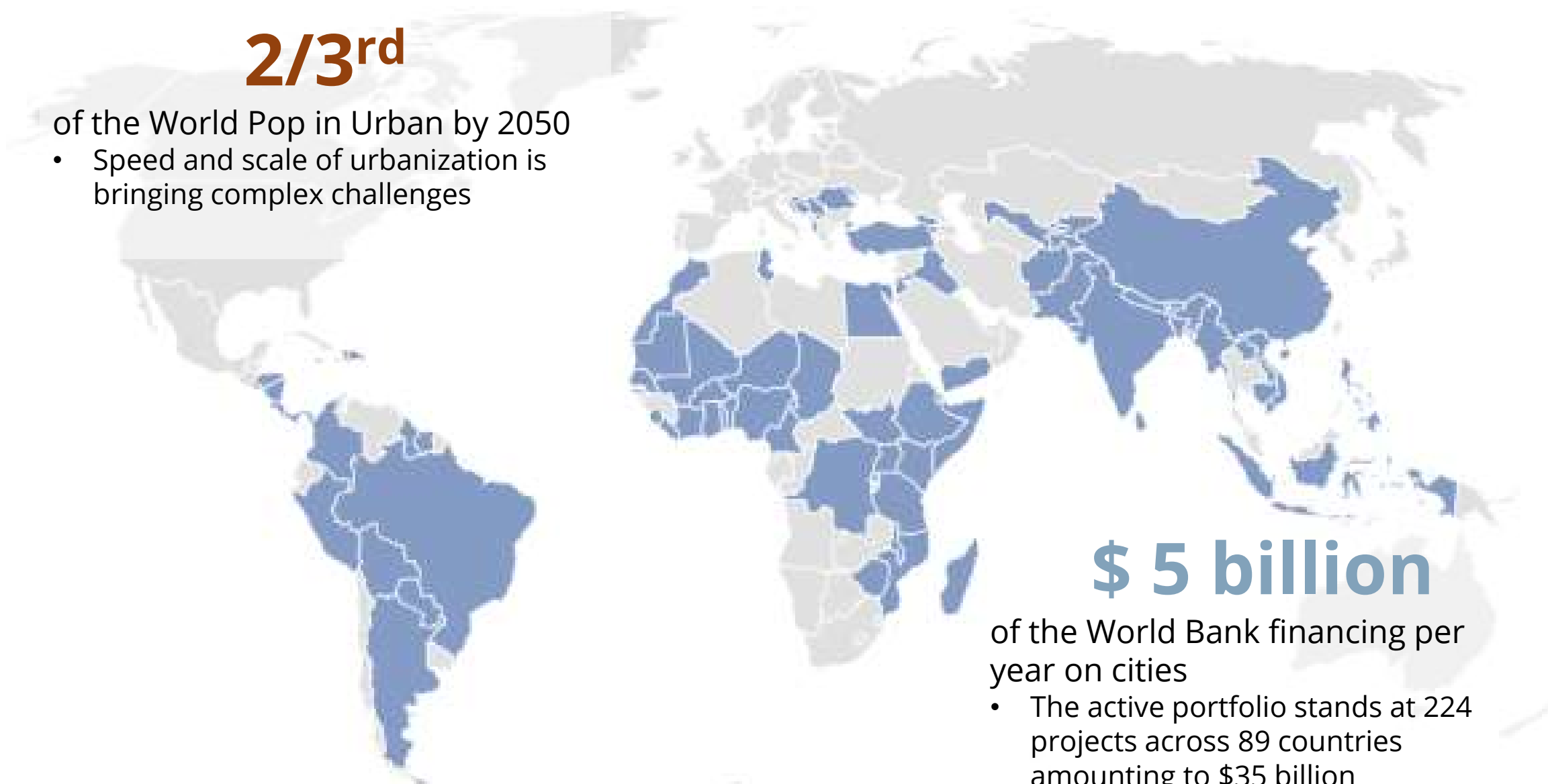
of the World Pop in Urban by 2050

- Speed and scale of urbanization is bringing complex challenges

\$ 5 billion

of the World Bank financing per year on cities

- The active portfolio stands at 224 projects across 89 countries amounting to \$35 billion



Priorities of World Bank Operations in Cities

1

Enhance Planning System and Local Capacity for cities

2

Strengthen Fiscal and Financing Systems

3

Promote Territorial and Spatial Development

4

Build Climate Smart and Urban resilience

5

Invest in low-income, marginalized urban communities

The World Bank RBF Instruments

GPRBA prioritizes low-income populations in cities

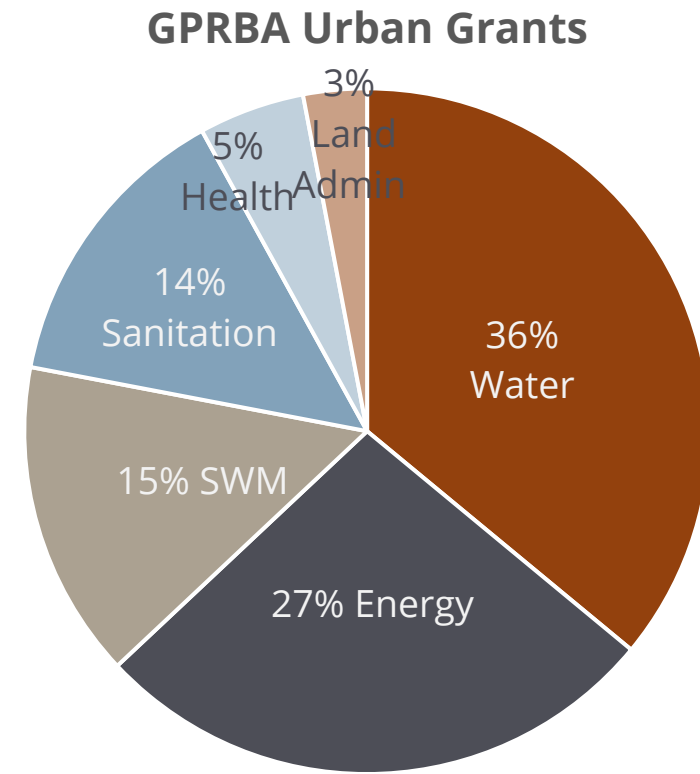
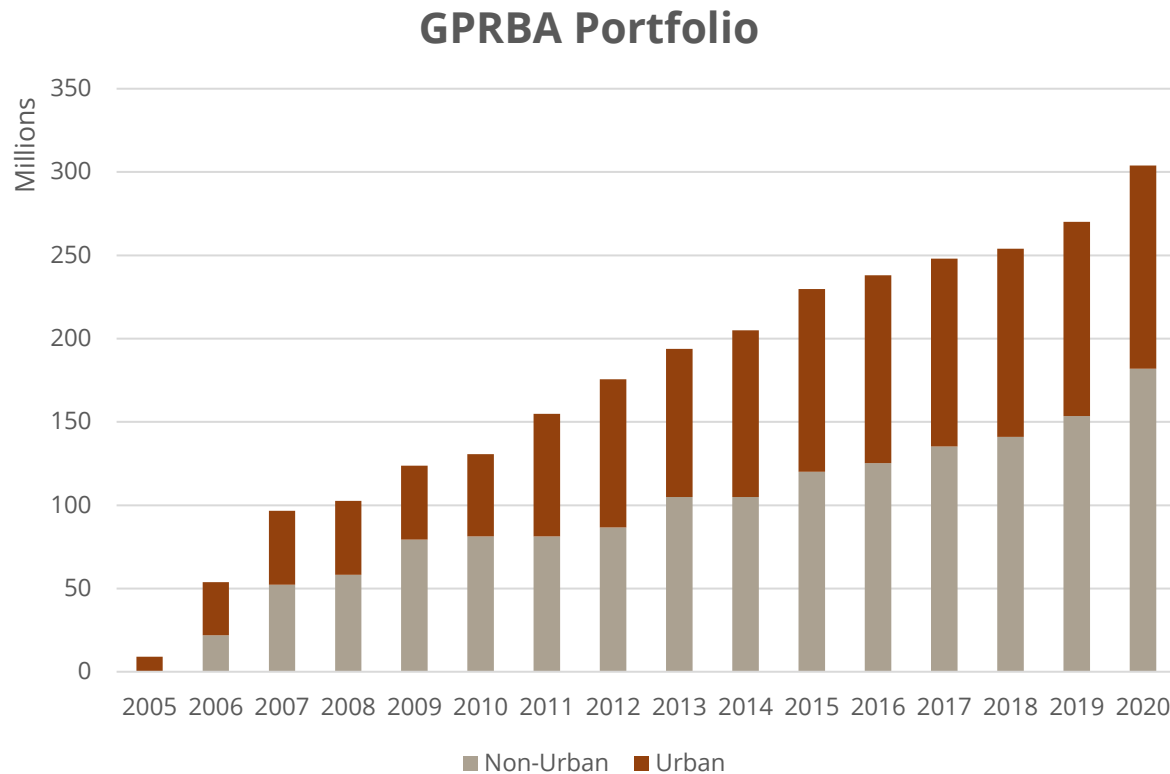
- Extending infrastructure and services to low-income populations in urban settings by reducing the barrier of high initial cost of access
- Improving financial sustainability

5

Invest in low-income, marginalized urban communities

GPRBA has invested \$122M in cities

- 40 percent funding allocated to urban investments
- Urban investments span 25 projects across 6 sectors



GRPBA focuses on Urban Water & Sanitation

- GPRBA financed 12 urban water and sanitation projects, totaling \$61.3 million
 - Urban Sanitation Facility for Greater Accra (\$2.5 million)
 - Nairobi Sanitation Project (\$6.9 million)
 - Expansion of Water Services in low-income areas of Jakarta (\$2.5 million)

Ghana Urban Sanitation Facility

- GPRBA Grants: 4.85 million
- Objective: Increase access to improved sanitation for low-income communities' residents in the Greater Accra Metropolitan Area (GAMA) by providing Output-Based Aid (OBA) subsidies as incentives to service providers.
- Indicators: 1) number of installed and functional sanitation facilities, and 2) number of desludging operations performed
- Results:
 - 7,685 Sanitation facilities constructed
 - Desludging services to 237 entities comprising 207 schools and 30 households

GRPBA has an evolving Solid Waste Management portfolio

- GPRBA financed 4 SWM projects, totaling \$17.8 million
 - Subsidies used to enable municipalities to deliver improvements in service quality, in turn increasing their ability to gradually increase revenues
 - Implemented in fragile and conflict affected situations

OUTPUT-BASED AID FOR SOLID WASTE MANAGEMENT IN NEPAL

- GPRBA Grants: : \$4.28 million
- Objective: To improve access to high quality and financially sustainable waste management services in the cities of Tansen, Dhankuta, Ghorahi, Pokhara and Lalitpur
- Results:
 - Benefited 800,000 residents
 - Increased waste collection service to an average of ~70 percent
 - Revenue increased by 193 percent across four participating municipalities



What Next?

- What can RBFs do more? Any other urban assets to invest in?
 - Housing? Public Spaces? Nature-based solutions? Sport facilities for the youth?
- In each sector, how can we do better and achieve more by innovating Results-Based Financing approaches?
- In what ways can more effectively incentivize stakeholders?
 - Governments, private service providers, communities, etc.