

To: jeevacation@gmail.com[jeevacation@gmail.com];
jeevacation@gmail.com[jeevacation@gmail.com]
From: [REDACTED]
Sent: Sat 1/14/2012 6:16:04 PM
Subject: Re:

Hi pumpkin...sorry things at work a little turbulent right now (not bad just unstable organizationally during reorg). Am talking to Boris this afternoon, as they have asked for my input on a hard problem that will have big implications for me. I want to talk to you about it too but Boris says you are traveling? I have been asked to submit a proposal/ideas/suggestions over the weekend so I will be working on that - if you have that would be great...

Anyway yes in Ivory Coast - would be great to get feedback. I listened to you (and also to the people on the ground in various African countries). What they don't need is more external people telling them what to do or setting up entitlement programs that no one can support. So, here is the strategy I am using to help cities get better at raising their own money so they can do whatever they want with it. Right now Ethiopia, Ghana etc (priority countries for foundation) but if this resonates at all with you and you think Outtara would be interested, let me know?

MISS YOU and thank you for thinking of me...

Initiative 1: Mobilize sustainable domestic finance for more and better pro-poor investments in developing world cities.

The Foundation's comparative advantage will be deployed in 3 complementary ways.

- 1. Mainstreaming enabling environments:** municipal finance markets require settled enabling environments for sustainable operations. Delivery responsibilities assigned to local governments, and the corresponding resource bases allocated to those local governments, must be clear and functional. Intergovernmental fiscal relations and flows must also be clear, predictable and fully owned by Ministries of Finance. Local government officials must be directly accountable to city residents, and local governments must have the capacity and systems to responsively plan, implement, operate and maintain pro-poor public investments. A growing number of African countries meet many of these critical enabling environment requirements. Program grants to the Cities Alliance (for Ghana, Rwanda and Uganda) and to GIZ (for Ethiopia) are providing a strong learning base. Our November 2011 Dakar Municipal Finance Convening identified additional country opportunities for this program approach, and 3 or 4 new country programs are anticipated to begin in 2012 (estimated cost \$10-\$15 million over X years). Based on several lenses including lessons from our learning initiative, foundation key geographies, and viable markets the GDUD team will assist high priority cities in establishing sound enabling environments.
- 2. Making pro-poor cities creditworthy:** Where effective enabling environments are established, assistance will be targeted to cities that demonstrate strong potential to become creditworthy and to define and implement pro-poor investments. Assistance will be tailored to the specific needs of participating cities and based on our budget and internal prioritization. For instance, some cities may require assistance in packaging and marketing investment programs with domestic financiers (e.g. Windhoek, Dakar, and Mbabane). Other cities may require support to institutionalize own-source revenues (e.g. regional capitals in Ethiopia). Other cities need assistance to restructure their finances at the national level (e.g. Zambia, Malawi, Kenya, and

Tanzania). The GDUD team is finalizing (for February implementation) a program development contract with an Africa-based consortium to structure these grants, with 4-5 anticipated to come on-stream in 2012 at an estimated cost of \$8-\$12 million (over X years).

3. **Levering in domestic finance:** Given sound enabling environments and creditworthy pro-poor cities, assistance will be provided to mobilize domestic finance institutions. In a number of African countries, very simple risk mitigation mechanisms are required to attract financial institutions into municipal markets. The Foundation's PRI team has already made a large grant to AFW (what does this stand for?) which, when successful, should result in large, commercially viable transactions. The GDUD team and its African municipal finance consortium will work with the CFO office's PRI team to identify specific mechanisms to support the emergence of viable, secondary city markets. These mechanisms will be available to cities that meet specific, pro-poor investment criteria. Monitoring and evaluation will be outsourced to an independent performance evaluation team. One or two initial transactions are expected in 2012, with at least 8-10 more by 2015. Immediate 2012 costs will be low; the medium term target is 4-5 functioning domestic markets mobilizing \$100-\$200 million for pro-poor secondary cities and utilities.

-----Original Message-----

From: Jeffrey Epstein <jeevacation@gmail.com>

To: [REDACTED]

Sent: Fri, Jan 13, 2012 12:16 pm

anything you want me to do , in ivory coast. i will see lots of outarra

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