

# Building Urban Economic Resilience during and after COVID-19

## Project Document

VERSION 1.0

July 29, 2020

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## 1. EXECUTIVE SUMMARY

**Project Title:** Building Urban Economic Resilience during and after COVID-19

**Start date:** July 2020

**End date:** 31 December 2021

**Target countries:** Albania (Tirana), Cameroon (Yaoundé), Ecuador (Guayaquil), Egypt (Alexandria), Fiji (Suva), Ghana (Accra), India (Pune), Kuwait (Kuwait), Kyrgyzstan (Bishkek), Lebanon (Beirut), Malaysia (Subang Jaya), Perú (Lima), República Dominicana (Santo Domingo), Ukraine (Kharkiv), Viet Nam (Hoi An), Zimbabwe (Harare).

**DA Implementing entities:**

ECA

ECE

ECLAC

ESCAP

ESCWA

**Other UN partners:**

Technical collaboration partners: UN-Habitat and UNCDF

### **Brief description**

The project will focus on strengthening the capacities of local governments in 16 cities globally (3 from the regions of Africa, Western Asia, Europe, and Latin America, and 4 from the Asia-Pacific region) selected on a demand-driven approach to design, implement and monitor sustainable, resilient and inclusive COVID-19 economic and financial responses, recovery and rebuilding plans. The immediate impact of the project will be the provision of good global practices from other cities which will inform the pilot cities in their activities to develop and implement their response and recovery plans to the COVID-19 pandemic.

The project will develop a better understanding of the key factors and drivers of urban resilience as well as solutions that work and will contribute to a practical framework for creating more resilient cities and local governments better able to withstand shocks such as COVID-19 and other broad-based socio-economic stresses likely to reoccur in a predominantly urban world. Project outcomes will also be integrated with and contribute to national and global resilience building efforts. Implementation will consider linkages with other dimensions of urban resilience of specific relevance to the different social, spatial and governance contexts of each region.

## **2. BACKGROUND**

### **2.1 Context**

As the COVID-19 impact unravels globally with dire consequences across all spectrums of development, cities have been the main hotspots for the transmission of the virus so far, but also particularly challenging settings within which to respond effectively to the pandemic. Urban areas are where most of the world's population now resides. Urban residents account for 56% of the global population (or 4.3 billion people), and are specifically vulnerable to communicable disease outbreaks, transmission and impacts. The COVID-19 pandemic's impacts and effects will continue to manifest in the coming months and years and be felt directly by urban populations with extended impacts on regional economies and urban-rural supply chains. Cities around the world are currently struggling with designing the means to mitigate the impacts of the pandemic. Health and infectious diseases have not only shaped the history of urbanization, but it is also cities that will define the future of global health.

In 2009, a WHO study<sup>1</sup> clearly emphasized the vulnerability of cities to public health crisis given the favorable conditions for communicable disease transmission. The proximity among people through higher density is a risk factor for infectious disease transmission in cities, with outbreaks transitioning into epidemics and pandemics more quickly. Cities are also intersection points for population movements and at risk of importing infectious diseases including from international travelers. Historically, therefore, the emergence and impact of past infectious disease epidemics and pandemics have been concentrated in cities and urban areas, which dates back to the plague and continues with more recent events such as Ebola, SARS, H1N1. Likewise, the COVID-19 infections and deaths have been mainly concentrated in dense urban settings thus far.

While considering the related multi-dimensional effects, this project will place emphasis on strengthening of the economic and financial recovery and strengthening the capacities of local governments. The project will promote the “recovering better”<sup>2</sup> principle by including measures for planning and building resilient cities. The approach will be a multi-hazard, multi-sectoral and multi-stakeholder's initiative that considers

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1 World Health Organization. 2009. Cities and Public Health Crisis. Report of the International Consultation. 29-30 October 2008, Lyon, France. At [https://www.who.int/ihr/lyon/FRWHO\\_HSE\\_IHR\\_LYON\\_2009.5.pdf](https://www.who.int/ihr/lyon/FRWHO_HSE_IHR_LYON_2009.5.pdf)

2 A UN framework for the immediate socio-economic response to COVID-19. April 2020. At <https://unsdg.un.org/sites/default/files/2020-04/UN-framework-for-the-immediate-socio-economic-response-to-COVID-19.pdf>

the complexities of urban systems and economies. It will support decarbonization and circularity of the economy and focus on overcoming inequalities and aiding the most vulnerable groups.

The UN Secretary General has called for an emphasis on *sustainable and inclusive recovery* while addressing the immediate health emergency impacts of COVID-19.<sup>3</sup> In defining the elements of recovery, the UN Socio-Economic Framework for Immediate COVID-19 Response states the need to “*empower local governments; scale community and city level resilience*” as core components.<sup>4</sup> For effective building back better, the Framework defines the need to accelerate efforts that promote “*strong, capable national and sub-national governments and institutions – all critical, systemic elements to avoiding such an outbreak again*”. Indeed, with 66% of global population expected to live in cities by 2045, the gaps in the preparedness of local governments renders millions vulnerable to the effects of future shocks. As global, regional and national recovery and rebuilding plans and frameworks are defined, the urban dimension and strengthening of capacities and resilience of local governments is crucial, yet often not explicitly or sufficiently defined.

As per the UN Socio-Economic Framework for Immediate COVID-19 Response and as part of the regional scale implementation, “The UNDS will also advise governments on formulating emergency stimulus packages that would also contribute to economic transformation and greater sustainability as countries move into the recovery phase”. In this context, the linkage between local and national, regional and global economic and financial recovery and rebuilding initiatives and capacities requires more in-depth consideration. The effectiveness of national economic and financial recovery planning and rebuilding requires a clear and systematically integrated focus on:

- cities where most of the population resides in most regions
- city economies which contribute the bulk of GDP in most countries
- the informal economy as the main employer in developing regions of the world
- local governments as first line responders whose capacities have been severely impacted by COVID-19.

Considering the above, the project focuses on strengthening a specific dimension of urban resilience, namely “the economic and financial capacity to mitigate impacts and recover from shocks and stresses while positive adapting and transforming towards sustainability”. In doing so, the project aligns to 3 out of 5 of pillars of the UN approach to building back better as defined in its socioeconomic framework for Immediate COVID-19:

- a) *Social Cohesion and Community Resilience*: supporting city resilience plans using participatory approaches for their development and implementation; supporting measures benefiting vulnerable groups of the population, including older people, women, children, disabled and others;
- b) *Protecting Jobs and Economic Recoveries*: ensuring job-rich recovery through creation of green, sustainable jobs including through stimulus packages to strengthen job recovery in cities which leverages the potential of green economic solutions and the digital economy;
- c) *Macroeconomic Response and Multi-lateral Cooperation*: creating local fiscal space, investing in sustainable urban infrastructure and crisis preparedness and sustainable and carbon-neutral economic recovery in cities including through strengthened data, technology and innovation, and sustainable finance;

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3 GA Resolution 74/270 “Global solidarity to fight the coronavirus disease 2019 (COVID-19)” at <https://www.un.org/en/ga/74/resolutions.shtml>

4 A UN framework for the immediate socio-economic response to COVID-19. April 2020. At <https://unsdg.un.org/sites/default/files/2020-04/UN-framework-for-the-immediate-socio-economic-response-to-COVID-19.pdf>

Accordingly, the project will pursue the following four inter-related dimensions of economic and financial resilience of cities, with an explicit focus on leveraging digital and technology-based solutions on a regional basis, and opportunities within the green economy:

- *Labour Market Conditions*: the devastating effects of COVID-19 on jobs and employment in cities globally necessitates a focus on this for recovery and rebuilding plans. The informal sector, dominated by women in most cases, is key in this regard, as the main employer for low-income countries especially in Asia and Africa. The way countries and cities approach this problematic, could make a difference in the time that will be needed to economically recover from this crisis.
- *Economic Governance Arrangements*: Local government revenues have seen substantial declines because of COVID-19 and thus require a specific focus in recovery and rebuilding going forward. Local governments are expected to have greater dependence on national transfers and own source revenues will decline.
- *Business Environment*: With lockdowns and restrictions, and closure and bankruptcy of firms and business in cities, a short run decline in productivity has been observed<sup>5</sup>, with ripple effects for local and national revenues. Production chains are not functioning or connecting. This will bring serious economic and financial impacts.
- *Financial Arrangements*: As global, regional and national COVID-19 financing instruments and frameworks are defined, it is critical to explicitly integrate and define cities and local government dimension. So far, this has not been coming out strongly. Financing mechanisms are and/or will follow the economic disruptions. It is imperative to make sure a holistic view of the different contextual realities is guiding decisions.

This project will be guided by “Leaving no one behind”<sup>6</sup>, which is the central transformative promise of the 2030 Agenda, a rights-based framework that represents the unequivocal commitment of all United Nations Member States to eradicate poverty in all its forms, end discrimination and exclusion, and reduce inequalities and vulnerabilities including to the impacts of climate change and environmental degradation. This means, inter alia, moving beyond assessing overall average and aggregate progress for the general population towards ensuring progress for all population subgroups. It requires disaggregated data and qualitative analysis to identify who is being excluded or discriminated against, how and why, as well as who is experiencing multiple and intersecting forms of discrimination and inequalities. It entails identifying unjust, avoidable or extreme inequalities in outcomes and opportunities, and patterns of discrimination in law, policies and practices. To address patterns of exclusion, structural constraints and inequality in all dimensions, there is a call for supporting legal, policy, institutional and other measures, and for ensuring the free, active and meaningful participation of all stakeholders, particularly the most marginalized.

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<sup>5</sup> In the short run there is some decline in productivity but mostly because the drop in production was not followed by immediate layoffs, usually due to the relief measures extended by governments to the private sector. This is a positive phenomenon as it helps maintain a certain level of employment and the aggregate demand to keep the economy going albeit at a lower level of production. In less developed economies the decline in productivity has been much less perceptible, if at all, because most enterprises (which belong to the private sector) simply went out of business immediately or significantly reduced payments to the workers.

<sup>6</sup>[https://sustainabledevelopment.un.org/content/documents/2754713\\_July\\_PM\\_2\\_Leaving\\_no\\_one\\_behind\\_Summary\\_from\\_UN\\_Committee\\_for\\_Development\\_Policy.pdf](https://sustainabledevelopment.un.org/content/documents/2754713_July_PM_2_Leaving_no_one_behind_Summary_from_UN_Committee_for_Development_Policy.pdf)

The project will also be guided by “The Human Rights-Based Approach to Development”<sup>7</sup>, which is a conceptual framework for the process of sustainable development that is normatively based on international human rights standards and principles and operationally directed to promoting and protecting human rights. Under the HRBA, the plans, policies and processes of development are anchored in a system of rights and corresponding obligations established by international law, including all civil, cultural, economic, political and social rights, and the right to development. HRBA requires human rights principles (equality and non-discrimination, participation, accountability) to guide UN development cooperation, and focus on capacity development of both ‘duty-bearers’ to meet their obligations and ‘rights-holders’ to claim their rights.

Gender equality and women’s empowerment are integral to realizing the 2030 Agenda and all of the SDGs. To integrate a focus on these issues, UN development entities will put gender equality at the heart of the project, driving the active and meaningful participation of both women and men, and consistently empowering women and girls.

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<sup>7</sup>[https://unsdg.un.org/sites/default/files/The\\_Human\\_Rights\\_Based\\_Approach\\_to\\_Development\\_Cooperation\\_Towards\\_a\\_Common\\_Understanding\\_among\\_UN.pdf](https://unsdg.un.org/sites/default/files/The_Human_Rights_Based_Approach_to_Development_Cooperation_Towards_a_Common_Understanding_among_UN.pdf)

## Conceptualization of Urban Economic Resilience

The conceptualization of urban economic resilience draws on existing approaches that have been applied mainly at the level of national economies. Economic resilience has been generally defined as the ability of countries to recovery from the effects of shocks or stresses, while vulnerability refers to the exposure of an economy to those shocks.<sup>8</sup> COVID-19 has exposed high levels of vulnerability and low levels of resilience in urban areas and among local governments in face of crises. The vulnerability of local economies and governments has been observed especially in regard to business arrangements, labor market conditions, economic governance arrangements, and financial arrangements and are highly interlinked. The project will consider the key initial conditions (vulnerabilities) in cities that increase the impact and severity of shocks and the likelihood of those shocks becoming crises.

The distinctions between vulnerability and resilience are detailed in the following figure:

Figure 2: Vulnerability and resilience: key characteristics

	Determinants	Type	Responsiveness	Status
Vulnerability	Exogenous structural factors that produce unsafe conditions	Specific and related to the underlying emergency (e.g., earthquake)	Capacity correlated with structural factors	Static: mostly pre-emergency
Resilience	Determined by endogenous factors formulated by policy makers	Generic and cuts across all types of emergencies	Capacity correlated with institutional factors and resources	Dynamic: before, during and after emergencies

As part of this project, UNCDF has prepared a concept note conceptualizing urban economic resilience.<sup>9</sup> This work has advanced a **framework for urban economic resilience that is tailored towards responding to the COVID-19 pandemic**.

Based on this conceptualization, and recognizing the dynamic nature of resilience in general, the project document adopts the following definition of urban economic resilience. *Urban economic resilience is defined as the capacity and related capabilities of urban communities to plan for, anticipate negative shocks, including long-term stresses, to their economies, reallocate and mobilize resources to withstand those shocks, recover from the shocks, and rebuild at least to pre-crisis levels, while placing their economies on the path to sustainable economic growth and simultaneously strengthening their capacity to deal with any future shocks.*

This definition links urban economic resilience to a set of dynamic action-oriented capabilities. These capabilities are relevant across business, labour, finance, and governance dimensions. The capabilities are:

- Capabilities for management and reallocation of existing economic resources
- Capabilities for raising additional resources

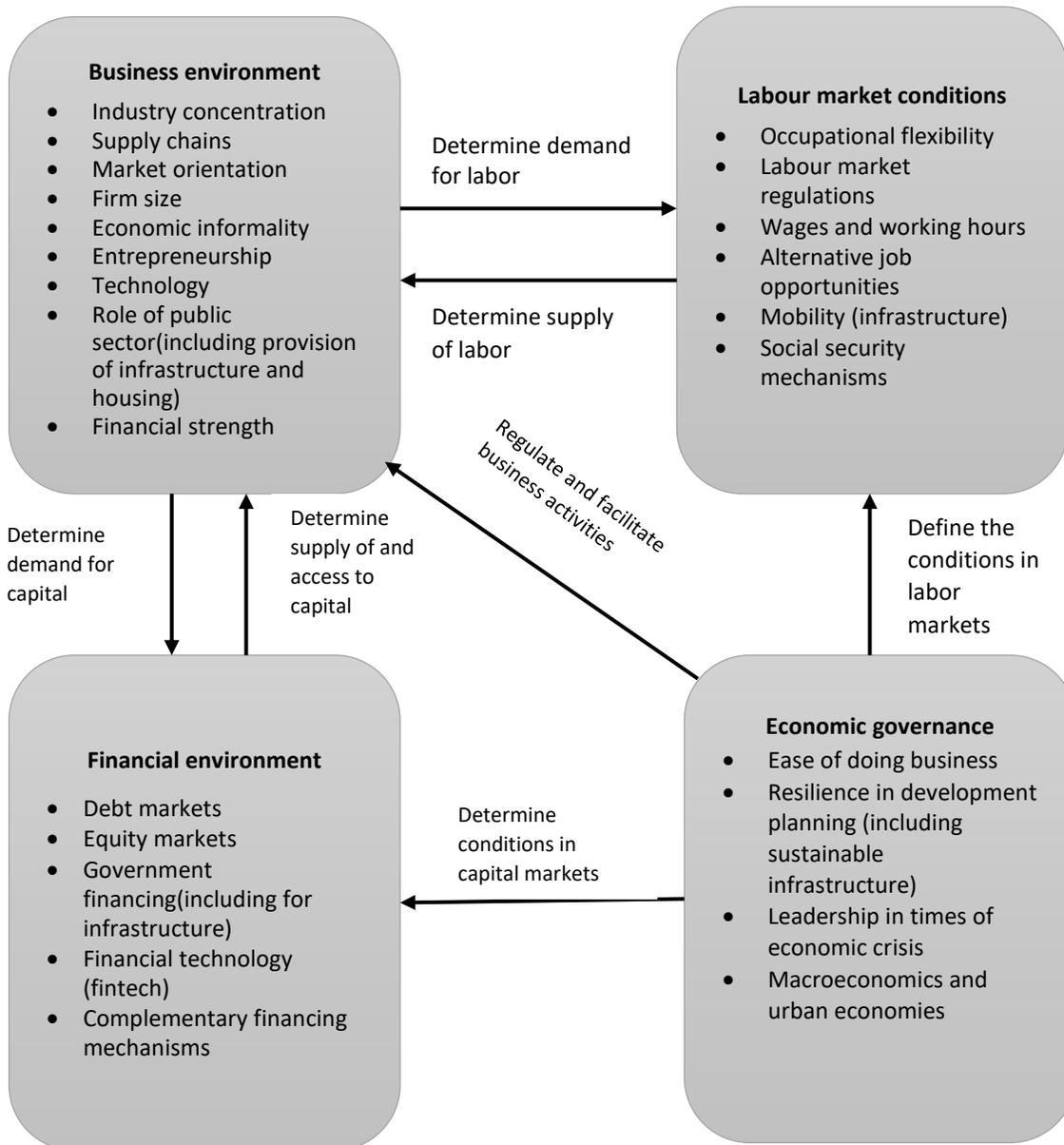
<sup>8</sup> <https://www.wider.unu.edu/sites/default/files/rp2008-55.pdf>

<sup>9</sup> Urban Economic Resilience: A Concept Paper for the joint UN Project “Urban economic and financial recovery and resilience building in the time of COVID-19”. UNCDF. Draft as of July 15, 2020.

- Capabilities to plan and envisage resources for emergency response and building long-term resilience

Together with a structural model of urban economic resilience explained below, this definition guides the key actions of city governments in their response and recovery while identifying the drivers of, and entry points for, recovery planning and resilience strategizing.

**Figure 1. Structural model of urban economic resilience<sup>10</sup>**



<sup>10</sup> Adapted from Martin et al. (2015)

## **2.2 Link to SDGs**

The project directly supports the implementation of the 2030 Agenda for Sustainable Development. By tackling urban economic and financial recovery and resilience building in during the context of COVID-19, this project will directly contribute to the achievement of SDGs 1, 3, 5, 8, 10, 11 and 17. More specifically, the SDG targets which are expected to be addressed through the project, are listed below, subject to the capacity of local governments.

### **SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable**

In many counties COVID-19 has hit cities and human settlements the hardest. As large and dense collections of people, cities and human settlements are sensitive to the spread of pandemic diseases. In building back from the impacts of COVID-19, it is important that the inclusivity, safety, resilience, and sustainability of cities in terms of housing, mobility, infrastructure, and public services be front-and-centre.

#### **The following SDG11 targets will be addressed by the project**

- By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
- Proportion of urban population living in slums, informal settlements or inadequate housing
- Proportion of financial support to the least developed countries that is allocated to the construction and retrofitting of sustainable, resilient and resource-efficient buildings utilizing local materials

### **SDG 1 – End Poverty in all its forms everywhere**

The COVID-19 pandemic is expected to dramatically increase levels of poverty in many impacted areas. Lockdowns and physical distancing, travel restrictions, health capacity challenges, job loss and loss in productivity, and global supply-chain disruption have lowered economic growth projections, and for many countries negative growth for 2020 is now projected. These impacts have been felt especially in urban areas with strong linkages to national and global economies. In order to achieve SDG 1, special attention will be required for responding directly to the impacts of COVID-19.

#### **The following SDG 1 targets will be addressed within by the project**

- By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
- By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

### **SDG 3 - Ensure healthy lives and promote well-being for all at all ages:**

The connection between COVID-19 and the health and well-being for all is clear. As the pandemic has spread, significant mortality and morbidity impacts have been seen. COVID-19 has also highlighted the deficiencies of many systems where universal access to healthcare is not guaranteed to the whole population. These impacts are not only limited to those who lost their lives or were hospitalized due COVID-19, but the many other injuries and ailments that have gone unaddressed because of the sudden shifts in healthcare capacity, including mental health, childcare, and elder-care. Achieving SDG 3 will need to account for the impacts of COVID-19 across a range of health and well-being dimensions.

**The following SDG3 targets will be addressed by the project**

- Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.

**SDG 5 – Achieve gender equality and empower all women and girls**

Considering the COVID-19 emergency the Secretary General of the United Nations has repeatedly noted that governments should put women and girls at the center of their recovery efforts. Every COVID-19 response plan, and every recovery package and budgeting of resources, needs to address the gender impacts of this pandemic. This means: (1) including women and women’s organizations in COVID-19 response planning and decision-making; (2) transforming the inequities of unpaid care work into a new, inclusive care economy that works for everyone; and (3) designing socio-economic plans with an intentional focus on the lives and futures of women and girls.<sup>11</sup>

**The following SDG5 targets will be addressed by the project**

- End all forms of discrimination against all women and girls everywhere
- Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate
- Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women
- Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all level

**SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

COVID-19 is causing major disruptions to economic growth, particularly in low- and middle-income countries with large informal sectors which lack the economic buffers to mitigate the pandemic’s financial implications. Massive increases in unemployment have been seen globally, followed by slow structural transformation and declining productivity and trade. As resources are directed towards COVID-19 recovery, special attention must be placed on how these resources can be directed to maximize the creation of sustainable, productive and decent jobs, particularly at the community level.

**The following SDG8 targets will be addressed by the project**

- Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors
- Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
- By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- By 2020, substantially reduce the proportion of youth not in employment, education or training

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<sup>11</sup> <https://www.un.org/sustainabledevelopment/gender-equality/>

- Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

### **SDG 10 – Reduce inequality within and among countries**

In many areas of the world, COVID-19 is impacting populations along existing social divisions and inequalities. Likewise, inequalities among countries are leading to dramatically different social, economic and health policy responses and outcomes. As recovery efforts proceed, protecting the poor becomes fundamental in building back better. Social protection schemes, countercyclical fiscal policies, increased fiscal space given to local authorities and pro poor recovery policies will, to a large extent, determine whether countries will remain in the trajectory of achieving SDG 10.

#### **The following SDG10 targets will be addressed by the project**

- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

### **SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development**

As a global pandemic, COVID-19 has impacted every country in the world. Global partnership is thus vital in efforts to contain and recover from the pandemic. Knowledge sharing and global cooperation will be essential for ensuring that the impacts and response to COVID-19 strengthen global partnership.

#### **The following targets will be addressed by the project**

- Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection
- Mobilize additional financial resources for developing countries from multiple sources
- Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries
- By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

The above indicated targets will be enabled through focusing on the topics of resilience building, jobs and employment in cities, local governments revenues, productivity in cities, and financing.

## **2.3 Mandates, comparative advantages and link to the 2021 Programme Budget**

### **2.3.1. Comparative advantages of partners**

The project implementing agencies are the five UN Regional Commissions which are ideally situated and have the mandate to connect the responses of the UN to COVID-19 at local, national, regional and global levels given their role and work at all scales. The Commissions have a clear mandate to facilitate and coordinate linkages between global, regional and national UN work including towards the implementation of the SDGs and other global frameworks.

**ECA** brings an urban lens into national development, economic and sector planning and regional integration policies. ECA is supporting selected African countries in strengthening the integration of urbanization into national development plans and visions as well as key sector policies and strategies, through detailed policy guidelines and capacity building, leading to additional requests from several African countries for assistance.

ECA backstopped the development of the Harmonized Regional framework for the Implementation, Monitoring and Reporting of the New Urban Agenda in Africa endorsed by Heads of State through the African Union. Member States in the region have expressed interest in ECA's technical support to localize the Harmonized Regional Framework for the New Urban Agenda.

**ECE** Committee on Urban Development, Housing and Land Management is the only intergovernmental body addressing the urban challenges of the UNECE region. Since its establishment in 1947, the Committee has served as a forum for exchange of best practices and providing a platform for policy formulation and implementation on sustainable housing development, land administration and spatial planning.

The ECE Housing and Land Management Unit (HLMU) is a secretariat to the Committee and the unit responsible for implementation of the ECE subprogramme on housing, land management and population. It supports the advancement of decent, adequate, affordable, energy-efficient and healthy housing for all in liveable cities and human settlements, sustainable land management and evidence-based population and social cohesion policies.<sup>12</sup> The ECE HLMU supports cities in addressing COVID-19 economic and social consequences related to housing and to smart sustainable cities through the study on “*#Housing2030 - Improving Housing Affordability in the UNECE region*” implemented together with partners Housing Europe, UN-Habitat and others; it is also engaged in activities of the Thematic Group on City Platforms under the “United for Smart Sustainable Cities” (U4SSC) which will facilitate the exchange of practices on applying smart city solutions to address COVID-19 pandemic consequences. In October 2020, the UNECE will organize the first Forum of Mayors which will bring together Mayors and other representatives of cities from across the ECE region and beyond to exchange experience and best practices in addressing emergencies, which city governments are currently focused on in light of the COVID-19 situation.

**ESCWA** is working with member States and UN-Habitat to improve the region's capacity to frame sustainable urbanization opportunities and challenges, to feed into the next State of the Arab Cities Report 2020, for improved urban policy and planning decisions and plans. It is in the process of developing an online tracker based on a mapping of countries analyzing national social protection measures to mitigate the socioeconomic impact of COVID-19. It currently covers 160 countries and the plan is to expand it to include all social protection measures and not only those related to COVID-19. The commission is also producing

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<sup>12</sup> Draft programme of work of the Housing and Land Management Component of Housing, Land Management and Population subprogramme for 2021

a series of policy briefs on the impact of COVID-19 on various development issues including gender equality, economic growth and others.

**ECLAC** has launched a COVID-19 Observatory 13 to support review and follow-up over the medium and long terms. The Observatory tracks the public policies that the 33 countries of the Latin America and Caribbean region are implementing to limit the impact of the COVID-19 pandemic and offers analyses of the economic and social impacts that these policies will have at the national and sectoral levels. The Commission is producing economic projections and quantifying the economic impact of the pandemic and publishing a series of relevant policy recommendations on various issues. A focus on a green recovery is being maintained.

**ESCAP** is developing “Socio-Economic Response to COVID-19: ESCAP Framework”, which includes a focus on ‘Building Back Better.’ Within this effort, ESCAP will conduct analytical work to understand the environment and climate change implications as well as socio-economic impacts of policy packages (including fiscal stimulus and bailouts) at regional, national and subnational levels, develop policy guidance, conduct webinars on city-level solutions and best practices to respond and recover from COVID-19 and better prepare for subsequent pandemic, and provide capacity building initiatives such as the Asia Pacific Mayors Academy, conducted in partnership with UN-Habitat, UCLG-ASPAC, UN University-Institute for Advanced Study of Sustainability, the Institute for Global Environmental Strategies, and the Association of Pacific Rim Universities. These efforts are made in line with the four priorities set out in the “The Future of Asian and Pacific Cities 2019”, jointly developed by ESCAP and UN-Habitat in partnership with the Asian Development Bank, Centre for Livable Cities Singapore, the European Union, The Rockefeller Foundation and the United Nations Development Programme, to realize a sustainable urban future in Asia and the Pacific.

### **2.3.2. Mandate and information on the subprogrammes and budget 2021**

**ECA** deploys its knowledge and convening power to assist member States in leveraging urbanization for job creation, urban productivity and regional integration, all areas that are directly linked to its objectives of:

- a) Strengthening the capacity of member States to accelerate urban job creation through economic diversification.
- b) Strengthening the capacity of member States to prioritize and implement strategic urban investments supportive of productive cities.
- c) Supporting Regional Economic Communities (RECs) to mainstream urbanization into regional economic integration policies and strategies.

ECA has been providing overall technical support through policy analysis, consultations and guidance to African member States to mitigate the economic impacts of COVID-19 in the continent in its various dimensions. In this regard, ECA’s report on “*COVID-19 in Africa: Protecting Lives and Economies*” provides critical evidence and policy options on the response, recovery and resilience of member States. The Commission has been holding regular consultations with Ministers of Finance, private sector (regional and global and a wide range of other partners to identify and design support programs for member States. In this regard, ECA is designing specific instruments for digital solutions to the health and economic response, recovery and resilience. Through its Urbanization program, ECA has generated policy analysis and recommendations on COVID-19 responses and recovery in urban settings to inform continental

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13 COVID-19 Observatory in Latin America and the Caribbean - Economic and Social Impact. Available at <https://www.cepal.org/en/topics/COVID-19>

dialogue and action. A joint policy paper on the effects of COVID-19 on African urban areas has been prepared by ECA, UN-Habitat, UNCDF and United Cities and Local Governments of Africa, aimed at informing the initiatives of the African Union and other regional bodies in this regard.

**ECE** is responsible for facilitating economic integration and cooperation among its member States and promoting sustainable development and economic prosperity in the ECE region. The mandate derives from the priorities established in relevant Economic and Social Council resolutions, including on the workplan on reform of ECE and the outcome of the review of the 2005 reform of ECE (resolutions 2006/38 and 2013/1, respectively), and Council resolution 36 (IV). The ECE region continues to face economic and environmental challenges in addressing the complexity of achieving the Sustainable Development Goals, which remain a source of primary concern to member States. The Commission provides a regional intergovernmental platform from which to address these challenges, such as promoting sustained economic growth and sustainable mobility in the region, facilitating trade and economic integration, protecting the environment, ensuring a flexible and efficient energy supply, strengthening the capacity for measuring sustainable development and addressing the implications of demographic trends.

The work of the Commission is grounded in many of its conventions, norms and best practices that provide sustainable solutions to problems, including those spanning national borders. Apart from serving as a platform for Governments and other stakeholders to collaborate in developing legal instruments and formulating policies for sustainable development, ECE provides specialized and demand-driven technical assistance to build the capacity of countries in order to implement these instruments, policies and best practices, and facilitates their uptake. ECE support aimed at developing the capacity of Governments to formulate and implement policies for sustainable development is also provided through the implementation of capacity-building activities and projects under the regular programme of technical cooperation and the United Nations Development Account.

ECE representatives of multiple subprogrammes, such as Environment, Energy, Innovation, Transport and others will be involved through the UNECE Nexus on “Sustainable and smart cities for all ages” which joins experts working on different aspects of urban and housing issues.

**ESCWA** has been mandated in Arab Region by its member countries to support them in the implementation of the New Urban Agenda and SDGs. These mandates were included in the Doha Declaration on the implementation of the 2030 Agenda for Sustainable Development adopted by ESCWA 29th Session (December 2016), the recommendations of the last session of the intergovernmental meeting of Social Development Committee (October 2017), and the report of the third meeting of the ESCWA Executive Committee (May 2017). In addition to this, the Arab Strategy for Housing and Urban Development 2030 stressed the importance of developing integrated, inclusive and sustainable cities and human settlements capable of delivering a better quality of life for all citizens. ESCWA will benefit from its already established mandates, make use of its global and regional knowledge platforms and support its member countries in integrating urbanization into their national development planning that will contribute significantly to the implementation of the NUA and SDG 11.

**ECLAC** has a mandate to promote greater economic and social development, integration and cooperation among Latin American and Caribbean countries through research, information management and dissemination, advisory services and technical cooperation. The ECLAC Sustainable Development and Human Settlements Division has a history of providing technical support to the MINURVI presidency and, in 2016, was mandated by MINURVI to lead the development of the Regional Action Plan for the Implementation of the New Urban Agenda in collaboration with UN-Habitat. The project will directly support Subprogramme 7: Sustainable Development and Human Settlements of ECLAC’s programme of work;

**ESCAP**, as a regional development arm of the United Nations Secretariat has a mandate to support its membership, through its analytical, normative and technical cooperation functions, to respond to the sustainable urban development priorities and changing needs of the Asia and Pacific region including in the areas of urban and territorial planning, urban resilience, smart cities development and urban finance. In recognizing the importance of sustainable, inclusive and livable cities for the region’s development, the Environment and Development Division supports Member States by facilitating regional dialogue and promoting sustainable and inclusive urban development through its programme of work. It facilitates implementation of the outcomes of the Asia-Pacific Urban Forum, and the New Urban Agenda by convening national and sub-national government and expert meetings. It also facilitates learning among Member States and sub-national governments, including through Asia-Pacific Forum on Sustainable Development. The Division enhances the capacities of small and growing cities for sustainable solid waste management and facilitates the development of circular and resource efficient local economies, that strengthens intergovernmental processes and mandates, and fosters networks through collaborative frameworks. The Environment and Development Division also supports development of innovative climate financing instruments for financial institutions partnership with Climate Change Commissions, and legislature driving investments for low-carbon climate resilient development.

## **2.4 Leveraging global technical expertise**

The project will draw on the global expertise and work of UN-Habitat on sustainable cities and human settlements and specifically urban resilience. It will further benefit from the expertise of UNCDF in the areas of local economic development and financing.

**UN-Habitat:** UN-HABITAT is the United Nations agency for human settlements. It is mandated by the UN General Assembly<sup>14</sup> to promote socially and environmentally sustainable development of towns and cities with the goal of providing adequate shelter for all. UN-Habitat also has the specific mandate within the United Nation System to act as a focal point for local governments. The project addresses the key drivers of change as defined in UN-Habitat’s next Strategic Plan 2020-2025.

UN-Habitat works on a multi-hazard approach to building resilience in cities. Its Urban Resilience Hub facilitates the exchange of knowledge and best practices among diverse partners, including national governments, cities, academia, and international organizations. The Urban Resilience Hub is an important global repository of methodologies and good practices on resilience at city level. In addition, UN-Habitat has a City Resilience Global Programme (CRGP), which adopts a forward looking, multi-hazard, multi-sectoral and multi-stakeholders’ approach that considers the many complexities of urban systems. Under the Programme, UN-Habitat has developed a robust assessment, diagnostic that aims to diagnose resilience status in cities and provide actionable recommendations. This methodology has been implemented in many cities around the world in order to calibrate and as piloting experience. It is now being adapted to the context of the COVID19 crisis.

At UN-Habitat, the Project is directly linked to:

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<sup>14</sup> The main documents outlining the Un-Habitat mandate are the Vancouver Declaration on Human Settlements, [http://www.unhabitat.org/downloads/docs/924\\_21239\\_The\\_Vancouver\\_Declaration.pdf](http://www.unhabitat.org/downloads/docs/924_21239_The_Vancouver_Declaration.pdf); Habitat Agenda, [http://www.unhabitat.org/downloads/docs/1176\\_6455\\_The\\_Habitat\\_Agenda.pdf](http://www.unhabitat.org/downloads/docs/1176_6455_The_Habitat_Agenda.pdf); Istanbul Declaration on Human Settlements, [http://www.unhabitat.org/downloads/docs/2072\\_61331\\_ist-dec.pdf](http://www.unhabitat.org/downloads/docs/2072_61331_ist-dec.pdf); and Resolution 56/206 [http://www.unhabitat.org/downloads/docs/2070\\_46506\\_gae.pdf](http://www.unhabitat.org/downloads/docs/2070_46506_gae.pdf).

- Subprogramme 1 “Reduces spatial inequality and poverty in communities across the urban-rural continuum”
- Subprogramme 2 “Enhanced shared prosperity of cities and regions” which among other targets aim at (a) increased and equal access to basic services, sustainable mobility and public spaces; (b) increased and secure access to land and adequate and affordable housing; (c) increased spatial connectivity and productivity; (d) increased and equitably distributed locally generated revenues; and (e) expanded development of frontier technologies and innovations.

**UNCDF:** The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world’s 47 least developed countries. With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF’s financing models work through three channels: inclusive digital economies; local development finance; and investment finance. In the context of COVID-19, UNCDF is well positioned to support LDCs and other countries in need through its core mandate to build stable and resilient local economies and by leveraging a range of technical expertise and investment instruments to reduce and limit economic and social hardship for poor communities. UNCDF offers a systemic value proposition to drive finance in more dynamic ways for poor people and excluded populations. UNCDF’s tools include supporting digital payments to enable key financial flows; boosting the capacity of local governments to accept and deploy funding quickly to meet local needs; and injecting targeted investment funds into small and medium enterprises (SMEs) to stabilize local economies and accelerate recovery.

At UNCDF, the project is directly linked to the Municipal Investment Financing (MIF) Programme designed to increase the capacity of local governments to address key urbanization challenges through access to sustainable sources of capital financing. MIF aims to leverage the resources of governments to mobilize public and private capital investment, while transitioning local government finances from traditional pure grant funding to a broadened mix of financial sources, in order to address local challenges. The programme supports partner government in broadening their tax revenue base; building capacity in the preparation of long-term capital investment plans; utilizing domestic private sector capital that would otherwise remain dormant and not be directed to municipal investments; getting credit rated; channeling funds towards investments to provide capital to support priority investment needs to a growing urban population; proposing new innovative financial instruments that could expand LGs' options in accessing capital finance.

### **3. ANALYSIS BY WORKSTREAM**

#### **3.1. Rational and demand**

In 2019, through a high-level conference on Preparedness for Public Health Emergencies in urban settings, convened by WHO, member States acknowledged that new approaches and tools are required to address new challenges of transmission and amplification in urban settings. They also recognized the critical role of local governments who are at the frontline of multisectoral coordination in emergency preparedness and response. In addition, member States committed to advance multi-scale and multi-sectoral collaboration at local, national, regional and international levels to mitigate public health risks in an increasingly urban world.

The 2015 Addis Ababa Action Agenda (AAAA) recognizes the important role of cities and local authorities in implementing resilient and environmentally sound infrastructure, including energy, transport, water and sanitation, and sustainable and resilient buildings using local materials. The AAAA emphasizes sustainable urbanization and commits to supporting local governments in their efforts to mobilize revenues and to strengthening financial management and municipal bond markets, to help subnational authorities to finance necessary investments.

Indeed, the local governments remain at the front line of response and recovery efforts from any emergency including public health emergencies. Given the proximity to their constituencies, local authorities are well positioned to and already do lead responses to some of the immediate effects, and in doing so have a better understanding of needs and necessary measures and enable higher transparency of accountability. They are also better able to respond to local needs including in coordination with community-based structures.

Yet, responses to pandemics such as COVID-19 have been known to insufficiently consider the unique circumstances of urban areas and integrate local authorities as primary responders. As such, national response strategies may not adequately consider the city scale challenges faced by local authorities. Even so, local governments have shown their responsiveness taking a lead role in COVID-19 mitigation, and at times doing so ahead of or in contrast to national government.

The need for a specific focus on the vulnerability of urban settings and those living in slums is clearly defined in the UN framework for the immediate socio-economic response to COVID-19. Focusing on urban areas is important because of: (1) their role as engines of economic growth and structural transformation; (2) their impact on income and non-income inequality and hence social stability; and (3) their high vulnerability to infections including due to poor planning and existence of informal settlements.

Existing UN expertise regarding slum-upgrading linked to community-based approaches and urban profiling in humanitarian contexts are both highlighted in the framework as valuable for COVID-19 responses in urban settings. Indeed, informal settlements are highly organized with local groups collecting data on residential populations and facilities, and, advocating for or providing basic services and support. These groups are well placed to mount COVID-19 response and many already are. They are particularly well placed to consider options for decentralized forms of care and isolation, re-purposing buildings and facilities.

Representatives of many national and local governments expressed their interest in cooperating with the project partners to elaborate their recovery plans with focus on economic and financial aspects in the context of the COVID-19 emergency. The basis for such cooperation and contact was established in prior engagements in collaborative projects. The project is building on the needs expressed and invitations by local authorities for cooperation with UN organizations. The process of collecting the expressions of interest

from the local government and cities was slowed down due to the COVID-19 situation and such documents will be available in the next phase.

This calls to the established expertise that the regional commissions in collaboration with UNCDF and UN-Habitat have at the international level. Such capacity does not face local limitations but can be rather generalized and then adjusted at the local level according to the specific needs of each country and target city. This provides for a strong advantage and makes for a good position to tackle the issues at hand.

### 3.2 Situation analysis

Cities and local governments are the accelerator of economic and social progress and the local governments in charge are the arms of the government closest to the people. In this moment, the COVID-19 pandemic affects densely populated urban areas where the stoppage of work, movement control measures, and closing of international borders is putting strains on the accessibility of medical and social care, food and other basic services. Moreover, the closure of commercial services in the urban areas in the light of the crisis leads to the decrease of consumption in cities that puts additional pressure on businesses, their profitability, that directly translates into ability to sustain a workforce. The lower level of economic activities translates into reduced aggregate demand, hampering recovery and return to the pre-crisis levels of production. The presence of the virus puts therefore into question the sustainability of urban services, education, healthcare, social services; and the investments in urban infrastructure – affordable housing, transport, and utility.

Considering the catastrophic consequence of the financial crisis of 2008 and other economic shocks, it is expected that the economic crisis developing in the wake of the COVID-19 will affect the long-term investment in affordable housing and social urban infrastructure that many cities pursue. At a broader level, these developments together will almost certainly exacerbate the challenge of “urbanisation without the matching quality”, when cities become the main contributors to inequality nationwide. Income inequality, measured by the Gini coefficient, can rise by as much as 1.25%<sup>15</sup> above pre-crisis levels five years after the crisis has ended, indicating the need to incorporate policies that address inequality in all its forms into national and sub-national strategies to address the COVID-19 pandemic.

**The susceptibility of cities to the impact of infectious disease pandemics is particularly severe in urban slums and informal settlements where 1 billion people live worldwide. With 55.9% and 31% of their urban population in slums, Sub-Saharan African and South Asia are especially at risk.<sup>16</sup> Surveillance, monitoring, containment, and mitigation challenges for infectious disease outbreaks are acute in slums for a number of reasons. These include the lack of data on informal settlements to design adequate responses; overcrowded households; severe service and infrastructure deficits (water, sanitation), insecure tenure of residents; highly mobile and migrant populations; overall poor health care access and quarantine enforcement challenges, as well as a dependence on informal work (often a majority of daily income earners). While informal work itself is not necessarily a risk factor, the informal sector tends to contain many more jobs with high levels of exposure and limited mitigating measures (i.e. personal protective equipment, physical distancing protocols, etc.).**

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15 Furceri, D., P. Loungani, J. D. Ostry, and P. Pizzuto. 2020. “Will COVID-19 affect inequality? Evidence from past pandemics,” *Covid Economics* 12: 138-57

16 UN-Habitat. 2016. *World Cities Report 2019*. At <https://unhabitat.org/world-cities-report>

The UN Framework for the Immediate Socio-Economic Response to COVID-19<sup>17</sup> identifies “location”, including urban areas, as one of the key factors that will shape the actions of the organization. It states that *“The crisis will exacerbate inequalities especially in vulnerable settings such as refugee camps, peri-urban settlements...and fragile locations such as informal settlements and slums, which are already underserved by social services, and where information and strategies such as testing, hand-washing, self-isolation and quarantine will be particularly difficult due to lack of space, water, resources and services”*.

Beyond the obvious health related effects of COVID-19 in urban areas, the pandemic is devastating urban areas in a number of other ways. The urban economic and financing impacts of COVID-19 have been especially severe and universally observed without exception. Severe reductions in short-run labour productivity, employment and revenues at the local scale are already underway in cities globally.<sup>18</sup> As stated in the UN Socio-Economic Framework for Immediate COVID-19 Responses, *“... quarantines, travel restrictions and lockdown of cities have resulted in a significant reduction in aggregate demand ... disrupted labor markets and supply chains .... resulting in increased layoffs and unemployment”*.<sup>19</sup> Some of the key economic and financial challenges arising from COVID-19 in urban areas include the following:

**Massive loss of jobs and unemployment:** As engines and drivers of economic growth, the impact of COVID-19 lockdowns and restrictions on residents’ livelihoods is of particular concern. As per the ILO, the workers that have experienced the most acute effects of the disease and falling production are in manufacturing (463 million), wholesale (482 million) and business services and administration (157 million), which are all largely urban based sectors, while a fourth sector is also particularly urban (food and accommodation- 144 million workers). In cities where most employment is informal and SMEs dominate, many people will lose their income completely and slip into extreme poverty. In Asia Pacific and Africa, for example, where the bulk of the economy is informal, the urban population is expanding, and significant infrastructure and service gaps already exist, economic disruption from a pandemic could create crisis situations in many cities. The UN Socio-Economic Framework for Immediate COVID-19 Response also considers the urban informal sector and self-employed as one of the at-risk populations experiencing the highest degree of socio-economic marginalization.

**Potential impact on equality:** There are also growing concerns about the negative impact of the pandemic on income and non-income inequality, particularly in developing countries where social protection mechanisms are largely underdeveloped. The economic downturn caused by the current COVID-19 outbreak has aggravated gender equality in particular, a situation which is expected to persist well beyond the recovery and reconstruction phases of the current response. Compared to “regular” recessions, which typically lead to higher unemployment among men, the social distancing measures prompted by COVID-19 around the world have had a disproportionately larger impact on the employment of women. Women’s jobs are 1.8 times more vulnerable to this crisis than men’s jobs<sup>20</sup>. Women make up 39 percent of global employment but account for 54 percent of overall job losses. In addition, closure of schools and especially

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17 A UN framework for the immediate socio-economic response to COVID-19. April 2019. At <https://unsdg.un.org/sites/default/files/2020-04/UN-framework-for-the-immediate-socio-economic-response-to-COVID-19.pdf>

18 The longer-run impact of recessions on labour productivity are more complex. Economic crises typically impact in the short-run by reducing labour productivity, but in the long-run may introduce structural changes that increase economic resilience. This can occur as firms adapt to crises by introducing new technologies and addressing inefficiencies. Where the project document references “productivity”, it is referring to the short-run decreases unless otherwise stated.

19 A UN framework for the immediate socio-economic response to COVID-19. April 2019. At <https://unsdg.un.org/sites/default/files/2020-04/UN-framework-for-the-immediate-socio-economic-response-to-COVID-19.pdf>

20 McKinsey. 2020. COVID-19 and gender equality: Countering the regressive effects. <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>

day care centers has led a large increase in child care needs, affecting working mothers in particular around the world. The sum effect of the crisis on working mothers are also likely to persist for many years unless governments take deliberate actions to minimize and ultimately reverse them<sup>21</sup>.

**Dwindling local government revenues:** Local governments around the world are reporting major revenue losses which are weakening their capacities for COVID-19 recovery plans, in addition to further limiting their abilities to finance much-needed infrastructure and provide basic urban services. Two key sources of local government revenues, national transfers and own source revenues, are drastically reduced due to COVID-19. The effects will be particularly severe in some regions such as Africa where local authorities have the lowest per capita spending (\$26).

**Enormous losses in the urban economy:** The economic impact of COVID-19 at both national and urban scales is catastrophic. For instance, according to the ADB's worst case scenario, GDP growth for developing states in Asia-Pacific will reduce from 5.5% to 2.2% in 2020, significantly down from the 5.2% growth rate seen in the region for 2019.<sup>22</sup> Based on ESCWA projections, the expected loss of gross domestic product (GDP) in the Arab region for 2020, is \$41.64 billion. In the UNECE region, the Gross Domestic Product (GDP) is projected to fall by 6-7% in 2020 as a result of the crisis. ECLAC projects that the Latin American and Caribbean economy will contract by 9.1% in 2020, and unemployment will climb to approximately 13.5%.<sup>23</sup> As the main contributors to national GDP, the impact of COVID-19 on the productivity of cities will create substantial global impacts. It is estimated that 60% of the Global GDP is contributed by only 600 cities around the world. Regionally, estimates are that city contributions to national GDP are as high as 80% in Asia and the Pacific and 50% in Africa.

Box 1 below demonstrates the situation in one of the pilot cities – Tirana (Albania).

### **Box 1. Applying Project Principles on the Ground – an example of Tirana, Albania**

Tirana's local government's budget faced a huge decline due to the pandemic. In the first five months of 2020, municipalities across Albania collected revenues for ALL 7 billion, an ALL 4.3 billion loss compared to the same period of 2019 (-38%)<sup>24</sup>.

There are big losses of jobs. Already back in April 2020 Albania's finance minister Anila Denaj said that 50,000 people have lost their jobs due to the coronavirus<sup>25</sup>; other sources report that up to April 10<sup>th</sup> 66,000 Albanians have lost their jobs.<sup>26</sup>

Small businesses in Albania have greatly suffered from the consequences of the Covid-19 pandemic. From May 1<sup>st</sup> to July 14<sup>th</sup> the numbers of businesses that have closed has increased by 54% on a yearly basis. The famous "Myslim Shyri" street of Tirana, one of the capital's main shopping district, saw many stores going

21 Alon, T., M. Doepke, J. Olmstead-Rumsey, M. Tertilt. 2020. The Impact of COVID-19 on Gender Equality. NBER Working Paper No. 26947. Cambridge, MA: National Bureau of Economic Research.

22 <https://www.adb.org/sites/default/files/publication/571536/adb-brief-128-economic-impact-COVID19-developing-asia.pdf>

23 ECLAC. Special Report COVID 19 No. 2. Measuring the impact of COVID-19 with a view to reactivation. April 2020. At [https://repositorio.cepal.org/bitstream/handle/11362/45784/1/S2000470\\_en.pdf](https://repositorio.cepal.org/bitstream/handle/11362/45784/1/S2000470_en.pdf)

24 <https://albaniandailynews.com/news/44028>

25 <https://seenews.com/news/albanias-unemployed-due-to-coronavirus-at-around-50000-report-695143>

26 <https://balkaninsight.com/2020/05/04/coronavirus-causes-massive-layoffs-across-the-balkans/>

bankrupt due to coronavirus, while nationwide the total number of forced closures reaches 3568 (clothing shops) and 582 (shoes and leather goods)<sup>27</sup>.

Another element worth of attention is the further rise in house prices as a direct consequence of Covid-19. The Price Index for Tirana increased by 34.7% compared to the base period (2013) and by 14.9% compared to 2019. More specifically, the central area of the city had an increase of 15.3% against a 25% in areas outside the city and little increase in the suburbs.<sup>28</sup>

There is a serious risk connected with Albania's long-term financial stability and economic development: the Albanian confederation of industries (Konfindustria) estimated that the official public debt will exceed 86% of the national GDP in 2020<sup>29</sup>.

Despite the remarkable economic and financial impacts of COVID-19 on cities, there has been comparatively less focus on these effects in the immediate response to the pandemic. A great deal of attention has been placed on the vulnerability of informal settlements for COVID-19 transmission and responses, and less on the economic impacts related to job, productivity and revenues, and the consequential limitations on the abilities of cities to plan, finance and develop much-needed infrastructure and provide basic services. Yet, COVID-19 has revealed the extreme economic and financial vulnerability of cities and local governments globally without exception, though resilience varies across and within different countries and regions.

The project will tackle such issues while promoting gender equality through ensuring that the mapping of the cities' situations in relation to COVID-19 pandemic includes relevant information related to the specific challenges of women and girls in cities; disaggregated data on gender which will be collected through the diagnostic tool by the Regional Commissions. While the project will address issues of investments into infrastructure, those projects which promote gender equality and the enhancement of human rights will be taken as a priority. The project will be guided by principles such as "Leaving No One Behind" and "The Human Rights-Based Approach to Development" as mentioned in the "Context" section of this document.

The project will make sure to operationalizing the commitment to "Leave No One Behind" at the city level by implementing a comprehensive approach with a series of steps, including identifying who is being left behind and why; identifying effective measures to address root causes; monitoring and measuring progress; and ensuring accountability for LNOB. Ensuring free, active and meaningful participation of all stakeholders, particularly those left behind is a key component of all steps and phases of this project.

Identifying inequalities and discrimination requires the generation of evidence and data collection and disaggregation that go beyond gender, geography and age, to include all grounds of discrimination prohibited under international law, ensuring that all forms of discrimination and other root causes of inequalities are identified and addressed. The human rights-based approach to data will help in ensuring the use of data and statistics is consistent with international human rights norms and principles, including for participation, self-identification, transparency, privacy and accountability.<sup>30</sup> To address the issues rising due to the COVID-19 pandemic the project will be divided into 5 main workstreams. It should be noted that these workstreams are not envisioned as completely separate tracks of work and that project activities will be integrated between and make contributions towards multiple workstreams.

27 <https://albaniandailynews.com/news/small-businesses-face-bankruptcy-amid-coronavirus>

28 <https://albaniandailynews.com/news/44276>

29 <https://albaniandailynews.com/news/43972>

30 <https://unsdg.un.org/2030-agenda/universal-values/leave-no-one-behind>

The Phase II and III of the projects will include the following five workstreams:

- 1) Assessment and capacity building, including in-depth learning of the key challenges of the cities in relation to impacts of COVID-19 pandemic
- 2) Stakeholder engagement for the implementation.
- 3) Economic resilience planning, including support to cities in planning for inclusive economic and financial recovery and resilience at city level and identifying the local economic stakeholders
- 4) Knowledge sharing – sharing local experiences and lessons of economic recovery and resilience planning through regional and global policy networks
- 5) Process monitoring and evaluation.

### **(1) Assessment and capacity building**

This workstream will put into focus the aspects that cities need to know in order to build economic resilience in the context of the impact of COVID-19 on local economies. It will include an analysis of the strategies and opportunities that exist in the cities for building resilience. In the context of this workstream it is expected that the relevant indicators will be developed, and the research will rely on disaggregated data (by sex, age etc.) to ensure the representation of vulnerable groups and provide a validation dimension for the project. Local challenges beyond the economic impact of COVID19 will be identified together with the gaps in capacities that need to be filled in order for cities to create resilience strategies.

Some of the main activities under this workstream will include urban economic recovery and resilience diagnostics and planning tool, an online training program on urban economic recovery and resilience diagnostics and planning, training workshops on the same topic, as well as city validation workshops of the diagnostics.

The outcome of this workstream will focus on project partners and local governments to have an in-depth understanding of COVID-19 impacts, strategies, and opportunities and have the capacity to implement an urban recovery and resilience planning tool.

### **(2) Stakeholder engagement**

This workstream will focus on how cities envision their recovery to COVID-19, what they hope to achieve, as well as what local resilience matching local development priorities looks like in each city.

During the identification and engagement of stakeholders such as local government representatives, national government representatives, private sector, civil society, and academia, the project will make sure to address women's distinct economic roles, contributions and constraints, and make the most of this opportunity to put women at the centre of investment design to realize sustainable recovery.

The main activities will include local stakeholder visioning and scenario planning workshops, as well as local economic recovery and resilience implementation workshops with the participation of relevant central government authorities.

The outcome of this workstream is expected to be for local stakeholders to have set the vision and objectives for their local economic recovery and resilience plans and have an active role in the development and implementation of the strategies with the support of their central governments.

### **(3) Resilience planning**

This workstream will focus on identifying the local stakeholders, what are their values, and how these values can be integrated in resilience planning. It will also put in focus how cities can best apply the

planning tool in order to create long term strategies with stakeholder support. A highlight will also be on what kind of technical support is needed for cities to implement strategies and what learning can cities share and implement between each other. The project will also identify minimum institutional arrangements and legal and regulatory requirements necessary for implementation of the local resilience strategies and will support policy advocacy and engagement with national governments where required. In addition, the project will help partner cities to identify potential financial solutions for implementation of local resilient strategies and facilitate contact with relevant financial institutions, funds and facilities particularly those working directly with sub sovereigns.

Some of the main activities will include drafting of economic recovery and resilience strategies (including financing strategies), design of economic and financial recovery and rebuilding plans, city technical capacity building workshops and a global workshop on urban economic and financial recovery.

The main outcome of this workstream is expected to be for project partners and local governments to have drafted city-specific economic recovery and resilience strategies in consultation with local and central government stakeholders.

#### **(4) Knowledge sharing**

This workstream will put into focus how lessons of economic and financial recovery and resilience planning at the local level can be brought into regional and global policy.

Its main activities will include regional policy briefs on urban economic recovery and resilience, global policy dialogue on urban economic recovery and resilience, technical guide for urban economic and financial recovery and rebuilding, as well as integration of project outcomes.

The main outcome of this workstream is expected to be learnings from the project on local economic recovery and resilience building are shared between project partners, integrated into other initiatives, and reported out to a global audience.

#### **(5) Process monitoring and evaluation**

This workstream will focus on what is the planning process, and how it can be adhered to, how key process learnings can be applied across different contexts, as well as how the effectiveness of the recovery planning process will be measured.

The main activities of this workstream will include process monitoring evaluation framework, as well as the actual monitoring and evaluation.

The main outcome of this workstream will be to make sure that Internal project processes will remain on track and evaluation methods will be in place after the project is completed.

### **3.3 Stakeholder analysis**

Non-UN Stakeholders listed in order of level of involvement in the project	Type and level of involvement in the project	Desired future outcomes	Incentives

Local governments	Key beneficiaries and partners which will be actively engaged through the whole project.	<p>Increased capacity to develop and implement plans for recovery</p> <p>Established cooperation with other cities in the project network</p> <p>Increased revenues of local government on results of the project</p>	<p>Representatives may gain additional political capital through attracting the UN know-how into the development of their resilience plans</p> <p>Access to good practices by cities around the globe</p> <p>Higher revenues in the municipality, higher employment</p> <p>Better protection of vulnerable groups; increased quality of life in the city</p>
National governments	Support with the data collection, ensuring political support to the project, providing legal framework for cities activities	Increased capacity to support local governments in the development and implementation of local plans for recovery	Representatives may gain additional political capital through attracting the UN know-how into the development of their resilience plans
Private sector, both for profit and non-profit (housing associations etc)	The engagement of this stakeholder will be divided in two phases. On phase 2 of the project this stakeholder will serve as one of the sources for data collection, while in phase 3 it will have a more active role in regard to engaging on innovative financing schemes to support the implantation of strategies developed by the project	Increased capacity to support local governments in the development and implementation of local plans for recovery	Higher revenues and higher employment, more secure and stable environment for work
Civil society	Promoting participatory methods in decision making	Increased participation of relevant stakeholders in decision making	Opportunities to collaborate

Academia	Promoting participatory methods in decision making	Increased participation of relevant stakeholders in decision making	Opportunities to conduct research
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## 4. PROJECT STRATEGY: OBJECTIVE, OUTCOMES, INDICATORS, OUTPUTS

### 4.1 Project Strategy

The objective of the project is to strengthen the capacity of local governments in 15 demand-selected cities to design, implement, and monitor sustainable, resilient and inclusive COVID-19 economic and financial responses, recovery and rebuilding plans. The immediate impact of the project will be the provision of global practices from other cities which will inform the pilot cities in their activities to develop and implement their immediate response and recovery plans to the COVID-19 pandemic and design and implement longer-term local resilience strategies.

Ultimately, the project will contribute to planning for more resilience cities and local governments better able to withstand shocks and crises with a financial implication such as COVID-19 and urban systems’ stresses likely to reoccur in a predominantly urban world. Implementation will consider linkages with other dimensions of urban resilience of specific relevance to the different social, spatial and governance contexts of each region.

To achieve the project objective, the project has been organized into 5 workstreams, each linked to its own outcome. The workstreams are not in chronological order and are composed of activities that stretch across Phases 1, 2 and 3.

It is important to note that because economic and financial recovery and resilience building is a complex and integrated activity, and because this project is moving forward quickly in the midst of a global pandemic, project activities are not envisioned as belonging to separate silos. While the workstreams have been created to organize activities by theme to provide a structure for the overall project, project activities will be running alongside each other, and building off of outputs from other workstreams as they are produced. As such, nearly all activities will be contributing to the goals of multiple workstreams.

These workstreams and objectives are as follows:

#### 1 Assessment and Capacity Building

*Key Component:* Project partners and local governments, through primary disaggregated data collection (by sex, age etc.), have an in-depth understanding of COVID-19 impacts, strategies, and opportunities and have the capacity to implement an urban recovery and resilience planning tool.

This workstream will conduct the pre-planning, capacity building, and assessment steps necessary to lay the groundwork for local governments to successfully participate in the project and achieve its outcomes. Building on the conceptual framework of urban resilience developed by UNCDF and informed by the Global Compendium of Practices, an economic recovery and resilience diagnostics and planning tool will be developed. The design of the diagnostics and planning tool will be aligned with the conceptual

framework on urban economic resilience<sup>31</sup> which incorporates four components: business environment, governance arrangements, labor market conditions, and financial arrangements. The first two refer to systems and describe, respectively, the conditions and structure of business operation in a city (both public and private) and economic governance arrangements. The latter two refer to factor markets: labour and capital. Specifically, it investigates the solutions urban governments and other local stakeholders (businesses, civil society, financial institutions) have applied to plan for, reallocate and mobilize resources for crisis mitigation and to ensure an inclusive and sustainable recovery.

Information from this questionnaire will inform directly the “Global Compendium of Practices” (a document to be published as a brief to inform regional recovery and resilience processes and initiatives of the UN and member States at global and regional scales) and Virtual Workshops, will help refine the conceptual framework for urban economic resilience, the guiding principles and practices for urban economic and financial recovery and resilience, and will become a resource for other project deliverables. These solutions are thought to be applicable to COVID-19 or any other crisis with significant economic and financial impacts at a local level. This tool will be designed to guide an in-depth assessment in each of the project’s cities on the impacts of COVID-19, and on the efforts (successful or unsuccessful) that the cities have undertaken to mitigate these impacts. An online training program will be developed based on best practices and the outputs of Phase 1. Training and capacity building workshops will be held with local governments and relevant central government officials to supplement the online training program and to build capacity and provide technical advice on the use of the diagnostics and planning tool. To ensure that the diagnostics reflect an accurate assessment of the local situations, validation workshops will be held with stakeholders in each city.

The outcome of this workstream will be key to achieving the overall project objective, particularly in strengthening the internal capacity of local governments and sensitizing relevant central government institutions to the needs and requirements of cities to accelerate recovery and build their resilience. As the project will focus on a set of 16 cities which are highly diverse in terms of geography, wealth, size, economy, governance, pre-existing capacity, and impacts from COVID-19, the substance of the activities in this workstream will vary from city-to-city. In particular, the focus and content of the training workshops will be dependent on the local objectives that emerge from the stakeholder engagement process. The local recovery and resilience objectives of each city will to some extent define the capacity needed (and highlight capacity-gaps) for successfully carrying out the remainder of the project.

Workstream	Activities/Outputs	Phase 2		Phase 3			
		Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
<b>Assessment and Capacity Building</b>	• Development of urban economic recovery and resilience diagnostics and planning tool						
	• Development of online training program on urban economic recovery and resilience diagnostics and planning						
	• Conducting training workshops on the urban economic recovery and resilience diagnostics and planning tool in each city						

31 Urban Economic Resilience: A Concept Paper for the joint UN Project “Urban economic and financial recovery and resilience building in the time of COVID-19”. UNCDF. Draft as of July 15, 2020.

<ul style="list-style-type: none"> <li>• Collection and analysis of urban economic recovery and resilience diagnostics</li> <li>• Delivery of the city validation workshops of the diagnostics</li> </ul>						
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## 2. Stakeholder Engagement

*Key Component:* Local project stakeholders in cooperation with the relevant central government institutions have set the vision and objectives for their local economic recovery and resilience plans and have an active role in the development and implementation of the strategies.

This workstream will be necessary for securing and sustaining project support from local stakeholders and enhancing the project outputs by grounding them in relevant local knowledge. Local stakeholders and relevant central government officials will be involved in an inclusive approach highlighting gender balance in a visioning and scenario planning workshop that will be used to set local recovery and resilience objectives, and to explore the potential impact of COVID-19-dependent economic scenarios (i.e. economic contraction, zero-growth, rapid rebound, etc.) on the stated objectives. This will be essential for ensuring that local values are incorporated into city resilience plans, and that potential local trade-offs are explored in the light of global uncertainties. National governments will be involved in order to build project support and understand the linkages between local capabilities to build resilience and national policy frameworks and arrangements. An implementation workshop will be held near the end of Phase 3 in order to present the recovery and resilience plans, identify and address potential gaps, discuss stakeholder roles moving forward, and build long-term support for implementation.

This workstream will be essential for achieving the project objective of supporting resilient and inclusive plans designed and implemented by local governments. Extensive, inclusive, and genuine stakeholder engagement that is directly reflected in project outputs will be key for the overall delivery of this project. Project activities and outputs should remain flexible enough to respond to the results of stakeholder engagement throughout the project and incorporate feedback.

Workstream	Activities/Outputs	Phase 2		Phase 3			
		Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
<b>Stakeholder Engagement</b>	<ul style="list-style-type: none"> <li>• Conducting local stakeholder visioning and scenario planning workshops</li> </ul>						

## 3. Economic Resilience Planning

*Key Component:* Project partners and local governments have drafted city-specific economic recovery and resilience strategies.

During Phase 2, this workstream will deliver early drafts of the city-specific economic recovery and resilience strategies including information packages of sources for financial support to cities. These drafts will build on the results of the diagnostics and the early stakeholder engagement and set the overall structure for the strategies. During Phase 3, detailed planning and design work will be carried out by local governments and supported by technical workshops and assistance from UN agencies. During both phases, the workstream will build-off and incorporate the outcomes of parallel workstreams. In particular, the drafting of the recovery and resilience plans will be directly dependent on the results of the Assessment and

Capacity Building workstream (to ensure that planning activities are effectively targeting relevant resilience dimensions and are backed by technical expertise), as well as the outputs of the Stakeholder Engagement workstream (to ensure that the overall direction of the planning process is supported by local stakeholders and is focused on relevant objectives). The resulting plans will specify actions, responsibilities and resources across the capacity areas identified in the previous phases of the project including financial health and financial resilience. The project will also identify minimum institutional arrangements and legal and regulatory requirements necessary for implementation of the local resilience strategies and will support policy advocacy and engagement with national governments where required.

In addition, the project will help partner cities to identify potential financial sources for implementation of local resilient strategies and provide information on relevant financial institutions, funds and facilities particularly those working directly with sub sovereigns. While these technical inputs on potential sources of finance will be provided for partner cities, financial resources will not be mobilized through this project, and clearly communicating this will be important for managing expectations on the financing objectives of partner cities. UNCDF’s technical inputs will be limited to two areas: (a) building the capacities of partner cities to analyze and identify financing options suitable for the nature of specific interventions and (b) providing technical directions and recommendations towards appropriate sources and strategies for financing projects outline in individual economic and financial recovery and resilience plans.

Key takeaways from the global policy workshop in Phase 2 will be incorporated into the design of the plans, and shared learnings from the completed strategies will be shared at the global workshop on economic and financial recovery at the end of Phase 3.

This workstream will lead to one of the core outcomes of the overall project and comprise the majority of the project activity for participating cities. All other workstreams are designed around providing some degree of support for cities to create the recovery and resilience plans, whether through assessment and diagnostics, technical guidance, or knowledge sharing. The successful development of economic resilience plans in this workstream will influence economic outcomes in 16 cities worldwide and have direct impacts on the achievement of SDGs in each of these localities.

Workstream	Activities/Outputs	Phase 2		Phase 3			
		Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Economic Resilience Planning	• Drafting of economic recovery and resilience strategies for each city						
	• Finalization of economic and financial recovery and rebuilding plans including financing strategies						
	• Conducting city technical capacity building workshops						
	• Development of information packages of financial sources for each city						

### Knowledge Sharing

*Key Component:* Learnings from the project on local economic recovery and resilience building are shared between project partners, integrated into other initiatives, and reported out to a global audience.

Throughout the project it will be necessary to document and disseminate the learnings of local stakeholders, cities, regions, and UN agencies as they become available. Knowledge sharing will be a critical outcome for this project, given the lack of precedent for dealing with such a severe and wide-spread economic crisis. Though smaller economic and health crises have been experienced at a global and regional scale over recent decades, there has never been such a severe and rapid global economic downturn connected to a public health emergency. Given the time-sensitive and unprecedented nature of the crisis, strategies and policy interventions will need to be quickly evaluated and shared between local governments, regional partners, and global initiatives to the extent possible. Through regional policy briefs, this project will allow the UN to be at the leading-edge of strategic economic recovery and resilience planning for COVID-19 responses. Integrating learnings between cities and to a global audience will be critical for ensuring the effectiveness of local resilience planning initiatives. In Phase 3, key learnings from the project will be compiled into a technical guide for urban economic and financial recovery and rebuilding, will be disseminated through a global policy dialogue, and project outcomes will be integrated across relevant initiatives at UN agencies.

The knowledge sharing workstream will ensure that this project not only supports the 16 participating cities, but that the approach can rapidly scale and be deployed in cities around the world. The knowledge developed throughout the project will enhance the technical capabilities of the UN for supporting economic recovery and resilience planning and create an approach that can be used to plan for economic crises beyond COVID-19.

Workstream	Activities/Outputs	Phase 2		Phase 3			
		Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
<b>Knowledge Sharing</b>	• Publication of five regional policy briefs on urban economic recovery and resilience						
	• Delivery of one global policy dialogue on urban economic recovery and resilience						
	• Publication of technical guide for urban economic and financial recovery and rebuilding						
	• Integration of project outcomes						

### Process Monitoring and Evaluation

*Key Component:* Internal project processes will remain on track, project outcomes will be assessed, and monitoring and evaluation methods will be in place in each city strategy after the project is completed.

As a global project involving several UN agencies, 16 cities in 5 different regions, and dozens of local stakeholders and consultants, effective project management and process monitoring will be essential for the project to be successful. At the outset of Phase 2 a common process monitoring and evaluation framework will be developed to assist in keeping the internal process on-track during project phases, and to put in place an infrastructure for longer-term substantive evaluation of the project outcomes. This workstream will thus address internal processes during Phases 2 and 3, as well as more substantive framework for longer term project outcome monitoring, and the updating and evaluation of city resilience strategies (i.e. including a process for cities to follow for updating strategies in later years to monitor outcomes, address deficiencies, and fill gaps, and to adapt strategies to evolving circumstances).

Three components will be integrated into this workstream: (a) *Internal process compliance* indicators to ensure the project is able to achieve the intended activities; (b) *Project outcome* indicators to evaluate how effective the actions are in achieving the project objective; and (c) *Integration of M&E into city strategies* to ensure that each city strategy is equipped with a M&E framework to be implemented by the city. The indicators for these three components will build off the results framework of this project document but will be developed separately in order to achieve the flexibility needed to ensure they are relevant and practical.

Process monitoring and evaluation will be important for achieving the project objectives within the proposed timeframes and budgets, for demonstrating project impact and successes as the project proceeds, and for ensuring the long-term effectiveness of city recovery and resilience strategies.

Workstream	Activities/Outputs	Phase 2		Phase 3			
		Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Process Monitoring & Evaluation	• Design of process monitoring and evaluation framework						
	• Conducting process monitoring and evaluation						

Table 1: Project Workstreams, Activities and Phasing

Workstream	Activities/Outputs	Phase 2		Phase 3			
		Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
<b>Assessment and Capacity Building</b>	• Development of urban economic recovery and resilience diagnostics and planning tool	■					
	• Development of online training program on urban economic recovery and resilience diagnostics and planning	■					
	• Conducting training workshops on the urban economic recovery and resilience diagnostics and planning tool in each city	■	■				
	• Collection and analysis of urban economic recovery and resilience diagnostics	■	■				
	• Delivery of the city validation workshops of the diagnostics		■				
<b>Stakeholder Engagement</b>	• Conducting local stakeholder visioning and scenario planning workshops		■				
<b>Economic Resilience Planning</b>	• Drafting of economic recovery and resilience strategies for each city		■				
	• Finalization of economic and financial recovery and rebuilding plans including financing strategies			■	■	■	
	• Conducting city technical capacity building workshops				■	■	
	• Development of information packages of sources for financial support to cities for each city		■				
<b>Knowledge Sharing</b>	• Publication of five regional policy briefs on urban economic recovery and resilience		■				
	• Delivery of one global policy dialogue on urban economic recovery and resilience						■
	• Publication of technical guide for urban economic and financial recovery and rebuilding						■
	• Integration of project outcomes						■
<b>Process Monitoring and Evaluation</b>	• Design of process monitoring and evaluation framework	■					
	• Conducting process monitoring and evaluation		■		■		■

## 4.2 Results Framework for the Entire Project

<b>Results Framework for Project</b>		
<b>Intervention Logic</b>	<b>Indicators of Achievement</b>	<b>Means of Verification</b>
<p><b>Objective</b> Strengthen the capacity of local governments in 16 demand-selected cities to design, implement, and monitor sustainable, resilient and inclusive COVID-19 economic and financial responses, recovery and rebuilding plans.</p>		
<p><b>Outcome- OC1:</b> Increased understanding of local governments, national governments, private sector, academia, and civil society on COVID-19 impacts, strategies of urban economic recovery and resilience, and opportunities for building economic resilience by project partners and local governments.</p> <p><b>Workstream:</b> Assessment and Capacity Building</p>	<p><b>IA 1.2</b> – At least 5 policy makers in national and local governments from each of the 16 target cities increased knowledge on urban economic recovery and resilience through the online training program developed and delivered by UN-Habitat</p>	<p><b>MV 1.2</b> – Certificates of completion awarded to at least 5 policy makers in each partner city (verified by local consultants)</p>
	<p><b>IA 1.3</b> – 16 policy makers where relevant, to review and endorse the diagnostics results</p>	<p><b>MV 1.3</b> – Receipt of revised diagnostics assessments from all 16 target cities to Regional Commissions</p>
<p><b>Outcome- OC2:</b> Expanded participation in the economic resilience building process by relevant local and national stakeholders in partner cities and countries and strengthened technical capacity of local governments, national governments, private sector, academia, and civil society to participate in urban economic recovery and resilience planning</p> <p><b>Workstream:</b> Assessment and Capacity Building; Economic Resilience Planning; Stakeholder Engagement</p>	<p><b>IA 2.1</b> – 16 local government to have endorsed the assessment tool developed by UN-Habitat</p>	<p><b>MV 2.1</b> – Assessment tool delivered to each city. Virtual meetings held between Regional Commissions, local consultants, and local representatives in all 16 target cities to introduce tool and answer questions</p>
	<p><b>IA 2.2</b> – Draft economic recovery and resilience strategies are reviewed by all 16 local governments to Regional Commissions at the end of Phase 2</p>	<p><b>MV 2.2</b> – Submission of draft strategies by Regional Commissions to local governments and bi-lateral meetings between cities and Regional Commissions to present strategies and gather feedback</p>
	<p><b>IA 2.3</b> – At least 10 representatives of stakeholders from each of the 16 targeted cities engaged by attending in workshops and contributing to strategy development</p>	<p><b>MV 2.3</b> – Stakeholder engagement report containing stakeholder mapping and summary of engagement for each stakeholder (attendance at meetings, submission or comments, nature of correspondence, etc.) submitted to Regional Commissions by local</p>

		consultants for each of the 16 partner cities
	<b>IA 2.4</b> – At least 1 letter or statement of support, official endorsement, or adoption (depending on governance context) received from local government in each target city regarding the economic recovery and resilience strategies. Where relevant, national governments and ministries also indicate support in respective countries	<b>MV 2.4</b> – Regional Commissions to report on actions demonstrating support and endorsements by local governments and officials by providing documentation where relevant
<b>Outcome-OC3:</b> Increased capacity on potential sources of finance to implement economic recovery and resilience building strategies by partner cities  <b>Workstream:</b> Economic Resilience Planning	<b>IA 3.1</b> – 16 information packages of sources for financial support to cities provided to the local governments	<b>MV 3.1</b> – Information packages of sources for financial support to cities received and accepted by the local governments
<b>Outcome-OC4:</b> Increased knowledge of local governments on successful local economic recovery and resilience building  <b>Workstream:</b> Knowledge Sharing	<b>IA 4.1</b> –Endorsement of target cities of their commitment to implement the economic recovery and resilience building strategies	<b>MV 4.1</b> – Final declaration signed by the local governments
	<b>IA 5.2</b> – Interest of at least one new city in the region to implement similar strategies	<b>MV 5.2</b> – Expression of interest and collaboration from similar cities in the region received through their presentation in regional meetings or letters

#### 4.3 Outputs for Phase 2

Outcomes	Outputs	Implementing Entity
<b>OC1</b>	<b>OP1.1</b> Development of urban economic recovery and resilience diagnostics and planning tool	<b>UNCDF</b>
	<b>OP1.2</b> Development of an online training program on urban economic recovery and resilience diagnostics and planning	<b>UN-Habitat</b>
	<b>OP1.3</b> Conducting training workshops on the urban economic recovery and resilience diagnostics and planning tool in each city	<b>UNCDF + Regional Commissions</b>
	<b>OP1.4</b> Collection and analysis of urban economic recovery and resilience diagnostics	<b>Regional Commissions</b>
	<b>OP1.5</b> Delivery of city validation workshops of the diagnostics	<b>Regional Commissions</b>

<b>OC2</b>	<b>OP2.1</b> Drafting of economic recovery and resilience strategies for each city	<b>Regional Commissions</b>
	<b>OP2.2</b> Conducting local stakeholder visioning and scenario planning workshops	<b>Regional Commissions</b>
<b>OC3</b>	<b>OP3.1</b> Development of information packages of sources for financial support to cities for each city	<b>UNCDF</b>
	<b>OP3.2</b> Dissemination of the information packages through local workshops	
<b>OC4</b>	<b>OP4.1</b> Publication of five regional policy briefs on urban economic recovery and resilience	<b>Regional Commissions</b>
<b>ALL</b>	<b>OP5.1</b> Design of process monitoring and evaluation framework	<b>Regional Commissions</b>

#### 4.4 Tentative Outputs for Phase 3

<b>Outcomes</b>	<b>Outputs</b>	<b>Implementing Entity</b>
<b>Scenario 1</b>		
<b>OC2</b>	<b>OP2.1</b> Delivery of local economic recovery and resilience implementation workshops	<b>Regional Commissions</b>
	<b>OP2.2</b> Designing of economic and financial recovery and rebuilding plans	<b>Regional Commissions</b>
	<b>OP2.3</b> Conducting city technical capacity building workshops	<b>Regional Commissions</b>
<b>OC3</b>	<b>OP3.1</b> Delivery of local economic recovery and resilience implementation workshops	<b>Regional Commissions</b>
<b>OC4</b>	<b>OP4.1</b> Delivery of city financing strategies	<b>UNCDF</b>
	<b>OP4.2</b> Designing of economic and financial recovery and rebuilding plans	<b>Regional Commissions</b>
<b>OC5</b>	<b>OP5.1</b> Delivery of one global policy dialogue on urban economic recovery and resilience	<b>UN-Habitat</b>
	<b>OP5.2</b> Publication of technical guide for urban economic and financial recovery and rebuilding	<b>UN-Habitat</b>
	<b>OP5.3</b> Integration of project outcomes	<b>Regional Commissions</b>
<b>ALL</b>	<b>OP6.1</b> Conducting process monitoring and evaluation	<b>ECA/ECE</b>
<b>Scenario 2</b>		
In scenario 2, project outcomes will remain the same, but virtual implementation of workshops will be pursued. This will be reflected in changes to project budget, but not outcomes.		

## 4.5 Risks and Mitigation Actions

Risks	Likelihood	Mitigating Actions
<b>Project-level risks</b>		
COVID-19 crisis deepens and pulls resources away from participating UN agencies	Low	Communicate importance of project for building long-term economic resilience to crises, and importance of UN's continued work
Congestion with the activities of other development agencies and organizations	Moderate	Selection of cities through a demand-based approach. Inclusion of other agencies in order to coordinate and create synergies between development and recovery activities.
Incomplete or inaccurate data	High	Confirmation and "ground-truthing" of quantitative data with local knowledge holders using qualitative methods. Triangulation of quantitative data from multiple sources. Expert review of data collection sources and methodology to ensure accuracy and to properly qualify/contextualize data.
Lack of interest and participation due to virtual nature of activities	Moderate	Use local consultants as much as possible to maximize in person activities (following the guidance of local health authorities). Modify the typical structure of in-person workshops to work well online (i.e. shorter sessions, making recordings available, using tools for synchronous participation such as live-polling). Maintain relationships with key personnel through frequent contact and opportunities to participate and provide inputs.
Continuation of global travel restrictions throughout all project phases	Moderate	Preparation of 2 separate scenarios for Phase 3 (travel restrictions and no travel restrictions).
<b>City-level risks</b>		
Changes in governance arrangements and political priorities in participating cities	Moderate	Ensure participation of diverse set of stakeholders representing a coalition of political interests
Participating cities unable to dedicate resources towards continued involvement in project	Moderate	Maintain targeted and substantive stakeholder engagement throughout the project cycle with local government officials. Ensure that capacity building activities are meeting the needs of cities and are building capacity needed to maintain involvement in project Involve other NGO and civil-sector organizations with the capacity to assist or supplement city efforts

Protracted disruptions to communications infrastructure (i.e. internet) in project cities	Moderate	Establish protocols and contingencies for continued communication through other means in case of disruption (telephone, mail, etc.)
2 <sup>nd</sup> wave/Outbreak in project cities	Moderate	Ensure commitment by local authorities to pursue the development of recovery plans and strategies in case of the 2 <sup>nd</sup> wave to account for new realities of a potential outbreak and deliver on “recovering better” principle
Drop in demand for project activities by participating cities	Low	Careful selection of project cities based on demand for project activities. Continued efforts to “add-value” to core project activities and supplement other city efforts where possible. Signing of cooperation agreements between Regional Commission and cities.

## 5. MONITORING AND EVALUATION

Monitoring of the project will mainly be undertaken by UNECE and UNECA in collaboration with the rest of the Regional Commissions as well as UN-Habitat and UNCDF. The implementing partners will review the implementation strategy and progress to ensure the project generates outputs in accordance with related outcomes. This will include:

- Regular team progress meetings at least every month among project management and implementing partners. This will provide a regular opportunity to gather performance information and compare plans with actual activities and budget execution.
- Project management information and communication system such as Microsoft Teams will be used among all implementing partners to ensure all relevant information is shared in a timely fashion with all partners.

Implementing partners as well as beneficiary countries and cities will also share the progress of project implementation and the results of activities and events.

All evaluations will be conducted in accordance with the DA Evaluation Guidelines. An internal Evaluation Committee will be established to oversee the project evaluation and need for the formation of an Evaluation Reference Group (ERG) will be considered during the initial stages of the project.

## 6. MANAGEMENT, PARTNERSHIP AND COORDINATION AGREEMENTS

The importance of the regional dimension is clearly mapped out in the UN Socio-Economic Framework for Immediate COVID-19 response and integrated as a central component of the UN architecture for this purpose. It states that “*COVID-19 is a global problem and confronting the effects of the pandemic will require global and coordinated efforts supported by regional initiatives and regional institutions*”.<sup>32</sup> Furthermore, the UN resolution on COVID (74/270) can be complemented by this project by bringing in the local component which is missing in the document as it states the following: “*Acknowledging the need for all relevant stakeholders to work together at the national, regional and global levels to ensure that no one is left behind*”.

Regional Commissions are ideally situated due to their already established partnerships with the selected cities and have the mandate to connect the responses of the UN to COVID-19 at local, national, regional and global levels given their role and work at all scales. The Commissions have a clear mandate to facilitate and coordinate linkages between global, regional and national UN work including towards the implementation of the SDGs and other global frameworks. Through the current project with a focus on the local scale, Commissions will enable and support coherence and complementarities between UN COVID-19 responses at all scales.

Specifically, Regional Commissions are uniquely positioned to ensure that the project’s implementation and outcomes will:

- inform regional scale recovery and resilient rebuilding programs and financing frameworks, as well as stimulus packages that are being designed by regional entities such as the African Union, European Union, and sub-regional entities such as ASEAN, and informing national level action in the respective regions<sup>33</sup>
- inform the deliberations, decisions and actions of Ministries of Finance, Planning and Economy who are the key agencies of defining the economic and financing components of recovery and rebuilding planning at the national level, as well as those of the local governments in the project area, which are at the focus of this project
- draw on the multi-disciplinary and multi-sector expertise within Regional Commissions, and be defined in coherence with multi-sector recovery plans in which the Commissions are involved
- feed into regional intergovernmental and multi-stakeholder platforms uniquely convened by the Regional Commissions to support the decade of SDG acceleration, such as the Regional Forums on Sustainable Development
- preserve women’s jobs and generate new, decent, and sustainable jobs for women, preserve women’s SMEs and ensure their sustainability via access to technology, training, markets,

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<sup>32</sup> Urban Resilience is the measurable ability of any urban system, with its inhabitants, to maintain continuity through all shocks and stresses, while positively adapting and transforming toward sustainability. Source: UN-Habitat Résilience Hub. At <https://urbanresiliencehub.org/what-is-urban-resilience/>

<sup>33</sup> See examples from ESCWA region at <https://www.unescwa.org/sites/www.unescwa.org/files/escwa-COVID-19-economic-cost-arab-region-en.pdf>

innovative institutional finance and others, as well as collect sex-disaggregated data on women’s economic status during the COVID-19 pandemic and beyond.

- connect to the Regional Collaborative Platforms which have been identified as critical in strengthening UN COVID-19 actions in all regions, and feed into regional COVID-19 observatories and platforms<sup>34</sup> being established as part of the RCPs
- enable unique inter-regional learning and exchange platform on urban response, recovery and resilience in the face of COVID-19 given the regionally differentiated trajectories, impacts and capacities for response, recovery and rebuilding
- draw on the experiences in a DA 12th tranche projects on “*Inter-regional cooperation for the implementation of the New Urban Agenda*” executed by ECLAC and UN-Habitat in collaboration with all Regional Commissions; and the “Smart Sustainable Cities for the 2030 Agenda on Sustainable Development and the New Urban Agenda in selected countries in the UNECE Region” executed by ECE in cooperation with UN-Habitat.

In addition to the above, the project will be implemented in coherence and complement to COVID-19 specific initiatives of Regional Commissions, as well as other programmatic resources, capacities and opportunities available within the Commissions.

The project will draw on the global expertise and work of UN-Habitat on sustainable cities and human settlements and specifically urban resilience. It will further benefit from the expertise of UNCDF in the areas of local economic development and financing.

## 6.1 Lead agencies

Project cluster/workstream	Lead Agency
Assessment and Capacity Building	UNCDF
Stakeholder Engagement	Regional Commissions
Economic Resilience Planning	Regional Commissions
Knowledge Sharing	UN-Habitat
Monitoring and Evaluation	Regional Commissions

## 6.2 Project Design Team

The project design team is comprised of three consultants namely William Trousdale (UNECA), Jordan Konyk (UNECA), and Enkel Leskaj (UNECE), guided by Ms. Gulnara Roll (UNECE), Ms. Edlam Abera Yemery (UNECA), and Mr. Marios Pournaris (UNECA), with the contributions and comments from all project partners.

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34 ECE “COVID-19 Response” regional platform, <https://statswiki.unece.org/display/COV/Home>

ESCWA regional platform with mapping of 150 countries analyzing national social protection measures to mitigate the socioeconomic impact of COVID-19, <http://covdata.unescwa.org/RPT/RPTDSH1.aspx>;

### **6.3 Project Steering Committee**

Focal points of the partner organizations

ECA  
ECE  
ESCAP  
ECLAC  
ESCWA  
UN-Habitat  
UNCDF

### **6.4 Resident Coordinator system and the UN Country Teams**

The project will be building upon previous collaboration with United Nations Country Team (UNCT) and will be guided by the principles laid down in the United Nations Sustainable Cooperation Framework (UNSDCF). UN Regional Commissions will send the Project Document to the target countries upon completion, followed by a launching briefing, and will establish close cooperation with RCO offices, will organize regular updates on the project activities at UN Country Teams meetings in the countries where the project will be implemented and will establish cooperation with resident UN agencies and establish synergies when possible. The project activities will be integrating the Regional Coordinator Officers The project activities will also integrate the United Nations Framework for the immediate socio-economic response to COVID-19.

## ANNEX 1: References

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