1. Objective of the CEE ratings:

The goal of the City Enabling Environment (CEE) ratings is to help cities and subnational governments determine which reforms should be taken at the national level to increase effectiveness in urban management. It also seeks to catalyse public debate on how urban policy can help create environments that are conducive to the productive, sustainable, and inclusive development of African cities.

2. The CEE Ratings Approach

The CEE ratings approach examines the institutional conditions created by the different countries in favour of the initiatives and actions of their respective local and subnational governments. It takes as a starting point a qualitative assessment based on 12 indicators, and each country is ranked on a scale of 1 (the lowest level) to 4 (the highest level). The indicators cover six areas: subnational governance, subnational capacity, financial autonomy, subnational efficiency, national institutional environment and global agendas. These areas correspond to the key elements of the institutional environment of cities in the context of decentralization and democracy.
3. CEE Ratings Criteria for Evaluation

The following 12 criteria is used to assess countries based on the enabling environment they offer their cities and subnational governments:

1. Provisions in the constitutional framework
2. Provisions in the legislative framework
3. Provisions for subnational governance
4. Provisions for financial transfers from the central government to the subnational governments
5. Provisions for citizen participation
6. Provisions for transparency in the operation and management of subnational governments
7. Provisions for capacity building for subnational governments
8. Provisions concerning subnational governments' own revenues
9. The involvement or non-involvement of subnational governments in the fight against climate change.
10. Taking into account gender equality; and
11. The presence or absence of a national strategy in terms of urbanization management
12. Provisions for subnational government performance

4. Ratings classification

The rating results for each criterion are presented in an overall report classifying the countries into four colours:

**GREEN** (scores of 36 or higher)
Countries with the most favourable environments for the action of cities and subnational governments in accordance with the standards adopted.

**YELLOW** (scores of less than 36 and greater than or equal to 30)
Countries whose environment is somewhat favourable to the action of cities and subnational governments, but where some improvements are needed.

**ORANGE** (scores of less than 30 and greater than or equal to 24)
Countries whose progress towards an enabling environment for cities and subnational governments would require major reform efforts.

**RED** (scores of less than 24)
Countries whose environment is generally unfavourable to the action of cities and subnational governments.

Despite the political will for decentralization expressed at the level of the Heads of State and Government of the African Union, through the adoption in June 2014 of the African Charter of Values and Principles of Decentralization, Local Governance and Local Development, implementation of this political will for decentralization is slow to materialize in various countries.
5. CEE Ratings 2021 – Key Findings:

1. Only four countries have an enabling institutional environment for cities and subnational governments.

2. Eight countries have a somewhat favourable environment.

3. Nineteen countries have an unfavourable environment for cities and subnational governments.

4. Twenty-two countries need to initiate major reforms to make the environment for cities and subnational governments more favourable.

5. Only twelve African countries out of fifty-three offer a favourable or somewhat favourable institutional environment for cities and subnational governments.

6. A total of forty-one of the fifty-three African countries surveyed have an unfavorable or somewhat unfavorable institutional environment for cities and subnational governments.

7. Forty-two out of fifty-three countries have taken measures to improve the policy space available to subnational governments:
   - 13.5% have taken measures to improve citizen participation in subnational governance
   - 12.6% have taken measures to improve financial transfers from the State to subnational government
   - 11.2% have taken measures to improve performance of subnational governments, transparency in subnational management
   - 11.2% have taken measures to develop National Urban Strategies

8. Four countries: Botswana (-4%), Nigeria (-4%), Eritrea (-5%) and Guinea-Bissau (-7%) – are experiencing negative trends. Four other countries: Algeria, Egypt, Lesotho and The Gambia – have ratings stagnating over the period from 2012 to 2021.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Green</td>
</tr>
<tr>
<td>8</td>
<td>Yellow</td>
</tr>
<tr>
<td>22</td>
<td>Orange</td>
</tr>
<tr>
<td>19</td>
<td>Red</td>
</tr>
</tbody>
</table>

COUNTRY SPOTLIGHT – Comoros

Comoros is one of the countries whose environment is generally unfavorable to the action of cities and subnational governments. Financial transfers from the state to local governments in the Comoros are ad hoc, unpredictable, and unstable. There is neither a national strategy for building the capacity of local administrations, nor a framework of reference for local government professions. Comoros do not have a National Urban Strategy either. Consequently, it received a rating of 22/48 (RED)

Improving the unfavorable environment in Comoros requires a series of reforms to be implemented. However, in this year’s ratings, Comoros experienced the greatest improvement in the policy space available to subnational governments (+75%) thanks to the holding of subnational elections, the improvement of the legislative and regulations for decentralization, the strengthening of citizen participation, and improvements in the subnational governments’ own resources.

A major effort still needs to be made to improve decentralized governance in most African countries, and it is necessary to prioritize decentralization reforms in order to create the conditions for the development or restoration of relations of trust between populations and public authorities. Improving the enabling institutional environment for the action of subnational governments should therefore be one of the major areas of cooperation with African countries in the field of governance.
6. Quality of the environment offered to cities and subnational governments in 2021 by region

NORTH AFRICA
has one country with an enabling or somewhat enabling institutional environment for cities and territories.

WEST AFRICA
has two countries with an enabling or somewhat enabling institutional environment for cities and territories.

CENTRAL AFRICA
No country offers an enabling environment for cities and subnational governments.

SOUTHERN AFRICA
has 3 countries with an enabling or somewhat enabling institutional environment for cities and territories.

EAST AFRICA
is the region with the largest number of countries with an enabling or somewhat enabling institutional environment for cities and territories (six countries out of a total of 12).

About the Publication
United Cities and Local Governments of Africa (UCLG Africa) in collaboration with Cities Alliance, publishes the report on the evaluation of the institutional environment created by African states for the action of cities and subnational governments. Also known as the City Enabling Environment Ratings (CEE), the report is published every three years since 2012.

About UCLGA Africa
UCLG Africa is the umbrella organization and united voice representing subnational governments of the African continent and nearly 350 million African citizens. It aims to strengthen the role of cities and subnational governments as key partners in urban development across the continent.

About Cities Alliance
The Cities Alliance is a global partnership fighting urban poverty and supporting cities to deliver sustainable development. Hosted by UNOPS, the organisation comprises 29 members including multi-lateral organisations, UN agencies, governments, NGOs, local governments, and city networks. Its core topics of work include economic growth, gender equality, migration, climate resilience and innovation, with a focus on informality.