

Terms of Reference for a Grant Recipient *Catalytic Fund*

The recipient organisation is the organisation that receives and administers the grant, and is responsible for project implementation activities and reporting.¹ The Cities Alliance prefers its funds and project activities to be administered and implemented by a city, an association of cities, or a national government.²

In some cases where it is determined that the recipient city, association of cities or national government may have insufficient capacity to manage Cities Alliance grants, or for other operational reasons, a member of the Cities Alliance (the sponsor of the project), or another third party may be requested to play an operational role, such as receiving and administering the funds. Such an organisation may also implement some or all of the project activities on behalf of the recipient.

The terms of reference for the recipient organisation include:

- ❖ Overall responsibility for the proper use of the Cities Alliance funds.
- ❖ Enter into a grant agreement with the World Bank, on behalf of the Cities Alliance, which will stipulate the terms and conditions for receiving and utilising the funds.
- ❖ Comply with all provisions in the grant agreement and applicable World Bank policies and procedures.
- ❖ Be responsible for using the funds only for the activities specified in the grant agreement.
- ❖ Define the institutional arrangement, including relationship with sponsor and other implementing partners.
- ❖ Provide timely reporting to the Cities Alliance Secretariat on progress in implementing the project, and financial reporting on the uses of the funds as specified by the grant agreement.
- ❖ Communicate with the Cities Alliance Secretariat on all significant matters relating to the project, such as changes in activities, budget revision and timeline. This includes also any emerging social and environmental risks and any adverse impacts resulting from implementation of project activities.
- ❖ Participate in knowledge sharing activities so that other cities/countries might benefit from the project experiences.

In cases where a Cities Alliance member or another third party is playing an operational role in the project, they will, in addition to the above Recipient TOR, also agree to:

- ❖ If administering the grant, provide the required financial reporting to both the Cities Alliance Secretariat and the partner entity/organisation on behalf of which they are implementing the project.
- ❖ Submit progress reports and other monitoring requirements jointly with the partner entity/organisation.
- ❖ Engage the partner entity/organisation in work programming, particularly if implementing on its behalf.

¹ The Recipient is also typically the organisation that submits the application (i.e. the proponent) since the Cities Alliance believes that an activity's chance of success is directly related to the extent that it is conceived, designed, proposed and managed by the entity requesting the assistance.

² Other organisations such as universities and NGOs can also apply.

Terms of Reference for a Project Sponsor

Catalytic Fund

According to one of the eligibility criteria for applying to the Catalytic Fund, a project proposal must be sponsored by at least one member of the Cities Alliance. Cities Alliance members active in the relevant city and/or country should be contacted by proponents³ for possible sponsorship prior to submitting the project proposal. Proponent and sponsor(s) should also have discussed the project proposals including the role of the sponsor(s) prior to submission. Please visit <http://www.citiesalliance.org/ca/our-members> for a list of current Cities Alliance members.⁴

The CA defines five different types of sponsorship through which CA members can be involved in a project (one or more):

1. *Full or Co-implementation.* The sponsor implements full or specific components or activities of the proposed project in close coordination with the proponents.
2. *Co-funding.* The sponsor financially supports components or specific activities of the proposed project.
3. *Grant Administration.* The sponsor provides administration services regarding the grant management on behalf of the proponents.
4. *Analytic and/or Advisory Assistance and Support.* A sponsor provides technical assistance and capacity building to achieve project's objectives and outputs.
5. *Joint Knowledge Management.* A sponsor supports the monitoring of the progress of the project, its evaluation and/or learning activities.

By agreeing to be a sponsor of the proposed project in one of the five modalities above described, the Cities Alliance Member(s) agree to the following terms of reference:

- ❖ The sponsor has ensured that the proposed project is complementary, or at least not in conflict, with the country-level programmes or activities of other donors and national governments.
- ❖ The sponsor has reviewed and/or jointly developed the application that has been submitted by the proponent.
- ❖ The sponsor will extend active support in one of the above five modalities to the project, the forms and details of which should be agreed with the recipient and documented in the application.
- ❖ The sponsor will follow progress of the project activities and inform the Cities Alliance Secretariat if they become aware of any factor that might significantly impede or improve project implementation including any emerging environmental or social risks.
- ❖ The sponsor will ensure the timely payment of its co-financing contribution, if any.
- ❖ The sponsor will collaborate with other Cities Alliance members in the country in support of the project's objectives and activities.
- ❖ The sponsor, if requested, will support Cities Alliance project evaluation activities.

³ A proponent to Catalytic Fund is typically a city, an association of cities, or a national government. Other types of organisations such as civil society organisations or universities can apply.

⁴ The Cities Alliance Secretariat may contact the sponsor upon receipt of a funding application to confirm their agreement to the above sponsor terms of reference.