

**The Cities Alliance
2011 Consultative Group Meeting
Agenda
8 November 2011**

Venue: Joaquim Chissano Conference Centre, Av. Marginal nr 4441, Tel: +258 21 48 63 95/7

DAY 1: TUESDAY, 8 NOVEMBER 2011		
08h00	Coffee/tea	Venue: Joaquim Chissano Conference Centre
08h30-9h15	<p>Introductory Statements and Welcome <i>Co-Chairs:</i> <i>Zoubida Allaoua, Director, Finance, Economics and Urban Division, World Bank;</i> <i>Jan Meeuwissen, Sr. Human Settlements Officer, UN-Habitat</i> <i>Manager: William Cobbett</i></p> <ul style="list-style-type: none"> ➤ Approval of meeting report – October 2010, Mexico City <p>Report Back: Executive Committee March, July, and November 2011 Meetings <i>Emilia Saiz, UCLG Director, Institutional Relations and Acting Executive Committee Chairperson</i></p> <ul style="list-style-type: none"> ➤ Charter: Final version ➤ EXCO Rotation 	<p><i>Handouts:</i> 1) Agenda 2) Mexico City Meeting Report</p> <p>3) March and July Meeting Reports 4) Cities Alliance Charter 8) Partnership Matters report</p>
09h15-10h00	<p>Follow up from Policy Advisory Forum (PAF) <i>Clare Short, PAF Chair; Sheela Patel, SDI</i></p> <ul style="list-style-type: none"> ➤ Report Back from PAF Chair ➤ Mobilizing investments for city development and slum upgrading strategies 	
10h00 – 11h00	<p>Independent Evaluation 2011 <i>Anders Richelsen, COWI A/S (Team Leader)</i></p> <ul style="list-style-type: none"> ➤ Presentation of draft Findings & Recommendations ➤ Discussion and Next Steps 	<p><i>Handouts:</i> 6) Independent Evaluation Inception Report</p>
11h00-11h30	Coffee/Tea Break	

11h30-13h15	Cities Alliance Business Plan <i>William Cobbett, Secretariat</i> <ul style="list-style-type: none"> ➤ <i>Presentation: BP Overview</i> ➤ <i>Discussion and Next Steps</i> 	<i>Handouts:</i> 5) <i>Draft Business Plan</i>
13h15-14h15	LUNCH	<i>Venue: to be determined</i>
14h15-14h45	Cities Alliance approach for upcoming International fora <i>UCLG and CA secretariats</i> <ul style="list-style-type: none"> ➤ <i>Discussion of CA approaches for events including Rio+20, MDG Next Steps, WUF-V, Africities</i> 	
14h45 – 15h45	Catalytic Fund <i>Federico Silva, Secretariat</i> <ul style="list-style-type: none"> ➤ <i>Briefing from initial Catalytic Fund cohort</i> ➤ <i>Selection of Theme for 2012 Catalytic Fund cohort</i> Cities Alliance Business Matters <i>Kevin Milroy, Secretariat</i> <ul style="list-style-type: none"> ➤ <i>Financial & Budget Report</i> 	<i>Handouts:</i> 9) <i>Catalytic Fund report</i> <i>Handouts:</i> 7) <i>Financial and Budget Report, FY11-FY12</i>
15h45-16h15	<i>Coffee/Tea Break</i>	
16h15-17h15	Special Session: Member Presentations <i>Urbanization Reviews -- Somik Lall, Senior Economist, World Bank</i> <i>Participatory Urban Planning – Nicolas Detrie, Director, Les Ateliers</i>	
17h15-17h30	Next Consultative Group Meeting	
17h30-18h00	Closing Remarks by the Co-Chairs	

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout #2: Opening and Welcome

Support Document: Nov. 2010 Consultative Group Meeting Report

Background:

The 16-17 November 2010 CG Meeting Report was cleared by the CG Chairs and circulated to members. No additional edits/comments were received.

Recommended Action:

- Approve 2010 Meeting Report

Cities Alliance Consultative Group Meeting
16-17 November 2010
Mexico City, MEXICO
DRAFT Summary

Venue: Hilton Reforma Hotel, Mexico City, #70 Avenida Juarez

See Annex I for Final Meeting Agenda

I. 16 November 2010: Morning Session Day 1
Policy Advisory Forum : “Thinking Strategically About Africa”

Meeting Chair: Clare Short, Chairperson, Advocacy Panel

Following a lively three hour debate, the CA members have prioritized support to Sub-Saharan Africa. In this context members were of the view that it is an optimal time for the Alliance to develop a bold strategy that will allow it to play a far more active and decisive role in catalyzing action and providing support to SSA cities, and countries.

The Secretariat will circulate a draft “Cities Alliance Action plan for Africa” for comment in early 2011.

II. 16 November 2010: Afternoon Session Day 1
Cities Alliance Charter Discussion and Adoption

Co-Chairs: Inga Björk -Klevby, UN-Habitat and Zoubida Allaoua, World Bank

Item One: Report Back from July, October and November Executive Committee Meetings

Designated Chairperson, Emilia Saiz

- a. Paris July 7-8, 2010 – Hosted by UNEP**
 - i. The meeting was devoted to the Charter, following an update and assessment of the Cities Alliance
 - ii. Members received a progress report on the new business model, and
 - iii. UCLG outlined plans for the Congress in Mexico City in November
- b. Paris October 25-26, 2010 – Hosted by UNEP**
 - i. This was an extraordinary meeting, devoted solely to the Charter
- c. Mexico City, November 15, 2010**
 - i. Finalised the Charter, for recommendation to the CG

- ii. GHK presented its evaluation of Project Implementation Modalities of the Cities Alliance
- iii. There was also a discussion on the process of finalising the Terms of Reference of the Independent Evaluation of 2011
- iv. Most importantly, EXCO considered a report prepared by the Secretariat to select the fourth country programme (after Uganda, Vietnam and Ghana)
 - a. After making some additional comments on the criteria, the Executive Committee unanimously selected Burkina Faso
- v. The next EXCO meeting will be held in Washington DC in March 2011, hosted by the World Bank
- vi. The rest of the meeting discussed Cities Alliance business matters, all of which are part of the CG Agenda.

Item Two: Cities Alliance Charter Presentation from Executive Committee

Chairperson, Emilia Saiz, UCLG

EXCO presented the timeline of how and why the Cities Alliance undertook to review the Charter

November 2007: Manila CG – The CG considered the Medium Term Strategy (2008-2010)

January 2009: Barcelona CG – CG created a Working Group to review how to enhance the role and ownership of cities in design and implementation of CA activities, the Governance issue, CA secretariat staffing and CA presence in Europe and later added, the focus on poor countries and secondary and tertiary cities.

September 2009: Chile EXCO – The EXCO reviewed the recommendations from the WG, took decisions on each of the 15 recommendations and circulated the report to the Working Group and the CG

January 2010: Mumbai CG – The CG mandated EXCO to review the Charter in 2 phases a.) Membership and Governance, and b.) a review of the entire Charter post 2011 independent evaluation.

July 2010: Paris EXCO – agreed to amend the Charter in-house and realized that it needed to expand the review to include the Chapeau, Objectives and rationale, sections B, C and D “Relationships with Programmes of Participating Partners”, “Cities Alliance Activities” , and “Activity Identification and Selection” and Section E “Governance and Organisational Structure.”

- a. EXCO moved beyond the original terms of reference, and was also not able to circulate the draft Charter within the normal timeframes.

October 2010: Paris EXCO – The Secretariat tabled a draft, newly composed Charter for consideration. During the course of the extra-ordinary October meeting, EXCO made significant progress, largely completing the new draft Charter for submission to the CG. It was this version (26 October 2010) that was circulated to the CG, with comments accepted until 3 November 2010.

November 2010: Mexico City EXCO - met prior to the CG Meeting, to consider additional comments from Norway and Germany, as well as some preliminary comments from the World Bank lawyer and detailed procedural and substantive comments received by email from Sida.

After taking into consideration the comments circulated from Sida, the CG approved the following:

1. The process undertaken by the Executive Committee to draft a new Charter
2. The new version of the Charter, as circulated on 26 October 2010, and as amended on 15 November 2010
3. The decisions of the CG in Mumbai, January 2010, to review the Charter following the completion of the 2011 Independent Evaluation

The CG dedicated the afternoon session to reviewing the version of the Charter submitted by the EXCO on 15 November, line by line. The new Charter was then unanimously adopted and acclaimed, subject to final review and clearance by the World Bank lawyers upon the Secretariat's return to Washington.

III. 17 November 2010 Morning Session Day 2

Item One: Partnership Matter

Following the CG meeting of 16th November and the adoption of the Charter, the EXCO met to make the following two recommendations to the CG:

1. That Clare Short be invited to serve as the first Chairperson of the Policy Advisory Forum, for a period of three calendar years (2011-2013); and
2. That the CG consider ratifying the composition of the five rotating members, for purposes of continuity, according to the following formula:
 - a. Two representatives from external support countries/agencies: Germany and Norway
 - b. One developing country representative: Chile
 - c. Two other members: South Africa and UNEP

The CG unanimously endorsed both recommendations from the EXCO.

Item Two: Presentation of Project Implementation Modalities of the Cities Alliance: Findings and Signposts

- a) TOR - The evaluation of client and of non-client grant implementation for city development and slum upgrading projects in cities or at national level should provide evidence to assess the applicability and effects of [client and member] implementation modalities
- b) Outcomes included –
 - i) High transaction cost of grant administration
 - ii) Members are key to the quality during grant execution phase
 - iii) There is limited capturing and sharing of results and lessons
 - iv) Timely delivery important to realise results & catalytic effects
 - v) CA has good reputation with ability to use it as leverage

- c) Final report due in December 2010
 - i) The Secretariat will review all the recommendations from GHK and prepare a matrix with action steps to present to the EXCO at its next meeting
 - ii) The Secretariat will work with the World Bank Finance Economic and Urban Development Department Director's Office to determine which policies are flexible and could be improved and which are not
 - (1) The Secretariat will provide a status report at the next EXCO meeting to be held at the World Bank's offices in Washington, DC.

Item Three: Update on Results Based Management and Discussion of the Terms of Reference, Independent Evaluation 2011

Update on Results Based Management (RMB) for the new Cities Alliance Business Model

CA's approach to Results- Based Management:

- **sharpens the CA focus** by building on CA's comparative advantages,
- further **operationalizes the new business model** and helps to **prioritize activities**, and
- helps to coherently **explain** how CA works and what it achieves.

Cities Alliance' objectives

- To strengthen and promote the role of **cities in poverty reduction**, and in sustainable development;
- To capture and strengthen the **synergies** between members and partners; and
- To improve the **quality of urban development cooperation** and lending.

CA's RBW will support six dimensions of "Inclusive Cities" that reflect CA's concept of the causes of urban poverty, and where the CA expects improvements as results from its interventions. The basic assumption for CA is that these improvements will be the result of an urban transformation process.

Discussion of the Terms of Reference, Independent Evaluation 2011

The Cities Alliance is required by the World Bank's Development Grant Facility to undergo an independent evaluation in 2011

- i. The Secretariat will re-circulate the draft Terms of Reference as well as the Guidelines for DGF Funding Evaluations
- ii. Comments are due to the Secretariat by 23 December 2010

Item Four: Presentation: Cities Alliance Business Matters

Review of Budget and Work Programme FY10-11

- i. CA has allocated \$16m in FY10, \$10.7million from Core Funds, of which, \$9.5m are for country-specific projects

- ii. Prior to closing the Grant Facility on 31 March 2010, the CA received 29 proposals, totaling \$9.3m, of which 24 passed threshold; 9 have been approved in FY10 and 15 will carry over to FY11
- iii. Heavy demand for CA grant facility during the close-down period will deplete the \$6.7m unallocated CA Core Funds carried into the start of FY10.
- iv. Core Contributions from donors totaled \$7.1million, same as the FY09 level. Investment income was down due to low yields.
- v. Actual expenditures for FY10 Secretariat costs are expected to be approximately \$0.2m less than was budgeted due to delays in hiring staff
- vi. For FY11, A \$19.15m budget to support the work programme was endorsed by the EXCO at its July 2010 meeting - \$10.15m from Core, \$8m from unallocated Gates funds, and \$1m from the Africa Facility
- vii. To fully implement the work programme, an increase of \$2.5m in Core funds is needed for FY11
 1. Under approved allocations, UN-Habitat requested to review all funded State of the Cities Reports to reduce duplication of effort

Forward Planning and Resource Mobilisation

- viii. As the Secretariat implements the new business model, in particular the Country Programmes, it will need help from members fundraising for the CA
- ix. The Secretariat is designing products that will take on board recommendations from the GHK evaluation

Item Five: Presentation and Discussion: Catalytic Fund and Small Grant Facility

(Circulated to members in the Red Book and the Blue Book)

Catalytic Fund -Objectives

- Aims to have catalytic effects on initiating and enhancing urban transformation processes promoting more inclusive cities.
- Aims at advancing collective know-how through the learning that can be distilled from the project experiences and shared among CA partners, CA members and beyond.

Catalytic Fund -Key Characteristics

- Competitive process
- Open twice a year
- Two step process (Concept Note and Full Application)
- Support by an expert evaluation panel (EEP)
- The grant size limited to US\$50,000-US\$250,000. Total Budget US\$2,000,000 (FY11)
- CA Sponsorship required

Timeline and how to apply

1stCall: Open from January to end of February 2011 -> Selection by June 2011

2ndCall: Open from August to end of September 2011 -> Selection by January 2012

The Small Grant Facility

- Same CATF objectives
- Open all year round for submission
- Quarterly competitive selection
- Support to CA members
- Grant size limited to US\$50,000, total budget US\$400,000 (FY11).
- Simplified process (Concept note, Internal screening, 1 year implementation)

Members were requested to send comments on both Facilities to the Secretariat by 23 December 2010

IV. 17 November 2010 Afternoon Session Day 2

Item Six: Presentation: Country Programmes

Principles of the Country Programmes:

- Coherence of effort
- Long-term, pro-poor urban programming
- Multi-sectoral and aligned approach
- Demand-oriented programme design process
- Building long-term institutional capacities
- Engaging for systemic change and impacts at scale

Updates provided on the ongoing Country Programmes including:

Uganda, Ghana and Vietnam

Lessons Learned from Country Programmes thus far

- Alignment and coherence is a process requiring time and energy investment
 - The programme starts with the first engagement
 - Building partnerships among stakeholders
 - Opening of space for deliberation on key policy issues
 - Addressing key political constraints
- Aligned institutional framework attracts new partners
- Country Programme provides opportunity to start consolidating evidence on what works

Way Forward

- Countries with multiple on-going grants
 - Malawi
 - Mozambique
- Linking MIC members to process
- 4thLSC Country Programme
 - Burkina Faso

Item Seven: Presentations: Knowledge and Communication

Three presentations were made by the Secretariat to update the members on what the Secretariat has achieved this year in the areas of:

Knowledge and the Environment

- The CA has transitioned to a Knowledge and Learning Programme, moving from a dispersed range of knowledge activities to programmatic knowledge generation and learning.
- The goal of the programme is to improve the collective know-how of the Alliance members while making it available and facilitating the knowledge adoption by the Alliance partners (e.g. local and national authorities, citizens, etc.)
- Matching knowledge needs and sources, responding to knowledge gaps by supporting collective learning and convergence of thinking for coherent actions.

Work Programmes on Environment

- Joint Work Programme on Cities and Climate Change with UNEP, UN-Habitat and the WB
- Joint Programme with the World Bank to understand the linkages between Climate Change, Disaster Risk and the Urban Poor
- Joint Programme with UNEP on fully integrating the environmental dimension into CDSs and SUs, (and the urban dimension into UNEPs work programme)
- Joint Programme with the World Bank to support the ECO2Cities, in particular training and dissemination

Proposed priorities

- Continuation of JWP on cities and climate change
- Continuation of integrating the broader Environment into CA activities
- Continue mainstreaming Gender and Youth in CA activities
- Establishment of a State of Cities Reports learning group
- Starting a Joint Work Programme on incremental urbanization in Africa
- Expanding the CDS working group, also to the Inclusive Cities Network, enhance integration of inclusion, environment and gender

Gender and Youth

Objective

Mainstream Gender and Youth in Cities Alliance supported operations because:

- 1.) There is enormous untapped potential of women and youth as drivers of urban development, and
- 2.) Gender neutral projects do not exist

How to Mainstream Gender and Youth

Country Programme Mainstreaming:

- Gender Analysis as part of Country Programme design
- A focus on women in community mobilizing
- Feedback on each Country Framework from the UN Habitat Youth Advisory Board
- Cooperation with UN Habitat's Opportunities Fund for Youth Led Development in the identified Country Programmes

- Gender and age sensitive proposal criteria
- Gender and age responsive Monitoring and Evaluation

Catalytic Project Mainstreaming:

- Gender and age responsive proposal criteria
- Gender and age responsive Monitoring and Evaluation
- Potential knowledge products on Gender and Youth

Knowledge and Learning Mainstreaming:

- Thematic areas in CDS sub group clearing house
- Informal Gender and Urban Development working group at the World Bank (2012 WDR)
- Case action study on addressing Youth and Employment in

Communication and Advocacy Mainstreaming:

- Staff workshop on Gender and Urban Development
- Gender and youth focal point to be institutionalised in Cities Alliance
- Section on Gender and Slum Upgrading included on the CA webpage and highlighted in the Annual Report 2009
- Civis note on Gender in planning
- Feature story on 'Empowering Youth is Essential for developing Inclusive Cities'
- Civis note on Youth in planning

Recommendations

- Monitor mainstreaming of Gender and Youth
- Continue having a gender and youth focal point within the secretariat staff
- Increased focus on knowledge products on Gender and Youth
- Promoting gender and youth in urban development through communication and advocacy

Communications and Advocacy

To propose a framework for supporting CA's new work programme pillars: Catalytic Fund; Country Programmes; a more systematized knowledge and Learning programme

Mainstreaming C & A into the Catalytic Fund activities

- Designing a C& A mechanism to be incorporated in the proposal request forms -as part of overall proposal approval and implementation process
- Role in formal Launch of the Fund -Creating the awareness --the What, How, and Why of the Fund -Approval , Evaluation Processes, Timelines
- Supporting Knowledge and Learning from Cat Fund activities –distillation, packaging and dissemination through agreed relevant channels –publications, discussion fora, blogs, south-south exchanges, events participation

Mainstreaming C & A into Country Programmes

- Undertake the necessary backgrounder study needs analysis for selected country programme country -socio-political context, reputational risk factors, attitudes, target audience and what needs to be changed –in partnership with local players; overtime, develop a tool for this analysis
- With local partners design and implement country specific behavior change communications/advocacy strategy -this partnership is important as activities and messages at the local level will feed into overall CA corporate messaging
- Capture and promote key milestones from in-country activity –policy reforms, scaling up.
- Capture knowledge and lessons learned for formatting and dissemination -Country Case studies; Impact Stories –of the Urban Poor, Gender and Youth

Mainstreaming C & A into Knowledge and Learning

- Classification and tagging of knowledge resources -from activities funded by the Old Grant Facility and from Cat fund and Country programmeactivities
- Project profiles based on knowledge from activities of Old Grant Facility -publish lessons learned and stories of impact
- Promote and publish significant of outcomes of Joint Work Programmes(JWPs)
- Promote publication of SoCRs
- Populate a CA Knowledge Resources database -promote and monitor uptake
- Help with organisationof public policy forums, workshops, south-south policy dialogues seminars to share knowledge

Item Eight: Next Consultative Group Meeting

On behalf of the Cities Alliance, Italy has agreed to approach the Government of Mozambique to see if there is interest in hosting the next CG meeting.

ANNEX I

**The Cities Alliance
2010 Consultative Group Meeting
Agenda
16-17 November 2010**

**Venue: Hilton Hotel Reforma
Avenida Juarez #70, Mexico City, Mexico 06010, Tel: 52-55-5130-5300**

DAY 1: TUESDAY, 16 NOVEMBER 2010		
9h30–10h00	<i>Coffee/Tea</i>	<i>Venue: Don Alberto One</i>
10h00-13h00	Member Policy Discussion: “Thinking Strategically About Africa” <i>Facilitator: Clare Short, Policy Advisory Forum Chair</i>	
3h00-14h30	<i>Lunch</i>	<i>Venue: Hilton Hotel Reforma</i>
14h30-15h30	Introductory Statements & Welcome <i>Co-Chairs: Inga Björk-Klevby, UN-Habitat Deputy Executive Director & Zoubida Allaoua, Director, Finance, Economics and Urban Division, Manager: William Cobbett</i> Report Back: Executive Committee July, October and November 2010 Meetings <i>Elisabeth Gateau, UCLG Secretary General and Executive Committee Chairperson</i>	<i>Handouts: Medium Term Strategy Update (October 2010)</i>
15h30-16h00	<i>Coffee/Tea Break</i>	
16h00-18h30	Presentation: Cities Alliance Charter <i>Executive Committee</i> Member Charter Discussion	<i>Handouts: Current Charter, Draft Charter 26 October 2010 version</i>
18h30	Summary of discussions <i>Co-Chairs: Inga Björk-Klevby, UN-Habitat Deputy Executive Director & Zoubida Allaoua, World Bank, Director, Finance, Economics and Urban Division</i>	
19h00	Member Cocktail Reception	<i>Venue: Doña Sol</i>
DAY 2: WEDNESDAY, 17 NOVEMBER 2010		

08h30	<i>Coffee/Tea</i>	<i>Venue: Don Alberto One</i>
09h00-09h30	Partnership Matter ➤ <i>New Executive Committee Member Election</i>	<i>Handouts: Partnership Matter</i>
09h30-10h30	Presentation: Evaluation of Project Implementation Modalities of the Cities Alliance: Findings and Signposts <i>Jamie Simpson, GHK International, Director</i> Member Discussion/Q&A	<i>Handouts: GHK International ppt</i>
10h30-11h00	<i>Coffee/Tea Break</i>	
11h00-11h30	Update on Results Based Management and Discussion of the Terms of Reference, Independent Evaluation 2011 <i>Gunter Meinert, Secretariat</i>	<i>Handouts: CA Evaluation Briefing Note</i>
11h30-12h00	Presentation: Cities Alliance Business Matters <i>Kevin Milroy and Phyllis Kibui, Secretariat</i> ➤ <i>Budget and Work Programme FY10-FY11</i> ➤ <i>Forward Planning and Resource Mobilisation</i>	<i>Handouts: Work Programme and Financial Plan, Portfolio Review FY00-FY10</i>
12h00-12h45	Presentation and Discussion: Catalytic Fund <i>Federico Silva and Gunter Meinert Secretariat</i> Member Discussion/Q&A	<i>Handouts: Catalytic Fund and Small Grant Facility</i>
12h45-15h30	<i>Lunch with the UCLG Executive Bureau Members</i>	<i>Venue: Casino Español</i>
15h30-16h15	Presentation: Country Programmes <i>Julian Baskin and Andrea Zeman, Secretariat</i> Member Discussion/Q&A ➤ <i>Germany Presentation of "Back-Up Initiative"</i> <i>Franz Marre, BMZ</i>	<i>Handouts: Back-Up Initiative</i>
16h15-17h00	Presentation: Knowledge and Communication <i>Ricardo Jimenez, Hilde Refstie, Chii Akporji, Gunter Meinert, Secretariat</i> Member Discussion/Q&A	
17h00-17h15	Next Consultative Group Meeting	

17h15-17h30	Closing Remarks by the Co-Chairs Inga Björk-Klevby & Zoubida Allaoua	
<i>UCLG Hosted Evening Events</i>		
19h00-20h00	<i>Inauguration and Tour of the World Congress Exposition</i>	<i>Venue: Calle Dr. Mora, Alameda Central</i>
20h30-22h00	<i>World Congress Welcome Reception</i>	<i>Venue: Palacio del Ayuntamiento, Zócalo de la Cidade de México</i>

DRAFT

Cities Alliance

Cities Without Slums

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Agenda Item No. 1: Introductory Statements and Welcome
Support Document: March 2011 and July 2011 EXCO Meeting Reports

Background:

The EXCO met in March 2011 and July 2011. The meeting reports attached are provided for your information.

EXCO is also scheduled to meet on November 6, 2011, for which the meeting report is not available.

Recommended Action:

For information only

Cities Alliance

Cities Without Slums

Cities Alliance Executive Committee Meeting
10-11 March 2011
Washington, DC
Summary

Key Decisions and/or Follow-up Actions:

1.) The World Bank's Urban Strategy for Africa Presentation (Joint Work Programme (JWP))

- a. The initial funding for the AFTUW JWP (USD 500,000) was approved by the CG during its meeting in the Mexico City, and the full proposal has been circulated to the Cities Alliance Consultative Group for Donor Coordination with member comments due back to the Secretariat on 18 March. Final comments from members will be compiled and shared with AFTUW and the Alliance can expect a final version of the programme to be circulated by the end of March 2011.
- b. Cities Alliance Strategy for Africa will be incorporated into the draft Business Plan

2.) Update on Cities Alliance Grant Making

- a. The Secretariat was requested by the members of the EXCO to keep working with the World Bank to improve the time it takes to process Grant Agreements and disburse funds to recipients.
- b. It was further agreed that possibilities would be explored to enable a two-tier system by which Cities Alliance would be able to simplify processes for smaller grants, but also for atypical and experimental/innovation driven experiences that would not usually fit in the strategies of the individual partners.
- c. Grant Facility will be incorporated in the draft Business Plan

3.) Lessons and Recommendations from the GHK Evaluation of Project Implementation Modalities

- a. The Secretariat will develop an annotated outline of the Business Plan for the next EXCO meeting (July 2011), along with the proposed FY12 work programme and budget in the outcome-oriented format proposed for the Plan.

4.) Implementation of New Business model

- a. **Knowledge** - The Secretariat was tasked with following up with individual members to find out what they would like to see generated from CA's knowledge and learning programme. The Secretariat will present initial proposals to EXCO in July, related to the (draft) business plan.
- b. **Country Programme Update** –
 - i. Based on the number of existing Cities Alliance grants, the next two potential country programmes are Malawi and Mozambique. The Secretariat is undertaking a portfolio review of each country and hopes to make a recommendation at the next EXCO meeting.
 - ii. EXCO requested more advanced information on the Country Programmes, which are new to the members and the nuances of each programme are difficult to immediately grasp. The Secretariat was requested to produce

advanced information on the programmes as well as a progress report including the framework – what was agreed, what has been achieved, and the budget for each programme

5.) Charter Update

- a. The EXCO asked the Legal Counsel team to draft the necessary legal language where required, and the Secretariat will circulate the final version of the Charter to the CG shortly.

6.) Independent Evaluation 2011 Update

- a. The EXCO decided to ask for three full proposals from Universalis, COWI and DEGE.

7.) Membership Issues

- a. The Chair of the EXCO will write a letter to each member organisation in arrears, highlighting the importance of this matter.

8.) Next EXCO Meeting and Consultative Group Meeting

- a. The next EXCO meeting will either be held in Ghana or Germany, 11-12 July 2011
- b. The next CG is on track to be held in Maputo, most likely early December 2011

I. Attendance

Executive Committee: Messrs. Carrasco (Chile); Marré (BMZ), Baehring (GIZ) (Germany); Berg (Norway); Maphisa (South Africa); Anthony (Chair), Gateau (former Chair) and Saiz (UCLG); Smaoun (UNEP); Biau(UN-Habitat); Allaoua (World Bank); Short (PAF); Cobbett (Secretariat)

Policy Advisory Forum: Ms. Clare Short

Presenters: Messrs. Simpson (GHK International); Ahmad Kamal, Joshi-Ghani, Kruse-Tietz, Stumpf (World Bank);

Observers: Messrs. Hewson (UN-Habitat); Kirby-Zaki and Ortiz (World Bank)

Secretariat: Messrs. Baskin, Henderson, Kibui, Meinert and Milroy

Venue: World Bank Headquarters, 1818 H Street, NW, Washington, DC

See Annex I for Final Meeting Agenda

DAY 1: 10 March 2011

II. Morning Session: Book Launch, “Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier” by Edward Glaeser

Excerpt: “Triumph of the City” (Google Books)

“A pioneering urban economist, Mr. Glaeser offers fascinating, even inspiring proof that the city is humanity's greatest invention and our best hope for the future.”

The Executive Committee members were special guests at the launch of Edward Glaeser’s new book, which was hosted at the World Bank and sponsored by the InfoShop, the Global Urbanisation Knowledge Platform, the Metropolitan Policy Program at Brookings, and the Urban and Local Government Unit of the World Bank.

III. Afternoon Session

Meeting Chair: Clarence Anthony

1. Opening and Welcome

Clarence Anthony, Interim EXCO Chair and Interim Secretary -General of UCLG, opened the meeting, welcomed all members and in particular asked Elisabeth Gateau, former EXCO Chair and former Secretary-General of UCLG, to say a few words.

Elisabeth thanked the World Bank for hosting the meeting, welcomed Clarence and the other members, and gave a brief history of UCLG. She stated that the objective of UCLG – to achieve recognition of local governments at an international level – has made progress but there is more work to do. She stressed that the role of local governments should be recognised, and that they should be seen as partners. **She indicated that the best partnership for UCLG is Cities Alliance, as it is the only place where UCLG has the space for partnership recognition. UCLG expressed continued support for Cities Alliance and the policy of client execution. Elisabeth thanked the Cities Alliance members and encouraged the group to make the partnership bigger and stronger.**

The World Bank, as host of the meetings, welcomed the EXCO to Washington and indicated that the Cities Alliance can count on World Bank support. The World Bank noted that it has launched an urban strategy that is reshaping the dialogue within the Bank and is in the process of launching an Urbanisation Knowledge Platform that will raise the profile of Urban Development within the Bank. **The Bank supports a frank exchange of ideas to make grant disbursement more effective.** A number of different World Bank unit representatives attended the meeting.

2. Strategic Priorities for the Cities Alliance Partnership
a. Introduction, William Cobbett, Secretariat Manager

As a result of the wish expressed by members to focus on LDCs and the CG decision in Mexico City (November 2010) to focus on Africa, **the Secretariat proposed to take the period between now and the next CG meeting in Maputo in November/December 2011 to engage with CA members to forge a common, transformative work programme around Sub-Saharan Africa.**

The Secretariat aims to:

1. Build upon CA members' existing SSA portfolios
2. Identify geographical or thematic gaps in SSA
3. Build up agreement where the CA could add value

The Africa-focused Work Programme would not only be used to guide the Secretariat's – and thus the Cities Alliance's – work for the year, but also be used as a vehicle for partnership, to leverage and maximise the benefits of the Cities Alliance's location at the World Bank, and to increase the impact that Cities Alliance and its members can have in supporting the urban transition in Sub-Saharan Africa. The Africa-focused Work Programme explicitly includes and builds upon the lessons and experience of members and partners in MIC countries.

A. The World Bank's Urban Strategy for Africa Presentation (Joint Work Programme (JWP))
a. Presentation, Junaid Ahmad Kamal, Sector Manager, Africa Urban and Water Unit (AFTUW)

The World Bank has taken the first step to engage programmatically with the Cities Alliance in Africa through the creation of a Joint Work Programme. The Africa Region of the Bank has indicated its intention to move away from *ad hoc* projects and to embrace a national system of cities approach in order to empower cities and towns as centres of governance, in order for them to be able to manage the urbanization process. The Bank is looking to invest in the capacities in cities and towns and link the leadership of cities to their citizens.

This fiscal year, the World Bank has budgeted USD700million in urban investments, and USD 1.8 billion in Fiscal Year 12. The Bank's administrative budget for Urban in Africa is USD 7 million and will be increased to USD 10 million next fiscal year.

The Joint Work Programme is an invitation to the Cities Alliance to partner with the Bank programmatically and use its resources in a demand-driven way for policy advocacy, city-to-city

exchanges, and operational support. The Cities Alliance partnership will also enable AFTUW and the Urban and Local Government Anchor to continue to push the urban agenda within the Bank.

Member Discussion and Outcomes

EXCO members and the Chair of the PAF welcomed the Bank's Africa Urban programme. They indicated that it is a powerful programme, and appreciated the opportunity to provide face-to-face input with respect to the programme's efficacy. Individually, UN-Habitat, UNEP, and UCLG expressed a desire to contribute to the strategy and noted the importance of building on existing initiatives, in particular the city networks and local government national and regional associations active in Africa.

In regards to the Alliance, members were interested to know how this JWP would build upon the existing CA Country Programmes in Uganda, Ghana and Burkina Faso, which are strongly supported. The EXCO also expressed support for the country programmes of the Alliance.

UCLG further stressed the need to involve its African Section, UCLGA, in this programme.

The World Bank indicated that its Africa Urban development and local government strategy is a regional, demand-driven programme, not only from National Governments, but also from city governments, which – it was noted – are beginning to influence the urban debate. Investments in select countries such as South Africa (requested USD 300,000 of CA funding) will spread to the entire region. **The World Bank supported the idea expressed by the Chair of the PAF that the Cities Alliance's Country Programmes could be leveraged by the World Bank and other members.** The Bank indicated that it would not "swallow" CA Country Programmes and emphasised the need for ongoing coordination between the CA and the World Bank. It was stated that due to the ongoing streamlining of Global Programmes and Trust Funds within the Bank, it has been difficult to transfer funds to the clients of CA's Country Programmes because small grants and multi-million dollar World Bank loans must follow the same procedures. AFTUW noted that they too are frustrated with current Bank procedures and encouraged Cities Alliance members to raise the issue with their Ministers of Finance and through the G7 Development committee.

The initial funding for the AFTUW JWP (USD 500,000) was approved by the CG during its meeting in the Mexico City, and the full proposal has been circulated to the Cities Alliance Consultative Group for Donor Coordination with member comments due back to the Secretariat on 18 March. Final comments from members will be compiled and shared with AFTUW and the Alliance can expect a final version of the programme to be circulated by the end of March 2011.

B. The World Bank's Urbanisation Knowledge Platform

a. Presentation, Abha Joshi-Ghani, Manager, Urban and Local Government Unit

The World Bank wants to democratise its knowledge and has decided to fund three multi-year knowledge platforms. In January 2011, Urbanisation was selected as one of these platforms, to put Urbanisation on the World Bank's agenda and also raise the profile of Urban Development in developing countries.

The Bank envisions the platform – based around the pillars of economics, social, environment and governance – as a significant resource for people discussing and learning about urban. It would like policy makers and practitioners, researchers, the private sector and knowledge brokers to take the

lead and drive the platform, which will consist of online open forums, knowledge exchanges, thought leaders and a data platform.

The World Bank will provide the initial funding, the venue, some of the content and the facilitation, and is seeking to involve key urban players such as the Cities Alliance, the Brookings Institute, the Kennedy School of Business, as well as European, Asian and African partners to bring critical mass to the platform. The aim is to make the platform an independent, self-sustaining, regional tool, which will convene, connect, customise and create knowledge.

Member Discussion and Outcomes

EXCO members were interested in the presentation and wanted to know the relationship of the Knowledge Platform to the Cities Alliance. The Secretariat pointed out that members could determine their own relationship with the platform. Some EXCO members noted that there are many such platforms and wanted to know if there was an expressed need for this platform. It was also pointed out that two to three years is a very short time frame for the establishment of the platform. However, UNEP and Norway expressed support for the platform; UCLG reiterated its willingness to contribute, ensuring that the opinion of local leaders is also featured as a part of the platform; and the Secretariat noted that the World Urban Campaign, the World Urban Forum and many other member initiatives could and should be linked to the platform. **The Bank indicated that the platform is looking to engage with partners to bring the urban debate to the international stage and would greatly welcome Cities Alliance support and involvement.**

C. Presentation: Update on Cities Alliance Grant Making

- a. **Phyllis Kibui, Secretariat with Lydia Kruse Tietz, Trust Fund Coordinator and Senior Resource Management Officer, Sustainable Development Network (SDN), World Bank**

At the EXCO meeting in Mexico City, November 2010, the Secretariat presented the “Project Approval and Grant Set-up Processing Time Statistical Summary FY2007-2010” and indicated that while it had built its capacity to improve efficiencies in the grant set-up process, Members should anticipate possible delays due to streamlining and tightening of grant set-up procedures within the World Bank.

The Secretariat presented to the EXCO the “Proposal Approval and Grant Set-Up Processing Time Statistical Summary Fiscal Years 2010 – 2011” and indeed, **the grant processing time has slowed considerably due to a range of factors including re-enforcement of World Bank policies and procedures such as the requirement for Country Director concurrence for each country-specific activity, having the Country Director as the Bank signatory for Grant Agreements (GAs) supporting country-specific activities, the introduction of new World Bank procedures for Safeguards screenings on all grants of all sizes, and the additional review of Grant Agreements by country legal team, etc.** The Secretariat continues to work with the Front Office of the Sustainable Development Network (SDN), the Vice Presidency in which the programme is located, to manage and mitigate the impact of these procedures. **The current delays apply mainly to the proposals processed under the Old Grant Facility and to the processing of new grants for active projects for which the funding had been phased out. The Secretariat anticipates that some of these delays will**

be mitigated in the future, as many of the new requirements have been built in to the procedures for the Catalytic Fund. In addition, it is expected that some of the efficiencies will be gained in regards to Country Programmes as the Secretariat works upstream with the Bank Country Teams to obtain the necessary clearances.

The Trust Fund Coordinator for SDN explained the growth and impact of Trust Funds on the Bank's business. Trust Funds now account for 50% of Technical Assistance and Knowledge work.

In 2007, the Bank introduced a policy framework to regularise its management of Trust Funds. Many of the policies have been in place, but not consistently applied, which is now occurring. However, effective communication and upstream management can prevent unnecessary issues arising.

The Independent Evaluation Group (IEG) of the World Bank has issued a report on Trust Funds and Global Partnership Programmes (GPPs) in which the CA was well received. In the report, Cities Alliance is highlighted as a "recognised leader" in its field, and one of the more successful programmes "in achieving their outputs and outcomes." A comprehensive review of GPPs within SDN is underway.

Member Discussion and Outcomes

EXCO Members were highly appreciative of the candour with which the information was presented by both the Secretariat and the World Bank. Members agreed that there is no way to resolve these issues today, but indicated that steps must be taken to remedy the situation. Members were very keen for the Secretariat to explore possible alternatives to speed up fund disbursement. **The Secretariat was requested by the members of the EXCO to keep working with the World Bank to improve the time it takes to process Grant Agreements and disburse funds to recipients. It was further agreed that possibilities would be explored to enable a two-tier system by which Cities Alliance would be able to simplify processes for smaller grants, but also for atypical and experimental/innovation driven experiences that would not usually fit in the strategies of the individual partners.**

DAY 2: 11 March 2011

IV. Morning Session

Meeting Chair: Clarence Anthony

1. Summary of 10 March Discussions

The Chair reflected on the major issues that had been addressed by EXCO on the first day of the meeting. He began by thanking the Cities Alliance members for the recognition that they had bestowed on Elisabeth Gateau, who had recently vacated her post as Secretary General of UCLG, and had played such a consistent and influential role in the success of the Cities Alliance.

The Chairperson noted that members had welcomed the new partnership with the World Bank in general, and the Africa Region in particular. The programme that had been presented was bold and innovative, and was consistent with the new business model of the Cities Alliance.

The Chair highlighted the importance of the discussion about the constraints being faced by the Cities Alliance (and others) in the new environment for the management of small grants at the World Bank. He emphasised the concern that had been expressed by all Cities Alliance members, and their willingness to consider a range of options and alternatives, should the problem not be adequately addressed. The Chair thanked the Secretariat and the various World Bank units for the useful facts, and constructive responses, that had helped facilitate this important discussion.

2. Cities Alliance as an Effective Partnership

a. Introduction, William Cobbett, Secretariat Manager

The Secretariat believes that there are very clear signs that Urbanisation and the role of cities are being positively recognised and moving up in importance on the development agenda as well as in the academic world.

The CA is primed to move forward as an effective partnership. Since the last independent evaluation of the Cities Alliance in 2006, the Alliance has drafted and adopted a Medium Term Strategy (MTS) (2008-2010) and updated the MTS to reflect the shift towards its programmatic, systemic approach. In parallel, the CG established a Working Group which raised longer term questions about the CA, and this culminated in the adoption of a new Charter which captures CA's unique aspect of being focused on cities and partnership (November 2010).

Cities Alliance now has three clear objectives, (i) To strengthen and promote the role of cities in poverty reduction, and in sustainable development; (ii) To capture and strengthen the synergies between and among members and partners; and (iii) To improve the quality of urban development cooperation and lending. We have a clear results framework and theory of change based on inclusive cities, a revised business model and a mix of products to offer. CA has a large active portfolio of activities, and the Secretariat is committed to mining and disseminating the knowledge and lessons from these activities.

The CA has closed the open-access grant facility (USD 8 million in funding applications processed in final batch of proposals); opened a competitive Catalytic Fund window; and introduced the initial

country programmes through the Bill and Melinda Gates Foundation funding of the “Land, Service and Citizenship (LSC) Programmes” in Uganda, Ghana and Vietnam. Work is beginning in Burkina Faso, the fourth LSC country, selected by the EXCO in Mexico City. The Secretariat has been restructured, and its Grant Administration capacity has been strengthened to deal with the current fluid situation within the World Bank.

As part of the movement to make the partnership more effective, GHK International was commissioned to evaluate CA’s project implementation modalities. GHK will present its final findings and recommendations, and the Secretariat will respond.

1. Presentation: Lessons and Recommendations from the GHK Evaluation of Project Implementation Modalities and Responses from the Secretariat

a. Jamie Simpson, GHK International, Director and Kevin Milroy, Sr. Operations Officer/Deputy Programme Manager, Secretariat

Objective: “The evaluation of client and of non-client grant implementation for city development and slum upgrading projects in cities or at national level should provide evidence to assess the applicability and effects of [client and member] implementation modalities.”

The evaluation also provided guidance to the Alliance on improving ownership, ease of administration and the quality of projects as well as provided a link to the feasibility of the emerging strategy and new business model.

General Findings

- 1) **Client vs. Member Grant Execution**
 - i) No necessary link between mode of execution and strength of client ownership
 - ii) Members play an important role in either mode especially in terms of project quality
 - iii) Partnerships and flexibility are the key
- 2) **Coherence of Effort**
 - i) Where there is coherence of effort – from Application to Execution - CA value added is likely to be enhanced – this needs to be strengthened as not systematic
- 3) **Quality of Projects / Knowledge Leverage is a Key**
 - i) CA support, via client or member execution, contributes to better evidence on urban poverty and more participatory pro-poor planning approaches
 - ii) CA provides valuable inputs in terms of approaches and techniques and knowledge sharing
- 4) **National and Local Levels are both Necessary**
 - i) Alignment among national, regional & local levels a key success factor that requires greater attention
- 5) **From Findings to Recommendations**
 - i) Designed to strengthen value added and enhancing CA reputational leverage
 - ii) Build on case evidence to identify general improvement areas

Recommendations

1) Streamline grant making: Critical to reduce transaction costs and timeframes to complete

To facilitate this recommendation, the Secretariat has simplified the application form for the Catalytic Fund, Small Grant Facility and Country Programmes and has also put procedures in place to help speed up the grant processing time.

Member Discussion and Outcomes

The Chair of the PAF commented that it is good to have a realistic time frame in mind, and also recommended that the Secretariat move forward with working in the World Bank's systems while investigating alternative disbursement mechanisms – a recommendation which met with general agreement.

Norway also suggested that, where opportunities exist, CA should work with non-traditional partners such as civil society organisations.

2) CA business model focused on partnerships: Assess merit of a shift from simple “one off” grant provider towards partnership / longer term engagements of the Alliance (more than grants)

Member Discussion and Outcomes

EXCO members engaged in a lengthy debate about how to implement this recommendation. The World Bank wanted to know what *country specific framework* and *lead member* meant and suggested that this be clarified in the CA results framework. UN-Habitat was concerned about the perceived portfolio veto which is an outcome of improved alignment. Because of its location, CA activities cannot cut across those of its host. The collaboration between the World Bank and the CA Secretariat has been improving and has translated into a far more effective partnership.

While the World Bank holds the legal risk for CA activities and needs to have certain checks and balances, the Secretariat stressed that important upstream work has taken place to continue to minimise or remove the risk of a CA proposal or programme working against the policies of the World Bank. This was also the case with the other CA Members' policies.

Members stressed the importance of the clients' perspective. Germany also pointed to the importance of longer-term support, such as the “Back-up Initiative” and Country Programmes, in the work of the Cities Alliance. The Chair of the PAF, Germany and the World Bank all emphasised the importance of leveraging members' activities. **The Secretariat should review Members' country portfolios, and try to facilitate improved synergy.**

GHK noted that in Douala, where both the World Bank and AFD agreed to work jointly with the government, the project was very successful. GHK also noted that in countries like the

Philippines and Mozambique, where the CA has made significant financial investments, even more impact could have been achieved with the Partnership approach.

The Secretariat welcomed the comments from all the members and stressed that Members agreed that **Country Programmes are going to become a critical tool for the Cities Alliance and its members.** The Secretariat noted that there is no such thing as a CA activity that is not driven by its members. The activities that fail are the ones where members do not take an active role. The Cities Alliance members have expressed a desire to focus on Africa and by supporting new initiatives, such as the AFTUW JWP, the CA will be helping African local governments to respond to the urban transition, not supporting the Bank. The Secretariat agrees with Germany and the World Bank that it must review each member's existing portfolio in-country prior to putting together an exciting, longer-term work programme with national governments, cities and the urban poor. But, the Secretariat stressed that the work programme will not succeed without members driving the process with the Secretariat facilitating, members engaging with each other, adding their own value, and letting each other take the lead where appropriate.

The Secretariat also noted that while it has the Country Programmes and the Back-Up Initiative as tools, it must have access to the flexibility of the Small Grant Facility, which is currently almost paralysed. **The EXCO members reiterated their request to the Secretariat to look for alternative options to move CA funds.**

Members respect the World Bank's duty to mitigate risk, but also stressed the importance for the partnership to be creative, flexible and unique. Norway expressed a desire to see a Country Programme in action, and requested that the next EXCO meeting be held in either Kampala or Accra, so as to be able to sense the results of Cities Alliance Country Programmes.

The Sr. Programme Officer from the World Bank's Global Partnership and Trust Fund Policy Unit, the unit that manages the Development Grant Facility (DGF) and sets the Trust Fund framework, stated that Cities Alliance is recognised as one of their flagship programmes, and is well known for its "shared governance" arrangements and the wide range of members participating in the partnership. The Sr. Officer very much appreciated hearing the EXCO's deliberations and observed both days of the meeting.

- 3) **Strengthen Coherence of Effort: Strengthen Coherence of Effort: Key source of value-added BUT needs more systematic approach to secure alignment among members and joint working**

Member Discussion and Outcomes

Members did not object to this recommendation, but did not discuss it either.

- 4) **Risk Assessments: Assess merit of options for entry strategies and risk assessments for each project or for selected countries**

The Secretariat also supports this recommendation and indicated that in the Country Programmes, this is done easily and naturally. In the Catalytic Fund, the Secretariat envisions more robust Donor Coordination, which will ask Members to consider the institutional arrangements of the application; any duplication of effort, political risk, familiarity with the implementation partners. These questions would also be considered during the appraisal stage. The Secretariat would also like to enhance this process particularly in regards to the WB's Urban Sector Board.

Members Discussion and Outcomes

Germany cautioned that realistic Risk Assessments are complicated and suggested the Secretariat use a check list.

5) Flexible Choice of Mode of Execution: The preference should be what works in any given context

This recommendation was part of the original Terms of Reference of the evaluation. The Secretariat has pushed for client execution with some members questioning the approach. The Secretariat is now proposing a slight modification – to encourage CA members to recommend who implements the proposal. The Secretariat wants to improve efficiency and in most cases, will discourage split execution.

Member Discussion and Outcomes

Members did not object to this recommendation, but did not discuss it either.

6) Prepare Three-Year Business Plan with Rolling Annual Plans

The Secretariat is embracing the business plan as a way to fix current problems. The plan will look at FY12-14 and substantially enhance the way Cities Alliance looks at its business. The plan will aim to focus on the outcomes and activities and their respective breakdowns.

Member Discussion and Outcomes

Norway expressed support for the business plan and requested that it contain targets, roles and indicators. GHK suggests that it could be a layered plan, with results triggering further investments to grow the organisation. Germany also indicated support for the plan and stated that CG members should have a proactive role in the three-year as well as the annual work plan and must follow the plan so as to be able to raise funds. Additional investment means that the money must be well monitored.

7) Strengthen Knowledge and Learning: Key source of CA value-added BUT *needs more systematic approach* to knowledge capture and sharing – cascade through the suite of CA activities

GHK strongly encouraged the EXCO and the Alliance to strengthen its approach to knowledge and learning, to reflect it in the business plan and underscore its role as a core function of the Cities Alliance.

Member Discussion and Outcomes

Members did not object to this recommendation, but did not discuss it either.

Conclusions

The World Bank did not feel that the EXCO should accept the recommendations without a deeper discussion of the implications of each and further direction for the Secretariat so that we can establish clarity and predictability for the Cities Alliance.

The Chair of the PAF and Germany stated that the Cities Alliance is moving to a new level of maturity, with more ambitious interventions. The Chair of the PAF once again reiterated her suggestion that members must see, first hand, the Country Programmes at work.

V. Afternoon Session

Meeting Chair: Emilia Saiz

2. Presentations: Secretariat Updates: Implementation of New Business model

a. Cities Alliance Knowledge Resources, Erika Puspa and Günter Meinert, Secretariat

Web-based CA Proposal and Project Information Database

Erika Puspa of the Secretariat presented the web-based CA Proposal and Project information database which is maintained by the Secretariat so that it can easily manage the CA portfolio. For example, the database was used to produce the "Proposal Approval and Grant Set-Up Processing Time Statistical Summary Fiscal Years 2010 – 2011"

- The database is a tool that can be used to support the knowledge and learning agenda of the Secretariat and the Alliance members
- The information will shortly be searchable by category
- The database will be available to members by June of this year
- The Secretariat follows the World Bank's rules on Information Disclosure, which the World Bank requested be circulated to the members

Member Discussion and Outcomes

Members found the database very impressive and looked forward to utilising it.

Information vs. Knowledge

The Secretariat has categorised 700 outputs which have been produced from projects between 2006 and 2008. There are an estimated additional 1,000 project outputs generated by projects from 2008 to date, which still need to be categorised for easy access in the project database.

The Secretariat will work on the web site of the Cities Alliance to present the project outputs in a systematised way. The outputs will be clustered as follows:

- Cluster 1: Learning Resources/Toolkits/Training Material
- Cluster 2: Thematic Analysis and Case Studies
- Cluster 3: Research and Data Related Outputs

- Cluster 4: State of the Cities Report

However, this is only a way of facilitating an overview over the universe of the outputs. It would be very rewarding to further process the outputs to generate more aggregated knowledge, drawing on the information and experiences from several projects at a time. The database does not only make the outputs much more accessible individually, but it also opens a range of possibilities of compiling several outputs to generate additional knowledge products. For example, all the outputs dealing with environmental issues can easily be identified now, even if produced by projects which are not primarily aiming at the environment. This allows them to be collectively analysed. The analysis could compare experiences across projects, identify commonalities or differences, etc.

The challenge for members is to identify and prioritise the need for such aggregated knowledge beyond specific project outputs. As an input for the CA Business Plan, and based on the Results Framework aiming at inclusive cities, members need to decide what kind of Knowledge and Learning they expect from the Cities Alliance for the next 2-3 years. The Secretariat does not have sufficient human resources to undertake a major knowledge programme on its own. Members are strongly encouraged to analyse their possibilities to engage in a joint work programme, preferably with at least one more CA member, to generate knowledge products in high demand by our partners. This would require additional investments in form of staff time and CA grant funding, but is certainly justified to better leverage the multi-million dollar investment already made for the CA-supported projects.

Member Discussion and Outcomes

Norway was interested to know how the database is linked not only to the World Bank's Urbanisation Knowledge Platform, but also to the World Bank's Knowledge Database. Norway also expressed a desire to focus not only on outputs, but to take it a step further and focus on outcomes – where the learning occurs.

The Secretariat indicated that the relationship to the Urbanisation Knowledge Platform is yet to be determined, but it should obviously feed into this and other members' knowledge platforms such as the WUF, the WUC, etc. Whatever CA generates should feedback into the CA member system.

The Secretariat was tasked with following up with individual members to find out what they would like to see generated from CA's knowledge and learning programme. The Secretariat will present initial proposals to ExCo in July, related to the (draft) business plan.

b. Catalytic Fund Update, Federico Silva, Secretariat

Based on member feedback from the Mexico City presentation, the following adjustments were made to speed up the process:

- The Secretariat made the Concept Note a one step process ;
- The evaluation processes will run in parallel: donor coordination, World Bank Country Director concurrence, and evaluation by the Expert Evaluation Panel (CVs on file for member review); and
- Once a full proposal is received and passes the final screening, they will be processed immediately.

Member Discussion and Outcomes

It was clarified that civil society organisations can apply if there is support from a member and the national government. NGO organisations from the north are not precluded from applying, so there is opportunity to introduce new partners to the Cities Alliance.

The Catalytic Fund was advertised to all members, but not advertised externally due to budget restraints as well as Secretariat capacity.

Norway requested that the members consider wider advertisement in the future. UCLG informed that the World Organization had done selective dissemination and would be ready to do broader dissemination if capacity and budget availability so allowed.

c. Country Programme Update, Julian Baskin, Secretariat

The principles of the CA Country Programmes are:

- Coherence of effort
- Long-term, pro-poor urban programming
- Multi-sectoral and aligned approach
- Demand-oriented programme design process
- Building long-term institutional capacities
- Engaging for systemic change and impacts at scale

Uganda: Municipalities of Arua, Jinja, Kabale, Mbale and Mbarara

- CA Members: HFHI, SDI, UCLG, UN-HABITAT, World Bank
- Methodology: Full project document developed with member participation which was circulated through the Donor Coordination process
- National and Municipal Urban Forums launched, and first part of National Urban Policy Dialogue finalised
- Communities mobilising in all 5 municipalities - saving groups, settlement profiles and enumerations, participation in urban forums
- Local Governments being mobilised through the Urban Authorities Association of Uganda (UAAU) supported by ICMA

Early Results include:

- Local, National, and International exchanges between slum dweller committees has been conducted
- Settlement Profiles in all five municipalities have been finalised (61 slum settlements)
- 199 Saving Groups has been formed with 2,782 male savers and 8,096 female savers
- Community development committees are established in all settlements, networks and at the city level
- SDI is member of the National Executive committee of the National Urban Forum
- The Uganda federation and the SDI affiliate NGO have representation in the executive committees of the 5 Municipal Development Forums

- The draft Operational Manual for the Community Upgrading Fund is being finalised
- The UAAU/ICMA partnership is being launched with a workshop at end of March
- A CDS methodology drawing on stakeholder and national experience is under development

Ghana: *Greater Accra Metro Area and selected secondary cities (TBD)*

- CA Members: AFD, GTZ, HFHI, SDI, UN-HABITAT, World Bank
- Programme Methodology: Members identified gaps and will submit eight separate grants that will form the programme and all of them will be circulated for Donor Coordination
- Space provided for a national debate around alternatives to forced evictions
- Member collaboration initiated on (i) municipal capacity building; (ii) community empowerment
- Advocacy and awareness raising proposal being finalised

List of Programme Grants with Recipients:

1. Cities Advocacy and Awareness Framework - Info. For Change Initiative
2. Consultations on municipal services options for GAMA - World Bank
3. State of Ghanaian Cities Report - KNUST
4. Ministry of Local Government Inclusive National Urban Agenda - GIZ
5. Urban Local Government Capacity building -ILGS
6. Community empowerment and capacity building – SDI
7. Incremental housing - HFHI
8. Greater Accra Human Settlement Strategy - TBD

Vietnam: *Cities TBD*

- CA Members: WB, WBI, UN Habitat, UCLG through ACVN, SDI through ACHR
- Programme Methodology: working directly with community groups, the programme will bring to scale already tested methodologies through seven grants

List of Programme Grants with Recipients:

- Vietnam National Urbanization Review – World Bank’s Urban Anchor
- Strengthen the Vietnam Urban Forum – Ministry of Construction (WB)
- Operationalising the National Urban Upgrading Strategy – Ministry of Construction (WB)
- Training for local authorities on strategic urban management - Ministry of Construction (WB)
- Support for ACVN – ACHR(UCLG)
- Consolidating management and implementation of the CDF through ACVN – ACVN(UCLG)
- Support the existing CDF network to implement and scale up small projects – ACHR(SDI)

Burkina Faso: *Cities TBD*

- CA Members: TBD
- Programme Methodology: TBD

After selection by the EXCO in Mexico City, the World Bank offered and the Secretariat accepted, to send a letter to the Government of Burkina Faso expressing interest in engaging. Interested CA members have been invited to participate in a joint mission to Ouagadougou in the next few months.

Based on the number of existing Cities Alliance grants, the next two potential country programmes are Malawi and Mozambique. The Secretariat is undertaking a portfolio review of each country and hopes to make a recommendation at the next EXCO meeting.

The Country Programme team is also working on linking the Country Programmes to the CA Africa Work Programme.

Member Discussion and Outcomes

Germany, UCLG and UN-Habitat requested more advanced information on the Country Programmes, which are new to the members and the nuances of each programme are difficult to immediately grasp. The Secretariat was requested to produce advanced information on the programmes as well as a progress report including the framework – what was agreed, what has been achieved, and the budget for each programme. Norway finds the reporting on the Country Programmes to be very positive and is very encouraged. Norway expressed a desire to learn by doing and echoed the PAF Chairperson's suggestion to hold the next EXCO in Ghana. The EXCO Chair agreed to consider the option of Ghana as the next venue for the EXCO.

The Secretariat explained that each programme approach is slightly different and with Burkina Faso, one member has taken the lead to engage with the Government from HQ as opposed to using Field Staff. The Secretariat is following up with AFTUW and will work with them and all interested CA members to move the programme forward on equal footing for all members.

3. Charter Update

a. Andrea Stumpf, World Bank Legal Counsel, Sustainable Development Network (SDN) and William Cobbett, Secretariat

In Mexico City, the Cities Alliance adopted its new Charter subject to final advice from the World Bank's legal team. The Secretariat has been working with the Legal team and has resolved 99% of the issues – consistency of language and clarity of terms. The lawyers focused on the flow of movement from the Charter to the funding vehicle and have not meant to circumvent the work of the EXCO. The Legal team think this is very good practice and would like to support the Cities Alliance in this session.

The fully detailed tracked changes version is available for members to review. World Bank Legal Counsel Andrea Stumpf, an expert on Partnership Programmes, and Maria Lourdes Pardo, the Cities Alliance's primary legal counsel, joined the meeting and went through the Charter (version 10 February 2011) page by page with the EXCO members.

The EXCO asked the Legal Counsel team to draft the necessary legal language where required, and the Secretariat will circulate the final version of the Charter to the CG shortly.

4. Update on the Independent Evaluation 2011, Günter Meinert

The Secretariat received member feedback from the Mexico City presentation of the Terms of Reference (TOR), incorporated member comments, circulated the new version and had no objection. The Secretariat received some editorial edits from IEG on the final TOR and received 25 Expressions of Interest (EOIs) which were reviewed by a small committee consisting of representatives from UN-Habitat, Norway, the World Bank Urban and Local Government Unit and the Secretariat. Fourteen EOIs made the shortlist, and World Bank guidelines require the preparation of between 1-6 full proposals. This same committee will act as the oversight sub-committee referenced in the TOR. The Secretariat requested a World Bank exception to allow external people to participate in the process. **The EXCO decided to ask for three full proposals from Universalia, COWI and DEGE.**

5. Membership Issues

In the new Charter of the Cities Alliance, members who fail to make their agreed financial contribution for two consecutive financial years will no longer be members of the Consultative Group and will be notified accordingly by EXCO.

The Secretariat presented the following status report:

1. **DFID** – membership expires at the end of March 2011; the Secretariat has had no formal decision from them to leave the CA
2. **Netherlands** – 2008 – will not be a member
3. **Philippines** – 2008 – last contribution – required to pay \$50k/year
4. **UNEP** has not paid since 2009
5. **UN-Habitat** has not paid fees since 2007(cash) and has not provided an in-kind secondment since March 2010
6. **USAID** – is paid up

Germany found the arrears quite serious as these are legal obligations. Germany suggested the Chair of the EXCO write a letter to each organisation highlighting the importance of this matter.

The Chair of the PAF offered to follow-up to the EXCO letter and write to the DFID Minister.

It was agreed that letters would be issued by the Chair of the EXCO to the members listed above.

6. Secretariat Staff Update

The EXCO agreed that the staffing is an issue for the Secretariat to handle. The Secretariat gave a brief updated:

1. Sr. Urban Specialist - GIZ Secondee Günter Meinert is rotating back to Germany after four years and departs in July 2011
 - a. New GIZ secondee (Rene Hohmann) will arrive in June 2011
2. Two Research Analysts funded by Norway – Hilde Refstie and Ricardo Jimenez – are both leaving at the end of April/May 2011
 - a. Posts are not being filled
3. AFD Special assignment – Thierry Paulais – will leave in September 2011
 - a. Post is not being filled
4. Urban Specialist (Andrea Merrick) on Developmental Assignment (DAIS) inside the WB and will most likely not return
 - a. Post is unfilled at the moment
5. The French MFA is sending an Urban Specialist secondee to assist with the Francophone portfolio
 - a. Estimated arrival date – later this year
6. UN-Habitat Senior Secondee
 - a. Terms of Reference has finally been agreed but there is a hiring freeze in UN-Habitat for the next few months

7. Business Plan Development and FY12 budget

Based on recommendations from the GHK evaluation and the Working Group, the Secretariat proposes to develop a three-year business plan (FY12-FY14), which would serve as the main operating document of the partnership. It would incorporate the objectives, strategy, results framework, outcome targets, main activities and annual work programme in a single document. Reporting to CG and EXCO would be made against the Business Plan.

The Business Plan would be organised around the over-arching objectives in the new CA Charter, as captured in the CA Results Framework and supported by the theory of change, presented at EXCO and CG meetings during 2010. The Secretariat will circulate the Results Framework, proposed to focus on global/regional and country outcomes, around which the Business Plan will be organised. The Business Plan will include indicators and main activities over the planning period, supported by detailed annual work programmes, submitted annually for EXCO approval and CG ratification. It would be developed strategically with members over the course of the coming year, based on assumed funding levels over the period specified by the Plan. In addition, a proposed Africa work programme (action plan) will be developed, for which additional resources will be mobilised.

As next steps, the Secretariat will develop an annotated outline of the Business Plan for the next EXCO meeting (July 2011), along with the proposed FY12 work programme and budget in the outcome-oriented format proposed for the Plan. A working draft, including work programme options and strategic orientation, would be reviewed with the CG at its 2011 meeting (Nov./Dec. 2011).

The annual work programme included in the Plan would include the outcomes from all on-going as well as proposed new activities. The Secretariat proposes to use the Business Plan as a tool to help build improved coherence and synergies among CA members, bring an increased focus on results, and to provide outcome-oriented planning, monitoring and reporting system. The CA project database will be enhanced to support this type of results reporting.

8. Next EXCO Meeting and Consultative Group Meeting

The next EXCO meeting will either be held in Ghana or Germany, 11-12 July 2011. The Secretariat will follow-up and confirm to members shortly.

The next CG is on track to be held in Maputo. The EXCO members were asked to send the Secretariat blackout dates. The CG meeting may have to be moved to December 2011.

As this would be the last meeting for Hilde Refstie and Ricardo Jimenez, the EXCO thanked them both for their dedicated work to the CA and asked them to say a few words.

ANNEX 1

The Cities Alliance
Executive Committee Meeting, 10-11 March 2011

AGENDA

Venue: World Bank Headquarters,
1818 H Street, NW, Washington, DC 20433 Tel: 1-202-458-7269

TUESDAY 10 MARCH 2011		
09h30 - 10h00	Welcome Coffee/Tea	Venue: Room MC4-100
10h00 - 12h00	Book Launch: Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier by Edward Glaeser	Venue: Preston Auditorium
12h30 - 13h30	***** Lunch *****	Venue: Executive Dining Rooms – MC-C1
13h30 - 14h00	Opening and Welcome <ul style="list-style-type: none"> ➤ Zoubida Allaoua, Director, Finance, Economics and Urban Unit, World Bank ➤ Elisabeth Gateau, former EXCO Chairperson 	
14h00 - 15h00	Strategic Priorities for the Cities Alliance Partnership <ul style="list-style-type: none"> ➤ Secretariat Overview presentation William Cobbett, Secretariat Manager ➤ The World Bank's Urban Strategy for Africa presentation Junaid Kamal Ahmad, Sector Manager, Urban and Water, Africa Region, World Bank 	Handouts: AFTUW JWP; WB Urbanisation KP Summary; WB Urbanisation KP Full document
15h00 - 15h30	Member Discussion Coffee/Tea Break	
15h30 - 16h30	<ul style="list-style-type: none"> ➤ Urbanisation Knowledge Platform presentation Abha Joshi-Ghani, Manager, Urban Development and Local Government Unit, World Bank 	
	Member Discussion	

<p>16h30 – 17h00</p> <p>17h00 – 18h00</p> <p>18h00-18h15</p> <p>20h00</p>	<p>Coffee/Tea Break</p> <p>Presentation: Update on Cities Alliance Grant Making Phyllis Kibui, Secretariat</p> <ul style="list-style-type: none"> ○ With Lydia Kruse Tietz, Trust Fund Coordinator and Senior Resource Management Officer, Sustainable Development Network (SDN) <p>Member Discussion</p> <p>Closing Remarks Clarence Anthony, interim EXCO Chairperson</p> <p>Group Dinner - Kinkead's Restaurant</p>	<p>Venue: 2000 Pennsylvania Avenue, NW WDC (202-296-7700)</p>
<p>FRIDAY 10 MARCH 2011</p>		
<p>09h00 - 09h30</p> <p>09h30 – 12h30</p> <p>12h30 - 14h00</p>	<p>Coffee/Tea</p> <p>Summary of 10 March Discussions Clarence Anthony, interim EXCO Chairperson</p> <p>Cities Alliance as an Effective Partnership</p> <ul style="list-style-type: none"> ➤ Secretariat Overview Presentation William Cobbett, Secretariat Manager ➤ Lessons and Recommendations from the GHK evaluation of Project Implementation Modalities Jamie Simpson, GHK International, Director ➤ Presentation: Secretariat Response to GHK Recommendations Kevin Milroy, Secretariat ➤ Discussion: Comparative Advantage and Value Added of the Cities Alliance ➤ Discussion: Role of CA Members, the Secretariat, the Policy Advisory Forum and CA Partners <p>Next Steps</p> <p>***** Lunch *****</p>	<p>Venue: Room MC4-100</p> <p>Handouts: GHK Draft Final Report</p> <p>Venue: Executive Dining Rooms – MC-C1</p>

<p>14h00 - 15h00</p>	<p>Secretariat Updates: Implementation of New Business model</p> <ul style="list-style-type: none"> ➤ Catalytic Fund (CATF) ➤ Country Programmes <ul style="list-style-type: none"> ○ Uganda, Ghana, Vietnam and Burkina Faso ➤ Cities Alliance Knowledge Resources 	<p>Venue: Room MC4-100</p>
<p>15h00 - 15h30</p>	<p>Coffee/Tea</p>	
<p>15h30 - 17h30</p>	<p>Presentation: Cities Alliance Partnership Matters & Business Matters William Cobbett and Kevin Milroy, Secretariat</p> <ul style="list-style-type: none"> ➤ Charter Update <ul style="list-style-type: none"> ○ With Andrea Stumpf, World Bank Legal Counsel, Sustainable Development Network (SDN) ➤ Update on the Independent Evaluation 2011 ➤ Membership Issues ➤ Secretariat Staffing Update ➤ Business Plan Development and FY12 budget 	<p>Handout: Charter version with WB Legal Tracked Changes; Background Documents: Financial Budget and Report, FY10-FY11(from Mexico City Meeting)</p>
<p>17h30 - 18h00</p>	<ul style="list-style-type: none"> ➤ Next EXCO Meeting and Consultative Group Meeting ➤ Any other business <p>Closing Remarks Clarence Anthony, interim EXCO Chairperson</p>	

Cities Alliance

Cities Without Slums

Cities Alliance Executive Committee Meeting

11 July 2011

Summary

Key Decisions and/or Follow-up Actions:

Item 1: Opening and Welcome/Adoption of Agenda

- a. Request was made to amend the agenda to add a discussion on advocacy, communications and the global role of the Cities Alliance in regards to the next World Urban Forum as well as Rio +20
- b. Agenda adopted with no comments on the meeting minutes from Washington, DC EXCO, March 10 – 11, 2011

Item 2: Cities Alliance Business Matters

- a. Grant Facility Options Paper
 - i. EXCO requested that it be noted and made known to the World Bank, EXCO's appreciation for the Bank's swift attention to the business line of small grants through its establishment of the Small Grants Working Group
 - ii. EXCO requested the Secretariat to continue to work with the World Bank to improve small grant processing, but to also do further research about alternative arrangements that would allow CA to continue funding innovative and experimental initiatives, such as financing cities and organizations of the poor directly
 - iii. EXCO requested the Secretariat to report back information from the outcome of the Bank's Small Grant Working Group, possibly as soon as September 2011
- b. Review of FY11 Financial Report and FY12 Secretariat Budget
 - i. EXCO approved the Secretariat Budget FY12, for recommendation to the CG for ratification
 - ii. EXCO requested that CA cash-basis financial reporting also be included in future prepared meeting documentation

Item 3: Cities Alliance Business Plan

- a. Status and Overview of the Planning Process
 - i. EXCO welcomed the development of a business plan
 - ii. The Secretariat was requested to include a political position in the plan
 - iii. The Secretariat was requested to keep the Cities Alliance innovative, creative and transformative and to not focus exclusively on rigid and quantitative results-based management
 - iv. The Secretariat will redraft Business Plan based on comments received, and circulate to full CG membership as far in advance of Maputo CG meeting as possible
- b. Strategic Choices Across Business Lines
 - i. Country Partnership Programmes (CPP)
 - i. Mozambique selected as the fifth Country Partnership Programme
 - ii. EXCO requested the Secretariat to review the Malawi portfolio to include it as a prospective CPP

- iii. CPP design should include more emphasis on LGAs, with revised draft to be circulated
- ii. Catalytic Fund Update
 - a. EXCO supports the relevance of the Catalytic Fund
 - b. EXCO supports the recommendation that the Catalytic Fund be used thematically, and asked Secretariat to develop recommendation for themes
 - c. EXCO endorsed the recommendation that FY12 would have one global call for proposals, and asked that the experience from FY11 tranche be evaluated
 - d. EXCO agreed that members need to take more responsibility to pre-screen proposals they sponsor, and that clear criteria for sponsorship be agreed
 - 1. A possible dimension for helping prepare proposals should be looked at, as well as a review of the types of demand for funding expressed in full batch of Concept Notes received
- iii. Knowledge Resources/Joint Work Programmes
 - a. EXCO requested that advocacy, communications and the global role of the Cities Alliance be one of the first agenda items at the next meeting in November
 - b. EXCO and the Secretariat need to think about how to operationalize the Policy Advisory Forum to use as an advocacy tool
 - c. CA members should continue to strengthen city-city, South-South cooperation
- iv. Resource Mobilisation and Fundraising
 - i. The FY12-FY14 Baseline Budget was approved, subject to ratification by CG
 - ii. CA has opportunity and capacity to drive change, but needs significantly more resources to scale up efforts, and members' help to mobilize the resources

Item 4: Cities Alliance Partnership Matters

- a. Charter Update
 - i. EXCO Requested for the Secretariat to follow-up with the World Bank lawyer to secure the final language needed for section six, and circulate tracked-change version
 - ii. EXCO requested the Secretariat to review the opening section of the Charter as a sentence on urbanisation seems to have been inadvertently deleted
- b. Membership Issues
 - i. Staffing Matters
 - 1. EXCO recognises that the Secretariat is understaffed
 - 2. EXCO recommends that any and all secondments be filled as soon as possible
 - a. It was noted that secondment positions should be tailored to the needs of the Secretariat, not the desire of the member
 - ii. Member representation at meetings
 - 1. EXCO members agreed that it is each member's corporate responsibility to send the appropriate level staff to attend the EXCO and CG meetings as EXCO not only makes recommendations to the CG, but it also takes corporate decisions
- c. UN-Habitat provided a corporate update

- i. UN-Habitat supports the Cities Alliance and is committed to sending a seconded
- d. MENA member response
 - i. Germany and other members agreed to explore a JWP on the topics of Youth, Gender and Local Economic Development in the MENA region
- e. 2011 Independent Evaluation update
 - i. All CG members will be interviewed as part of the evaluation, and members should make time available for the interviews
 - ii. EXCO requested draft findings and recommendations to be ready by the next EXCO/CG meeting in November 2011
 - iii. EXCO requested to use the outcomes of this evaluation to disseminate and use as an advocacy tool, such as at WUF, Africities 2013, 100th anniversary of municipal movement in Rabat
- f. Next EXCO and CG Meeting Dates
 - i. 7-9 November 2011, pending Maputo Municipality confirmation of availability

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Cities Alliance Executive Committee Meeting
11 July 2011
Full Report

I. Attendance

Executive Committee: Messrs. Ludwig (German Embassy Accra), Linden (BMZ); Berg (Norway); Maphisa (South Africa); Saiz (Co-Chair) (UCLG), Elong Mbassi (Co-Chair) (UCLGA); Badiane and Mbye (UN-Habitat); Allaoua (World Bank); Short (PAF); Cobbett (Secretariat)

Regrets: Messrs. Carrasco (Chile) and Smaoun (UNEP)

Policy Advisory Forum: Ms. Clare Short

Presenters: Mr. Anders Richelsen (COWI A/S);

Observers: Messrs. Hewson (UN-Habitat); Feldman (GIZ HQ); Sebastian Sunderhaus (GIZ Accra/ SfDR); Weir and Case (HFHI); Walker (Gates Foundation); Blaustein (Earth Institute); Sarah (SDI); Braimah (People's Federation – SDI)

Secretariat: Messrs .Balachandran, Diagne, Henderson, Milroy and Zeman

Venue: La Palm Royal Beach Hotel, Accra, GHANA

See Annex I for Final Meeting Agenda

II. Morning Session

Chair: Emilia Saiz

Item 1: Opening and Welcome/Adoption of Agenda

Emilia Saiz, EXCO Co-Chair and Chief of Staff, UCLG, opened the meeting, welcomed everyone to Ghana, where the EXCO will experience, firsthand, a Country Partnership Programme of the Cities Alliance. This is the second meeting of the EXCO under the new business model. EXCO members are keen to be close to the business we support; to learn and share experiences.

UCLG has a new Secretary General, Josep Roig, who will bring new blood to the meetings. While the new business model of CA is challenging for UCLG membership in terms of using less resources and choosing focus countries, UCLG thinks it has a lot of merits and want to be part of.

Two large agenda items are on the table for discussion and comment, the draft Business Plan, 2012 – 2014 and the review of the first call of proposals of the Catalytic Fund. As always, members were encouraged to engage in frank and open debates.

It was noted to thank the Secretariat for the clear presentation of the documents and the quality of the support documentation.

- a. **Request was made to amend the agenda to add a discussion on advocacy, communications and the global role of the Cities Alliance in regards to the next World Urban Forum as well as Rio +20**

- b. **Agenda adopted, with no comments on the meeting minutes from Washington, DC EXCO, March 10 – 11, 2011**

Item 2: Cities Alliance Business Matters

a. **Grant Facility Options Paper**

- a. In response to the Update on Cities Alliance Grant Making presented to the EXCO at the Washington, DC meeting in March 2011, the Secretariat was requested to present possibilities that could be explored to enable a two-tier system by which Cities Alliance would be able to simplify processes for smaller grants, but also for atypical and experimental/innovation driven experiences that would not usually fit in the strategies of the individual partners.
- a. Thanks to pressure from Clare Short, Zoubida Allaoua, Inger Anderson (WB VP, SDN), the Secretariat was pleased to report on the very positive developments which are occurring within the World Bank in regards to the formulation of Small Grants Working Group
- i. It was noted that Cities Alliance has been leading the push for small grants reform within the Bank, with the new business model and the detailed statistics on the time it takes to set up CA grants Grant making have helped move the Bank forward
- b. Members discussed the idea of an external funding mechanism, such as the Neighbourhood Upgrading Facility, as well as the need to attract new partners and leverage the investments of the private sector
- c. **EXCO requested that it be noted and made known to the World Bank, EXCO's appreciation for their swift attention to the business line of small grants**
- d. **EXCO requested the Secretariat to continue to work with the World Bank to improve small grant processing, but to also do further research about alternative arrangements that would allow CA to continue funding innovative and experimental initiatives, such as financing cities and organizations of the poor directly**
- e. **EXCO requested the Secretariat to report back information from the outcome of the Bank's Small Grant Working Group, possibly as soon as September 2011**
- b. **Review of FY11 Financial Report and FY12 Secretariat Budget**
- i. At the Washington, DC March EXCO meeting, the Secretariat was asked to prepare the proposed FY12 work programme and budget in the outcome-oriented format proposed for the Plan.
- ii. The report provides estimate FY11 financial results for the Cities Alliance fiscal year ending 30 June 2011, and proposed Secretariat budget for FY12. A financial summary is also provided for FY06 – FY11.
- iii. In accordance with the Cities Alliance Charter, EXCO's responsibility includes approval of the annual work program and budget, subject to ratification by the Consultative Group.
- iv. The EXCO was asked to:
1. Review FY11 Financial Report
 2. Review and approve proposed FY12 Secretariat Budget, for recommendation to the Consultative Group for ratification.
 3. Review of FY12 proposed total CA budget. Approval of budget deferred to Business Plan agenda item.
- v. **EXCO approved the Secretariat Budget FY12, for recommendation to the CG for ratification**

- vi. EXCO requested that CA cash-basis financial reporting also be included in future prepared meeting documentation

Item 3: Cities Alliance Business Plan

- a. Status and Overview of the Planning Process
 - a. In response to the recommendations from the GHK Evaluation on the Implementation Modalities of the CA, the Secretariat was asked to develop an annotated outline of the Business Plan for the next EXCO meeting (July 2011).
 - b. The Secretariat has developed the annotated outline and has drafted much of the Business Plan, FY2012 – FY2014. The draft plan focuses on “Baseline” work programme and budget by product line, and options for scaling up each of the product lines, subject to fundraising.
 - c. In accordance with the Cities Alliance Charter, EXCO responsibilities include providing guidance to Secretariat on matters of policy and strategy, and to approve the annual work program and budget, subject to ratification by the Consultative Group.
- b. EXCO was asked to:
 - a. Provide guidance to the Secretariat on the steps to take to further develop the business plan
 - b. Provide guidance to the Secretariat on the strategic choices and options presented.
 - c. Review and approve proposed FY12 CA budget, which has been developed as part of the business planning process
- v. Discussion and Decisions
 - i. EXCO welcomed the development of a business plan
 - ii. The Secretariat was requested to include a political position in the plan
 - iii. The Secretariat was requested to keep the Cities Alliance innovative, creative and transformative and to not focus exclusively on rigid and quantitative results-based management
 - iv. The Secretariat will redraft Business Plan based on comments received, and circulate to full CG membership as far in advance of Maputo CG meeting as possible
- c. Strategic Choices Across Business Lines
 - iii. Country Partnership Programmes (CPP)
 - iv. Discussion and Decisions
 - i. Mozambique selected as the fifth country partnership programme
 - ii. EXCO requested for the Secretariat to review the Malawi portfolio to include as a prospective CPP
 - iii. CPP design should include more emphasis on LGAs, with revised draft to be circulated
 - v. Catalytic Fund Update
 - vi. Discussion and Decisions
 - i. EXCO supports the relevance of the Catalytic fund
 - ii. EXCO supports the recommendation that the Catalytic Fund be used thematically, and asked the Secretariat to develop recommendation for themes
 - iii. EXCO endorsed recommendation that FY12 would have one global call for proposals, and asked that the experience from FY11 tranche be evaluated
 - iv. EXCO agreed that members need to take more responsibility to pre-screen proposals they sponsor, and that clear criteria for sponsorship be agreed

1. A possible dimension for helping prepare proposals should be looked at, as well as a review of the demand expressed in full batch of Concept Notes received
- v. Knowledge Resources/Joint Work Programmes
 - i. Cities Alliance has supported more than 200 projects, mostly for City Development Strategies (CDSs) and Slum Upgrading (SU). The ongoing country programmes, joint work programmes and projects from the catalytic Fund continue generating how-to-knowledge, based on experiences on the ground. This wealth of experiences puts the Cities Alliance in a unique position to provide coherent and field tested approaches, methodologies and experiences to urban practitioners as well as to policy makers.
 - ii. Cities Alliance has invested significant resources in knowledge generation, which need to be matched with the necessary resources for processing and effective dissemination.
 - iii. Given the current budget situation, priorities will need to be made balancing requests for capitalizing the knowledge potential from on-going or recently completed projects, for the extension of existing joint work programmes and for new joint work programmes
- vi. EXCO was asked to provide guidance on:
 - i. capitalizing the knowledge potential from the legacy portfolio,
 - ii. potential member's contribution to Joint Work Programmes, and
 - iii. thematic and/or geographic priorities
- vii. Discussion and Decisions
 - d. **EXCO requested that advocacy, communications and the global role of the Cities Alliance be one of the first agenda items at the next meeting in November**
 - e. **EXCO and the Secretariat need to think about how to operationalize the Policy Advisory Forum to use as an advocacy tool**
 - f. **CA members should continue to strengthen city-city, South-South cooperation**
- viii. Resource Mobilisation and Fundraising
 - i. **EXCO approved the FY12 Cities Alliance Budget**
 - ii. CA has opportunity and capacity to drive change, but needs significantly more resources to scale up efforts, and members' help to mobilize the resources

III. Afternoon Session
Chair: Jean-Pierre Elong Mbassi

Item 4: Cities Alliance Partnership Matters

- a. Charter Update
- b. The Cities Alliance Charter was approved by the Consultative Group in November 2011 at the Mexico City CG Meeting. The World Bank Legal Department made some minor edits to the document and the EXCO reviewed and cleared the Charter at the March 2011 EXCO meeting in Washington, DC.
- c. The World Bank Legal Department is finalizing the language in Section VI – General, on amending the Charter and no objection decision-making.

- i. **EXCO Requested for the Secretariat to follow-up with the World Bank lawyer to secure the final language needed for section six, and circulate tracked-change version.**
 - ii. **EXCO requested the Secretariat to review the opening section of the Charter as a sentence on urbanisation seems to have been inadvertently deleted**
- d. Membership Issues
- i. Staffing Matters
 - ii. The Secretariat is currently going through a process of gradual re-staffing, due to a number of factors. These include:
 - 1. **Completed Secondments.** At the end of June, 2011, Günter Meinert returned to Germany, after four very eventful and influential years with the Secretariat;
 - 2. **Young Professionals:** The two staff supported by Norway (Hilde Refstie and Ricardo Jimenez) have returned to their home countries, after two successful years;
 - 3. **Developmental Assignment:** Andrea Merrick is on development assignment elsewhere in the Bank;
 - 4. **Unfilled secondments:** We still have a vacant post due to be filled by UN-Habitat, since March 2010;
 - 5. **Forthcoming secondments:** We look forward to the secondment from French Ministry of Foreign Affairs, expected around September 2011;
 - 6. **New Secondments:** We welcome the recent arrival of Rene Hohmann, seconded by GIZ.
 - 7. **VOICE Secondee:** The Secretariat has hosted Issene Mouhoro of the Government of Chad for six months, March to August 2011
 - 8. **EXCO recognises that the Secretariat is understaffed.**
 - 9. **EXCO recommends that any and all secondments be filled as soon as possible**
 - a. **It was noted that secondment positions should be tailored to the needs of the Secretariat, not the desire of the member**
 - iii. Member representation at meetings
 - 1. Members would like to maintain the depth of the discussions and the debates at the EXCO meetings through continuity of member representatives
 - 2. **EXCO members agreed that it is each member's corporate responsibility to send the appropriate level staff to attend the EXCO and CG meetings as EXCO not only makes recommendations to the CG, but it also takes corporate decisions**
- e. UN-Habitat provided a corporate update
- i. Current hiring freeze will end in September 2011 upon the completion of a staffing review
 - ii. 400 projects have been compressed into 170
 - iii. The new Executive Director does not want to deal with any programme under \$300,000

- iv. **UN-Habitat supports the Cities Alliance and is committed to sending a secondee**
- f. **MENA member response**
 - i. As a result of the Arab Spring, the World Bank has begun to work with cities and civil societies in the MENA region
 - ii. WB President sees the need to engage with youth, local economic development, and civil societies
 - iii. The World Bank is looking at adjusting its instruments to allow for engagement at the city level
 - iv. **Germany and other members agreed to explore a JWP on the topics of Youth, Gender and Local Economic Development in the MENA region**
- g. **2011 Independent Evaluation update**
 - i. The World Bank's Development Grant Facility (DGF) requires an independent evaluation be undertaken for each of its recipients every 3 to 5 years.
 - ii. COWI A/S was selected through a competitive process to undertake the 2011 Independent Evaluation of the Cities Alliance.
 - iii. A representative from COWI A/S, Mr. Anders Richelsen provided a verbal update on the Methodology and Timeline of the evaluation (see power point presentation). Each current and past CG member organization will be interviewed as part of the methodology.
 - iv. **EXCO members agreed to make time available for interviews**
 - v. **EXCO requested draft findings and recommendations to be ready by the next EXCO/CG meeting in November 2011**
 - vi. **EXCO requested to use the outcomes of this evaluation to disseminate and use as an advocacy tool, such as at WUF, Africities 2013, 100th anniversary of municipal movement in Rabat**
- h. **Next EXCO and CG Meeting Dates**
 - i. 7-9 November 2011, pending Maputo Municipality confirmation of availability

IV. July 12, 2011 – Presentation of the Ghana Land, Services and Citizenship Programme (LSC)

a. See Annex II for Final Meeting Agenda

EXCO Members attended a two-hour morning session of the Cities Alliance Land, Services and Citizenship Programme (LSC) where the Secretariat (Andrea Zeman) presented the overall programme design and each participating member and partner presented their own piece of the programme.

Members and partners then went on a brief site visit to Old Fadama, met with the Mayor of Accra, the Honourable Alfred Okoe Vanderpuije, who then accompanied the group on an extensive tour of Accra.

Copies of all presentations are available on the CA Website in the "Members" section.

V. July 13 2011 – Special Session of the Ghana Urban Forum

a. See Annex III for Final Meeting Agenda

Initially launched in 2009 with support from CHF International, the Ghana Urban Forum aims to become a permanent forum for all stakeholders in Ghana's urban sector to establish a national consensus on dealing with the challenges and opportunities of rapid urbanisation.

According to the most recent census, more than half of all Ghanaians now live in cities.

The Forum brought together senior Ghanaian officials, local authorities, international development organisations, NGOs and community-based organisations and was the first such major event devoted to urban development issues hosted by the Ministry of Local Government and Rural Development, an indication of the ownership the Ministry has taken of Ghana's urban agenda.

Ms. Clare Short, Mr. Alioune Badiane and Mr. William Cobbett of the EXCO were invited by the Government to speak panelists.

Further information on the Forum can be found on the [Cities Alliance Website](#).

DRAFT

Executive Committee Meeting, 11 July 2011

AGENDA

Venue: La Palm Royal Beach Hotel,
No. 1 La Bypass, PO Box OS 3000, Accra, GHANA,
Tel: 233 233 217 71700

11(08)10/2011, 11 JULY 2011		
08h30 - 09h00	<i>Welcome Coffee/Tea</i>	Venue: Kundum Room
09h00 - 09h30	Item 1: Opening and Welcome/Adoption of Agenda ➤ UCLG, EXCO Chairperson ➤ William Cobbett, Manager	Handouts: 3, 4 & 5 Agenda, Participant List, March 2011 Meeting Report
09h30 - 11h00	Item 2: Cities Alliance Business Matters <i>William Cobbett and Kevin Milroy, Secretariat</i> ➤ Grant Facility Options ➤ Review of FY11 Financial Report and FY12 Secretariat Budget	Handouts: 6 & 7 Grant Facility Options Paper, FY11 Financial Report and Draft FY12 Secretariat Budget
11h00 - 11h30	Coffee/Tea Break	
11h30 - 12h30	Item 3: Cities Alliance Business Plan <i>William Cobbett and Kevin Milroy, Secretariat</i> ➤ Status and Overview of the Planning Process	Handouts: 8 Draft Business Plan 2012-2014
12h30 - 14h00	Lunch	Venue: Continental Restaurant
14h00 - 15h30	Item 3: Cities Alliance Business Plan continued <i>William Cobbett and Kevin Milroy, Secretariat</i> ➤ Strategic Choices Across Business Lines ○ Country Programmes ❖ Fifth Country Programme Selection ○ Catalytic Fund (CATF) ○ Knowledge Resources/Joint Work Programmes ➤ Resource Mobilisation and Fundraising	Handouts: 9 - 13 CPP Progress Report, CPP Concept Note, CPP Fifth Country Selection Memo, CATF Update, JWP Summary

15h30 – 16h00	<i>Coffee/Tea Break</i>	
16h00 – 17h00	<p>Item 4: Cities Alliance Partnership Matters <i>William Cobbett and Kevin Milroy, Secretariat</i></p> <ul style="list-style-type: none"> ➤ <i>Charter Update</i> ➤ <i>Membership Issues</i> <ul style="list-style-type: none"> ○ <i>Secretariat Staffing Update</i> ○ <i>Member Representation at CA Meetings</i> ➤ <i>UN-Habitat Corporate Update</i> ➤ <i>MENA: Member Responses</i> ➤ <i>Next EXCO Meeting and Consultative Group Meeting</i> ➤ <i>Update on the Independent Evaluation 2011</i> <ul style="list-style-type: none"> ○ <i>Anders Richelsen, Sr. Project Manager, COWI A/S</i> ➤ <i>Any other business</i> 	<p>Handouts: 14 – 18 <i>Charter, Independent Evaluation 2011 TOR, Staffing Update, Site Visit Programme, Ghana Urban Forum Programme</i></p>
17h00 – 17h30	<p>Closing Remarks <i>UCLG, EXCO Chairperson</i></p>	
19h00	Group Dinner	<p>Venue: Ghanaian Village Restaurant</p>

Executive Committee Meeting, 11-13 July 2011

ACCRA METROPOLITAN ASSEMBLY
SITE VISITS

11 JULY 2011		
8h30	Welcome Coffee	Venue: La Palm Royal, Kundum Room
09h00 – 11h00	Ghana Country Program Presentation and Discussion <ul style="list-style-type: none"> ➤ Secretariat Overview ➤ Core Programme Activities: UDU, ILGS, People's Dialogue, KNUST ➤ Aligned Investments/Initiatives: GIZ, World Bank, AFD, MCI, CHF, UN-Habitat, HFHI 	Venue: La Palm Royal, Kundum Room
11h30 – 13h00	Site Visits <ul style="list-style-type: none"> ➤ Old Fadama Walking Tour (led by People's Dialogue/Federation) 	
13h00 – 14h00	Lunch	
14h30 – 17h00	Site Visits continued <ul style="list-style-type: none"> ➤ Visit/Discussion with AMA Mayor & City Officials ➤ Bus tour of Accra (led by Mayor of AMA) 	
17h00	Day Wrap up and return to La Palm Royal Beach Hotel	

**Presentation of the Ghana Country Partnership Programme
"Land, Services and Citizenship for the Urban Poor"**

Date: Tuesday, 12 July 2011

Time: 9:00 am – 11:00 am

Venue: La Palm Royal Hotel, Kundum Room

Agenda

09h00 – 09h05	<p>Welcome Billy Cobbett</p>
09h05 – 09h15	<p>Overview of Programme Andrea Zeman</p>
09h15 – 10h00	<p>Core Programme Activities</p> <ul style="list-style-type: none"> ➤ Developing a National Urban Agenda <ul style="list-style-type: none"> - UDU and GIZ ➤ Municipal Training & Capacity Building <ul style="list-style-type: none"> - ILGS ➤ Community Empowerment <ul style="list-style-type: none"> - Peoples Dialogue ➤ State of the Cities Report <ul style="list-style-type: none"> - Kwame Nkrumah University of Science and Technology ➤ Advocacy and Awareness Raising <ul style="list-style-type: none"> - Consultant, CA Secretariat
10h00 – 10h45	<p>Aligned Investments & Initiatives</p> <ul style="list-style-type: none"> ➤ Urban Back-Up Initiative <ul style="list-style-type: none"> - ILGS and GIZ ➤ GAMA Water & Sanitation Project <ul style="list-style-type: none"> - World Bank ➤ Ghana Urban Management Pilot Project <ul style="list-style-type: none"> - AFD ➤ Accra Millennium City Initiative <ul style="list-style-type: none"> - Millennium Cities Initiative, Earth Institute ➤ SCALE-UP Project <ul style="list-style-type: none"> - CHF International ➤ Neighborhood Infrastructure and Upgrading Facility <ul style="list-style-type: none"> - UN-HABITAT, HFHI & MCI
10h45 – 11h00	<p>Questions and Answers</p>

MINISTRY OF LOCAL GOVERNMENT
AND RURAL DEVELOPMENT



GOVERNMENT OF GHANA

Cities Alliance
Cities Without Slums

Special Session of the Ghana Urban Forum
“Planning for Ghana’s Urban Future”

*Venue: La Palm Royal Beach Hotel

WEDNESDAY 13 JULY 2011		
08h30 -09h00	Registration	Venue: La Palm Royal Beach Hotel, Aday Kesie Room
09h00 – 09h05	Introduction of Chairman and other Dignitaries <i>Dr. Esther Ofei – Aboagye, Director, Institute of Local Government Studies</i>	
09h05 – 09h15	Chairman’s Opening Remarks <i>Professor Naa Nabila, Member of Council of State and Chairman</i>	
09h15 – 09h35	Welcome Address <i>Honourable Samuel Ofose-Ampofo, Minister of Local Government and Rural Development</i>	
09h35 - 10h25	Statements <i>Mr. Jean-Pierre Elong Mbassi, United Cities and Local Government-Africa</i> <i>Mr. William Cobbett, Manager, Cities Alliance</i> <i>Mrs. Ruby Sandhu-Rojon, UN-Resident Coordinator</i> <i>Alioune Badiane, UN-Habitat, Director, Regional Office for Africa and Arab States (ROASS) and Acting Director, RTCD</i> <i>Honourable Alban S. K. Bagbin, Minister for Water Resource, Works and Housing</i>	
10h25 – 10h50	Keynote Address <i>“Planning for Ghana’s Urban Future”</i>	

	<p><i>Mr. Steve Akuffo, Member, National Development Planning Commission</i></p>	
10h50 – 11h10	<p>Brief Remarks <i>Ms Clare Short, Policy Advisor for Cities Alliance and Professor Naa Nabila, Member of Council of State and Chairman</i></p>	
11h10 – 11h30	<p>Coffee/Tea/Light Snack</p>	
11h30 -13h30	<p>Roundtable Session: <i>Presentations and Debate: Local government and community responses to urbanization in Ghana and in Africa</i> <i>Session Facilitators: Ms. Clare Short</i></p> <p>Roundtable Participants <i>Hon. Alfred Okoe Vanderpuije, Mayor of Accra</i> <i>Hon. Nubyl Kakra Van-Lare, Mayor of Adenta</i> <i>Mr. Farouk Braimah, People's Dialogue/SDI</i> <i>Ms. Juliana Brown-Afari, Director of StreetNet</i> <i>Ms. Sarah Ibanda, ACTogether, Uganda</i> <i>Mr. Jean-Pierre Elong Mbassi, UCLGA</i></p> <p>Questions and Answers</p>	
13h30 – 13h40	<p>The Way Forward <i>Professor Naa Nabila, Member of Council of State and Chairman</i></p>	
13h40 – 14h00	<p>Closing Remarks <i>Chairman</i></p>	
14h00-15h30	<p>LUNCH</p>	<p>Venue: Royal Dragon</p>

***La Palm Royal Beach Hotel Address:**

No. 1 La Bypass, PO Box OS 3000, Accra, GHANA, Tel: 233 233 217 71700

Cities Alliance

Cities Without Slums

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout #4:

Support Document: Cities Alliance Charter 2011

Background:

At its November 2011 meeting in Mexico City, the CG reviewed, edited and unanimously adopted the new Charter subject to any final edits proposed through the World Bank Legal Department's review.

Edits proposed by WB Legal were subsequently made to the document, mostly to clarify and be consistent in use of terms. EXCO reviewed and cleared the edits to the Charter at its March 2011 meeting in Washington, DC., in consultation with WB Legal representative, and were scheduled to review them again at its November 6, 2011 meeting.

Ratification of the final Charter is requested of the full Consultative Group. A tracked change version of Charter, showing the post-Mexico City edits, will be available as part of background documentation for the meeting and can be found on the Members Page of the CA website.

Recommended Action:

Ratification of Charter incorporating legal edits.

1 **Cities Alliance**

2

3

CHARTER

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6

7

16 November 2010

8

Table of Contents

9		
10		
11	I. Introduction	pg. 2
12	II. Cities Alliance Objectives	pg. 3
13	III. Cities Alliance Activities	pg. 3-4
14	IV. Membership of the Cities Alliance	pg. 4-5
15	V. Governance of the Cities Alliance	pg. 5-9
16	a. Consultative Group	pg. 6
17	b. Executive Committee	pg. 6-8
18	c. Policy Advisory Forum	pg. 8
19	d. Secretariat	pg. 9-10
20	VI. General	pg. 9
21	Annex I: Members of the Cities Alliance	pg. 11-12
22	(30 June 2010)	
23	Annex II: Schedule of Membership Fees	pg. 13
24		

25 I. Introduction

26 **The Cities Alliance is a global partnership for urban poverty reduction** 27 **and the promotion of the role of cities in sustainable development.**

28

29 1 In the last 20 years, the world urban population has grown from 2.25 billion to 3.5 billion. Most
30 of this growth has occurred in developing countries. It is expected that it will reach 4.9 billion in 2030.
31 At the same time, the annual urban growth rate is declining in many parts of the world.

32 2 Local governments have grown in importance in recent decades and their role is widely
33 recognised, but their political, institutional and financial resources and powers do not match their
34 mandate. Urban governance and decentralisation have progressed in all regions of the world to the
35 benefit of urban dwellers. However, local government capacities remain underdeveloped in many
36 countries, particularly in secondary cities, and there is enormous room for south-south and city-to-city
37 cooperation for urban development.

38 3 Economically and culturally, cities are effective engines of growth and innovation allowing
39 people to access a variety of job opportunities and personal development at large scale. However,
40 especially in low income countries, many of these jobs are provided by the informal sector and decent
41 work remains a challenge in many cities.

42 4 Cities, large and small, are also places of growing inequalities and sometimes of squalid poverty,
43 in terms of both income poverty and inadequate access to shelter and basic services. But their
44 neighbourhoods are often marked by human solidarities, community networks and citizen initiatives.

45 5 By their density, compact cities offer the potential for sustainable development and the efficient
46 use of natural resources. But most cities witness harmful environmental pollution hazards. They are a
47 major contributor to and victim of climate change and related disasters. Sustainable urban development
48 strategies should be matched by adequate investment and resources.

49 6 The Cities Alliance is a global partnership for urban poverty reduction and the promotion of the
50 role of cities in sustainable development. It aims at supporting cities, local and national governments
51 and their partners¹ in the developing world in addressing the above challenges to capture the gains of
52 urbanisation and taking advantage of the above opportunities, for the benefit of their citizens.

53

¹ Partners are non-CG members and may include cities, national association of local governments, national governments, civil society organisations, NGOs, university and research institutes, private enterprises, etc.

54 **II. Cities Alliance Objectives**

55

56 7 Cities Alliance is governed by three over-arching objectives:

- 57 a) To strengthen and promote the role of cities in poverty reduction, and in sustainable
- 58 development;
- 59 b) To capture and strengthen the synergies between and among members and partners; and
- 60 c) To improve the quality of urban development cooperation and lending.

61 8 The Cities Alliance is primarily a vehicle for partnership, seeking to improve the quality and
62 coherence of support being provided to city and national governments in the developing world, as well
63 as the quality of members' own urban programmes. To this end, the Cities Alliance will not develop
64 separate implementation capacity, but work through the existing capacity of its members, as well as
65 other partners, to promote the vision of '*Sustainable Cities without Slums*'. To achieve this vision, the
66 Cities Alliance will promote new partnerships between local and national government, slum dwellers,
67 private foundations, the private sector, NGOs and other partners.

68 9 The Cities Alliance prioritises support to cities, local authorities, associations of local authorities
69 and/or national governments that are committed to:

- 70 a) Improving their cities, and local governance, for all residents;
- 71 b) Adopting a long-term, comprehensive and inclusive approach to urban development;
- 72 c) Implementing those reforms necessary to effect systemic change, and to achieve delivery
- 73 at scale; and
- 74 d) Decentralising resources to empower local government

75 **III. Cities Alliance Activities**

76

77 10 Support provided by the Cities Alliance falls within the following broad categories:

- 78 a) Citywide and nationwide slum upgrading programmes;
- 79 b) City development strategies; and
- 80 c) National policies on urban development and local government

81

82 11 Within these broad categories, Cities Alliance members and partners are able to respond to a
83 range of developmental challenges, which are identified as priorities by the city or national government,
84 slum dwellers, and other members or partners.

85

86 City development strategies are generally multi-sectoral and citywide, and can encompass a wide range
87 of priorities on sustainable urban development , including subjects related to three pillars of sustainable
88 development (economic, social and ecological) as well as investments, governance systems and physical
89 implementation.

90 12 Cities Alliance country-specific activities are limited to those countries listed in the OECD
91 Development Assistance Committee's list of Aid Recipients², as amended (Developing Countries). Any
92 city, national association of cities, or national government with their partners can approach the Cities
93 Alliance for support, either through one or more members of the Cities Alliance, or through the
94 Secretariat, which will attempt to identify appropriate member(s) to provide such support. Cities
95 Alliance members may also apply for support. Cities Alliance will make specific efforts to increase the
96 focus on least developed countries and secondary cities and mobilise the expertise of middle income
97 countries. Programmes of assistance by the Cities Alliance strive to reflect the priorities of the city and
98 its residents, local government association and national government.

99 13 In general, the Cities Alliance offers support to meet its objectives, including the following types
100 of activities, subject to the availability of resources:

101 *a) Country Programmes*

102 Longer-term programmatic support, at a multiple city / national scale;

103 *b) Catalytic Projects*

104 Shorter-term activities designed to catalyse change;

105 *c) Knowledge activities*

106 Activities designed to fill knowledge gaps and build capacity at local, national, regional and
107 global levels; and

108 *d) Communication support, and advocacy*

109 Activities designed to improve awareness of relevant policies or activities, influencing
110 policies and behaviour and contribute to dynamic local, national, regional and global
111 debates.

112 **IV. Membership of Cities Alliance**

113

114 14 Membership of the Cities Alliance is open to representatives of (i) national governments; (ii)
115 multi-lateral organisations; (iii) the global organisations of local authorities, UCLG and Metropolis; (iv)
116 international networks of organisations engaged in urban development; and (v) other partners as
117 described below.

118

² The DAC List of Aid Recipients, as updated from time to time, can be found on the OECD homepage:
http://www.oecd.org/document/45/0,3343,en_2649_34447_2093101_1_1_1_1,00.html.

119 15 There are two categories of membership (a.) Full Members and (b.) Associate Members, both of
120 which are entitled to participate in the Consultative Group meeting of the Cities Alliance.

121
122 16 Consultative Group (CG) Full Members include representatives of (i) national governments; (ii)
123 multi-lateral organisations; (iii) the global organisations of local authorities; UCLG and Metropolis, and
124 (iv) international networks of organisations.

125 17 CG Associate Members may include representatives of (i) foundations, (ii) NGOs, (iii) private
126 companies, (iv) local authorities and (v) other partners as defined by the CG. They are entitled to
127 participate in the CG session without participation in the decision-making process.

128 18 Others interested in Cities Alliance activities may be invited by the CG Co-Chairs to attend
129 specific CG sessions as Observers and to participate in specific Policy Advisory Forum sessions. Observers
130 are non-decision making and do not need to pay annual membership fees.

131 19 The current membership of the Consultative Group (as of 30 June 2010) is listed as **Annex I**.

132 20 Prospective Full Members and Associate Members of the Cities Alliance can apply for
133 membership of the Consultative Group, provided they (i) are sponsored by 3 (three) existing Full
134 Members of the Consultative Group (ii) endorse the Cities Alliance Charter and (iii) undertake to meet
135 their financial contributions to the Cities Alliance Trust Fund.

136 21 Their applications are reviewed by the Executive Committee for recommendation to the
137 Consultative Group. With the exception of UCLG and Metropolis, all members are required to make a
138 financial contribution to the core funds of the Cities Alliance, according to the Schedule of Annual
139 Membership Fees listed as **Annex II**. The CG, upon recommendation by the EXCO, may decide upon
140 other exceptions to the rule.

141 22 Members that fail to make their agreed financial contribution for two consecutive financial
142 years will no longer be members of the Consultative Group, and they will be notified by the EXCO.

143 **V. Governance of the Cities Alliance**

144

145 21 The Cities Alliance is composed of four structures:

- 146 a) The Consultative Group (CG);
- 147 b) The Executive Committee (EXCO);
- 148 c) The Policy Advisory Forum (PAF); and
- 149 d) The Secretariat.

150

151 a) The Consultative Group

152

153 22 The Consultative Group comprises Full Members and Associate Members of the Cities Alliance,
154 and is the primary decision-making body of the organisation.

155 23 The Consultative Group meets at least once a year. Two thirds of the membership constitutes a
156 quorum of the Consultative Group. Decisions in the Consultative Group are taken by Full Members by
157 consensus. Consensus means no objection to agreement, but does not preclude the ability to dissent on
158 the record without objecting. It has the authority to form Working Groups.

159 24 The Consultative Group is co-Chaired by the founding members of the Cities Alliance: the World
160 Bank³ and UN-Habitat.⁴

161 25 Primary Roles and Responsibilities of the Consultative Group:

- 162 a) Adopt, and amend, the Charter;
- 163 b) Approve the long- and medium-term strategic direction of the Cities Alliance;
- 164 c) Ratify the annual work plan and budget of the Cities Alliance, including that of the
165 Secretariat and the Policy Advisory Forum, following approval by the Executive
166 Committee;
- 167 d) Approve the criteria to be used in evaluating and approving Cities Alliance activities;
- 168 e) Review and evaluate the overall performance of the Cities Alliance;
- 169 f) Establish the membership fees for different membership categories;
- 170 g) Help raise additional resources;
- 171 h) Appoint Rotating Members of the Executive Committee;
- 172 i) Appoint the Chairperson of the Policy Advisory Forum;
- 173 j) Approve the applications of new CG members; and
- 174 k) Decide on the physical location of the Secretariat.

175

176 b) The Executive Committee

177

178 26 The CG appoints the Executive Committee. The Executive Committee is accountable to the
179 Consultative Group in all matters.

³ Represented by the Vice President of Sustainable Development, or his/her designated representative

⁴ Represented by the Executive Director or his/her designated representative

180

181 27 The Executive Committee comprises representatives from a combination of Permanent
182 Members, Rotating Members and an Ex-Officio Member and a potential Observer, *viz.*,

183 a) **Permanent Members:**

184 a. UCLG, UN-Habitat and the World Bank

185 b) **Rotating Members:**

186 a. One national government from Developing Countries

187 b. Two national governments from non-Developing Countries

188 c. Two other Full Members or Associate Members

189 c) **Ex-Officio Member**

190 a. Manager of the Secretariat

191 28 The Chairperson of the EXCO may invite the Chairperson of the PAF to participate in the
192 discussion of the EXCO as an Observer.

193 29 Permanent Members and Rotating Members are decision making and the Ex-Officio Member
194 and Observer are non-decision making.

195 30 Rotating Members are selected by the CG, for three-year terms, appointed on a staggered basis.
196 The UCLG representative acts as the Chairperson of the Executive Committee. If, for any reason, the
197 UCLG representative is not available, the EXCO members will elect a Chairperson for that meeting.

198 31 The EXCO's primary roles and responsibilities are to:

199 a) Provide guidance to the Secretariat on matters of policy and strategy;

200 b) Approve the Business Plan, annual work plan and budget of the Cities Alliance, including
201 that of the Secretariat and the Policy Advisory Forum, subject to ratification by the CG;

202 c) Monitor progress and make recommendations to the CG;

203 d) Participate in the selection of the Manager of the Secretariat⁵;

204 e) Approve any operating manuals produced by the Secretariat;

205 f) Select countries for country programmes;

206 g) Nominate the Chairperson of the Policy Advisory Forum for CG appointment;

207 h) Respond to requests from the CG; and

208 i) Consider applications for membership and makes recommendation to the CG.

⁵ The Manager of the Secretariat is selected and appointed by the World Bank in accordance with World Bank policies and procedures. The Executive Committee participates in endorsing the position's terms of reference and is involved in shortlisting and interviewing candidates.

209 32 The Executive Committee meets as often as necessary, but no less than twice per year. It has the
210 authority to form Working Groups. One of the EXCO meetings precedes the CG meeting.

211 c. The Policy Advisory Forum

212

213 33 The Policy Advisory Forum is the Cities Alliance platform for public discussion, debate and
214 knowledge sharing of activities that improve awareness of relevant policies or activities, changing
215 policies and behaviour.

216 34 The Forum promotes dialogue between CG members and invited partners on key policy and
217 strategic issues of city and urban development, and advises the Cities Alliance on appropriate policies
218 and strategies.

219 35 The PAF has a Chairperson for a period of three years. In formulating the work programme and
220 activities of the PAF, the Chairperson will work in close consultation with the Chairperson of the EXCO,
221 the Co-Chairs of the Consultative Group and the Manager of the Secretariat.

222 36 The PAF provides a platform for Full Members and Associate Members of the Consultative
223 Group to engage in policy dialogue with other parties, including but not limited to representatives of:

224 a) Country partners of the Cities Alliance, particularly cities and local authorities;

225 b) Universities and training institutions;

226 c) Non-governmental organisations;

227 d) Community-based organisations;

228 e) Foundations; and

229 f) Private sector organisations.

230 37 The main PAF meeting is held in conjunction with the annual meeting of the Consultative Group.
231 In between meetings, the PAF can also be convened, in coordination with the Secretariat and the
232 Chairperson of the PAF, at a country or city level.

233 38 The PAF Chairperson provides reports to the Chairperson of the EXCO, the Co-Chairs of the
234 Consultative Group and the Manager of the Secretariat.

235 **d) The Secretariat**

236

237 39 The Secretariat carries out the Cities Alliance Work Programme and manages its day-to-day
238 operations. A primary function of the Secretariat is to actively facilitate the participation of members in
239 the activities of the organisation. It also provides appropriate services to its Members, and generally
240 facilitates the work of the partnership.

241 40 The Secretariat is administered by and within the World Bank, and the World Bank serves as
242 trustee of Cities Alliance financial resources. The Cities Alliance Secretariat Manager and staff are part of
243 the Finance, Economics & Urban Development Department of the Sustainable Development Network,
244 Vice Presidency of the World Bank.

245 41 Cities Alliance Secretariat staff are World Bank staff members recruited and managed according
246 to World Bank policies and procedures. The Secretariat may accept staff members on secondment from
247 other organisations and through junior professional and similar programmes.

248

249

250 42 Under the overall direction of the Manager, the Secretariat has the following roles and
251 responsibilities:

252

a) Facilitate Member involvement in the activities of the Cities Alliance;

253

b) Screen and evaluate project proposals, in accordance with criteria approved by the CG;

254

c) Provide Secretariat services to the CG, EXCO and PAF;

255

d) Prepare and present medium- and long-term strategies, for consideration by EXCO and
256 the CG;

257

e) Support the CG and EXCO in fundraising on behalf of the Cities Alliance;

258

f) Maintain a database of projects of the Cities Alliance;

259

g) Monitor the implementation of projects and disseminate lessons learned from CA and
260 other activities, including an Annual Progress Report;

261

h) Draft the Work Programme and budget for EXCO approval and CG ratification, and
262 facilitate its implementation; and

262

263

i) Prepare and present status reports on progress and results.

264

265

266 **IV. General**

267

- 268 1. Nothing in this Charter is intended to be a waiver of, or impair or limit, any privileges or
269 immunities of any Member under its respective Articles of Agreement or equivalent
270 documents, or any applicable law, all of which are expressly reserved.

271 **Annex I:**

272 **Full Members of the Consultative Group (30 June 2010)**

273

274 In Alphabetical Order, by type of member:

275

276 National governments – Developing Countries

277 Brazil

278 Chile

279 Ethiopia

280 Nigeria

281 Philippines

282 South Africa

283 National governments – non-Developing Countries

284 Australia

285 France

286 Germany

287 Italy

288 Netherlands

289 Norway

290 Spain

291 Sweden

292 United Kingdom

293 United States of America

294 Multi-lateral organisations

295 European Commission

296 United Nations Environment Programme (UNEP)

297 UN-Habitat⁶

298 World Bank⁷

299 Global organisations of local authorities

300 Metropolis

301 United Cities and Local Governments (UCLG)

302 International networks of organisations

303 Habitat for Humanity International

304 Slum/Shack Dwellers International

⁶ Founding member

⁷ Founding member

305 **Associate Members of the Consultative Group (30 June 2010)**
306 None
307

308 **Annex II: Schedule of Minimum Annual Membership Fees**

309 These fees constitute the core resources of the Cities Alliance and are used to fund the annual Work
310 Programme for the Cities Alliance. Members are encouraged to contribute more than the minimum.

311	Multilateral Organisations:	\$250,000 ⁸
312	National Governments (non-Developing Countries):	\$250,000
313		
314	National Governments (Developing Countries):	\$ 50,000
315		
316	Global Organisations of Local Authorities, UCLG and Metropolis	N/A
317		
318	International Non-Governmental Organizations and Networks:	\$ 50,000
319		
320	Foundations, Private Sector and Universities:	\$ 250,000
321	Other Partners (as defined by the CG)	\$ TBA

⁸ For UN agencies, this can be combined as a minimum of \$100,000 cash, and the remainder in-kind (e.g. Staff secondment)

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout #5: Cities Alliance Business Plan
Support Document: Draft Cities Alliance Business Plan

Background:

At its March 2011 meeting, EXCO asked the Secretariat to draft a Business Plan based on the recommendations from the GHK Evaluation on the Implementation Modalities of the Cities Alliance. EXCO reviewed the plan at its July 2011 meeting, made comments and is expected to review the revised draft at its 6 November meeting in Maputo.

The Business Plan aims to capture important changes and shifts agreed by the Consultative Group in the Charter and provide direction to the partnership over a three-year period.

Recommended Action:

- Review and comment on the Business Plan.
- Ratify the Cities Alliance's FY12 Work Programme.



BUSINESS PLAN

JULY 2011 – JUNE 2014

DRAFT FOR THE CONSULTATIVE GROUP
MAPUTO, MOZAMBIQUE

7 OCTOBER 2011

Contents

1	Introduction	3
2	Review of Operations: A Decade of Catalysing Change.....	7
2.1	Financial Summary – Sources and Uses of Funds.....	7
2.2	Grant-Funded Activities and Results	8
2.2.1	A Global Portfolio of Grant Funding Support.....	8
2.2.2	Working Together: Cities Alliance Members and Their Partners	9
2.3	Re-positioning the Cities Alliance as a Partnership.....	10
2.4	Operationalising the Charter: Strategic Challenges and Choices	11
3	Towards Inclusive Cities: Our Goal, Objectives and Results.....	13
3.1	The Role of the Cities Alliance in International Urban Development Cooperation.....	13
3.2	Demonstrating Progress and Results Towards Inclusive Cities: Corporate Objectives for FY 12-14.....	14
4	Work Plan 2012 – 2014: Baseline and Strategic Choices	17
4.1	Country and Regional Programming	17
4.1.1	Country Work Programming (CWP).....	17
4.1.2	Regional Work Programming (RWP).....	18
4.1.3	Country Programmes (CP)	20
4.2	The Catalytic Fund: Improving Quality and Promoting Innovation	25
4.3	Knowledge and Learning: Leveraging the Cities Alliance’s Global Experience for Joint Action.....	29
4.4	Communication and Advocacy: Making the Case for Inclusive Urbanisation.....	34
5	Governance, Management and Staffing	37
5.1	Governance Structure.....	37
5.2	Management Structure.....	37
5.3	Staffing	38
5.4	Grant Management: Key for the Cities Alliance.....	38
6	Financial Plan.....	39
6.1	Strategic Approach	39
6.2	The Baseline Budget	39
6.3	Scaling Up: Service Line Growth and Funding Opportunities	41
7	ANNEX	42

1 Introduction

This three-year Business Plan, our first, marks the end of an intense period of internal debate about the nature and direction of the Cities Alliance. Commencing with the adoption of the Medium Term Strategy (2008-2010), the organisation has been substantially redesigned and repositioned. In November, 2010, the Consultative Group adopted a wholly new Charter for the Cities Alliance, and approved a new business model for its implementation. The purpose of this redesign was to build upon the success of the Cities Alliance in its first decade, resolve some outstanding issues, and enable the Cities Alliance to significantly scale up its operations and its impact.

Once approved, this Business Plan, based on a results-based framework, will guide the work of the organisation over the next three years, but be reviewed and updated on an annual basis, maintaining a three-year outlook and work programme.

First and foremost, the new Charter provides welcome clarity on the Cities Alliance's overarching objectives:

- To strengthen and promote the role of cities in poverty reduction, and in sustainable development;
- To capture and strengthen the synergies between and among members and partners; and
- To improve the quality of urban development cooperation and lending.

In line with the Charter and the new business model, the Secretariat is now focused on leveraging the capabilities of CA members, and on actively facilitating the Cities Alliance as a partnership. Together, these should greatly enhance both the coherence of effort amongst CA members, and the effectiveness of CA assistance in our four business lines:

- Country Programmes;
- Catalytic Fund and Grants;
- Knowledge and Learning; and
- Advocacy and Communication.

Secondly, the Consultative Group decided to strengthen and deepen the role of the Cities Alliance as a Partnership, and instructed the Secretariat to act as a facilitator. Combined, these two elements of the Charter will drive the Cities Alliance forward during the period of this Business Plan.

Financially, this has been a difficult time for the Cities Alliance and its members. The impact of the global financial crisis, and many competing demands for declining international development budgets, both challenge the Cities Alliance to deliver more with its modest resources, and to be able to point very clearly to results achieved.

Before looking in more detail at the current and future challenges confronting developing cities, a quick review of events during the first ten years of the Cities Alliance underscores how rapidly the global situation has evolved. Amongst the most significant developments has been the astonishing growth rates in East Asia, largely driven by the transformation of the cities located

on China's eastern seaboard. It was largely East Asia's growth that was responsible for the unprecedented reduction in rates of urban poverty, with over 227 million slum dwellers seeing significant improvements in their living conditions.

With a number of countries in the lead, such as Brazil, Colombia and Thailand, there has also been increased attention to national slum upgrading programmes and, more significantly, with the attention that urban development is now receiving in India. In Sub-Saharan Africa, the focus on urban development is more mixed, with many national economies growing at 5 and 6 per cent per annum, although inequality and social exclusion remains a large and growing challenge.

Yet, for all of these signs of progress, the world has now entered the final phase of the rural/urban transformation, signalling one of the most significant structural changes in human history. Properly managed, this urbanisation process will have profound transformative effects on population growth, economic and social development, education and health, but also massive implications for patterns of consumption, environmental degradation, and climate change.

The time span is also extremely short, with the world's cities expected to absorb an additional 3 billion people by 2050. Almost all of this growth will take place in the developing world, where the preponderance of the challenge will be found in secondary and tertiary cities, whose Mayors are seldom invited to the many conferences debating our urban future. At the same time, the urban poor continue to be systematically excluded from the urban services and opportunities they seek, and need.

The population of the world's countryside will stop growing around the end of this decade, and will fall by some 600 million by 2050. Sixty per cent of urban growth is already from within the city itself, with only 40 per cent resulting from rural-urban migration.¹

The key to success for African and Asian cities and economies, therefore, will be planning for this growth, rather than trying to manage the consequences after the event, which unfortunately still remains the predominant policy response in Africa and Asia. The fact that the bulk of this growth will take place in secondary cities, highlights the huge challenges that will be associated with this transition, with these local governments already facing infrastructure backlogs, limited capacity, resources, as well as lacking the recognition of their national governments, or the understanding of most international development agencies. Particularly in Africa, the current outlook is extremely bleak – the joint AFD / Cities Alliance research programme into Financing Africa's Cities (forthcoming January 2012) suggest that African cities need investments of the order of \$25 billion a year, but are currently attracting \$1 billion per annum, or less than 5 per cent of their needs.

These are the cities that will determine the economic future of their countries – they will need help with both short and long-term planning, policies, access to capital, and help with attracting investment. Even where resources are limited, significant progress can be made through adopting a pro-active planning approach that anticipates and prepares for future urban growth by identifying well-located land for settlement, ensuring access for future services, and planning for future commercial, recreational and educational needs. To better respond to these challenges, the Cities Alliance has begun the process of transforming its primary operations from single-city activities, into Country Programmes that engage with national policies and multiple

¹ Doug Saunders, *Arrival City*, Random House, Canada, 2010.

cities simultaneously, focusing on what the World Bank has identified as 'Systems of Cities'. Central to this approach is also strengthening the role of the national associations of local government, building their capacity to ensure learning and replication.

While there is already robust evidence that the Country Programme approach is fundamentally sound, Cities Alliance's resources are limited and generally targeted towards national dialogue, policy formulation and planning, all of which are essential as a basis for progress. For country programmes to become the transformative vehicles that Governments and the urban poor need, however, they need to be further strengthened to become platforms for investment, both public and private. As we have seen in very different scenarios in Brazil, China, South Africa, Ethiopia and Thailand, new policies and approaches can only become transformative – and reach the necessary scale – through mobilising completely new levels of investment, from a variety of sources.

During the course of this Business Plan, therefore, the Cities Alliance and its members need to focus on the mechanisms to help local and national governments to focus on policies designed to attract investment, private and public, national and international. In particular, transforming Cities Alliance's Country Programmes into vehicles for public and private investment is, therefore, a central challenge of this Business Plan.

Broadly speaking, there are a number of sources of investment that are relevant to a Country Programme. These include the national budget; local sources of revenue, such as land value capture; domestic capital investment, public and private; regional and international public and private investment; and the investments (in energy, time and money) of the urban poor themselves.

In the first year of this Business Plan, assisted by the Policy Advisory Forum (PAF) and interested members, the Secretariat will identify and engage with private sector partners, both at global and country level. At a global level, the Secretariat will seek to provide its members with an overview of the major and emerging private sector partners focusing on cities, and identify their main areas of interest, their assessment of the challenge and the priorities, and their goals and objectives. At a country level, the Secretariat will identify mechanisms and tools to integrate investment planning into the work of the Cities Alliance, particularly (and initially) into the Country Programmes. To ensure maximum leverage of CA resources, prevent duplication and to learn from existing centres of excellence, the Cities Alliance is establishing partnerships with Global Programmes that have an investment focus and a strong track record: the Public-Private Infrastructure Advisory Facility (PPIAF) and the Global Programme on Output-Based Aid (GPOBA).

As agreed in Mexico City, the new Cities Alliance Charter and business model are predicated on the belief that the role of development assistance is designed to be catalytic in nature, and that the key to sustainable urban development in the long-term lies in country ownership and

At A Glance: The Business Plan FY12-14

The Business Plan for 2012-2014 is built around four sets of activities:

- **Leveraging the impact, and the learning, of the current portfolio, which requires ongoing management for the next few years;**
- **Supporting innovation and new directions through the modest resources allocated to the Catalytic Fund;**
- **Maximising the impact of the Country Programmes as vehicles for supporting transformation, deepening partnerships and attracting investment; and**
- **Exporting Cities Alliance's mission through improved communications and advocacy.**

leadership, and in mobilising domestic resources, both public and private. To maximise its impacts, the Cities Alliance needs to be far more strategic in leveraging additional resources to supplement its own modest resources. At the core of this approach, lies the philosophy of Partnership.

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2 Review of Operations: A Decade of Catalysing Change

This chapter provides a snapshot of Cities Alliance achievements since its inception and highlights some of the main reasons behind re-positioning for scale and impact.

2.1 Financial Summary – Sources and Uses of Funds

As indicated in Table 1, the Alliance mobilised \$162.7 million over the last 11 years of its existence. Of this amount, \$25.5 million was earmarked for CLIFF (\$16.3 million) and SUF (\$9.2 million) projects. The remaining amount funded numerous projects at the country, regional and global level, implemented by the CA members and their partners, and also supported Secretariat costs. Section 2.2 provides a highlight of the results achieved.

Table 1: Sources and Uses of Funds*

	<u>Inception through FY10</u>	<u>FY11</u>	<u>Cumulative</u>
<u>SOURCES OF FUNDS</u>			
Contributions Received	150,052,208	8,700,000	158,752,208
Investment Income Received	6,316,071	265,000	6,581,071
Trust Fund Admin. Fees Paid	(2,493,031)	(107,762)	(2,600,793)
TOTAL SOURCES OF FUNDS	153,875,248	8,857,238	162,732,486
<u>USES OF FUNDS</u>			
Country / Regional Funding Allocations	73,859,269	8,767,289	82,626,558
Global / Multiregional Funding Allocations	43,226,787	668,500	43,895,287
Secretariat Costs	24,313,579	3,030,000	27,343,579
Allocation Reflows/ Cancellations/ Adjustments	(6,264,150)	(750,000)	(7,014,150)
TOTAL USES OF FUNDS	141,399,635	12,465,789	153,865,424
ENDING BALANCE - UNALLOCATED FUNDS	12,475,613	(3,608,551)	8,867,062

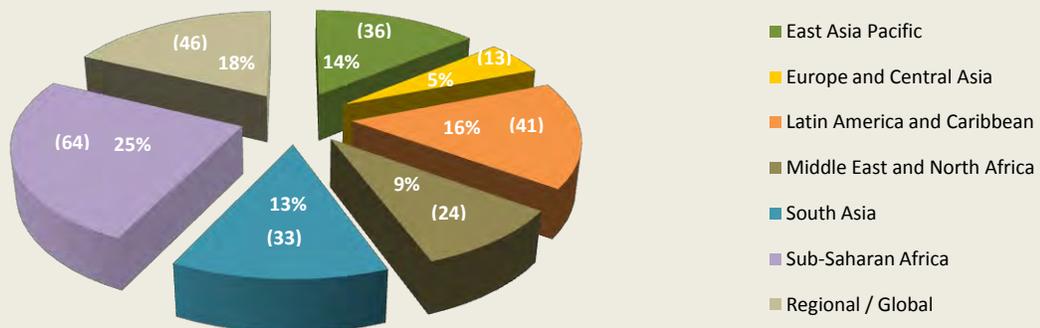
*NOTE: Unaudited. Includes Core, Non-Core and In-Kind funding sources. FY11 figures are estimated.

2.2 Grant-Funded Activities and Results

2.2.1 A Global Portfolio of Grant Funding Support

Over the period FY2000 – FY2010, the Cities Alliance has approved 257 projects in over 70 countries. Most of these projects related to the founding mandate of the Cities Alliance: to scale up slum upgrading, and support city development strategies. While the reach is global – actively operating in 6 regions – the Cities Alliance has retained a relatively strong focus on Sub-Saharan Africa, which accounts for 25 per cent of country-specific projects as indicated in Figure 1.

Figure 1 Geographical Distribution of Approved Projects - Total of 257 projects as of 30 June 2010

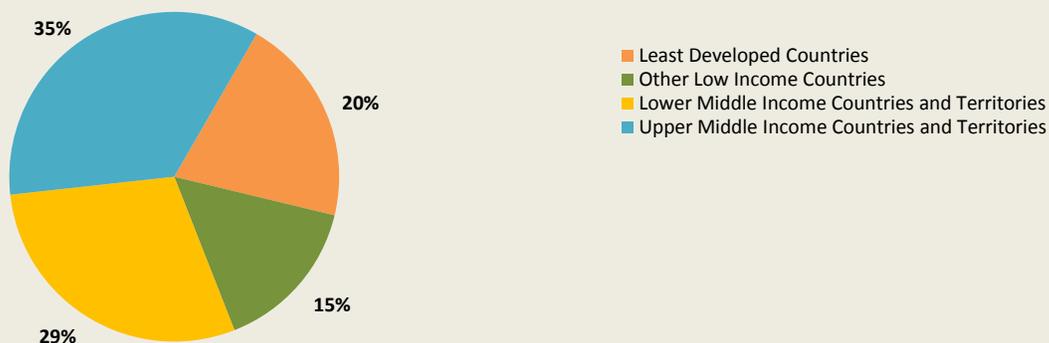


Notes:

- A. Figures reflect both country-specific projects and regional/global projects.
- B. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
- C. Projects cancelled during preparation or implementation were included in the calculation.

In addition to its global reach, a large proportion of the portfolio has had a strong focus on Low Income Countries (35 per cent) and Lower Middle Income Countries and Territories (33 per cent) in which urbanisation challenges and urban poverty are prevalent. Figure 2 shows the allocation of approved grants by country income groups.

Figure 2 Overall Allocation of Approved Grant Amount by Country Income Groups (Fiscal Years 2000 – 2010)



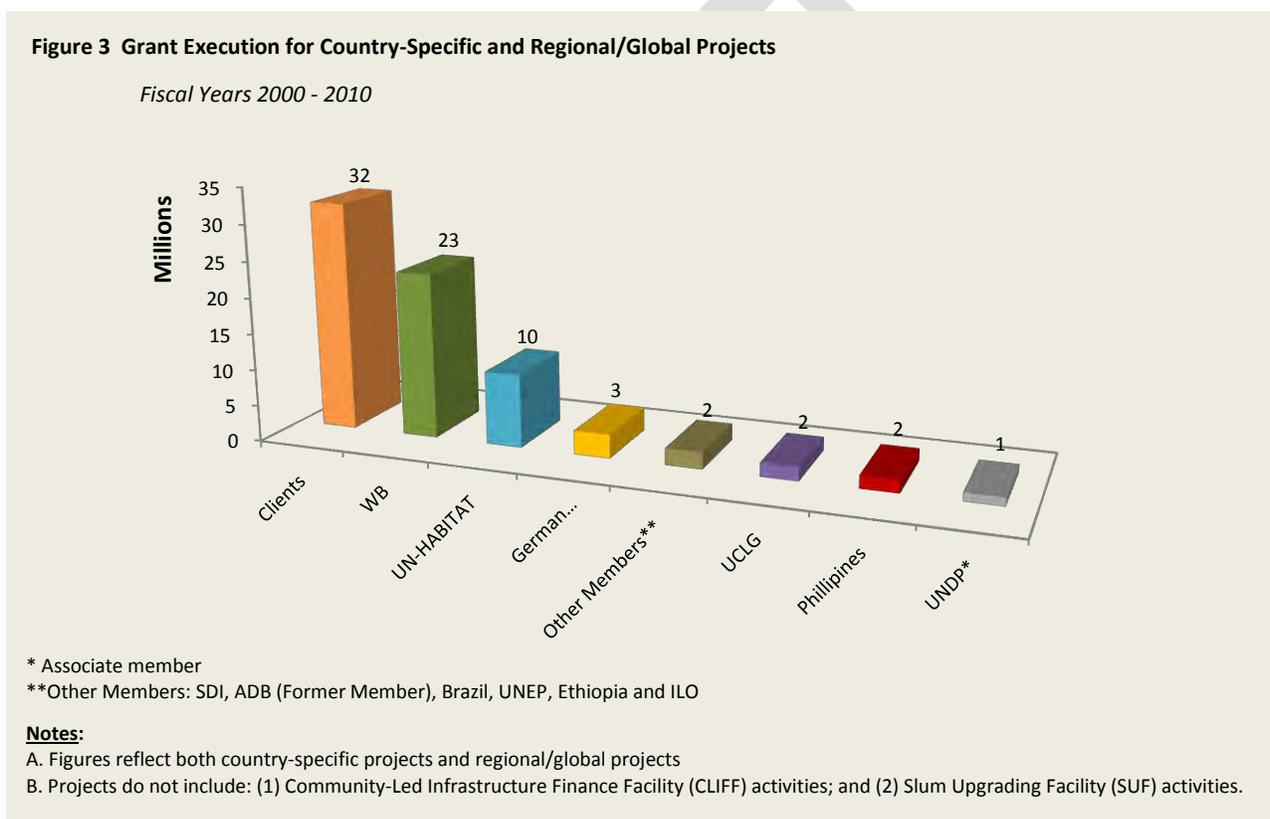
Notes:

- A. Classification of Cities Alliance projects has been based on the most current list available at the time of project approval.
- B. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional- Global Projects.

2.2.2 Working Together: Cities Alliance Members and Their Partners

In line with the Cities Alliance core objectives, the majority of activities were funded through the Open Access Grant Facility to support members and their partners promote urban poverty reduction, and inclusive cities. In the first decade, most proposals were initiated by CA members, or by partners with CA member support, while the Secretariat was responsible for managing the approval process, and promoting improved collaboration between members. The Cities Alliance provided over US\$ 75 million² to support its members and their partners in taking forward innovative and participatory approaches to inclusive city development and transformation.

Figure 3 below shows the grant funding provided to and executed by CA members and other development partners during the first ten year of operations.



In addition to the support provided through the Open Access Grant Facility, members and their partners have made significant resources available by co-financing project activities. For every \$1 of Cities Alliance grant funding provided, our members and their partners contributed an additional \$1.14 in co-financing.

Cities Alliance funded projects have also contributed directly or indirectly to the preparation and/or implementation of important and significant member operations. For example, between

² Excluding funding for CLIFF and SUF

FY 2009 and 2011, World Bank task teams utilised the funding from the Open Access Grant Facility to initiate participatory processes, gather critical data and information needed for the preparation of at least 13 projects. **Grant funding of only \$5.7 million was leveraged for investment projects worth \$1.5 billion**, demonstrating the huge potential of the Alliance in catalysing urban development and contributing to poverty reduction. The examples below show how seed funding can be leveraged for remarkable results.

Cities Alliance members and their partners have identified a growing demand for access to lessons and good practices from cities and countries that have dealt with challenges of urbanisation. Countries such as Brazil and South Africa, both members of the Alliance and beneficiaries of grants, have been at the forefront of finding innovative ways to deal with slum backlogs and rethinking of models of city governance.

These lessons and good practices are now being shared with other cities and countries. For example, the city of Johannesburg has been mentoring the city of Lilongwe for some years, and Brazil is actively engaged in transferring knowledge and expertise to Mozambique in a tri-lateral collaboration with Italy and the Cities Alliance.

Catalysing Change: The South African National Upgrading Programme (\$600,000)

Cities Alliance support to the National Upgrading Support Programme (NUSP) played a significant role in catalysing the debate around creating sustainable human settlements in South Africa, most notably through the inclusion of informal settlement upgrade as a core component of the groundbreaking Delivery Agreement between the Presidency and the Minister of Human Settlements.

The initial investment of \$600,000 from USAID and CA, with support from WBI, was influential in leveraging public investment for human settlement upgrading and municipal services to the amount of ZAR 4.9 billion.

2.3 Re-positioning the Cities Alliance as a Partnership

The rationale for re-positioning the Cities Alliance as a Partnership was based on a combination of the Secretariat's assessment, evidence from on-going evaluations and the deliberations of the Working Group on Governance. Specifically, the following factors informed the need to reposition the Cities Alliance:

- The need to better reflect the advantages of the Cities Alliance's location at the World Bank, while still retaining the distinct identity of the organisation;
- The importance of actively engaging more Members in the range of activities supported by the Cities Alliance and building strong partnerships for better results;
- Evidence that coherence of effort is far more effective through a more programmatic approach to member collaboration;
- The need to leverage public and private investment as a core function of Cities Alliance activities;
- The importance of making a major contribution to improving aid effectiveness; and

- The need to improve financial and programme accountability by adopting a results-based framework.

The endorsement of a new Charter by the Cities Alliance Consultative Group during the past year was the culmination of a three-year period of reflection, debate and change in the organisation. Assessments were made about the comparative advantages and value added of the Cities Alliance and what produced the best and most cost-effective results. The Secretariat developed a Theory of Change, to guide its interventions. Questions were asked about how to improve impacts, especially in low income countries and under-resourced secondary cities, and about how to better engage CA members. A medium-term strategy was formulated and implemented, which had the desired result of decisively moving the organisation in a more strategic and programmatic direction, and the consequential evolution of its products and instruments.

The new Charter, adopted unanimously by the Consultative Group in November 2010, has greatly clarified the organisation's objectives by promoting and strengthening the role of cities and local governments, which had previously been ignored by national governments and development agencies. As a result of this process, the Cities Alliance will also play particular attention to supporting the role of national associations of local government, particularly in its Country Programmes. To achieve these goals, and signal the importance of improving aid effectiveness, members decided to reposition the Cities Alliance as a Global Partnership, and ensure that they complement and leverage each others' unique strengths.

This decisive shift to a Partnership requires significant changes in the CA's business model, and a substantial redefinition of the role of the Secretariat. Overall, this transition seeks to build upon the excellent reputation achieved by the Cities Alliance in its first decade, and move to new levels of operation. Even at this early stage, the Secretariat has been able to identify major advances associated with the new business model.

The purpose of this document, the Cities Alliance's first business plan, is to lay out the next steps for implementing the Charter, significantly increasing the CA's contribution to urban poverty reduction and for realising the vision of cities without slums that Nelson Mandela articulated at the launch of the Cities Alliance in Berlin in 1999.

2.4 Operationalising the Charter: Strategic Challenges and Choices

The business plan addresses several key strategic challenges central to operationalising the Charter and increasing results, among them:

- Making the Cities Alliance the effective global partnership focused on cities, and urban poverty reduction
- Supporting those African cities and national governments wishing to respond effectively to rapid urbanisation;
- Maximising outcomes from the on-going Cities Alliance grant portfolio (more than \$60m allocated over past five years);
- Ensuring that Cities Alliance activities are designed to maximise the potential of public and private investment;
- Continually improving the efficiency of grant-making instruments;

- Effectively implementing the CA results framework; and
- Mobilising the additional resources necessary to invest in the business plan.

The Cities Alliance now occupies a prominent niche in the international development aid architecture, supporting city and national and local governments to optimise the role of cities in inclusive economic development and poverty reduction, on a budget of US \$15 million per year. While much can be – and has been – achieved with even small amounts of funding, it is vital that Cities Alliance members mobilise new levels of resources to implement the Business Plan.

This Business Plan seeks to use the enhanced relationship with the World Bank as a platform, developing new partnerships with different Global Programmes and units located within the Bank. Besides the recent developments with PPPIAF and GPOBA, excellent opportunities for collaboration also exist with the Global Facility for Disaster Reduction and Recovery (GFDRR); the Energy Sector Management Advisory Program (ESMAP); and the Water and Sanitation Program (WSP).

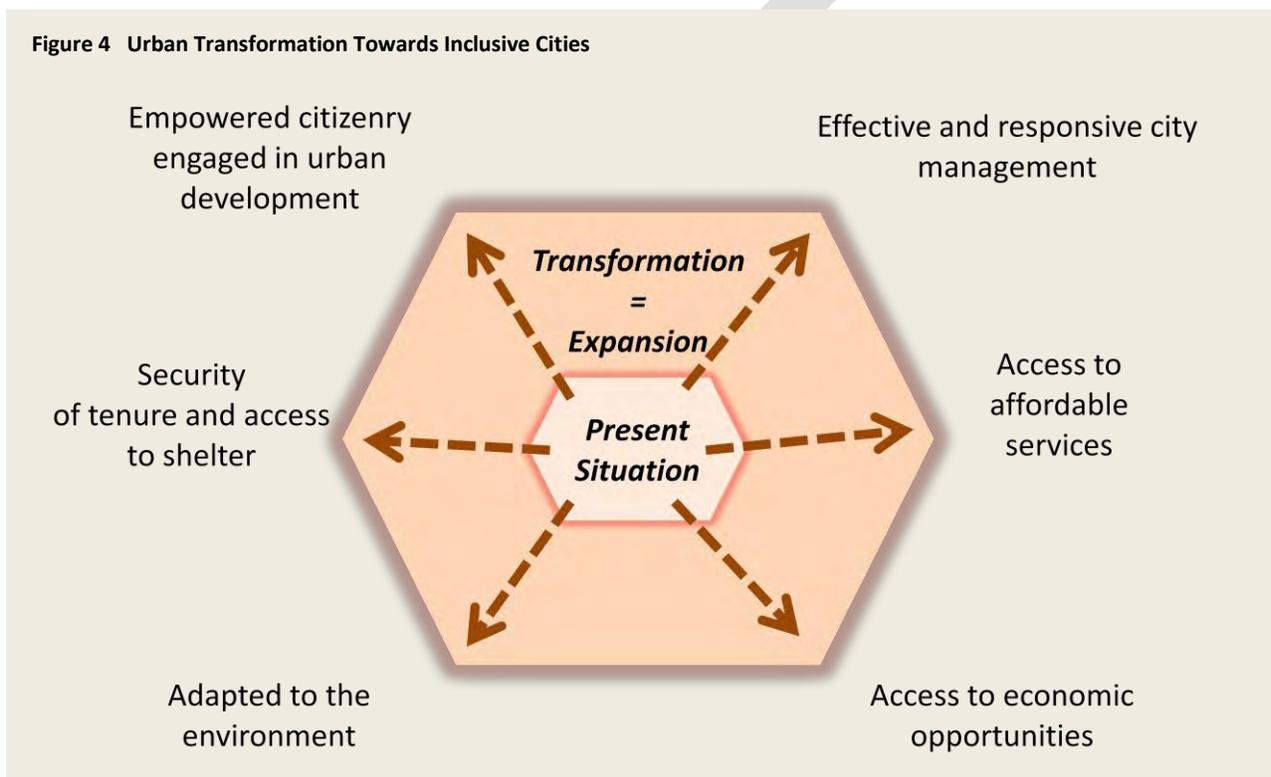
Ultimately, this Business Plan is predicated upon our ability to grow the Cities Alliance through improved outcomes from its existing capacities and funding stream, and through the mobilisation of significant new resources for the new CA service lines.

The Secretariat believes that these resources can be mobilised by demonstrating the significant advantages of the new business model:

- The demonstrable advantages of the Country Programme approach, particularly as a vehicle for public and private investment;
- The flexibility, innovation and improved quality associated with the Catalytic Fund; and
- The enormous potential of leveraging CA members where their work programme complements the agreed priorities of the Cities Alliance.

3 Towards Inclusive Cities: Our Goal, Objectives and Results

The Cities Alliance Theory of Change is based on its mandate, comparative advantages and track record. It follows a policy advisory approach with cities – local governments and key stakeholders – at the core. The concept of Inclusive Cities refers to the responsiveness of local governments, the engagement of citizens, accessibility of services, land, housing, and economic opportunities, and the adaptation to the environment through policies designed to promote Green Growth. Ultimately, inclusive cities are predicated upon the establishment of a policy environment – and local practices – that are conducive to public and private investment, from a variety of sources.



3.1 The Role of the Cities Alliance in International Urban Development Cooperation

The new Charter adopted in 2010 defines the Cities Alliance as “a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development”. It clearly states that the Cities Alliance is governed by three over-arching objectives:

- To strengthen and promote the role of cities in poverty reduction, and in sustainable development;
- To capture and strengthen the synergies between and among members and partners; and
- To improve the quality of urban development cooperation and lending.

At the core of the Cities Alliance mission is the challenge of contributing to new thinking about urbanisation, the proper management of which is potentially the single most important variable in sustainable development globally. Current approaches to urbanisation, and to poverty reduction generally, are still based on outdated development models, often resulting in the extensive social exclusion of women, youth and poor people, undermining spatial and economic efficiency and negatively impacting on the urban environment and climate change.

With its mandate and unique membership, the Cities Alliance is well placed to promote pragmatic solutions that work for the city and the poor alike – such as incremental housing, forward planning for urban expansion, or supporting the work of our members that seeks to raise the quality of the international debate, such as the Urbanisation Knowledge Platform.

To achieve this, the Cities Alliance needs to address some gaps in the Partnership. Specifically, the Cities Alliance should actively engage with, and seek to partner with, those private sector agencies (both global and national) that have demonstrated a real interest in the challenges of city development. Additionally, the Cities Alliance also needs to be more systematic in the manner in which it engages with universities and think tanks, both of which combine significant resources, research capacity and innovative thinking.

Finally, the Cities Alliance will take a more active role in promoting structured learning between countries and cities – such as the tripartite support with Brazil and Italy to Mozambique – as this is often the most effective form of international development assistance.

3.2 Demonstrating Progress and Results towards Inclusive Cities: Corporate Objectives for FY 12-14

With the adoption of a new business model and the identification of distinct business lines, the Cities Alliance has taken a major step in aligning its programming to a stronger impact orientation and created a profound basis upon which a future results-based monitoring is to be built. A stronger results-based management (RBM) geared to observing results at the corporate and operational level, will help keep the results in view at all times and steer our operations accordingly.

The current Business Plan is based upon a corporate goal reflecting a long-term outcome and seven distinct objectives for the work plan FY 2012 – 2014. These corporate objectives guide operations in our four business lines. During the following three years and particularly through its annual work plans, the Cities Alliance Secretariat will further intensify its results framework to build and maintain a robust monitoring and evaluation system. The initial set of indicators can be complemented and refined in parallel with the Alliance's capacity to both monitor progress towards their achievement and take corresponding managerial decisions.

Our goal is to achieve Inclusive Cities	
<i>that plan for urban growth, and promote the social, economic and environmental well-being of the city, and all citizens</i>	
Long-term and corresponding corporate objectives for FY12-14	
<ul style="list-style-type: none"> To strengthen and promote the role of cities in poverty reduction, and in sustainable development 	
	Corporate objectives (FY12-14)
	<ol style="list-style-type: none"> Cities and their Local Government Associations are empowered, and promote local policies that ensure sustainable development and poverty reduction; National governments improve their urban policy frameworks, planning for urban growth and ensuring clarity and resources for local government; and National and local governments collaborate to mobilise public and private investments for inclusive urban development and services for the urban poor.
<ul style="list-style-type: none"> To capture and strengthen the synergies between and among members and partners 	
	Corporate objectives (FY12-14)
	<ol style="list-style-type: none"> Cities and their development partners have access to knowledge, experiences and financing facilitated by the Cities Alliance; and The Cities Alliance provides platforms for coordination, knowledge exchange and joint action for sustainable urban development and poverty reduction at the global, regional and national levels.
<ul style="list-style-type: none"> To improve the quality of urban development cooperation and lending 	
	Corporate objectives (FY12-14)
	<ol style="list-style-type: none"> Cities Alliance programmes provide a platform for improved citywide financing of urban services, and for follow-up investment on a citywide basis; and Gender Mainstreaming and results-based management have been streamlined in all CA operations.

Each of our business lines will follow these corporate objectives and formulate distinct activities to achieve them (indicators are further described in consecutive sections):

- Country programmes** provide platforms for national and local development actors as well as CA partners to build long-term learning and action partnerships, establish a

consensus on proactive urban development frameworks and a provide a vehicle for mobilising national and international investment.

- **The Catalytic Fund** supports thematic innovations and new directions to initiate and consolidate urban transformation processes as well as capitalises the knowledge for the broader development community.
- **Knowledge and Learning** activities of the Cities Alliance improve knowledge and create learning opportunities for urban professionals and stakeholder representatives on topical issues – such as Incremental Housing, Finance, Climate Change and national slum upgrading – and inform policy dialogues as well as coordination at the global level.
- **Communications and advocacy** activities of the Cities Alliance are supporting CA members in aligning and formulating joint positions for inclusive urban development approaches.

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4 Work Plan 2012 – 2014: Baseline and Strategic Choices

4.1 Country and Regional Programming

The Medium-Term Strategy (2008-2010) led to the development of longer-term and more programmatic CA instruments. The first was the Country Work Programmes (CWP), where government counterparts and CA members developed a prioritised set of activities for SU and CDS activities in the country over a multi-year period. Funding from the Gates Foundation in 2009 spurred the development of an evolution of this instrument, Country Programmes (CP), which are designed to provide a framework for national policies for sustainable urban, pro-poor development. Regional work programmes are an adaptation of the CP approach, to support activities that cut across individual countries in a region.

4.1.1 Country Work Programming

Country Work Programmes are structured around clearly identified priorities relative to the support that Cities Alliance can provide. To date, the Cities Alliance has initiated three such Country Work Programmes – in Brazil, South Africa and the Philippines (all members of the Cities Alliance) – with a fourth currently under development in India. The existing Country Work Programmes are all designed to build upon CA investments over the past decade, and benefit from the important lessons that have emerged from the experience of these three middle-income countries. In particular, Brazil has emerged as an internationally recognised repository of a range of important lessons and experiences at local, state and national levels.

In each case, CWP priorities are jointly identified and inform the CA investments in these countries. The work programmes are reviewed periodically to ensure that priorities are maintained and remain relevant.

Country Work Programming: Baseline Work Programme

The baseline focus during FY12-14 will be to complete implementation of the previously-approved CWP portfolio, supplemented by a small amount of additional programming focused on leveraging outcomes from the portfolio and to share lessons and experiences through South-South cooperation.

- **Brazil.** Generating cutting-edge and internationally relevant knowledge and experience vital for the next phase of the Cities Alliance. This includes the lessons of integrating Brazilian cities through interventions such as the City Statute, the management of very large-scale upgrading programmes, and the management of resettlement challenges associated with global events such as the Football World Cup and the Olympic Games – all viewed from the perspective of the sustainable city, and the needs of the urban poor. Agreement has already been reached for trilateral cooperation between the Cities Alliance, Brazil and Italy in sharing slum upgrading lessons in Mozambique.
- **Philippines.** With the active support of the Government, the League of Cities of the Philippines turned City Development Strategies (CDS) into the primary development vehicle for transforming Filipino cities, with the majority of cities having undertaken their own CDS. The Cities Alliance and Government of Philippines have now developed a

Country Work Programme that moves these lessons to scale. The launch of the Philippines Urban Consortium (PUC) in 2010 created the platform for a new policy dialogue and for national replication. More recently, CA support was provided for very significant development of a national slum upgrading strategy, as part of the move towards a more programmatic approach and the need to deliver at scale.

- **South Africa.** Substantial Cities Alliance support for citywide slum upgrading strategies, city development strategies and innovative knowledge products, including the very influential State of the Cities Reports (2004 and 2006), are being leveraged nationally, regionally and globally. The Cities Alliance-supported National Upgrading Support Programme (NUSP) has led to the setting of new targets and budget for in-situ upgrading in South Africa's urban areas. Working with the Cities Alliance, South Africa's cities are becoming increasingly sought-after sources of support and knowledge exchange with cities in neighbouring countries, and know-how for State of Cities reporting is being transferred to other countries in the region.
- **India.** Supporting an increasingly ambitious urban agenda of the Government of India, including knowledge support to the Jawaharal Nehru National Urban Reform Mission (JNNURM) focused on city reform, and to the Rajiv Awas Yojana (RAY) focused on a national slum upgrading programme. The proposed Country Work Programme moves away from individual projects at the city level, and will focus on the provision of more targeted and effective support on national priorities such as city development and slum upgrading, knowledge products such as a State of the Cities Report, supporting the establishment of national networks of practitioners, and sharing and learning from national and international good practice.

4.1.2 Regional Work Programming (RWP)

While country programming provides systematic and longer-term strategic assistance to a limited number of countries, and the Catalytic Fund provides short-term funding for a limited number of projects, regional work programming will provide systematic and longer-term strategic activities across a larger number of countries, focused on regional issues, opportunities and partnerships. Regional work programming will help fill the gaps between discrete country programming and city/country project funding.

Regional programming is approached through a similar process as Country Programmes, where CA members come together with local and national government representatives and partners to identify important strategic opportunities to promote and strengthen the role of cities in the region. This can include:

- South-South learning and knowledge sharing;
- Policy advocacy;
- Platforms for partnership and connecting networks; and
- Dissemination of CA/member knowledge, tools and other resources.

A RWP would also have the purpose of leveraging and mobilising resources for Country Programmes and other regional actions.

Regional Work Programme: Sub-Saharan Africa

At its meeting in Mexico City in 2010, the Consultative Group identified Sub-Saharan Africa as a region of priority focus for the Cities Alliance. The RWP for Sub-Saharan Africa has already commenced, and will be further developed and deepened during this Business Plan. The Africa Programme already has the following components:

- Agreement with the World Bank's Africa Region for a Joint Work Programme focused on a programmatic approach to supporting Africa's urban transition, supporting decentralisation policies and a national Systems of Cities approach;
- Engagement with the University of Cape Town's African Centre for Cities in support of country State of the Cities Reports and the establishment of an associated knowledge platform;
- The finalisation of the joint AfD / Cities Alliance research project to investigate the state of local government finance in Africa. The report will be published in English and French in early 2012, and a programme of dissemination;
- The co-production, with UN-HABITAT, of the *Quick Guides for Policy Makers for Low-Income Housing in Africa*;
- The publication of *The Case for Incremental Housing*, which will form the bulk of Africa's housing production over the next three decades;
- Collaboration with the Association of African Planning Schools (AAPS) to instigate the production of new teaching courses and curricula for African Planning Schools;
- Support to the United Cities and Local Governments of Africa (UCLGA) Secretariat in Rabat;
- Support to significant new national urban programmes, such as Kenya, and national Urban Forums, as in Malawi; and
- Country Programmes in Uganda, Ghana, Burkina Faso and Mozambique.

In addition to the activities listed above, the Cities Alliance has a significant portfolio of ongoing activities in Africa. However, it is clear that there is still a need and demand for a much expanded RWP in Sub-Saharan Africa (and in its sub-regions) to keep pace with the challenges of an extremely rapid urbanisation process. The existing portfolio and new activities initiated over the past year need to be augmented with additional resources to ensure the bold and strategic work programme envisaged by the CG in Mexico City. To this end, a vital next step in the evolution of the Regional Work Programme for Africa is the establishment by the CG of a committee of CA members that will work with the Secretariat to provide oversight to the programme, to maximise both learning and the identification of strategic opportunities.

More recently, the Cities Alliance Secretariat and German Cooperation (BMZ & GIZ) have initiated preparation of a potential Regional Work Programme in the Middle East and North Africa, where cities have been at the forefront of an unprecedented process of political transformation. It is hoped that an outline document can be tabled at both the EXCO and CG meetings in Maputo.

4.1.3 Country Programmes (CP)

The objective of a Country Programme is to offer to developing countries a medium to long-term partnership to respond to the challenges and opportunities associated with urbanisation, promoting a more effective urban agenda centred on sustainable, inclusive cities. Towards this end, Cities Alliance initially focuses on improving the partnerships among national and local governments, urban poor communities, CA members and other role players – this is vital in establishing a national and local consensus on a proactive and positive response to urbanisation. It also provides an excellent foundation for using the Country Programme as a vehicle for mobilising national and international investment.

CPs consist of three components:

1. A **Framework** to enhance the cooperation system among national and local governments, urban poor communities, Cities Alliance members and other partners;
2. **Funding** to complement CA member and partner activities by filling action or knowledge gaps; and
3. **Facilitating public and private investment** into cities and local communities

Designed to offer medium to longer-term support, a Country Programme will concentrate on helping all stakeholders to focus on the key areas that contribute to a successful urban transformation process, as outlined by the Cities Alliance Theory of Change.

Emphasis on, and achievement of, results will be a consistent theme throughout the implementation of a CP. Initially, there will be a strong focus on increasing awareness and knowledge; mid-way through a CP, it can be expected that dialogue and planning processes would be underway. Only during a second round of funding will policies, strategies, investment opportunities and plans reach actual implementation. The Cities Alliance currently has five CPs at various stages.

Our Aim in the Country Programme is:

To mobilise Cities Alliance members and partners to help governments manage urban growth, provide services to all and create conditions conducive to improved quality of life and economic opportunities.

Uganda: Uganda's secondary cities will double in size within 15 years, with the youth making up the majority of the population. At the national level, the Uganda CP is supporting the Government of Uganda to develop a national urban policy and strategic urban development plan to be able to respond to this urban transformation. One of the first steps to forge a policy consensus was the establishment of a National Urban Forum in May 2010. The CP is supporting five secondary cities – Arua, Jinja, Kabale, Mbale and Mbarara – to develop

leadership capacity, establish municipal development forums, and prepare city development strategies and slum upgrading strategies.

In those five cities the CP is supporting communities of the urban poor to mobilise through savings schemes and mapping and enumeration of slums, and to actively participate in city planning and development processes including the identification and release of land for settlement. The programme is also establishing Community Upgrading Funds in the five cities to support small-scale community improvement projects.

To date, the Uganda CP is helping to frame a World Bank investment programme of \$130 million in 13 secondary towns, including the five CP towns. It has also been independently replicated in Kampala, with support from DFID, Water Aid and slum dweller federations.

Vietnam: In support of the Government of Vietnam's agenda to scale up urban upgrading to a national scale, the CP includes several activities: a National Urbanisation Review; strengthening the Vietnam Urban Forum; and developing a framework to operationalise the Government's National Urban Upgrading Plan, the development of which was supported by a Cities Alliance grant in 2002.

The CP also includes training for local authorities in strategic urban management and capacity support for the Association of Cities of Vietnam (ACVN) to play a critical role in national knowledge dissemination and replication related to urban upgrading and city development. At the community level, the CP is supporting the expansion of the Community Development Fund Network to implement and scale up small-scale community upgrading projects.

Ghana: The Ghana CP, which focuses on the Greater Accra Metropolitan Area, aims to support the Government of Ghana as it develops a national urban agenda focused on inclusive urban development. With GIZ acting as the lead member, the CP will also support the Urban Development Unit in the Ministry of Local Government and Rural Development, the consolidation of the Ghana Urban Platform, and advocacy and awareness raising.

At the local government level, the CP will support a municipal training programme to build the institutional leadership of both the operational and political areas of local governments. The CP will support urban poor communities to establish slum dweller federations and the creation of a Community Social Investment Fund to support small-scale community improvement projects.

Burkina Faso: A number of CA members (UN-HABITAT, the World Bank, AfD, the French Ministry of Foreign and European Affairs and GIZ), working jointly and closely with the national and local governments and municipal association, have developed a concept note that is presently under review. The concept note identifies six focus areas as the basis for a framework document and formal proposals. These include: (i) a national urban policy; (ii) capacity building in secondary towns; (iii) building upon existing city development strategies; (iv) engaging civil society; (v) urban data; and (vi) South-South exchange.

Mozambique: At its meeting in Ghana in July 2011, EXCO selected Mozambique as the fifth Country Programme. The past and current portfolio of CA and member activities lends itself well to developing a strategic framework within which these initiatives fit and identifying gaps for additional assistance. In doing so, the centrepiece of the proposed CP would be the initiative of Brazil and Italy to bring the Bahia slum upgrading experience to upgrade a specific settlement of Maputo called Chamanculo C, which will also receive Cities Alliance support, and to ensure

synergy with the World Bank's ProMaputo project. The emerging framework for a CP could include:

- Documenting the lessons learned in Chamanculo C;
- Developing a national slum upgrading training programme;
- Linking the city development and slum upgrading work currently being supported by the Cities Alliance in Nampula to a national policy framework; and
- Mobilising investments for replication.

Country Programmes: Initial Results

- There are now active national urban fora in Uganda, Ghana and Vietnam, formulating national responses to rapid urbanisation.
- In Ghana and Burkina Faso, the country programme has mobilised a wide membership involvement including AfD, GIZ, Habitat for Humanity International (HFHI), Shack/Slum Dwellers International (SDI), UN-HABITAT, and the World Bank.
- In Ghana alternative solutions to forced relocation of large settlements are being sought.
- Slum dweller federations in Uganda, are actively engaged in local level dialogue with government and other stakeholders
- In Uganda local governments working with the Cities Alliance have released land for the urban poor.

Country Programmes: Baseline Work Programme

The baseline priority during FY12-14 will be implementation of the five CPs noted above as part of the Land, Services and Citizenship Programme, utilising project funding provided by the Bill and Melinda Gates Foundation, supplemented by existing core funds from the Cities Alliance.

OUR KEY DELIVERABLES		
FY 2012	FY 2013	FY 2014
<ul style="list-style-type: none"> • Develop a CP framework for fourth CP: Burkina Faso • Develop a CP framework for fifth CP: Mozambique • Finalise grant funding agreements for third CP: Ghana • Finalise grant funding agreements for second CP: Vietnam • Deepen Dialogue and planning for First CP: Uganda • Monitor progress in each CP • Monitor programmatic progress of CP • Engage with private sector partners 	<ul style="list-style-type: none"> • Finalise grant funding agreements for fourth CP: Burkina Faso • Finalise grant funding agreements for fifth CP: Mozambique • Deepen Dialogue and planning for second CP: Vietnam • Deepen Dialogue and planning for third CP: Ghana • Leveraging public and private investment for first CP: Uganda • Monitor progress of CP in each country • Monitor programmatic progress of CP 	<ul style="list-style-type: none"> • Deepen dialogue and planning for fourth CP: Burkina Faso • Deepen dialogue and planning for fifth CP: Mozambique • Leverage investment for second CP: Vietnam • Leverage investment for third CP: Ghana • Leverage investment for first CP: Uganda • Monitor progress of CP in each country • Monitor programmatic progress of CP

Country Programmes: Strategic Choice – Increased Budget; Scaling Up

Presently with the resources available, the Cities Alliance is able to package a Country Programme in five countries: one in Asia and four in Sub-Saharan Africa. While effective on a country-by-country basis, it does not begin to capture the scale of the total challenge.

On the basis of both the concept and the early results, significant demand has been expressed from CA members for additional Country Programming in a wide range of countries. This provides the opportunity to focus on SSA while simultaneously globalising the programme.

In order to increase the number of active countries, the CA Secretariat will work with CA members to help mobilise new resources to meet the demand for this powerful instrument of development cooperation. The effect of scaling up will be wider impact than possible under the five-country baseline and ultimately to develop regional synergies between countries.

Three Arguments for Scaling up the Country Programme
<ul style="list-style-type: none"> ✓ Better responds to the global scale of the need ✓ Better enables pre-emptive programming ✓ Opens the possibility of effective regional cooperation

OPTIONAL DELIVERABLES (subject to funding availability)

- The development of the 5th Country Partnership Programme in Africa
- The development of a 7th Country Partnership Programme in a new region such as MENA
- The development of a 8th Country partnership Programme deepening Africa or Asia

The following outcomes and results are expected from the Country Programmes:

- Improved governance and accountability through institutional reforms and dialogue;
- Strengthened role and capacity of local government;
- Improved management of urbanisation through long-term planning, and inclusive policies;
- Improved housing and community services through the release of land for settlement and community initiatives;
- Enhanced political and economic role of women, especially in respect to land rights and credit;
- Increased investment in service provision, and in local enterprise; and
- Improved citywide service delivery through resource mobilisation and partnership.

Results	Description	Indicators
Result 1	8 countries are engaged in meaningful dialogue and cooperation	Number of national and municipal forums institutionalised
Result 2	500 national and 1,250 local elected representatives have increased awareness of the situation of the urban poor	Number of community inputs to forums; number of positive media stories
Result 3	200 national and 900 local government officials have enhanced knowledge of inclusive urban development	Number of participants in trainings, cross visits
Result 4	30 municipal level and 5 national level processes to elaborate inclusive urban strategies, policies and plans underway	Evidence of strategies, policies and plans
Result 5	5 countries have mobilised new finance in support of inclusive urban development	Amount of increase in investment in inclusive development (programmed and/or executed)
Result 6	5 national level and 20 municipal level institutions have adjusted their organisations to support inclusive urban development	Number of institutional changes initiated

Country Programmes: Risks and Mitigation Measures

Country Programmes are designed to address some of the most difficult development challenges in urban policy, particularly the reluctance or inability of many governments to respond to rapid urbanisation. Typical risks associated with this approach include the proliferation of slums, often in dangerous locations; the lack of essential services; overcrowding; insanitary living conditions; and limited economic opportunities. The result is often significant urban environmental degradation, the inefficient use of limited resources, and widespread social exclusion that includes the marginalisation of youth.

Quite simply, the mismanagement of the urbanisation process has the potential to dramatically exacerbate the incidence of both urban and rural poverty, and expose the poor to increased risks, both natural and man-made.

The primary external risk mitigation strategy of the Country Programme is the identification of partner governments committed to addressing the challenges of urbanisation in a proactive and inclusive manner, and through the honest assessment of the major difficulties and challenges.

In addition, a number of mitigation measures will be standard across CPs. These include:

- Financial management and procurement assessments of grant recipients;
- Application of World Bank environmental and social safeguards policies;
- Multi-layered programme management/monitoring system consisting of In-Country Steering Committee, Lead CA Member, CA Secretariat; and
- The sharing of lessons and experiences, especially from amongst the CA's middle income members and partners.

A key internal risk is the ability to provide grants in a timely manner. One mitigation measure is to seek partnerships to provide upfront co-financing for selected activities.

4.2 The Catalytic Fund: Improving Quality and Promoting Innovation

After ten years of operation, the open grant facility of the Cities Alliance has been replaced by the Catalytic Fund (CATF). The underlined concept of both instruments is the same: to provide financial and technical support to local or national efforts for strategic planning and slum upgrading initiatives. The Catalytic Fund refined the selection criteria and tools, introduced a competitive selection process and the possibility for thematic calls. The open grant facility supported more than 200 projects over ten years. The Catalytic Fund was launched only recently. It secures the global reach of the Cities Alliance, focuses on cities, and strengthens the partnership by connecting cities and their development partners (sponsors).

The Catalytic Fund supports the transformation processes that promote inclusive cities by complementing the policies and programmes of the respective national or local governments; leveraging support from CA members; and providing a basis for follow-up investments. Partners will receive the internationally recognised knowledge that CA members provides, as well as quick and flexible responses. The Catalytic Fund also provides an excellent opportunity for the

international urban development community to observe and learn from urban transformation processes around the world, and to compare different approaches and policies to urban poverty reduction and the role of cities in sustainable development.

To maintain the global reach of the Cities Alliance; to initiate and consolidate urban transformation processes, and to capitalise the knowledge for the broader development community the following services and deliverables will be needed in the next three years:

- Adopt flexible and responsive grant making procedures to maintain the comparative advantage of the CATF;
- Announce one or two calls per year for project proposals;
- Undertake transparent and sound selection of project proposals; and
- Organise and manage peer-to-peer events and learning platforms for urban practitioners from CATF cities and CP countries (See Knowledge and Learning section).

Catalytic Fund: Current Budget – The Baseline

In this baseline scenario the Catalytic Fund will be budgeted and staffed to support and monitor approximately 10 projects per year worldwide. This number may be considered the absolute minimum threshold needed for the CA to maintain global relevance. There will be one call for proposals per year, and if 10 projects per year are approved with duration of three years, the portfolio will increase until FY 2015, when it will stabilise at approximately 30 projects.

Calls for proposals can be either general within the traditional CA urban themes (CDS, slum upgrading strategies, national policies on urban development and local government) or be more thematically specific, focusing on selected issues such as green growth, climate resilience of the urban poor, promoting the role of women in cities and securing land for growth. In the case of thematic calls, the subjects will be defined by the Consultative Group. Thematic calls will provide the CATF with the flexibility to deal with issues that are central to the Business Plan or members’ and international priorities. A thematic focus will also benefit better and more targeted sharing and dissemination of project experiences and fill crucial knowledge gaps. Starting in FY 2013, one peer learning event will be organised for practitioners from Catalytic Fund grant recipients. The FY 2013 start date will allow enough time for the projects to make some progress (See also K+L section).

Our Aim in the Catalytic Fund Is

“to catalyse urban transformation by connecting cities and their innovative ideas to CA members, and attract key follow up investments; as well as to facilitate the sharing of the knowledge and learning distilled from project experiences on global urban challenges.”

Our Key Objectives

- 1. We identify, select and support technically and financially innovative projects on key urban themes and connect cities with their development partners (CA sponsors);**
- 2. We provide opportunities for project partners to develop peer learning networks and systematically extract knowledge and experiences from the CATF project portfolio.**

Our Key Deliverables			
	FY 2012	FY 2013	FY 2014
Obj. 1	<ul style="list-style-type: none"> • One thematic call for proposals • Selection and approval of approximately 10 projects • Grant making of 10 projects • Monitoring progress of projects approved in previous years, total portfolio 6 projects 	<ul style="list-style-type: none"> • One call for proposals (either thematic or general) • Selection and approval of approximately 10 projects • Grant making of 10 projects • Monitoring progress of projects approved in previous years, total portfolio 16 projects 	<ul style="list-style-type: none"> • One call for proposals (either thematic or general) • Selection and approval of approximately 10 projects • Grant making of 10 projects • Monitoring progress of projects approved in previous years, total portfolio 26 projects
Obj. 2	<ul style="list-style-type: none"> • Internal evaluation of first year CATF operations 	<ul style="list-style-type: none"> • Organisation of one peer learning event (see also K+L section) 	<ul style="list-style-type: none"> • Organisation of one peer learning event (see also K+L section)

Catalytic Fund: Strategic Choice – Increased Budget; Catalysing Change and Knowledge

This option duplicates CATF grant numbers and strengthens its K+L edge. If 20 projects per year are approved, running over a three-year period, the portfolio will stabilise in FY15 at 60 projects. Assuming that one staff member can effectively monitor and support a project portfolio of 12-15 projects, CA Secretariat staffing will need to be increased markedly as the portfolio grows over time. There will be two Calls for Proposals per year and the corresponding selection and approval processes.

Three Arguments for Scaling up the Catalytic Fund

- ✓ **The first pilot call demonstrated that there is great demand for a flexible tool able to reach cities worldwide and encourage innovation.**
- ✓ **More calls and projects mean more generated themes, knowledge and experiences and the possibility to feed those into key policy debates (Rio+20; Habitat III).**
- ✓ **The CATF could highly benefit of a number of additional back-up and complementary activities to foster its knowledge impact and close the gap between implementation and follow-up investments.**

Major improvements will occur on the K+L side. Starting in FY 2013 to give the projects time to make some progress, two peer learning events will be organised for practitioners in funded projects. Major efforts will also be dedicated to the production and dissemination of the relevant outputs and case studies for each thematic cohort (see also K+L section). With the increased number of grants, there will be more possibility to have different thematic calls or to alternate thematic calls with general ones so as to safeguard wider access. Consideration can also be given to undertaking a particular call for proposals in partnership with a non-CA member, who can make a financial contribution and benefit from CA's name and administrative machinery. K+L activities can be reinforced along different dimensions, including study tours, communities of practise, and back up initiatives aimed, for instance, at training recipients in linking project implementation to investments and resource mobilisation (see also K+L section).

The critical mass of project experiences generated through each call for proposal and their backing through the sponsoring CA member will be fed into policy dialogues (see K+L section), to impact on urban policies of both partner countries and CA member corporate polices. This critical mass will also effectively position the issues and experiences of a national (urban fora), regional (AMCHUD, AfriCities) or global agenda (Rio+20, WUF).

OPTIONAL DELIVERABLES (subject to funding availability)

- Obj. 1**
- **Increased number of** thematic or general **calls** for proposal per year
 - **Increased number of active projects** in portfolio
 - **Various Back-up initiatives** are being rolled out, such as to train former recipients on follow-up investment opportunities
- Obj. 2**
- Diversification of new **structured learning activities and tools** for CATF projects (study tours, community of practices etc.)
 - **Increased production of distinct knowledge products** on CATF thematic cohort (case studies, practitioners' note, thematic publications etc.)
 - **Showcase** and dissemination of CATF experiences **into key policy dialogues and events** (e.g. Africities, Rio+20, WUF V)

4.3 Knowledge and Learning: Leveraging Cities Alliance’s Global Experience for Joint Action

Since its foundation over ten years ago, the Cities Alliance has supported more than 200 projects, mostly for City Development Strategies (CDSs) and Slum Upgrading (SU). In addition to classic strategic plans, the projects produced analytical work and training material on finance, environment, local economic development and other urban issues. The current portfolio (Catalytic Fund projects, CPs and JWP) continues generating how-to-knowledge, based on experiences on the ground. This wealth of experiences puts the Cities Alliance in a unique position to provide coherent, field-tested approaches, methodologies and experiences to urban practitioners and policy makers.

Over the years, the Cities Alliance has invested significant amounts in knowledge generation, which now needs to be leveraged with equally significant efforts for processing and effective dissemination. The Cities Alliance helps mobilise this knowledge and feed it into the daily work routines of urban practitioners and inform urban policy making at various levels of its operations.

From the viewpoint of cities and national governments, an overwhelming array of tools and instruments for urban management and planning have been developed over the past few years alone, with support from the CA or others. Examples include city indicators and indices, vulnerability and capability assessments, and planning data tools. As an increasingly effective partnership, the Cities Alliance provides platforms for development partners to work together on common approaches. Working jointly means thinking jointly; it can therefore lead to a convergence of concepts and methodologies of the parties involved.

Knowledge and Learning: Baseline Results

The CA Secretariat will continue processing information provided by CA funded projects from its legacy portfolio, Catalytic Fund and Joint Work Programmes, systematise them in the project database, and feature selected project outputs on the CA website. In order to leverage the full potential of the partnership, the CA will put a stronger emphasis in the next three years on ways and modes of repackaging and dissemination of existing tools and guidelines to make them more suitable and accessible to local practitioners and local interest intermediaries, such as local government associations (LGAs).

To move towards a programmatic approach to knowledge management and organisational learning, the Cities Alliance will strengthen its orientation towards the following **key objectives** to be pursued in the following years:

1. We identify, systematise and repackage existing knowledge and learning materials based on CA’s field-tested knowledge from its portfolio, targeted at urban practitioners and policy makers.
2. We foster learning opportunities for urban professionals and stakeholder representatives using the full potential of available learning methods, such as communities of practices, peer-to-peer learning, etc, to inform policy dialogues at the local, national, regional and global level.

Our Aim in Knowledge & Learning is
to facilitate partnerships at the local, national, regional and global level to maximise impacts.

Under current budget conditions, K&L operations are based upon the following work plan for FY12-14.

K&L Work plan FY12/14 Agreed Baseline scenario

Our Key Objectives			
<p>1. We identify, systematise and repackage existing knowledge and learning materials based on CA's field-tested knowledge from its portfolio, targeted at urban practitioners and policy makers.</p> <p>2. We foster learning opportunities for urban professionals and stakeholder representatives using the full potential of available learning methods, such as communities of practices, peer to peer learning, etc, to inform policy dialogues at the local, national, regional and global level.</p>			
OUR KEY DELIVERABLES in			
	FY 2012	FY 2013	FY 2014
Obj. 1:	<ul style="list-style-type: none"> CA Knowledge Resource Database launched Knowledge products (e.g. Guidelines, publications, etc) from the portfolio are identified and repackaged to inform structured learning opportunities, such as global course on slum upgrading 4 CA publications disseminated, CIVIS continued (4); discussion paper series established A dissemination strategy for CA products is peer reviewed by beneficiaries, such as LGAs 	<ul style="list-style-type: none"> CA Project Database fully updated, linked with CA member sites and promoted for public use CA Knowledge Resources Database fully updated, linked and promoted for public use 2 CA publications disseminated, CIVIS and Discussion Papers Series continued (4) Dissemination strategy operationalised and mainstreamed in CA's knowledge management system 	<ul style="list-style-type: none"> Knowledge Resources Database is fully updated and used by the public 2 CA publications disseminated, CIVIS and Discussion Papers Series continued (4)
Obj. 2:	<ul style="list-style-type: none"> JWPs on environment and climate change (UNEP, WB, UNH): outputs delivered, agreement among some CA members on implementation of selected tools (e.g. Greenhouse Gas Standard, Urban Risk Assessment, Handbook on Adaptation for Mayors); 2nd phase of JWP conceptualised and facilitated JWPs National Slum Upgrading continued JWP Financing African Cities II fully operational. One new JWP established (e.g. MENA). Strategies for Peer-exchange 	<ul style="list-style-type: none"> Phase II of JWP cities and climate change is established New JWP on MENA fully operational JWP Financing African Cities II continued JWPs National Slum Upgrading from FY 2012 continued and outputs delivered Peer exchange among 6 CATF cities is effective, one learning event among them conducted At least one structured learning mechanism is rolled-out and established in at least one of CA's key operations, such as CPs, CATF projects and JWPs 	<ul style="list-style-type: none"> Peer exchange among 6-12 CATF projects is effective, two learning events among them conducted JWP from previous years continued, outputs delivered and disseminated Structured learning mechanisms further consolidated and expanded

	<p>among CATF projects formulated</p> <ul style="list-style-type: none"> • Opportunities for structured learning in CA operations are identified (e.g. global course on slum upgrading) 		
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Knowledge and Learning: Strategic Choice: Scaling Up – Partnering for Policy Impacts

Under this strategic choice, the Secretariat would substantially increase its K&L activities by providing further seed funding for learning activities. The bulk of resources in terms of staff time and monies would be channelled from members to Joint Work Programmes, in the production of CA publications and potential policy dialogues at the global, regional, national and local level.

Three Arguments for Scaling up Knowledge & Learning Activities

- √ Increased learning activities can help bridging the gap between knowledge generation and joint action
- √ Our new business model offers great opportunities for new structured learning activities, such as Peer to Peer learning in CPs and CaT fund projects.
- √ FY12 to FY14- a period with greater need for joint coordination in preparation for key debates, such as Rio+20, Post-MDG and HABITAT III

In JWPs, the CA partners would agree on priority themes suitable for a common approach and work jointly on approaches, methodologies and tools to be promoted and disseminated by the CA. With the increase of JWPs an introduction of a competitive Call for Proposals as implemented in the Catalytic Fund can be considered.

In order to harness the wealth of experiences generated by CA projects, additional activities to systematise and repackage existing knowledge can be envisaged. This includes the synthesis of knowledge into learning materials and making it available to Local Government Associations, professional associations of planners and engineers as well as universities for training purposes.

Finally, a stronger emphasis could be introduced to well-prepared policy dialogues and advocacy campaigns leveraging knowledge to impact on urban policies of both partner countries and corporate policies of CA members. The policy dialogues would be designed as a mix of analytical work, policy elaboration and political debate under the leadership of CA members. The dialogues would be especially effective when supported by a “critical mass” – several renowned CA members – to position prioritised issues or approaches on a national (urban fora), regional (AMCHUD, AfriCities) or global agenda (Rio+20, WUF).

OPTIONAL DELIVERABLES (subject to funding availability)	
Obj.1:	<ul style="list-style-type: none"> • Increased production of distinct knowledge products identified in the CA portfolio, e.g. on CDS, SU, Gender and Youth
Obj. 2:	<ul style="list-style-type: none"> • Development and creation of various global training courses, such as on CDS and national urban policies • Various Back-up initiatives are being rolled out, such as to train former recipients on follow-up investment opportunities or assist particularly secondary cities to access the Catalytic Fund • Structured learning activities for CATF projects are increased, such as peer-to-peer networks and learning events • New JWP on State of the Cities Reports (SOCR) - Approaches, methodologies and experiences of SOCR discussed, recommendations endorsed by CA members and partners, peer exchange among SOCR teams established • New JWP on CDS- creating an online repository of CDS approaches • New JWP on improving urban management education with universities established • New JWP on inclusive urban management/ youth • Various policy recommendations with and for CA members and partners are being developed and adopted by CG, such as on inclusive cities, CDS, SU, climate endorsed • Joint contributions to key conferences, such as Rio+20, WUF V, AFRICITIES,etc • Bi-annual Africa Regional Urban Policy Dialogue has taken place

Learning from the Legacy Portfolio: Foundation of the Cities Alliance's Success

The active legacy portfolio comprises all projects financed out of the Open Grant Facility, so it was the backbone of the Cities Alliance until the adoption of the new business model with its Country Programmes and the Catalytic Fund. As of end of FY 2011, the active legacy portfolio consisted of approximately 110 operationally active projects, with a total investment from the Cities Alliance of \$40million. These projects continue to deliver practical results, as well as valuable knowledge and lessons. The portfolio needs to be monitored, administered and the wealth of knowledge captured, with correspondent implications for resources and staff capacity.

The Secretariat will continue to monitor and administer the portfolio to secure submission of agreed deliverables, fiduciary integrity and compliance with procedural regulations. As the Open Grant Facility was replaced by the Catalytic Fund, the Legacy portfolio will decrease over time, with most of its projects closed by FY 2014 or 2015 at the latest. The CA Secretariat will continue processing the information received from legacy projects, systematise it in the Project Database, and feature selected project outputs on the CA website. The knowledge management is therefore limited to process outputs for the CA database, with the occasional publication of project products of interest for the broader Alliance.

Agreed Baseline scenario for Learning from the Legacy Portfolio

OUR KEY DELIVERABLES in			
	FY 2012	FY 2013	FY 2014
O1:	<ul style="list-style-type: none"> • Revision of project outputs, processing for CA Project Database, and – in selected cases – for dissemination via web site or print media • Project outputs uploaded to CA Project Database; • 2 publications each year produced and disseminated. 		

Strategic Choices: Unleashing the tacit knowledge potential

The strategic choice to be made refers to the knowledge potential of the legacy portfolio. **In this scenario**, the Cities Alliance analyses and processes the knowledge across the legacy portfolio, synthesising information clustered around a specific theme (e.g. environment), region or project type (e.g. upgrading strategies). This additional generation of knowledge would be used to inform policies, training programmes and advocacy campaigns of the Cities Alliance.

The accumulated knowledge of the Legacy Portfolio would be processed mainly through the structures and resources of CA members, with a limited complementary facilitating role for the CA Secretariat. The CA members would agree on priority themes and work jointly on approaches, methodologies and tools to be promoted by the CA as recommended standards, to inform policy dialogues, or to produce learning materials and make them available to urban professional associations of planners and engineers as well as universities for training of urban professionals.

Three Arguments for Leveraging Knowledge from the Legacy Portfolio

- ✓ **The CA has untapped knowledge resources deriving from its portfolio of the last 12 years.**
- ✓ **Identifying and repackaging existing knowledge is more cost effective than generating new knowledge.**
- ✓ **Some key experiences of the Cities Alliance, such as field-tested CDS approaches, can only be found in the legacy portfolio.**

OPTIONAL DELIVERABLES (subject to funding availability)	
Obj. 1:	<ul style="list-style-type: none"> • Increased production of distinct knowledge products identified in the legacy portfolio, e.g. on CDS, SU, Gender and Youth, • Legacy portfolio outputs screened and prioritised for knowledge products; 1st publications in process
Obj. 2:	<ul style="list-style-type: none"> • A batch of policy recommendations for CA members and partners on CDS, derived from knowledge of legacy portfolio agreed upon, endorsed by CG and presented at e.g.WUF Naples • Training material for improving urban management education elaborated • All publications/ knowledge products of legacy portfolio published

4.4 Communication and Advocacy: Making the case for inclusive urbanisation.

Upon adoption of this Business Plan, the Cities Alliance Secretariat will revise and update its communications strategy to support the Plan's objectives. As a relatively small organisation with a modest budget, the Cities Alliance partnership nonetheless grapples with one of the most significant developmental challenges, the significance of which is being increasingly recognised. Although the Cities Alliance does enjoy positive name recognition, it is vital for the future growth of the organisation that it dramatically improves its visibility in promoting the role of cities in development, and that the results and impacts of its activities are effectively captured and acknowledged.

The Secretariat is preparing a new suite of basic information about the Cities Alliance, promoting the essential features of the new business model, and encouraging engagement with the members of the Cities Alliance. Additionally, the Partnership model of the Cities Alliance will also be reflected in our communications and advocacy activities, with the Cities Alliance both providing, and using, opportunities to leverage with members and external partners alike.

Corporate Communication: The baseline

In this baseline scenario the CA Secretariat would focus on the Communication of the Secretariat with CA members, and on positioning the CA in the international urban development community.*

*Note: Knowledge Dissemination is integrated into the K+L service line (section 4.3), and not considered in the deliverables and the budget presented below.

Regular **services** and **deliverables** in the next three years are:

- CA website upgraded and maintained;
- Bimonthly newsletters produced and disseminated;
- Annual corporate report produced and disseminated;
- CA knowledge from project activities produced and disseminated;
- Support for the activities of the Policy Advocacy Forum;
- Promotional material about the CA produced and disseminated;
- Continuous information flow between CA Sec and members;
- Preparatory and follow-up communication for ExCo and CG meetings; and
- Presentation of CA at conferences (WUF, others).

KEY DELIVERABLES		
FY 2012	FY 2013	FY 2014
<ul style="list-style-type: none"> • CA website upgraded and maintained • 6 Newsletters produced and disseminated • Annual corporate report produced and disseminated • Promotional material about the CA produced and disseminated • Continuous information flow between CA Sec and members • Preparatory and follow-up communication for ExCo and CG meetings • Presentation of CA at conferences (WUF, others), intensity of the presentation has strong budget implications • Advocacy – support for PAF, members' campaigns 	<ul style="list-style-type: none"> • CA website maintained • 6 Newsletters produced and disseminated • Annual corporate report produced and disseminated • Promotional material about the CA produced and disseminated • Continuous information flow between CA Sec and members • Preparatory and follow-up communication for ExCo and CG meetings • Presentation of CA at conferences (WUF, others), intensity of the presentation has strong budget implications • Advocacy – support for PAF, members' campaigns 	<ul style="list-style-type: none"> • CA website maintained • 6 Newsletters produced and disseminated • Annual corporate report produced and disseminated • Promotional material about the CA produced and disseminated • Continuous information flow between CA Sec and members • Preparatory and follow-up communication for ExCo and CG meetings • Presentation of CA at conferences (WUF, others), intensity of the presentation has strong budget implications • Advocacy – support for PAF, members' campaigns

Corporate Communication:– Inclusive Cities Planning for Urbanisation

The advocacy messages from the Cities Alliance need to both lead and support the advocacy campaigns and messages of its members. The Cities Alliance is extremely well positioned to contribute to – and promote – advocacy campaigns such as the Urbanisation Knowledge Platform, which will also be running over the same period of the Business Plan, as well as the complementary World Urban Campaign.

Our Aim in Communication and Advocacy is

to promote the role of cities in poverty reduction, and in sustainable development and the Cities Alliance as a partnership.

As a Global Partnership, with a diverse and representative membership, the Cities Alliance is uniquely positioned to adopt bold advocacy positions on issues that are often ignored or avoided. The most obvious and continuous theme for which the Cities Alliance should advocate comes from the Charter itself – promoting the role of cities in sustainable development, and poverty reduction.

In support of this underlying theme, the Cities Alliance has identified a number of significant policy issues that would benefit from bold advocacy, and clear communications. These include (but are certainly not limited to):

- The importance of responding positively to urbanisation, and the benefits thereof;
- The central role of incremental housing, especially in achieving delivery at scale;
- The vital role of women in development;

- The importance of re-thinking, and engaging, the private sector; and
- The importance of accurate information in policy making.

In the first instance, the Secretariat will work with the Policy Advisory Forum in developing these tools and messages, prior to engaging with CA members. Finally, advocacy needs to become a vital tool in the promotion of the **Cities Alliance as a Partnership**.

This will include a range of possibilities:

- I. The presentation of the CA Partnership at a global level / global events;
- II. The presentation of the specific partnership that relates to a particular country where the CA is supporting activities, such as Country Programmes in Uganda, Ghana or Vietnam; and
- III. The active promotion of the Cities Alliance as a partnership in CA member countries, highlighting to the domestic audience (parliament / policy makers / practitioners) the positive role played by countries (eg) Norway, Brazil, Italy or South Africa, or other members, such as UCLG, and international NGOs such as HFHI and SDI.

Above all else, CA communications products and advocacy tools will be few in number, but bold, clear and simple.

5 Governance, Management and Staffing

5.1 Governance Structure

The Governance structure of the Cities Alliance is summarised in the table below:

	Membership	Role & Functions
Consultative Group	24 Members. Co-chaired by UN-HABITAT and WB	Final decision-making body
Executive Committee	Permanent, rotating and non-voting members. Chaired by UCLG	Provides executive oversight on behalf of CG.
Secretariat	W. Cobbett (Manager) and all staff	Manage day-to-day operations of the CA and facilitate partnership
Policy Advocacy Forum	Clare Short (Chair)	Advocacy vehicle for CA

With the adoption of the new Charter, the Governance of the Cities Alliance has been updated to allow for the better management of the organisation's strategic direction, and improved oversight of the Secretariat. The Executive Committee is now permanently chaired by the Secretary General of UCLG (or his/her authorised representative), ensuring that the global organisation representing the constituency focus of the Cities Alliance is at the epicentre of its governance. For its part, the Secretariat is now charged with facilitating the CA Partnership, which is the cornerstone of the new model.

The Policy Advocacy Forum will adopt a more prominent role, in two primary functions: (i) Working closely with the Secretariat to raise the profile of the organisation and the issues that it addresses; and (ii) In serving as a vehicle to reach out to new constituencies, and to create platforms for promoting positive messages about cities, and Cities Alliance, at global, national and local levels.

Issues that will need to be addressed in FY12 include (i) the development of a strategy for engaging those global private sector organisations / networks that have expressed an interest in urban development and city issues, and in the Cities Alliance itself and (ii) expansion and strengthening of the PAF, which has the potential to become an extremely valuable and strategic tool for the Cities Alliance.

5.2 Management Structure

The Structure of the Secretariat will be re-examined in the context of (i) EXCO's response to this Business Plan and (ii) the interim findings and recommendations of the independent evaluation of the Cities Alliance. However, the structure will build upon the positive experience that has been achieved through the last restructuring of the Secretariat, which created a more open team structure, with increased responsibility and accountability.

5.3 Staffing

The Cities Alliance has long relied on a significant complement of secondments (staff on loan) to the Secretariat. Staff have been provided, usually for two- to four-year periods, from UN-HABITAT, German and French cooperation, and Swedish Sida. These staff typically serve as senior technical specialists. Staff have also been provided through World Bank staff exchange and junior professional programmes.

These staff supplement the Core-funded staff, while additional staff support has been provided by Non-Core funds, mostly for field-based staff. In total, 29 staff positions are approved for the Secretariat, which is expected to hold constant through the FY12 – FY14 planning period. The Cities Alliance's human resources are administered by the World Bank through its normal policies and procedures.

5.4 Grant Management: Key for the Cities Alliance

Grants are the key administrative tool of the Cities Alliance (CA) to provide financial support to members and partners. Therefore the expediency of executing grants and ensuring that recipients access funding to launch agreed activities is critical to the success of projects. Since CA inception, the World Bank has managed and administered trust funds that have been used to finance projects under the old Open Grant Facility, and in recent past those for Country Programmes, the Catalytic Fund, and Joint Work Programmes. Execution of such grants follows World Bank policies and procedures including fiduciary and legal rules and regulations that govern Bank loans and credits. In the past five years, the Cities Alliance Secretariat processed an average of 37 new grants per year.

As part of the evolving World Bank internal control environment for administering trust funds and global programmes like the Cities Alliance, the transaction and overhead costs of executing small grants that are typical of CA portfolio significantly increased in the last two years. Recognising this effect, the Bank responded proactively by forming a Small Grants Working Group, which is developing a comprehensive set of recommendations for streamlining small grant business processes.

Over the period of the Business Plan, the Secretariat will further monitor the development and implementation of the resulting guidelines and their impact on the efficiency of executing grants. The Secretariat will regularly evaluate the time it takes to process proposals and execute grants, providing such analysis to management and working with Bank central units to ensure that significant gains on efficiencies are made.

6 Financial Plan

6.1 Strategic Approach

The Cities Alliance has enjoyed a stable revenue base since its establishment, averaging approximately \$15 million per year in new contributions – about half in Core (un-earmarked) and half in Non-Core funds. More than \$160 million has been contributed from 26 donor organisations. The largest donors of Core funds have been the World Bank’s Development Grant Facility and the Governments of Norway, United Kingdom, Sweden and Italy. The Governments of United Kingdom, Italy and Sweden, as well as the Gates Foundation, have been the largest contributor of Non-Core funds. (See Annex 1 for listing of financial contributors over the past five years.)

While this funding was sufficient to meet the demand of the old Open Access grant facility, the updates to its business model and Charter have provided a framework to optimise the programme’s position in the city/urban development landscape, which is resulting in significantly increased demand for CA products and services. CA members are requesting support for more country and regional programmes, more frequent call for Catalytic Fund proposals, and more support for knowledge and communication activities to address challenges and opportunities of the urbanisation agenda.

This business plan is structured around “baseline” activities, to be funded from a Core budget to be agreed with the CA membership for a defined strategic work programme during FY12-FY14, and includes options for scaling up each of the product/service lines. Additional investments for scaling up the CA development business of the CA partnership are being sought from the existing base of CA members and partners and from new investors.

6.2 The Baseline Budget

As part of its strategy to better leverage the assets and inputs of the Cities Alliance, this Business Plan is constructed around a strategic work programme for a Core-funded base line budget for FY12 – FY14 for the CA Secretariat and the core work programme activities for each of the product/service lines. The baseline work programme aims to better leverage the CA as a partnership, mobilise new resources to scale up impacts, optimise grants made in prior years, and increase efficiencies in programme operations.

The baseline budget is anchored around the CA’s stable core membership base and financial contributions, which have averaged \$7.25 million per year in cash contributions during past six years and approximately \$0.6 million in in-kind contributions (secondments to Secretariat staff). These funds have been complemented by Non-Core (earmarked) contributions of about the same amount during that period.

Looking at existing and likely member/donor contributions over the next three years, a conservative baseline budget of \$22 million in new cash contributions is proposed for FY12 – FY14, and \$2 million in staff secondments. Based on the CA track record and strong member support, there is high degree of confidence that this minimum level of member support will be received during FY12 – FY14. It is proposed that this funding constitute the baseline budget, with funds to be utilised as detailed in this business plan. These funds will be used for the CA

Secretariat, programme overheads, and for business development – to grow the programme and increase its leverage.

Table 2: Baseline Budget

Sources & Uses of Funds: FY12 – FY14 Budget (CORE FUNDS)				
CORE FUNDS	FY12 – FY14	FY12	FY13	FY14
FUNDS AVAILABLE FOR ALLOCATION – Estimated				
Balance Forward - Unallocated Funds	2,581,013	2,581,013	2,460,513	1,840,513
Contribution Target - Baseline	22,000,000	8,000,000	8,000,000	6,000,000
Investment Income	600,000	200,000	200,000	200,000
Allocation Cancellations, Reflows & Adjustments	0	0	0	0
Less WB TF Admin Fees	(360,000)	(120,000)	(120,000)	(120,000)
FUNDS AVAILABLE FOR ALLOCATION	24,821,013	10,661,013	10,540,513	7,820,513
ALLOCATION OF FUNDS				
Partnership Operations (incl Secretariat Costs)	9,950,000	2,750,000	3,500,000	3,600,000
Global Programme Operations:				
Grant Facility (old) -	350,500	350,500	0	0
Catalytic Fund (new)	6,600,000	2,200,000	2,200,000	2,200,000
Knowledge & Learning	1,500,000	500,000	500,000	500,000
Comm. & Advocacy	1,100,000	300,000	400,000	400,000
Monitoring & Evaluation	300,000	100,000	100,000	100,000
Country / Regional Partnership Programming:				
Land, Services & Citizenship Programme	1,500,000	500,000	500,000	500,000
Country Work Programmes (Brazil, Phil, & India)	1,500,000	500,000	500,000	500,000
Other Country/ Regional Programming				
> Sub-Saharan Africa Regional action plan	1,000,000	500,000	500,000	
> Other Regional action plans	1,000,000	500,000	500,000	
BUDGETED ALLOCATION OF FUNDS	24,800,500	8,200,500	8,700,000	7,800,000
ENDING BALANCE - UNALLOCATED FUNDS	20,513	2,460,513	1,840,513	120,513

6.3 Scaling Up: Service Line Growth and Funding Opportunities

An objective of the FY12-FY14 baseline budget plan is to expand the Cities Alliance's impacts and scale up programming. Options for expanding CA products/services are provided throughout the Business Plan, and include:

- Expanding the Catalytic Fund tranches, and/or issuing thematic call for proposals
- Adding new country partnership programmes
- Developing regional work programmes, drawing on the CP model
- Expanding the partnership framework for Joint Work Programmes
- Communication and advocacy initiatives

Investments are sought to scale up Cities Alliance activities, building on the strong foundation provided in the Baseline Budget plans. **Additional resources will be mobilised over the FY12-FY14 period for the CA trust fund, with a target of growing the CA budget to \$25 million annually.** Additional parallel resources will be mobilised from CA members and partners, to be programmed as part of the CA business plan but implemented outside of the CA trust fund. Examples of this include the Urban Back Up Initiative being funded and implemented by GIZ as part of the Ghana Country Programme.



7 ANNEX

CONTRIBUTIONS RECEIVED (US\$), FY07-FY11

Combined Core and Non-Core financing (Excludes In-Kind / Staff Secondments)

Donor Name	TOTAL (USD)
Asian Development Bank (ADB)	750,000
Australian Agency for International Development (AusAID)	750,000
Bill and Melinda Gates Foundation	14,999,980
Canadian International Development Agency (CIDA)	71,474
Ethiopia – Ministry of Works and Urban Development	249,870
EU-Commission of the European Communities	1,035,413
Federal Republic of Germany	1,708,600
France	1,848,499
Habitat for Humanity International	50,000
Italy - Ministry of Foreign Affairs	11,085,694
Ministerio de Vivienda y Urbanismo Chile – Ministry of Housing and Planning	150,000
Ministry of Cities of Brazil	550,000
Netherlands - Minister for European Affairs & International Cooperation	749,910
Norway - Ministry of Foreign Affairs	7,370,431
Philippines-Housing & Urban Development Coordinating Council	50,000
South Africa - National Department of Housing	250,000
Spain - Ministry of Foreign Affairs	2,321,400
Swedish International Development Cooperation Agency (SIDA)	6,498,997
United Kingdom - Department for International Development (DFID)	7,976,914
United States Agency for International Development (USAID)	2,393,336
UN-UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)	314,987
UN-United Nations Human Settlements	200,000
World Bank DGF	14,088,353
TOTAL	75,463,858



Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout #6: Independent Evaluation
Support Document: COWI Inception Report

Background:

The CG reviewed the Terms of Reference for the 2011 Independent Evaluation of the Cities Alliance at its 2010 meeting in Mexico City.

COWI/AS of Denmark was selected through a competitive process to undertake the 2011 Independent Evaluation. The Inception Report for the evaluation is provided as a background document.

A representative from COWI, Mr. Anders Richelsen, will present draft findings and recommendations from the evaluation at the meeting. The draft findings and recommendations are not yet available for review, as the evaluation is still on-going.

Recommended Action:

- Provide feedback to COWI to finalise the report, based on the findings and recommendations presented at the CG meeting.
- Decide on next steps to follow up on its recommendations.

Cities Alliance

**Providing an Independent
Evaluation of the
Effectiveness of the
Cities Alliance**

Inception Report

July 2011

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Cities Alliance

Providing an Independent Evaluation of the Effectiveness of the Cities Alliance

Inception Report

July 2011

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Table of Contents

1	Introduction	2
2	Updated Approach and Methodology	3
2.1	Approach	3
2.2	Methodology	9
3	Time Schedule	12

Table of Appendices

Appendix A: List of persons to be interviewed

Appendix B: Guide for interviews with CA members

Appendix C: Example of template to structure the analysis of previous evaluations

1 Introduction

This Inception Report updates the methodology and approach proposed in COWI's original tender.

The Inception Report is based on the agreements made between COWI and the Cities Alliance (CA) Secretariat during the contract negotiations and the information gathered and agreements made during the kick-off mission in Washington 27-29 June 2011.

At the contract negotiations on 13 May 2011, Mr Meinert from CA's Secretariat explained and emphasized Section B of the TOR, "Objectives of the Evaluation", and the logical build-up of the approach suggested for the Independent External Evaluation (IEE), starting from an aggregated impact evaluation and leading to formative recommendations, positioning the CA in the broader institutional context of urban development cooperation.

Furthermore, it was made clear that the budget allocated for the IEE is USD 120,000. As the budget presented in COWI's tender was USD 154,000, a significant cut has been made in the number of work days envisaged in the tender.

Prior to the signature of the contract a revised methodology and budget was agreed in order to:

- Put more emphasis on the position, role and justification of the CA in the broader context of the other institutional actors in urban international development (the formative dimension)
- Reduce the number of work days and include additional costs for a field mission to Uganda and/or Ghana.

At the kick-off mission in June the team carried out individual interviews, group interviews and a SWOT workshop with key staff in the secretariat. We also met with relevant staff of the World Bank as well as with representatives from USAID and Habitat for Humanity International.

The team would like to thank the Secretariat for a very well organized kick-off mission.

2 Updated Approach and Methodology

As the quantitative data on the results of projects is limited, and as the budget for the evaluation does not allow for the generation of primary data on project results, it has been agreed that the assessment of the aggregated outputs and outcomes of the CA will have to rely on previous evaluations and existing reports supplemented by a review of 10 project completion reports for the period 2007-2011.

In addition to the retrospective objective outlined above, the evaluation will include a systematic assessment of the CA members' views on the CA's new business model and the forthcoming business plan. It will also include a discussion of the role and contributions of other institutional actors in urban international development, as well as their perceptions of the CA.

In light of the above, and on the basis of the technical proposal in our tender and the agreed budget for the evaluation, the following sections present an updated and more detailed approach and methodology.

2.1 Approach

The tables below show how we intend to answer each of the evaluation questions of the Terms of Reference (TOR), which are organized according to the evaluation criteria: Relevance, efficacy, cost effectiveness, governance and management, resource mobilisation and sustainability. In other words, the tables include - as direct quotations – all the questions from the TOR (see the table's first column).

2.1.1 Relevance

The CA Secretariat has stressed the importance of the assessment of relevance, especially the assessment of the comparative advantages, value added and core competency of the CA relative to other multilateral and bilateral development programmes.

Evaluation questions from TOR	Judgement criteria	Data sources
<p>Demand-side relevance</p> <p>To what extent are the objectives and activities of the Cities Alliance consistent with the needs, priorities, and strategies of beneficiary cities and countries and global trends in urbanisation and urban development?</p> <p>To what extent has the voice of developing and transition countries been expressed in the international consensus underlying the Cities Alliance?</p>	<p>CA objectives and activities (new charter, three pillars of intervention as well as new business lines) are consistent with needs in beneficiary cities and countries.</p> <p>Urban slums are considered a problem in developing countries</p> <p>City Development Strategies (CDS) are considered necessary/potentially beneficial by cities in developing countries</p> <p>Slum upgrading as advocated by CA is considered (potentially) suitable by cities in developing countries</p> <p>Developing and transition countries have influenced Consultative Group (CG) and Executive Committee (ExCo) as well as the reform process</p> <p>CA members consider the voice of developing and transition countries is sufficiently represented.</p>	<p>Interviews with all CA members and selected project partners.</p> <p>Interviews with selected national city associations</p> <p>Interviews with other institutional actors in urban international development</p> <p>Previous evaluations of the CA.</p> <p>Literature review.</p> <p>Analysis of CG and ExCo deliberations</p> <p>Interviews with all CA members</p>
<p>Supply-side relevance</p> <p>What is the comparative advantage, value added, and core competency of the CA relative to other multi- and bilateral development programmes? What are the recommendations to the Cities Alliance to minimise duplications?</p>	<p>A high degree of coherence and complementarity exists between CA objectives and activities and objectives/activities of multilateral and bilateral actors</p> <p>Stakeholders find that activities of the CA work well together with, and do not duplicate, efforts of other donors/members.</p>	<p>Interviews with all CA members (including past members) and selected project partners.</p> <p>Interviews with selected national city associations.</p> <p>Interviews with other institutional actors in urban international development</p> <p>Previous evaluations of the CA.</p>
<p>Relevance of the design of the programme</p> <p>To what extent are the strategies and the activities of the programme, primarily as they are now expressed in the <i>new Business Model and the Business Plan</i> (rev TOR), appropriate for achieving its objectives?</p>	<p>A high degree of consistency in the "change logic" of the CA - the internal logic linking overall objectives with activities on the ground and the underlying assumptions</p>	<p>Interviews with all CA members and selected project partners.</p> <p>Desk study of Charter, Business Model and Business Plan</p>

2.1.2 Efficacy

The assessment of efficacy up to 2006 will be assessed based on the findings from previous evaluations. For the period after 2006, the assessment of project results will be based on the 2011 Evaluation of Project Implementation Modalities of the CA combined with a sample of ten completion reports, interviews with CA members and, to a limited extent, project partners.

Evaluation questions from TOR	Judgement criteria	Data sources
<p>Achievement of objectives</p> <p>To what extent have the stated objectives of the Alliance been achieved, or has satisfactory progress been made towards achieving these objectives?</p>	<p>Results fulfil the targets set for the CA as a whole</p> <p>CA contributes to creating synergies and leveraging of resources CA contributes to harmonisation of efforts</p> <p>CA members consider progress to be satisfactory</p>	<p>Previous evaluations of the CA (systematic review of reported results)</p> <p>Review and analysis of a sample of ten CA project completion reports</p> <p>Interviews with a sample of sponsoring CA members and some project partners.</p> <p>Review of all field evaluation reports from 2007-2011</p>
<p>Progress of activities, outputs, and outcomes</p> <p>On an aggregated level, what were the main outputs and outcomes of the CA in the past five years?</p> <p>To what extent are the new Charter, the new business model, the modified governance structure and modified administrative processes expected to affect the outputs and outcomes of the partnership in the future?</p> <p>How did, and how should the Cities Alliance in the future, aggregate its outputs and outcomes at all levels—global, regional, national, and local—to provide an overall summary reports of its results and to address the risk of fragmentation?</p>	<p>Aggregated results which can be attributed to CA activities. Results of each of the three pillars of intervention + advocacy + knowledge sharing.</p> <p>Perception of changes in the CA and expectations for the future of CA members, partner cities/governments and the Secretariat.</p> <p>Usefulness of M&E system and indicators for aggregating results</p> <p>Communicative value of previous reports</p>	<p>Review of results as summarised in CA reports (e.g. annual reports)</p> <p>Interviews with all CA members and the CA Secretariat.</p> <p>Assessment of previous efforts to establish an M&E system</p> <p>Previous evaluations of the CA</p>

2.1.3 Cost-effectiveness

Cost-effectiveness has only to a limited extent been the subject of study in the previous evaluations of the CA. This evaluation also has a limited scope in this respect and focuses mainly on overhead costs of management and transaction costs. An assessment of the efficiency of the projects funded is not within the scope of this evaluation.

Evaluation questions from TOR	Judgement criteria	Data sources
<p>Cost-effectiveness</p> <p>Are the overhead costs of governing and managing the Cities Alliance reasonable and appropriate in relation to the objectives, activities and services? The analysis should take the current efforts of streamlining of processes into account.</p> <p>For beneficiary countries, has receiving the development assistance through the CA caused additional or reduced transactions costs compared with traditional development assistance programmes? If so, how and why?</p> <p>For CA members, has delivering the development assistance through the CA reduced costs by harmonising efforts among development partners or by reducing overlapping work (such as through joint supervision, monitoring and evaluation)? On the other hand, how do CA transaction costs compare to members' transaction costs?</p>	<p>Overhead costs stable or decreasing compared to previous years or increase can be explained by additional tasks</p> <p>Overhead costs similar to or lower than other similar partnerships/funding mechanisms</p> <p>Overhead costs considered reasonable by CA members</p> <p>CA SEC consider that possibilities for lowering costs have been captured</p> <p>CA members' and project partners' consider level of transaction costs and degree to which these have been reduced through harmonisation of efforts/reduction of overlapping work to be satisfactory</p>	<p>Comparison of annual administrative overhead costs (administration cost in % of grant budget) to overhead costs in previous years and overhead costs in the WB and in other global partnership programmes</p> <p>Interviews with all CA members and the CA Secretariat.</p> <p>Interviews with a sample of sponsoring CA members and some project partners Interviews with all CA members.</p> <p>Previous evaluations of the CA</p>

2.1.4 Governance and management

The assessment of governance and management will focus on the new structures established in 2010 and check whether they reflect good governance principles and shortcomings discussed in previous evaluations. Furthermore, pros and cons related to the WB hosting of the CA will be discussed.

Evaluation questions from TOR	Judgement criteria	Data sources
<p>Compliance with generally accepted principles of good governance</p> <p>To what extent are the governance and management structures (Consultative Group, Executive Committee and Secretariat) and processes well articulated and working well to bring about legitimate and effective governance and management?</p> <p>To what extent do governance and management practices comply with the principles of good governance, such as Legitimacy, Accountability, Responsibility, Fairness, Transparency, Efficiency, and Probity?</p>	<p>Governance and management structures permit and facilitate the effective participation and voice of the different categories of stakeholders in the major governance and management decisions, taking into account their respective roles and relative importance.</p> <p>Roles and responsibilities are clear</p> <p>Acceptance and exercising of social responsibility</p> <p>Equal opportunities for partners and participants</p> <p>Decision-making, reporting and evaluation processes open and freely available</p> <p>Efficiency in use of resources and possible trade-offs with legitimacy</p> <p>High standards of ethics</p> <p>Governance is effective in comparison to other similar international programmes</p>	<p>Review of previous and present charter</p> <p>Review of previous evaluations.</p> <p>Review of CG and ExCo deliberations</p> <p>Review of procedures for evaluating project proposals</p> <p>Review of annual reports</p> <p>Interviews with all CA members and the CA Secretariat</p>
<p>Programmes located in host organisations</p> <p>To what extent is the location of the CA Secretariat in the Bank affecting the prioritisation of activities, governance, management, or other aspects of the CA?</p> <p>To what extent does the role of the Bank in the programme affect the incentives of other partners to participate effectively?</p>	<p>The location of the CA in the Bank affects positively on activities through synergy, etc.</p> <p>The location of the CA in the Bank does not compromise performance, transparency, or fairness</p>	<p>Interviews with all CA members and the CA Secretariat.</p> <p>Review of minutes and reports from CG and ExCo meetings</p> <p>Annual data on the time it takes to process an application through the funding cycle in accordance with the established (WB) procedures</p>

2.1.5 Resource mobilisation

Evaluation questions from TOR	Judgement criteria	Data sources
<p>To what extent are the sources and conditions of funding for the Cities Alliance affecting, positively or negatively, its governance, management or sustainability?</p>	<p>The link between governance and financing is suitable and does not prevent potential stakeholders from participating</p> <p>The CG is exercising its role in an appropriate manner providing guidance, setting rules and staying open to new possibilities</p> <p>Financial reporting and auditing are satisfactory to all contributors</p> <p>There is a reasonable trade-off between the disadvantages associated with tied funding (constraints to prioritization) and the benefits achieved.</p>	<p>Interviews with all CA members (including previous ones)</p> <p>Data on level of annual contribution</p>

2.1.6 Sustainability

Evaluation questions from TOR	Judgement criteria	Data sources
<p>Prospects for continuation</p> <p>In what areas could the CA improve in order to enhance its sustainability?</p> <p>What should be considered to sustain the CA's results more cost-effectively, in light of the findings of previous evaluations?</p>	<p>The range and depth of political commitment, support and financing for the CA and its objectives are sustainable.</p> <p>Continuing demand for the CA - in the light of the new charter and the new business model.</p> <p>The CA has a unique role and comparative advantage in urban development architecture, which is likely to continue in the future given the new charter/business model</p> <p>Identification of areas for improvement based on analysis of relevance, efficacy, governance and management (see above), in particular legitimacy.</p> <p>Identification of areas for improvement based on analysis of cost-effectiveness and comparison with previous evaluations</p>	<p>New charter/business model</p> <p>Interviews with all CA members</p> <p>Number of project applications processed / approved</p> <p>Previous evaluations</p>

2.2 Methodology

Desk research

Structured analysis of previous evaluations of the CA

The previous evaluations of the CA will be analysed to elicit their assessments with regard to all the evaluation questions posed in this evaluation. This will be summarised in a tabular form, which allows for comparison of evaluation results across the evaluations for each specific question. The table shown in Appendix C illustrates how this may be approached and provides an overview of the 2006 evaluation and the 2007 Global Programme Review (GPR) according to each evaluation theme of this evaluation.

Analysis of 10 completion reports

In order to assess the efficacy of project implementation in the period after 2006 we will, as mentioned above, analyse a somewhat randomized sample of ten completion reports. As we want the sample to reflect the geographical focus and thematic scope of the portfolio of CA projects after 2006, we will draw the sample accordingly. In other words, the sample will be purposive but include an element of randomization.

Review of all field evaluation reports from 2007-2011

Each year the CA Secretariat carries out field evaluations. The reports from these evaluations will be reviewed in order to further substantiate the assessment of efficiency.

Analysis of key institutional actors in urban development cooperation

In order to understand the broader institutional context of urban development cooperation and CA's position within this context, we will study the policies, strategies and activities of key actors and financing institutions. These will include CA members as well as non-members such as ADB, IDB, JICA, and some NGOs. The analysis will also include the typical delivery mechanisms and set-ups which characterise urban development cooperation.

Furthermore, data on similar international programmes may be used as benchmarks (e.g. in comparison of overhead costs) and/or as basis for learning.

Interviews

Interviews with CA members

All members of the CA will be interviewed. Interviews will focus on getting a broader view of results achieved by the CA as well as the functioning of the CA in the light of the reform process and perceptions of relevance and sustainability of the CA. Most interviews will be conducted by phone. Personal interviews will, to the extent possible, be arranged with members of the ExCo at the Committee's meeting in Accra July 11-13. The interviews will include each member organisations' headquarter staff responsible for the collaboration with the CA. An interview guide outlining the questions to be asked to the members is attached as Appendix B.

At the Kick-off meeting in Washington June 27-29 interviews were carried out with USAID and Habitat for Humanity International

For each of the ten completed projects we are going to analyse, we will interview the responsible staff of one of the sponsoring member organisations.

Interviews with Cities and national associations of cities

In order to get the Cities perspective on the CA's work we will interview approximately five cities and five national associations of cities. In addition to their overall view of the CA, we will use these interviews to qualify our assessment of the ten projects completed after 2006, mentioned above. Thus, the cities and associations of cities to be included will be selected from the project sample.

Interviews CA Secretariat

At the Kick-off mission a number of interviews with members of the CA secretariat were conducted, cf. Appendix A. Supplementary interviews will be carried out by phone as necessary.

Interviews country programmes

In order to fully understand and assess the concept of country programmes we will carry out interviews with the key country programme stakeholders in Ghana in connection with the ExCo meeting July 11-13. We will supplement these interviews with telephone interviews with relevant stakeholders in some of the other countries where country programmes have been introduced. If necessary, a short field trip (2-3 working days) could be organised to Uganda or Ghana.

Analysis and reporting

The analysis will be performed in accordance with the framework of evaluation questions and judgement criteria. Data collected will be used to validate (or negate) the judgement criteria, which will feed into the analysis of the evaluation questions and the formulation of conclusions and recommendations.

Data triangulation

The advantage of involving a number of data sources and data collection methods is that the evaluation conclusions are strengthened after a process of triangulation, where specific findings are compared and judged in relation to findings from other sources of information in order to establish to which extent the findings can be considered general and valid. The process of triangulation is composed of four steps:

- Identify trends across the data, gather information and consolidating these observations;
- Check consistency between different sources of information to look for contradictions;
- If necessary; look for additional data in order to analyse and explain possible contradictions and/or differences in the findings from the various sources of information;
- Test hypotheses and formulate conclusions.

Involvement of ExCo/CG

The scope and methodology was presented to and discussed with ExCo at its meeting in Accra in July.

The ToR foresees a discussion with ExCo about trends and conditions of international cooperation. However, no further ExCo meetings scheduled during the evaluation period.

The draft findings, conclusions and recommendations will be presented to the CG at its meeting in Maputo in November 2011.

Final report

The final report will provide the findings and evidence to support these along with resulting conclusions and recommendations.

The final report will draw together the findings pertaining to each evaluation criterion and will present conclusions reflecting on the principal objectives of the evaluation, which are to:

- Achieve an overall understanding of the coherence between the CA's corporate objectives, its strategy and instruments, its means of operation, and the results achieved so far, and thereby help to:
- Identify the CA's role and comparative advantage in the international architecture in urban development.

This, in turn, will lead to concrete recommendations on how CA's strategic position in the overall urban development architecture can be best reflected in the business plan.

3 Time Schedule

	2011						
/ activity	June	July	August	September	October	November	December
Inception phase	[Blue arrow spanning June to August]						
Kick-off mission	[Red bar]						
ExCo meeting Ghana		[Red bar]					
Refining methodology and activities	[Red bar]						
Collecting available data and documents	[Red bar]						
Preparation of inception report	[Red bar]						
Draft inception report		[Blue triangle]					
CA comments to inception report		[Red bar]					
Final inception report			[Blue triangle]				
Data collection phase	[Blue arrow spanning July to September]						
Literature review		[Red bar]					
Analysis of previous evaluations		[Red bar]					
Desk review of 10 completion reports			[Red bar]				
Finalisation of interview guides		[Red bar]					
Semi-structured interviews with CA members and other stakeholders			[Red bar]				
Analysis and reporting	[Blue arrow spanning September to December]						
Final analysis and drafting of final report					[Red bar]	[Blue triangle]	
Presentation of draft findings and conclusions to CG in Maputo						[Black dot]	
Finalisation of report base on comments received						[Red bar]	
Final evaluation report							[Blue triangle]

Appendix A: List of persons to be interviewed

The table below shows who we intend to interview within the different categories of stakeholders

Institution	Contact person	Telephone	e-mail	Date for inter-view
CA secretariat	William Cobbett, Manager	202-458 9657	wcobbett@citalliance.org	27-29.6 2011 (Kick-off Mission)
	Kevin Millroy	202-473 5264	Kmilroy@citiesalliance.org	
	Gunter Meinert	202-458 0309	gmeinert@citiesalliance.org	
	Phyllis Kibui	202-473 9738	pkibui@CitiesAlliance.org	
	Madhavan Balachandran	202-473 8129	mbalachandran@citiesalliance.org	
	Oksana Mush-tatenko	202-473 9497	omushtatenko@worldbank.org	
	Erika Puspa	202-458 4675	epuspa@citiesalliance.org	
	Rodolfo Gaspar	202-458 5332	rgaspar1@citiesalliance.org	
	Juliet Bunch	202-458 8695	jbunch@citiesalliance.org	
	Rene Hohmann	202-473-8366	rhohmann@citiesalliance.org	
	Federico Silva	202-473-3369	fsilva@citiesalliance.org	
	Chii Akporji	202-473 1935	cakporji@citiesalliance.org	
	Andrea Zeman	202- 458 2503	azeman@citiesalliance.org	

	Susanna Henderson	202-458-7239		
Members of the CA				
United Cities and Local Governments (UCLG)	Emilia Saiz	34 93 342 8761	e.saiz@cities-localgovernments.org	
Metropolis	Josep Roig	34 93 342-9460	jroig@metropolis.org	
AusAID (Australia)	Craig Gilbert	+61 2 6206 4839	Craig.Gilbert@ausaid.gov.au	
Ministério Das Cidades (Brazil)	Ines Magalhaes	+55 61 2108-1929/1912	imagalhaes@cidadades.gov.br	
CAIXA Econômica Federal (Brazil)	Jorge Hereda	55 61 3206-9816/9876	jorge.hereda@caixa.gov.br , presidencia@caixa.gov.br	
Ministerio de Vivienda y Urbanismo (MINVU) (Chile)	Rodrigo Perez Mackenna , David Silva Johnson (contact)	56 2 3513099	rodrigo.perez@minvu.cl , dsilva@minvu.cl	
Ministry of Works and Urban Development (Ethiopia)	Ato Abuye Aneley	25 11 554 0635	udss@ethionet.et	
Ministry of Foreign and European Affairs (France)	Emilie Maehara	331 43 17 64 45	emilie.maehara@diplomatie.gouv.fr	
Agence Française de Développement (Afd)	Samuel Lefevre	33 1 5344 3582	lefevres@afd.fr	
Federal Ministry for Economic Cooperation and Development (BMZ) (Germany)	Franz Marré	49 228 9953-53783	franz.marre@bmz.bund.de	

Ministry of Foreign Affairs (Italy)	Loredana Stalteri	39 6 3691-6281	loredana.stalteri@esteri.it	
Ministry of Works, Housing and Urban Development (Nigeria)	Edna Deimi Tobo	(+234) 803 305 1952	ednatobi@hotmail.com	
Utenriksdepartement (Norway)	Erik Berg	47 22 243-972	erik.berg@mfa.no	
Housing and Urban Development Co-ordinating Council (HUDCC) (Philippines)	Celia Alba; Technical Staff - Ms. Len Barrientos	6 32 811-4168	celsalba@yahoo.com ; lenbarrientos@yahoo.com	
League of Cities of the Philippines (LCP) (Philippines)	Jeremy Philippe Nishimori	+63-2-470-6837/ 6813/6843	Jtn.lcp@gmail.com	
National Department of Human Settlements (South Africa)	Neville Chainee	+27 12 421 1603	neville.chainee@dhs.gov.za	
Agencia Española de Cooperación Internacional para el Desarrollo (AECID) (Spain)	Augustin Navarro de Vincente-Gella		augstin.navarro@meh.es	
SIDA (Sweden)	Mikael Atterhog	+46 8 698-5472	mikael.atterhog@sida.se	
DFID (UK)	Stephen Young	+44 20 7023 1963	s-young@dfid.gov.uk	
USAID (USA)	Jessica E Rosen, Team Leader, Urban Programs	202-712 5624	jrosen@usaid.gov	28.6.2011
	Nancy Leahy			28.6.2011

U.S. Department of State				
DG DEV (EU)	Christophe Fleureau-Dauloudet	+32 2 29 80 553	<Christophe.FLEUREAU-DAULOUDET@ec.europa.eu>	
Habitat for Humanity International	Steve Weir	+404 733 3102	sweir@habitat.org	
Slum Dwellers International (SDI)	Joel Bolnick	+ 27 21 689 9408	bolnick@courc.co.za	
UN-Habitat	Alioune Badiane	+254 207 623075	alioune.badaine@unhabitat.org	
UNEP	Soraya Smaoun	+ 44 37 19 80	Soraya.Smaoun@unep.org	
The World Bank	Judy Baker, Lead Economist World Bank Institute-Urban	202-473-7243	Jbaker2@worldbank.org	29.6.2001 (Lunch meeting)
	Andre Hezog Sr. Urban Specialist World Bank Institute	202-458-2683	aherzog@worldbank.org	
	Rumana Huque Sr. Urban Specialist Africa Urban	202-473-4682	rhuque@worldbank.org	
	John Morton Sr. Urban Environment Latin America Urban	202-473-4879	jmorton@worldbank.org	

	Madhu Raghunath Sr. Urban Specialist MENA urban	202-458-7630	mraghunath@worldbank.org	
	Bernice K Van Bronkhorst Sr. Urban Specialist South Asia Urban	202-473-7877	bvanbronkhorst@worldbank.org	
	Junaid Ahmad, Sector Manager, Africa Urban Development	202-458-8470		29.6.2001
Associated Members				
ILO				
UNDP				
Past Members				
ADB	K. Seetharam; Michael Lindfield	+63 2 632-5610 +63 2 362-6833	kseetharam@adb.org ; mlindfield@adb.org	
Canada	Wassala Nimaga	+1 819 953-8194	wassala_nimaga@acdi-cida.gc.ca	
Ministry of Land, Infrastructure & Transport (Japan)	Mr. Okuda	+81 3 5253-8111	Okuda-E86Gr@Mit.Go.Jp	
Ministerie van Buitenlandse Zaken (Netherlands)	Frits van der Wal, Sustainable Econ Dev		frits-vander.wal@minbuza.nl	

	Dept			
Other Donors				
To be decided				
Associations of Cities				
To be decided				
Cities				
To be decided				

Appendix B: Guide for interviews with CA members

The following questions should be answered by all CA members.

- 1 What is the core competency of the CA relative to other multilateral and bilateral development programmes, and other relevant international development partners?
- 2 What is the comparative advantage and value added, of the CA relative to other multilateral and bilateral development programmes, and other relevant international development partners?
- 3 To what extent has the following CA activities been consistent with the needs, priorities and strategies of the beneficiary countries and cities:
 - 3.1 City Development Strategies?
 - 3.2 Slum upgrading?
- 4 Do you find that the following activities, as defined in the new charter, is the right way to meet the objectives of the CA as well as the needs of the beneficiary countries and cities:
 - 4.1 Country programmes?
 - 4.2 Catalytic projects?
 - 4.3 Knowledge activities?
 - 4.4 Communication support and advocacy?
- 5 Has the voice of the developing and transition countries been sufficiently expressed in the reform process?
- 6 Do the activities of the CA work well together with the activities of multi-lateral and bilateral actors or is there an undesirable overlap between these activities?
- 7 How do you expect the following elements in the reform process to affect the outputs and outcomes of the CA:
 - 7.1 The new charter?
 - 7.2 The new business model?
 - 7.3 The modified governance structure?
 - 7.4 The modified administrative processes?

- 8 Is CA monitoring and evaluation of results satisfactory?
- 9 Does the CA communicate the aggregated results of its activities in a satisfactory way?
- 10 Do you find the level overhead costs of governing and managing the CA reasonable?
- 11 Do you find that delivering development assistance through the CA reduce costs by harmonising efforts among the development partners or by reducing overlapping work (such as joint supervision, monitoring and evaluation)?
- 12 How do transaction costs compare to the transaction costs of your organisation?
- 13 Are roles and responsibilities of the different governing bodies (ExCo, C.G, and Secretariat) of the CA clear?
- 14 Do find the possibilities to influence major governance and management decisions satisfactory?
- 15 Do the governance and management structures in general permit and facilitate effective participation and the voice of different categories of stakeholders in the major governance and management decisions?
- 16 How does the location of the CA in the WB influence CA operations and performance?
- 17 What is your opinion of the size of the member fee?
- 18 What is your opinion of the size or the amount of recourses available to the CA?
- 19 Are financial reporting and auditing satisfactory?
- 20 Is there a reasonable trade-off between the disadvantages associated with tied funding (constraints to prioritization) and the benefits achieved?
- 21 What will be decisive for your organisation to continue to be a member in the future?

Appendix C: Example of template to structure the analysis of previous evaluations

Evaluation criteria	Guiding questions	2006 Independent evaluation	2007 Global Program Review
Relevance	<p>Demand-side relevance: Alignment with beneficiary needs, priorities, and strategies</p> <p>To what extent are the objectives and activities of the Cities Alliance consistent with the needs, priorities, and strategies of beneficiary cities and countries and global trends in urbanisation and urban development?</p> <p>To what extent has the voice of developing and transition countries been expressed in the international consensus underlying the Cities Alliance?</p>	<p>Members and stakeholders confirm CA relevance</p> <p>Substance addressed and approach are still relevant</p> <p>CA needs to work more closely with cities themselves</p>	<p>Not having the voice of individual cities heard at the CG is a void</p>
	<p>Supply-side relevance</p> <p>What is the comparative advantage, value added, and core competency of the CA relative to other multi- and bilateral development programmes? What are the recommendations to the Cities Alliance to minimise duplications?</p>	<p>CA is a unique forum to facilitate interactions between various interest groups</p>	<p>The CA's convening power among cities</p> <p>The CA has greater flexibility than other donors with their own agendas of urban cooperation</p>
	<p>Relevance of the design of the programme</p> <p>To what extent are the strategies, including its results chain ("Approach to Change") and the activities of the programme, primarily as expressed in the Medium-Term Strategy and the Work Plan, appropriate for achieving its objectives?</p>	<p>Focus on CDS and SU is appropriate</p> <p>Municipal finance is a necessary complement</p>	<p>Tight and consistent focus on CDS and SU positive feature (municipal finance not seen as necessary complement)</p> <p>Slimmed down SEC provides for agility in response to demands</p>

Evaluation criteria	Guiding questions	2006 Independent evaluation	2007 Global Program Review
Efficacy (effectiveness)	Achievement of objectives To what extent have the stated objectives of the Alliance been achieved, or has satisfactory progress been made towards achieving these objectives?		CA objective statement unclear about what is to be achieved. Imprecise / unrealistic formulation of objectives. A log-frame linking actions to results could help point the way. 2006 evaluation not sufficiently weighted to results-based assessment and did not give critical feed-back on CA objectives.
	<i>To improve the quality of urban development cooperation and urban lending</i>	CA activities led to greater coordination and coherence among partners Alliance grants have strengthened local capacity but this is not institutionalised	Objective would benefit from revision Anecdotal evidence exists, but with the limited data and evaluation work done so far, it is not possible to answer the question about the counterfactual (what would happen without the CA)
	<i>To strengthen the impact of grant-funded urban development cooperation</i>	Scaling up remains a challenge but CA activities have contributed to replication on a higher scale Impact of CA on the ground is affected by local leadership, intergovernmental relationships, capacities and opportunities CA has raised the profile of urban issues Alliance provides opportunities for capacity building according to municipalities and communities	Evidence exists. Replication to a larger scale esp for SU. CA has helped retain high profile of urban issues among donors. Many concrete examples of impact of CA's TA for SU and CDS.
	<i>To expand the level of resources reaching the urban poor, by increasing the coherence of effort of existing programmes and sharpening the focus on scaling up successful approaches</i>	Alliance grants of USD 80 million have leveraged USD 8.2 billion in investments	The 2006 evaluation does not explain how this investment can be attributed to CA TA, how the amount was estimated, or how much went to the poor. Individual examples are widely reported, but the CA could make more efforts to marshal concrete evidence and systematically explaining the results chain.

Evaluation criteria	Guiding questions	2006 Independent evaluation	2007 Global Program Review
	<p><i>To provide a structured vehicle for advancing collective know-how</i></p>	<p>CA still needs a strategy for learning and advocacy, focused more on the process of exchange than on instruments</p> <p>CA grants have helped knowledge sharing and networking among cities, but more could be done</p> <p>CA needs to maximise knowledge sharing through municipal associations</p> <p>CA has unique niche for building social capital</p>	<p>Objective formulation is imprecise</p> <p>The CA has yet to fully realize its potential as <i>the</i> global community of practise in assisting urban development for the poor in CDS/SU.</p> <p>Dual responsibility for the CA: SEC as advocate of best practise techniques, CG members as advocates of the key role of cities in economic and social development</p>
	<p>Progress of activities, outputs, and outcomes</p> <p>On an aggregated level, what were the main outputs and outcomes of the CA in the past five years? To what extent are the new Charter, the new business model, the modified governance structure and modified administrative processes expected to affect the outputs and outcomes of the partnership in the future?</p> <p>How did, and how should the Cities Alliance in the future, aggregate its outputs and outcomes at all levels—global, regional, national, and local—to provide an overall summary reports of its results and to address the risk of fragmentation?</p>	<p>Not addressed</p>	<p>Not addressed</p>

Evaluation criteria	Guiding questions	2006 Independent evaluation	2007 Global Program Review
<p>Cost-effectiveness (efficiency)</p>	<p>Cost-effectiveness</p> <p>Are the overhead costs of governing and managing the Cities Alliance reasonable and appropriate in relation to the objectives, activities and services? The analysis should take the current efforts of streamlining of processes into account.</p> <p>For beneficiary countries, has receiving the development assistance through the CA caused additional or reduced transactions costs compared with traditional development assistance programmes? If so, how and why?</p> <p>For CA members, has delivering the development assistance through the CA reduced costs by harmonising efforts among development partners or by reducing overlapping work (such as through joint supervision, monitoring and evaluation)? On the other hand, how do CA transaction costs compare to members' transaction costs?</p>	<p>Overhead costs of about 16%, which is acceptable to members.</p> <p>The SEC has remained a small core group with significant esprit de corps, which has enabled it to facilitate the work of the CA in an efficient fashion.</p> <p>Capacity constraints within the SEC prevents it from taking greater responsibility for tasks such as knowledge dissemination.</p>	<p>SEC staff small. Overhead of 12.2 per cent of the total value of grants approved - similar to WB.</p> <p>Need for other means to measure efficiency of CA and its TA: Parameters for cost-effectiveness of TA for different sizes of cities, for instance.</p> <p>2006 evaluation provides few answers on efficiency.</p>

Evaluation criteria	Guiding questions	2006 Independent evaluation	2007 Global Program Review
<p>Governance and management</p>	<p>Compliance with generally accepted principles of good governance</p> <p>To what extent are the governance and management structures (Consultative Group, Executive Committee and Secretariat) and processes well articulated and working well to bring about legitimate and effective governance and management?</p> <p>To what extent do governance and management practices comply with the principles of good governance, such as Legitimacy, Accountability, Responsibility, Fairness, Transparency, Efficiency, and Probity?</p>	<p>Governance:</p> <p>Need for clearer definitions of roles of certain functions within the Alliance governance structure</p> <p>Adding recipient countries to CG is good but brings some ambiguity to Alliance governance</p> <p>CG support for current decision making process and implementation by SEC</p> <p>Bank/Habitat partnership for Alliance is commended but tension between these partners do affect the Alliance</p> <p>Need to clarify the mandate of the SC</p> <p>Need to update vision of the PAB</p> <p>Current allocation of corporate authorities within the Alliance under resources key activities</p> <p>The Alliance lacks an accountability relationship between SEC, CG and SC. The Alliance is creating a brand, but it is sometime difficult to distinguish it from the Bank</p> <p>The Alliance is a very relevant forum for most Members of CG</p> <p>Management:</p> <p>Members trust and highly regard the SEC</p> <p>Members think that Alliance grant approval process is ok, but some clients find it too lengthy</p> <p>The Alliance review of proposals generally works well, but there are some weaknesses</p> <p>Some progress with Alliance M&E at project level, but more needed</p> <p>The Alliance lacks mechanisms for aggregating at thematic level and for assessing overall Alliance performance</p>	<p>Governance:</p> <p>Cities should be better represented</p> <p>Need to clarify role of SC and make PAB into a true expert panel</p> <p>SEC accountability: potential conflicts of interest arising from relationship with the WB. CA should consider specific steps to make it more distinct from the WB.</p> <p>Further diversification of the CG more complicated but worthwhile.</p> <p>Management:</p> <p>SEC is well managed</p> <p>Annual report could do more to inform readers about CA activities and achievements and compare to plans</p> <p>Management of applications need to be more transparent and fully under CA control</p> <p>Annual reporting should be more transparent providing financial values for the year in question and detailed on activities</p>

Evaluation criteria	Guiding questions	2006 Independent evaluation	2007 Global Program Review
	<p>Programmes located in host organisations</p> <p>To what extent is the location of the CA Secretariat in the Bank affecting the prioritisation of activities, governance, management, or other aspects of the CA?</p> <p>To what extent does the role of the Bank in the programme affect the incentives of other partners to participate effectively?</p>	<p>CA Members are satisfied with Bank's management of its Trust Fund (#27)</p>	<p>Potential conflict of interests as the WB entity exercises oversight of WB participation in the CA - as co-chair of the CG and as line manager to whom the CA's program manager reports.</p>
Resource mobilisation	<p>Resource mobilisation</p> <p>To what extent are the sources and conditions of funding for the Cities Alliance affecting, positively or negatively, its governance, management or sustainability?</p>	<p>Shift toward sub-Saharan Africa and global initiatives (#2)</p> <p>Poorer and weaker cities do not have access to Alliance funding according to some stakeholders (#3)</p>	<p>Stable and consistent funding. 18 donors reduces risks.</p>
Sustainability	<p>Prospects for continuation</p> <p>In what areas could the CA improve in order to enhance its sustainability?</p> <p>What should be considered to sustain the CA's results more cost-effectively, in light of the findings of previous evaluations?</p>	<p>Not addressed</p>	<p>Demand, high relevance and appreciation, stable funding point to longer-term sustainability of the CA.</p>

Cities Alliance

Cities Without Slums

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout No. 7: Cities Alliance Business Matters
Support Document: Financial and Budget Report, FY11-FY12

Background:

Financial reporting for the financial year ended June 30, 2011 (FY11) is presented in summarized form, including sources and uses of funds, listings of approved funding allocations, and actual versus budgeted costs for the CA Secretariat.

Also presented is the FY12 overall CA program budget as well as the FY12 Secretariat budget, which were reviewed and approved by EXCO at its July 2011 meeting in Accra.

This is the first time the CA has operated under an overall Program Budget, a change that was introduced as part of the new annual business planning process and other reforms that resulted from the Mexico City meeting of the Consultative Group.

The new Charter adopted in Mexico City gave EXCO the responsibility to approve CA budgets, and the CG the responsibility to ratify the budgets.

Recommended Action:

Ratify the FY12 Program and Secretariat budgets.

Cities Alliance Financial and Budget Report
FY11-FY12

As of October 7, 2011

PAGE	CONTENTS
2	Financial Summary – FY06-FY11
3	FY11 Financial Summary
4	FY11 Sources & Uses of Funds – Summary
5	FY11 Sources & Uses of Funds – Combined Sources
6	FY11 Sources & Uses of Funds – Core Funds
7	FY11 Sources & Uses of Funds – Non-Core Funds
8	FY11 Sources & Uses of Funds – Notes on Variances
9	FY11 Approved Funding Allocations – Detailed
14	FY11 Secretariat Budget –Actuals vs Budget – Core Funds
15	FY11 Secretariat Budget –Actuals vs Budget – In-Kind/Other
16	FY12 Program Budget
17	FY12 Secretariat Budget
18	FY12 Notes on Budget
19	FY12 Secretariat Budget – Proposed – By Secretariat Team

FINANCIAL SUMMARY

(In US\$ millions)

As of June 30, 2011

	FY06	FY07	FY08	FY09	FY10	FY11	FY11- FY10 % Change
Contributions Paid In:							
Core	6.689	7.782	10.158	7.001	7.101	7.075	-0.4%
Facilities*	4.371	4.565	1.355	16.844	2.000	0.000	0%
Other Non-Core	2.605	3.244	4.404	0.788	1.955	1.274	-33%
Total Paid In	13.665	15.591	15.917	24.633	11.056	8.348	-24%
Disbursements:							
Core	6.474	8.264	7.145	7.451	8.503	8.023	-6%
Facilities*	3.562	1.559	3.583	3.417	3.266	0.929	-72%
Other Non-Core	2.035	2.888	4.250	0.870	2.954	1.921	-35%
Total Disbursements	12.071	12.711	14.978	11.738	14.723	10.873	-26%
Approved Funding Allocations:							
Core	11.811	4.641	7.662	8.983	10.746	8.604	-20%
Facilities*	8.538	4.392	0.392	1.515	3.274	2.047	-37%
Other Non-Core	8.709	0.626	1.578	0.475	2.000	1.681	-16%
Total Allocations	29.058	9.659	9.633	10.973	16.020	12.332	-23%

* *Facilities include: Africa Facility; Land Services & Citizenship (Gates); and closed facilities: CLIFF; Slum Upgrading Facility ; and Community W&S Facility (closed).*

Excludes In-kind contributions for staff secondments to Secretariat.

FY11 FINANCIAL SUMMARY

The fiscal year ended June 30, 2011 continued a period of transition for Cities Alliance finances. The final funding proposals from the old grant facility were processed, with \$3.6m in Core funds approved for 13 projects. That old facility had closed in March 2010, and the new Catalytic Fund was launched in January 2011. Approvals for the first cohort of Catalytic Fund projects, estimated at \$1.6m, will be made during first half of FY12. Programmatic budgeting and business planning processes were also introduced during the year as part of the changes in Cities Alliance business model adopted by the Cities Alliance Consultative Group at its last two annual meetings.

The Cities Alliance secretariat continued to adapt to changes in grant administration processes within the World Bank, which manages Cities Alliance finances. The evolving World Bank internal control environment for administering global programs like the Cities Alliance has led to increased transaction and grant overhead costs. The Cities Alliance's Executive Committee brought this issue to the attention of Bank management at its March 2011 meeting held in Washington. The Bank responded proactively by forming a Small Grants Working Group, which is developing a comprehensive set of recommendations for streamlining grant business processes. First outcomes from the Working Group are expected during FY12.

Cities Alliance financial resources were bolstered during the year by the Australia Agency for International Development (AUSAID), which signed a new three-year agreement that will provide \$2m in each of the next two years, on top of a \$350,000 contribution for FY11. AUSAID joins Norway Ministry of Foreign Affairs and the World Bank's Development Grant Facility as the largest donors of Core funds to the Cities Alliance program.

Over \$12.3m of funding allocations were approved during the year. Most of the approved funding, \$8.2m, went to country/regional projects. The remainder was used to fund global knowledge and communication activities and the costs of the Cities Alliance secretariat. Nearly 45% of the country and regional approvals were for Sub-Saharan Africa, reflecting an increased prioritization on the region agreed by the Cities Alliance membership at its 2010 annual meeting held in Mexico City.

UNAUDITED

CITIES ALLIANCE
**Sources & Uses of Funds -
SUMMARY**
as of 30 June 2011

CORE FUND		NON-CORE FUNDS		
<u>Cumulative</u>	<u>FY11</u>	<u>FY11</u>	<u>Cumulative</u>	
\$75,141,353	\$7,074,623	Contributions Received	\$1,273,516	\$74,655,591
0	0	In-Kind Contributions	516,406	9,126,485
5,732,031	156,272	Investment Income	102,812	841,791
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
80,875,548	7,230,985	Total Sources of Funds	1,892,734	84,623,867
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(64,611,008)	(8,022,886)	Project Disbursements	(2,850,165)	(54,141,032)
0	0	In-Kind Disbursements	(516,406)	(9,126,485)
(1,062,536)	(64,595)	Trust Fund Administration Fees	(20,885)	(1,521,343)
32,001	0	Foreign Exchange Gain (Loss)	115,596	310,229
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(65,641,543)	(8,087,481)	Total Uses of Funds	(3,271,860)	(64,478,631)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
15,234,005		Fund Balance S		20,145,236
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(11,491,250)		Less: Undisbursed Allocations		(9,027,131)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$3,742,755		Funds Available for Allocation		\$11,118,105

FY11 Sources & Uses of Funds -- Combined Sources

FY11 Totals, as of 30 June 2011

UNAUDITED

COMBINED CORE & NON-CORE FUNDS	FY11 Actuals	FY 11 Actuals by Funding Source		
		Core	Gates (LSC)	Other*
FUNDS AVAILABLE FOR ALLOCATION - Estimated				
Balance Forward from FY10 - Unallocated Funds	17,849,811	4,625,166	11,033,237	2,191,408
Contributions Received	7,074,623	7,074,623	0	0
Investment Income	255,560	156,272	99,288	0
Allocation Cancellations, Reflows & Adjustments **	2,168,758	555,778	0	1,612,980
Less WB TF Admin Fees Paid	(64,595)	(64,595)	0	0
FUNDS AVAILABLE FOR ALLOCATION	27,284,157	12,347,244	11,132,525	3,804,388
ALLOCATION OF FUNDS				
Partnership Operations (incl Secretariat Costs)	3,459,152	3,260,000	0	199,152
Global Program Operations:				
Grant Facility (old) - Country/Regional Activities	5,076,147	3,594,427	0	1,481,720
Catalytic Fund (new)	125,000	125,000	0	0
Knowledge & Learning Work Programme	323,500	323,500	0	0
Communications & Advocacy Work Programme	250,000	250,000	0	0
Monitoring & Evaluation Work Programme	125,000	125,000	0	0
Country / Regional Partnership Programming:				
Land, Services & Citizenship Programme	1,272,855	145,855	1,127,000	0
Country Partnership Programmes (Brazil, Phil, & India)	574,500	574,500	0	0
Other Country/ Regional Programming & Support	1,126,207	206,207	0	920,000
BUDGETED ALLOCATION OF FUNDS	12,332,361	8,604,489	1,127,000	2,600,872
ENDING BALANCE - UNALLOCATED FUNDS	14,951,796	3,742,755	10,005,525	1,203,516

* Other funding sources include Africa Facility and non-core funding from Japan and Netherlands.

* Cancellations include allocations for Abomey, Benin CDS (\$250,000) and partial cancellation for Doualla, Cameroon CDS \$285,000).

FY11 Sources & Uses of Funds -- Core Fund

FY11 Totals, as of 30 June 2011

UNAUDITED

Notes	<u>CORE FUNDS</u>	<u>CORE FUNDS</u>		Variance
		FY11 Budget	FY11 Actuals	
FUNDS AVAILABLE FOR ALLOCATION				
	Balance Forward from FY10 - Unallocated Funds	4,625,166	4,625,166	0
1	Contributions Expected	10,000,000	7,074,623	(2,925,377)
2	Investment Income Received	330,000	156,272	(173,728)
3	Allocation Cancellations, Reflows & Adjustments	0	555,778	555,778
	Less WB TF Admin Fees Paid	(111,750)	(64,595)	47,155
	FUNDS AVAILABLE FOR ALLOCATION	<u>14,843,416</u>	<u>12,347,244</u>	<u>(2,496,172)</u>
ALLOCATION OF FUNDS				
	Partnership Operations (incl Secretariat Costs)	3,200,000	3,260,000	(60,000)
	Global Program Operations:			
4	Grant Facility (old) - Country/Regional Activities	4,281,500	3,594,427	687,073
5	Catalytic Fund (new)	2,400,000	125,000	2,275,000
6	Knowledge & Learning Work Programme	500,000	323,500	176,500
7	Communications & Advocacy Work Programme	1,500,000	250,000	1,250,000
8	Monitoring & Evaluation Work Programme	250,000	125,000	125,000
	Country / Regional Partnership Programming:			
9	Land, Services & Citizenship Programme	600,000	145,855	454,145
10	Country Partnership Programmes (Brazil, Phil, & India)	1,100,000	574,500	525,500
11	Other Country/ Regional Programming & Support	600,000	206,207	393,793
	BUDGETED ALLOCATION OF FUNDS	<u>14,431,500</u>	<u>8,604,489</u>	<u>5,827,011</u>
	ENDING BALANCE - UNALLOCATED FUNDS	<u>411,916</u>	<u>3,742,755</u>	<u>3,330,839</u>

See Notes on following pages.

FY11 Sources & Uses of Funds -- Non-Core Funds

FY11 Totals, as of 30 June 2011

UNAUDITED

Notes	<u>NON-CORE FUNDS</u>	<u>Gates (LSC) Funding</u>		<u>Other Non-core*</u>	
		FY11 Budget	FY11 LSC Actuals	FY11 Budget	FY11 Actuals
	FUNDS AVAILABLE FOR ALLOCATION				
	Balance Forward from FY10 - Unallocated Funds	11,033,237	11,033,237	2,191,498	2,191,408
	Contributions Expected	0	0	0	0
	Investment Income Received	150,000	99,288	0	0
	Allocation Cancellations, Reflows & Adjustments	0	0	0	1,612,980
	Less WB TF Admin Fees Paid	0	0	0	0
	FUNDS AVAILABLE FOR ALLOCATION	<u>11,183,237</u>	<u>11,132,525</u>	<u>2,191,498</u>	<u>3,804,388</u>
	ALLOCATION OF FUNDS				
	Partnership Operations (incl Secretariat Costs)	0	0	0	199,152
	Global Program Operations:				
	Grant Facility (old) - Country/Regional Activities	0	0	0	1,481,720
	Catalytic Fund (new)	0	0	0	0
	Knowledge & Learning Work Programme	0	0	0	0
	Communications & Advocacy Work Programme	0	0	0	0
	Monitoring & Evaluation Work Programme	0	0	0	0
	Country / Regional Partnership Programming:				
12	Land, Services & Citizenship Programme	8,000,000	1,127,000	0	0
	Country Partnership Programmes (Brazil, Phil, & India)	0	0	0	0
13	Other Country/ Regional Programming & Support	0	0	1,000,000	920,000
	BUDGETED ALLOCATION OF FUNDS	<u>8,000,000</u>	<u>1,127,000</u>	<u>1,000,000</u>	<u>2,600,872</u>
	ENDING BALANCE - UNALLOCATED FUNDS	<u>3,183,237</u>	<u>10,005,525</u>	<u>1,191,498</u>	<u>1,203,516</u>

* Other Non-core funding sources include Africa Facility and non-core funding from Japan and Netherlands.

See Notes on following pages.

NOTES to FY11 Sources & Uses of Funds reporting

CORE FUNDS

1. The FY11 Contributions budget had included a \$3m increase from FY10 levels. Norway increased its contribution by approximately \$0.5m, but other funding remained similar to FY10 level.
2. Investment income was lower than budgeted due to low interest rates and a more conservative investment approach by the Bank on its trust fund portfolio assets.
3. Projects approved in prior years were cancelled or closed during FY11, freeing up funds for reallocation, including Abomey (Benin) CDS and Douala (Cameroon) CDS.
4. Closing of the old grant facility resulted in \$687,073 less allocations than budgeted, due to dropping of the Fiji CDS/SU project (\$350,500) and Medellin urban program (Colombia) (\$75,000), and various adjustments to other proposals (\$261,532).
5. Catalytic Fund was launched during the second half of FY11, with \$2,000,000 budget for regular Cat Fund and \$400,000 for small grants fund (Kitty Fund). Seven concept notes totaling \$1,624,300 were invited to be submitted as full proposals during the year, but approvals for the final proposal will not be made until FY12. Two small grant projects totaling \$125,000 were approved from Kitty Fund. .
6. The focus of knowledge and learning work programme during FY11 was implementation/supervision of previously funded knowledge projects, as well as consolidation of lessons and outputs from the CA's grant-funded country portfolio. Only two-thirds of FY11 knowledge and learning budget was utilized during FY11.
7. Most of the communications and advocacy budget went unutilized because of lack of consensus around plans for advocacy in Europe, and pending contribution increases to fund the plans (see Note 1).
8. The terms of reference for the 2011 Independent Evaluation were scaled back to reduce cost to about half of the cost of 2006 evaluation, based on guidance from the CA Consultative Group at the Mexico City meeting, and considering the funding provided in the previous year for an Evaluation of Project Implementation Modalities.
9. Proposals for CDS and SU projects in Uganda secondary cities, to be programmed in conjunction with the LSC program in Uganda, were deferred to FY12 because of timing of local elections.
10. New allocations in support of country partnership programmes with Brazil, India and Philippines were less than budgeted because of the cancellation of a project in India (city development plans for satellite towns of mega-cities), resulting from a

process to realign the work programmes to be consistent with the new business model.

11. Joint work programmes with members were still in development at end of FY11, with only three small grants approved during FY11 from Core funds – with UCLG, UN-H, and SDI.

NON-CORE FUNDS

12. LSC country program project approvals for Ghana will be made during first half of FY12 instead of during FY11 as was budgeted. Approval for the Burkina Faso country program was made in mid-FY11, with project grant approvals expected in FY12. A country program for Mozambique was approved early in FY12.
13. A significant joint work programme with WB's Africa region was developed and approved during the year from Africa Facility funds.

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
Partnership Operations		3,459,152	3,260,000	0	0	199,152
Management, finance and administrative operations		1,700,000	1,700,000	0	0	0
	Secretariat - Management, finance communication and administrative operations	1,700,000	1,700,000	0	0	0
Technical, knowledge, communications and M&E operations		1,589,152	1,390,000	0	0	199,152
	Secretariat - Technical, knowledge, and M&E operations	1,330,000	1,330,000	0	0	0
	Regional Advisors, East & Southern Africa - increase (Sweden Non-Core)	199,152	0	0	0	199,152
	Regional Advisor, South Asia	60,000	60,000	0	0	0
Governance and Administration		170,000	170,000	0	0	0
	Consultative Group/ EXCO Meetings	170,000	170,000	0	0	0
Global Programme Operations						
Country/Regional Project Allocations (old Grant Facility)		5,076,147	3,594,427	0	0	1,481,720
Projects supporting the implementation of policies and strategies		1,730,720	249,000	0	0	1,481,720
Brazil	Bahia Integrated Urban Development Program (Italy-Non-Core)	1,481,720	0	0	0	1,481,720
Malawi	Grant for Lilongwe City Development Strategy (Phase 3)	249,000	249,000	0	0	0
Projects supporting the elaboration of policies and strategies		1,334,577	1,334,577	0	0	0
Central African Republic	Towards Sustainable Urban Management: Improving Bangui City Performance Through Capacity Building and Planning Tools Development	301,750	301,750	0	0	0
Colombia	Colombia National Low-income Megaprojects: Developing a Policy and Program Framework	215,000	215,000	0	0	0
Cote d'Ivoire	Cote d'Ivoire Restructuring of Slums in the 13 Municipalities of the District of Abidjan	284,927	284,927	0	0	0
Malawi	Malawi City Development Strategy and Slum Upgrading Programme (CDS/SUP) Framework Phase I	175,000	175,000	0	0	0

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
West Bank and Gaza Territories	Cities as Guarantors of Stability: Scaling-Up of Strategic Development and Investment Planning (SDIP) in the Palestinian Territories	357,900	357,900	0	0	0
Projects providing country specific data and knowledge		1,074,250	1,074,250	0	0	0
Ethiopia	Strengthen the Institutionalization and Support the Operation of the Ethiopian Cities Network	74,000	74,000	0	0	0
India	India State of the Cities Report	350,250	350,250	0	0	0
Kenya	Kenya Baseline State of the City Surve	400,000	400,000	0	0	0
Tanzania	Tanzania State of the Cities Report	250,000	250,000	0	0	0
Pacific Island Proposals		936,600	936,600	0	0	0
Papua New Guinea	Papua New Guinea Settlement Upgrading Programme	350,000	350,000			
Regional	Regional Institutional Strengthening and Knowledge Management Support to Pacific Island Countries to Strengthen Implementation of the Pacific Urban Agenda under the Pacific Plan	349,600	349,600			
Samoa	Samoa City Development Strategy Programme	237,000	237,000			
Catalytic Fund (New grant facility)		125,000	125,000	0	0	0
Kitty Fund		125,000	125,000	0	0	0
Bangladesh	Bangladesh's Urban Transformation: Exploring the Demographic and Economic Dimensions	75,000	75,000	0	0	0
Ukraine	Supporting Kiev for City Vision and Long-Term Development Strategy	50,000	50,000			
Catalytic fund		0	0	0	0	0
Global knowledge and advocacy activities		698,500	698,500	0	0	0
Theme: Slum Upgrading		75,000	75,000	0	0	0
Global	Making the Case for Incremental Housing (increase to FY09 allocation)	75,000	75,000	0	0	0

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
Theme: Strategic City Development		100,000	100,000	0	0	0
Global	Global City Indicators Facility	100,000	100,000			
Theme: Environment/ Climate Change/ Disaster Risk Reduction		0	0	0	0	0
Theme: Finance		48,500	48,500	0	0	0
Global	Capital Investment Planning and Financing	48,500	48,500	0	0	0
Other Learning & Knowledge Sharing		100,000	100,000	0	0	0
Global	General Learning & Knowledge Sharing (FY11 increase)	100,000	100,000	0	0	0
Theme: Communications & Advocacy		250,000	250,000	0	0	0
Ghana	Ghana Cities Awareness and Advocacy Framework	200,000	200,000	0	0	0
Global	General Communications & Advocacy (FY11 increase)	50,000	50,000	0	0	0
Theme: Monitoring & Evaluation		125,000	125,000	0	0	0
Global	Cities Alliance Independent Evaluation 2011	125,000	125,000	0	0	0
Country / Regional Programming Allocations		2,973,562	926,562	1,127,000	920,000	0
Land, Services & Citizenship Programme		1,272,855	145,855	1,127,000	0	0
Ghana	Improving and Expanding Sanitation in Greater Accra Workshop	52,000		52,000		
Mozambique	Support for upgrading the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanizing and Reordering Informal Settlements in the Maputo Municipality	575,000		575,000		
Uganda	Addressing the Land Information Requirements of the Urban Poor - Phase I: Piloting of the Social Tenure Domain Model (STDM)	75,000	75,000			

Approved Funding Allocations – Detailed FY11

FY11 Totals, as of 30 June 2011

Country	Activity Title	Allocation Amount (USD)	Core	Gates Found.	Africa Facility	Other Non-Core
Vietnam	Consolidating management and implementation of Community Development Fund (CDF) through the Association of Cities of Vietnam (ACVN)	70,855	70,855			
Vietnam	Strengthening of the Vietnam Urban Forum (VUF) and Operationalizing the National Urban Upgrading Program (NUUP)	500,000		500,000		
Country Partnership Programmes		574,500	574,500	0	0	0
Brazil	Technical Assistance and Guidance in the Implementation of Brazil's Minha Casa Minha Vida Programme and its integration with the National Housing Plan (PlanHab)	74,500	74,500			
Philippines	Developing a National Slum Upgrading Strategy for the Philippines	500,000	500,000			
Other Country / Regional Programming & Support		1,126,207	206,207	0	920,000	0
Africa Regional	Supporting Africa's Urban Transition (JWP with WB)	920,000			920,000	
Africa Regional	Know Your City - A City of 2030 Without Slums	74,825	74,825			
Africa Regional	State of African Cities 2012: Urban Vulnerabilities, Adaptation and Resilience	75,000	75,000			
Africa Regional	UCLG Supervision of Lilongwe and Namibia CDS projects	56,382	56,382			
TOTAL ALLOCATIONS		12,332,361	8,604,489	1,127,000	920,000	1,680,872

CITIES ALLIANCE SECRETARIAT
FY11 BUDGET REPORT - Core Funds
Actual Costs as of June 30, 2011
(US\$)

See Notes	<u>CORE FUNDS</u>	FY11 Original Budget Plan	FY11 Actuals	Utilization rate (%)
	SOURCES OF FUNDS - Secretariat Budget			
	Core Funds - Approval Requested for FY11	3,300,000	3,200,000	
#1	Core Funds, carry-forward (estimated)	102,000	203,387	
	Staff secondments and JPO programs	0		
	On-going Regional Staff allocations	0		
	On-going Norway MTS Support	0		
	Funding from other Non-Core sources	0		
	WB/misc. funding	15,000		
	Travel Rebate	0		
	Total Sources of Funds - Secretariat	3,417,000	3,403,387	
	USES OF FUNDS - by Secretariat Funding Source*			
	Staff costs (salary + benefits) - HQ	2,297,761	1,757,126	76%
	Staff costs (salary + benefits) - Field	104,500	23,337	133%
#2	Total Staff Costs	2,402,261	1,780,463	79%
#3	Travel	315,000	124,745	42%
#4	Short-term consultants / other labor costs	110,000	114,329	110%
#5	Contract. Services (e.g. publishing costs, food services)	62,000	12,338	20%
#6	Overhead Costs	327,500	293,194	90%
	<i>Meeting & Events:</i>		0	
	- CG/PPF/EXCO Meetings	170,000	154,828	91%
	- WUF/ Africities / Urban Forum / Others	30,000	0	0%
	Total Meetings & Events:	200,000	154,828	77%
	Total Uses of Funds - Secretariat	3,416,761	2,479,899	73%
#7	Ending Balance - Secretariat (to FY12)	239	923,489	

Note 1. The Secretariat had finished FY10 with savings of \$203.4K vs. originally planned \$102K, or surplus of 99%

Note 2. Actual staff costs totaled 79% of the planned amount due to slow filling of vacant staff slots

Note 3. Travel expenses totaled 42% of estimated FY11 budget due to lower staffing set up and fewer number of trips
FY12 budget plan will include higher volume of operational travel though

Note 4. The new CA business model as well as the WB recently introduced requirements for the grant processing increased the demand in highly-qualified professionals (Clare Short, Martha Jarosewich-Holder). The interim consulting arrangements for the CA secretariat staff (mostly GPO and Communications teams) during their conversion to term staff added to the increase of STC original balance. Actual costs exceeded original budget by 4%

Note 5. Contractual services (designing of the CA materials, printing, copying, shipping, freight, other communications and publishing costs) totaled 20% of originally planned budget due to fewer number of printing materials produced in FY11

Note 6. There is 10% saving on Overhead expenses (office rent, IT and communications, representation and hospitality, supplies and miscellaneous) primarily due to reduced secretariat office space and subsequently lower rent payments

Note 7. The Balance of FY11 Core Allocation for Secretariat Costs - to be carried over to FY12 budget

CITIES ALLIANCE SECRETARIAT
FY11 BUDGET REPORT - In-Kind and Other Funding Sources

As of June 30, 2011

(US\$)

See Notes	<u>NON-CORE FUNDS</u>	FY11 Original Budget Plan	Actuals	Over (-)/Under (+) Plan
	SOURCES OF FUNDS - Secretariat Budget			
	Core Funds - Approval Requested for FY11	0	0	
	Core Funds, carry-forward (estimated)	0	0	
#1	Staff secondments and JPO programs	654,000	517,000	79%
#2	On-going Regional Staff allocations	358,300	219,521	61%
	On-going Norway MTS Support	149,500	126,546	85%
#3	Funding from other Non-Core sources	580,289	395,833	68%
	WB/misc. funding	0	0	
	Travel Rebate	0	0	
	Total Sources of Funds - Secretariat	1,742,089	1,258,900	72%
	USES OF FUNDS - by Secretariat Funding Source*			
	Staff costs (salary + benefits) - HQ	289,789	301,148	104%
	Staff secondments and JPO programs	654,000	517,000	79%
#4	Staff costs (salary + benefits) - Field	358,300	219,521	61%
	Total Staff Costs	1,302,089	1,037,669	80%
#5	Travel	245,000	60,943	25%
#6	Short-term consultants / other labor costs	15,000	42,486	283%
#7	Contractual Services (e.g., printing, graphics)	61,500	4,744	8%
#8	Overhead Costs	118,500	113,058	95%
	Meeting & Events:			
	- CG/PPF/EXCO Meetings	0	0	0%
	- WUF/ Africities / Urban Forum / Others	0	0	0
	Total Uses of Funds - Secretariat	1,742,089	1,258,900	72%

Note 1. Staff secondments from UN-Habitat, German cooperation, France (AFD), and from Italian JPO programme of the World Bank. The UN-H secondment remained un-filled for the year.

Note 2. On-going regional Allocations for the CA regional staff, funded by Italy, SIDA and the Africa Facility. Savings are due to (1) terminated ETC position of the Regional Advisor in Ethiopia and (2) the reference of the Sao Paulo's Program Assistant/CA Transaction Specialist costs to the Core TF.

Note 3. This primarily includes Secretariat staff costs covered by the Land, Services & Citizenship program (LCS). Actual costs totaled 68% of the original budget due to staffing shortage in the team and lower volume of LCS related operational trips

Note 4. Actual staff costs are 20% lower vs. planned due to non-replacement of terminated ETC posts in Brazil and Ethiopia

Note 5. Travel expenses totaled 25% of the originally planned allocation due to lower staffing, fewer number of trips and aggressive travel costs control measures. FY12 budget plan will include higher volume of operational travel though

Note 6. Short-term consulting appointment of the RA in Ethiopia increased originally planned budget by 183%

Note 7. Demand in contractual services significantly decreased in FY11 what resulted in 92% saving

Note 8. 5% saving is expected under overhead expenses (office rent, IT and communications, representation and hospitality, supplies and miscellaneous) category due to reduced representation and occupancy costs in local offices.

Sources & Uses of Funds -- FY 12 Program Budget

Approved by EXCO at July 2011 meeting in Accra

<u>COMBINED CORE & NON-CORE FUNDS</u>	<u>FY12 TOTAL</u>	<u>FY 12 Budget by Funding Source</u>		
		Core	Gates (LSC)	Other*
FUNDS AVAILABLE FOR ALLOCATION - Estimated				
Balance Forward from FY10 - Unallocated Funds	14,951,796	3,742,755	10,005,525	1,203,516
Contributions Expected	8,000,000	8,000,000	0	0
Investment Income	255,000	150,000	105,000	0
Allocation Cancellations, Reflows & Adjustments	0	0	0	0
Less WB TF Admin Fees Paid	(88,500)	(88,500)	0	0
FUNDS AVAILABLE FOR ALLOCATION	<u>23,118,296</u>	<u>11,804,255</u>	<u>10,110,525</u>	<u>1,203,516</u>
ALLOCATION OF FUNDS				
Partnership Operations (incl Secretariat Costs)	2,750,000	2,750,000	0	0
Global Program Operations:				
Grant Facility (old) - Country/Regional Activities	350,500	350,500	0	0
Catalytic Fund (new)	2,200,000	2,200,000	0	0
Knowledge & Learning Work Programme	500,000	500,000	0	0
Communications & Advocacy Work Programme	300,000	300,000	0	0
Monitoring & Evaluation Work Programme	100,000	100,000	0	0
Country / Regional Partnership Programming:				
Land, Services & Citizenship Programme	6,500,000	500,000	6,000,000	0
Country Work Programmes (Brazil, Phil, & India)	500,000	500,000	0	0
Other Country/ Regional Programming:	0			
> Sub-Saharan Africa Regional action plans	1,250,000	500,000		750,000
> Other regional action plans	500,000	500,000		
BUDGETED ALLOCATION OF FUNDS	<u>14,950,500</u>	<u>8,200,500</u>	<u>6,000,000</u>	<u>750,000</u>
ENDING BALANCE - UNALLOCATED FUNDS	<u>8,167,796</u>	<u>3,603,755</u>	<u>4,110,525</u>	<u>453,516</u>

* Other funding sources include Africa Facility and non-core funding from Japan and Netherlands.

CITIES ALLIANCE SECRETARIAT
FY12 BUDGET
 (US\$)

Approved by EXCO at July 2011 meeting in Accra

See Notes		Core	Non-Core	In-Kind	TOTAL
	SOURCES OF FUNDS - Secretariat Budget				
	Core Funds - Approval Requested for FY12	2,750,000	0	0	2,750,000
	Core Funds, FY11 balance carry forward	923,489	0	0	923,489
#1	Staff secondments and JPO programs	0	0	546,113	546,113
#2	On-going Regional Staff allocations	0	157,661	0	157,661
#3	Funding from other Non-Core sources	0	578,555	0	578,555
	WB/misc. funding	0	0	0	0
	Total Sources of Funds - Secretariat	3,673,489	736,216	546,113	4,955,818
	USES OF FUNDS - by Secretariat Funding Source*				
#4	Staff costs (salary + benefits) - HQ	2,241,471	135,510	546,113	2,923,094
#4	Staff costs (salary + benefits) - Field	247,849	157,661	0	405,510
	Total Staff Costs:	2,489,320	293,171	546,113	3,328,604
#5	Travel	306,220	200,000	0	506,220
#6	Short-term consultants / other labor costs	217,000	99,045	0	316,045
#7	Contractual Services (e.g., printing, graphics)	62,000	41,500	0	103,500
#8	Overhead Costs	383,949	102,500	0	486,449
#9	Meeting & Events:				
	- CG/PPF/EXCO Meetings	185,000	0	0	185,000
	- WUF/ Africities / Urban Forum / Others	30,000	0	0	30,000
	Total Uses of Funds - Secretariat	3,673,489	736,216	546,113	4,955,818
	Budgeted Ending Balance-Secretariat	0	0	0	0

NOTES ON FY12 BUDGET

- Note 1.** In-kind contribution represents secondments from France (MFA), Germany (GTZ), a newcomer from UN-Habitat (to replace Jean-Christophe Adrian whose assignment with the CA terminated in May, 2010), and 6 month funding for the Italian Junior Professional Officer who joined the CA in January of 2010.
- Note 2.** On-going non-core allocations for regional advisory staff are funded from from Sida, Italy and the Africa Facility.
- Note 3.** This primarily includes Secretariat costs covered by the Land, Services & Citizenship programme.
- Note 4.** The proposed budget includes no additional staff slots beyond those already approved. Regional advisors for India and west Africa are now funded from the Core Fund, others (Latin America, South Africa and East Africa) are funded from Non-core sources. See notes above.
- Note 5.** The travel budget line excludes Secretariat travel to Events/Meetings.
- Note 6.** Due to increased demand in consulting services estimated costs of a safeguard, strategy development and implementation support as well as local consultants for the LSC program in 6 countries are estimated as short-term/other labor costs
- Note 7.** Contractual services line item represents estimated cost of services to be provided by various vendors during the course of FY12. The services would include contractual designing of CA materials, printing, copying, shipping, freight, other communications & publishing costs.
- Note 8.** Estimated overhead cost budget is mostly based on FY11 actuals. It covers sustaining expenses such as office rent, IT equipment, communications, representation/hospitality, supplies and other miscellaneous.
- Note 9.** Effective with the FY11 budget, recurring event/meeting costs are being budgeted and managed as part of the Secretariat budget. This would include direct costs of staging the events but also travel for staff and specially-invited guests.

CITIES ALLIANCE SECRETARIAT
 FY12 PROPOSED BUDGET - BY SECRETARIAT TEAM
 (US\$)

BUDGETED USES OF FUNDS - by Team	Core	Non-Core	In-Kind	TOTAL
<u>Partnership Building & Management</u>				
Staff costs (salary + benefits) - HQ	929,385	31,642	0	961,027
Staff costs (salary + benefits) - Field	0	0	0	0
Travel	100,000	0	0	100,000
Short-term consultants / other labour costs	50,000	0	0	50,000
Total	1,079,385	31,642	0	1,111,027
<u>Knowledge/Advocacy/Communications</u>				
Staff costs (salary + benefits) - HQ	62,400	0	485,000	547,400
Staff costs (salary + benefits) - Field	0	0	0	0
Travel	45,000	0	0	45,000
Short-term consultants / other labour costs	100,000	0	0	100,000
Total	207,400	0	485,000	692,400
<u>Country Partnership Program</u>				
Staff costs (salary + benefits) - HQ	480,542	67,054	0	547,596
Staff costs (salary + benefits) - Field	213,120	146,085	0	359,205
Travel	113,220	200,000	0	313,220
Short-term consultants / other labour costs	10,000	99,045	0	109,045
Total	816,882	512,183	0	1,329,065
<u>Program Administration</u>				
Staff costs (salary + benefits) - HQ	708,031	36,814	0	744,845
Staff costs (salary + benefits) - Field	34,729	11,576	0	46,305
Travel	33,000	0	0	33,000
Short-term consultants / other labour costs	57,000	0	0	57,000
Total	832,760	48,390	0	881,150
<u>Catalytic Fund</u>				
Staff costs (salary + benefits) - HQ	61,113	0	61,113	122,226
Staff costs (salary + benefits) - Field	0	0	0	0
Travel	15,000	0	0	15,000
Short-term consultants / other labour costs	0	0	0	0
Total	76,113	0	61,113	137,226
Total Uses of Funds - by Team				
	3,012,540	592,216	546,113	4,150,869
<u>Secretariat variable costs:</u>				
Contractual Services	62,000	41,500	0	103,500
Overhead Costs	383,949	102,500	0	486,449
Event/Meeting costs	215,000	0	0	215,000
Total Uses of Funds by Secretariat	3,673,489	736,216	546,113	4,955,443

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout 8: Partnership Matters
Support Document: EXCO Membership Overview and TOR

Background:

The membership and responsibilities of the Executive Committee were updated as part of the revisions to the CA Charter made at the Mexico City meeting of the CG. It was also agreed at that meeting to extend the terms of current EXCO members that were expiring in 2010, by one year, so as to maintain continuity during the transition period.

There are four EXCO members up for rotation at end of 2011.

Recommended Action:

- Appoint four new members to the EXCO (one representative from External Support Countries/Agencies, one representative from Developing Countries, and two additional members selected by the CG).

**Cities Alliance
Consultative Group Meeting
8 November 2011
Maputo, Mozambique**

PARTNERSHIP MATTERS

The following background information pertains to the Partnership Matters agenda item for the CG meeting.

New Executive Committee Member Appointments

The Executive Committee was established during the November 2007 meeting of the CG in Manila. The membership of EXCO during 2011 has consisted of:

PERMANENT MEMBERS: UCLG (Chair)
UN-Habitat
World Bank

ROTATING MEMBERS:

External Support Countries/Agencies: Germany, 2009-2011
Norway, 2010-2012

Developing Countries: South Africa, 2009-2011

Elected by the CG: Chile, 2009-2011
UNEP, 2009-2011

Four members are scheduled to rotate off the Committee, under the rules governing EXCO as stipulated by the new Charter unanimously adopted at the Mexico City meeting of the Consultative Group in 2010. They are: Chile, Germany, South Africa, and UNEP.

Previous rotating members of EXCO and its predecessor body, the Steering Committee: Netherlands (2001), United Kingdom (2001-2002), Germany (2002-2003), United States (2003-2004), Sweden (2004-2005), Japan (2005-2006), Norway (2006-2008), Brazil (2006-2008), Asian Development Bank (2007-2008), Nigeria (2007-2008), and France (2007-2009).

TOR of the Executive Committee, as per the 2011 Cities Alliance Charter:

1. The primary functions of EXCO
 - a) Provide guidance to the Secretariat on matters of policy and strategy;
 - b) Approve the Business Plan, annual work plan and budget of the Cities Alliance, including that of the Secretariat and the Policy Advisory Forum, subject to ratification by the CG;
 - c) Monitor progress and make recommendations to the CG;
 - d) Participate in the selection of the Manager of the Secretariat;
 - e) Approve any operating manuals produced by the Secretariat;
 - f) Select countries for country programmes;
 - g) Nominate the Chairperson of the Policy Advisory Forum for CG appointment;
 - h) Respond to requests from the CG; and
 - i) Consider applications for membership and make recommendations to the Consultative Group.

2. Composition of the EXCO

EXCO comprises three permanent members, five rotating members, and one ex-officio member.

 - Permanent Members:
 - UCLG (Chair)
 - UN-Habitat
 - The World Bank;
 - Rotating Members:
 - Two representatives from external support countries/agencies;
 - One developing country representative; and
 - Two other members, elected by the CG
 - Ex-officio Member:
 - The Manager of the Cities Alliance Secretariat

3. The Chairperson of the EXCO may invite the Chairperson of the PAF to participate in the discussions of the EXCO as an Observer.

4. Permanent Members and Rotating Members are decision making, and the Ex-Officio Member and Observer are non-decision making.

5. Rotating members are selected by the CG for three year terms, appointed on a staggered basis.

6. The UCLG representative acts as the Chairperson of the EXCO. If, for any reason, the UCLG representative is not available, the EXCO members will elect a Chairperson for that meeting.

Consultative Group Meeting
Maputo, Mozambique
8 November 2011

Handout 9: Cities Alliance Catalytic Fund Update
Support Document: Catalytic Fund Briefing Note

Background:

At its November 2010 meeting, the Consultative Group endorsed the design of the Catalytic Fund, which was launched in January 2011. The first cohort of proposals is currently being processed.

In July 2011, the Secretariat briefed EXCO on its experience to date with the Catalytic Fund. EXCO endorsed the Secretariat's recommendations that there be one global Call for Proposals in FY12; and to use the Catalytic Fund thematically in order to bring more focused impact on key challenges.

A short-list of themes recommended for the 2012 call is included in the attached briefing note, as well as a summary of the 2011 call.

Recommended Action:

Approve a theme for the FY12 Call for Proposals

I. Background

The Catalytic Fund was developed during 2010 as one of the core elements of the new Cities Alliance business model, replacing the old open grant facility. First presented to ExCo in July 2010, the final design of the Catalytic Fund was adopted in January 2011 following CA member comments in the aftermath of the November 2010 CG meeting in Mexico City. The Catalytic Fund is organized around the following characteristics:

- ✓ Grants are awarded through a **competitive** process following a public **call** for proposals.
- ✓ Call for proposals are scheduled **once or twice** a year (depending on budget) and initial submissions are through a **Concept Note**;
- ✓ Call for proposal might cover all traditional CA themes (CDS, slum upgrading strategies, national policies on urban development and local government etc.) or be **thematic**.
- ✓ An **Expert Evaluation Panel** (EEP) aids the Secretariat in assessing the relevance and quality of proposals together with a parallel process of **Coordination with CA members**;
- ✓ The grant size is limited to between **US\$50,000 - US\$250,000**;
- ✓ **Sponsorship** from CA Members is required.

II. The first call for applications

The first call for applications to the CATF was issued at the end of January 2011 with communication to CG. The application period was two months, with the closing deadline on 31 March 2011. In total, the Cities Alliance Secretariat received **74 Concept Notes** on a whole range of projects related to economic, environmental and social aspects of urban development across diverse regions – Sub-Saharan Africa, South Asia, Latin America, and Central Asia.

After initial screening by the Secretariat, 45 Concept Notes were found to meet the basic eligibility criteria. Twenty-nine proposals were determined to be ineligible for two main reasons: they were out of scope or lacked CA member sponsorship. Detailed statistics on the **45 eligible Concept Notes** are included in Annex 1. Some highlights:

- ✓ The 45 proposed projects were significantly supported by CA members. On average 1,6 CA members were listed as sponsor per proposal;
- ✓ Regional distribution showed remarkable predominance of proposals from Sub-Saharan Africa (60%) followed, most notably, by Latin and Central America (20%) and South Asia (7%);
- ✓ Evenly distributed were the proposal across country groups, that is, low income (28%), lower-middle income (36%) and upper-middle income (36%), with the rest of them having a regional or global scope (13%);
- ✓ The majority of applications focused on the two traditional Cities Alliance themes, Strategic Planning (10 proposals) and Slum Upgrading (6), followed by proposals with Economic Development focus (5) and a Community Participation focus (5).¹

The 45 eligible Concept Notes were then sent to the Catalytic Fund **Expert Evaluation Panel** (EEP) for technical evaluation.² While the EEP was conducting its assessment, a parallel process of **Donor Coordination** with CA members was carried out. Based on comments from both the EEP and CA members, and taking into consideration additional strategic factors (portfolio criteria³), the Secretariat selected a final list of 7 concept notes for potential funding, totaling more than US \$1.6 million. The Secretariat invited the seven organizations whose notes were selected to develop them into full proposals within a two-month timeframe, incorporating the feedback provided by the donor coordination and the EEP processes. The Secretariat has received 6 full proposals which after internal screening have been approved. The approved proposals are:

¹ A minor but significant number of proposals tackled innovative themes: Information System (2), Knowledge Management and Exchange Platforms (3). There are some very weak but still identifiable regional focus patterns: LAC and violence, SAR and climate change, SSA and land/security of tenure.

² Members of the external evaluation panel are Jamie Simpson (GHK); Goran Tannerfeldt (consultant); Serge Allou (GRET); Rajivan Krishnaswamy (consultant) and Marie-Alice Lallemand-Flucher (consultant). The process of appointment of the panel followed a series of consultations and nominations with CG and ExCo.

³ Portfolio criteria are designed to maintain the strategic balance of the overall CA grant portfolio. They include factors such as theme, geography, member engagement and knowledge needs.

CATF APPROVED FULL PROPOSAL TITLE	Country	Request US\$	Submitted by	CA Member Sponsor
Tenure Security Facility Southern Africa: the provision of technical assistance and advisory services on incrementally securing tenure in slum upgrading	SSA Multi country	250,000	Urban Land Mark	SDI SA Dep. of Human Settlements
Promoting Climate Resilient City Development and Settlements Upgrading Strategies for Sri Lankan Cities	Sri Lanka	218,000	National Chapter of Mayors (NCM)	UN-Habitat World Bank
Housing Sector Development: Making Shelter Assets Work	Ethiopia	250,000	Ministry of Urban Development	Ethiopia GIZ
Elaboración, con enfoque territorial y participación ciudadana, del Plan Estratégico de la Asociación de Municipalidades Ciudad Sur de Santiago de Chile	Chile	250,000	Asociación de Municipalidades Ciudad Sur	Chile UCLG
Stratégie de Développement Urbain de Yaoundé et son aire métropolitaine - CDS de Yaoundé	Cameroon	240,000	Communauté Urbaine de Yaoundé	World Bank
Historic Cities Sustainable Development Strategy for Bukhara and Samarkand	Uzbekistan	220,000	Ministry of Economy	World Bank

III. Initial assessment of the first call and recommendations

Based on a preliminary assessment of the first call carried out by the Secretariat, ExCo has endorsed the following recommendations during the meeting in July 2011 in Accra, Ghana:

1. The next CATF call will be thematic to increase portfolio focus. The scope of the Catalytic Fund proposals, during the first call, has been defined by the three major areas outlined in the new CA Charter.⁴ However, given the exceedingly wide variety of urban issues encompassed by the first batch, the scope of the next call will be modified to prioritise a more specific thematic area of interest to members. A thematic focus will also benefit more targeted sharing and dissemination of projects' experiences and fill crucial knowledge gaps.

2. In the next financial year there will be only one CATF call for proposals. In its original design the CATF was to have two calls for Concept Notes per year, each for approximately US\$2,000,000. However given the limited budget available for FY12 (ca. US\$2,000,000) there will be only one call. This will lower transaction costs and avoid raising excessive expectations among applicants on available funding. One call will also enhance the efficiency of the entire process;

3. In future calls, members need to take more responsibility to pre-screen proposals they sponsor as to increase process efficiency and quality of the portfolio. One of the most important lessons of the first batch was that the efficiency and quality of both the CATF process and portfolio will be improved by CA members taking a more direct role in ensuring the quality of submissions. This will generally avoid, among other things, additional work by the Secretariat and the EEP in assessing poor quality proposals; general redundancies, overlapping and imbalances in the batch; lengthy processes of donor coordination; and the need to verify sponsorship of a project.

⁴ 'Support provided by the Cities Alliance falls within the following broad categories: (a) Citywide and nationwide slum upgrading programmes; (b) City development strategies; and (c) National policies on urban development and local government' (CA Charter, para. 10)

IV. Towards the next CATF call for applications

TIMELINE CATALYTIC FUND - SECOND CALL	Nov.	Dec.	Jan.	Feb.	March	April	May	June
1. Theme Selection and Communications campaign								
2. Call for Concept Notes								
3. Longlist of eligible Concept Notes								
4. External Panel Assessment and Donor Coordination								
5. List of approved projects (in-principle)								
6. Request for Full Proposals								
7. Approval confirmation								

V. Themes

As mentioned in section III, in Ghana EXCO has decided that the next call of the CATF should be thematic. After internal consultations, the CA Secretariat has developed a shortlist of 4 possible themes which cover major CA members' and business plan's priorities. The paragraphs below outline the rationale, description and synergies with member's activities for each of the four themes.

CG is required to take a select a **theme for 2012** to be chosen at the meeting in Maputo. Please note that following this decision the current composition of the External Evaluation Panel (see footnote 2) may need to be revised accordingly.

1. Youth and the city: challenges of and visions for demographic change

By 2020, half of all humankind will be under the age of 25, and at least 52 per cent of the population of developing countries will live in cities. In Africa today, slum dwellers make up more than 70 per cent of the region's urban population, and the vast majority of them will be under 24. Within this context, cities are struggling to provide adequate jobs, education and services for their burgeoning young populations. Urban youths face numerous challenges, including unemployment, social exclusion, safety concerns, access to education, exposure to diseases and exploitation.

Despite these socioeconomic challenges, it is clear that youth have tremendous potential to effect change. As the recent Arab spring has again demonstrated, youth can be a crucial agent for change within societies and a powerful force in a country's development. The problem is not whether youth will be able to raise their voices, but rather if cities will be able to respond appropriately, and to engage and harness their potential for development.

Examples of potential CATF projects (not exhaustive):

- ✓ Projects on the integration of youth and development components into participatory urban planning methodologies and slum upgrading;
- ✓ Projects on the development and monitoring of social indicator systems and related knowledge and learning activities;
- ✓ Projects on local economic development in the urban context targeting youth;
- ✓ Projects with an urban focus but implemented primarily by youth and/or with a strong youth component.

Potential synergies (not exhaustive):

- ✓ Continuation of the work of mainstreaming Gender and Youth in Cities Alliance activities, initiated by Norway;
- ✓ Cooperation with UN Habitat's Opportunities Fund for Youth-Led Development and the UN- Habitat Urban Youth Research Network in identified projects;
- ✓ Foundation for a future Joint Work Programme with WBI, Norway and UN-H (subject to funding).

2. Meeting the demands of growing cities: Innovative approaches to financing urban services

The world is undergoing an historic urbanisation process; more than half of the global population now lives in cities. According to estimates, over the next 20 years cities in Sub-Saharan Africa will gain more than 300 million new inhabitants, while the urban population of Southern Asia is expected to double. Many cities will face this historic demographic pressure amidst a number of existing challenges, such as inadequate infrastructures and basic services, deteriorating financial conditions due to the global economic downturn, and decentralisation bottlenecks. While it is often mega-cities that catch the media attention, the bulk of urbanization will take place in many thousands of secondary cities.

Thus, how cities – especially secondary cities – will be able to finance themselves and how sound macroeconomic policies can create an enabling environment will be increasingly a critical question for the decades ahead. Cities may determine the historical trajectories of societies, but their success or failure is inextricably linked to their ability to mobilise the resources necessary to better serve their citizens.

Examples of potential CATF projects :

- ✓ Projects on local investments, PPPs etc.;
- ✓ Projects on innovative learning activities and tools, and networks on cities and finance;
- ✓ Projects on Housing Finance and Subsidies policies.

Potential synergies :

- ✓ Support for Cities Alliance Business Plans FY12-FY14 in the area of finance;
- ✓ Strategic alignment with PPIAF, GPOBA, UN-H and other CA members' programmes with financial focus.

3. Planning for green growth in secondary cities

Like the first UN Conference on Environment and Development in 1992, Rio +20 will probably also serve as a milestone in international development. A central theme will be 'the green economy in the context of poverty eradication and sustainable development'. Currently, this equates discussing the key role of cities not only as part of the problem with their large footprint, but also as part of the solution as catalysts for change. Cities can be incubators of green innovation and promoters of environmental policies that are far more effective at the local level.

The debate has gained early traction within major world cities, as seen in the recent establishment of the C40. However, while this is positive news, urbanisation trends indicate that demographic pressures will seriously impact secondary cities, and that these cities are in fact the ones that already struggle with considerable poverty and lack resources, capacity and services. What does green growth mean for these local authorities? What type of policies could be effectively implemented and sustained? What type of infrastructure, land policies are needed to plan ahead and ensure more climate-resilient, pro-poor cities within the context of scarcity? What steps can be taken, now, to ameliorate the most damaging impacts of urban degradation and climate change?

Examples of potential CATF projects :

- ✓ Projects on innovative promotion of local policies on green growth;
- ✓ Projects on innovative approaches to monitor and report on the nexus between growth and sustainable development;
- ✓ Projects on learning activities and tools, and networks on sustainable urban development.

Potential synergies

- ✓ Engage cities and networks to contribute to the Global City Indicators Facility;
- ✓ Advocacy potential as a direct contribution to Rio +20 Conference in June 2012;
- ✓ Strategic alignment with UNEP, WB Green Growth Knowledge Platform and CA members' activities on green growth.

4. Adaptive strategies for resilient communities: Local adaptation strategies and disaster risk prevention in slums

Global climate change has become a leading developmental issue in conjunction with rapid urbanization and the growth of cities. While cities are known to contribute as much as 70 percent of all greenhouse gas (GHG) emissions, they are most vulnerable to the consequences of a changing climate posing serious threats to urban infrastructure, quality of life, and entire urban systems. The urban poor living in slums – now estimated at approximately one billion people – are particularly exposed to high risk from the impacts of climate change and natural hazards. They live in the most vulnerable areas of a city, in high density,

overcrowded, unsafe and unhealthy housing conditions with little or no access to basic services. They are generally the citizens most exposed to impacts of climate change like earthquakes, landslides, sea-level rise, flooding, and other hazards. Heavy rains, for example, can easily turn into a disastrous flood due very poor urban location, the lack of drainage or solid waste disposal.

To date the predominant response to disasters, both within city governments and international agencies has largely been reactive. Given the significant impact that natural hazards and climate change will have on urban investments, increasing priority is now placed on proactive, adaptive planning to reduce and manage the potential for disasters and climate change. With this recognition, the value of identifying, diagnosing and mapping high risk areas is gaining increasing visibility and importance.

Examples of potential CATF projects :

- ✓ Projects on community-driven risk assessment at the city and community level to inform decision making and action planning;
- ✓ Projects on integrating climate adaptation into basic infrastructure needs assessments in slums;
- ✓ City Twinning partnerships to scale-up community approaches to disaster risk prevention (e.g. early warning) and climate adaptation;
- ✓ Projects of Local Government Associations to close the gap between local and national adaptation strategies.

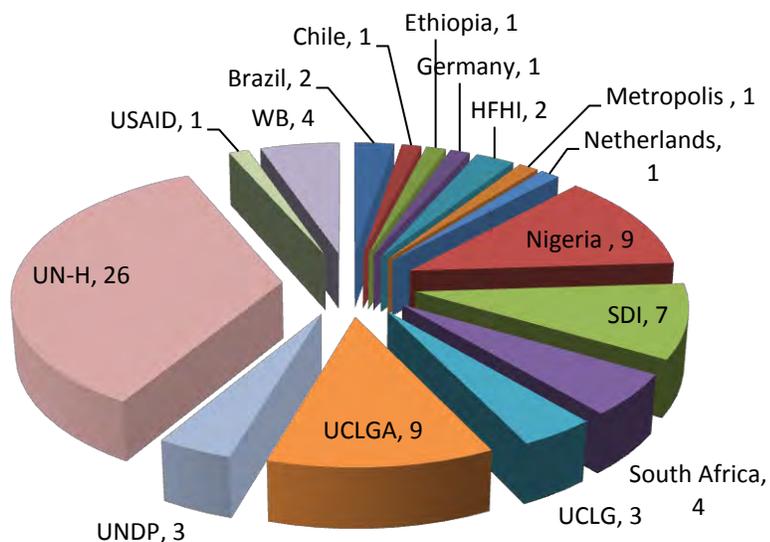
Potential synergies

- ✓ Support current activities aiming at introducing action planning led by WBI on Climate Change, Disaster Risk and the urban poor as well as activities under the current JWP Cities and Climate Change;
- ✓ Strategic alignment with UNEP, GFDRR and other CA members' activities on disaster risk.

Appendix 1 – Catalytic Fund First Call – Statistics on the eligible batch of proposals (45)

Table 1. Member sponsorship across proposals – Eligible Batch (45) (multiple sponsors per proposal possible)

Country	N.	%	Total \$ Requested
Brazil	2	1.3	403,624
Chile	1	1.3	250,000
Ethiopia	1	1.3	250,000
Germany	1	1.3	250,000
HFHI	2	2.7	490,000
Metropolis	1	1.3	245,000
Netherlands	1	1.3	250,000
Nigeria	9	12.0	1,875,000
SDI	7	9.3	1,480,018
South Africa	4	5.3	744,741
UCLG	3	4.0	734,200
UCLGA	9	12.0	1,875,000
UNDP	3	4.0	566,000
UN-H	26	34.7	5,272,402
USAID	1	1.3	250,000
WB	4	5.3	1,178,000
TOTAL	75	100	16,113,985



Member Distribution - Eligible Batch (45)

[no. of proposal CA members are listed as sponsors - multiple sponsors possible]

Table 2. Proposals regional distribution - Eligible Batch (45)

Region	N.	%
LAC	9	20
ECA	1	2.2
SSA	27	60
SAR	3	6.7
EAP	2	4.4
Global	3	6.7
TOTAL	45	100

Regional Distribution - Eligible Batch (45)

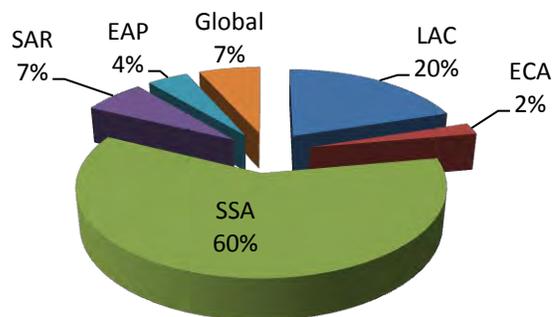
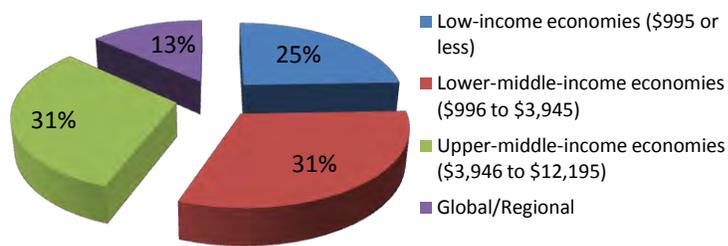


Table 3. Proposals divided by Country Groups – Eligible Batch (45)

Country Groups	N.	%
Low-income economies (\$995 or less)	11	28
Lower-middle-income economies (\$996 to \$3,945)	14	36
Upper-middle-income economies (\$3,946 to \$12,195)	14	36
Global/regional	6	13
TOTAL	45	100

Country Groups - Eligible Batch (45)



Consultative Group Meeting
Maputo, Mozambique
8 November 2011

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**Cities Alliance
Consultative Group Meeting
8 November 2011
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 - Rotating Members:
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 - The Manager of the Cities Alliance Secretariat

3. The Chairperson of the EXCO may invite the Chairperson of the PAF to participate in the discussions of the EXCO as an Observer.

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**Cities Alliance 2011 Annual Meetings
Weekly Overview, 6 - 10 November 2011
Maputo, MOZAMBIQUE**

SUNDAY, 6 NOVEMBER 2011		
18h00 – 20h30	Executive Committee Meeting	<i>Venue: Hotel Avenida, Room to be confirmed</i>
	Executive Committee Group Dinner	<i>Venue: TBC</i>
MONDAY, 7 NOVEMBER 2011		
8h00 – 17h30	*Policy Advisory Forum	<i>(Buses will depart from Hotel Avenida and Hotel Cardoso)</i>
8h00 – 9h00	Arrival and Registration of participants	<i>Venue: Joaquim Chissano Conference Center Room to be confirmed</i>
8h30 – 9h00	Meeting VIP – Representative of the Central Government and CA	
9h05 – 10h00	Opening Event	
	<ol style="list-style-type: none"> 1. Welcome by Master of Ceremonies 2. Cultural activity 3. Opening Speeches CM / CA / Central Government 4. Cultural activity 	
10h00 – 17h00	Forum activities – Financing African Cities	
17h30	Forum Closing	
20h00	Cocktail Reception for CG Members and Invited Guests	<i>Venue: Hotel Cardoso Room to be confirmed</i>
TUESDAY, 8 NOVEMBER 2011		
08h00 – 18h00	*Consultative Group Meeting	<i>(Buses will depart from Hotel Avenida and Hotel Cardoso)</i> <i>Venue: Joaquim Chissano Conference Center Room to be confirmed</i>
WEDNESDAY, 9 NOVEMBER 2011		
8h00 – 9h30	Maputo City Celebrations: Launch Project Chamanculo C	<i>(Buses will depart from Hotel Avenida and Hotel Cardoso)</i> <i>Venue: Chamanculo C Neighborhood</i>
	Cultural Presentation	
	Opening with Ribbon Cutting and Photos	
	Welcome Speech, TBC	
	Speeches by: <ol style="list-style-type: none"> 1.) Government of Italy 2.) Government of Brazil 3.) William Cobbett, Cities Alliance Manager 4.) His Worship, David Simango, Mayor of Maputo 	

As of 1 November 2011

10h00 – 12h00	Site Visits	<i>Venue: Locations to be confirmed</i>
12h00 – 14h00	Lunch	
14h00 – 18h00	*Mozambique Country Programme Discussion Session	<i>(Buses will depart from Hotel Avenida and Hotel Cardoso)</i>
	1. Overview of Country Programme 2. Mozambique Mission Report Back 3. Strategic Options for Open Discussion	Venue: Joaquim Chissano Conference Center <i>Room to be confirmed</i>
19h00	Maputo City celebrations: Gala dinner	<i>Venue: Location to be confirmed</i>
22h00	Maputo City Celebrations: Show in front of the CMM	Venue: In front of CMM
THURSDAY, 10 NOVEMBER 2011		
09h00 – 18h00	Maputo City Celebrations As invited by His Worship, David Simango, Mayor of Maputo	<i>(Buses will depart from Hotel Avenida and Hotel Cardoso)</i> Venue: Joaquim Chissano Conference Center <i>Room to be confirmed</i>

Meeting Venues:

6 November 2011: *Executive Committee Meeting

Venue: Hotel Avenida, Avenida Julis Nyerere, 627, Maputo, 3236, Tel: 258-21-484-400

7-9 November: *Policy Advisory Forum, *Consultative Group Meeting, *Mozambique Country Partnership Programme Discussion

Venue: Joaquim Chissano Conference Center, Av. Marginal nr 4441, Tel: +258 21 48 63 95/7

7 November 2011: Cocktail Reception

Venue: Hotel Cardoso, Avenida dos Mártires de Mueda, Maputo, Tel: 258 - 2149 1071

Round trip transportation will be arranged from hotels to the Joaquim Chissano Conference Center

*** French and Portuguese Interpretation**



PORTFOLIO STATISTICAL SUMMARY

FISCAL YEARS 2000-2011

October 2011

Table of Contents

REPORT HIGHLIGHTS	5
1. INTRODUCTION	6
2. PORTFOLIO OVERVIEW	7
3. GEOGRAPHICAL DISTRIBUTION OF PROJECTS	10
4. GEOGRAPHICAL SCOPE OF PROJECTS	13
5. DISTRIBUTION OF COUNTRY-SPECIFIC PROJECTS BY COUNTRY INCOME GROUP	14
6. ALLOCATIONS OF GRANT AMOUNT BY COUNTRY INCOME GROUP	15
7. FUNDING SOURCES	16
8. GRANT SIZE FOR COUNTRY-SPECIFIC PROJECTS	17
9. PROJECT SPONSORSHIPS	18
10. GRANT RECIPIENTS FOR COUNTRY-SPECIFIC PROJECTS	21
11. PROJECT IMPLEMENTING PARTNERS FOR COUNTRY-SPECIFIC PROJECTS	23

List of Tables and Figures

A. Tables

- Table 1 Approved Country-Specific and Regional/Global Projects and Grant Amount
- Table 2 Net Approved Country-Specific and Regional/Global Projects and Grant Amount
- Table 3 List of Countries
- Table 4 Number of Country-Specific Projects with One or More Than One Project Sponsorship
- Table 5 Project Sponsorship for Country-Specific Projects by Country Income Group

B. Figures

- Figure 1 Portfolio Growth (Fiscal Years 2000 – 2011)
- Figure 2 Grant Funding (Fiscal Years 2000 – 2011)
- Figure 3 Overall Geographical Distribution of Projects (Fiscal Years 2000 – 2011)
- Figure 4 Geographical Distribution of Approved Projects in Fiscal Years 2009, 2010 and 2011
- Figure 5 Geographical Scope of Projects (Fiscal Years 2000 – 2011)
- Figure 6 Geographical Scope of Projects in Fiscal Years 2009, 2010 and 2011
- Figure 7 Overall Distribution of Projects by Country Income Group (Fiscal Years 2000 – 2011)
- Figure 8 Distribution of Projects by Country Income Group in Fiscal Years 2009, 2010 and 2011
- Figure 9 Overall Allocation of Grant Amount by Income Country Group (Fiscal Years 2000 – 2011)
- Figure 10 Allocation of Grant Amount by Income Country Group in Fiscal Years 2009, 2010 and 2011
- Figure 11 Ratio of Core and Non-Core Net Funding Allocations for Country-Specific and Regional/Global Projects
- Figure 12 Projects by Grant Size (Fiscal Years 2000 – 2011)
- Figure 13 Projects by Grant Size in Fiscal Years 2009, 2010 and 2011
- Figure 14 Total Project Sponsorship for Country-Specific Projects (Fiscal Years 2000 – 2011)
- Figure 15 Total Number of Country-Specific Projects with One or More Than One Project Sponsorship
- Figure 16 Number of Grant Recipients for Country-Specific Projects (Fiscal Years 2000 – 2011)
- Figure 17 Number of Grant Recipients for Country-Specific Projects in Fiscal Years 2009, 2010 and 2011
- Figure 18 Grant Recipients for Country-Specific Projects (Grant Amount for Fiscal Years 2000 – 2011)
- Figure 19 Member and Non-Member Grant Recipients for Country-Specific Projects
- Figure 20 Project Implementing Partners for Country-Specific Projects (Fiscal Years 2000 – 2011)

Figure 21 Project Implementing Partners for Country-Specific Projects for Fiscal Years 2009, 2010 and 2011

REPORT HIGHLIGHTS

- The project portfolio of the Cities Alliance has grown continuously by an average of about 23 new projects per year; however, there have been significant variations from year to year.
- Within the accumulated portfolio of 288 approved projects, 221 were classified as country-specific projects, covering 74 countries in six regions. Of those six regions, Africa received the largest number of projects (30 per cent). Just over one-third of projects targeted a single city; the remaining nearly two-thirds targeted the country/national level, multi cities, state, global or regional scope.
- Almost half of country-specific projects targeted the Low Income Countries income group: Least Developed Countries (28 per cent) and Other Low Income Countries (22 per cent). Overall, however, total grant disbursements to Middle Income Countries were higher.
- Overall approved grant amounts exceeded US\$73 million for country-specific projects and US\$13 million for regional/global projects. The Cities Alliance Core Fund was by far the largest source of project funding. Large grants (over US\$250,000) were the most frequent with 35 per cent, followed by medium grants (US\$75,000 to US\$250,000) with 34 per cent and small grants (US\$75,000 or less) with 31 per cent.
- Over 70 per cent of country-specific projects were sponsored by more than one Cities Alliance member. Twelve members sponsored more than ten projects, with The World Bank and UN-HABITAT by far the most prominent, with 166 and 88 projects, respectively.
- More projects were sponsored in Lower Middle Income Countries and Territories income group than in any other income groups.
- More than half of all grant agreements were managed by development and international/regional organisations (development co-operations, multi- and bi-lateral organisations). The share of non-members as grant recipients decreased to 19 per cent in fiscal year 2011.
- Overall, there has been a great variety in the types of partners involved in implementing projects.

1. INTRODUCTION

The portfolio review provides a statistical summary overview of Cities Alliance funding activities from fiscal years 2000 – 2011, focusing specifically on country-specific¹ activities and selected data from regional/global² activities under the old grant facility rules, which closed on 31 March 2010. The summary should be viewed as a snapshot of portfolio trends over the last 12 years³ of Alliance funding activities.

The review will present statistical summary analysis in the following areas: (1) Portfolio growth; (2) Number of projects and grant amounts; (3) Geographical distribution and scope of projects; (4) Distribution of projects by country income group; (5) Funding allocations; (6) Project sponsorships; and (7) Project partners.

In this portfolio review, the number of projects has been adjusted to exclude projects with the following categories: (1) projects approved but cancelled during project preparation⁴; and (2) projects with funding activities related to programmatic allocations (see Nos. 4 and 5 below). The grant amount approved has also been adjusted to account for grant amount increases and decreases where applicable.

The following parameters were used in compiling the data analysis:

1. For projects currently **under implementation** (active projects), the total grant amount specified in the signed grant agreement was used.
2. For projects in which the grant agreements are underway or not yet initiated (under project **preparation**), information captured in the approved project proposals was used.
3. For projects that were either **cancelled during project implementation** or **closed**⁵ after being fully implemented, the actual grant amount disbursed was used.
4. Projects that were **cancelled during project preparation** were **not included** in the calculation as no grant agreement had been issued and no disbursements made.
5. Funding related to the following activities was **not included** as they are **programmatic allocations** that would distort the overall statistical analysis in this report:
 - a. Community-Led Infrastructure Finance Facility (CLIFF) activities
 - b. Slum Upgrading Facility (SUF)

¹ These activities are primarily focused on achieving results through country-specific activities. Project proposals typically originate from local authorities, but in all cases must be approved by the government of the recipient country, be sponsored by at least one member of the Cities Alliance, and have established channels to meet investment requirements.

² These activities are designed to raise awareness, increase learning and disseminate good practices. They include establishing knowledge-sharing networks and databases for city development strategies, scaling-up urban upgrading programmes, mainstreaming indicators as well as developing guidelines and other tools that advance collective know-how.

³ Fiscal years 2000 – 2011.

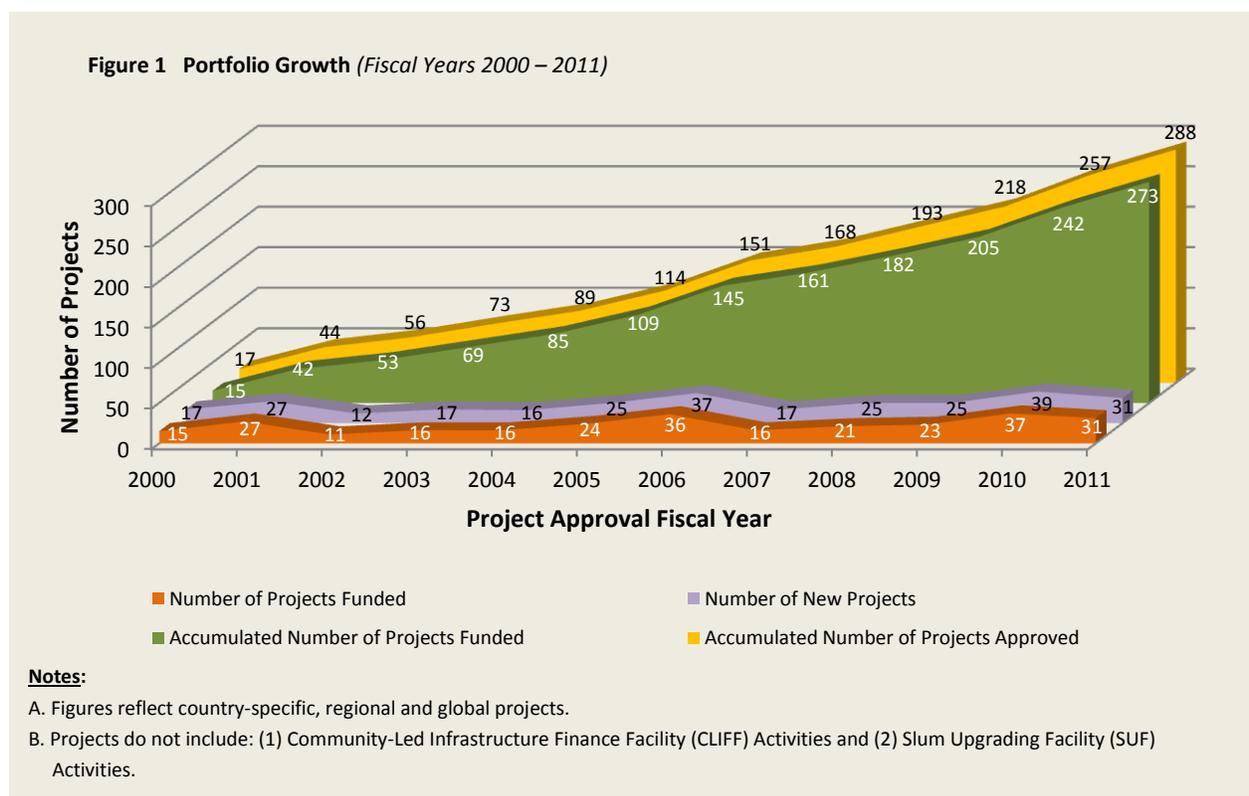
⁴ Projects that were cancelled during project preparation were not included in the calculation as the grant agreement had never been issued and no disbursements had been made.

⁵ Projects implemented and activities completed.

The data used⁶ for the analysis was sourced from the Cities Alliance Secretariat project and proposal databases. Please note that these databases are still under development. Some definitions and classifications of projects have changed over time, which may affect aggregated numbers. As the databases draw on several sources, further verification is currently being undertaken, particularly for projects that are considered to have a regional/global focus.

2. PORTFOLIO OVERVIEW

At the end of fiscal year 2011 (30 June 2011), a total of 288 projects—both the country-specific and regional/global project type—had been approved to receive grant funding. Out of the 288 projects, 15 projects were cancelled during project preparation, resulting in a total of 273 projects (Figure 1). Of the 273 projects, 221 were classified as country-specific projects and 52 as regional/global projects. These projects covered 74 countries in six regions⁷. Further detailed data on country-specific and regional/global projects as well as geographical distributions of the projects will be presented in subsequent sections of this report.



⁶ The data used for this report is available upon request to Cities Alliance Secretariat.

⁷ For country-specific projects, the following regional categories were used: (1) Africa; (2) East Asia Pacific; (3) Europe and Central Asia; (4) Latin America and the Caribbean; (5) Middle East and North Africa; and (6) South Asia.

Figure 2 illustrates the total amount of grant funding per fiscal year. A comparison of approved⁸ grant funding and net⁹ approved grant funding shows that both types of funding remained relatively equal for fiscal years 2000 – 2011. The significant peaks in fiscal years 2001 and 2006 are due to individual slum upgrading projects in Brazil that received more than US\$5 million in funding allocations in each of those years. In fiscal year 2010, more than US\$4 million in funding allocations were approved for the Land, Services and Citizenship (LSC) for the Urban Poor projects in Uganda.

Figure 2 Grant Funding (Fiscal Years 2000 – 2011)



Notes:

- A. Figures reflect country-specific, regional and global projects.
- B. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.

The number of projects and the grant amount for country-specific projects and regional/global projects varied from year to year, as presented in Table 1. Table 2 depicts data on the number of funded projects¹⁰ and the net grant amount approved per fiscal year. As of 30 June 2011, the data shows 15 projects were cancelled during project preparation. Moreover, the data shows the difference between approved and net approved grant amount of US\$ 5,200,328 (an average of US\$ 433,361 per fiscal year).

⁸ Approved grant funding figures are based on approved funds (project proposal approval and grant agreement) and do not reflect the actual disbursements.

⁹ Net approved grant funding figures are based on the actual disbursements.

¹⁰ Include projects under implementation, project canceled during project implementation and closed projects (as of 30 June 2011).

Table 1 Approved Country-Specific and Regional/Global Projects and Grant Amount (Fiscal Years 2000 – 2011)

Fiscal Year	Country-Specific		Regional/Global		Total	
	Number of Projects	Amount Approved (US\$)	Number of Projects	Amount Approved (US\$)	Total Number of Projects	Total Amount Approved (US\$)
2000	11	\$1,623,000	6	\$565,000	17	\$2,188,000
2001	22	\$10,204,800	5	\$1,848,500	27	\$12,053,300
2002	11	\$3,471,850	1	\$500,000	12	\$3,971,850
2003	16	\$3,779,753	1	\$13,195	17	\$3,792,948
2004	15	\$3,977,365	1	\$200,000	16	\$4,177,365
2005	18	\$5,236,017	7	\$2,033,600	25	\$7,269,617
2006	33	\$17,975,562	4	\$1,202,000	37	\$19,177,562
2007	17	\$2,643,625			17	\$2,643,625
2008	23	\$5,034,450	2	\$250,000	25	\$5,284,450
2009	16	\$3,570,309	9	\$2,063,050	25	\$5,633,359
2010	29	\$10,353,001	10	\$3,169,000	39	\$13,522,001
2011	24	\$5,632,183	7	\$1,589,639	31	\$7,221,822
Total	235	\$73,501,915	53	\$13,433,984	288	\$86,935,899

Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
 B. These calculations include projects that were cancelled during preparation or implementation.

Table 2 Net Approved Country-Specific and Regional/Global Projects and Grant Amount (Fiscal Years 2000 – 2011)

Fiscal Year	Country-Specific		Regional/Global		Total Number of Projects	
	Number of Projects	Net Amount Approved (US\$)	Number of Projects	Net Amount Approved (US\$)	Total Number of Projects	Total Net Amount Approved (US\$)
2000	9	\$1,281,255	6	\$506,320	15	\$1,787,575
2001	22	\$10,351,766	5	\$1,748,730	27	\$12,100,496
2002	10	\$2,715,467	1	\$364,197	11	\$3,079,664
2003	15	\$3,528,306	1	\$6,063	16	\$3,534,369
2004	15	\$3,213,394	1	\$200,000	16	\$3,413,394
2005	17	\$4,030,460	7	\$2,197,927	24	\$6,228,387
2006	32	\$18,061,920	4	\$1,320,624	36	\$19,382,544
2007	16	\$2,214,567			16	\$2,214,567
2008	19	\$4,036,517	2	\$194,555	21	\$4,231,072
2009	15	\$3,470,881	8	\$1,982,471	23	\$5,453,352
2010	27	\$10,039,714	10	\$3,118,906	37	\$13,158,620
2011	24	\$5,561,892	7	\$1,589,639	31	\$7,151,531
Total	221	\$68,506,139	52	\$13,229,432	273	\$81,735,571

Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
 B. For projects currently under implementation (active projects), the grant amount approved per project proposal approval or total amount specified in the grant agreement was used.
 C. Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.
 D. The data in Table 2 reflects the actual disbursements for projects that were cancelled during implementation and closed projects.

3. GEOGRAPHICAL DISTRIBUTION OF PROJECTS

The geographical distribution of projects is illustrated in Figure 3. As of 30 June 2011, the Africa region had the largest number of projects¹¹ (30 per cent), followed by Latin America and the Caribbean (17 per cent), East Asia and the Pacific (16 per cent), South Asia (11 per cent), Middle East and North Africa (9 per cent) and Europe and Central Asia (5 per cent). Projects with a global focus accounted for 12 per cent of the total projects.

In comparison with the overall geographical distribution, Figure 4 illustrates the geographical distribution for projects in fiscal years 2009, 2010 and 2011. This chart demonstrates similar trends over these three fiscal years. The Africa region had a higher ratio of regional distributions in comparison with other regions. The Africa region also led in the number of projects with 22 per cent, 35 per cent and 45 per cent for the respective fiscal years.

A complete list of all the countries (74 countries) for country-specific projects is featured in Table 3. The countries¹² in each region with the largest numbers of country-specific projects are outlined below:

1. **Africa region.** 73 projects were approved in 26 countries. The country with the largest number of projects is **South Africa**, with 11.
2. **Latin America and the Caribbean region.** 40 projects in 11 countries. The country with the largest number of projects is **Brazil**, with 23.
3. **East Asia and Pacific region.** 39 projects were approved in 11 countries. The country with the largest number of projects is the **Philippines**, with 10.
4. **South Asia region.** 31 projects in 6 countries. The country with the largest number of approved projects is **India**, with 22.
5. **Middle East and North Africa region.** 24 projects in 9 countries. The country with the largest number of approved projects is **Egypt** with 5.
6. **Europe and Central Asia region.** 13 projects were approved in 10 countries. The country with the largest number of approved projects is the **Russian Federation**, with 3.

¹¹ Projects include country-specific projects and projects with a regional focus.

¹² For country-specific projects with multiple countries, the countries were calculated separately in this review.

Figure 3 Overall Geographical Distribution of Projects (Fiscal Years 2000 – 2011)

Total of 273 projects as of 30 June 2011

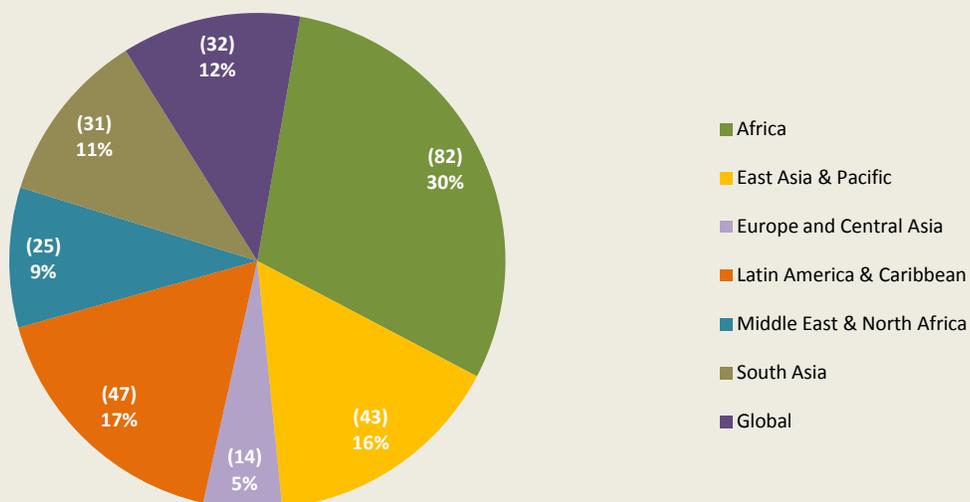


Figure 4 Geographical Distribution of Projects in Fiscal Years 2009, 2010 and 2011



Notes:

- A. Figures reflect country-specific projects, regional and global projects.
- B. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
- C. Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.

Table 3 List of Countries Fiscal Years 2000 – 2011

Rank	Country	Number of Projects	Rank	Country	Number of Projects	Rank	Country	Number of Projects
1	Brazil	23	26	Bangladesh	2	51	Central African Republic	1
2	India	22	27	Bulgaria	2	52	Costa Rica	1
3	South Africa*	11	28	Burkina Faso	2	53	Cote d'Ivoire	1
4	Philippines	10	29	Cambodia	2	54	Fiji	1
5	Mozambique	9	30	Ecuador*	2	55	Georgia	1
6	Ethiopia*	7	31	El Salvador	2	56	Guatemala	1
7	Vietnam	7	32	Iran	2	57	Haiti*	1
8	China	6	33	Jamaica	2	58	Kiribati	1
9	Indonesia	6	34	Jordan	2	59	Latvia	1
10	Uganda*	6	35	Madagascar	2	60	Lebanon	1
11	Egypt	5	36	Mexico	2	61	Liberia	1
12	Ghana	5	37	Namibia	2	62	Mali	1
13	Swaziland	4	38	Nepal	2	63	Mauritania	1
14	Syrian Arab Republic	4	39	Papua New Guinea*	2	64	Moldova	1
15	Tanzania	4	40	Rwanda	2	65	Niger	1
16	Yemen	4	41	Samoa*	2	66	Peru	1
17	Chile	3	42	Senegal	2	67	Sierra Leone	1
18	Colombia	3	43	West Bank and Gaza	2	68	Sri Lanka	1
19	Kenya	3	44	Albania	1	69	Tajikistan	1
20	Malawi	3	45	Argentina	1	70	Timor-Leste (East Timor)	1
21	Mongolia	3	46	Azerbaijan	1	71	Togo	1
22	Morocco	3	47	Benin	1	72	Tunisia	1
23	Nigeria	3	48	Bhutan	1	73	Ukraine	1
24	Pakistan	3	49	Bosnia-Herzegovina	1	74	Zambia	1
25	Russian Federation	3	50	Cameroon	1			

* In some cases, projects comprised multiple countries. For the purpose of this review, in those cases each country is considered separately.

Notes:

A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.

B. Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.

4. GEOGRAPHICAL SCOPE OF PROJECTS

The overall geographical scope¹³ of projects is shown in Figure 5. At the end of fiscal year 2011, 34 per cent of projects targeted a single city, 26 per cent the country/national level, 20 per cent multi cities and 1 per cent the state level. Additionally, 11 per cent of projects had a global scope and 8 per cent targeted the regional level. In comparison, Figure 6 illustrates the geographical scope for projects approved in fiscal years 2009, 2010 and 2011. The figure shows the country/national level increased gradually whereas a single city scope and multi cities remained relatively the same over the last three fiscal years.

Figure 5 Geographical Scope of Projects - Total of 273 projects as of 30 June 2011

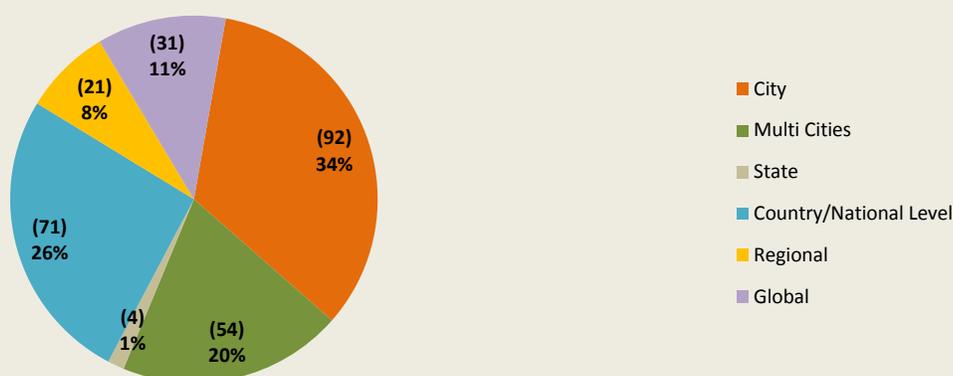
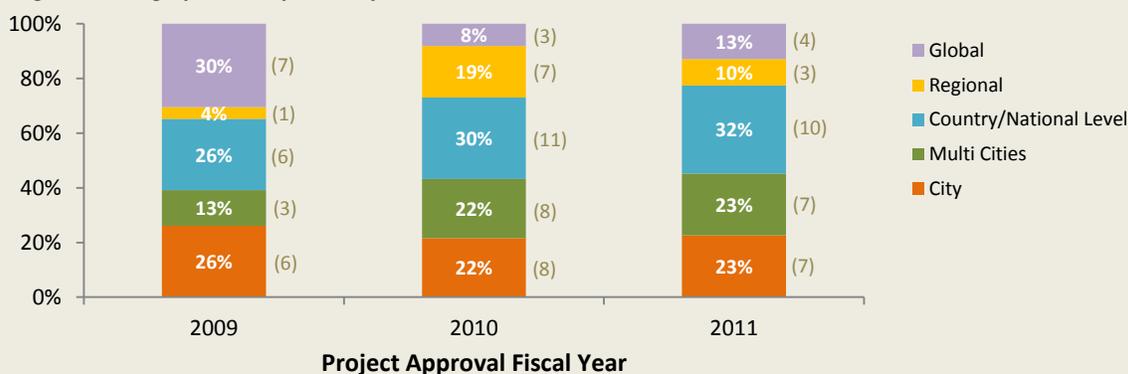


Figure 6 Geographical Scope of Projects in Fiscal Years 2009, 2010 and 2011



Notes:

- Figures reflect both country-specific projects and regional-global projects.
- Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
- Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.
- Projects in metropolitan areas were considered as 'Multi Cities'.

¹³ The geographical scope targeted by the project: (1) City; (2) Multi cities; (3) State; (4) Country/national level; (5) Regional; and (6) Global.

5. DISTRIBUTION OF COUNTRY-SPECIFIC PROJECTS BY COUNTRY INCOME GROUP

The overall distribution of country-specific projects by the Development Assistance Committee (DAC) list of Official Development Assistance (ODA)¹⁴ recipients for fiscal years 2000 – 2011 is illustrated in Figure 7. Lower Middle Income Countries and Territories had the highest percentage of group distributions (total of 34 per cent), whereas Least Developed Countries and Other Low Income Countries had group distributions of 28 per cent and 22 per cent respectively. The trend for combined distribution for the last three fiscal years remained the same as in the overall (Figure 8); the Lower Middle Income Countries and Territories showed the highest percentage of group distributions.

Figure 7 Overall Distribution of Projects by Country Income Group (Fiscal Years 2000 – 2011)

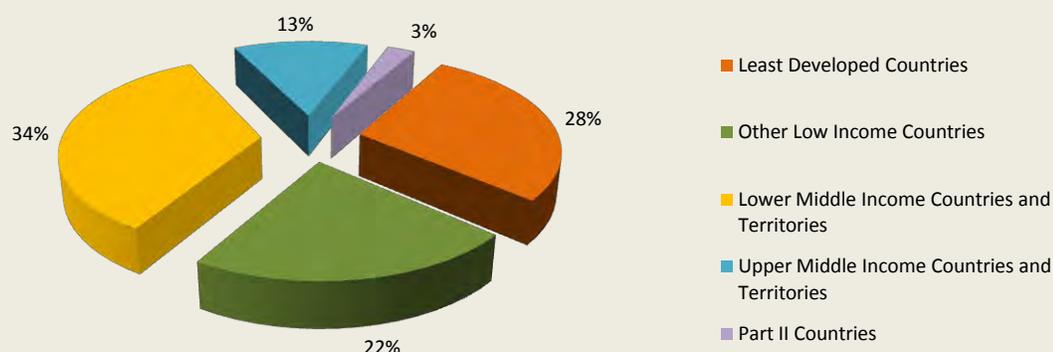
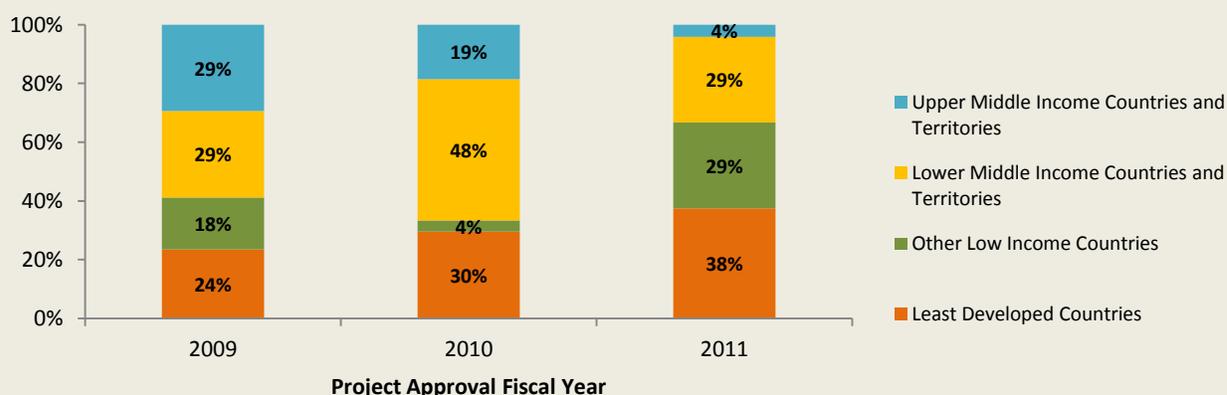


Figure 8 Distribution of Projects by Country Income Group in Fiscal Years 2009, 2010 and 2011



Notes:

- Classification of Cities Alliance projects has been based on the most current list available at the time of project approval.
- Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional/Global Projects.
- Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.
- For country-specific projects with multiple countries, the countries were calculated separately in this review.

¹⁴ Classification of Cities Alliance projects has been based on the most current DAC List of Aid Recipients available at the time of project approval. The DAC List of Aid Recipients is available at: <http://www.oecd.org/dac/stats/daclist>.

6. ALLOCATIONS OF GRANT AMOUNT BY COUNTRY INCOME GROUP

The overall allocation of grants for country-specific projects by the DAC list classifications in fiscal years 2001 to 2011 is illustrated in Figure 9. Figure 10 illustrates allocation of grants for country-specific projects for fiscal years 2009 – 2011. Overall, the Upper Middle Income Countries and Territories received the highest grant allocation (total of 32 per cent), resulting from more than US\$17 million in total grant allocations for Brazil. The following income groups received these grant allocations: 28 per cent for Lower Middle Income Countries and Territories, 23 per cent for Least Developed Countries, 15 per cent for Other Low Income Countries and 2 per cent for Part II Countries.

Figure 9 Overall Allocation of Grant Amount by Country Income Groups (Fiscal Years 2000 – 2011)

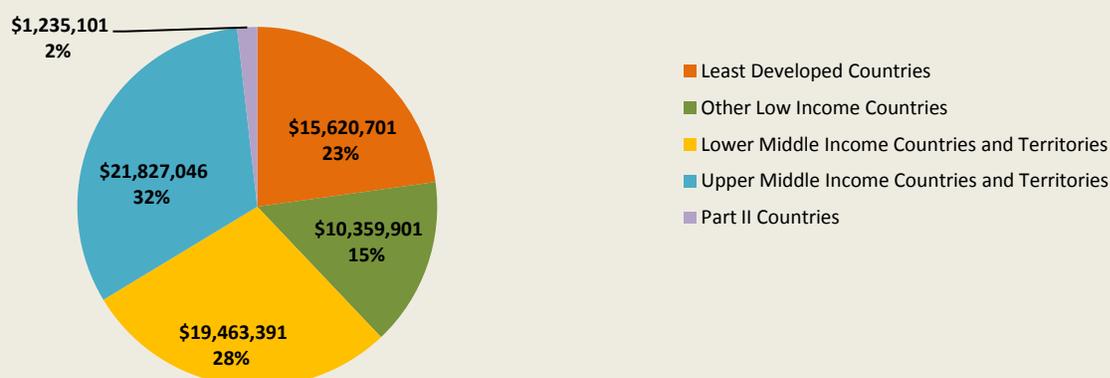
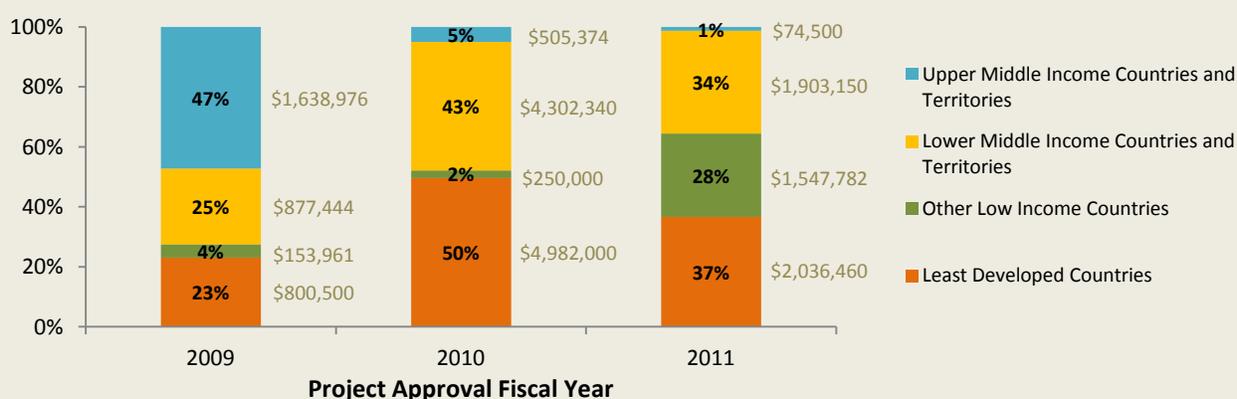


Figure 10 Allocation of Grant Amount by Country Income Groups in Fiscal Years 2009, 2010 and 2011



Notes:

- Classification of Cities Alliance projects has been based on the most current list available at the time of project approval.
- Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional- Global Projects.
- For projects currently under implementation, the grant amount approved per project proposal approval or total amount specified in the grant agreements was used.
- Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.
- Data presented for projects cancelled during project implementation and closed projects that were fully implemented reflect the actual disbursement.
- For country-specific projects with multiple countries, the countries were calculated separately in this review.

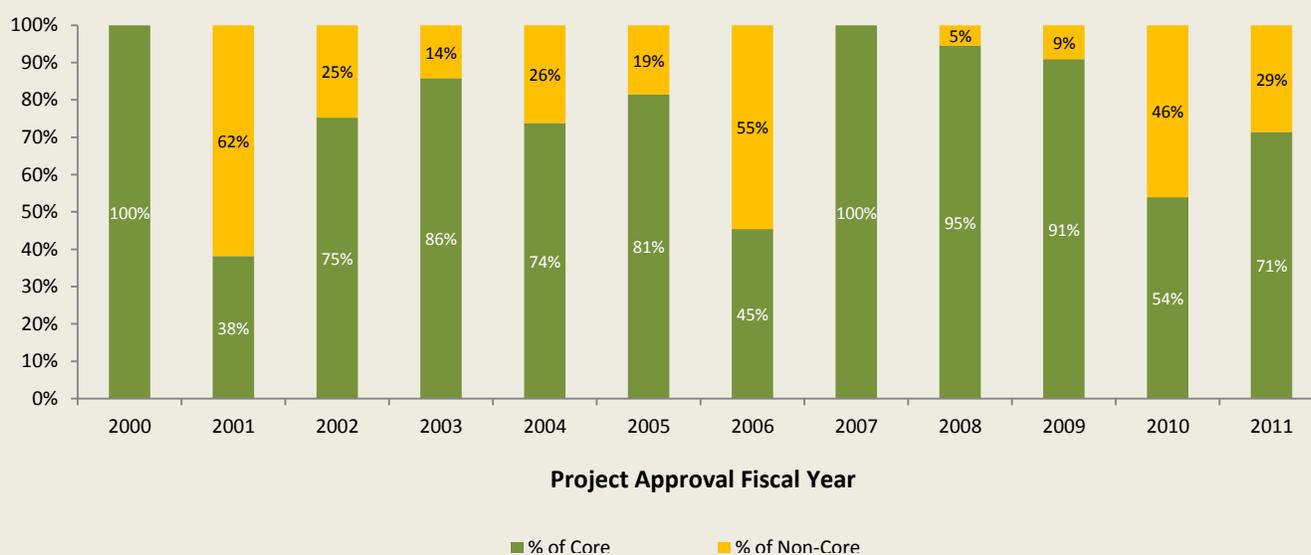
The grant allocations show different trend in the last three fiscal years (Fiscal year 2009 – 2011). The figures show grant allocations for two income groups—Least Developed Countries and Lower Middle Income Countries and Territories—received the highest allocations in fiscal years 2010 and 2011, while the Upper Middle Income Countries and Territories allocations decreased from 47 per cent in 2009 to 1 per cent in 2011 (Figure 10).

7. FUNDING SOURCES

The Cities Alliance has a two-tier financial structure: (1) Core Fund and (2) Non-Core Fund. The Core Fund is not subject to any donor restrictions whereas the Non-Core Fund is subject to donor restrictions relating to theme, activity or region. Figure 11 illustrates the Core Fund and Non-Core Fund allocations for projects funded in fiscal years 2000 – 2011.

With the exception of fiscal years 2001 and 2006, most of the funded projects were allocated from the Core Fund. The higher percentages of Non-Core Fund allocations in fiscal years 2001 and 2006 are due to individual slum upgrading projects in Brazil that received more than US\$5 million in Non-Core Fund allocations in each of those years. Additionally, non-core funding source in fiscal year 2010 increased dramatically as a result of more than US\$4 million in funding allocation approved for Land, Services and Citizenship for the Urban Poor projects in Uganda.

Figure 11 Ratio of Core and Non-Core Net Funding Allocations for Country-Specific and Regional/Global Projects
Percent of Total Allocations in US\$ per Fiscal Year



Notes:

- Figures reflect both country-specific projects and regional and global projects.
- Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
- For projects currently under implementation (active projects), the grant amount approved per project proposal approval or total amount specified in the grant agreements was used.
- Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.
- Data presented for projects cancelled during project implementation and closed projects that were fully implemented reflect the actual disbursement.

8. GRANT SIZE FOR COUNTRY-SPECIFIC PROJECTS

The overall distribution of country-specific projects by grant size for fiscal years 2000 – 2011 is illustrated in Figure 12. Figure 13 illustrates the distribution of country-specific projects by grant size for fiscal years 2009, 2010 and 2011. The data presented has been adjusted to account for grant amount increases and decreases and the grant sizes re-categorised where applicable.

Overall, the figure shows adequately balanced distributions among the grant sizes (Figure 12). The small grant (US\$75,000 or less) accounted for 31 per cent, medium grant (US\$75,000 to US\$250,000) for 34 per cent, and large grant (over US\$250,000) for 35 per cent. Similar trend is shown in the grant size distribution in the last three fiscal years (Figure 13), with small and large grant sizes having almost equal percentages but with some decrease in medium grant size in 2011.

Figure 12 Projects by Grant Size (Fiscal Years 2000 – 2011)

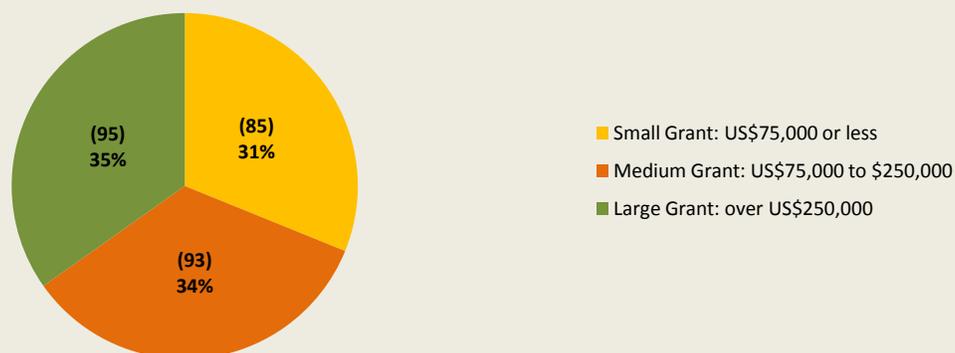


Figure 13 Projects by Grant Size in Fiscal Years 2009, 2010 and 2011



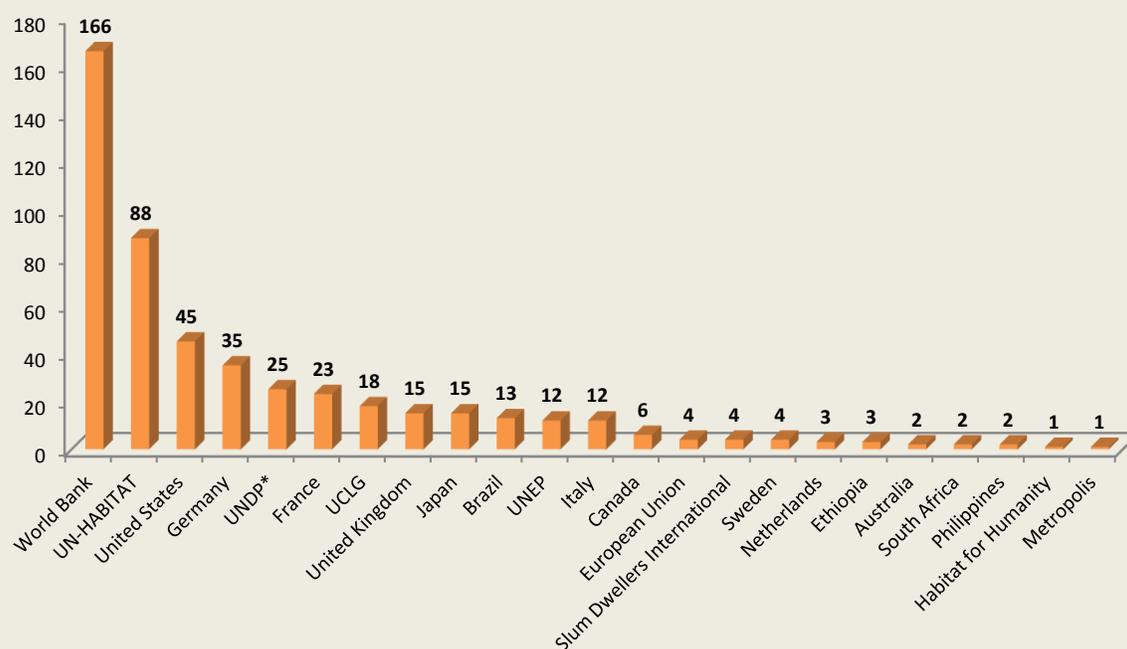
Notes:

- Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional- Global Projects.
- Projects cancelled during project preparation were not included in the calculation, as no grant agreement had been issued and no disbursements made.
- Data presented for projects cancelled during project implementation and closed projects that were fully implemented reflect the actual disbursement.

9. PROJECT SPONSORSHIPS

The total number of country-specific projects sponsored by Alliance members from fiscal years 2000 – 2011 is illustrated in Figure 14. As of 30 June 2011, the figures indicate that there are 23 members that sponsored country-specific projects. Of the 23 members, 12 sponsored ten or more projects, including UNDP as an associate member.

Figure 14 Total Project Sponsorship for Country-Specific Projects
Fiscal Years 2000 - 2011



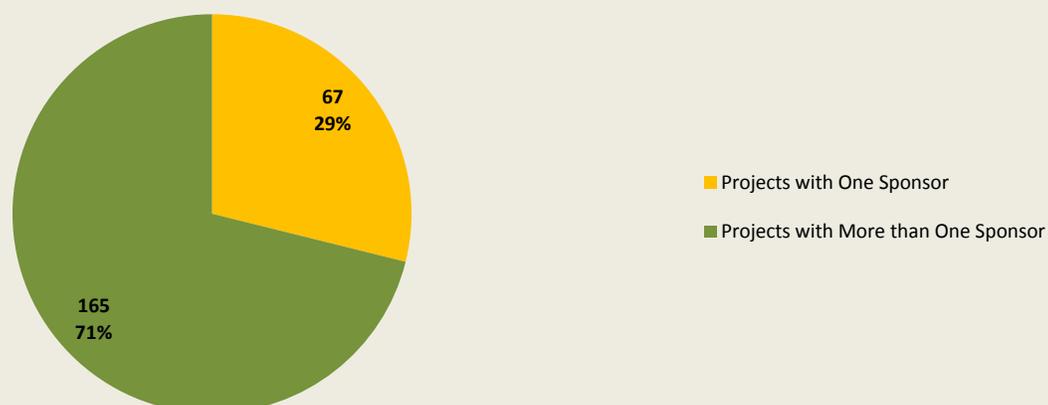
* Associate member

Notes:

- Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
- Projects cancelled during preparation or implementation were included in the calculation.

Figure 15 illustrated the total number of country-specific projects sponsored by more than one Cities Alliance member from fiscal years 2000 – 2011. Overall, 70 per cent of projects were sponsored by more than one member and 30 per cent of projects were sponsored by one member. Detailed data for each fiscal year is presented in Table 4.

Figure 15 Total Number of Country-Specific Projects with One or More Than One Project Sponsorship
Fiscal Years 2000 - 2011



Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
B. Projects cancelled during preparation or implementation were included in the calculation.

Table 4 Number of Country-Specific Projects with One or More Than One Project Sponsorship
Fiscal Years 2000 - 2011

Project Sponsorship	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Projects with One Sponsor	8	10	5	8	4	2	2	3	3	3	13	6	67
Projects with More than One Sponsor	3	13	6	8	11	16	31	14	20	13	13	17	165
Total	11	23	11	16	15	18	33	17	23	16	26	23	232

Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities and (2) Slum Upgrading Facility (SUF) Activities.
B. Projects cancelled during preparation were not included in the calculation.

The number of project sponsorships for country-specific projects by the Development Assistance Committee (DAC) list of recipients is presented in Table 5. On average, the Lower Middle Income Country and Territories received the highest portion of project sponsorships.

Table 5 Project Sponsorship for Country-Specific Projects by Country Income Group (Fiscal Years 2000 – 2011)

Cities Alliance Member	DAC List of ODA Recipients				Part II
	Least Developed Countries	Other Low Income Countries	Lower Middle Income Countries and Territories	Upper Middle Income Countries and Territories	
Australia	1	-	1	-	-
Brazil	2	-	3	8	-
Canada	1	-	5	-	-
Ethiopia	3	-	-	-	-
European Union	3	-	1	-	-
France	9	5	5	4	-
Germany	12	1	20	4	-
Habitat for Humanity	-	1	-	-	-
Italy	2	-	7	3	-
Japan	4	8	3	-	-
Metropolis	-	-	-	1	-
Netherlands	1	2	-	-	-
Philippines	-	-	2	-	-
Slum Dwellers International	3	-	1	-	-
South Africa	1	1	-	-	-
Sweden	-	3	1	-	-
UCLG	7	3	4	4	-
UNDP*	11	6	6	1	1
UNEP	5	1	4	2	-
UN-HABITAT	27	25	29	9	-
United Kingdom	3	8	5	1	-
United States	7	14	16	5	3
World Bank	41	39	63	21	5
Total	143	117	176	63	9

* Associate member

Notes:

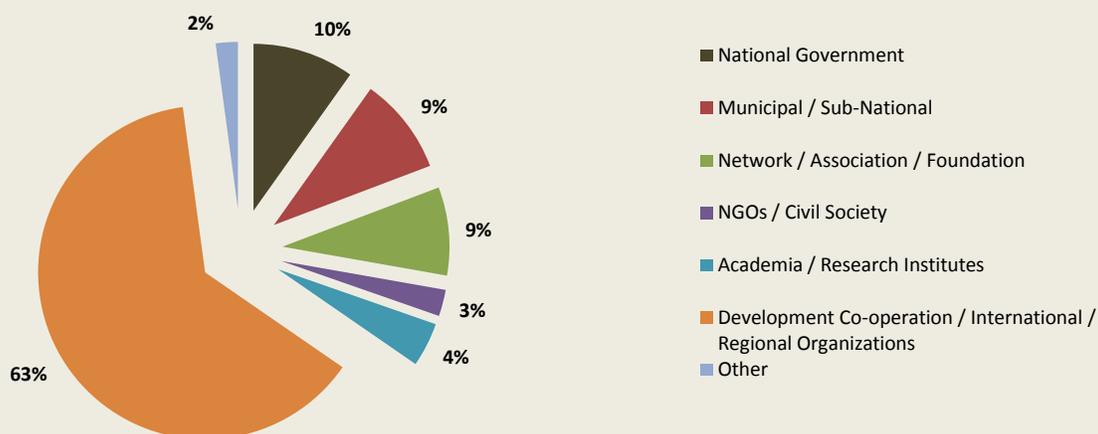
- A. Classification of Cities Alliance projects was based on the most current list available at the time of project approval.
- B. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional-Global Projects.
- C. Projects cancelled during preparation were not included in the calculation.
- D. For country-specific projects with multiple countries, the countries were calculated separately in this review.

10. GRANT RECIPIENTS FOR COUNTRY-SPECIFIC PROJECTS

The grant recipient is the organisation that receives the funding tranches/advances and is responsible for the funds allocated for the project and for reporting. The grant recipient may or may not be an implementing partner, and a project may have more than one grant recipient. Data on grant recipients in this report is based on signed grant agreements.

Figure 16 shows the total number of grant recipients from fiscal years 2000 – 2011 by organisation category. Overall, 63 per cent of grant agreements were signed by development and international/regional organisations (development co-operations, multi- and bi-lateral organisations). Grant recipients by the national government, municipal/sub-national and network/association/foundation categories have fairly balanced percentages.

Figure 16 Number of Grant Recipients for Country-Specific Projects (Fiscal Years 2000 – 2011)



Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional-Global Projects.
- B. Projects with the following conditions were not included in the calculation, as no grant agreements had been issued and no disbursements made: (1) Projects with grant agreements under preparation; and (2) Projects cancelled during preparation.

Figure 17 indicates the number of grant recipients by organisation category for fiscal years 2009, 2010 and 2011. The figures demonstrate similar patterns; in the last three fiscal years, the development and international/regional organisations (development co-operations, multi- and bi-lateral organisations) received the largest grant amounts (50 per cent, 38 per cent and 58 per cent, respectively), whereas the other categories show a fairly balanced distribution.

Figure 17 Number of Grant Recipients for Country-Specific Projects in Fiscal Years 2009, 2010 and 2011

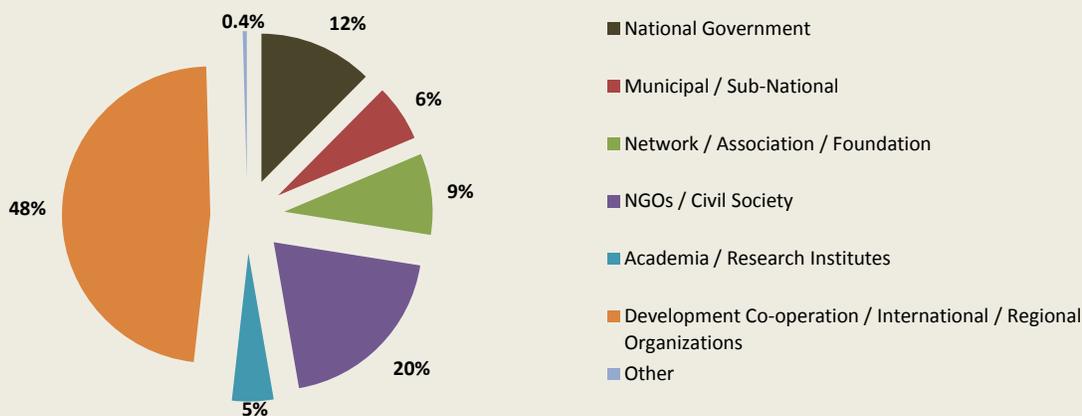


Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional-Global Projects.
- B. Projects with the following conditions were not included in the calculation, as no grant agreements had been issued and no disbursements made: (1) Projects with grant agreements under preparation; and (2) Projects cancelled during preparation.

Figure 18 illustrates the grant amount ratio received by grant recipient for fiscal years 2000 – 2011. The development and international/regional organisations (development co-operations, multi- and bi-lateral organisations) received the largest grant amounts (48 per cent). The non-governmental organisation (NGOs)/civil society received 20 per cent, and national government received 12 per cent. Three of the recipient categories have fairly balanced percentages: municipal/sub-national (6 per cent), networks/associations/foundations (9 per cent), and academia/research institutes (5 per cent).

Figure 18 Grant Recipients for Country-Specific Projects
Grant Amount for Fiscal Years 2000 - 2011

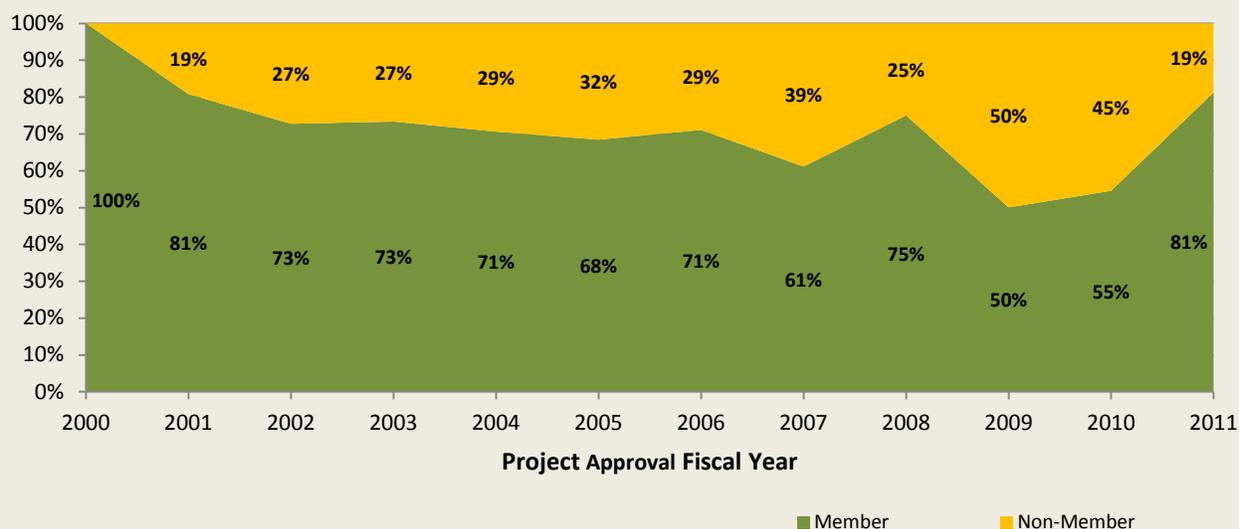


Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional-Global Projects.
- B. Projects with the following conditions were not included in the calculation, as no grant agreements had been issued and no disbursements made: (1) Projects with grant agreements under preparation; and (2) Projects cancelled during preparation.

Figure 19 depicts the ratio of grant recipients by member and non-member status. The grant agreements signed by members received the highest ratio over fiscal years 2000 – 2011 in comparison with the grant agreements signed by non-members.

Figure 19 Members and Non-Member Grant Recipients for Country Specific Projects (Fiscal Years 2000 – 2011)



Notes:

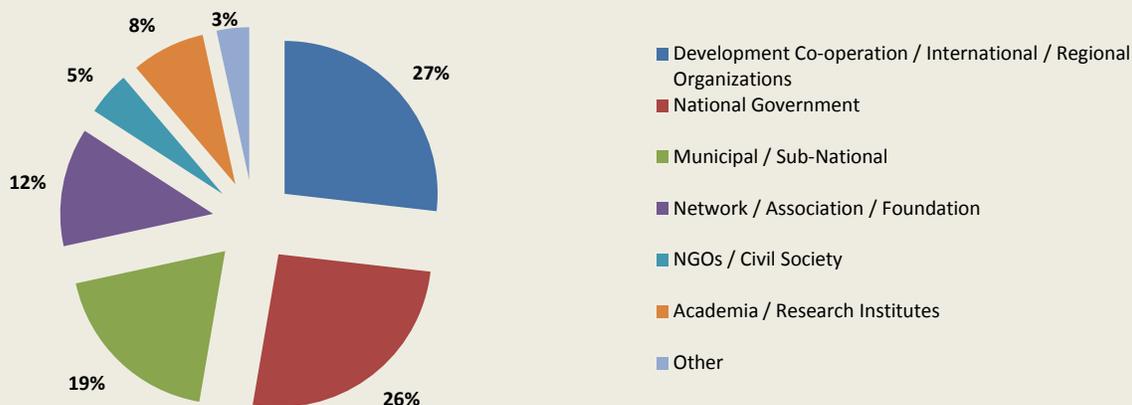
- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional-Global Projects.
- B. Projects with the following conditions were not included in the calculation, as no grant agreements had been issued and no disbursements made: (1) grant agreements under preparation and (2) cancelled during preparation.

11. PROJECT IMPLEMENTING PARTNERS FOR COUNTRY-SPECIFIC PROJECTS

Grant recipients, co-financing partners and other partners involved in the implementation of a project are considered to be project implementing partners. Data on implementing partners presented in this report is based on information captured in the approved proposals.

Figure 20 shows the total number of project implementing partners by organisation category over the last 11 fiscal years. The data show that the highest percentage of involvement in project implementation is shared almost equally between two categories: the development and international/regional organisations (development co-operations, multi- and bi-lateral organisations) with 27 per cent and national governments with 26 per cent. They are followed by the municipal/sub-national category with 19 per cent and networks/associations/foundations with 12 per cent. The rest, with a somewhat balanced ratio, is shared among the NGOs/civil society, academia/research institutes and other categories (this includes the private sector).

Figure 20 Project Implementing Partners for Country-Specific Projects
Number of Implementing Partners for Fiscal Years 2000 - 2011

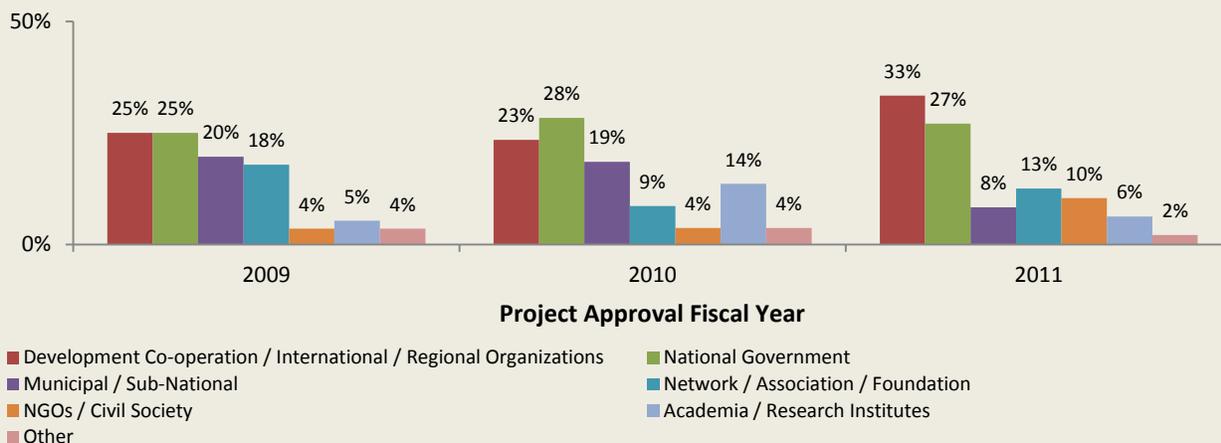


Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional-Global Projects.
- B. Projects cancelled during preparation were not included in the calculation, as no grant agreements had been issued and no disbursements made.

In comparison, Figure 21 illustrates the total number of project implementing partners by organisation category for fiscal years 2009, 2010 and 2011. The figures for those three years show a trend similar to the overall figures. The development and international/regional organisations (development co-operations, multi- and bi-lateral organisations) and national governments accounted for almost equal totals.

Figure 21 Project Implementing Partners for Country-Specific Projects for Fiscal Years 2009, 2010 and 2011



Notes:

- A. Projects do not include: (1) Community-Led Infrastructure Finance Facility (CLIFF) Activities; (2) Slum Upgrading Facility (SUF) Activities; and (3) Regional-Global Projects.
- B. Projects cancelled during preparation were not included in the calculation, as no grant agreements had been issued and no disbursements made.