Cities Alliance
Cities Without Slums

Country Partnership Programme Concept Note
Information Sheet
Executive Committee Meeting
Accra, Ghana
11 July 2011

Agenda Item No. 3:   Cities Alliance Business Plan

Support Document: Country Partnership Programme Concept Note

Background:

In response to the request made at the Washington, DC EXCO meetings for further clarification in regards to the procedures of the Country Partnership Programmes, the Secretariat has produced a Country Partnership Programme Concept Note.

Recommended Action:

For Information and Comment.

Country Partnership Programmes (CPPs)

Concept Note

Draft 4 May 2011

Contents

1.0   Rationale

At its November 2010 meeting in Mexico City, the Consultive Group of the Cities Alliance adopted a new Charter that defines the Cities Alliance (CA) as a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development. The Charter clarifies the three over-arching objectives of this partnership:

- 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 order to achieve these objectives, the Charter defines the new business lines of the CA – among them, Country Programmes, which are defined as "longer term programmatic support, at a multiple city/national scale."

The need for the Cities Alliance to take a long-term programmatic approach was initially articulated in the Medium-Term Strategy, 2008-2010 (MTS). Appreciating that the complex challenges of urban growth faced by the cities of the developing world require a more strategic, long-term response from its development partners, the MTS states:

> "The Cities Alliance Secretariat will develop criteria to identify those countries where Cities Alliance activities have the potential to achieve the greatest impact, to support activities that can achieve scale, and tailor a work programme accordingly.

> This will enable the Cities Alliance to indicate its willingness to become a stable partner and enter into a longer-term partnership with a select number of countries, agreeing to support such countries for a longer, specific period and in so doing help to consolidate city or country-led reforms by offering consistent, reliable, professional and critical support.

> This approach would allow both parties to move beyond the short-term, ad hoc, donor-driven projects, very few of which have any impact beyond the activities themselves."

The recently completed "Evaluation of Project Implementation Modalities of the Cities Alliance" further highlighted the limitations of small-scale, isolated interventions. The evaluation clearly demonstrated the greater pro-poor developmental impact potential of longer-term Cities Alliance support, particularly when linked to wider initiatives and when city-level interventions are aligned to the national policy framework.

This approach signals a definitive shift in the way the Cities Alliance operates and presents an important opportunity to mobilize the CA global partnership to provide coherent and strategic support at the country and city level.

2.0   Overview

The developing world is experiencing significant transformational demographic shifts. Over the next two decades, hundreds of millions of poor people will find their way to cities of all sizes, seeking a better life for themselves and their descendants. This process is largely complete in Latin America, but less than halfway complete in south and southeast Asia, and in sub-saharan Africa, home to nearly all of the world's least developed countries. Between 2000 and 2030, the urban population of Asia will increase from 1.36 billion to 2.64 billion; and Africa's from 294 million to 742 million.

While there is often a focus on the megacities of the world, such as Lagos, São Paulo, Mumbai and Cairo, most of this urbanisation will actually take place in small and medium size cities. In Ethiopia, for example, Africa's second most populous country and one of the world's poorest, the bulk of urbanization will take place in some 800 small towns. The very real resource constraint of such small towns adds a further, significant dimension to the challenge.

However, it is important not to become overwhelmed by the statistics, but to focus on two essential challenges which, if left unchecked, will have multi-generational consequences:

- ➢ Current patterns of urbanisation are extremely inefficient, wasteful and dysfunctional; and
- ➢ The urban and urbanising poor are marginalized and exploited in this process.

One of the most important contributing factors to dysfunctional urbanisation is the negative response of local and national governments to urban growth. Indeed, many governments believe that urban growth can be curtailed, while some have even attempted to control rural-urban migration flows: most, if not all, of these have ended in utter failure. The results are nonetheless very evident. The social exclusion of the poor is increasingly visible in the growth of slums throughout Africa and Asia, with poor people relegated to the margins of society, denied access to land, services or legal recognition.

The Cities Alliance drawing on the vast experience of its members over 10 years is convinced that the sustained and systematic extension of land, services and citizenship to the world's urban poor is the most urgent and essential pre-condition for a sustainable process of urbanisation throughout the developing world.

A number of developing countries have recently begun to explore policy changes that are more appropriate to anticipating an urban future. It is vital that these countries are encouraged to implement bold new approaches to urban development that will allow their cities and countries to respond to the needs of existing slum dwellers, and simultaneously anticipate the needs of future urban dwellers.

At the same time, virtually no effective strategies have been developed for enabling sufficient quantities of land for the poor to settle and develop, nor for commercial development, health, education or other services. The most important enabling strategy for the creation of affordable housing in developing-country cities is one that makes land available on which people can settle and progressively build their homes, and where services can gradually be provided. Moreover, the rights of the urban poor to the

city and its services must be acknowledged through the extension of citizenship in order to achieve the vision of "Cities Without Slums."

The Cities Alliance believes that with positive and forward-looking policy approaches, very significant steps can be taken at the national, local and community levels to capture the benefits of urbanisation, and provide a framework within which cities can be seen as vital players in the social, economic and political transformation of the country. The adoption of a longer-term and programmatic approach, through which a country's national and local governments can engage with Cities Alliance members on a more significant and longer-term basis, is essential to the mission and objectives of the Cities Alliance and at the heart of the new business model and Charter of the organisation.

2.1   Objectives

In the broadest terms, Country Partnership Programmes (CPP) aim to achieve the three main objectives of the Cities Alliance partnership. More specifically, the objective of CPPs is to support the emergence of a more **effective urban agenda** centered on sustainable, **inclusive cities.**[1] Towards this end, Cities Alliance support focuses on **improving the quality of relationships** and **coherence of effort** among national and local governments, urban poor communities, CA members and other partners.

In accordance with the Paris Agenda, "coherence of effort" is defined by three key elements: (i) strong city and national government *ownership*; (ii) *alignment* with the overall national poverty framework and with urban strategies at the national, local government, and community levels; and (iii) *harmonization* among CA members' activities on urban development in the country/city and with other national or international development partners.

To improve ownership, alignment and harmonisation of urban assistance in a given country, CPPs consist of two inter-related components:

1. A **Framework** to enhance the cooperation system in a given country among national and local governments, urban poor communities, Cities Alliance members and other partners; and
2. **Funding** to complement CA member and partner activities by filling action or knowledge gaps.

While the *funding* for CPPs is modest, the *framework* is intended to enable a myriad of stakeholders to align their efforts and finance towards common objectives. It is designed to facilitate domestic (and international) public and private investment into the urban sector by providing a clear policy and instutional framework enabling a wide range of organizations to find the institutional hooks on which to hang support programmes.

2.2   Partners

As the name implies, partnership lies at the core of a Country Partnership Programme and is the key instrument for achieving coherence of effort. Partnerships are brokered around the shared objective and commitment to supporting the emergence of a more effective urban agenda centered on

---

[1] Inclusive cities promote growth with equity. All residents of an inclusive city, regardless of economic status, gender, race, ethnicity or religion, are enabled and empowered to fully participate in the social, economic and political opportunities that the city offers.

sustainable, inclusive cities. The shape and form of a country partnership will depend on the specific context of each country, but will always be in support of the national urban agenda. Partnerships are brokered at four different levels.

1) National primary partners: Every CPP will invest in promoting a partnership between three key primary partners – national government, city governments and urban poor communities. This partnership is brokered around the joint objectives of alignment and ownership, such that national policy creates the enabling environment for city governments to better serve their citizens and that urban poor communities are in turn empowered to maximise the opportunities provided by improved service delivery.
2) National support partners: CPPs will identify national/local organizations that play a supporting role to the primary partners, including local government associations, training institutes, academia, NGOs and the private sector and will invest in building partnerships that improve the quality or widen the scope of the support given to the primary partners.
3) Cities Alliance members: CPPs will invest in the mobilization of the membership of the Cities Alliance to seek common purpose between members and to ensure that the Cities Alliance as a partnership coherently engages with the national partners with a high quality support programme.
4) Other international support partners: CPPs will develop a set of institutional arrangements that enable an array of additional partners to effectively engage with the national urban agenda. Any international NGO, private sector company, foundation or academic institution can strengthen the national urban agenda and gain access to these partnerships by identifying a point of access and demonstrating common purpose.

2.3   Core Principles

While each CPP is developed according to the specific national context, it will also be guided by a set of core principles that builds upon key lessons learned through years of accumulated global experience of the Cities Alliance:

1. **Long-term, pro-poor programming**, where urban programmes are strategically developed to ensure city governments are better able to effectively address urban growth and poverty reduction.
2. **Collaborative programme design**, whereby the partners are engaged and mobilised in support of a jointly designed programme of support. The CPP seeks to coordinate and align efforts towards common objectives, link to past and current initiatives of members and partners, and foster client ownership.
3. **Multi-sectoral, aligned approach**, that seeks to bring national government policies, city development processes and community activities across sectors into alignment in support of integrated urban development; and
4. **Building long-term institutional capacity**, by engaging and investing in national, regional, local and community institutional structures, including universities, to ensure meaningful national capacity to implement programmes on a sustainable basis.

5. **Engaging for systemic change and impacts at scale,** by supporting the emergence of an appropriate policy framework, and the institutionalization of dialogue between citizens and government[2], building upon both local knowledge and global good practice, at local and national levels.

2.4   Indicative Activities

The activities supported by Cities Alliance funding in a CPP are determined by the partners in each country. Given the nature and scale of the urban transformation, a combination of national policy dialogue, as well as city development and slum upgrading strategies, remain the key support offered through the Cities Alliance. The further focus is on linking these strategies with processes at the national level and at the community level for greater alignment and synergies.

The types of activities supported under CPPs typically include:

- National urban policies[3]
- City development strategies[4]
- Slum upgrading strategies[5]
- Dialogue platforms
- Community mobilization initiatives
- Institutional capacity building activities
- Advocacy and awareness strategies
- Knowledge generation activities
- State of the Cities Reports or Urbanisation Reviews

2.5   Expected Outputs

The Cities Alliance "Theory of Change" is based on the premise that our support should foster a transformation towards more inclusive cities that is driven by national and local partners.

---

[2] For the urban poor to effectively engage with urban planning processes that affect their lives, it is important that such communities are actively mobilised and empowered to participate in a meaningful way. Such processes should recognise the complexity of urban communities and institutionalise a platform for dialogue that will ensure that each group that makes up the community is given influential voice.

[3] National urban policies supported by the CA will typically focus on the system of cities in a country and on cities as drivers of economic development with a special focus on the urban poor.

[4] A city development strategy (CDS) is an action-oriented strategic planning process, developed and sustained through participation, to promote equitable and inclusive growth in cities and their surrounding regions to improve the quality of life for all citizens. With a CDS, cities move beyond planning around the short-term political or donor-funding cycle to considering where they should be in 20 or 30 years, and the steps that need to be taken to achieve those goals.

[5] Slum upgrading is a process through which informal areas are gradually improved, formalised and incorporated into the city itself, through extending land, services and citizenship to slum dwellers. It involves providing slum dwellers with the economic, social, institutional and community services available to other citizens. These services include legal (land tenure), physical (infrastructure), social (crime or education, for example) or economic.

The Theory of Change identifies seven outputs that contribute to a successful urban transformation process. Through CPPs, Cities Alliance will support national governments, local authorities, communities and their development partners to deliver on each of the outputs, which include:

i. Engagement in **meaningful dialogue** and cooperation;
ii. Increased knowledge and **awareness** of the situation of the urban poor;
iii. Enhanced **knowledge** of inclusive urban development;
iv. Elaboration of inclusive urban **strategies, policies and plans**;
v. Identification of possible investment partners, and development of policies designed to **mobilize finance** in support of inclusive urban development;
vi. **Adjustment of their organizations** to support inclusive urban development and;
vii. **Implementation** of inclusive urban policies, strategies and plans.

Successful transformation processes should comprise all of these outputs, but the importance of each depends on the specific situation and varies over time. For example, awareness raising might be crucial to start a transformation process, and might become almost marginal in advanced processes.

2.6   Expected Outcomes

By moving away from shorter-term, ad hoc initiatives and adopting a longer-term, programmatic approach, CPPs are expected to support sustainable impacts at scale.

Specifically CPPs aim to **promote more inclusive cities** via:

1) Improved governance and accountability through institutional reforms and dialogue;
2) Improved management of urbanization through inclusive policy and plans;
3) Improved service delivery through resource mobilization and partnership; and
4) Improved household livelihood security through local community planning and mobilization.

3.0   Geographic Focus

The Cities Alliance will develop CPPs primarily in low-income countries (LICs), with a focus on Sub-Saharan Africa (SSA). At its Mexico City Meeting in November 2010, the Consultive Group agreed to focus CA support in SSA for the next period of activities. SSA is the fastest urbanising region in the world, and is set to double its urban population in the next 20 to 30 years, potentially creating a huge opportunity for governments that adopt enabling policies. While this urban growth is overwhelmingly the urbanisation of poverty, it is also a movement driven by rationality and hope, as people seek better opportunities for themselves, their familities and their children. The spatial distribution and impacts of urbanisation will vary from country to country. Most growth will take place in small and secondary cities, where capacity constraints are most extreme, but the largest slums and pressures will be felt in the primary cities .

While the main focus of the CPP approach will be on lower income countries in SSA, support will also be extended to a limited number of middle-income countries (MICs) that have large populations of the

urban poor and whose experience might be relevant to other low-income countries. Programming in MICs will focus on developing an asset base for South-South exchange and/or regional policy influence. A key element of the CPP is the identification of examples that might be relevant in a different geographic context, including policy, planning practice and implementation modalities.

4.0   Country Identification

The Cities Alliance prioritises working to develop CPPs with those governments already committed to change and reform over time. Indeed, most of the countries where Cities Alliance support is required will have to consider fundamental reforms in order to overcome huge social, economic and infrastructural backlogs. A city that has 40, 50 or 60 percent of its population living in slums, un-serviced and socially excluded, does not have a 'slum problem' – it has a city problem. It is no real surprise that the Cities Alliance's most effective work has been undertaken in cities in countries where a set of reforms is underway, or where there are very clear signs of a move towards reform.

Natural partners of the Cities Alliance CPPs are, therefore, those governments that have already taken the decision (or are in the process of doing so) to decisively address the needs of their urban poor and have recognised that, in order to make this sustainable, it must be undertaken in the context of citywide or nationwide reforms.

The Cities Alliance has developed a set of criteria to identify those countries where CPPs have the potential to achieve the greatest impact and to support activities that can achieve scale. These criteria (described below) will guide the Executive Committee in identifying those countries with whom the Cities Alliance will work to develop CPPs.

Interested countries with support from Cities Alliance member(s) and/or the Secretariat can motivate their selection to the Executive Committee by demonstrating the degree to which they meet or exceed these criteria with supporting information and analysis. Those low-income countries in Sub-Saharan Africa where CA currently has active projects, with a primary focus on countries with mupltiple grants, as well as other countries at the direction of the Executive Committee, will be prioritised for analysis.

4.1   Country Identification Criteria
The identification of countries for CPP support will be guided by the following criteria:

1) Demonstrated political commitment to the urban poor
A key tenet of the Medium-Term Strategy of the Cities Alliance is to support governments that are already beginning to strategize for their urban future and which have a constructive attitude towards their urban poor. Evidence of varying degrees of this commitment includes:

- Clear political commitment to slum upgrading;
- Establishing targets and budgeting national (and local) funds for slum upgrading;
- Willingness to adopt a partnership and process approach to slum upgrading; and
- A commitment to providing opportunities for the urban poor.

2) Empowered local government

Effective urban development requires empowered local government. It is therefore necessary to consider the extent to which national government is committed to decentralization and the mandating and resourcing of local authorities, which is evidenced through the following types of mechanisms:

- Legislative and regulatory frameworks for the transfer of authority to local governments;
- Transparent, predictable and formula-driven system for fiscal transfers; and
- Commitment to enhancing capacity of local governments to deliver on their mandates.

3) Cities Alliance member engagement

The CA works through its members. This is particularly important in a CPP, which will typically involve a number of CA members, each bringing their own specific skills and expertise. Both the quantity and quality of member engagement in the urban sector in a given country should be considered, as well as the willingness/interest to collaborate for greater impact. Ultimately, it is for the national and local government to specify what support is required, and to identify the members they wish to engage.

4) History of past CA investment(s)

Where appropriate, a CPP will build upon and consolidate previous and current Cities Alliance activities in a given country. It is necessary to consider the outcomes (and impacts, if possible) of Cities Alliance investments, because CPPs will consciously seek to build on successful projects, especially those that have already influenced changes in attitudes, policies, behaviours, and/or processes in the field of urban and city development.

5) Local civil society

In order to enable constructive dialogue, a CPP will be designed to create the space for organisations that represent the urban poor, and which are able to articulate the concerns, needs and expectations of the urban poor, as well as the positive contribution that they can make to urban development. Ideally, a CPP will be undertaken in a country with:

- Local NGO capacity with experience in urban programming;
- Local SDI or similar urban poor movement operational; and
- International NGOs with local urban programming experience.

6) Investment leverage

If cities are to become more inclusive they need to approach urban growth in a proactive and long-term manner, while taking steps to facilitate the citywide provision of basic municipal services. However, the real test of the planning and regulatory framework introduced by the local government will be the ability of the city to attract investment from a variety of sources, from the private sector to slum dwellers themselves. It is therefore necessary to consider the availability of:

- Potential to raise enhanced revenue from own sources through new instruments, institutional capacity building measures, municipal reforms and, not least, a willingness to collect;
- Domestic private sector, commercial investment;
- National or sub-national allocation on budget for slum upgrading and transparent, predictable and formula-driven systems for fiscal transfers;
- Loan(s) with urban investment components; and
- Donor support.

7) National partnerships

In the context of both utilising and building local capacity, it is important to mobilise a wide range of local partners. The potential for such partnerships will be explored, including:

- Private sector, urban institutes, horizontal networks and local universities that can add extra institutional capacity;
- South-South cooperation agreements that are in place or in process; and
- Other funded urban programs that can be integrated.

5.0 Collaborative Programme Design

A collaborative programme design process is fundamental to the objectives of CPPs. The process actively brings the national government and CA members together in a series of facilitated engagements with local authorities and organisations of the urban poor to develop a common understanding of existing programmes and priorities.

The dialogue among partners serves to collectively define the demand, establish a framework and inform how resources can best be utilised to:

- Build on and support existing government programmes and CA member and other initiatives currently underway;
- Strengthen the operational synergies between partners; and
- Fill defined programming gaps that will enable an integrated approach to supporting a policy of inclusive cities.

This type of process itself is an important method for building partnerships among diverse stakeholders in a given country, which will ultimately contribute to the achievement of the programme objectives.

5.1 Concept Paper

Once a country has been identified, in the first instance, a general Concept Paper will be developed through a joint forum of partners. The Concept Paper broadly:

- **Defines objectives and activities.** Based on the situation analysis, appropriate activities are identified to maximise synergies and meet commonly agreed objectives. This process includes defining the geographic scope.

- **Clarifies roles and responsibilities.** Based on mandates, capacities and commitment of CA members and other country institutions, appropriate roles and partnerships are identified.

The Concept Paper will be finalized by the Secretariat, and shared with all CA members, and all necessary approvals and endorsement secured.

5.2   CPP Framework

The Concept Paper is then translated into a more detailed CPP Framework. Original objectives and activities are verified and refined through the joint forum of partners, facilitated by the Secretariat. The CPP Framework adds an important level of detail to the Concept Paper. It further defines roles and responsibilities and allocates resources across activities.

The latter is accomplished through a prioritisation and resource mapping exercise. At an early stage, the Secretriat will provide an indicative budget for the programme, and the amount of resources available from the CA. CA members and other partners will also indicate their contribution to the programme. At this stage, one CA member may be identified to play a leading role.

The CPP Framework also addresses, as necessary, the appropriate application of World Bank approvals, safeguards policies and procedures.

The CPP Framework is endorsed by the national Government, and all members and partners involved in the Programme.

6.0   Grant Making

For those activities detailed in the CPP Framework that are to be funded by Cities Alliance grants, the following steps apply.

Development of proposals. The identified implementing partners (CA members or other city/country partners) develop individual proposals as identified under the framework and submit them to the CA Secretariat in order to receive the funding. The proposals for discrete activities add yet another level of detail to what is outlined in the CPP Framework and are developed using the CPP Proposal Template (Annex 1), with the support, as necessary, of the Secretariat.

Screening and approval of proposals. The CA Secretariat verifies that the individual proposals capture the agreed upon objectives and activities outlined in the CPP Framework, evaluates the proposals against a set of threshold criteria (Annex 2) and prepares a financial management assessment. Proposals requesting more than $75,000 from the CA are also evaluated by independent technical assessors and circulated to the members for a two-week "donor coordination" period. If proposals meet the threshold criteria and are assessed positively, they are approved by the CA Manager (if request <$250,000), or by the Consultative Group (if request >$250,000) on a no-objection basis.

Grant set up and disbursement of funds. The CA Secretariat drafts appropriate grant agreements and related legal documents and facilitates internal clearances and final signatures according to World Bank policies and procedures, after which, funds are disbursed by the World Bank central units.

7.0   Monitoring and Evaluation

Each CPP has a macro level Results Framework that articulates overall programme objectives, outcome and intermediate outcome indicators, how the indicators will be used and a results monitoring framework.

Each individual grant proposal also incorporates its own Results Framework that stipulates the project level objectives, outcome and intermediate outcome indicators. These project-level frameworks correlate to the overall programmatic framework. Individual grant recipients (CA members and/or partners) are responsible for reporting to CA Secretariat against the project-level results framework and on progress of individual grant-funded projects

The specific mechanisms for monitoring programme progress must be developed according to the specific country context, and may vary from country to country, but in each case the lead CA member will be expected to play a key role.

The CA Secretariat has the following monitoring and evaluation responsibilities:

- programme oversight via quarterly visits and desktop reviews of quarterly financial reports and bi-annual progress reports against agreed results framework per grant.
- aggregating information and indicators from partners on a bi-annual basis to measure programmatic results.
- monitoring progress of CPPs against the overall Cities Alliance Results Framework derived from the Theory of Change and reporting the Consultative Group.; and
- supporting the feedback of knowledge and learning from the above monitoring into the programme and making adjustments as necessary to the programme design and management.
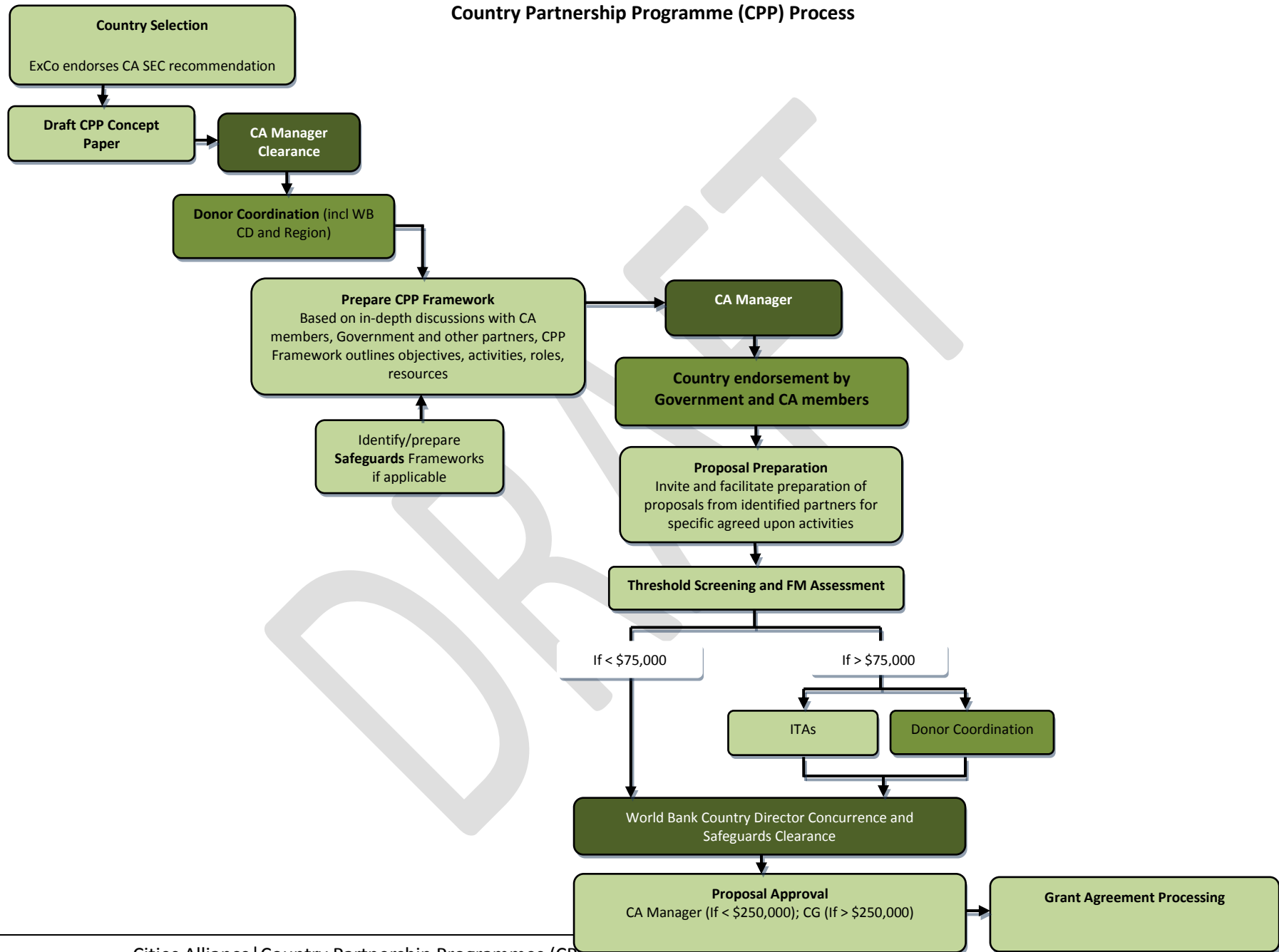
8.0   Knowledge and Learning

CPPs aim to foster new tools, practical approaches and knowledge sharing on the work towards inclusive cities. Knowledge and learning activities will therefore be an essential part of CPPs. The knowledge and learning sharing will take place at two levels:

a) South-South exchange between regions, countries, cities, and communities; and
b) Knowledge and learning useful for global CA members.

Relevant knowledge and learning activities will be budgeted within each CPP Framework. In addition, the Secretariat will work with partners and members in country to identify and explore cases, topics, etc... in a given CPP that might be useful in responding to knowledge demands from CA members and partners, following the guidance of the CA Knowledge Concept Note.

Country Partnership Programme (CPP) Process

Country Selection

ExCo endorses CA SEC recommendation

Draft CPP Concept Paper

CA Manager Clearance

Donor Coordination (incl WB CD and Region)

Prepare CPP Framework
Based on in-depth discussions with CA members, Government and other partners, CPP Framework outlines objectives, activities, roles, resources

Identify/prepare **Safeguards** Frameworks if applicable

CA Manager

Country endorsement by Government and CA members

Proposal Preparation
Invite and facilitate preparation of proposals from identified partners for specific agreed upon activities

Threshold Screening and FM Assessment

If < $75,000

If > $75,000

ITAs

Donor Coordination

World Bank Country Director Concurrence and Safeguards Clearance

Proposal Approval
CA Manager (If < $250,000); CG (If > $250,000)

Grant Agreement Processing

ANNEX 1 CPP Proposal Template

[TBC]

ANNEX 2 – CPP Proposal Threshold Criteria

[TBC]