

Cities Alliance

Cities Without Slums

Catalytic Fund Briefing to EXCO and CG: Towards the Third Call for Proposals

October 12, 2012

I. Background

The Catalytic Fund replaced the old grant facility in 2010 as one of the core elements of the new Cities Alliance business model under the revised Charter. First presented to EXCO in July 2010, the Catalytic Fund model was discussed among members at the November 2010 Consultative Group meeting in Mexico City, and the final design of the Catalytic Fund was adopted in January 2011. The first global Call for Proposals of the Catalytic Fund was issued in January 2011 as a pilot test of the new instrument. The second Call for Proposals, the first with a thematic focus, was issued in February 2012 under the title ‘Youth and the City’.

The Catalytic Fund is organised around the following characteristics:

- ✓ Grants are awarded through a competitive process following a public Call for Proposals.
- ✓ Calls for Proposals are scheduled once or twice a year (compatible with budget) and initial submissions are made through a Concept Note.
- ✓ A Call for Proposal might cover traditional CA themes (CDS, slum upgrading strategies, national policies on urban development) or a more specific theme.
- ✓ As part of the selection process, an Expert Evaluation Panel (EEP) helps the Secretariat assess the relevance and quality of proposals. This evaluation is undertaken in parallel with coordination among CA members.
- ✓ The grant size is limited to between US\$50,000 - US\$250,000.
- ✓ Sponsorship of a project by CA members is required.

II. The Second Call for Proposals: Going Thematic

After the successful pilot Call for Proposals—and the incorporation of Secretariat recommendations on refining the design of the Catalytic Fund—EXCO agreed in June 2011 that the second call would be thematic in order to increase the overall focus and coherence of the CATF portfolio. The idea was also that a thematic focus would benefit a better and more targeted sharing and dissemination of project experiences, fill crucial knowledge gaps, and prioritise issues of crucial relevance in international debates.

In preparation for the November 2011 EXCO and CG meetings in Maputo, the CA Secretariat developed a shortlist of 4 possible themes that covered priorities of CA members and the Business Plan. The potential themes were:

1. ‘Youth and the city: challenges of and visions for demographic change’;
2. ‘Meeting the demands of growing cities: innovative approaches to financing urban services’;
3. ‘Planning for green growth in secondary cities’; and
4. ‘Adaptive strategies for resilient communities: local adaptation strategies and disaster risk prevention in slums’.

In Maputo, EXCO was requested to make a recommendation for adoption to the CG. The theme that was finally selected was ‘Youth and the City’.

The Call for Proposals on the theme ‘Youth and the City’ was issued as scheduled in February 2012. The application period was two-and-a-half months, with the closing deadline at the end of April 2012. In total, the Cities Alliance Secretariat received 203 Concept Notes. After initial screening by the Secretariat, 101 Concept Notes were found to meet the basic eligibility criteria. Those that did not were ineligible due to two main reasons: they were out of scope or lacked CA member sponsorship.¹ The 101 eligible Concept Notes were then sent to the Catalytic Fund Expert Evaluation Panel for technical evaluation.² On the basis of the recommendations from the EEP, the CA Secretariat is currently working on consolidating a shortlist of Concept Notes for potential funding that will be circulated for donor coordination in the next weeks.

III. The Second Call for Proposals: Initial Assessment

Detailed statistics on the 101 eligible Concept Notes are included in Annex 1. Some data highlights are as follows:

1. Demand. The cumulative amount requested by the 101 Concept Notes is more than USD 20,000,000; that is an average of around USD 210,000 per grant. Secondary cities are well represented. In 2011, there were none.

2. Geography. Regional distribution showed remarkable predominance of proposals from Sub-Saharan Africa (51%) followed, most notably, by Latin and Central America (20%) and MENA (10%). Good distribution is found across country groups, with predominance of proposals from low income countries (39%), followed by lower-middle income (35%) and upper-middle income (20%), with the rest of them having a regional or global scope (13%). There was one proposal from ECA versus 52 from SSA. Kenya was the most represented country among the 101 eligible proposals with 5.

3. Sponsorship. All 24 CA members are represented except for Chile, Philippines and Spain. Last year, 15 CA members were represented. The maximum number of members supporting a proposal is 5 (Egypt ‘Youth engagement in neighbourhood development towards a more inclusive city, Cairo’). On average, 1.3 members supported each proposal. Nine proposals are sponsored by France (MFA, AFD) and 8 by Germany (BMZ, GIZ, KFW). In the previous Call, there were no proposals supported by AFD and only one from GIZ among the 73 proposals received. UN-Habitat sponsored 45% of the 101 eligible proposals in 2012. In 2011, UN-H sponsored 36% of proposals.

Other more general observations include:

A. Very high response. The remarkably strong response to the Call for Proposals—203 Concept Notes—indicates that there is a clear demand for a targeted funding instrument such as the Catalytic Fund. The number of applicants is particularly significant considering that this Call was issue-specific, and as such more restrictive especially considering that the baseline from last year’s broader offering was 74.

B. Innovative thematic choice as advocacy. The significant response to the Call is also a sign that EXCO and the CG were able to select a theme of high pertinence and actuality that reflected a genuine need on the ground, as attested by the events of the Arab Spring. The relevance of the theme was also highlighted

¹ On the basis of the experience of the previous year, non eligibility of proposals due to lack of sponsorship were promptly communicated to recipients upon receipt to provide them with adequate time and guidance to secure a sponsor and resubmit.

² Members of the external evaluation panel are Jamie Simpson (*GHK*); Goran Tannerfeldt (*consultant*); Giorgio Sparaci (*consultant*); Rajivan Krishnaswamy (*consultant*), Peter Herrle (*consultant*) and Marie-Alice Lallemand-Flucher (*consultant*). The process of appointing the panel followed a series of consultations and nominations with the CG and EXCO and was slightly revised due to a member—Serge Allou—joining the CA Secretariat.

in a well attended networking event organised by the CA on the topic at WUF 6. It is clear that the Catalytic Fund can be used not only as a funding and knowledge generation mechanism, but—with a strong communication strategy—also as a powerful advocacy tool for conveying key messages on behalf of the Cities Alliance.

C. Good overall quality of the Concept Notes. In general the quality of the Concept Notes was good—despite some expected variance, considering the large number of submissions— and certainly more satisfactory than the previous year. The theme ‘Youth and the City’ captured a number of emerging trends of urban dynamics: the use of technology as a key tool for engaging and harnessing social change, and new forms of communication and social media that are changing the landscape of decision making. The innovation exemplified by some of the projects that were submitted hold potential lessons for future CA projects and members, and provide a valuable basis for the envisaged knowledge and learning activities.

IV. Towards the next CATF Call for Proposals: Recommendations

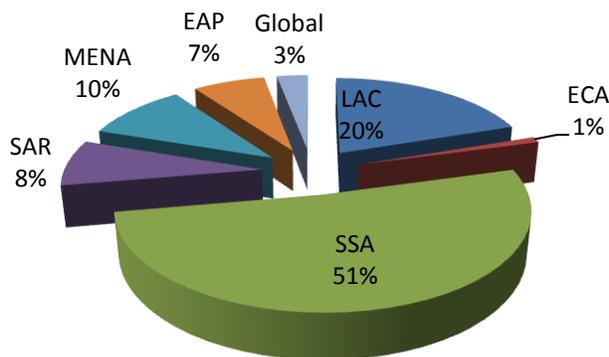
With the success of the thematic call on ‘Youth and the City’, the CA Secretariat recommends to EXCO and CG that the next Call for Proposals also feature an innovative thematic approach. However, given the current discussions about a new administrative arrangement for the Cities Alliance, it is further recommended that the next Call be postponed until a stable arrangement is in place.

In this scenario, a different modality from the past for the theme selection should be explored. The CG could delegate to EXCO the selection of a 2013 theme at the first viable EXCO meeting after Hanoi once a timeline has been established. CG members could then be invited to comment and confirm EXCO’s decision virtually.

ANNEX 1- Statistics

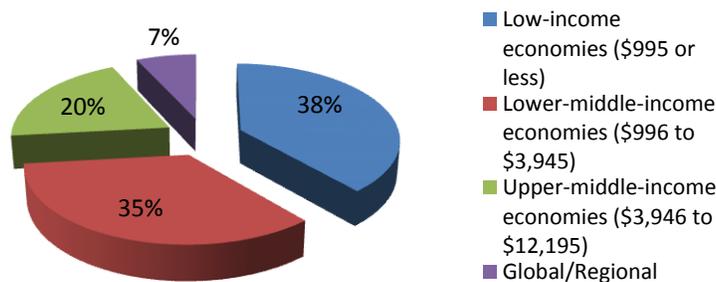
| Region | N. | % |
|--------|-----|------|
| LAC | 20 | 19.8 |
| ECA | 1 | 1.0 |
| SSA | 52 | 51.5 |
| SAR | 8 | 7.9 |
| MENA | 10 | 9.9 |
| EAP | 7 | 6.9 |
| Global | 3 | 3.0 |
| TOTAL | 101 | 100 |

Regional Distribution - Eligible Batch (101)



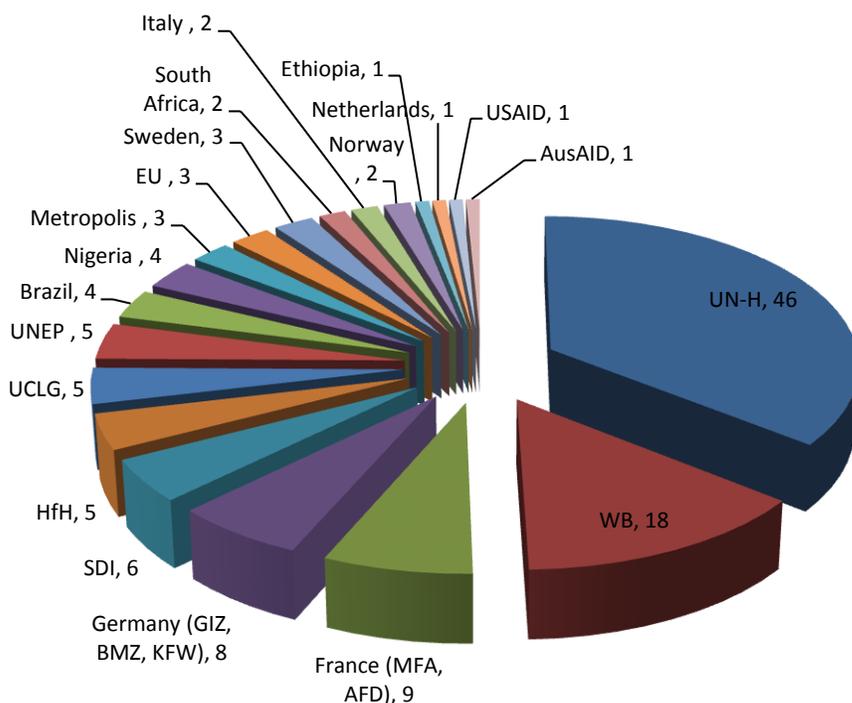
| Type | N. | % |
|---|-----|-----|
| Low-income economies (\$995 or less) | 39 | 39 |
| Lower-middle-income economies (\$996 to \$3,945) | 35 | 35 |
| Upper-middle-income economies (\$3,946 to \$12,195) | 20 | 20 |
| Global/regional | 7 | 7 |
| TOTAL | 101 | 100 |

Country Groups - Eligible Batch (101)



| Organization | N. | % |
|-------------------------|-----|------|
| UN-H | 46 | 14.0 |
| WB | 18 | 7.0 |
| France (MFA, AFD) | 9 | 7.0 |
| Germany (GIZ, BMZ, KFW) | 8 | 6.2 |
| SDI | 6 | 4.7 |
| HfH | 5 | 3.9 |
| UCLG | 5 | 3.9 |
| UNEP | 5 | 3.9 |
| Brazil | 4 | 3.1 |
| Nigeria | 4 | 3.1 |
| Metropolis | 3 | 2.3 |
| EU | 3 | 2.3 |
| Sweden | 3 | 2.3 |
| South Africa | 2 | 1.6 |
| Italy | 2 | 1.6 |
| Norway | 2 | 1.6 |
| Ethiopia | 1 | 0.8 |
| Netherlands | 1 | 0.8 |
| USAID | 1 | 0.8 |
| AusAID | 1 | 0.8 |
| TOTAL | 129 | 100 |

Member Distribution - Eligible Batch (101) [no. of proposal CA members are listed as sponsors - multiple sponsors possible]





**ENGAGING
YOUTH**
THE FUTURE OF CITIES

Youth and the City

—Cities Alliance Catalytic Fund 2012—



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