Cities Alliance
Cities Without Slums

2009 Annual Report: Building Cities and Citizenship
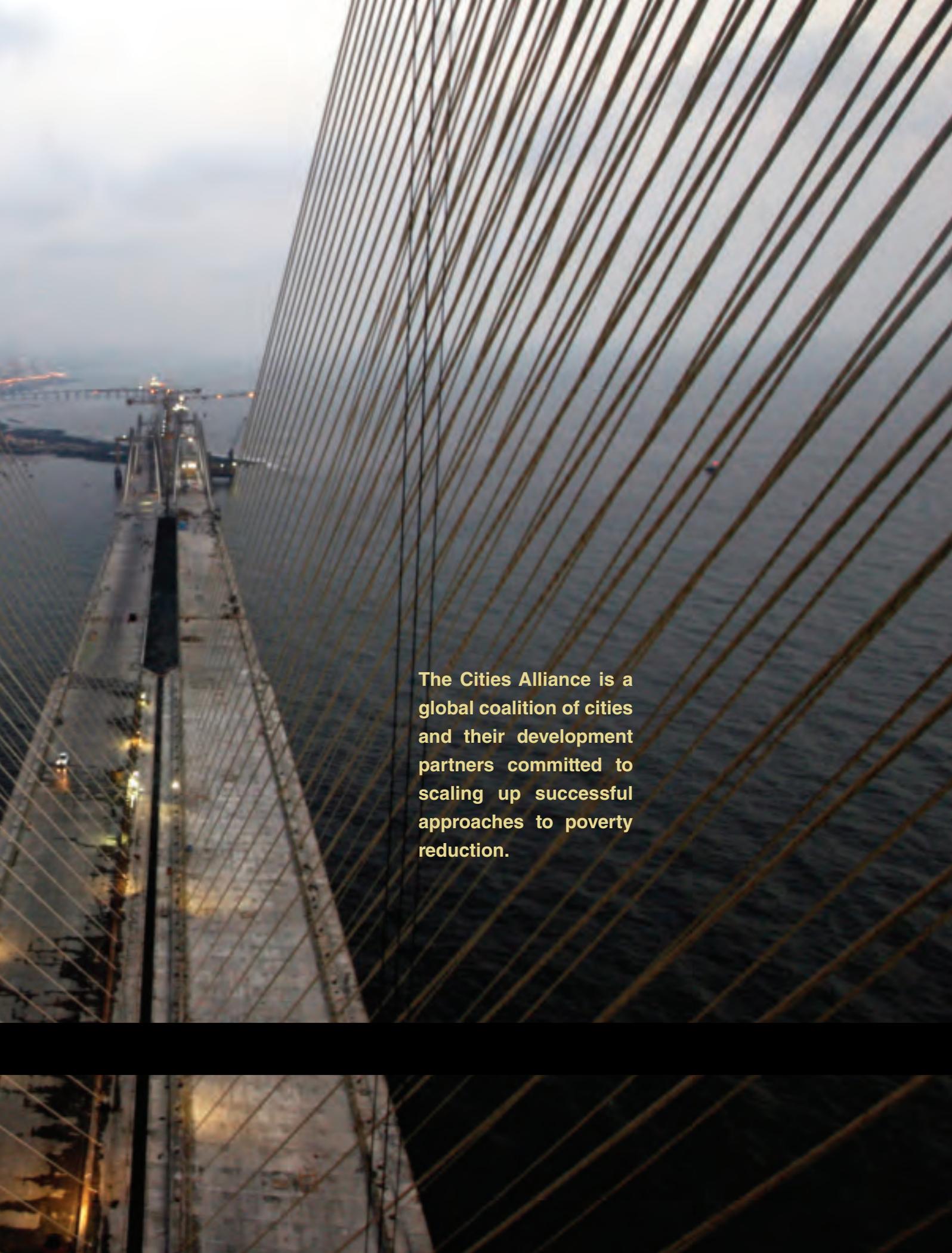
The Cities Alliance is a global coalition of cities and their development partners committed to scaling up successful approaches to poverty reduction.

OUR MEMBERS

Slum Dwellers:

Slum Dwellers International (SDI)

Local Authorities:

United Cities and Local Governments (UCLG) \ Metropolis

Governments:

Australia \ Brazil \ Canada \ Chile \ Ethiopia \ France \ Germany \ Italy \ Japan \ The Netherlands \ Nigeria \ Norway \ Philippines \ South Africa \ Spain \ Sweden \ United Kingdom \ United States of America \

Multilateral Develpment Organisations:

Asian Development Bank \ European Union \ UNEP \ UN-HABITAT The World Bank \

Associate Members:

International Labour Organization (ILO) \ UNDP

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The 10th Anniversary of the Cities Alliance provides a timely opportunity for the organisation and its members to learn from past failures and successes and to re-emphasise those principles, policies, and practices that are essential for developmental progress. It has become increasingly clear that national policy frameworks that accept the inevitability and even the desirability of urbanisation are more likely to create the conditions for economic growth on a national scale, and ultimately reduce both urban and rural poverty.

Cities Alliance
Cities Without Slums

2009 ANNUAL REPORT

Foreword

Since its launch in Paris in May 2004, United Cities and Local Governments has constituted the global platform for the promotion of the projects of local and regional authorities. Its members, cities, regions, and local government associations from 136 countries, today constitute more than half the world's population.

In our increasingly urban world, the efficiency of cities, the quality of their management, and the vision and dynamism of their leaders are essential. Cities not only have the capacity to drive national economies: they can also be pioneers in social and political innovation, promoting the role and the position of women, fighting for the inclusion of minorities, strengthening democracy, encouraging arts and culture, and—most importantly—supporting truly sustainable development.

It is therefore more frequently at the local level that the world's most significant challenges will be identified. As the World Bank noted in its 2009 *World Development Report,* no country has achieved a level of advanced development without competitive cities.

Today, the challenge of climate change will require unprecedented cooperation between national and local governments. Local authorities can be effective partners, capable of envisaging and creating original and sustainable solutions. This is why global cities should be able to sit at the international negotiating table.

UCLG values highly its partnership with Cities Alliance and its members. Ten years after the founding of the Alliance in Berlin, our partnership has become a true reference on urban issues and particularly when it comes to finding solutions for our most vulnerable citizens. Together, we have fought to see the issue of slums included in the Millennium Development Goals. On the eve of the review of the Millennium Development Goals by the United Nations General Assembly, the cities, local and regional authorities of the world want to see local governance at the heart of the new goals.

INTRODUCTION: OF CITIES AND CITIZENSHIP

Heidemarie Wieczorek-Zeul, the German Minister for Economic Cooperation and Development, President Nelson Mandela, Patron of the Cities Without Slums action plan and World Bank President, Jim Wolfensohn at the launch of the action plan, Berlin, December 1999.

Of Cities and Citizenship

The Cities Alliance was launched in Berlin in December 1999. Two concerns were uppermost in the minds of those who saw the need for the new organisation: (i) the failure of national governments to respond adequately to the challenges of urbanisation at an appropriate scale, and (ii) the related failure of the international development community to provide consistent and coordinated support to developing cities and countries. By early 2009, membership in the Cities Alliance had risen to 26.

This short essay does not attempt to quantify or analyse the impacts of the Cities Alliance and its members. Rather, this essay—a joint effort of the Cities Alliance Secretariat and the International Institute for Environment and Development (IIED),[1] assisted by a meeting of international experts held in Berlin in June 2009[2] — re-examines the key policy challenges facing developing cities and countries over the next 10 years and considers how international developmental assistance can respond to this changing agenda.

Getting Urbanisation Right: A Central Challenge for the 21st Century

The world has reached a turning point in its history: it is more urban than rural. This fact has been regularly announced every year since 1999, when Nelson Mandela analysed the urban challenge in his address to the founding meeting of the Cities Alliance. Nonetheless, there remains empirical and anecdotal evidence that the significance of urbanisation has been inadequately grasped by many developing countries and development agencies alike.

Cities in developing countries certainly face daunting demographic, managerial, and resource challenges. Between now and the middle of the 21st century, the world's total population is projected to grow by about 2.4 billion, while the urban population is expected to grow by 3.0 billion—meaning that rural populations will actually fall by 0.6 billion. Asia's urban population alone is projected to grow by 1.8 billion, and Africa's by 0.8 billion. This implies that by 2050, Asia's cities (and urban towns) are expected to accommodate twice as many people as they do now, and Africa's cities and towns three times as many.

Many of these cities are already unable to provide sufficient infrastructure and essential services for their existing populations. It is perhaps not surprising, then, that a common response to such projections has not been to plan for this growth but rather to try to slow it down. Survey results indicate that anti-urban perceptions and policies to curb urbanisation are on the increase. In 1996, 42 percent of all governments responding to a United Nations questionnaire indicated a concern that their countries were becoming too urban too quickly. This figure rose to 51 percent in 2007. African governments displayed the most disquiet: 63 percent were concerned in 1996 and 74 percent in 2007. Over this same period, there has been an even sharper increase in the share of governments claiming to have introduced policies to reduce migration to urban agglomerations—from 45 percent to 65 percent for the world generally, and from 54 percent to 78 percent for Africa.

The rhetoric and policies of the international development community have often reinforced this tendency to plan against urbanisation. Fears of excessive rural-urban migration are evoked in descriptions of *mushrooming* and *exploding* cities in Africa, Asia, and Latin America. These cities are often presented as overcrowded sites of environmental distress, surrounded by expanding slums. In terms of aid policies, many development agencies have long been concerned that urban areas already get a disproportionate share of investments.

[1] This section was written by Gordon McGranahan of IIED and William Cobbett of the Cities Alliance

[2] Much inspiration came from the meeting convened by the Cities Alliance in Berlin in June 2009. In addition to the two authors, participants included Annette Baehring (GTZ), Somsook Boonyabancha (ACHR), Elisabeth Gateau (UCLG), Indermit Gill (World Bank), Mark Hildebrand (ex-Cities Alliance Manager), Stephen Karam (World Bank), Manfred Konukievitz (BMZ), Prof Akin Mabogunje (Nigeria), Franz Marre (BMZ), Eduardo Moreno (UN-HABITAT), Sheela Patel (SPARC), Clare Short (Member of Parliament, UK) and Keshav Varma (World Bank).

Bangladesh; crowded street with several rickshaws.
© Ron Giling / Still Pictures

Particularly when it comes to environmental and poverty issues, development agencies are inclined to focus on rural areas, where most low-income people and sensitive natural environments are located.

The debate over the relative importance, depth, or size of either rural or urban poverty has become as stale as it has counterproductive. The key message is that urban growth is essential for rural poverty reduction—indeed, only sustained urban growth has the capacity to lift both rural and urban populations out of poverty.

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Of course, continued investment in rural areas, and in agriculture, is an essential component of any national economic strategy and poverty alleviation. Such investments need to focus on increasing agricultural productivity, ensuring food security, boosting agricultural exports, preventing desertification, and preserving vital environmental assets, among other things. At the same time, it needs to be understood that boosting agricultural productivity typically results in rural labour migrating into towns and cities, further increasing urban demand for rural production as well as swelling the ranks of urban slum dwellers.

By and large, it is small and secondary cities that are being forced to manage this rapid increase of urbanising poor. Small towns, which are normally not prominent in national development frameworks, are often sorely underresourced in personnel, skills, and budget. The importance of secondary cities has also been consistently neglected in development assistance; capitals and mega-cities have captured what little attention there has been on urban and local government issues.

While navigating these urban transitions can be difficult, urbanisation nonetheless can present enormous opportunities in a responsive policy environment. For example, notwithstanding a somewhat ambiguous policy approach, until very recently, to the growth of China's cities, the urbanisation of some 150 million Chinese[3] has played a very significant role in that country's remarkable economic transformation and the extraordinary growth of its exporting eastern cities, leading to unprecedented reductions in the number of people living in poverty. In the past few years, the government of India has been showing an increasingly vibrant response to an urbanisation process of immense scale, focusing on the need to encourage the reform of Indian cities and their management. At the same time, Indian officials have demonstrated a keen willingness to better understand some of the lessons from Latin America and, particularly, from Brazil. The response in Sub-Saharan Africa has been mixed, with many countries continuing to exhibit a slow and negative response to urbanisation, but with some important national and city exceptions emerging in the past few years.

Nanjing, the central shopping mile at the old Central District at night.
© sinopictures/Brigitte Hiss/Still Pictures

[3] *World Development Report 2009: Reshaping Economic Geography,* World Bank Group, Washington D.C., 2009; Overview Edition, p17.

As illustrated in figure 1, the urban growth trajectories of Africa, and Asia are similar. Contrary to the crisis rhetoric, urban growth rates are now falling in every region and are projected to continue to do so – though these rates will also continue to exceed rural rates for the foreseeable future. Moreover, Africa's urban growth is not being driven primarily by migration or the transformation of rural areas into urban settlements: most of it is the result of high overall population growth rates in the region. Asia is urbanising faster, and it is the only region where about half of urban growth could be the result of migration.

Contrary to many assertions, the current pace of urbanisation in African and Asian countries is not historically unprecedented. However, it would be unprecedented for them to achieve economic success without urbanisation.

The World Development Report (2009) makes a compelling economic case for cities, arguing that three spatial transformations are necessary for economic growth: higher densities, shorter (economic) distances, and fewer divisions. The move to cities embodies the first of these transformations and enables the other two.

By concentrating people and economic activities, cities provide a range of economic advantages, not only to their residents, but to those who trade with them. The enterprises and facilities in cities achieve a scale unimaginable in rural areas, allowing benefits to spread rapidly and costs to be greatly reduced. Both buyers and sellers access larger and more diverse markets in cities. Both people and enterprises in cities learn from each other and combine their ideas, creating innovations and increasing productivity. In short, the shift to cities, successfully handled, doesn't just result in a step shift in productivity; successful cities provide the crucibles for long-term social and technological progress.

For cities to play this role in economic growth, they need appropriate infrastructure and spatially blind institutions and policies, extending basic services to everyone. Spatially focused policies are needed to provide the connective infrastructure, such as roads and telecom-

Figure 1:

Past and projected urban growth rates in Africa and Asia and the contribution of population growth and urbanisation, 1950–2050

Africa

Asia
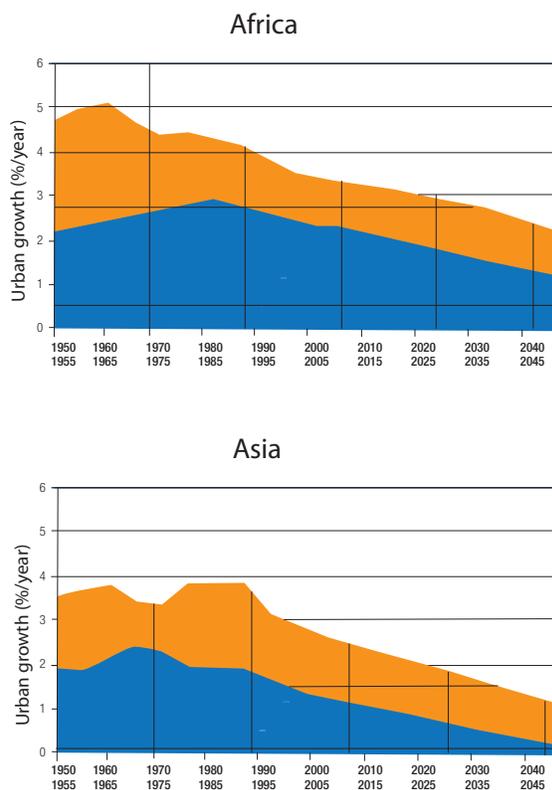
Source: UN Population Division, 2007 revision.
Note: The rate of urbanisation is the annual increase in the percentage of the region's population that is urban. A country or region's urban population growth rate is approximately equal to the sum of its population growth rate and its urbanisation rate.

munications, which plays a critical role linking cities and their markets to rural production, to their hinterlands, and out towards the global economy—thereby reducing (economic) distances and strengthening those cities' ability to take advantage of the resulting market opportunities.

As markets exploit the economic potential of cities, the resulting economic growth is inevitably uneven: it occurs first in the cities, creating disparities between urban and rural areas. While this can bring social problems, favouring rural investment simply to support lagging regions is economically wasteful and historically unsuccessful. From an economic perspective, rural investments should be justified in terms of their productive benefits, and not as a means of reducing rural-urban imbalances.

People migrate to cities not to live in or create slums, but because they believe the move will improve their social and economic opportunities in the medium term, if not immediately. As a general rule, they are right.

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The Consequences of Informality, Illegality, and Invisibility

The future of world poverty and inequality is being influenced to a significant degree by what is now happening in cities. Yet, even with the clear evidence that well-run cities hold the potential to vastly reduce poverty, the economic benefits that urbanisation can provide are only rarely seized, particularly in low-income countries. Resisting urbanisation, rather than helping deprived rural dwellers, more often amplifies rural-urban disparities and reinforces a broader hostility of social elites to the urban poor. It is this whole self-reinforcing process of decline that needs to be turned around.

This resistance to urbanisation most commonly takes the form of official apathy, and even hostility, to the plight and the needs of the urban and urbanising poor. This is most obviously manifested in the lack of essential services, leaving the city's poorest residents to procure land, shelter, water, sanitation, and energy on informal and parallel markets, generally at a price premium.

Over time, the consequences of this official neglect may promote parallel systems of governance and the emergence of gangsters and slumlords, often protected by useful political connections. In short, ignoring the needs of the poor gives rise to the very conditions that cause

Yemen, Sana'a. Market in the old city. © Glen Christian/Still Pictures
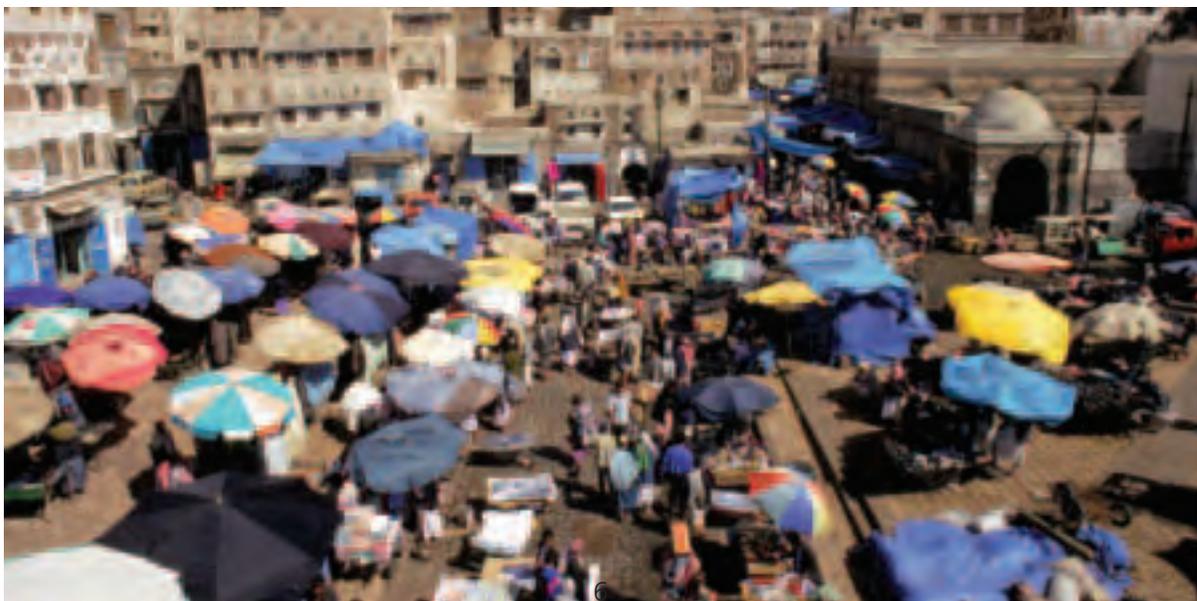
slums to emerge and grow and to often become difficult and dangerous places, particularly for the residents of the slums themselves. Presented in such stark terms, this is a cold indictment of what passes for urban policy in too many cities and countries.

The central message for those governments that believe they have the ability to inhibit urbanisation: such policies tend to have pernicious side effects and rarely reduce the growth of urban populations—and they do real and costly damage to the economy and to social relations. Conversely, national policy frameworks that accept the inevitability, and even the *desirability,* of urbanisation are more likely to create the conditions for economic growth on a national scale and, ultimately, reduce both urban and rural poverty.

In Latin America, which has largely completed its urban transition, new democratic regimes are belatedly trying to incorporate their *favelas* into the social fabric of the cities. The unprecedented public investments of the current Brazilian administration, the innovation being shown in Colombian cities like Bogota and Medel-

lin, and the programme to recover previously excluded neighbourhoods in Chilean cities are attempts to overcome decades of social exclusion. The economic investment and administrative tasks involved in formalising these settlements are immense. This is only a small part of the challenge, however.

Past failures have contributed to high levels of crime and violence, which have not been contained in the *favelas* but have extended across entire cities and countries. The power politics of informal settlements also extend well beyond the settlements themselves and cannot be administered away by changing the formal land registration systems and regulations or giving out land titles. Existing inequalities in Latin America today reflect the past failure to get urbanisation right, and the problems will continue well into the future.

The same urban transition is now occurring in Sub-Saharan Africa as well as South and Southeast Asia, but, with few exceptions, there is little evidence that the right lessons are being drawn from the mistakes made elsewhere.

Upgrading in the Santo Domingo neighbourhood of Medellin, Colombia provides space for children to learn about the environment. © Andrea Merrick/Cities Alliance

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Rather than actively planning for rapid growth, governments tend still to plan against it, often in the misguided belief that forward planning will encourage new growth. Such absence of planning merely leads to unplanned and inefficient growth, with the poorest residents being left to fend for themselves and the city itself beginning a cycle of decline.

A New Challenge: Climate Change

Most of the challenges described above have a long history. More recently, the challenge of climate change has come to the top of the international agenda, with urbanisation often being blamed for increasing greenhouse gas emissions. Indeed, uncontrolled urban development created climate change in somewhat the same way that uncontrolled urban development created the sanitary crisis in the 19th century. In both cases, the perceived exigencies of markets were allowed to override environmental concerns, and the environmental opportunities that cities provide were largely ignored—that is, the reduced transport distances, the scope for shifting to public transport, and the potential to reduce built-over land area per capita.

It is now widely recognised that adequate water and sanitation services and energy are far easier and less costly to provide in cities than in the countryside. Eventually, it may well be recognised that climate change mitigation, too, is less costly when people live in cities.

A prejudice against cities is evident in the common claim that urban areas emit 75 percent or more of greenhouse gases. Recent studies have shown this to exaggerate the urban contribution by at least 10 to 20 percent. Moreover, in the wealthy countries where most of the gases are emitted, urban living is already less burdensome than more dispersed suburban and rural living. New York City, for example, is considerably less greenhouse gas–intensive than the United States average. Indeed, from a climate perspective, the worrying settlement transition is not the movement to cities in the low- and middle-income countries, but the movement out of cities in the high-income countries.

In the face of consistent inaction by city and national governments, the residents themselves are driving efforts to improve conditions, and a close look at most informal settlements or other deprived neighbourhoods reveals an immense variety of innovative practices. Yet, in too many cases, progress is made in the face of local government apathy or outright opposition.

Possibly the most glaring example of this paradox is in the constant production of basic shelter. Although accurate figures are very difficult to obtain, all the evidence suggests that overwhelmingly, new shelter for slum dwellers is built by the urban poor themselves. And this production is undertaken despite concerted attempts by public authorities to hamper or actively prevent it. A sensible and pragmatic approach would not only recognise this important contribution of the urban poor, but actually encourage and support the process. Indeed, government and private sector support for incremental housing processes should ideally be incorporated as a mainstream of any national housing policy, so that a shack eventually becomes a house, and a slum gradually transforms into a city's suburb.

In short, completely different outcomes and progress would be possible if local governments started viewing the urban poor as citizens—with rights, responsibilities, and resources. Local governments have the capacity to create the political, institutional, and legal basis for nurturing local successes and tapping the opportunities that urban density and the energy of the urban poor can and should provide. What is needed is leadership bold enough to introduce a wholly new mind-set, supporting and encouraging entrepreneurial behaviour by all citizens, rather than defending the interests of part of the city or of the elites.

Housing construction for the poor in Lima, Peru. Courtesy, World Bank Photo Library.

A slum in Cebu City, Philippines. © Mark Edwards / Still Pictures

Anti-urban prejudice can actually prevent national and international pressures on cities to take action to mitigate climate change, as well as make it less likely that city-based pressures will emerge. This is an especially important deficiency in high-income countries, where current emissions per capita are extremely high, and the momentum towards more transport and land-intensive settlement forms needs to be reversed. In economically growing middle-income settlements, it is yet another compelling and urgent reason to get urbanisation right to avoid increasing emissions.

Once again, forward planning is an essential component of a sustainable approach to urbanisation, particularly in rapidly urbanising low-income countries. While their urban settlements currently make negligible contributions to climate change, it is important not to lock into place climate-unfriendly settlement patterns. This applies to both mitigation, where efficient compact settlement patterns need to be encouraged, and adaptation, where protective measures and settlement away from the more vulnerable locations need encouragement.

Again, the message should be clear: it is important to plan where future urban growth should be located, not to ignore urban growth and hope it won't happen.

New Models of Learning

If urbanisation and cities are at the centre of the development challenges of the 21st century, it should be self-evident that they should also be at the centre of development assistance. Unfortunately, conventional development assistance is ill-suited to supporting urban innovation, and the principal alternatives being touted are not much better. To get urbanisation right in the 21st century, both national governments and international agencies will need to find better ways of recognising and nurturing urban opportunities and engaging with local governments.

Conventional development assistance is built on agreements between national governments or between national governments and international agencies. Most development assistance has been devoted to large projects or programmes with long delivery chains, a heavy reliance on expensive foreign expertise, and strong government involvement. Although civil organisations have also received development assistance in recent decades, the principal interaction has been between markets and governments, as in the world at large. For cities, this narrow focus on governments and planning on the one hand and private enterprises and markets on the other has been problematic, since one of the key roles of cities is as the places where civil society, and ordinary people, can play a leading role.

To get urbanisation right in the 21st century, both national governments and international agencies will need to find better ways of recognising and nurturing urban opportunities and engaging with local governments.

Conventional development projects tailored to specific cities are difficult to support. Local governments rarely have much influence over the allocation of development assistance. A large share of the funds tends to be expended high up on the delivery chain, often on foreign assistance or by central ministries. This form of assistance is particularly ill-suited to supporting large

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numbers of small, affordable projects—the sort particularly relevant to low-income urban dwellers. Overhead tends to be excessive, official standards too exacting, selected technologies too expensive, local participation largely cosmetic, and actual outcomes disappointing.

The Paris Declaration on Aid Effectiveness (2005) advocated a shift from fragmented project-based support towards a greater reliance on national financial management through, for example, direct budget support. This shift was meant to focus attention on improving the national budgetary process and national governance, rather than on parallel structures of development assistance.

An obvious question to pose of any new model of urban development assistance is whether it strengthens downward accountability and genuine local leadership. While the principles of direct budgetary support are still widely favoured among donors, there is concern that the incentive and capacity of many national governments to be accountable to their citizens is lacking and unlikely to be strengthened by having an appreciable part of their budget funded externally.

Urban development assistance has the potential to build accountability and improve relations between local governments and their citizens. This will require a change of strategy, however. Rather than simply allowing cities to become the site of new development projects, urban development assistance will need to work explicitly to create more successful cities, not just economically, but socially and environmentally as well. Such assistance will also be more effective if it recognises the importance of simultaneously engaging both national and local governments.

The past few years have witnessed the emergence of new forms of development assistance, less reliant on the traditional, vertical modes of engagement. Emerging countries such as China, Brazil, Chile, Colombia, India, and South Africa have demonstrated an eagerness to forge new methods of technical assistance, based on common experiences with donor agencies as well as common development challenges. There is little doubt that a significant realignment and adjustment in inter-

national development assistance is commencing, with greater emphasis on sharing appropriate knowledge and experience, and less on grants and implementing projects.

Within this framework, new questions will certainly need to be asked of universities, research entities, and policy units in developed and developing countries alike. Many of the students attending developing-country institutions are leaving ill-prepared to assist and lead responses to the development challenges that their countries will face in the next decades, particularly in such critical fields as urban planning. The major benefit of a more active relationship between institutions of higher learning and local and national governments would be the building of long-term capacity so essential to the future of any country.

Looking Ahead

The 10th anniversary of the Cities Alliance provides a timely opportunity for the organisation and its members to learn from past failures and successes and to re-emphasise those principles, policies, and practices that are essential for developmental progress. While none of these should cause any real surprise, what is too often missing is their consistent application over time, beyond the next election or budget cycle in the city, government, or donor country.

Yet the most important policy decisions for successful and sustainable development can only be taken by the national governments of developing countries themselves, which is where the primary responsibility belongs. These policies can certainly be reinforced by organisations such as the Cities Alliance. Following are some of the most important policies:

- **Strengthen local governments and local accountability.**

The success of national social and economic programmes and policies is greatly enhanced through the active involvement of, and partnership with, local government. However, in too many countries, the local is viewed as an inferior level of government rather than as an essential component of a system of governance and accountability.

Over the past two decades, a process of decentralisation has taken root in most parts of the world, leading to a gradual—but asymmetrical—recognition of the role of local governments. In the best cases, this process has been augmented by an increase in local government powers—the ability to benefit from stable financial transfers from the central government and also to raise their own sources of revenue. However, in too many cases, local government is treated merely as an administrative arm of higher tiers of government, required to implement policies and decisions made at some distant capital city or administrative centre.

Bringing local government more fully onto the international development agenda is a vital step to improve local accountability and build the skills and human capital necessary to respond to urgent developmental issues, such as urbanisation, the impacts of climate change, and the policies needed to support local economic growth. Parallel policy and developmental support should also be provided to national associations of local governments, improving their capacity to facilitate learning between cities, as well as representing the interests of local government on a national stage. Vibrant, well-run cities of all sizes are an essential ingredient for national development, and the key to well-run cities is local accountability.

- **Actively promote the role of women.**

As a key vector for successful development, support for the role of women needs to move well beyond political correctness; it needs to be consistently promoted as essential to good social and development policy.

Although women constitute half the world's population, and their indispensable contribution to social, economic, and political development has long been understood and recognised, their role continues to be systematically marginalised. In urban development, women invariably provide leadership in the management of savings-driven delivery mechanisms, for example, but they are routinely excluded from the management of economic assets and from local and national political leadership positions. Yet simple procedures—such as recording property rights equally between men and women or allocating them to women alone—have repeatedly demonstrated significant, long-term benefits. As a key vector for successful development, support for the role of women needs to move well beyond political correctness; it needs to be consistently promoted as essential to good social and development policy.

Women at an adult literacy class funded by Paraspara Trust. © John Isaac/ World Bank

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- **Promote learning between cities and countries, and between communities.**

The Cities Alliance has identified a growing demand from developing countries for access to the lessons from cities and countries that have already had to tackle similar problems, such as dealing with slum backlogs or rethinking models of city governance. Latin American countries, such as Brazil, Chile, and Colombia, or Asian countries, such as the Republic of Korea, Indonesia, China, and the Philippines, have been identified as having a range of positive and negative experience on issues of urbanisation, slum upgrading, city governance, social exclusion, and social inclusion. The relevance and applicability of these experiences are being recognised in India, Egypt, Uganda, Syria, Ghana, and other countries, and by reforming cities such as Lagos and Lilongwe. The Cities Alliance can expand its role in supporting its members by capturing, analysing, and disseminating these experiences, as well as in facilitating direct horizontal exchanges.

For communities, recent initiatives have provided support directly to networks of organisations working close to the ground, circumventing the delivery chain and giving the intended beneficiaries more control over the process. The networks can be local, national, or even international. Ideally, the networks should be dominated by organisations that can legitimately claim to represent the intended beneficiaries, and they should be capable of handling finance and reporting on its use. Such criteria are ambitious, if somewhat ambiguous, and may seem unrealistic when applied to large, variegated groups of intended beneficiaries such as the urban poor.

However, some of the most successful of such networks have linked up organisations of the urban poor. In Thailand, the government's Community Organization Development Institute (CODI) has based its acclaimed urban upgrading programme on this sort of networked approach. Slum/Shack Dwellers International (SDI), a network of organisations of the urban poor and a recent member of the Cities Alliance, is now active in more than 20 countries. It has not only been very successful in achieving improvements on the ground, it has changed the ways many local governments engage with their more deprived citizens. It recently set up a fund that channels international financial support directly to organisations of the urban poor.

An upgrading project underway in Bangkok, Thailand.
© William Cobbett/Cities Alliance

- **Provide multiyear, programmatic support.**

While the limitations of supply-driven, sectoral projects have long been recognised, they still occupy a significant place on the international development agenda. Through its members, the Cities Alliance is well positioned to provide multiyear programmatic support to a limited number of countries, which should be largely selected on the basis of their own imperatives of reform. Such programmes should be driven by local partners and provide both the opportunity and the framework for co-ordinated national and international assistance.

- **Build on what already works.**

In conventional development assistance, there are powerful pressures that claim to have found solutions to development problems and then promote them everywhere (claiming, of course, to adapt them to local circumstances). This applies not only to technologies, but also to policies and practices. Local specificities and complexities do not get the attention they deserve. Decisions that should be made locally, within the cut and thrust of local politics, end up being discussed and often made hundreds or even thousands of kilometres away. This tends to drive realistic solutions into the informal sector, where they are difficult to support through conventional assistance.

An alternative approach is to build on what is working locally. From this perspective, the challenge is not to design and scale up best practices, but to identify good practices and help people to improve upon them. This cannot be done by experts and government officials alone. It is local residents and entrepreneurs who know best what is working and what is not, and signals of success are more likely to be more reliable if they come from markets and the actions and opinions of the beneficiaries and their organisations than from project evaluations
.
This also suggests that the time is right to move beyond the concept of community consultation, which is often reduced to a formalistic process disconnected from real decision making, and insist on local governments recognising the urban citizenship of all residents.

For its part, the Cities Alliance needs to keep constantly reviewing its policies and practices to ensure that it maximises its impact. As a small organisation with a modest budget, the organisation realises that it needs to become even more selective and strategic in its work. However, the fact that its members maintain an ongoing and extremely vibrant debate about the direction of the organisation is a sign of good health after the first 10 years.

Bangkok: canal upgrading as part of Baan Mangkong Programme.
© William Cobbett/Cities Alliance

CITIES ALLIANCE IN ACTION

Land, Services, and Citizenship for the Urban Poor

While some developing countries have shown political commitment to dealing with the issues of urban growth, the majority of countries are not actively planning for this growth, nor are they effectively incorporating the existing urban poor into their cities. Indeed, far too many developing countries continue to adopt a hostile approach to the urban poor, forcing them to obtain land and essential services informally, expensively, and inefficiently.

Over the past three or more decades, the international development community has supported a wide range of slum-upgrading projects with both notable successes and failures. Overall, however, technical assistance is still dominated by a sectoral, project-based approach that fails to deal with the underlying policy failures that are the main causes of slum growth. Through its membership and accumulated years of global experience, the Cities Alliance is well positioned to identify both successful and less-effective approaches to slum upgrading. Consistent support over many years to a diverse range of cities and countries in Latin America, Asia, Africa, and the Middle East has highlighted useful experiences.

Every country or city has its own local context, but certain broad lessons are universally applicable:

• Attempts to stop, limit, or manipulate urbanisation have always ultimately failed, even when backed by violence and repression.

• Slum clearance, mass evictions, or relocating the poor to the urban periphery destroys livelihoods, embitters residents, and merely displaces the problem.

• Insecurity of tenure inhibits household investment in private housing, creating the social conditions for exploitation by slumlords.

• Lack of recognition of the rights of the urban poor leads to systematic underinvestment in urban services, resulting in a downward slide in environmental health and the spread of disease.

• Government investments in infrastructure without meaningful community involvement seldom are sustainable and may even become part of the problem. Equally, community-driven projects without active government involvement rarely have an impact at scale or lead to a programmatic approach to upgrading.

• Isolated projects disconnected to a broader city development strategy too frequently result in the poor being displaced, often through economic displacement.

• Planning systems focused on structure and an inflexible regulatory environment lead to plans that bear little resemblance to actual settlement patterns and practices on the ground.

• Isolated and hierarchical urban management systems are slow in releasing land and delivering services, and they are therefore incapable of effectively responding to the rate and scale of urban growth.

A number of developing countries—Angola, Ghana, Liberia, Malawi, Sierra Leone, Tanzania, Uganda, Vietnam, and Yemen, for example—have begun to explore policy changes that anticipate an urban future. It is becoming increasingly clear that to provide the kind of support these countries are demanding, organisations such as the Cities Alliance need to provide longer-term, programmatic support, operating at both the local and the national levels.

As stated in its Medium-Term Strategy (2008-2010), the Cities Alliance must use objective criteria to identify countries where maximum impacts are possible, given the finite financial and other resources available. These criteria should include the following:

• Sustained political commitment at national and subnational levels for slum-upgrading activities. In the case of Brazil, for example, President Luiz Inácio Lula da Silva (himself a former slum dweller) has led and championed the rights of the urban poor.

Slum area in the city centre in Kampala, Uganda. © Achim Pohl/Das Fotoarchiv/Still Pictures

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- Placing constructive engagement between service providers and citizens at the centre of project design and implementation.

- Enhancing tenure rights through mapping and developing clear databases on slum communities. Too many mayors do not know their whole city.

- Building human capital and institutional systems at both the local government and community levels.

- Achieving service expansion and sustainability through public community partnerships based on shared responsibilities and the mobilisation of local resources.

- Reform of the regulatory environment, emphasising decentralised community land protection and development facilitation.

Environmental degradation in one of Mumbai's slums. Photo courtesy: UNEP

Programming Citywide to Link Slum Upgrading to Broader City Development Strategies

Central to successful slum upgrading programmes—and to Cities Alliance support—is recognition of the urban poor as part of the solution and facilitating their participation in all aspects of urban planning and settlement, including land use control. In an increasing number of developing countries, the urban poor are demanding greater involvement in decisions that affect them. Their organisations are demanding significantly more than merely participating in capacity-building workshops; they want a far more active role in local planning processes.

The most advanced of these organisations are mobilised into international networks, engaging with local and national governments and, increasingly, international donors. They are proactively involved in finding solutions to the challenges facing the urban poor. Extending real and meaningful citizenship to the urban—and urbanising—poor is, in many ways, the single most important policy decision of local and national governments. The most tangible expression of this decision often is the recognition of the permanence of the urban poor through the rapid and decisive recognition of their urban land rights.

The Challenge

Both national and local governments need to introduce strategies that deal with the current—and future—realities of urbanisation. The experience of Latin America points to the importance of anticipating and proactively planning for this enormous demographic and social transformation, rather than ignoring and resisting it and then spending three decades and huge public resources trying to mitigate the consequences of dysfunctional cities and societies. The fundamental objective should be to lay the groundwork that will facilitate the involvement of residents themselves in constant upgrading over time, with the support of the public authority.

While policies aimed at the mass delivery of public housing always appear impressive, there are extremely few examples of success. Such programmes seldom respond to the required scale of the challenge and often create a new set of problems for the next administration to resolve. Over time, the housing stock may filter through to the middle classes, with the urban poor being squeezed back into shacks on the periphery. Creative housing finance models rarely enable the poor to access housing at any meaningful scale.

Even in 2009 few housing policies have resulted in the most effective and efficient housing stock. Most developing countries are far too poor to ensure the provision of shelter for the entire population within a reasonable time frame, and there is little or no prospect of the formal private sector filling this gap. Therefore, incremental production of housing should constitute the centrepiece of national housing policy in most developing countries—an approach that makes sufficient quantities of well-located land available for poor people to settle and progressively build their homes, and where services can be provided incrementally. Incremental development also enables effective public community partnerships, where clear rights and responsibilities are defined.

The Land, Services, and Citizenship (LSC) for the Urban Poor programme, which was unveiled by the Cities Alliance in 2009,[4] aims to build upon these lessons and work with local and national governments in a number of least-developed countries to halt the downward urban spiral—promoting incremental development and an inclusive urban citizenship to transform slums of despair into settlements of transformation. A settlement in transformation might manifest slumlike conditions, but it is on an upward trajectory, where communities are organised and working in partnership with local government to maximise the value of the limited resources available. This reversal of the downward spiral is the fundamental objective of the LSC programme.

Achieving such an approach to development in the context of scarce resources poses a number of challenges, not least of which are quality leadership, pragmatism, and compromise. The approach requires institutional space where different community stakeholders and service providers can engage in open dialogue on the strategic vision and direction of the city and smaller-scale neighborhood development plans. The most successful and durable public community partnerships are crafted through regular and structured engagements.

On the basis of the international experience and lessons learned, the Land, Services, and Citizenship for the Urban Poor programme has been designed around five broad conceptual pillars:

•   Strengthening meaningful urban citizenship rights of the poor by formally acknowledging the permanence of slum dwellers and their settlements, and building community organisations that facilitate the role of slum dwellers in citywide slum upgrading.

•   Creating a platform for improved urban governance through the establishment of citywide forums to facilitate partnerships between the local government and the community, recognising reciprocal rights and responsibilities.

•   Systematically improving formal access to municipal services.

•   The active participation of community stakeholders and service providers in the creation of city development strategies and local community upgrading plans.

•   Developing policies to extend secure tenure, improve planning and urban management, and enable local government to respond to the current and future demands of urban growth and the needs of the urban poor.

The underlying philosophy of the prgramme is based on respecting both the rights and responsibilities of all parties. Such an approach requires clear distinctions about the provision of public goods—such as land, services, and citizenship—as well as private goods, such as shelter.

A family finishing their own home in Bangkok, Thailand.
© William Cobbett/Cities Alliance

[4] The LSC Programme is financed through a combination of funds received from the Bill and Melinda Gates Foundation and core funds provided by all Cities Alliance members.

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To this end, the project promotes the establishment of citywide development forums as a component of the core business of the local government. The forums are designed to ensure that regular engagement between the government and citizens produces pragmatic solutions that are endorsed and upheld by all key participants. The forums also provide assurance that all parties to agreements are held accountable for their commitments, building a culture of public accountability and transparency.

Not all problems can be solved at the local level, nor is it desirable to have different rights in different areas. Such issues as the vexing question of urban land require state or national policy intervention. Therefore, the programme promotes a national urban dialogue that directly links to the issues raised at the local level, bridging the institutional gap between national and subnational governments, and between government as a whole and its citizens.

Although many of the issues affecting the cities of the developing world require long-term approaches, visible, short-term progress can be delivered if the correct partnerships are cemented and modest resources made available. To ensure early delivery of tangible results, up to 50 percent of the funding can be budgeted for direct investment in slums and their community institutions. These funds will not finance large-scale municipal infrastructure projects, but rather will help capitalise local municipal development funds, enabling local-level responses to smaller-scale, immediate service needs.

Ultimately the programme aims to support governments through demonstrating workable solutions to the complex governance problems associated with rapid urban growth, including citywide approaches to the upgrading of slums. The vision of success would be bold changes in policy and practice in a number of developing countries, resulting in a more inclusive approach to the urban poor and proactive preparations for an urban future. Specifically, this would result in significant and visible progress in extending citizenship to the urban poor and ensuring their access to land and services, as well as support for the constant improvement of their condition over time.

Post-conflict Countries Make Slum Upgrading a Priority

Monrovia and Freetown are the national capitals and primary cities of neighbouring Liberia and Sierra Leone, both of which have recently emerged from sustained periods of political turmoil and civil war that largely destroyed their institutional and physical infrastructure. Years of conflict saw the migration of large numbers of people from the provinces to the relative safety of the cities. The majority of the people moved to the burgeoning slums and informal settlements that now house and provide the survival environment for more than half the population of both cities.

Significantly, both countries' Poverty Reduction Strategy Papers (PRSPs) have placed slum upgrading firmly on the development agenda. Liberia's PRSP specifically identifies the upgrading of five large and dense slums in Monrovia among its strategic priorities for poverty reduction. Sierra Leone's PRSP also recognises slums as an area of particular concern for its capital, Freetown.

While decentralisation policies in both countries are increasing the pressure on new mayors and city administrations, they are simultaneously opening new opportunities for urban reform and development. Charged with the task of improving the living conditions of their sizeable slum populations, the Monrovia City Corporation and the Freetown City Council, in partnership with the World Bank and UN-HABITAT and with support from the Cities Alliance, have each taken the important first steps in preparing a large-scale citywide slum upgrading initiative.

To date, neither city has had the appropriate policy frameworks or technical resources to address the challenge of slum upgrading or formulate measures to limit their further growth. Public sector intervention in Freetown has been confined to sporadic slum clearance or as part of wider sectoral improvement projects or in response to specific local crises such as landslides, flooding, and fire. In Monrovia, a belief that the "slum problem" can be solved only by relocating slum dwellers to periurban areas or the rural land of the provinces has been a widespread, albeit unsubstantiated, tenet of government at all levels.

Support from the Cities Alliance, provided through a small preparatory grant designed to help begin the process of developing a comprehensive slum-upgrading programme, enabled both cities to identify and analyse the systemic causes of slum formation and growth and, for the first time, provided the basis for exploring strategy alternatives. Both cities actively involved slum dwellers and their community representatives throughout the process. For Monrovia, an exchange between community-based organisations (CBOs) and city officials with their counterparts in Accra, made possible with the active support of Slum Dwellers International, proved invaluable in terms of introducing and discussing alternative approaches to local and citywide action.

For Freetown, a significant outcome of its preparatory initiative has been a Slum Strategic Management Agreement, endorsed by the mayor and four key national government ministers, which lays out a progressive set of policy principles that embrace:

• The integration of slums into the fabric and development imperatives of the city.
• The delivery of urban services to all slums.
• The importance of households and community participation in the management of those services;
• The right to inalienable tenure to property; and
• Slum community engagement in the planning, management, and financing of local development, while maintaining residents' cultural identities.

Slum dwellers in a settlement in Freetown, Sierra Leone.
© Andrea Merrick/Cities Alliance

Some extracts from the agreement are noteworthy, as much for their tenor as for their articulation of citizenship:

Slum residents as citizens of Sierra Leone are to be given full rights as provided under the Constitution.... The slum areas are an integral part of the overall Freetown urban area. The approach to their development/ improvement should as such be taken from a comprehensive perspective.... The involvement of the local residents in the urban service delivery will maximize the potential for inclusion of their citizenry in the process of urban governance and could make the service itself more efficient and cost-effective.... The inclusion of slum residents in the development and financial mechanism and monitoring systems is not only a local resident right but also a guarantee of a successful urban development.

The document goes on to enumerate a set of activities based on participatory governance, transparency, and accountability. The Freetown agreement is an outstanding document, providing a solid foundation for a comprehensive citywide slum-upgrading strategy for Freetown.

While the political commitment for slum upgrading has yet to be solidified in such a concrete manner in Monrovia, there is every indication that the Monrovia City Corporation's slum upgrading initiative will gain traction. A steering committee is being constituted, chaired by the mayor and with representatives of the key national ministries and corporations, municipal authorities and technical officers, NGOs, slum-based CBOs, and engaged members of the donor community.

For the Cities Alliance's members, the preparatory initiatives in Sierra Leone and Liberia raised some important issues about the operating environment in Least Developed Countries (LDCs). For example, how should the Cities Alliance respond to a committed national or local government wishing to develop a meaningful slum upgrading programme when donor funding priorities may not be aligned to support the agenda? How should the Cities Alliance promote local ownership in LDCs, which is likely to require greater support for building institutional, technical, and managerial capacity? Above all, the Cities Alliance's first phase of assistance to Sierra Leone and Liberia has underscored the significance of its commitment to longer and more programmatic engagements in the countries and cities it supports.

Freetown City Council takes important first steps in preparing a citywide slum upgrading initiative. © Andrea Merrick/Cities Alliance

Box 3: Lessons from the Evaluation

The initiatives of both Freetown and Monrovia were the subject of the Cities Alliance's annual field evaluation. Beyond the substantive lessons that the Alliance garnered from the cities' experiences, the evaluation allowed the Alliance to reflect on both the relevance of its small preparatory grants and, more broadly, on the approaches to supporting least-developed countries (LDCs) with particularly complex development challenges. Among the findings:

• Inclusion of slum upgrading in a national PRSP can be a real force in motivating government to respond to the needs of the urban poor. Its impact may be tempered, however, when the upgrading agenda is poorly resourced.

• While supporting countries emerging from conflict may present significant operational challenges, the timing of engagement is critical to harnessing the opportunities for national and municipal development policy formulation and the political will and enthusiasm for change that may exist.

• Where approaches to slum upgrading are under discussion, exchanges with cities with comparable situations are particularly relevant and valuable. Such exchanges provide an opportunity for peer groups of

slum dwellers to learn from each other's experiences, relationships with authorities, and approaches to negotiation. They enable local authorities to compare and learn from each other's preoccupations and approaches.

• Public officials and slum and leaders of community based organisations (CBOs) travelling together and jointly representing their city also provides a unique opportunity for all parties to develop mutual understanding of each other's positions, capacities, and limitations.

• Slum CBOs and savings groups are likely to be numerous and active. Coordination rather than mobilisation is important to maximising individual group efforts and negotiating strengths.

• A distinct preparatory phase focused on mobilising stakeholders, building consensus, and developing plans for a slum upgrading programme should occur prior to the development of a full slum-upgrading policy and implementing strategy.

A vibrant market in Monrovia's Sonewein slum community. (Liberia)
© Andrea Merrick/Cities Alliance

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Box 4: Highlighting Gender Issues in Slum Upgrading

Although gender is a term widely used within development in general, few specific measures and activities are systematically put in place to address the gender dimensions of slum upgrading.

Why Focus on Gender?
Gender is one of the variables (along with ethnicity, age, and class) used in the distribution of privilege, prestige, power, labour, and a range of social and economic resources. Women and men differ in their roles, needs, and perceptions of urban development. However, reports show that conscious efforts to address their views lead to better project design and performance.

Gender Includes Men
Gender has in some contexts been reduced to mean "women". Such an approach disregards the gender-specific needs of men and the relations between men and women that affect women's empowerment.

Some Important Gender issues In Slum Upgrading
While gender issues vary according to culture and context, below are some common issues experienced within slum upgrading across several countries.

• Lack of sex disaggregated data in urban areas
Access to reliable data and analysis is essential to identifying gender issues and being able to prioritise, make decisions, and advocate on the basis of gender. Most data are collected at household units from the head of the household, and important intrahousehold differences are not recorded. Slum upgrading can benefit from a gender analysis that focuses on how the interventions affect men and women differently, and how gender-specific issues can be addressed.

• Participation in decision making processes
In many countries women and youth representatives are included at all levels of government. However, they rarely have leadership positions and traditional perceptions and structures can make it difficult for them to be heard. There is a need to go beyond symbolic participation of women and youth and to focus on their actual impact in decision making processes.

• Land rights
Access to land is important in several ways. In addition to a place for shelter and protection you often need land to access credit. Even though laws and policies frequently provide for it, women in many

settings are seldom included on land and structure titles and do not normally inherit land. There is a need to ensure that such land claims are not just legally, but also socially recognised and enforceable by an external legitimising authority.

Women's access to land can be enhanced by:
- Securing joint land titles;
- Raising awareness of women's land rights that are secured in different laws and policies;
- Providing access to legal aid on land right issues.

• Hygiene and Sanitation
Having access to private safe spaces for sanitation is an issue of dignity, culture and safety, and is often ranked as a high priority by women.

• Insecurity
Crime, violence and rape have a high frequency in many slum areas. Young girls and boys that work as street vendors late at night are particularly at risk. An emphasis on safe, well-lit passages for spaces of living and spaces of work should be included in urban planning and slum upgrading.

• Economic empowerment
Saving groups have in many settings proved successful in economical and organisational empowerment of both women and men. There is however a need to follow up on what happens within households with regards to women's real control over the money they access through the saving groups.

• Vulnerable groups
Female headed households and other vulnerable groups can have difficulties in providing the labur often required from households to participate in projects. It is important to make sure Female headed households and other vulnerable groups are not excluded from slum upgrading projects by identifying the vulnerable household and provide special measures to facilitate their participation.

For slum upgrading programmes to be more effective gender needs to be considered in all stages and at all levels of a slum upgrading process.

Yemen: Local woman who received a small loan to buy a pool table now rents the table to the residents of her town. © Scott Wallace/World Bank

City Development Strategy: An Inclusive City Management Process that Promotes More Effective Urban Governance

The process through which local stakeholders and citizens meet, deliberate, argue, and bargain over a common, collective vision for their city is unique to that city or town and, yet, at the same time, would be very familiar to other cities. For this reason, the Cities Alliance has resisted both the temptation and the call to create templates for the process through which cities rethink how they perform and improve their core functions. Rather, Cities Alliance and its members see their role as encouraging city leaders to learn from the experience of other cities that have been successful in tackling seemingly intractable problems and transforming parts or all of the city. This is not the stuff of handbooks, or toolkits. The very concept of citizens meeting to discuss their common, long-term future is as old as cities themselves.

Although Cities Alliance provided a measure of guidance through its 2006 publication, *Guide to City Development Strategies: Improving Urban Performance,* the reality is that a city's long-term development strategy should emerge from the needs of the city itself and the collective analysis of the city's major stakeholders. But external technical assistance is often both necessary and extremely useful—and would ideally come from the experience of another city that has, itself, undertaken a similar process.

From its experience of providing resources to fund city development strategies (CDSs) over the past decade, the Cities Alliance can point to a number of conditions that seem instrumental to the success of the process:

• The need for, and the decision to undertake, a CDS should emerge from within the city itself. The main driver can be the city administration—as in the case of Johannesburg or Lagos—or from the private sector concerned about the long-term prospects for the city, its effectiveness, and its competitiveness—as in the case of Mumbai.

Yemen, Sana'a. Market in the old city. © Glen Christian/Still Pictures

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• Conducive national frameworks are vital for successful city transformations. In some cases, it is a higher tier of government that identifies the need for wholesale reforms in urban management and incentivises cities through a combination of financial rewards and penalties. The most striking example of this is the set of reforms initiated by the government of India through the Jaharawal Nehru Urban Renewal Mission.

• Clear, decisive, and consistent political leadership from within the city can, in some cases, be sufficient to drive a city's transformation, as in the cases of Barcelona and Bogota.

• City strategies are often derailed (or even prevented) through the narrow interests of local politicians, or political parties—for example, through the decision of new politicians to jettison the policies of a previous administration. The challenge for any city, or government, is to rise above short-term political considerations.

In all cases, the transformation of a city is a long-term process that requires consistent action over time. In its most successful programmes of support, as in the city of São Paulo or the state of Bahia in Brazil, Cities Alliance activities have survived changes in political leadership and government, even if activities may have slowed down or been suspended for a period.

Overall, the Cities Alliance has adopted an increasingly flexible approach to CDSs, allowing cities to interpret the process in manners most suited to their specific needs or approaches to urban governance. This flexibility and absence of prescription is, we believe, key to the success of the CDS and has allowed it to be used as an effective instrument in tackling services for the urban poor and, increasingly, the challenges of climate change.

Street scene in Dakar, Senegal. © Ron Giling / Peter Arnold Inc.

City Development Strategies: Experiences in 2009

The following section highlights a number of themes that have emerged in recent CDSs supported by the Cities Alliance. These include a range of issues, both related and disparate, that further underline the flexibility of the CDS as a vehicle for improved urban governance.

Metropolitan Governance: Comparing Three CDSs in West Africa

The complexity of preparing a long-term CDS can be exacerbated by the institutional arrangements of the city, particularly in larger metropolitan areas. A series of gradual jurisdictional amendments to a growing city, or poorly thought-through decentralisation processes, often results in the creation of a large number of municipal entities with relative autonomy and overlapping authority. This phenomenon is found, in different forms and with different features, in all parts of the world.

The minimum role of a metropolitan authority is generally to provide some overarching coherence to services affecting the entire metropolitan area, such as transport, solid waste disposal, energy, and the supply and treatment of water. Fragmented metropolitan governance is common in developed and developing countries, an issue that has been addressed in a number of CDSs supported by the Cities Alliance. Although the most challenging forms of metropolitan governance can be found in Latin American, complicated institutional arrangements also occur in Africa.

In West Africa, for example, the Cities Alliance is supporting the preparation of CDSs in Dakar, Senegal; Ouagadougou, Burkina Faso; and Cotonou, Benin. These three capitals exemplify the challenges of metropolitan governance and offer an interesting range of institutional arrangements. For instance, Ouagadougou has a metropolitan mayor who has authority over a city composed of five districts (each with a district mayor), and each district is divided into sectors (30 in total). In addition, 17 villages are attached to the city. This institutional model has proved to be very efficient in facilitating a coherent citywide development strategy that also encompasses the periurban areas experiencing rapid urban expansion.In Dakar, decentralisation has resulted

in extreme institutional fragmentation. There, the CDS process is struggling to bring together 47 local bodies, 13 intermediary bodies, and the regional authorities. The CDS under preparation established innovative mechanisms to achieve intermunicipal cooperation. However, in the absence of a clear political leader, it is difficult to come up with a strong common vision and to plan the future of Dakar—especially because the central government intervenes with important urban projects in the capital city territory without consulting the local authorities.

In Cotonou, the agglomeration is divided into three municipalities: Cotonou, Abomey-Calavi, and Seme-Podji. The CDS is prepared jointly under the leadership of the three mayors, who have come together to create a steering committee. The fact that these mayors come from different political parties, each with a strong leadership style and not necessarily sharing the same priorities, makes cooperation among them challenging. Notwithstanding these constraints, the three mayors recognise that they have to coordinate their efforts to jointly address some of the key issues faced by the agglomeration. Setting up a long-term intermunicipal mechanism probably will be one of the major results of the CDS.

The preparation of a CDS for an agglomeration offers a unique opportunity for fragmented subnational governments to work together in addressing issues of common interest. Because of the flexible nature of a CDS exercise, a more relevant definition of the territory to be targeted—beyond the usual administrative boundaries and responsibilities—can be agreed upon among concerned local authorities. CDSs allow pioneer mechanisms for intermunicipal cooperation with the ultimate objective of eventual institutionalisation.

Lessons from the Field: Alexandria CDS for Sustainable Development – Phase II

Located on the Mediterranean Sea, with some 4 million inhabitants, Alexandria, Egypt, occupies a unique place in history as a cosmopolitan city and a cultural landmark. It is one of the oldest cities in the world, at the crossroads of Western and Arab cultures and of commercial exchange. With the support of the Cities Alliance, Alexandria prepared a CDS to address some

of the key challenges it faces today, including creating jobs amid spiralling unemployment; improving living conditions in squatter settlements; and reducing pollution of one of the city's key environmental assets, Lake Marriout.

Alexandria was selected as the focus of the Secretariat's 2009 CDS field evaluation, and, as expected, it offered a wide range of lessons for the Cities Alliance. The CDS project was originally supposed to complete its activities between 2003 and 2005 (Phase I), but a second grant extended the project into Phase II (November 2005–October 2007) to allow for completion and consolidation of the work. However, because of changes in political leadership during 2006 and the absence of the project's previous champions, the nature of the project changed significantly. In broad terms, during Phase I the activities and outputs of the CDS project were widely perceived as energetic, innovative, and effective; in Phase II, it lost momentum.

The experience of the Alexandria CDS illustrates a dilemma of the "champion-led" project. Alexandria's governor and the secretary-general were a powerful reform-oriented team; they championed the original ap-

plication to Cities Alliance and led the implementation of Phase I. The CDS certainly benefited powerfully from this leadership, both in raising the profile of the project and in ensuring active participation from the bureaucracy and local stakeholders. The governor used the CDS project to further drive his reform agenda for Alexandria, and this close association led to a general perception, in Alexandria and throughout Egypt, that the CDS project was not only a success, but an important part of the reform momentum being built up in the governorate.

Notwithstanding these positive outcomes, there were also some disadvantages to this strong leadership of the governor and close personal involvement of the secretary-general. Because of the active role of these high-profile officials, the project did not bring on board all of the relevant stakeholders to enable extended ownership of the strategy. Consequently, the CDS project failed to establish a clear implementation structure or a firm institutional base.

Shortly after Phase II began, the governor was brought to Cairo to be the Minister for Local Government, and the secretary-general left soon afterwards. The new governor showed little interest in continuing the Alexan-

A street market in Cairo, Egypt. © Andrea Haer/Cities Alliance
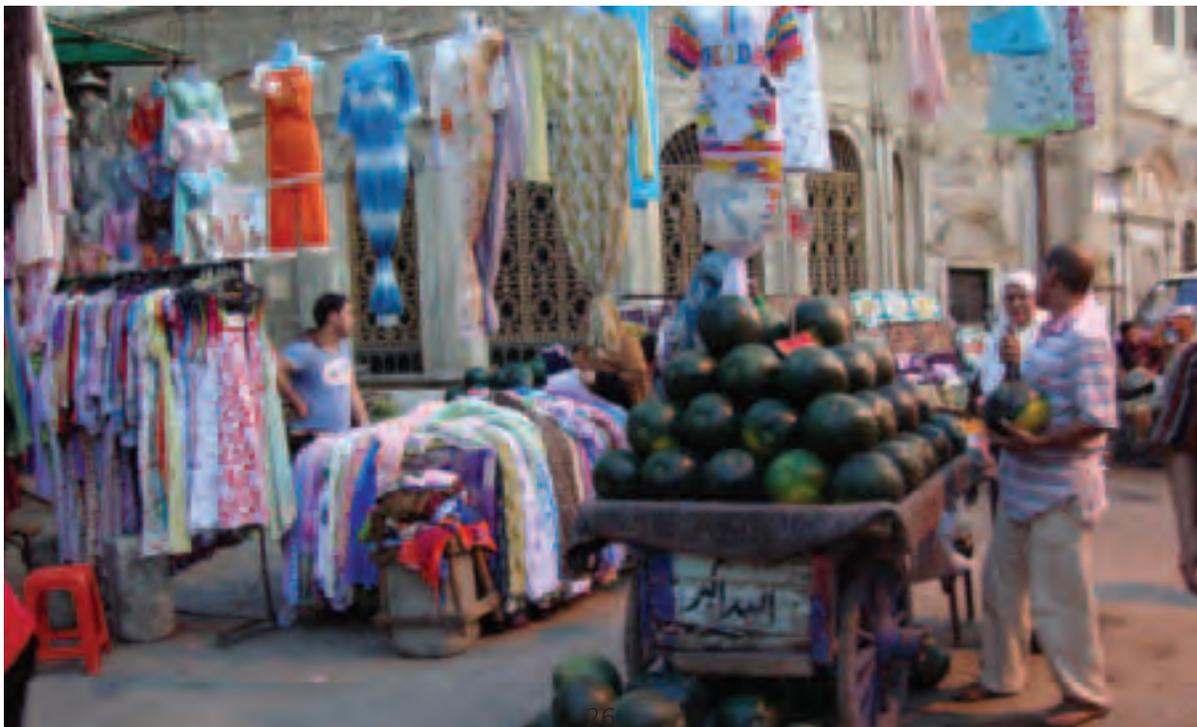
Box 5:   The Alexandria CDS Helps to Leverage Resources and Investment

Despite these drawbacks, the Alexandria CDS process, even during Phase II, did successfully mobilise a variety of actors and resources towards achieving some of the key goals articulated in Alexandria's CDS. Perhaps most significant has been the substantial national government investment (LE 700 million or approximately US$1.28 million) in improved wastewater treatment to reduce pollution in Lake Marriout. During Phase I of the CDS, an analysis of the lake showed the significant levels of pollution and environmental damage. The CDS helped immensely in placing the environmental challenges of Lake Marriout at the highest level of local and central government priorities.

Another key component of Alexandria's CDS relates to investments in local economic development. The World Bank task manager tapped into the work of the International Finance Corporation (IFC) on improving business-enabling environments and mobilised US$900,000 to conduct a technical study. The resulting guidance on simplifying administrative procedures for business start-up in Alexandria served as a model for replication elsewhere in Egypt. The successful re-engineering of procedures at the One-Stop Shop in Alexandria is considered a flagship by the government of Egypt and IFC and has been scaled up to other governorates.

The CDS also leveraged support from the joint World Bank Group's Foreign Investment Advisory Service (FIAS) to build on the general local economic development study carried out in Phase I of the CDS project. FIAS conducted a prefeasibility study for the establishment of a model industrial estates program in Alexandria.

For the slum-upgrading component of Alexandria's strategy, the expertise of GTZ and the Social Fund for Development were leveraged by the CDS project. The World Bank and Alexandria governorate collaborated with GTZ to conduct participatory rapid appraisals (PRAs) in 20 informal settlements during Phase I and to develop a citywide upgrading strategy during Phase II.

In Phase II, three pilot communities were selected for more detailed analysis and planning. Urban structure and land use plans were prepared to serve as the legal basis for land regularisation and servicing the areas. The government of Egypt's social fund carried out large-scale household surveys in the three settlements to validate the needs identified during the PRA process. The social fund then assisted the governorate of Alexandria with designing the required investment projects and provided capital to implement some small works, including the construction of commercial shops and a pedestrian bridge.

A fisherman hauls in his catch in Alexandria's Lake Marriout.
© Andrea Haer/Cities Alliance

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dria CDS. It soon became apparent that the whole exercise had limited institutional strength, and its activities visibly diminished as it quickly lost momentum. Most disturbing, the participatory approach and the strategy process were not consolidated or carried forward. The project could not survive the loss of its original champions.

A key lesson from the Alexandria CDS experience is the importance of the initial project set-up—in particular, the importance of establishing both a clear project management structure and a broad-based participatory mechanism. Time and energy must be devoted to this initial institutionalisation—even if there is a strong local champion anxious to move ahead—to ensure that the key features of the CDS process can survive a change in leadership and carry on into the future.

The mobilisation of technical and financial resources was made possible, in part, through the significant efforts of the World Bank task manager and project team to keep key national stakeholders engaged in the CDS process and to reach out to other partners to leverage their collaboration and contributions. The activity provides a positive example for the Cities Alliance of maximising coherence of effort of members and partners through a CDS.

That positive engagement also increased the profile of the Alexandria CDS and helped it to feed into the planning reform process that was underway at the national level. For generations, the Egyptian governmental system has been highly centralised, top-down, and rigidly bureaucratic. In recent years, however, there has been significant progress in reform, especially in relation to urban development planning, local government, and citizen participation. Despite the weight of bureaucratic tradition, there is increasing opportunity for innovation, helped by the general—although gradual and uneven—spread of new ways of thinking about governance.

The experience of the Alexandria CDS reflects this specific context. Its considerable success (especially Phase I) was due largely to it being viewed as part of the new ideas and initiatives developing in Egypt and in

Alexandria at this time. The CDS project both contributed to and benefited from this broad reform movement.

At the time of the Alexandria CDS, the General Organization of Physical Planning (GOPP) had begun to roll out strategic planning in small towns and villages and was interested in applying the new planning methodology in cities. Alexandria was the first example of strategic planning in a large city, and it was viewed favourably as an experience to be replicated. The management of the relationship with GOPP during the CDS project most likely helped to create a level of buy-in and assurance that strategic planning was possible in Egyptian cities.

In 2008 the government passed new urban planning legislation that makes participatory, strategic planning mandatory for all cities. GOPP is currently in the process of rolling out CDS to cities nationwide. While the Alexandria CDSs did not catalyse these reforms, it has contributed to the debate.

State of Cities Reports: Promoting Informed Debate and Analysis of a Country's System of Cities

In the 10 years of its existence, the Cities Alliance has been struck by how many cities—and countries—continue managing their jurisdictions with outdated information and with limited analysis of major trends affecting their cities, such as significant demographic shifts associated with urbanisation. Without this data and this analysis, cities are not in a position to understand why some cities prosper, while others within the same national framework decline. In addition, the process of producing and analysing this information encourages cities to compare different approaches to similar problems, whether within the same country, between countries, or—ideally—both.

The Cities Alliance offers support to those countries that wish to overcome this very fundamental handicap with assistance producing a *State of the Cities Report* (SoCR). The process itself of actually producing the report has enormous direct benefits, such as building internal capacity, and it also begins the process of raising the national profile of the issue. The 2004 and 2006

SoCRs produced in South Africa set a very high standard of data presentation and analysis, and they have spurred a number of other countries to follow suit. Ideally, the Cities Alliance would like to see these reports produced in as many countries as possible and at regular intervals, to allow for progress (or the lack thereof) to be regularly reviewed. These reports are also an excellent vehicle for improving accountability for the use of public resources and assessing the positive and negative effects of different policy options.

In 2009, the Cities Alliance witnessed an increase in requests for SoCRs. Requests came from national governments as well as members of the Cities Alliance. There is increasing recognition that these reports inform policy and decision-making processes and have the potential to bring about systemic change by linking knowledge, policy, and institutional development on the urban agenda. Similarly, the increasing demand for SoCRs from members demonstrates the need for solid and up-to-date information by city administrators and public officials. The Cities Alliance has been promoting SoCRs in Sub-Saharan Africa in particular.

This increasing demand for SoCRs signals that local governments are acknowledging the innovations that can be derived from city-to-city information sharing and partnerships throughout the development process of SoCRs, helping them to face complex challenges and improve urban governance. Because urban economies and social dynamics play a fundamental role in national planning and economic development, cities' stakeholders are progressively acknowledging the relevance of studying, understanding, and setting metrics for cities.

Ongoing support by the Cities Alliance for the development of SoCRs includes those being undertaken by Brazil, Mozambique, and Syria (country focus) and Latin America, the Caribbean (regional focus). Box 6 (on p.30) presents a brief summary of each of these projects.[5]

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[5]   A preparatory phase grant was awarded to the Alliance of Mayors in Tanzania (TACINE). This grant allowed TACINE to set the basis, both institutional and data-related, for the development and production of a Tanzania SoCR,

Manila, Philippines. Photo courtesy: Asian Development Bank (ADB)

Box 6: Sample of Proposed and Ongoing SoCRs

With a country focus

Brazil SoCR

The Brazil SoCR will present an analysis that focuses on human living conditions in cities mainly since the 1980s, when the resurgence of democracy had an impact in the political, economic, and territorial relations throughout the nation. In particular, the report will establish the links between such conditions and the development of city infrastructure, provision of public services, local economic development, distribution of wealth, and more generally, with city management policies. Also, this report will identify progress made in participatory management to shed light on democratic policies and the new relations among federal authorities. The report will explore the relevant social, environmental, and economic interdependencies between cities and regions, and it will be a fundamental input to building a national urban development policy.

This report will provide a typology of Brazilian cities and illustrate the existing interrelations between city and regional development across the country. It will define multiple quantitative urban indicators (for example, population trends, migration dynamics, occupation trends, fiscal performance) and evaluate public policies and financing conditions for urban development. Finally, it will motivate a constant dialogue, through mobilising a diverse group of stakeholders, to promote social equity and political inclusion. Partners involved in this endeavour include the National Mayor's Front, the Brazilian Association of Municipalities, the National Confederation of Municipalities, the Ministry of Cities, Caixa, IPEA (Instituto de Pesquisa Econômica Aplicada, or the Institute for Applied Economic Research), the World Bank, the Inter-American Development Bank, and UN-HABITAT.

Syria SoCR

The Syria SoCR's overall goal is to improve urban management through analytical work and participatory processes and to establish bases for more solid city development strategies that include poverty reduction and irregular settlements management. This will be the first report of its kind in the country, and therefore it establishes a milestone for continuous urban reporting and helps city governments to determine benchmarks to measure progress. For the preparation of this activity, commitments have been made by the Ministry of Local Administration and the State Planning Commission.

Additionally, 16 city mayors have already been engaged in the preparatory phase of this effort. International partners include GTZ through the Sustainable Urban Development Programme, the South African Cities Network, and the Arab Urban Development Institute. An innovative outcome expected from this effort is the urban e-platform, which is the information-sharing component of the proposal that enhances its broader dissemination and communication between local and international actors. In addition, the process for developing the report incorporates several mechanisms to promote participation and regional collaboration.

Mozambique SoCR

The Mozambican SoCR will provide an information baseline to inform and influence national policies and strategies and enhance the dialogue among local authorities, national entities, and development partners. This report will examine 23 cities, focusing on livelihoods, environment, service delivery, spatial form and infrastructure, financial resources, and governance. Both the national government and municipalities have expressed their commitment to undertaking this activity.

At the core of the conception of this report is the need to improve city management so it can contribute to viable long-term growth while fighting poverty. The development process of this report will build municipal capacity by enhancing coordination and participation from local actors, in particular those advocating for the poor. In the long run, the report will also contribute to the development of a CDS focusing on responses to HIV/AIDS, local economic development, city infrastructure, and intergovernmental fiscal performance. Additionally, the process will provide a forum for participating cities to interact and exchange experiences and best practices.

With a regional focus

SoCR for Latin America and the Caribbean (LAC)

This will be the first issue of the Regional Report on the State of LAC Cities, which will be initially introduced during the Fifth Session of the World Urban Forum in March 2010 in Rio de Janeiro, Brazil. The document will provide significant data to inform national and local governments to better formulate urban policies that are aligned with the Millennium Development Goals. Additionally, this project will make possible the establishment of a Regional Urban Observatory to collect data in a systematic way and to enable future preparation and development of these reports in LAC. Some of the partners involved in this project include UN-HABITAT, the governments of Chile and Brazil, the Ministries of Housing and Urban Development, members of MINURVI (General Assembly of Ministers and High Level Authorities on Housing and Urbanisation in Latin America and the Caribbean) , and local government associations represented through FLACMA(Federación Latinoamericana de Ciudades, Municipios y Asociaciones de Gobiernos Locales).

The project hopes to involve ECLAC (Economic Commission for Latin America and the Caribbean) and other subregional partners. Habitat International Coalition (HIC), representing civil society, will be part of the Steering Committee.

Uganda; People walking along an open sewer in a poor neighborhood of Kampala. © Ron Giling/Still Pictures

Joint Work Programme on Cities and Climate Change

In cities, weather changes caused by climate change primarily affects the urban poor, particularly in developing countries, where the risks can be extremely high and the levels of protection and rapid response very low. Climate risks and vulnerabilities of cities can have a greater impact in communities living in marginal or irregular settlements because they are often located on unstable soil, in areas at risk for flooding, and in steep zones susceptible to landslides. City and municipal governments must work together when addressing both adaptation and mitigation measures because these are interconnected and affect the development and poverty-alleviation agenda. Consequently, the climate change agenda in cities must involve a concerted effort of development partners and focus on city governance, slum upgrading, and improved municipal service delivery.

In this context, Cities Alliance facilitated the establishment of a joint programme among its multilateral members, all of whom have a primary interest in this issue. These members—including the World Bank, UN-HABITAT, and the United Nations Environment Programme (UNEP)—have come together to fashion a coordinated and focused response to climate-related impacts on cities, especially those in developing countries.

The World Bank is currently expanding its work on cities and climate change and developing new partnerships with donors and agencies. At the same time, the Bank has launched its new Urban and Local Government Strategy, to raise the profile of this issue. Following on from the landmark 2009 Report titled, *Reshaping Economic Geography*, which made a compelling case for cities, the *2010 World Development Report* focused on climate change itself. UNEP is building strategic partnerships on cities and climate change through the Cities Alliance to capitalise on 10 years of work on this relevant area and bringing cities into the debate on climate change. UN-HABITAT is emphasising its work on cities and climate change through the recent General Assembly Resolution A/63/415 and UN-HABITAT Governing Council Resolution HSP/GC/22/CRP.3/Rev. Furthermore, the scope of these three partners is sufficiently large to help facilitate support from other key partners, particularly United Cities and Local Governments (UCLG).

By mobilising key members, the Cities Alliance is actively encouraging these three relevant institutions to approach the climate change challenge from an innovative and collaborative perspective. The Cities Alliance plans to assemble a global platform that addresses the emerging topic of cities and climate change, given the

Air pollution in Santiago de Chile. © Julio Etchart/Peter Arnold Inc.

rapid development of knowledge and practices from a variety of stakeholders.

In the context of this joint work programme, other Cities Alliance members and development partners will be involved based on their interest, mandate, and comparative advantages. For instance, both the government of the Philippines and the League of Cities of the Philippines will be valuable partners in mainstreaming climate change into their CDS programme, which is, arguably, the most dynamic of any national programme. UCLG can crystallise the perspectives and needs of local authorities on climate change while providing support through decentralised cooperation. The International Council for Local Environmental Initiatives (ICLEI) will contribute to the sharing, dissemination, and transfer of relevant knowledge and practices through its network of 700 cities involved in the Cities for Climate Change Campaign.

The joint work programme on cities and climate change was officially launched at the World Bank's Urban Research Symposium held in Marseille, France, in June 2009. Cities Alliance has secured funding of US$500,000 for this effort, which has a total three-year budget, including cofinancing from its three key partners, of US$5.5 million. Some of the main outputs expected from the programme include analytical products, such as a clearinghouse related to cities and climate change, and a joint position paper on the topic. Practical products include actual cases of CDSs integrating climate change as a key component, a city greenhouse gas inventory, a city vulnerability assessment tool, and a handbook for mayors.

All of these can be informative and instrumental for city and government officials as well as other urban stakeholders who are engaged in responding to the climate agenda. Overall, the programme foresees improved degrees of coordination among the participating institutions and coherence of efforts in their approaches and activities.

Joint Work Programme on Mainstreaming the Environment in Cities Alliance

UNEP's decision to join Cities Alliance and the debate on the environment during the Consultative Group meeting in Morocco in 2005 have led to concerted calls from Alliance members to strengthen the environmental dimension in its activities. Integrating the environment in CDSs and slum upgrading programmes is essential to ensuring continued availability of environmental resources for urban development and to limit the impact of environmental hazards on hard-won development achievements. It is also clear that environmental degradation primarily affects the urban poor and that proper urban environmental management contributes significantly to urban poverty reduction.

To respond to these requests, the Cities Alliance Secretariat and UNEP developed a joint work programme on mainstreaming the environment in the Cities Alliance activities. This joint work programme builds on previous Cities Alliance support to UNEP through the preparation of the *Liveable Cities* publication. This joint work programme will: (i) identify tools and practices that can contribute to integrating the environment in Cities Alliance activities in general and in CDS in particular; (ii) provide support to cities to integrate environment into their development strategies; (iii) mobilise support from UNEP to Cities Alliance clients; and (iv), look for synergy with Cities Alliance partners and other development partners to support cities and governments on urban environment activities, specifically those on cities and climate change. Development of the joint work programme began during the first half of 2009; implementation will commence in 2010.

Joint Work Programme with UCLG on CDS

To help local governments respond to a range of challenges, from urbanisation to the decentralisation of authority, the Cities Alliance has developed a joint work programme with the member representing the voice of local governments: United Cities and Local Govern-

ments. This joint work programme aims to help local authorities strengthen their capacity and engage in strategic urban planning to reduce poverty and contribute to sustainable urbanisation.

With its access to cities, networks, and local government associations, UCLG is uniquely positioned to tap into the experiences and needs of local authorities with regard to strategic urban planning. Moreover, UCLG has already created a Committee on Strategic Urban Planning that provides local authorities with a forum to discuss the issues involved. Headed by Mayor Miguel Lifschitz of Rosario, Argentina, this committee has been grappling with strategic urban planning from the perspective of different institutions, including local and national governments, as well as the private sector and international development agencies. The joint work programme will support UCLG's Committee on Strategic Urban Planning by producing a policy paper that establishes the position of local governments and their associations on related issues. A global debate on the position paper among UCLG's members will consider the policy and recommendations at UCLG's World Congress in 2010.

The joint work programme also focuses on promoting city networks to encourage the exchange of knowledge and learning among local authorities and local government associations (LGAs). City-to-city and LGA-to-LGA mentoring processes will be established, monitored, and evaluated to determine their effectiveness as a modality of Cities Alliance support for CDS.

Finally, the joint work programme seeks to facilitate UCLG's participation in the CDSs subgroup, which was established by the Cities Alliance to increase collective know-how on city development strategies. UCLG will contribute to the subgroup by assessing the demands and knowledge gaps of cities, as well as identifying cities´ good practices and tools in preparing and implementing CDSs to enrich the Cities Alliance knowledge on the process.

Chinese Vice President Xi Jinping addresses the opening ceremony at the UCLG World Council in Guangzhou, China, 13 November 2009. Photo Courtesy: UCLG

Redefining the CDS Framework: The CDS Subgroup

Following an internal review of the CDS portfolio review and the launch of its Medium-Term Strategy (MTS) 2008–11 the Cities Alliance Secretariat proposed a CDS Conceptual Framework, which incorporates a platform for its members to strengthen collective knowledge and exchange of information on the CDS.

The portfolio review pointed to a number of areas of concern and also highlighted some key areas for improvement. Preliminary analyses suggest that some of the city development strategies supported by Cities Alliance members:

• Tend not to be truly strategic;
• Often fail to translate into action;
• Do not often establish priorities, nor effectively mobilise financing for investments;
• Often fail to take into consideration spatial and territorial dimensions; and
• Most importantly, do not always have a clear pro-poor focus.

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These preliminary findings, while troubling, presented the opportunity to build on the comparative advantages and core mandate of the Cities Alliance to provide "a global partnership [that] aims to: provide a structured vehicle for advancing collective know-how" and to "improve the quality of urban development cooperation and urban lending."

The first step was the formation of the CDS Subgroup in March 2009, which is designed to host meetings of Cities Alliance members to debate different approaches and outcomes, and strengthen the organisation's collective know-how on CDS. Moderated by the Cities Alliance Secretariat, the subgroup is tasked with jointly developing the CDS Conceptual Framework, to help capture and share all the existing knowledge and experience on CDS, including the several CDS publications, tools, and case studies available.

The framework will incorporate the building blocks of a CDS—for example, mobilising the actors, diagnosing the existing situation, agreeing on a vision, and so forth. These building blocks will provide a structure to collect, store, and access CDS-related information. For each of the CDS building blocks, (i) available tools will be identified and captured, including all the different tools used by Cities Alliance members (for example, city consultations; analyses of strength, weakness, opportunities, and threats; stakeholders analyses; urban pacts); and (ii), city practices in applying these tools will be documented. In addition, a taxonomy of CDS support available from the Cities Alliance members will be established for local governments and other clients to know at a glance which members to turn to for what types of support. These will include UCLG for networking and decentralisation cooperation; U.S. Agency for International Development, UN-HABITAT, and GTZ for technical cooperation; and the World Bank, Asian Development Bank, and Agence Française de Développement for capital investments.

The CDS Conceptual Framework will also serve as a structure to identify tools and city practices for incorporating cross-cutting issues in CDS, such as the environment, climate change, gender, and ensuring that CDSs have a clear pro-poor focus. The information collected will eventually be organised and made available through a CDS One-Stop Shop on the Cities Alliance Web site in January 2010. This CDS Web page will target urban practitioners at national, local, and international levels and will help:

- Local practitioners to choose from among a menu of approaches, tools, and experiences;
- Local and national authorities to choose the most appropriate combination of support modalities from the Cities Alliance members; and,
- Cities Alliance members to access each other's tools and experience.

City Financing: A Landscape of Devastation and of Policies in Need of Reform

Local Authorities Victimised by the Global Financial Crisis

The origins of the financial crisis that erupted in October 2008 can largely be traced to inadequate public policies on financing arrangements for housing in the United States (see Box No. 7). Since budgets of local authorities in the United States rely heavily on taxes on real property, when the real estate bubble burst it became clear that local authorities would soon find themselves in dire straits. However, the magnitude of the crisis resulting from securitisation of real estate loans—for financial sectors and ultimately for entire economies worldwide—meant that local authorities were faced with a number of other challenges. These included a drastic decline in their own revenues and in government transfers, a spike in social spending as a result of the recession, and great difficulties accessing financing through borrowing.

It is now clear that all urban local authorities of the world were affected by these threefold pressures, and they all felt them in different and uneven ways, depending on geographic groupings and specific contexts. Least developed countries (LDCs), which at the beginning of the crisis looked as though they would remain more or less shielded from it by the relatively limited integration of their financial systems, have in fact, not been spared by the economic recession and the constraints on financing. African countries in particular have seen financing

Above: © Jeff Turner
The World Heritage Site Shibam of Hadramout, Yemen. Photo courtesy: BMZ

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Box 7: A few lessons from the real estate crisis in the United States

The U.S. real estate crisis is the result of flawed public policy. The Department of Housing and Urban Development (HUD) traditionally relied on two large government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, to promote access to home ownership for the middle classes. For the poor, responsibility for facilitating access to home ownership was vested in the Federal Housing Authority (FHA), which was to insure specific loans with no down payment. In the mid-1990s, HUD steered Fannie Mae and Freddie Mac towards financing aimed at greater access for the very poor not covered by FHA, then gradually raised the objectives assigned to these GSEs.

To achieve the objectives, both GSEs launched ambitious programmes with suggestive names ("American Dream Commitment" and "Catch the Dream"), designed to facilitate home ownership for some of the most underprivileged households. These programmes were essentially based on new financial products: a very small down payment or none at all; 30-year term with an attractive rate for the first years (loans referred to as 2/28, 3/27, and so forth); even the possibility of repaying each month an amount below the interest alone, with the balance to be repaid when due along with the principal (known as "negative amortisation").

The architecture of these mechanisms is actually based on the possibility of refinancing with a new, larger loan after a few years (a cash-out system) or else with a home equity line of credit, which takes into account the updated price of the asset to replenish the purchaser's loan, thus allowing the purchaser to pay the interest due. These two mechanisms are in the nature of rechargeable mortgage financing, which works as long as prices climb; as such, they contributed to the increase and to the bubble. When the bubble burst and the market faltered, it took with it many more than just the underprivileged who were artificially able to afford home ownership. Solvent borrowers who had made the customary down payments and taken on loans appropriate to their

financial status found themselves in positions of negative equity, where the amount of remaining debt exceeded the value of the asset, their home.

Many such individuals went into personal bankruptcy, their homes were seized, and a snowball effect on prices took hold. Others remained tied to their devalued properties while waiting for prices to rebound, thereby losing all professional mobility, which further exacerbated the employment situation. (There is now a correlation between the unemployment rate and the home ownership rate in some parts of the country.)

The unfolding of these events draws attention to a number of fundamental issues. On the one hand, there is no miracle financial machinery for overcoming insolvency: in the absence of social provisions to make home owners more secure, a policy of "home ownership for all" cannot function sustainably. On the other hand, such "home ownership for all" policies are rooted more in cultural schemes than in economic reality. There is no correlation between a high percentage of home owners and the wealth of a country or population. In the case of Europe, for example, the countries where home ownership rates are the highest (Greece, Bulgaria, Romania, the Baltic states) also have the highest poverty indices; conversely, the countries with very low levels of home ownership (Sweden, Germany, Switzerland, the Netherlands) are among the world's wealthiest and have some of the world's lowest levels of poverty and exclusion.

In developing countries' cities, the existence of rental stock, which may be in the private sector and which is regulated and secure for both tenant and owner, is a new approach to housing the underprivileged, recent migrants, and so forth; ensuring a degree of market fluidity; and collecting local savings. An organised rental sector appears to be an integral part of a balanced housing policy and thus deserves active donor support.

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sources and external investments dwindle, along with export earnings. In these countries, cities are and will continue to be heavily impacted by the crisis. Moreover, the post crisis recovery is likely to take longer in these countries than elsewhere because of the already limited resources of their local authorities, greater difficulties in accessing borrowing, and their high urban growth rates.

A Major Impact on Financing Mechanisms and Tools

Market-based financing and financing by specialised financial institutions—the two main financing systems on which local authorities rely—have been affected by the economic meltdown to different degrees. Overall, municipal bond markets have been ravaged. Not only has the volume of financing been cut, but the cost of borrowing has risen dramatically. The decline of credit enhancers in the United States (themselves considered responsible for part of the crisis, and only 30 percent of whom have maintained a rating that allows them to continue to practice their profession) has resulted in a substantial increase in the cost of money for local authorities, at the very moment when they need it the most. The credit enhancement crisis is so structural in nature that some experts have raised questions about the future of this activity.

Outside the American continent, in Europe for example, where financing by specialised institutions or banks is more widespread than market-based financing, the conditions for borrowing faced by local authorities is relatively less compromised. However, most banks have had to restrict their lending activities, and some have run into serious difficulties. Dexia, the worldwide leader among specialised institutions serving local authorities—significantly handicapped by the performance of an American credit enhancement affiliate and weakened by unbridled promotion of exotic financial products—has technically been placed in bankruptcy. The Belgian and French governments, aware of the institution's outstanding balances with their local authorities, have ultimately decided to recapitalise Dexia and guarantee its borrowings. This rescue recapitalisation means Dexia (which has now temporarily reverted to semi-public status) must refocus its original geographic

scope and suspend its strategy of expanding into the markets of emerging countries.

Sooner or later, developing countries will face difficulties in financing local and national investments similar to those the developed countries are experiencing. The level of public-private partnership in infrastructure has dropped off substantially everywhere; in developing countries, total volume has fallen by more than 40 percent for the year. This collapse is a direct result of the financial crisis. As resources have become scarcer and more costly, the impact has been greatest on geographic sectors where the perception of risks was greatest and where projects have been cancelled or rejected. No sign of recovery of the market for private investment in infrastructure is yet in view, and this situation—so harmful to critical sectors such as transportation, energy, and telecommunications—is likely to drag on, especially in the least developed countries.

The Search for Appropriate Responses in Specific Contexts

In general terms, the economic and financial crisis calls into question the very nature of the relationship between governments and local authorities almost everywhere, and there are many countries where the need for drastic reforms is evident.

The local authorities of wealthy countries hit hardest by the crisis—those of the United States in particular—have been forced to make drastic cuts in their capital expenditure and operating costs. Most of them have run into problems with refinancing. To ease the municipal bond and credit enhancement crisis, various solutions are being considered. The first, tried and tested, would be to get the federal treasury to guarantee on a temporary basis municipal bond issues under the special provisions adopted for fighting the effects of the crisis (for example, the Emergency Economic Stabilization Act of 2008 in the United States). A second solution—more innovative and perhaps offering the advantage of becoming permanent—would be to create a Mutual Guarantee Fund, set up to insure new fixed-rate bonds, general in nature or tied to income-generating services (revenue bonds).

Box 8:   Towards a specific initiative for the cities of the LDCs

LDCs are indeed affected by the crisis, especially by the drop in their export earnings, dwindling foreign investment, and the decline of public-private partnerships. Cities in these countries already face a number of challenges: the need for basic investments is enormous, implementation capacities are weak, and both solvency and access to borrowing are very limited, if they exist at all. Management and governance problems exacerbate private investors' lack of appetite, and to some extent, the same can be said of donors.

In any case, donors, like governments, find themselves facing a number of urgent imperatives, such as food security and health. As a result, many LDC cities see their economic, social, and environmental situation deteriorating from year to year while their population continues to grow. They are caught in a downward spiral and a poverty trap from which it is very difficult to escape without external support. This dire situation has catalysed calls for the creation of a specific initiative to support these local authorities.

This initiative could take the form of a public-private partnership involving businesses that provide market

services, donors, regional development banks, and wealthy cities. The role of the latter would focus on institution building, with which they are experienced, within the framework of a multiyear commitment. However, given the wealth of these large cities and their power of signature, they could also mobilise funding, especially through guarantees for bond issues of an ethical nature, similar to the green bonds that were successfully issued by the World Bank recently. This method of financing by borrowing in the markets on the basis of future commitments is already practiced in the health sector by the International Finance Facility for Immunization, the entity created for this purpose by the GAVI Alliance.

This LDC Cities Initiative would not be designed to reconvey all its funding in the form of grants to beneficiary cities, but rather to leverage and facilitate the collection of savings as a way to promote local investment, particularly through guarantee instruments.

Source: Thierry Paulais and Juliana Pigey, *Adaptation and Mitigation: What Financing Is Available for Local Government Investments in Developing Countries?* Presentation at the Urban Research Symposium, 2009, Marseille. Available from www.citiesalliance.org.

This guarantee instrument would be set in place at the national level, managed by local authorities themselves, and not for profit. The support of the federal government for capitalisation of this fund would, however, be essential. In Europe, where financing through bank borrowing is predominant and financial institutions have been heavily supported by governments, local authorities face comparatively fewer problems with financing or refinancing, although the volume is down and the cost of money has risen. The situation varies from one country to the next, but in many cases governments have taken fiscal measures (for example, by speeding up the process of paying back the share of value added tax owed to local authorities, or by increasing their share) or made special transfers to support the current finances of local authorities.

For their part, some emerging countries have developed specific and relatively innovative approaches to support local authorities and local investment, considered an indispensable element of any strategy to support the economy and, in particular, employment. The

most striking is probably the decision made by China to proceed in 2009 with a bond issue of US$30 billion, issued by the government itself but earmarked solely for local authorities. These funds are supposed to be divided up locally in accordance with a distribution key through the Urban Development and Investment Corporations, which already function as the local authorities' financial operator.

This example could serve as a model for some of the LDCs, especially those with export earnings, which could redirect and leverage these earnings locally to support economic activity and employment. Most local authorities in these countries pin their hopes on official development assistance and emergency programs, but there are many priorities for development assistance, and the proportion of funds that can be earmarked for cities is likely to be limited. In view of the ongoing deterioration of cities in some of the LDCs (particularly those in a postwar situation, so-called fragile states, and so forth), the matter of creating a special initiative for local authorities warrants attention (see Box No. 8).

Reports From the Regions: South Asia

The South Asia region offers the challenge of addressing the urbanisation of poverty, while taking the opportunity of learning from the experiences of highly urbanised developing countries, particularly those in Latin America. from this perspective, the Cities Alliance South Asia Regional Office is deepening and widening the engagement with its members to develop long term partnerships with governments in the region for knowledge support to achieve sustainable urban development. Presently, the focus of its activities is in India, which is witnessing high economic growth and fast urbanisation, and is pushing for urban reforms and large infrastructure investments to sustain the high growth rates. From the perspective of the objectives of the Cities Alliance Medium term Strategy, India offers an excellent opportunity to provide knowledge and programmatic support to national, state and local governments in their initiatives on urban reforms and city governance.

India is witnessing an urban transition. Its urbanisation rate is expected to reach 50 percent over the next three decades, up from 28 percent in 2001, and the urban population is projected to grow to 473 million from 284 million in 2001. Further densification is expected, with an increase in the number of cities from 35 in 2001 to 61 in 2021. Global experiences reveal a direct correlation between urbanisation levels and per capita gross domestic product, but are the Indian cities ready to exploit the economic potential offered by the rapid urban growth? Most urban local bodies in India do not have the capacity to promote cities as engines of growth. Most have weak institutional capacity to plan spatial, social, and economic development; unstable revenue streams; and low capacity to mobilise finances for infrastructure investments and to plan and implement infrastructure projects.

Recognising the need to strengthen the municipalities and improve urban infrastructure, the Government of India (GoI) launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in 2005 to encourage urban reforms and fast-track planned development in the 65 mission cities. JNNURM has two submissions:

Mumbai, India: Washing clothes in outflow pipe. © Mark Edwards / Still Pictures

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Urban Infrastructure and Governance (UIG) and Basic Services to the Urban Poor (BSUP). These programmes are being implemented by Ministries of Urban Development (MoUD) and Housing and Urban Poverty Alleviation (MoHUPA), respectively. Cities Alliance pipeline activities in India are to support the two Mission components, at the national, state and city levels.

Figure 2: Decadenal population growth in India
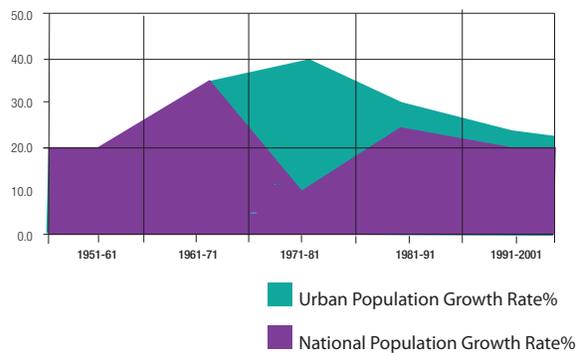
Source: Census of India, 2003

At the national level, a partnership agreement is proposed with MoHUPA under the BSUP component to give the ministry access to global good practices on key policy issues relating to urban poverty. Cities Alliance knowledge support is also proposed for the Peer Experience and Reflective Learning (PEARL) network, launched by MoUD under JNNURM, to provide knowledge support to the mission cities for implementation of urban infrastructure projects, urban reforms, and city governance. Support from the Cities Alliance, UN-HABITAT, and the World Bank has also been proposed to MoUD for preparing the *India State of Cities Report.* The report would provide inputs for the Twelfth Five-Year Plan and JNNURM Phase II.

The Cities Alliance also proposes to dovetail its support at national and city levels to achieve policy action. Cities Alliance support was earlier provided to MoUD, in partnership with the Water and Sanitation Program – South Asia (WSP-SA), to scale up community-level projects to provide sanitation facilities to the urban poor. The efforts

Train station in Mumbai, India. © Simone D. McCourtie/The World Bank

culminated in the formulation of the National Urban Sanitation Policy. Under the policy, GoI has recommended formulation of state strategies and city plans for universal access to sanitation facilities in urban areas. Within this framework, Cities Alliance support is proposed to coordinate the efforts at national, state, and city levels as well as capacity building of state and city officials for preparation of their strategies and plans.

Under JNNURM and the recently announced Rajiv Awas Yojana (RAY), Cities Alliance support is being proposed to support a few select cities to develop citywide slum upgrading plans as model plans under RAY, and these would guide city governments on the key components of the Plan, and methodology and process of preparing such multi-stakeholder driven plans. The city plans would also incorporate the lessons from good global practices such as slum upgrading programmes being implemented in Brazil.

At the state level, Cities Alliance support is also being proposed to the governments of Madhya Pradesh and Orissa. The Government of Madhya Pradesh has taken the initiative of supporting preparation of City Development Plans for nine large cities and 92 secondary towns in the state. In view of the limited capacity of the cities to lead the process and to control the quality of the plans to be prepared by facilitating organisations, Cities Alliance support is being proposed to the state government to help build the capacity of Urban Local Bodies (ULBs) through a handholding facility. In Orissa, Cities Alliance support is being proposed to the state government for the preparation of an urban poverty reduction strategy, based on city-level plans for select ULBs. This is in addition to support for the formulation of a financing strategy for urban infrastructure in the state, focusing on raising revenues from own municipal sources.

Potential sources include property taxes and innovative land-based taxes and levies, efficient use of state devolution, more effective tapping and strategic utilisation of central grants under ongoing programmes such as JNNURM, using local revenue streams to leverage domestic capital, and support from international development agencies.

At the city level, Cities Alliance support is being proposed to the Municipal Corporation of Agra for the preparation of a reform-linked citywide slum upgrading plan in an inclusive and integrated manner. This will facilitate urban poverty reduction and sector reforms that would contribute to slum upgrading on a citywide basis. It will also strengthen local institutions and their capacities to design and implement participatory slum upgrading projects.

The Regional Office is supporting MoHUPA in development and dissemination of knowledge products for institutional strengthening at state and local levels. In the perspective of RAY and slum upgrading efforts across the country and at the request of MoHUPA, Cities Alliance supported the translation and printing of a Hindi version of "Quick Guides for Policy Makers: Housing the Poor in Asian Cities".[6]

The Savda Ghevra community on the outskirts of Delhi. © Cities Alliance

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[6] The English versions of the "Quick Guides for Policy Makers: Housing the Poor in Asian Cities" was produced in partnership with the ACHR, UNESCAP and UN-HABITAT.

Reports from the Regions: Southern Africa

Although Africa is the least urbanised continent, it is experiencing the highest rates of urbanisation in the world and its cities rank amongst the poorest across the globe. Local and national governments in Africa are increasingly acknowledging that cities present the *loci* of opportunity for development and participation in the global economy. Since 1999, a range of Cities Alliance support interventions have emerged in the Southern and African region.

These interventions have promoted the City Development Strategy (CDS) philosophy; informal settlement upgrading; urban renewal; local government transformation and the exchange of best practice and knowledge dissemination. In the process, the interventions have forged greater political commitment and buy-in for urban programmes and raised the profile of the urban agenda at a national level, leveraged local financial resources and begun to unleash potential latent in many cities in the region.

Over the past years, the region has demonstrated, often in innovative ways, its commitment to urban poverty reduction and development through a range of Cities Alliance–supported interventions at both national and city scales. Apart from demonstrating innovation, these activities also show adaptation of best practice to local conditions. There have been a series of regional firsts which are outlined on the next page:

A woman walks through the street of an African slum with a child on her back. © Alex Ricardo Jimenez/Cities Alliance

Box 9:   A Snapshot of Regional Innovation

With Cities Alliance support, the Southern and Eastern Africa region is credited with a number of "firsts":

*   Recognition for the urban sector is increasing at national and city levels.

*   Successful restructuring of Johannesburg, Africa's first truly global city for world-class service delivery.

*   The formation of the South African Cities Network (SACN) provides a learning platform for nine South African cities and promotes winning solutions through communities-in-practice.

*   Africa's first Global City-Region is located in Gauteng Province, South Africa and incorporates the conurbation of Johannesburg, Ekurhuleni and Tshwane. The idea is to promote greater internal cooperation for improved external competitiveness to enhance social and economic development in the province.

*   The first twinning of two of Africa's cities has seen the formation of the Johannesburg-Addis Ababa Partnership which seeks to promote practical assistance largely as a result of the success of Johannesburg's restructuring experience.

There has been a major shift in South Africa from housing delivery focused on quantitative delivery to a more holistic approach that integrates livelihoods with the location of people's homes and a focus on quality by delivering sustainable human settlements. The national housing subsidy can now be used for *in-situ* informal settlement upgrading.

South Africa. © Cities Alliance

Summary of Current Grant Activities

*   **Tshwane Comprehensive Sustainable Human Settlement Strategy (TCSHSS)** – Tshwane is the first city to develop a citywide strategy for creating sustainable human settlements at scale. Tshwane will also be the first in South Africa to apply this unique and groundbreaking methodology in an attempt to restructure its urban form and address the spatial legacy of apartheid. By consolidating sector plans, the city of Tshwane will have a foundation to respond to the needs of informal settlement communities in the form of the Tshwane Sustainable Human Settlement Strategy. The first phase of the grant focused on the development a citywide comprehensive sustainable human settlement strategy. The TSCHSS includes four aspects: i) a definition of what is meant by sustainable human settlements; ii) a focused strategy, tailor-made for the City of Tshwane Metropolitan Municipality; iii) an application of the strategy in a proposed flagship project, and iv), recommendations for institutionalising the strategy beyond the immediate publication of the document itself. In its second phase the Tshwane Sustainable Human Settlement project involves two main activities: i) integration of the Sustainable Human Settlement methodology into Tshwane's mainstream planning and implementation practices, and ii) packaging of a major Sustainable Human Settlement activity spine project.

*   **National Upgrading Support Program (NUSP)** – To support the National Department of Housing (NDoH) to design the implementation plan for the "Breaking New Ground" housing policy and provide a practical plan for the design and multi-year roll out for the NUSP. Outcomes of the pilot project assessment were presented at a national workshop to national and provincial housing officials. The workshop confirmed the need for a national upgrading support programme as well as underscored the need for a national housing practitioners' forum which was launched by the newly created Department of Human Settlements in October 2009. The policy review concluded that the current "Breaking New Ground" policy on informal settlement upgrade certainly reflects international best practice.

• **Upgrading for Growth (U4G) - Ekurhuleni Metropolitan Municipality.**–The objective of Upgrading for Growth is to harness the upgrading process as the driver for sustainable development – at the household level – through macro/micro linkages to the existing labor market and investment in growth opportunities. The last twelve months has seen the successful completion of extensive consultations, technical studies and design of a high level upgrading programme plan and business plans for three priority settlements. A key output of the implementation phase is to produce implementable and costed business plans. It is intended that these plans and the lessons learned in the assignment process will provide a replicable model for the roll-out at scale of the U4G approach across the municipality. Ward Committees have responded enthusiastically to the consultation process, and are keen to provide inputs into individual project proposals and the overall development. The Department of Housing is concluding significant partnership agreements, crowding in investment as well as developing innovative approaches in the development of the business plans. These include establishing partnerships to improve energy efficiency, improving layouts and densities, supporting communal food production, focusing on business training, particularly amongst women's groups, and promoting micro-lending. It is anticipated that these activities will enable Ekurhuleni Metropolitan Municipality to test new approaches to informal settlement upgrading and provide evidence-based methodologies for ensuring that housing delivery contributes to the development of sustainable communities.

• **Supporting the design of a CDS-based system of local government in Swaziland** – Section 219 of the Swaziland Constitution urges that government be brought "closer to the people so that the people at sub-national or local community level progressively take control of their own affairs and govern themselves". The CDS project supports the key government departments in defining a system of local government that fully incorporates the CDS principles of productivity, inclusion, sustainability, and good governance. Together the team of governance, finance, GIS, infrastructure, economists and demographic experts has been performing a range of activities including extensive consultations with the Swazi Government, data collection and analysis. The team is preparing a consolidated report and spatial viewer to reflect alternative local government models. The models will be peer reviewed before being presented for discussion to the Government of Swaziland in early 2010.

Centre of Mbabane, the main city and capital of Swaziland. A bus station and a shopping centre are in the middle of town. © Ron Giling/Still Pictures

Reports from the Regions: East Africa

Increasingly, the Cities Alliance is focusing its urban poverty-reduction activities in Sub-Saharan Africa, offering support to improve the living conditions of the urban poor. This report presents the highlights of Cities Alliance activities in Ethiopia and Uganda.

Ethiopia

The establishment of the Ethiopian Cities Network is an ongoing project implemented by German Technical Cooperation (GTZ) in partnership with the Ministry of Works and Urban Development. The Network, officially launched in October 2009, will address information sharing and exchange as well as co-ordination among cities and development actors. It will also serve as a link to the global network of cities. The launch event brought together cities through city-to-city interactive programmes; presented an exhibit of innovations for cities, such as developing city-university partnerships; and conducted photo exhibitions and a best practices award event. The occasion was also be marked by the publication of the first cities catalogue as part of a city marketing initiative.

In the pipeline is an integrated urban database. The major objective is to develop a national strategy for collecting, organising, and making available up-to-date and accurate information on urban development at the city, regional, and federal government levels. The National Ministry of Works and Urban Development, Bureau of Policy Research and Planning, submitted the project proposal to the Secretariat for funding consideration.

The project to prepare the Ethiopian State of Cities Report will be led locally by the Ministry of Works and Urban Development, and implemented by the Ethiopian Civil Service College in collaboration with the African Centre for Cities and African Planning Schools Association.

A cobble stone promotion held in Addis Ababa to mark Ethiopian Cities Day, 23 October, 2009. © Tewodros Tigabu/Cities Alliance

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Under discussion are the following activities:

- Pro-Poor Inner City Redevelopment Strategy for Addis Ababa;
- Bishoftu City Development Strategy (CDS);
- Evaluation and Reformulation project;
- Nekemte Land Information System;
- CDS to Small and Emerging Towns in Tigray Regional State.

Uganda

The National Urban Policy and National Urban Development Strategic Plan project, which is being spearheaded by the Ministry of Lands, Housing, and Urban Development in partnership with the Ministry of Local Governments of Uganda, supports an inclusive and participatory process to formulate a national urban policy and a Strategic Urban Development Plan for 2010–25. This will provide the necessary framework for guiding and managing the urbanisation process to ensure effective management of the expected urban growth. The Strategic Urban Development Plan will include a national vision and provide specific actionable directions for the urban sector.

The Land, Services, and Citizenship for the Urban Poor project is being coordinated by the Ministry of Lands, Housing, and Urban Development and will be implemented in partnership with development partners, with local governments and communities assuming the greater role. The objective is to support domestic urban initiatives of the government of Uganda to upgrade slums and proactively deal with urban growth. The project is currently under development with the support of the Cities Alliance Slum Upgrading Team and has been given more in-depth treatment in the Land Services and Citizenship section of this report.

Marantochloa leaves are widely traded by women for use in wrapping cooked food at roadside stalls. They are harvested from the rainforest understorey, then transported by truck to large local markets.. © Tony Cunningham / Still Pictures

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Reports from the Regions: Brazil

The Cities Alliance has had a presence in Brazil since 2001, working very closely with city and national policy makers on the design and implementation of important urban planning and knowledge dissemination tools as well as on social housing and slum upgrading. This partnership was further strengthened after 2003, when the Ministry of Cities was created and Brazil formally joined the Cities Alliance, and through CAIXA, Brazil's housing and urban development bank. The partnership became a fundamental element in the strengthening of national slum upgrading approaches and pro-poor housing policies all over the country.

(left to right) Mariana Jose, CA; Andre Herzog, WBI; Rohit Mathur, Ministry of Finance, GoI; Harish Chandra, Planning Commission, GoI; P. K. Mohanty, Ministry of Housing and Urban Poverty Alleviation, GoI; Ines Magalhaes, National Housing Secretary, Ministry of Cities; Sitaram Kunte, Housing Department, Government of Maharashtra; S. Aparna, Commissioner, Municipal Corporation of Surat; R. K. Vats, Ministry of Housing and Urban Poverty Alleviation, GoI; Sarada Muraleedharan, LSG Department, Government of Kerala; and Ajay Suri, CA.

The Alliance has a regional office in São Paulo, which is financed by the Italian government. In addition to working closely with the federal government, Cities Alliance partnership activities at the city and state government levels, such as the municipality of São Paulo and the state of Bahia, have become interesting laboratories showcasing good practice models of scaling up planning and urban development through national policies and programmes.

Panoramic view of São Paulo, Brazil, from the highest point in the city, Parque Estadual do Jaragua. © Sean Sprague/Still Pictures

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Alliance partnerships have recently been initiated with the municipalities of Diadema and Salvador. Both aim at covering gaps in national slum upgrading actions in Brazil: the regulation of special social interest zones and the operation of municipal housing funds. Metropolitan management is the subject of the ongoing partnership with the state of Minas Gerais, and the city development strategy for the metropolitan region of Belo Horizonte is focused on reducing poverty.

In addition to the dialogue with central and local governments, the Cities Alliance has provided innovative support for tripartite cooperation on slum upgrading. The cooperation between the governments of Mozambique, Brazil, and Italy is generating positive interaction in all spheres among the governments of the three countries. Moreover, together with the World Bank Institute, the Cities Alliance is contributing to the dialogue among the governments of India, Brazil, and South Africa within the framework of India-Brazil-South Africa (IBSA), a trilateral free trade agreement, in the area of human settlements. This effort is creating important opportunities for learning and improving policies.

In the past year, the Alliance office in Brazil facilitated visits to the country by international delegations from Morocco, South Africa, India, and Mozambique. These visits enhanced knowledge sharing between Brazil and each of these countries, with special focus on national and local policies for slum upgrading programmes. International missions and knowledge-exchange programmes are a very effective way of creating awareness and improving global knowledge around urban poverty, since they enable practitioners to see firsthand what is happening on the ground and to better understand the context and background of government policies and programmes. During such exchanges, both visitors and host have an opportunity to reflect on their respective policies, potentials, and bottlenecks, identifying areas for improvement and the development of new policies.

Other highlights for 2009 include the development of a distance learning course, support for the National Housing Plan, and preparation of the *Brazil – State of the Cities Report.*

Giorgio Romano Schutte, former Cities Alliance Regional Advisor for Brazil explaining all about the Cities Alliance to delegation visitors.
© Cities Alliance

In partnership with the federal government and the University of São Paulo, the Cities Alliance supported the design and implementation of a distance learning course, 'Integrated Slum Upgrading Actions', to re-inforce the institutional capacity of local authorities to scale up their projects in this area. This activity was criti-cal to improving the technical capacity of municipalities in the northeastern region of the country in a context of robust investments for slum upgrading through the Growth Acceleration Program (PAC). Based on this suc-cessful experience, the Alliance is now supporting the federal government's efforts to scale up the offering to a broader range of municipalities in Brazil, as well as con-tributing to the World Bank Institute for the preparation of a global initiative.

The Cities Alliance also played an important role in sup-porting the first National Housing Plan, with goals and targets for a 16-year programme centred on meeting the housing needs of a selected target population in the lowest income brackets and the emerging middle class. The National Housing Plan was the first step for a new subsidies model implemented through the launch of the 1 million houses programme, *Minha Casa, Minha Vida,* a benchmark for the Brazilian housing policy. The programme significantly scales up the level of individual subsidies and availability of funding for subsidies and finance.

Brazil – State of the Cities Report will provide an analy-sis of the living conditions of a sample of 600 Brazil-ian municipalities out of a total of more than 5,500. The preparation of the report is being closely coordinated by a Steering Committee composed of the Brazilian na-tional associations of cities, CAIXA, the Brazilian Min-istry of Cities, the World Bank, UN-HABITAT, and the Inter-American Development Bank (IADB). The project execution is being coordinated by the Polis Institute, based in São Paulo, and other urban research and sup-port institutions have been invited to join the initiative.

Regarding knowledge production, in partnership with the IADB and the Brazilian Ministry of Cities and CAIXA the Cities Alliance is supporting a study of slum upgrad-ing programmes in precarious settlements in Brazil. The objective is to collect lessons that can be used to im-prove the design and management of slum upgrading programmes and policies.

These are some of the ways the Cities Alliance has been working in Brazil through partnerships at the three levels of government to help strengthen pro-poor urban poli-cies in the country and create opportunities for interna-tional knowledge sharing and dissemination of lessons learned.

Cities Alliance Brazil Publications for 2009

- *Social Housing in São Paulo: Challenges and New Management Tools*

The publication highlights the second phase of the part-nership between the Cities Alliance and the São Paulo Municipal Housing Secretariat (SEHAB), which is re-sponsible for housing policy in the city. The goal during this phase was to establish a set of management tools that would facilitate strategic, systematic planning for social housing in the municipality of São Paulo. One of the most significant results was the creation of HABISP, an innovative information system that has become a valuable tool for urban development in São Paulo.

- *Alagados – The Story of Integrated Slum Up-grading in Salvador (Bahia), Brazil*

This publication tells the story of the slum upgrading project supported by the Cities Alliance and the state government of Bahia (Brazil) from 2001 to 2006, and captures the lessons learned. The Bahia Project was one of the first activities undertaken by the Cities Alli-ance following its formation in 1999. A broad coalition of partners were mobilised in the area of Alagados, a well-known slum in the city of Salvador. The coalition in-cluded the state of Bahia, the Cities Alliance, the World Bank, the government of Italy, AVSI (an international development nongovernmental organisation), and more than 70 local community-based associations. To make a real difference in the lives of the slum dwellers, a par-ticipatory and integrated approach was used. Through this project, the process of scaling up was successfully set in motion.

A giant pipe runs through the middle of the slum of Bandra, the largest in Asia. © Catherine Karnow/CORBIS

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Since its creation in 2007, the Local Authorities and Urban Development (LAUD) Division of the (AFD) has been actively working with both overseas French and foreign countries, putting great emphasis on strengthening local autonomy and placing local authorities at the heart of the decision-making processes. Between 2007 and 2008, AFD tripled its financial commitments towards local authorities and the wider urban development sector, with total expenditure reaching the €500 million mark. Of this total, which included a mix of loans and grants, €315 million were directed towards foreign countries: less developed countries, emerging countries, and countries with intermediary levels of revenue.

Within the growing context of decentralisation, AFD considers local authorities as essential political actors that need strengthening. Some of the urban projects carried out by the LAUD Division focused on increasing local autonomy by means of training, capacity building, and financing. For instance, within the projects it supports, AFD encourages local ownership by transferring project management to the local level as quickly as possible. The division also supports comprehensive, mid-to long-term visions of local authorities, essential to mastering future urban growth.

AFD also pays particular attention to local development through interventions to improve the living conditions of the urban poor. These interventions include increasing the level of access of the urban poor to essential services and public amenities and reducing exclusion of the urban poor from the rest of the population. To achieve these objectives, AFD allocates grants and soft loans either directly to local authorities or through existing national structures.

AFD adopts a comprehensive environmental approach to urban planning. By promoting compact urban growth and working against urban sprawl, AFD encourages cities to reduce their carbon footprint and limit their greenhouse gas emissions. AFD also helps to finance public transport systems, energy efficiency programmes, waste management systems, and urban biodiversity conservation; it also encourages cities to integrate environmental concerns into general urban planning policies at the earliest stages.

AFD's strategic thrust focused on building the capacity of local authorities is fully compliant with Cities Alliance efforts to promote client execution and local ownership. In addition, AFD pays particular attention to working in close collaboration with other stakeholders at all stages, namely, other donors, cities from the north through city-to-city cooperation frameworks, nongovernmental organisations, local associations, and civil society.

The Istanbul Underground. Photo courtesy: AFD
Left: Cotonou, Benin: Heavy traffic beside the Dantopka market, the largest in West Africa. © Henning Christoph/Das Fotoarchiv/Still Pictures

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AFD and Cities Alliance. AFD, as both a sponsor and a cofinancer, is a stakeholder in several CDSs—including those for Tripoli, Douala, Lomé, Dakar, and Cotonou–and slum upgrading programmes—such as those in Morocco and Senegal. In Cotonou, AFD has cofinanced the CDS and promoted the creation of a single governance body to oversee both the CDS and the AFD-funded Greater Cotonou Urban Project. AFD plays an active role in CDS monitoring and will base future investment programming on its results.

Highlights of the year under review. AFD continues to finance overseas municipalities and progressive urban planning projects.

•   AFD allocated a €120 million direct loan to the Metropolitan Municipality of Istanbul to support the implementation of its urban public transport programme. The project objective is to extend the underground rail system to the north and south, building tramway lines and consolidating tramway-underground connections. It will result in a major modification of the metropolitan transport network.

•   AFD is currently financing a €5.5 million project of social development and urban planning within the Balbala area of Djibouti City. In partnership with the Development Bank of Southern Africa, AFD, along with other donors, is also financing a €100 million project that aims at financing infrastructure and essential services in municipalities with low levels of capacity through a refinancing credit facility.

•   In Senegal, AFD helped modest low-income families gain access to mortgages to buy a home or a plot of land. The €15 million intermediation funding scheme was disbursed through Senegal Social Housing Bank.

Overview of slum in Durban, South Africa. Courtesy: AFD
Right: Houses of urban poor built along Basac river bank in Phnom Penh. Courtesy: AusAID

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

www.ausaid.gov.au/

Australian Government
Aid Program

The Australian Agency for International Development (AusAID) works to reduce urban poverty and support urban development in its partner countries through bilateral programs and assistance to multilateral partnerships.

Since joining the Cities Alliance in 2008, Australia has increased its focus on supporting urban development by forming partnerships that are specifically designed to promote sustainability within city environments. These organisations include the Clinton Foundation's Clinton Climate Initiative, the World Bank, and Australia's national science agency, the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Partnership activities. The partnership with the Clinton Climate Initiative supports sustainable urban development in Southeast Asia by assisting cities to reduce their energy consumption and greenhouse gas emissions. The initial focus of this partnership has been on solid waste management activities in Vietnam and Indonesia, and assistance to enable practical measures to reduce and prevent greenhouse gas emissions from municipal solid waste.

As part of a five-year strategic partnership between AusAID and the CSIRO, which commenced in the second half of 2008, Australia is supporting environmental research for development, focusing on water and sanitation, climate change adaptation, and sustainable cities. The sustainable cities component has focused on a number of areas, including identifying urbanisation drivers, impacts, and trends; assessing the sustainability of selected cities; and identifying investment priorities to promote sustainability in Asian cities.

Many AusAID urban sector activities are supported through infrastructure and climate change programme. AusAID supports urban infrastructure activities in South Asia, East Asia, and the Pacific through two single-donor trust funds with the World Bank. The overarching goal of these trust funds is to contribute to reduced poverty and sustainable development by accelerating economic growth through improved infrastructure. Several urban sector activities are supported through these partnerships, including urban infrastructure finance policy development in Vietnam and across the East Asia Region; development of environmentally and economi-

Woman carrying baskets on bicycle in Hanoi, Vietnam. © Sean Sprague/Still Pictures

cally sustainable urban frameworks across the East Asia Region; knowledge sharing in urban issues across the East Asia Region; urban upgrading in Papua New Guinea, Vietnam, and Indonesia; disaster management in urban planning across the East Asia Region; poverty analysis and policy response in the Philippines; and city plans and strategies in Indonesia.

Pacific Land Programme. AusAID has also taken an active role in supporting urban development in the Pacific. During 2008–09, AusAID commenced implementation of the Pacific Land Programme, a $A54 million initiative over four years, which aims to protect customary land rights, promote economic and social development, and reduce the potential for land-related conflict. The urban component of the programme aims to improve the standard of planning and governance of Pacific urban areas to enable improvements in the living conditions of Pacific urban dwellers. This means confronting issues such as limited access to land; poor housing; inadequate basic infrastructure; increasing hardship for vulnerable groups such as youth, women, and people with disabilities; and increasing numbers of informal settlements. Rather than attempt to reverse or prevent rural-urban migration, which has failed in all parts of the world where it has been tried, this programme seeks to take advantage of the positive impacts of urbanisation when helping to meet the challenges faced in the Pacific.

Contribution to Cities Alliance coherence of effort. Australia is also seeking to achieve coherence by working with and assisting other major donors that are actively supporting urban development in the Pacific, such as the government of New Zealand, which has been working with the government of Kiribati on its Town Development Strategies for its three urban areas. Australia supports this work and has sponsored the recent application the government of Kiribati has made to the Cities Alliance in association with these strategies.

Manila, Philippines. Photo courtesy: Asian Development Bank.

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The *favelas.* Brazil's slums, the *favelas*, impress by their extent and presence throughout the country's cities: more than 12 million Brazilians are slum dwellers. As in so many developing countries, rapid urbanisation accompanied by inadequate job opportunities and predatory land markets led to a huge urban poor population in Brazil. Unable to access formal markets, many of these urban poor have no other option than to squat.

Since the legal framework of the City Statute *(Estatuto da Cidade)* in 2001 and the establishment of the Ministry of Cities (2003), the reduction of urban inequality has gained priority at the national level. This is partly because the economic development model adopted by President Lula links growth to income distribution and social inclusion. The launch of the Growth Acceleration Programme (PAC) in 2007, with unprecedented investments of around $8.7 billion for slum upgrading through 2010, consolidated the concept of slum upgrading as part of the overall housing solution in Brazil.

Long-term planning. Throughout 2007 and 2008, the Ministry of Cities and the National Cities Council—with support from the Cities Alliance—discussed a long-term planning instrument for the housing sector: the National Housing Plan *(Plano Nacional de Habitação, or PlanHab).* One of the plan's main goals over the next 15 years is to enable affordable housing for the entire population, based on a 6.2 million-unit housing deficit and the future need for 27 million units resulting from demographic growth. The plan has developed strategies for the following:

- Subsidies and financing policies/models;
- Institutional development;
- Productive sector;
- Urban land for housing.

Developing a National Housing Plan necessitated a concerted effort of governmental bodies, social movements, and other representative of civil society. This process enabled the generation and dissemination of knowledge at the national level. It also intensified local and regional planning initiatives that had already been launched as part of the Ministry of Cities' nationwide campaign encouraging cities to develop master plans under the City Statute. At least 1,170 local housing plans are underway with financial support from the federal government, and many more are under development.. Having a proper housing plan is a basic condition for a local government to access national funds and be integrated into the National Social Interest Housing System *(Sistema Nacional de Habitação de Interesse Social).*

Housing as a way out of economic crisis. With upgrading projects underway all over the country and with a new focus on housing and urban challenges generated by the National Housing Plan, the federal government formulated a positive strategy to address the global economic crisis: a $17 billion programme of 1 million houses called "My House, My Life". The programme is based on the idea that expanding access to housing finance and infrastructure leads to employment creation and growing business opportunities.

To achieve that goal, the Brazilian government will guarantee subsidies for low-income families and lower interest rates for the emerging middle class. It will also create a Guarantee Fund that will cover the costs of 36 months of payments for families that face a loss of income as well as enabling them to refinance mortgage contracts. The main goal is to build an environment of trust in the economy and stimulate the development of formal housing markets with government subsidies for low-income and emerging middle-class families. The new programme also reduces taxation for housing construction and establishes parameters for the use of sus-

Panoramic view of the São Paulo city centre. © Ron Giling/Still Pictures

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tainable building materials, environmental licenses, and tenure regularisation procedures.

Consolidation of investments and priorities. The main challenge for Brazilian policy makers is to maintain the current high level of investment in housing and infrastructure and the targeting of subsidies for the lowest income brackets. Although regulation of urban land markets has been a focus of Brazil's urban reform policy since the establishment of the City Statute, providing land for low-income housing still remains a major challenge.

Contributions to the coherence of efforts of the Cities Alliance. The support of the Cities Alliance for the National Housing Plan and other projects—such as a distance learning course for slum upgrading—was crucial to making the inclusion and consolidation of slum upgrading and housing policies for the poor a priority in the government agenda, thus paving the way for a wider, long-term urban development strategy based on social inclusion.

Cities Alliance support has also helped increase the federal government's capacity to stimulate and scale up local policies and programmes in order to leverage investments and other forms of local efforts that enable housing and upgrading projects.

 In addition, cooperation is beneficial to the consolidation of knowledge and the dissemination of innovative, successful practices. It also helps strengthen the institutional framework for housing through a continuous knowledge exchange process among different countries that face similar challenges on the housing field.

Finally, the development of a national and international network of actors and practitioners in the urban and housing fields was crucial to the consolidation and expansion of technical knowledge and to political approaches aiming to guarantee affordable housing for the poor.

Above: The business centre of São Paulo. © Ron Giling/Still Pictures
Middle: Housing units in Brazil.
Bottom: Brazil: A community organised collective construction with financed funds. (Credito Solidario Programme)
Right: Plaza de Armas in Santiago de Chile. © Ron Giling/Still Pictures

Neighbourhoods Recovery Programme

The "I Love My Neighbourhood Programme," framed within the New Urban Housing Policy, addresses social and urban problems on a neighbourhood scale through participation, coproduction, and comanagement throughout the recovery process. The programme was introduced into 200 neighbourhoods three years ago and now aims to become a permanent policy of the Ministry of Housing and Urban Development.

The diversity of the neighborhood as a public policy opportunity. We have generated a flexible model that understands the neighbourhood as living spaces where residents have different access to goods and services, have particular values and interests in the territory, and have their own dreams and expectations of the neighbourhood. This diversity also means assuming there will be conflict on the uses and expectations of public spaces.

Example:
Neighbours in Villa Santa Teresa in La Florida determined that one of the main problems was young people gathering on street corners to smoke and drink. The neighbours felt that public space should be devoted to help the youth use their free time in a healthy way. The neighbours, mainly elderly, supported the construction of a skate park, something the elderly residents would not use. They thought of their neighbourhood as a collective.

Rebuilding trust between the state and citizens. Many urban problems—violence and inequality, for example—are symptoms of the disintegration of joint projects and the breakdown of trust between the state and its citizens. Therefore, we shifted from individual dreams to the construction of collective projects based on participatory processes. Decisions regarding the improvement of the neighbourhood and its environment are the product of consultations, discussions, referenda, assemblies, and so forth.

A neighbour says:
People were incredulous, tired of being promised things that were not acomplished. But little by little, the programme has been materialising and I see that people feel calmer, more integrated. This is a neighbourhood of working people, and it was becoming a ghetto. The programme has taken us out of that and has allowed us to bring our people back. It's like recovering the pride of living here.

(CVD Barrio San Hernán, O'Higgins Region).

The transforming potential of empowered communities. We work with the organisational capital of the neighbourhoods, their installed capacities, the opportunities they offer, and their history as a platform for a new stage of development.

Example:
The neighbours of the "30 de marzo" in San Antonio had to eradicate a squat to build their field. The neighbours decided to negotiate with the people living in the squat and reached an agreement that allowed them to develop their field and meet the needs of the people in the squat. A neighbourhood organisation led an open and informed dialogue that recognised the shared history of the neighbours and the squatters, resulting in this transforming project.

Multidimensionality in the diagnosis and response. On national, regional, and local levels, we favoured the generation of joint work between various actors. The focus is not on achieving a diagnosis shared by all, but on the need to work together with shared methodologies. Instead of offering a standardised solution, the programme changed to approaches that reflect the particularities of each territory, allowing better results in impact and coverage.

Outcomes of the Programme

Concrete results. A satisfaction survey of the residents was distributed in 20 districts within seven regions. Of the 3,400 respondents, more than half said the "I Love My Neighbourhood Programme" has helped, especially in the perception of improvement in neighbourhood image and identity, quality and use of public spaces, neighbourhood participation and coexistence, and quality of life.

A neighbour says:
The integration of all the neighbors had a radical favourable change, because now we are all united, struggling, paddling for the same side. The warmth, affection, and all other things are being seen in all various activities.

(CVD, Balmaceda Neighbourhood, Antofagasta Region)

Projects that reflect the diversity of the territory. More than 1,400 projects are operating. We have built green areas and pedestrian walkways with excellent lighting that have improved the perception neighbours have of their own neighbourhood, creating greater use, maintenance, and appropriation of public spaces.

Empowerment of the neighbours. Recently, three residents of our neighbouring districts represented Chile at the Congress Ciudad Viva of Ecuador, a key conference on urban issues. These neighbours presented to a demanding audience the best experiences of the recovery of neighbourhoods.

Visiting the neighbourhood works. Photo courtesy: MINVU

The past 10 years have witnessed a paradigm shift in perceptions of cities and urban development. There is now talk of an "urban millennium", with the majority of the world's population now residing in urban agglomerations. The old debate on preventing rural-urban migration has become obsolete, as demographic processes are now seen as the major determinants for urban growth. Cities now embody the social, economic, and environmental challenges of modern civilisation as well as being the valued repositories of longer-term development sustainability. The potential benefits of urbanisation far outweigh the disadvantages; the challenge is in learning how to exploit its possibilities. Unleashing the potential of urban growth has been and will therefore still be the goal of the German Development Cooperation as a proactive partner with the Cities Alliance for implementing and disseminating successful approaches in this regard.

Implementation and dissemination. The German Development Cooperation has been consolidating its urban portfolio primarily in Asia, the Middle East, and the southern and eastern Mediterranean region. These urban programmes usually respond to crosscutting issues such as the promotion of democracy and civil society, water and sanitation, economic development, and the environment. Together with our development partners, we focus on two main approaches: (i) to improve urban, poverty-oriented services by increasing local and national management capacities; and (ii) to develop and to fund new facilities for financing urban infrastructure and services. We further support cities in combating climate change as well as cultural heritage preservation and social inclusion in urban areas. To foster local self-government we support cities and local government associations at national, regional, and global levels. Currently, around 215 urban programmes are implementing these approaches on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ).

Apart from the bilateral implementation of urban programmes, disseminating good practices and fostering the dialogue on urbanisation have become a crucial part of the collaboration with partners of the Cities Alliance. On this note, the BMZ supported the Cities Alliance in hosting an international expert forum in Berlin in July 2009 to identify new trends, strategies, and priorities confronting cities in developing countries, and to thus examine the changing context within which the Cities Alliance works. To broaden the discussion and raise the awareness of the importance of the urban agenda in Germany, the GTZ on behalf of BMZ, subsequently invited the international experts and German politicians, academics, and practitioners to a discussion on new urban challenges and opportunities.

To further raise public attention for the issue of urban poverty, international conferences—for example, the World Urban Forum (WUF) and the Urban Research Symposium—play a crucial role for a dialogue between development partners. Against this background, Germany was also represented at WUF 4 in Nanjing (China), where a pavilion in the exhibition area was used to foster dialogue and exchange good practices around five core themes: urban governance, cultural heritage and slum upgrading, city and climate, social inclusion, and financing urban development. Additionally, the German Development Cooperation organised a networking event on the issue of financing urban infrastructure.

We are also encouraging our programme partners to proactively join in these multilateral dialogues through the promotion of instruments provided by the Cities Alliance, such as city development strategies or through the organisation of exchange networks.

Thus Germany continues to support the Cities Development Initiative for Asia (CDIA), which was founded by the Asian Development Bank and the BMZ in October

Manila, Philippines: Slum dwellers on water pipeline with lock and meter. © Joerg Boethling/Still Pictures

2007. To contribute to the promotion of sustainable and equitable urban development, leading to improved environmental and living conditions for all in Asian cities, this regional initiative is welcoming other partners and strengthening its relation to the Cities Alliance.

Another example of networks and partnerships is the Participatory Development Programme in Cairo which welcomed more than 230 guests last year at the international symposium, "Exchanging Global and Egyptian Experiences in Dealing with Informal Areas within the Wider Urban Management Context". The main focus of the symposium was to exchange experiences in the field of scaling up strategies.

Moreover, Germany is encouraging its development partners to make use of the support that the Cities Alliance is providing. Since 1999, the German Development Cooperation has been promoting about 24 projects of partner countries and cities implementing either a city development or upgrading strategy funded by the Cities Alliance.

Outlook. Since the Cities Alliance was founded in Berlin, Germany has been and continues to be a reliable partner. We recognise the need for enhanced and intensified partnerships to make an impact on urban poverty. We acknowledge this principle in our global, regional, and local activities. Thus we remain committed to the strong partnership with the Cities Alliance and will continue to support the organisation in strengthening the access of poor countries and cities to Cities Alliance cooperation and assisting the Cities Alliance in strategy and governance reforms. Additionally, Germany is fostering its partnerships with other networks, such as the City Development Initiative for Asia (CDIA) and ICLEI, which Germany supports in their important work in the field of cities and climate change. Against this background, Germany will enhance its collaboration with the Cities Alliance and is looking forward to the next 10 years of a fruitful partnership.

A neighbourhood in Alexandria, Egypt. © Andrea Haer/Cities Alliance
Right: Bustling market of Antananarivo, Madagascar. © Martin Harvey/Peter Arnold Inc.

ISTED: INSTITUT DES SCIENCES ET DES TECHNIQUES DE L'EQUIPEMENT ET DE L'ENVIRONNEMENT POUR LE DÉVELOPPEMENT

ISTED

www.isted.com/pole-ville/pole-ville-presentation.htm

The Cities Department of the Institut des Sciences et des Techniques de l'Equipement et de l'Environnement pour le Développement (ISTED) coordinates and undertakes activities to build the collective know-how of its partners in development, promote the exchange of experience among northern and southern countries, and support the international activities of its members.

ISTED's activities are most often implemented in cooperation with other public or private organisations—local, national, or international—and focus on the following areas:

- Creating knowledge opportunities, such as studies, thematic think tanks, and missions of expertise;
- Strengthening skills, such as training, research programmes, and seminars;
- Facilitating networks and partnerships;
- Disseminating knowledge via conferences, publications, and similar vehicles.

Emerging Cities, keys to understanding and acting. ISTED launched the Chinese version of its publication *Emerging Cities* at the fourth World Urban Forum (WUF 4) in Nanjing, China, in November 2008. Attendees at the launch included Yves Dauge, senator for Indre-et-Loire; Professor Zhou Jian, director of the Shanghai Tongji Urban Planning and Design Institute; and Xavier Crépin, chief executive officer of ISTED. At WUF 4, the publication was disseminated at the French booth, and the English version was available at the Cities Alliance booth.

Numerous additional publications were also distributed at an event held at the French booth that brought together the French Ministry for Energy, Ecology, Sustainable Development, and Spatial Planning; the Ministry of Foreign and European Affairs; and the Agence Française de Développement.

Supporting the local governance in Priority Solidarity Zone countries. Launched in July 2007 by the French Ministry of Foreign and European Affairs, the Priority Solidarity Zone programme aims to strengthen local governance and development in Africa and in some countries that are part of France's Priority Solidarity Zone.

The programme emphasises three components that are implemented by the following three organisations:

- Supporting African actions, implemented by the Municipal Development Partnership;
- Supporting decentralisation policies and sustainable development in western and central Africa, implemented by the United Cities and Local Governments of Africa;
- Supporting urban governance, implemented by ISTED.

The theme of supporting urban governance is reinforced through three types of activities: (i) supporting the planning of urban governance strategies (within this framework, ISTED leads a workshop that brings together all concerned French stakeholders, including researchers who have provided a general report on urban governance); (ii) helping to establish urban governance strategies in some developing countries; and (iii) improving the worldwide availability and dissemination of information and publications related to urban governance.

Publications connected with the Cities Alliance. A special English-language issue of *Villes en développement* magazine that focused on local economic development was produced with Cities Alliance in June 2008. The issue was translated into both French and Spanish.

Zocalo Square, Mexico City. © Mark Edwards / Peter Arnold Inc.

MINISTRY OF FOREIGN AND EUROPEAN AFFAIRS (MAEE)

www.diplomatie.gouv.fr

Mumbai: Elderly woman in a slum in Bhandra with new high rise buildings in the background.© Julio Etchart/ Peter Arnold Inc.

France at the Cities Alliance. France is jointly represented at the Cities Alliance by the Ministry of Foreign and European Affairs (MAEE) and Agence Française de Développement (AFD). Since 2004, managing coherence of effort expertise on urban issues—a top concern of the Cities Alliance—has resided in France within these two institutions. The MAEE determines overall strategic policies related to support for democratic, local, urban, and land-related governance processes, decentralisation processes, and land management policies. AFD provides urban development assistance through sectoral programmes as well as investment assistance, in particular to local authorities.

Developing a policy vision for French aid in urban governance. In July 2007, the MAEE established an urban working group to spearhead a discussion on the issues and challenges posed by the magnitude of present-day urbanisation at the global level. This was undertaken in close collaboration with French actors providing urban assistance, urban researchers, and key figures and experts in the North and South.

The urban working group was cochaired by the MAEE and the senator for Indre-et-Loire, Yves Dauge, who is recognised for his commitment to urban issues in France and internationally. The Institut des Sciences et des Techniques de l'Equipement et de l'Environnement pour le Développement (ISTED) serves as the group's secretariat.

The working group initiative has facilitated greater French involvement in a dynamic process surrounding the concerns generated by urbanisation issues as well as emerging expectations in the areas of sustainable development, energy expenditure control, land use control, and combating climate change. The initiative seeks to link these global issues to improved living conditions and poverty reduction. To this end, and with a shared assessment of urbanisation issues as a starting point, the working group produced a document on strategic orientations that lays out a policy vision and identifies the key areas of French aid in urban governance.

An approach that combines a long-term vision with short-term actions, links spatial planning with investment, and mobilises all the relevant urban development actors has trouble gaining traction in developing countries. Recognising this, the urban working group recommended an aid effort to prepare and implement urban strategies by strengthening local governance and capacity to achieve sustainable urban development.

This effort entails helping cities prepare and implement their management and sustainable development policies and strategies for urban and periurban zones. Priority is given to developing a comprehensive and cross-cutting approach to the city structure and land; building the capacity of actors by providing institutional support in the public policy sphere; developing research and training; and supporting networks that pool skills and expertise, as well as share experiences.

These principles are linked to our urban development assistance priorities: support for policies aimed at the rehabilitation and development of old urban centres, land law reforms and policies, universal access to essential services and decent housing, and economic development policies for cities.

A partnership to enhance coordination among French urban development actors. The urban working group also recommended establishing a French partnership for the city structure and land, with secretariat services provided by ISTED. Designed as a forum for holding discussions, exchanging knowledge, sharing information, and building synergies, this partnership seeks to enhance the effectiveness of French actors working in urban assistance.

Given the number of these actors, better coordination and complementarity of their assistance are necessary, including their work with other bilateral or multilateral development entities such as the Cities Alliance and its members. This entails greater coordination of assistance efforts to tackle global urbanisation challenges, enhancing the consistency and visibility of French assistance activities*,* and enabling France to make a greater contribution to ideas discussed at international forums.

Enhanced coordination was already evident in France's delegation to the World Urban Forum (WUF 4) in Nanjing, China, in November 2008. The MAEE tapped into the urban working group to form a delegation to the event, thereby ensuring that France had a coordinated, visible representation that had been lacking at previous forums.

In that context, one of the first tasks assigned to the partnership is to prepare for France's participation in the World Urban Forum slated for Rio de Janeiro, Brazil, in 2010 with the theme of "The Right to the City-Bridging the Urban Divide". This participation could be organised around priority topics in partnership with other bilateral or multilateral assistance agencies.

Multipartner projects. In addition to the activities of the urban working group, the MAEE has initiated other multipartner projects that have been or are on the verge of being launched:

• The European cooperation charter in support of local governance, issued in November 2008 during the European [Sustainable] Development Days event in Strasbourg. A follow-up mechanism to this charter is currently under review,

• A white paper on French actors working in the areas of governance and land security in developing countries prepared by the land development committee, which has been cochaired by AFD and the MAEE for more than 10 years. The paper serves as a frame of reference for the preparation of strategic orientations in those two areas, which should be tackled in the near future.

These initiatives are all linked, with their results complementing and drawing on each other. As a result of this interconnection, our positions and actions are consistent and mutually reinforcing.

Overview of the Metropolis Action Plan for 2009–11. In October 2008, Metropolis organised its triennial Congress and approved an Action Plan for 2009 –11. The Action Plan addresses three key challenges for the future of cities: (i) managing urban growth; (ii) bridging territorial, economic, social, environmental, and cultural sustainability gaps; and (iii) fostering metropolitan innovation and governance. The Action Plan also emphasises the need to establish a global alliance between metropolitan governments and their partners (stakeholders) to foster urban sustainability.

The main objectives of the Action Plan 2009 –11 are:

• Enhancing mutual learning, training, and capacity building;
• Accelerating innovative practices to find solutions to metropolitan problems;
• Fostering metropolitan governance to reduce metropolitan gaps;
• Fostering financial and technical assistance to metropolitan areas of developing countries;
• Representing and giving political visibility to metropolitan interests at national and international levels; and,
• Encouraging debate on the evolution and trends in metropolises and metropolitan policies.

At its 2008 Congress, Metropolis also approved the following standing commissions and projects for 2009 –11:

• Eco-Regions and Food Safety. Presidency: Paris Ile-de-France;
• Managing Urban Growth. Presidency: Melbourne;
• Governance Concepts in Integrated Urban Socio-Economic Development Activities. Presidency: Berlin;
• Megacities. Presidency: Mexico City;
• Partnership for Urban Innovation. Presidency: Barcelona;

• Bank of Cities (Global Fund for Cities Development). Presidency: Paris Ile-de-France;
• Metropolis Women International Network. Presidency: Montreal.

In addition, the Metropolis Training Institute in Montreal approved its action plan and the creation of new branches in Mashhad, Iran; Seoul, South Korea; Cairo, Egypt; and Moscow, Russia. The plan highlighted the role of Metropolis in representing metropolitan interests before international institutions—especially UN agencies via ECOSOC, UN-HABITAT, and the United Nations Advisory Committee of Local Authorities (UNACLA) as well as Cities Alliance, the World Bank, the U.S. Conference of Mayors, and ICLEI—and participating in international activities and meetings in close cooperation with United Cities and Local Governments.

Cooperation with the Cities Alliance: The Global Fund for Cities Development. The key cooperation project between Metropolis and the Cities Alliance is the Bank of Cities project, now approved by the Metropolis Board as the Global Fund for Cities Development. The Cities Alliance has supported the project since its preliminary stages, and Metropolis has invited the Cities Alliance to become a founding member of the Global Fund.

With the development of the project, Metropolis is seeking to go further than merely making the usual demands of the international community by proposing practical action. Metropolis aims to set up a facilitating instrument to pool the know-how and resources of local authorities with the financial capacities of financial backers and to channel all of these resources towards local authorities.

The facilitating instrument is designed to complement existing systems at the service of local authorities by offering them both the technical assistance needed to

Shanghai cityscape in the Pudong district.© Laszlo Zsivin / Peter Arnold Inc.

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formulate their projects and the financial engineering essential to their funding. For example, it would complement Cities Alliance projects in slum upgrading and strategic planning.

The Global Fund for Cities Development is an initiative that seeks to amplify the scope of efforts in favour of new urban policies at the global level under the United Nations Habitat Agenda. It calls for a reaction from the international community. In particular, the World Bank and the International Monetary Fund have been invited by the members of the G20 to provide considerably increased resources to developing countries. With the initiative, Metropolis is proposing a technical and financial instrument that is exclusively dedicated to urban development. It is a practical proposal made to the World Bank at a time when that institution is reviewing its urban action strategy.

The Global Fund would take the form of an association (a nongovernmental organisation) managing institutional support and technical assistance. It would also act as a financial service provider and as a mediator in seeking funding. If necessary, it could manage a financing fund as well.

The structure of the Global Fund will mobilise the technical know-how of its members, who will offer administrative and technical human resources, optionally accompanied by financial resources. The structure will mobilise its own capital and raise capital from multilateral and bilateral agencies.

Overview of slum housing in Mumbai. © Mark Edwards / Peter Arnold Inc.
Right: Children en route to school in Hanoi, Vietnam. © Thomas Schlegel / transit / Still Pictures

GOVERNMENT OF NORWAY, MINISTRY OF FOREIGN AFFAIRS

www.regjeringen.no/
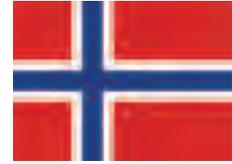
In October 2007 the Ministry of Foreign Affairs launched its policy document, "Cities – Hopes and Challenges: Urban Development and International Co-operation". The document outlines what Norway could do during the coming years within the field of urban development. Five priority areas are identified: good governance, environment, gender equality, humanitarian disasters, and peace and reconciliation.

These areas also are reflected in the Norwegian government's and the Ministry of Foreign Affairs' recent policy work. The government's white paper No. 13 (2008–09), titled "Climate, Conflict, and Capital", sees global poverty as a result of unjust global power structures. It explicitly points out that a democratic culture must be anchored at the local level. Decentralisation and local self-government often contribute to more efficient resource use and constitute a basis for popular participation in politics locally and nationally.

Government white paper No. 9 (2007–08) on Norway's policies for prevention of humanitarian disasters explicitly identifies changes in settlement patterns in the forms of migration, urbanisation, and increased slum growth as contributing to increased risks for disasters. This is in addition to the effects of climate change. Action plans for follow-up are presently being developed by the Ministry of Foreign Affairs in the wake of the white papers.

In-depth knowledge about the many aspects of urbanisation is a prerequisite for taking the right action. Knowledge development is therefore a *sine qua non* in Norway's urban policies and practices. During the last two years Norway has contributed financially to the production of Worldwatch Institute's 2007 *State of the World – Our Urban Future Report*, to UN-HABITAT's *State of the World's Cities 2008/2009*, and to the World Bank's *World Development Report 2009: Reshaping Economic Geography.*

The implications and follow-up of these reports are presently being discussed in practical terms with UN-HABITAT and the World Bank in the context of new programme agreements and new urban strategies. As a new urban world is unfolding, promotion of innovative knowledge and practices in the form of well-coordinated university research and institutional cooperation becomes particularly important. Norwegian institutions of higher learning such as the Norwegian University of Science and Technology and the Oslo School of Architecture and Design are actively involved in competency and capacity building in East and Northeast Africa with government of Norway support.

The Ministry of Foreign Affairs has also introduced competence-building measures for an increasing number of young professionals in its cooperation with UN-HABITAT and the Cities Alliance. We are also trying to build knowledge networks on urbanisation within both Norway's government administration and our civil society environment.

Most governments in low-income countries do little to address the problem of emerging new slums. These new communities are hardly "on the radar screen". This has created a vacuum that increasingly is being filled by nongovernmental and community-based organisations. They commonly share the view that most of the funding to support the urban poor has to come from the poor themselves, from municipalities and local financial markets. This is a major challenge for bilateral and multilateral donors that, in the years to come, will have to play a catalytic role to strengthen the voice of the urban poor, building their capacity to solve their own problems and mobilise their own resources. The present international development architecture is not meeting this challenge adequately.

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The Cities Alliance has a major role to play in bringing the leading urban development players—donors as well as beneficiaries—together in dialogue to develop innovative and effective policies and practical measures to unleash urban development potential. Norway is prepared to support both the continuous discourse and its effective follow-up.

Settlement on the outskirts of Lilongwe, Malawi. © William Cobbett/ Cities Alliance

REPUBLIC OF THE PHILIPPINES

www.hudcc.gov.ph/

Background. As in many developing countries around the world, the rapid pace of urbanisation in the Philippines continues to drive demand for basic urban services and infrastructure. Rural-to-urban migration and the natural increase in the urban populace have resulted in an acute supply-demand imbalance for basic urban services and infrastructure, thus fuelling urban poverty.

In the Philippines, many urban households perceive themselves as poor because they lack security of tenure, making them vulnerable to eviction from their homes. They do not have access to basic urban services and consequently suffer from economic and physical immobility, in addition to social and health risks. They have no shelter and live in makeshift houses. They have no stable jobs, and they cannot access the financing required to enable them to pursue their livelihood or entrepreneurial endeavours.

The impact of climate change in the country is expected to significantly increase risks from climate-related hazards and puts the vulnerable sectors at greater risk. Climate change will adversely affect the country's water supply, watersheds, and forests. Flooding is expected to increase as a result of accelerated sea-level rise and increasing frequencies of typhoons, which would wreak havoc on our coastal areas.

The recent typhoon Ketsana is an example. Ketsana struck with unusual force. In a matter of hours, widespread flooding devastated metropolitan Manila and the nearby provinces of Bulacan, Rizal, Laguna, and the island of Southern Luzon. Metro Manila and at least 23 provinces were placed under a "state of calamity". The number of people affected by the typhoon stood at 4,119,658—some 838,103 families. More than 10,000 homes were partially or totally destroyed.

Organisational urban policy. To promote urban development in the country, the national government formulated and updated various plans that would provide an overall framework and guide for urban development and housing in the Philippines.

• The National Urban Development and Housing Framework, which was updated with the support of the United Nations Development Programme (UNDP), provided policy statements and strategies intended to guide the Philippine government's efforts towards improving the performance and efficiency of the country's urban system.

• The Housing and Urban Development Sector Road Map was formulated under the Metro Manila Urban Services for the Poor Project, with preparatory technical assistance provided by the Cities Alliance. This road map provides the blueprint for how Metro Manila, the centre and the most congested part of the country, can respond to the urban development challenges. It focuses on how slums and informal settlements can be reduced, if not totally eradicated, over a 15-year period.

• The Philippine Urban Infrastructure Sector Road Map was produced through the preparatory technical assistance provided by the Asian Development Bank (ADB) under the proposed Philippine Basic Urban Services Sector Project (PBUSSP). This road map is aimed at supporting strategic decisions relative to investment priorities of the government and the ADB and grant funding for pilot projects through mechanisms such as the Japan Fund for Poverty Reduction.

The PBUSSP comprises five subsectors: water and sanitation; solid waste management; urban transport; urban renewal; and basic services for the poor, including housing and multisector initiatives.

Manila, Philippines. Courtesy: Asian Development Bank.

Programme Initiatives and Activities

Institutional capacity building to adapt to climate change. Climate change is a very real challenge, which should be in the forefront of the country's agenda. In a global assessment report by the United Nations, the Philippines is considered one of the countries at high risk of effects from climate change. The study, *Risk and Poverty in a Changing Climate,* places the Philippines with a medium-to-high mortality risk from climate change, with a 6.5 rating on a scale of 1 to 10.

Recognising the risk, the Philippine government entered into a partnership with the United Nations for a Joint Programme on Strengthening the Philippines' Institutional Capacity to Adapt to Climate Change. The programme seeks to enhance Philippine capacity by mainstreaming climate risk reduction into national and selected local development plans and processes; enhancing national and local capacity to develop, manage, and administer plans, programme, and projects addressing climate change risks; and improving coping mechanisms through tested pilot schemes with national up-scaling potential.

The Housing and Urban Development Coordinating Council (HUDCC), which is the primary agency tasked with formulating and coordinating the implementation of policies on housing and urban development, is in the forefront of implementing a climate change adaptability project in Sorsogon City. The project, in coordination with UN-HABITAT, aims to find ways of minimising the impact of climate change by increasing the capabilities of the local government and coming up with climate change–resilient communities.

Secure tenure and shelter programme. The national government continues to implement programmes that would regularise the tenure and provide shelter to informal settlers and low-income members of the formal sector. Among the programmes implemented are the Community Mortgage Programmes, which assists informal settler-families in land acquisition, site development, house construction, and home improvement through concessional loans; presidential proclamations, which convert government-owned idle or vacant lands into housing sites that benefit qualified beneficiaries; and a resettlement programme, which involves the acquisition and development of large tracts of raw land into serviced home lots or core housing units for families displaced from sites earmarked for government infrastructure projects and dangerous areas such as waterways*, esteros*, and railroad tracks.

To make housing more affordable to the lowest 30 percent of the income decile, the national government, through the Home Development Mutual Fund, further lowered its interest rate from nine percent to six percent for its socialised housing package and extended its repayment period from 25 to 30 years. This undertaking aims to provide wider access to housing to the segment of the formal sector not catered to by the banks.

To mitigate the effects of the global financial crisis on the poor, the Philippines enacted a law that provides relief to households that have delinquent accounts with shelter financing agencies and government financial institutions. Under the Socialised and Low-Cost Housing Loan Restructuring and Condonation Programme, all penalties and surcharges as well as a reasonable portion of the interest of all accounts not exceeding PHP 2.5 million (or about US$52,000) that are in arrears for at least three months as of 16 March 2009, will be settled.

To raise the liquidity of the housing sector and ensure sustainable funds for housing, the government issued its first residential mortgage-backed securities amounting to PHP2.1 billion or approximately US$45 million.

City Development Strategy (CDS) 3. To enhance the strategic planning, governance, and resource-mobilisation capabilities of Philippine cities as well as consolidate and expand the previous successful CDS experiences (CDS1 and CDS2), the Philippines embarked on a CDS3 project with 15 cities participating. Adopting the CDS process and using the *urban karte* indicator, these cities began the assessment of their present conditions in relation to their liveability, bankability, competitiveness, and governance.

To institutionalise CDS in the National Planning Framework, a list of recommendations was developed, including building on the current strength and core links of CDS with the larger system, and strengthening the horizontal (within the city planning and development process) and vertical (interaction with the rest of the planning system at the provincial, regional, and national levels) influences of CDS. A Harmonisation Workshop compared three planning processes: the Comprehensive Development Plan of the Department of Interior and Local Government; the Comprehensive Land Use Plan of the Housing and Land Use Regulatory Board, and the CDS Process. The workshop also identified areas for collaboration and common tools that may be applicable to all three processes, as a first step towards harmonising them.

Capacity-building activities were enhanced through partnerships with the leading academic institutions in the country for a CDS Learning Centre, which integrated CDS into its training courses, offered a study tour in the People's Republic of China on resource mobilisation and sewerage treatment, and used the technical assistance provided by the Japan Consultant Trust Fund administered by the World Bank for transport planning and traffic management. This technical assistance covered training to address traffic hot spots in cities, and

it resulted in recommendations to institutionalise transport impact assessment in planning, adopt longer-term transport planning, and establish capacity-building programme at the national level.

Recognising the need to enhance local governments' capability to access financing from other sources or through their own measures, as well as to improve their expenditure management and budgeting processes, workshops on capital budgeting and project preparation and packaging were undertaken, using the detailed project description method.

Representations were also made for the participation of the League of Cities of the Philippines (LCP) in various decision and policy-making bodies that involve local governance. Subsequently the LCP was allowed to participate in the meetings of the governing boards or committees of the Municipal Development Finance Office and the National Land Use Committee.

Through the CDS, the country continued its outreach activities, such as participating in the Fourth World Urban Forum, in Nanjing, where it showcased CDS in the Philippines, and improving its CDS Web site and information, education, and communication materials.

A real neighbourhood in Valenzuela, Manila, Philippines. © Farouk Tebbal/Cities Alliance

SHACK/SLUM DWELLERS INTERNATIONAL

www.sdinet.co.za

SHACK / SLUM DWELLERS INTERNATIONAL
[SDI]

Activities for the year under review. Between 2008 and 2009, Shack/Slum Dwellers International (SDI) expanded its footprint to include three new countries: Liberia, Bolivia, and Haiti. There are now women's savings collectives in the major slums of Monrovia, Cochabamba, and Port-au-Prince, and formal arrangements with local authorities are already in place in both Monrovia and Port-au-Prince
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In the area of enumerations large-scale information-gathering drives are underway in Cape Town, South Africa; Dharavi, India; Nairobi, Kenya; Recife, Brazil; and in large cities in Zimbabwe, Zambia, and Namibia. These community-based enumerations have become increasingly important for city authorities who are seeking pro-poor, participatory solutions to their upgrading challenges.

In 2009, SDI's international finance facility—Urban Poor Fund International (UPFI)—continued to grow. It provided seed capital for grassroots-driven upgrading projects in cities including Lilongwe, Malawi; Kitwe, Zambia; Harare, Zimbabwe; Kroonstad, South Africa; Morotuwa, Sri Lanka; and Iloilo, the Philippines. UPFI has followed the demands of SDI affiliates, which are increasingly being drawn into activities in small- and medium-size towns.

The intention in all of these cases—as with SDI projects in larger cities—is primarily to provide for tenure security, basic services, and incremental housing opportunities to communities that are not only vulnerable and marginalised, but also organised and ready to engage other actors in development, especially local authorities. As a result, these projects aim to leverage resources from other institutions, principally governments, to affect policy so that the projects can be scaled up to the citywide level. Larger projects are underway in Kenya, South Africa, and India, and other projects are in the pipeline in Brazil, Uganda, and Tanzania.

Contribution to Cities Alliance coherence of effort. Over the past year, SDI has been directly involved with the Cities Alliance on several fronts. SDI worked with the Cities Alliance to secure a $15 million grant from the Bill and Melinda Gates Foundation. The Cities Alliance will use grant funds to enable further access to land, citizenship, and inclusion for slum dwellers in cities and towns of several low-income countries in the South. SDI has also worked directly on Cities Alliance–linked projects in Swaziland, Liberia, Sierra Leone, Angola, and, more recently, Uganda.

This close cooperation is expected to continue. In September 2009, SDI leadership visited the Cities Alliance Secretariat in Washington, D.C., to develop a joint work plan for the years ahead.
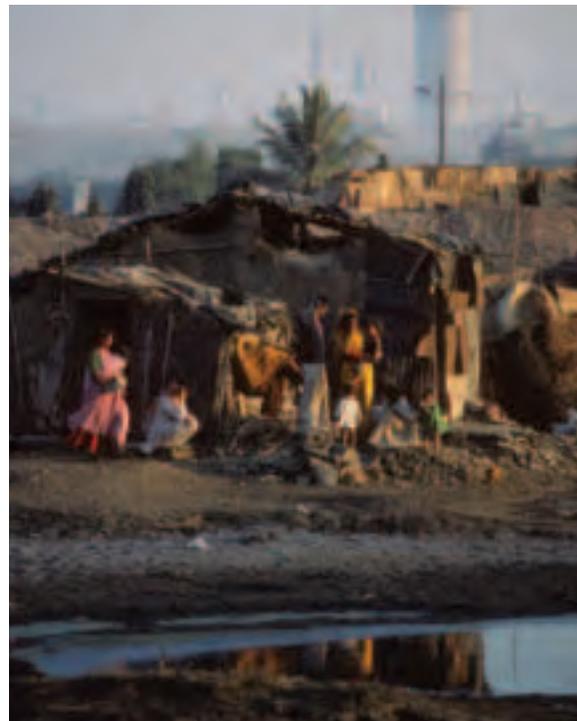
A slum in Mumbai, India. © Mark Edwards / Peter Arnold Inc.

Left: Family living in a slum in Jakarta, Indonesia.
© Ron Giling/Still Pictures

Organisational urban policy. Urban development has a high profile in Swedish foreign policy. Swedish policy for global development aims at coherence in all policy sectors, and it highlights sustainable urban development as one of its priority areas. As Swedish Minister of Environment, Andreas Carlgren put it at the Fourth World Urban Forum (WUF 4) in Nanjing, China, "Our urban development policy aims at combating exclusion in urban areas and placing cities in a better position to contribute to reducing global climate change and improving our global environment".

During the year under review, the Swedish government took several initiatives to highlight these key issues:

• Climate change and the environment is one of the government's three main priorities in its policy on development cooperation.

• The Swedish International Development Cooperation Agency (Sida) has been tasked with the elaboration of a government policy framework focusing on environment and climate change where energy, water, and urban development will play important roles.

The Swedish Government also launched an International Commission on Climate Change and Development chaired by the Swedish Minister for International Development Cooperation, Gunilla Carlsson. In the commission's report, *Closing the Gaps: Disaster Risk Reduction and Adaptation to Climate Change in Developing Countries: Report of the Commission on Climate Change and Development,* the following was said about urban development: "The vulnerability of poor urban dwellers to climate change is often ascribed to their poverty, but it is far more the result of failed policies on the local and national level and international agencies to support urban policies and governance systems that ensure that needed infrastructure is in place along with preparedness for extreme weather conditions".

The profile of urban development within Sida, however, became less visible through the reorganisation that took place during 2008. Urban development is now part of one of eight policy areas that are the main focus of Sida development cooperation—lumped together with water and energy and environment and climate change—the objective being to seek synergies between the areas. Urban development projects, however, remain limited to country assistance programme partly because of the low expressed demands in PRSPs (Poverty Reduction Strategy Papers) and similar documents. This again harps back to the weakness of local governments in negotiating a platform in international development.

Activities for the year under review. Highlights from the year under review include the following:

• During fall 2008, DFID (UK Department for International Development) and Sida sponsored an evaluation of the Community-Led Infrastructure Funding Facility (CLIFF). The overall conclusion of the evaluation is that "CLIFF is an innovative model, with undoubted successes in assisting organisations of the urban poor to finance and undertake community-driven infrastructure, housing and urban services initiatives". The evaluation also concluded, "CLIFF has piloted an interesting and potentially widely replicable approach to housing and services for the urban poor and it is recommended that donor funds should be made available to support scaling up to include new organisations and locations".

• State Secretary, Dan Ericsson from the Ministry of Finance was appointed to the board for the Urban Poor Fund, a self-governed, self-managed, ongoing, and expanding financial facility that provides capital to member national urban poor funds that are members of Slum Dwellers International.

• The Swedish Royal University College of Fine Arts organised a workshop facilitating dialogue between

An electricity project in Doutou City, Benin. © Jorgen Schytte / Still Pictures

slum dwellers and representatives from all Swedish political parties represented in Parliament.

•   Sida's experiences in the field of urban cultural heritage formed the basis for an exchange between the Swedish National Board of Antiquities, Japanese aid and the World Bank.

•   Sida has also been working on the report, *The Sustainable City Concept: Building on Swedish Experiences*, a guidance brief and documentation of Swedish experiences domestically and internationally on integrated sustainable urban planning. Sida first presented the Sustainable City concept at the World Summit for Sustainable Development in Johannesburg in 2002. During the year under review, Sida developed the initial examples into a guidance brief that can serve as a tool for local governments in developing countries and can be used by different stakeholders such as twinning cities and international organisations. The guidance brief may also be useful in the promotion of sustainable urban development for international courses on sustainable cities. The guide will be launched at WUF 5 in Rio de Janeiro to create broader awareness of the concept and to establish partnerships. The lessons and outcomes from Sida's session on planning at WUF 4 in Nanjing, where India, South Africa, and Sweden compared experiences, were also incorporated into the Sustainable Cities process.

•   The Swedish foundation for environmental strategic research, MISTRA has been selected to establish a Centre of Excellence for Sustainable Urban Futures in Gothenburg. The decision came after a competitive process between different consortiums consisting of universities, private companies, cities, and think tanks in Sweden. The winning consortium comprises Chalmers University of Technology, the University of Gothenburg, the Swedish Environmental Research Institute, the City of Gothenburg, the Gothenburg Region Association of Local Authorities, the Country Administration of Västra Götalands Län, with international interaction platforms in Kisumu, Kenya, Manchester, U.K., and Shanghai, China.

The Centre of Excellence aims at becoming an international player focusing on issues of urban sustainability and transdisciplinary research. Activities will centre on Urban Liveability and Health, Urban Structures and Growth, and Urban Environment and Climate Change. The Centre of Excellence is likely to be resourced with US$20 million, with another US$20 million in cofinancing over a 10-year period. It will be formally launched in January 2010. Sida will add additional resources for the establishment of local urban knowledge platforms in low-income countries and other dissemination activities.

A street in Mbale, Uganda. © Hilde Refstie/Cities Alliance.

Cities Initiatives

Eco² Cities – Economic and environmentally sustainable cities. In response to the climate change challenge, the World Bank, in collaboration with Sida and AusAid, launched the initiative Eco² Cities: Ecological Cities as Economic Cities. The initiative will promote an integrated approach for environmentally and economically sustainable urban development, as well as develop an analytical framework that can be used by decision makers to put together a set of programme elements for their cities. The Eco2 Cities concept has been applied in the city of Tianjin, China, where Stockholm City and other partners are involved in the structural plan and developing an environmental load profile.

The Cities Development Initiative for Asia (CDIA). CDIA is a partnership between the Asian Development Bank (ADB) and the governments of Germany, Spain, and Sweden, established to assist medium-size Asian cities to bridge the gap between their development planning and the implementation of their infrastructure investments. CDIA projects link strategic city development plans to the implementation of infrastructural projects by carrying out pre-feasibility studies and capacity building, thus closing the gap that has been identified by the Cities Alliance. The operational objectives are to improve urban infrastructure services through technical assistance, to bring priority infrastructure projects to a stage where they are able to be financed, and to strengthen institutional dialogue and cooperation on urban management.

City twinning. The Swedish government has established an International Centre for Local Development (ICLD) to promote local democracy by financing twinning between Swedish cities and their partners in developing countries. The cooperation builds on the experience and know-how of Swedish municipalities and regions, promoting research and knowledge development with a focus on local democracy and local self-government. ICLD's operations are financed by Sida and cover three main areas: knowledge and capacity development, municipal partnership, and international training.

The international financial crisis, the climate change negotiations, and the debate on aid effectiveness topped the work programme agenda for United Cities and Local Governments (UCLG) in 2009, with the world organisation working with its members to ensure that the local voice is heard in the formation of responses to these issues. It has become increasingly difficult to ignore this local voice and the importance of efficient decentralisation, thanks to the growing acknowledgement that cities are part of the solution to these global challenges.

UCLG also hosted the Cities Alliance Annual Public Policy Forum and Consultative Group Meetings, which were held in Barcelona in January 2009. The Public Policy Forum focused on aid effectiveness. The meetings benefited from the participation of a large number of local government practitioners from across the world, making for a stimulating debate with the World Bank, nongovernmental organisations, and government officials on how development aid can make a lasting difference to local people.

Local Action Internationally

Aid-effectiveness. Greater support to local and regional authorities is necessary for aid to be effective. UCLG, as a member of the Cities Alliance, is opening the dialogue with donors and multilateral institutions on the need to consider the Paris Agenda from a broader perspective, which includes all stakeholders in development. The Cities Alliance Public Policy Forum in Barcelona was a good example of the kind of policy dialogue between donors and the organised voices of local governments that will be instrumental to improving international aid efficiency.

Recipients of development aid require capacity building to increase ownership of development and mutual accountability. These key issues are the focus of intense scrutiny in UCLG's Policy Paper on Aid Effectiveness,

developed by the UCLG Capacity and Institution Building Working Group. The first draft of this document was presented in Barcelona at the Cities Alliance annual meeting and discussed over 2009 at the UCLG statutory meetings.

UCLG is concerned at the overly national orientation of the alignment principle set out in the Paris Agenda. As the worldwide representative of local and regional authorities in more than 136 countries, UCLG has been invited to participate as a member of both the Organisation for Economic Co-operation and Development Working Party on Aid Effectiveness and the Advisory Board of the UN Development Cooperation Forum. The debates concerning the implementation of the Cities Alliance Mid-Term Strategy have contributed greatly to enriching exchanges with donors.

Climate change. All UCLG members are affected by climate change to varying, even dangerous, extents. Approaches to climate change also vary accordingly in the cities around the world. Local and regional governments agree, however, that local solutions must be developed if we are to meet the international commitments required to safeguard the future of humanity. Local leaders emphasise the need to ground the international discussions and to go from a sector-based approach to an integrated approach, which requires efficient governance as its cornerstone. UCLG and its partners have worked to ensure a united voice of local and regional governments through their inclusion, in concrete amendments, in the complex architecture of the United Nations Conference of the Parties, to be held in Copenhagen in December 2009.

A positive view of urbanisation. Acknowledgement of well-managed, dense, urban centres as instruments for a sustainable future has been a main feature of the international action of UCLG, particularly within the frame-

Environmental refugees from the countryside in the process of squatting land on the outskirts of Buenos Aires, Argentina. © Mark Edwards/ Still Pictures

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work of our collaboration with the chairs of the Cities Alliance. This focus can also be seen in our contributions to the new urban and local government strategy of the World Bank and in the UN-HABITAT through our contribution to the establishment of the World Campaign on Sustainable Urbanisation.

Additional international human and financial resources will be needed to enable cities to prepare for the numerous challenges ahead. With the support of Cities Alliance members, UCLG has targeted capacity building in medium-size and small cities and their associations. The newly established Committee on Urban Strategic Planning gathers cities that are keen to evaluate and innovate their City Development Strategy processes through city-to-city exchange. The multiple and catalytic roles of local government associations deserve special attention in the initiative, which is led by cities in the South.

Local finance. In the area of local finance, UCLG has continued to promote the 25 recommendations put forward in its Policy Paper on Local Finance. During the annual meeting of the African Development Bank (AFDB), held in Maputo in 2008, the UCLG Committee on Local Finance presented these recommendations and called for more direct support mechanisms to finance urban development. In 2009, the committee has followed up on these developments to ensure the representation of local government interests in the urban strategy of the AFDB. The World Bank has responded by inviting UCLG to participate in meetings to develop its urban and local government strategy.

Although it may only be over the coming year that we are able to assess the true consequences of the financial crisis for local and regional authorities, the importance of analysing the nature of local finance—its hurdles and constraints as well as its opportunities—cannot be overestimated, as this will be part of the solution. Following the publication of the first *Global Report on Decentralization and Local Democracy* (GOLD) in collaboration with the World Bank and the Cities Alliance, an international team has already been set up to work on the second edition. The second GOLD Report will focus on local finance, building on the work developed within the UCLG committee.

Top: A family newly arrived from the country living on the outskirts of Mexico City. © Mark Edwards/ Still Pictures
Botom: The Ninth Cities Alliance Public Policy Forum in Barcelona, Spain. © Chii Akporji/Cities Alliance
Rght: Chickalane, Mozambique: Water taps at a camp for people displaced by floods. © Heldur Netocny/Still Pictures

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UN-HABITAT

www.unhabitat.org

One of the major lessons the United Nations Human Settlements Programme (UN-HABITAT) learned during the year under review was that climate disruption and energy depletion highlight all of the factors and forces—individual, national, global—that make our 21st century cities so complex and so vibrant. Within that context, UN-HABITAT demonstrated once again that it is particularly well placed as both an observatory and a catalyst of the forces at play in a rapidly urbanising world, one in which cities are the first victims of climate disasters and arguably the greatest contributors to greenhouse gas emissions that cause many of the problems.

As of the fourth quarter of 2008, UN-HABITAT had cooperation programmes and projects in 50 countries, the majority in the least developed countries. More than 20 other countries benefitted from the support of UN-HABITAT's global programmes, many in collaboration with our partner, the Cities Alliance. UN-HABITAT's country-level activities were and remain focused on supporting governments in the formulation of policies and strategies to create and strengthen a self-reliant management capacity.

The agency's multiple partnerships continued through the year to act as channels for constant two-way dialogue, especially with municipal authorities, grassroots civil society organisations, and business firms. These partners kept UN-HABITAT alert to emerging concerns and best practices.

The importance of partnerships is why UN-HABITAT's Medium-Term Strategic and Institutional Plan (2008–13) is anchored in the principle of partnerships, rather than in the capacities of the United Nations or of UN-HABITAT alone. As agreed by the 58 member states of the Governing Council that oversees our work programme and budget, the plan has six components: (1) effective advocacy, monitoring, and partnerships; (2) the promotion of

participatory planning, management, and governance; (3) the promotion of pro-poor land and housing; (4) environmentally sound basic infrastructure and services; (5) strengthened human settlements finance systems and an institutional component; and (6) excellence in management.

The year 2008 was pivotal in establishing the new plan and guiding its implementation. In the latter part of the year, a new series of UN-HABITAT regional surveys began with the first *State of African Cities Report,* undertaken in cooperation with the UN Economic Commission for Africa. (UNECA). Also, cooperation between UN-HABITAT and Russia's Ministry of Regional Development resulted in a *State of Russian Cities Report*. In addition, plans are underway to publish other regional flagship reports.

As in previous years, UN-HABITAT was also able to influence national government policies and help align them with the international agenda as defined at a series of major meetings, from the 16th Session of the Commission on Sustainable Development in New York in May to the UN-sponsored climate change negotiations in Poznan, Poland, in December.

In November 2008, the fourth session of the World Urban Forum (WUF) in Nanjing, China, made its mark as the world's premier conference on cities. At WUF, UN-HABITAT launched its new flagship quarterly magazine, *Urban World*, which replaces *Habitat Debate.*

Implementation of the One UN programme further reinforced UN-HABITAT's operational links with other UN agencies. In 2008, the programme was piloted in eight countries.

The agency also worked diligently over the course of the year to help central and local governments strengthen

their abilities in every aspect of urban life—legislation, policy making and decentralisation, and the building of administrative, managerial, operational, and financial capacity. For example, UN-HABITAT provided training in transparency in land administration for the first time. In addition, the Global Land Tool Network, which promotes poverty reduction through land reform, better land management, and security of tenure, grew to include 36 global partners, 58 member organisations, and more than 600 individuals.

UN-HABITAT was also active in the area of disaster management in 2008. The agency helped rebuild homes in Lebanon, Afghanistan, Indonesia, and Peru that were destroyed as a result of natural disaster or conflict.

In sum, throughout the year under review UN-HABITAT demonstrated that it is uniquely placed to strengthen local capacities and leverage all available public or private resources and energies in favour of positive urban change. From new youth guidance centres in African cities and a new gender plan, the agency sought to pave the way for vibrant, rights-based civil societies as well as sustained social and economic stabilisation.
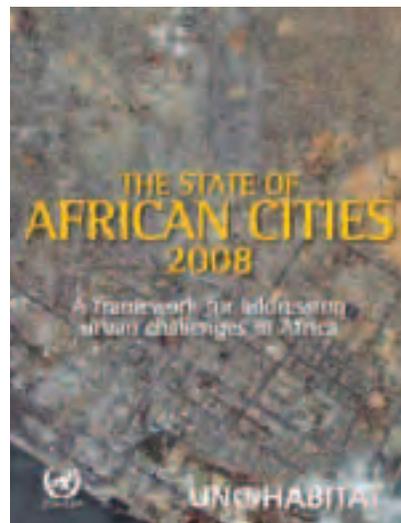
UN-HABITAT providing aid in southern Lebanon. Courtesy: UN-HABITAT

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During the year under review, the United Nations Environment Programme (UNEP) has concentrated on two environmental issues affecting cities, especially in developing countries: climate change and sustainable urban planning and management.

UNEP activities in sustainable urban planning and management, 2008–09. In most developing countries, development is slowed by environmental degradation. The contribution of environment to social and economic development is often poorly understood. To address these challenges, UNEP is developing a range of activities aiming at integrating environment with long-term development. For instance, since 2008, UNEP and the FIA Foundation for the Automobile and Society have been developing a campaign, "Road Design and Finance for Safety, Sustainability, and Accessibility", to strengthen the links between environmentally sustainable modes of road transport and safer roads in developing and transitional countries.

The collaboration between UNEP and UN-HABITAT and the development of the joint Partnership Framework 2008–13 also aims at improved integration of the urban environment in the formulation of national policies and strategies.

For instance, one activity under this Partnership Framework involves improving solid waste management in Nairobi. UNEP, in close coordination with UN-HABITAT, is assisting the City Council of Nairobi to prepare an integrated solid waste management plan for Nairobi. The plan will provide for the scientific assessment of the character and quantity of the city's waste, provide projections on future waste, and assess the current waste management system. It will also recommend appropriate environmentally sound technologies and a policy framework for each component of integrated solid waste management. The project is expected to be completed by early 2010. Stakeholder consultations will be carried out at each stage of the plan's preparation. The outcomes will be disseminated at the regional and national levels to support replication of the plan.

UNEP activities in climate change, 2008–09. Cities in developing countries are facing the challenge of responding to the impacts of climate change, and poor urban dwellers are most at risk. At the same time, cities in developing countries are the fastest growing urban areas in the world. Energy consumption, increasing transport, and building activities will all lead to escalating amounts of carbon dioxide emissions.

To make the voices of local governments heard in the global debate, UNEP actively supports the Local Government Climate Roadmap to Copenhagen. This process, led by ICLEI and the main local government associations, aims at recognising cities and local authorities as key actors in the post-Kyoto climate regime to be adopted during the United Nations Climate Change Conference in Copenhagen (COP 15) UNFCCC COP15 climate negotiations in Copenhagen in December 2009.

In addition, UNEP is supporting ICLEI in the development of better mechanisms for reporting greenhouse gas emissions from and for cities.

Contribution to the coherence of efforts of the Cities Alliance. The environment is the biggest asset of the poor, and it is this premise that underlies UNEP's work with cities and national governments. UNEP promotes urban planning that allows cities to develop on the basis of the continued availability of environmental resources. Sustainable urban development will also minimise health risks and reduce environmental impacts at local and global levels.

The "Smokey Mountain" rubbish dump outside Manila, Philippines. © Nigel Dickinson / Still Pictures

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The primary objective of UNEP's engagement in the Cities Alliance has been to improve the environmental dimension in Cities Alliance projects with the goal of achieving sustainable urban development. Several activities have been undertaken under the Environment Initiative, started by UNEP in late 2005.

In 2008, one of the major activities under the Environment Initiative was the development of a Joint Work Programme. This three-year programme, started in mid-2009, aims at better addressing the environmental issues faced by cities, especially in developing countries. To achieve this overall objective, the project will provide support to cities and Cities Alliance members in better integrating the environmental dimension in the design and implementation of city development strategies and will provide a body of knowledge that is useful to cities in their long-term strategic planning.

In addition, the Joint Work Programme will mobilise different UNEP divisions for supporting the environmental work of the Cities Alliance. Further, the programme will strengthen cooperation between UNEP and other development partners on the particular issue of cities and climate change.

Linked to the latter, a second phase of the Joint Work Programme is currently being developed that will emphasise cities and climate change and bringing on board UN-HABITAT and the World Bank.
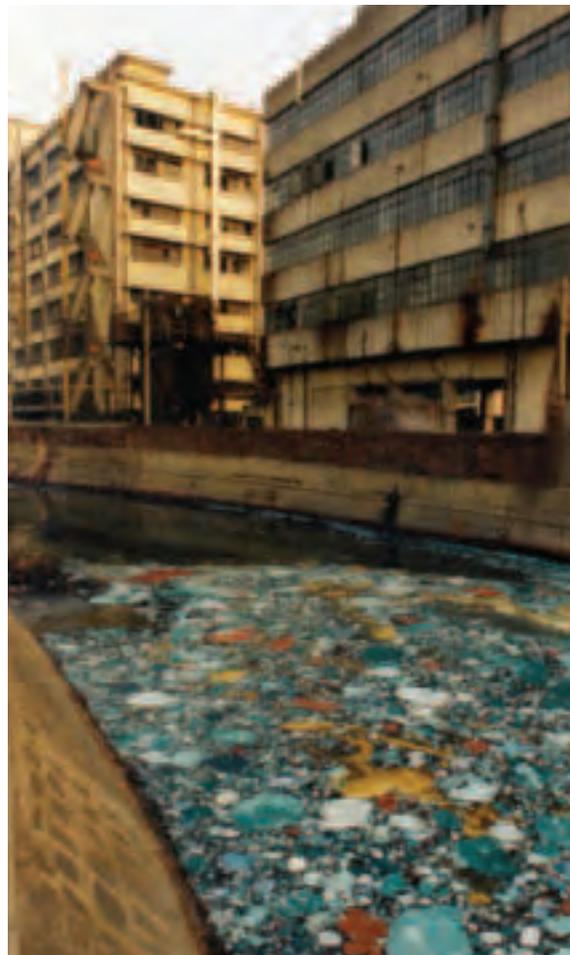
Water pollution in China. © Zhao Weiming/UNEP / Still Pictures

Air pollution in Mexico City, Mexico. On most days a brownish haze composed of 11,000 tons of pollutants hangs over the city. © Mark Edwards / Still Pictures
Left: UGA, City view with a construction site in Kampala, Uganda.© Achim Pohl/Das Fotoarchiv / Still Pictures

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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

www.usaid.gov/our_work/economic_growth_and_
trade/urban_programs/index.html

In 2008, the United States Agency for International Development (USAID) initiated a new hiring process designed to double the agency's foreign service officers corps and ramp up its technical capacity in areas such as environmental protection, engineering, and governance. This initiative will greatly increase USAID's ability to operate in difficult urban environments and will build upon the work the agency has also been conducting on critical urban development issues.

Activities for the year under review. USAID has been conceptualising and creating innovative partnership models that create linkages between the private sector, government, and civil society organisations to improve service delivery and economic growth opportunities for the urban poor. The new Leadership with Associates award signed with the International Youth Foundation (IYF) is one example of these efforts; the IYF model involves creating alliances with businesses, governments, and nongovernmental organisations to improve both short-term results and long-term sustainability.

USAID has also continued to implement its successful Making Cities Work strategy, which strives to assess, design, and implement activities that improve local governance, delivery of basic services, municipal infrastructure finance, and urban environmental and health issues. A key component of this strategy has been the CityLinks Program, which establishes partnerships between U.S. municipal officials and their counterparts in developing-country cities. The knowledge sharing which results helps improve local government management and service delivery in the host countries and introduces U.S. democratic practices to local officials and citizens. In 2008, partnerships were forged between U.S. officials and officials in Afghanistan and Ethiopia, among other countries.

Stone walls totaling approximately 500 metres aimed to reduce the number of serious accidents was constructed on a highway in Bazarak city which is in the Panjshir province. The safety wall has already prevented numerous accidents and lives have been saved. Courtesy: USAID

Another piece of USAID's urban development portfolio is the agency's ongoing partnership with Evensen Dodge International, which promotes innovative financing for municipal development in Mexico and is piloting initiatives in Paraguay, Morocco, Vietnam, and South Africa.

Contribution to Cities Alliance coherence of effort. USAID's membership in the Cities Alliance has strengthened the work of both organisations and magnified their ability to respond to pressing urban development challenges around the globe.

For example, as a Cities Alliance member, USAID has been able to grant proposals for slum upgrading and city-development strategies that have resulted in funding for more than 20 projects in Asia, Sub-Saharan Africa, Latin America, and Northern Africa. These projects

have received more than US$8 million in grant funding from the Cities Alliance and have leveraged more than US$32 million in additional contributions to benefit the urban poor.

Most recently, USAID partnered with the Cities Alliance and the World Bank to sponsor the presentation of the photo exhibit, "The Places We Live" at the National Building Museum in Washington, D.C. The exhibit was positioned as part of World Habitat Day celebrations, which were held for the first time in the United States on October 5, 2009. USAID worked with the U.S. Department of Housing and Urban Development in addition to a coalition of national stakeholders in urban development, such as the International Housing Coalition, the American Planning Association, and the National Association of Realtors, to ensure a highly successful American outing for the World Habitat Day celebrations.
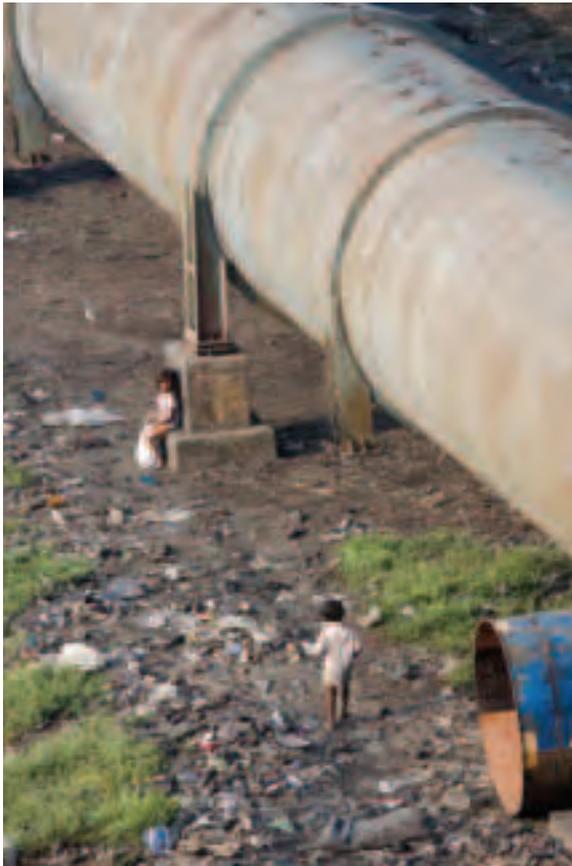
Left: Courtesy: UNEP
Top: The AMSP Charikar team provided a computer training center focused on building the technical capacity of local females. The centre is equipped with seven computer stations and trains 21 students during each three-month term. Courtesy: USAID
Bottom: Work is being done on the Khost water supply system to improve the city water and provide potable and healthy water to wider range of people. © Courtesy: USAID

Jakarta, Indonesia. Woman in a slum collects water from a polluted river. © Ron Giling / Still Pictures
Left: Traffic in New Delhi, India. © ullstein - Unkel / Still Pictures

Portfolio Update. World Bank lending approvals for urban operations in fiscal year 2009 amounted to US$2.1 billion, a five percent increase from the past fiscal year. Among the 25 new urban operations in the 2009 fiscal year are the following noteworthy projects:

• Indonesia: National Program for Community Empowerment in Urban Areas supports the government's efforts to ensure that the urban poor benefit from improved socioeconomic and local governance conditions;

• Morocco: Solid Waste Sector Development Policy Loan supports the government in implementing reforms aimed at improving the performance of the municipal solid waste sector;

• China: Wenchuan Earthquake Recovery Project supports the government in restoring essential services, building capacity of local governments to manage the recovery programme, and creating a recovery and reconstruction strategy;

• Montenegro: Land Administration and Management Project works to improve the efficiency of permitting and the property registration system;

• Burundi: Public Works and Urban Management Project seeks to increase access to sustainable infrastructure services and generate short-term jobs through public works programmes;

• Brazil: Ceara Regional Economic Development: *Cidades do Ceara* project promotes economic development, improves urban infrastructure, and enhances regional management capacity.

New World Bank urban and local government strategy. It has been nearly a decade since the World Bank last issued an urban strategy. Recent developments and topics of urban debate, including rapid urbanisation, climate change, decentralisation, and the various approaches to city economic growth and urban poverty, frame the agenda of the new strategy. Increasing recognition of the importance of cities to national governments in stimulating economic growth has been underscored by the World Development Report 2009 *(Reshaping Economic Geography)* and the Commission on Growth and Development *(Urbanization and Growth)*.

The new strategy focuses on ways of harnessing urbanisation to deliver on the growth agenda, while addressing the challenges of urban slums, housing, and land administration reforms. The "Urbanization Review", a major new knowledge product launched in the strategy, provides an analytical framework that helps countries and cities better understand and respond to urbanisation pressures. The climate change agenda also figures prominently in the new strategy. A major thrust of the strategy is on new approaches to urban development that enable countries, cities, and their donor partners to scale up their impact through broader-based programmes using wholesaling techniques that empower cities and other regional development actors while strategically engaging with countries at the national level. Global consultations took place across all of the six regions where the Bank is engaged, including local and national government officials, donor and development partners, nongovernmental organisations, and the private sector.

For more information, visit the new World Bank Urban Strategy Web site at *www.wburbanstrategy.org.*

The Fifth Urban Research Symposium. This gathering in Marseille, France, focused on cities and climate change, dealing with both adaptation and mitigation strategies. Participants included the French Ministries of Sustainable Development and Foreign Affairs; the French Agency for Development; and a host of institutional, strategic, and private sector organisations. It featured commissioned research on relevant topics and highlighted empirical work from cities around the globe. More than 600 people from 85 countries attended the symposium, including more than 150 authors working in 44 countries who presented in 35 parallel sessions, 10 plenary sessions, and four side events.

All of the symposium research papers are available for download at *www.urs2009.net.*

Cities and Climate Change. The Bank has scaled up its focus on climate change and cities. In addition to the Urban Research Symposium, the Bank has increased resources on analytical work on sustainability and climate change in the urban sector: work on the impact on coastal cities is being undertaken by a number of regions, including East Asia, the Middle East, and North Africa; a Mayors Handbook on Climate Change is being prepared; and urban projects are increasingly undertaking work on climate change aspects of urban development. The Bank's cities and climate change efforts are spread across the Bank's urban regions (operations departments) and the central urban anchor.

World Bank Urban Forum. The theme for this year's Urban Forum was "Innovations in Urban Space". Many of the sessions were structured around key topics of the new urban strategy. The forum also paid special attention to the ongoing global financial crisis. As the crisis unfolds, it is becoming clearer that cities will play an important role in preserving jobs and creating new ones and providing social safety nets to those most harmed. Participants included 150 World Bank staff and delegations from UN-HABITAT, United Cities and Local Governments, Metropolis, Agence Française de Développement, German Technical Cooperation (GTZ), and the Rockefeller Foundation.

Global City Indicators Programme. This programme is designed to establish comparative indicators and benchmarks that can be linked to the Millennium Development Goals and national-level development strategies. Key stakeholders reviewed a summary document with a proposed rollout strategy, which was presented in Nanjing at the Fourth World Urban Forum in November 2008. The Bank is an active board member and active

champion of the Global City Indicators Facility. (There are 12 board members, including seven city representatives.)

New publications. The Bank's urban unit published *Private Sector Initiatives in Slum Upgrading and Exploring Urban Growth Management: Insights from Three Cities.* A new notes series, titled *Directions in Urban Development,* was initiated; the first notes were *City Regions: Emerging Lessons from England; Impacts of Financial, Food, and Fuel Crisis on the Urban Poor;* and *Infrastructure and Heritage Conservation: Opportunities for Urban Revitalization and Economic Development.* All of these can be found on the web site at *www.worldbank. org/urban*
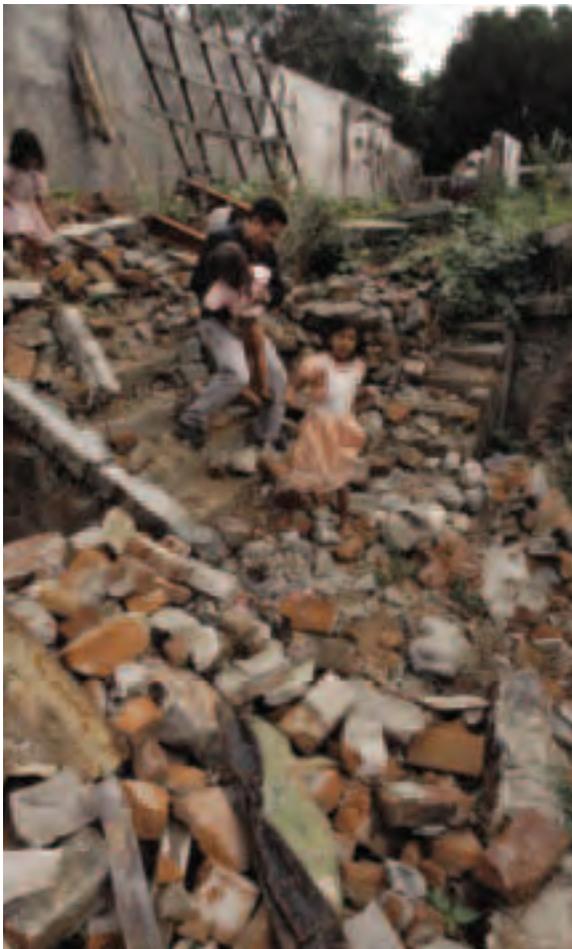
Ursulutan Province, San Francisco Javier, El Salvador. A father and his children walking through the wreckage after an earthquake destroyed 90 per cent of the village. © Jorgen Schytte / Still Pictures

STRENGTHENING THE LEARNING ALLIANCE

Strengthening the Learning Alliance

Beyond its role as a grant-making facility, the Cities Alliance was also conceived as a learning alliance seeking to advance the collective know-how of local authorities and their international development partners on ways and means to reducing urban poverty and of improving the quality and impact of urban development cooperation. The Cities Alliance has developed a range of different methods to promote learning and knowledge sharing, including the Annual Reports, Public Policy Forums, Knowledge Partnerships, the CIVIS Notes series, and Policy dialogues.

From the outset, the Annual Reports were viewed as having a function far beyond the reporting of organisational activities for the year under review for the benefit of shareholders. They were rather designed to be platforms for capturing and disseminating knowledge and learning from the Alliance's activities in CDS and slum upgrading, consciously targeting not only the Alliance's own members, but also local government officials, national government counterparts, other urban development practitioners, and experts. At the same time, the Reports aimed to be accessible to the general public.

Cities Alliance issued its first Annual Report in 2001, two years after its founding, where it basically set the stage for the urban debate in the face of rapid urbanisation, and the challenges and opportunities these imply for developing countries. The structure and organisation of the first report set the standard, and provided the template: An Introductory chapter taking a broad and analytical perspective on a pertinent urban development issue or trend, and discussing approaches, experiences and policy recommendations on the way forward. This is followed by a traditional "Cities Alliance in Action" chapter outlining the Alliance' activities in CDS and slum upgrading for the year under review, followed by sections on "Communications and Knowledge Sharing activities", a review of the "Cities Alliance Organisa-

tion", followed by the "Financial" report. Nine years later and showing a progression in production values from an initial black and white product to a full colour product beginning in 2004, the Annual Reports have remained the Alliance's flagship for capturing and sharing substantive knowledge on its activities, and of advocacy on key urban messages or trends.

The Public Policy Forums (PPF) were, as the name implies designed to bring together local and national city stakeholders, development partners, private sector, slum dwellers, and media around a specified theme in urban development. The first of these was held in Montreal in June 2000, and focused on pro-poor urban policies and related institutional and financial reforms, reviewing lessons from experience in Africa, Asia and Latin America. Since then PPFs have been held every year as an integral curtain-raiser to the Consultative Group (CG) meetings, allowing CG members to learn first-hand something of the city hosting the event.

The Alliance also deliberately pursued a strategy of creating knowledge partnerships with members or partners it identified as having comparative advantages in specific areas of work relevant to its mandate. Some of the earliest versions of these partnerships were with universities, including the University of São Paulo in 2001, which also provided office space for the office of the Alliance's regional advisor for Brazil, a position then funded by the government of Italy but also served as an observatory for the Alliance's monitoring of scaling up of slum upgrading activities in Brazil. Another early University partner of the Cities Alliance was the Massachusetts Institute of Technology (MIT), with which the Alliance created an urban upgrading database and CD, supported by an interactive website to serve as a meeting space for practitioners wishing to share lessons and experience.

Dharavi, Mumbai. © Jonas Bendiksen

The Alliance also provided seed funding for the establishment of communities of practitioners in its cities of activities. Support to the League of Philippine Cities enabled the institutionalisation and expansion of poverty-focused city development strategies throughout the country. The Alliance also partnered with subsidiaries of member organisations with specific services to provide. Its long standing partnership with ISTED led to major outputs such as the *Guide to Working with Cities Alliance* in several languages and the special edition of *Villes en developpement,* the Institute's quarterly newsletter, dedicated to a subject matter of special interest to the Cities Alliance. These knowledge partnerships were later consolidated into joint work programmes on defined urban issues with members such as UCLG, UN-HABITAT, UNEP, the World Bank, and with bilateral members such as AfD, Brazil and India.

The *CIVIS Notes* series was first launched in 2001 to serve as a forum for sharing practical experiences and successful examples of city development strategies and slum upgrading among policy makers and practitioners, with a focus on what has worked, and why, as well as on wider policy issues. It published a landmark series on "Shelter Finance for the Poor", the results of an initiative designed to respond to both client demand and to the growing capacity of private sector financial institutions with experience in serving the urban poor.

To formalise its knowledge sharing strategy Cities Alliance enunciated a communications and dissemination strategy in its 2003 Annual Report. Its communications strategy supports a learning process among all its partners and includes sharing lessons and fostering the use of more effective tools, policy options and standards of practice. It advocated for a dissemination strategy which depended not only on the quality and appropriateness of the outputs, but also on ensuring that these outputs reach those who can make the best use of them. The elaboration of this strategy set the stage for the hiring of a Communications Officer, Chii Akporji in 2004, and the eventual setting up of a communications and knowledge unit within the Secretariat.

In 2007, following the recommendations of the 2006 independent evaluation that the Alliance deepen the organisation's knowledge base, a monitoring and evaluation unit was established within the Secretariat to support a results-based approach to knowledge gathering and sharing. The process Is being led by Günter Meinert, a senior staff member on secondment from GTZ. A preliminary framework was presented to the Alliance' executive committee in Trondheim, Norway in April 2008, and a final strategy document has been revised to meet the evolving demands of the CG and to support the MTS.

To strengthen its learning brand the Alliance has also organised and participated in series of policy dialogues, in addition to leveraging a number of knowledge sharing events as platforms for sharing knowledge and experiences. Mention of a few will suffice here. In partnership with its CDS partners in Asia it has organised a series of CDS workshops, including the high profile conference in Hanoi in December 2004; these have helped the process of knowledge and institutionalisation of the process in several countries in the region. The Alliance participated in the second Africities summit in Yaoundé, Cameroun where it organised a half-day summit on the participation of African cities in the Cities Alliance, laying the groundwork for increased collaboration between the Alliance and African cities. The Alliance broadened its participation significantly during the 2006 Africities Conference in Nairobi, where it hosted a major exhibition booth plus major, well-attended workshops.

Alliance managers and staff have also been proactive participants at several meetings and policy dialogues organised by members and partners. In 2008 the Alliance organised a highly successful south-south knowledge exchange on slum upgrading, in partnership with the municipality of São Paulo. The five-day event brought together representatives of the mega cities of the south such as Cairo, Ekurhuleni, Lagos, Manila, Mumbai, their counterparts from the host city of São Paulo and from a third group of observers namely, La Paz, Bolivia; Santiago, Chile; Sekondi-Takoradi in Ghana to share their experiences on the challenges of slum upgrading. These were joined also by representatives

of development organisations such as the World Bank, the Asian Development Bank, United Cities and Local Governments (UCLG), Metropolis, and UN-HABITAT.

With implementation of the Medium Term Strategy now gathering momentum, the Secretariat plans to significantly strengthen learning and knowledge amongst Cities Alliance members, and improve impacts beyond its membership. In particular, developing country cities are increasingly interested in benefitting from the experience of other cities that have already grappled with similar development challenges.

Monitoring and Evaluation

The overall conceptual approach to monitoring and evaluation (M+E) in the Cities Alliance, as approved by the Consultative Group, aims to motivate and facilitate learning, to support results-based management, and to increase accountability. The M+E system targets three levels, the individual CDS and slum upgrading projects, the project portfolio as a whole and the institutional performance of the Cities Alliance.

M+E for individual CDS and SU projects

The Secretariat developed a set of new tools, which include revised formats for project proposals, assessments and reports. A midterm review helps to keep projects on track towards achieving its objectives. The evaluation workshop at project completion focuses at outputs and outcomes. Both, midterm review and completion workshop will be conducted by the respective project teams with the participation of stakeholders wherever sensible. The M+E process at project level is designed to provoke a deeper understanding of how projects work and what results they achieve. By doing so, the Cities Alliance will be in better condition to identify the lessons learnt and worth sharing with other cities. They will also increase their accountability to project stakeholders and to development partners.

This M+E approach will be gradually made effective starting in fiscal year 2010. The field experience will provide some first answers to concerns raised, such as;

- Will partner cities and Cities Alliance sponsors be in condition to apply the enhanced M+E mechanisms?
- Will the additional effort for M+E be well justified by better results orientation and learning?
- Will the results produced by M+E fulfill adequately both, learning as well as accountability purposes?

M+E of the project portfolio

A review of the CDS and slum upgrading project portfolio was presented by the secretariat for the first time. It provides concise information on the composition of the portfolio, thus accounting for the use of funds by reporting on the regional distribution of projects, implementing partners, types of recipients, and other. The report draws on project data contained in the newly established project database in the secretariat. Once the M+E system for projects mentioned above is fully operational, the portfolio review will provide data on the *quality* of project outputs and outcomes.

Figure 3: M+E of the Project Portfolio
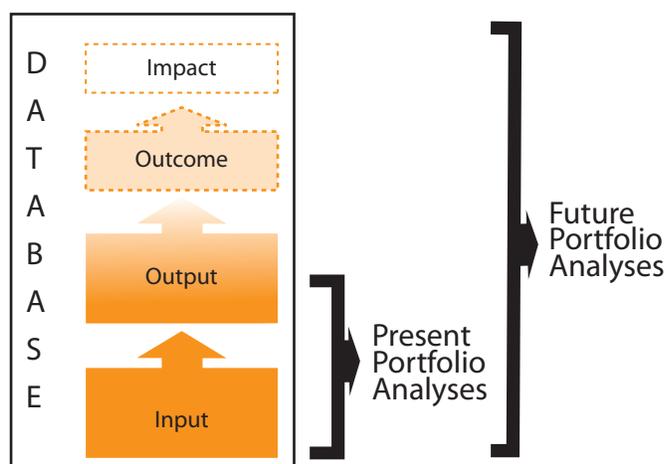
One of the principal challenges for the design and the management of projects, subsequently for M+E, will be to emphasise the outcomes. for example, change in work routines, enhanced participation) and impacts of projects (for example benefits for the urban poor), against the input (money spent), activities or output level (workshops, plans, studies).

The portfolio review contributed to the reflection on the strategic orientation of the Cities Alliance and different modes of delivery. Proposals were made regarding the desirable composition of the portfolio in terms of grants allocated to LDCs and to secondary cities. Future portfolio reviews will report on the achievements of these targets. However, setting targets for the portfolio composition are likely to include additional criteria for the selection of project proposals, indicating the need for corresponding modifications to the Cities Alliance Charter.

The review also raised awareness regarding the involvement of Cities Alliance members in the implementation of projects, as only relatively few Cities Alliance members have the operational capacity in the field to provide effective and comprehensive support. There is an obvious need to rely more on existing, even if not fully sufficient, capacities of Cities Alliance partner cities. An external evaluation of client and of member executed projects has been commissioned to identify means of adjusting Cities Alliance instruments and modes of project implementation. The results, expected in FY 2010, will provide guidance on how Cities Alliance can support ownership and capacity development, as well as how to make its procedures more client friendly.

M+E of the institutional performance

Assessing institutional performance is the most challenging task. The Cities Alliance Charter contains several objectives and goals, but not in a way easily accessible for M+E. Some of them are on a very abstract level, to which the contribution of theAlliance cannot be easily established, while others are more like guiding principles. The Medium Term Strategy 2008-2011 defines additional objectives at a more operational level.

The secretariat presented a draft results framework as the reference for monitoring the institutional performance. The results framework follows the logic of a result chain: activities undertaken by Cities Alliance secretariat and Cities Alliance members; outputs and services generated through these activities; usage of these services; benefits.

These levels are specifies for main areas of action for the Cities Alliance (CDS and SU project support, knowledge sharing and learning, advocacy, and partnerships.) The draft results framework is still under revision, as it strongly correlates with discussions of priorities, approaches and governance of the Cities Alliance.

M+E of the institutional performance should balance the effort for obtaining the required monitoring data with the benefit for correspondent decision making. This consideration relates M+E to the ongoing discussion in the Cities Alliance about its governance structure: What is the nature of decisions to be taken by the Consultative Group, by the Executive Committee and by the Secretariat? Consequently, what type of information and what level of detail is needed at each level?

Adjustments of the objectives of the Cities Alliance, its modes of project implementation and of its governance structure might be evolving with corresponding repercussions on the results framework.

Communications and Knowledge Sharing Activities

Cities Alliance at the Fourth World Urban Forum, Nanjing, China, November 2008

For the first time Cities Alliance provided a platform for its members to co-exhibit at the fourth edition of the bi-annual World Urban Forum in Nanjing, China. Organised by UN-HABITAT and the Chinese Ministry of Housing and Urban-Rural Construction the event had as its theme, "Harmonious Urbanisation". Seven partners participated at the co-exhibition, namely; the League of Cities of the Philippines (LCP), the International Labour Organisation (ILO), the South African Department of Housing, the South African Cities Network (SACN), Slum/Shack Dwellers International (SDI), the United States Agency for International Development (USAID), and ISTED.

In collaboration with the Brazilian government, Cities Alliance also hosted a high level networking session on *"Land Markets, Poverty and the Right to the City"*. The networking event was a great success. Speakers

included representatives from the governments of Brazil, India, South Africa, and Spain, as well as the UN Special Rapporteur on the Right to Adequate Housing, Raquel Rolnick. The event provoked a lively debate on recent policy initiatives to integrate the poor into cities.

With the success of the Nanjing event, the World Urban Forum once again proved its worth as the pre-eminent meeting place for vibrant exchanges and excellent networking amongst urban practitioners. The 2010 WUF being organised by UN-HABITAT and the government of Brazil will be hosted by the city of Rio de Janeiro.

Cities Alliance at the UCLG World Council meetings in Istanbul, Turkey, November 2008

Mayors, city officials, various local/regional authorities and experts from some 50 countries attended the United Cities and Local Governments Executive Bureau and World Council meetings in Istanbul, Turkey from November 27-30, 2008. The Cities Alliance Secretariat was represented by Urban Specialist, Jean-Christophe Adrian. Discussions centred on three key topics: the global financial crisis and its consequences, the policies of social inclusion, and the prevention of disaster risks. Local and regional leaders at the conference expressed concern about the direct impact of the financial crisis on their cities and regions.

Climate change and UCLG's increasing profile in the international community also took centre stage. Participants discussed the preparation of the second *Global Report on Decentralization and Local Democracy (*GOLD) which will focus on local finance strategies and, like the first report, will be prepared with the support of the Cities Alliance. At the strategic urban planning meeting, a number of cities made presentations highlighting their experiences in conducting urban planning exercises. Presenters included Durban, South Africa; Rosario, Argentina; Bilbao, Spain; Cologne, Germany; Moscow, Russia; and Daewu, South Korea. Cases of decentralised cooperation in support of City Development Strategies (CDS) were also presented including Johannesburg-Lilongwe and Marseille/Barcelona-Tripoli.

Street scene in Istanbul, Turkey, with the New Mosque (Yeni Camii) at the background. © Ron Giling / Still Pictures

Ninth Public Policy Forum and Consultative Group Meetings – Barcelona, Spain, January 2009

The city of Barcelona in partnership with the world organisation of United Cities and Local Governments (UCLG) hosted the ninth Cities Alliance Public Policy Forum from January 20-21, 2009. The Forum focused on ways to improve the effectiveness of global development aid from the perspective of local government. Participants included Cities Alliance members, representatives of various donor agencies, local and regional governments, development institutions, and members of the Cities Alliance Secretariat.

At the opening of the Forum, the mayor of Barcelona, Jordi Hereu, declared, "Cities are ready to fulfill their responsibilities to the most disadvantaged among their citizens. We cannot, however, be truly effective unless we reinforce joint plans and strategies with all the actors involved in development, and for this there needs to be an agreement between local and national governments and multilateral organisations."

Hartwig Schafer, Director of Strategy and Operations at the World Bank's Sustainable Development Network Vice Presidency, reinforced the fact that one of the most effective ways to reach the poor was through local authorities. Mr. Schafer reiterated the World Bank's ongoing commitment to urban development cooperation, and to its partnership with the Cities Alliance.

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Billy Cobbett, Manager of the Cities Alliance Secretariat, thanked both the city of Barcelona and UCLG for hosting the PPF, made more significant by the fact that Spain is one of the newest members of the Cities Alliance. "The focus on development effectiveness in the PPF goes back to our founding mandate as captured in the Alliance charter, to help enhance coherence of effort," said Mr. Cobbett.

In a press release issued after the conclusion of the Forum, participants highlighted the need for coordination at all levels—local, national and supranational—in order to combat poverty globally. They also stressed the importance of bringing in local authorities as real partners in urban development. In addition, Cities Alliance members announced their commitment to convening a biannual stakeholders forum to discuss urban policy development. The event will be organised jointly by UCLG and the Cities Alliance.

Focus on Cities and Climate Change at Fifth Urban Research Symposium, Marseilles, June 2009.

Over 600 participants from 82 countries came together to present their work, share experiences, and debate various aspects of climate change as they relate to cities at the Fifth Urban Research Symposium which held from June 28-30 in Marseilles, France. Sponsored by the World Bank with the support of a wide range of partners, the symposium, under the theme, "Cities and Climate Change: Responding to an Urgent Agenda," underscored the international community's willingness to tackle this urgent global challenge.

Topics discussed included the impacts of city and urban growth on climate change; how to effectively measure the effects of climate change on urban quality of life, city assets, and local and national economies; alternatives to increasing the resilience of cities; and related costs and incentives required for successful implementation. Participants called for new tools to finance adaptation and mitigation policies, tools which are accessible to local governments and which take into account the uniqueness of the territories they will be used in.

Bangladesh: Using a raft made of trunks of banana tree, a family transports pots of drinking water after a flood near Mymensingh.
© Shehzad Noorani / Peter Arnold Inc.

Cities Alliance Senior Urban Finance Specialist, Thierry Paulais and Juliana Pigey of the Urban Institute co-authored one such paper titled, *Adaptation and Mitigation: What Financing Is Available for Local Government Investments in Developing Countries*? The paper looks at specific sources of funding available for climate change adaptation and mitigation investments of cities. It argues that these funding sources are insufficient, highly fragmented and not really tailored to local governments. The authors also point out the mismatch between the needs of the recipients and the financing tools available to them.

The Cities Alliance-supported Joint Work Programme on Cities and Climate Change was presented during a plenary session of the symposium. This partnership between the Cities Alliance, UN-HABITAT, United Nations Environment Programme, and the World Bank provides a conducive space for these key development partners for deliberating upon and for advancing results based recommendations on how to address the urgent imperative. Please see the CDS section of the Cities Alliance in Action chapter for further details on this innovative Joint Work Programme.

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"The Places We Live": Major Multimedia Exhibit Sponsored by the Cities Alliance, USAID and the World Bank, September to November, 2009

In partnership with USAID and the World Bank the Cities Alliance sponsored the presentation of a major interactive photo exhibit on slums called, "The Places We Live", at the National Building Museum in Washington D.C. The sponsorship was part of the Alliance' growing advocacy efforts as well as to immediately support the hosting of the 2009 World Habitat Day celebrations in the home city for the World Bank, USAID and Cities Alliance.

In the context of a growing interest by US policy makers and general audiences in slums, and a concerted effort afoot in the US Congress to broaden the frontiers of the US Foreign Assistance Act to include increased funding for urban development, the highly successful exhibit provided US audiences with a first-hand look at slums and how slum dwellers live in the densely populated cities of the developing world. Created by the Norwegian photographer, Jonas Bendiksen, and produced by Canon and Magnum Photos of Paris, "The Places We Live" is a multimedia photo documentary showcasing what it means to be an urban citizen in the developing countries of the world in the 21st century. Visitors to "The Places We Live" 'virtually' visit about 20 families living in slum shacks in four major cities of the south: in the 'barrios' of Caracas, Venezuela; in the depths of Kibera, Africa's largest slum settlement in Nairobi, Kenya; in Dharavi, one of Asia's largest slum in Mumbai, India; and in the 'kampongs' of Jakarta, Indonesia.

Inside each room, the visitor sees a family in their home, hears them talk about daily life in the slums, the dangers of the environment in which they live, their work, their joys, sorrows, hopes and fears. Bendiksen also captures the enterprise and hard-work, hope and humour, and love and compassion that occur in these homes, found in some of the world's most difficult environments. "The neighborhoods pictured in the exhibition are some of the densest and poorest places on earth. My goal was to capture the vast range of ways their inhabitants experience their surroundings—from the destitute to the ambitious and surprising," said Bendiksen.

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For Katherine Sierra, Vice President of Sustainable Development of The World Bank, "The Places We Live" vividly captures the diversity of slums and the resilience of the people living in them…. The exhibit serves to inspire us, but also increases our resolve to work as partners with governments, slum dwellers, and concerned people everywhere. Together, we must do all we can to eliminate the conditions that deny health, education, civil protection, and economic prosperity to the poorest citizens among us."

USAID's then Acting Administrator, Alonzo Fulgham remarked: "For the first time in history, more people live in cities than in rural areas, and this shift will have a marked impact on international development efforts… We hope that the powerful images in the 'The Places We Live' exhibit will draw attention to this fact, and help highlight the unique development challenges facing the hundreds of millions of urban poor in the developing world."

Cities Alliance, USAID, and The World Bank also leveraged the opportunity of the exhibit in the US market to sponsor a number of outreach and education activities on slums. It not only formed the backdrop for World Habitat Day celebrations in the city held under the auspices of the US Department of Housing and Urban Development but also the backdrop for a World Bank sponsored discussion titled, "Is there New Hope for Slum Dwellers? Reflections from 30 years of Experience". Per former World Bank urban planner and architect, Roberto Chavez, in a word, "Yes." As he reflected over the experience of past 30 years—both his own and that of the World Bank and other development institutions—Chavez noted that the issues slum dwellers face are formidable.

These include declining access to land and water on the one hand and increasing vulnerability to climate change and disasters on the other. Urban pathologies such as crime and violence are on the rise, especially in times of economic downturn. Yet, there are reasons for hope, for optimism: The forces of decentralisation and democrati-

sation are growing stronger, paving the way for community participation and local-level decision-making. As home to essential workers and the producers of goods and services, slums are starting to be recognised as productive players in the urban economy. At the same time, greater awareness of disparities is compelling the media, policy makers and citizens alike to take action.

Publications Review
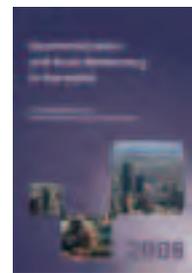
Decentralisation and Local Democracy in the World: First Global Report by United Cities and Local Governments 2008, UCLG, World Bank, Cities Alliance, Washington D.C., 2008.

Also known as the GOLD report this is a global reference on decentralisation, and presents the contemporary situation of local governments in all regions of the world regardless of their size. Particular attention is paid to fast-urbanising countries of the South and the challenges they face.

The report analyses local authorities in each continent under three main themes: (i) The evolution of territorial structures; (ii) Responsibilities and power; and (iii) Management, finances and local democracy. An additional chapter is dedicated to the governance of large metropolises, where rapid growth presents major challenges, in particular in the fast-developing countries of the South.

The report also offers a comparative overview of the different realities concerning the state of decentralisation, and how the basic indispensable mechanisms for local democracy do, or do not exist in some countries. Relationships between the state and local authorities are evolving toward innovative forms of cooperation. In this context, the role of local authorities in the development of global policies is increasingly recognised. The GOLD Report is the first of what will be a triennial publication.

World Development Report 2009 - Reshaping Economic Geography, **Washington, D.C. World Bank, 2009**

For the year under review a benchmark year that saw half of the world's population living in cities, the focus of the World Bank's annual flagship report, *World Development Report* was on cities as geographic spaces. Subtitled, *Reshaping Economic Geography*, the report argues that some countries are well-performing because they have promoted transformations along the three dimensions of economic geography:

• Higher *densities*, as seen in the growth of cities;

• Shorter *distances*, as workers and businesses migrate closer to density; and

• Fewer *divisions*, as countries thin their economic borders and enter world markets to take advantage of scale and specialisation.

Density – drawing people into cities

The Industrial Revolution drew people into cities like London, Paris, and New York in the 19th century, often into big slums. But these people eventually escaped poverty; without cities, they might never have done so. Today, in places like Rio's *favelas*, life can be dangerous and difficult. But virtually invisible from outside, there are scores of small businesses operating within. And while everyone is a squatter with no legal right to their land, hundreds of houses are being built.

Twenty-five years ago in an increasingly crowded Mumbai city, authorities tried to keep out more migrants and stopped building infrastructure. But people came anyway, and Mumbai now has 16.5 million people, more than half of whom live in slums.

"It would have been far better to anticipate this dynamic pull of the city that helps people connect with economic opportunities and which serves as connector to the outside world," said Indermit Gill, lead author of the report. Getting density right requires harnessing market forces to encourage concentration and promote convergence in living standards between villages, towns and cities. According to the report, it is the most important dimension of development at the local scale.

Distance – Migrating to reduce distance to economic opportunity

Mobility is essential to economic growth of places; governments need to encourage the migration of people from rural to urban concentrations. Countries do not prosper without mobile people. In fact, people's mobility may be the best gauge of their economic potential, and their willingness to migrate to reduce their distance to economic density a good measure of their desire for advancement.

The city of Guangzhou in China is what it is today because of the late Deng Xiaoping's understanding that economic activity would be best concentrated close to the coast, and near Hong Kong, an established heavyweight. China has lifted over 300 million people out of poverty and become the world's fastest growing economy.

Division – Thinning economic borders to access regional and global markets

But not everyone can move. In Africa, a third or more of the population lives in landlocked countries. The continent is divided by international boundaries. Here, division is part of the legacy of colonialism—a tragic distortion of human, political and economic geography.

World Development Report makes it clear that the role of government remains important—not to spread out economic activity but to encourage mobility toward it, and to ensure universal access to basic services such as health and education. Higher densities, shorter distances, and lower divisions will remain essential for economic success in the foreseeable future. They should be encouraged. With them will come unbalanced growth. When accompanied by policies for integration calibrated to the economic geography of places, these changes will also bring inclusive development.

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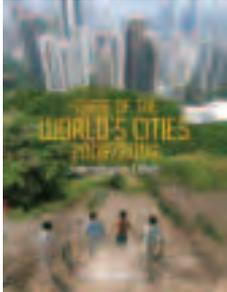
State of the World's Cities 2008/2009: Harmonious Cities, UN-HABITAT, London, Earthscan, 2008

Released to coincide with the World Urban Forum, the report examines the challenges posed by the fact that some 3 million people are added to cities of developing world per week. Half of humanity is now living in cities, but this dramatic transition is far from over. It asserts that globally, urbanisation levels will rise steadily over the next 40 years, to reach 70 percent by 2050. As cities grow in size and population, harmony among the spatial, social and environmental aspects of a city and between its inhabitants becomes of paramount importance. The report identifies equity and sustainability as the two key elements towards achieving this harmony.

In planning for harmonious cities, the report highlights some of the significant changes in the exponential growth of cities around the world. The main cause of urban growth in most countries is not rural to urban migration, but natural increase – when births in cities outpace deaths. In countries with low levels of urbanisation, migration is often the primary engine driving city growth, as is the case in various countries in Africa and Asia. In many countries, the largest movements of population are taking place between cities and not from rural to urban areas.

The report finds that some of the fastest growing cities in the world are in China, where growth rates can be higher than 10 per cent per year; this includes the cities of Chongqing, Xiamen and Shenzhen. This rapid shift has been brought about by the adoption of a pro-urban approach to economic development by the government of China. In the case of Africa, the report notes that the capitals and primary cities on the continent have the highest growth rate. For example, Niamey, Niger; Dar es Salaam, Tanzania; and Lomé, Togo, all grew at an annual rate of 4 per cent or more, while Kigali, the capital of Rwanda, experienced a soaring annual population growth of 8.6 per cent from 2000 to 2005.

An interesting new departure highlighted by the report is the phenomenon of shrinking societies and cities. The populations of 46 countries, including Germany, Italy, Japan, most of the former Soviet states, and several small island states, are expected to be smaller in 2050 than they are now. These demographic trends are reflected at the city level, as well. In the last 30 years, more cities in the developed world shrank than grew. Negative growth trends are largely associated with cities in North America and Europe, where the number of shrinking cities has increased faster in the last 50 years than the number of expanding cities.

Confronted by the global challenge of growing and shrinking cities, Anna Tibaijuka, Executive Director of UN-HABITAT, points out in her introduction that, "Many cities and countries are addressing these challenges and opportunities by adopting innovative approaches to urban planning and management that are inclusive, pro-poor and responsive to threats posed by environmental degradation and global warming." She continues: "City and regional planning requires new methods and techniques that respond to urban development, expansion and growth management, but also new methods and techniques that respond to decline or outmigration."

*Transforming Mumbai into a World Class City,* Mumbai Transformation Support Unit, Mumbai, 2008

The city of Mumbai lies at the core of the larger Mumbai Metropolitan Region, which comprises seven municipal corporations and 13 municipal councils and has a population of around 20 million. The per capita GDP of the metropolitan region (Rs 62,000 [Indian rupees]) is more than double that of the rest of Maharashtra (Rs 28, 000). The Government of the state of Maharashtra, where Mumbai is located has embarked on an ambitious programme of transformation of the city, focused primarily on providing improved infrastructure services to its citizens. Cities Alliance has contributed to these tremendous efforts by funding a number of World

Bank studies for the Government of Maharashtra and, more importantly, by funding the Mumbai Transformation Support Unit (MTSU) in 2004, in collaboration with USAID, and the Government of Maharashtra under the aegis of the All India Institute of Local Self-Government (AIILSG).

This unit provides dedicated and high-quality support to the Government of Maharashtra and, in particular, to the Director of Special Projects, a post the city created specifically to oversee the transformation. The Mumbai report details the first phase of the transformation process, In the Foreword to the well designed publication, UPS Madan, Project Manager, MTSU called it "a report card of sorts, seeking to showcase and share with all the efforts made by the MTSU over the past two years; it is also indicative of what we could have in store. Here is a much bigger body of work behind us than we have covered in this document." It documents the more than 40 projects undertaken to improve economic growth in Mumbai, reduce poverty and enhance quality of life for residents, especially slum dwellers. These focus on physical and social infrastructure, environment, housing, governance, strategic planning and economic growth, ranging from slum rehabilitation to rent controls to the construction of a new international airport at Navi Mumbai.

Tangible results during Phase I include:

- The formulation of a housing policy for the state of Maharashtra (declared in 2007).
- The repeal of an obsolete act that put a ceiling on urban land holding.
- The beautification and upkeep of historic neighborhoods and buildings.
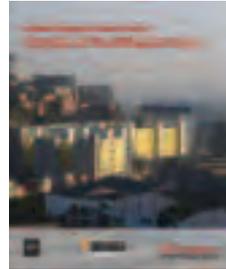
*Social Housing in São Paulo: Challenges and New Management Tools, S*ão Paulo: Municipality of São Paulo, Cities Alliance and World Bank, 2009.

In June 2009, the Cities Alliance published the English-language version of *Social Housing in São Paulo: Challenges and New management Tools*. The publication highlights Cities Alliance's on-going technical cooperation with the São Paulo Municipal Housing Secretariat (SEHAB) on urban projects dating from 2001. It presents the results of the second phase of the partnership, developed between 2005 and 2008. The goal in this latest phase was to establish a set of management tools to facilitate the continuation of strategic planning with respect to municipal housing.

Social Housing is based largely on the development of HABISP – a leading-edge central database containing detailed information about São Paulo's precarious settlements, informal land subdivisions and slum tenements. A central feature of HABISP is its ability to provide monitoring indicators and ranking of neighbourhoods based on a set of pre-defined priority criteria.

São Paulo has become an important model for Cities Alliance in its support for cities around the world. São Paulo is also recognised as having invested in sustainable slum upgrading programmes and for legitimising land tenure in subdivisions on a city wide scale by appropriating substantial budgets, a key component of municipal administration from year to year. Continuous support and funding from all three levels of government – local state and federal - demonstrate the priority given to combating urban poverty and promoting economic growth.

CIVIS Notes Series relaunched

The year under review also saw the relaunch of a redesigned CIVIS Notes series. The notes series shares knowledge and learning arising from Cities Alliance projects and other activities in slum upgrading and city development strategies. It also serves as a platform for policy dialogue and debate among city development stakeholders, including national and local governments, donors and slum dwellers to impact change in the lives of the urban poor and advance the urban development agenda.

The relaunch was executed with a four-issue series on climate change prepared in partnership with the Human Settlements Group at the International Institute for Environment and Development (IIED). Climate change is dealt with from a very simple, layman's perspective easily understandable by city stakeholders and practitioners not readily familiar with the subject matter.

The first issue, "What does this mean for your city?" discusses three critical issues for cities as far as climate change is concerned;

• How to adapt to the changes that global warming is bringing or will bring — for instance, increased storms, flooding, landslides, heat waves and possibly water scarcity

• How to reduce greenhouse gas emissions (mitigation) in order to slow and eventually stop human induced global warming, and

• The framework of external support from higher levels of government and international agencies that will help city governments to respond.

It also spells out various climate change-related steps that can be taken by city governments, both in terms of adaptation and mitigation.

The second issue titled, "Can adapting to climate change also meet development goals in cities in developing countries?" looks at the multiple links between good development policies, adaptation, and most disaster risk reduction. It avers that realising these requires competent city governments being able to work with low-income groups and their organisations. A city with its citizens living in good quality housing, served by piped water, sewers, drains, all-weather roads, and emergency services is inherently resilient to most climate change impacts.

Launch of Redesigned Cities Alliance Website

Cities Alliance also launched its newly redesigned website under the open content management system during the year under review. Repositioned as a knowledge-driven website, the new website has a fresh look, expanded content increasingly tied directly to specific the Alliance activities and events, all presented in a more user-friendly manner.

One of the most exciting additions to the new site is the searchable Project Database, the outcome of sustained work by the Secretariat's Erika Puspa. Users can access Cities Alliance project portfolio either through a search function or with the clickable Project Maps. A mini version of the Project Map is available on the home page while the more navigable version is available from the Projects page at *www.citiesalliance.org/ca/project_ database*

Other exciting features of the new website include:

•   A new "Our Members" section that highlights Cities Alliance' members

•   A Media Centre with news, features, multimedia, issue briefs, press releases, events and that will host our photo gallery;

•   Expanded information about Cities Alliance's two key business lines, CDS and slum upgrading, including Fact Sheets, Case Studies and Project Profiles;

•   A searchable Database of our publications (knowledge resources to follow shortly);

•   Improved search functionality site-wide, with both a simple keyword search and an advanced search;

•   Top menu navigation so that users can quickly access any page from anywhere on the site.

Consultative Group members can now access the Members Pages with their own unique passwords. This section also includes a dynamic new homepage that features a "From the Manager's Desk" section, recently approved projects and new additions to our publications and resources database.

The plan is to keep expanding the site and make it as dynamic and interactive as possible. Users are encouraged to visit *www.citiesalliance.org* to explore some of the new features in detail, and provide their feedback by clicking on the link, *tell us what you think*.

Policy Advisory Board members meeting in Tunis, 2007.

Cities Alliance Organisation

Since its establishment in 1999, the governance and organisational structure of the Cities Alliance has increasingly reflected the changing dynamics of the urban development debate. As at 2001 for example, only the two founding members represented multilateral development organisations on the Cities Alliance Consultative Board. Local authorities were represented by the then separate associations of local authorities: International Union of Local Authorities (IULA); Metropolis; World Federation of United Cities (FMCU-UTO) and World Association of Cities and Local Authorities Coordination (WACLAC). Bilateral government members comprised primarily of the G7 countries—Canada, France, Germany, Italy, Japan, United Kingdom and the United States—plus the Netherlands, Norway and Sweden.

Roll forward to the year 2004 and we had local authorities now being represented on the Consultative Board by the United Cities and Local Governments (UCLG), the newly formed amalgamation of the existing local bodies, and by Metropolis. The Asian Development Bank and United Nations Environment Programme joined UN-HABITAT and the World Bank as representatives of multilateral development organisations. However, the landmark membership was that of Brazil, which became the first developing country to join the Cities Alliance in 2003, a signal and tacit recognition of the fact that it would take the proactive involvement of the developing regions of Asia, Latin America and Sub-Saharan Africa, the *loci* of the most rapid urbanisation rates and a consequent urbanisation of poverty to engender more meaningful and sustainable interventions on the issue.

Nigeria became the first African country to join 2005, followed by South Africa and Ethiopia in 2006, as well as the Philippines and Chile. Another seismic membership was that of the Slum/Shack Dwellers International in 2007, representing this key constituency of the urban poor on the Cities Alliance Consultative Board.

Other notable changes within the governance and organisational structure of the Alliance for the period under review include revisions to the role and composition of the Policy Advisory Board (PAB), in addition to that of the Steering Committee. Comprising world renowned urban experts the Policy Advisory Board had been charged with providing guidance to the Consultative Group on key strategic, policy and regional issues and to support the implementation of Alliance's activities. These, its well-pedigreed members discharged creditably, raising the bar to the highest levels on the debate and approaches to urban development challenges and opportunities to the highest levels both within the Cities Alliance and without. The Board met twice a year and comprised eight members who individually served two-year terms on a rotational basis. Past PAB members included: Juanita D. Amatong of the Philippines, Somsook Boonyabancha of Thailand, Jose Forjaz of Mozambique, Yousef Hiasat of Jordan, Mary Houghton of the United States, Akin L. Mabogunje of Nigeria, Jean Pierre Elong Mbassi of Cameroun, Sheela Patel of India, Clare Short, MP of the United Kingdom, Paulo Texeira of Brazil, Ana Vasilache of Romania, and Richard Webb of Peru.

With the adoption of the Alliance' Medium Term Strategy 2008 – 2011 at the Manila Consultative Group meetings however, the consensus was not to renew the rotation of the PAB membership and to rather redirect its focus to more of an advocacy than a policy or advisory function. The Advocacy Panel currently has one member, Clare Short, MP.

At the same meeting the role and composition of the Steering Committee was enhanced through its transformation into an Executive Committee, now to provide policy guidance to the Secretariat, as well as review and approve the Secretariat's budget, and staffing. The Executive Committee is currently chaired by Elisabeth Gateau, Secretary General of UCLG.

Above: Policy Advisory Board members meeting in Tunis
Left: The Duamnuen Saduak floating market in Thailand. © JTB / Peter Arnold Inc

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On this the 10th anniversary of its founding the Cities Alliance's governance and organisational structure comprises a 26-member Consultative Board, an Executive Committee, an embryonic Advocacy Panel, and the Secretariat that manages the day-to-day functions of the Alliance.

The Consultative Group

The Consultative Group(CG)—the Cities Alliance's board of directors—remains responsible for setting the Alliance's long-term strategy, approving its annual work programme and budget, and reviewing its achievements. The Consultative Group consists of financial contributors to the Cities Alliance Trust Fund and the political heads of United Cities and Local Governments and Metropolis who have pledged their commitment to achieving Cities Alliance goals. Representatives of the co-founders of the Cities Alliance, the World Bank and UN-HABITAT continue to co-chair the Consultative Group who meet yearly at selected destinations, with Mumbai selected as the venue for the anniversary meeting of the CG.

Meetings

Consultative Group meetings are held annually in conjunction with a public policy forum designed to share the lessons learned from experience and inform policy orientations and standards of practice in areas related to the Alliance's goals. Following is a list of Consultative Group meetings held since 1999:

Berlin, December 1999—Inaugural meeting, at which the Cities without Slums action plan was launched under the patronage of President Nelson Mandela, and the Charter of the Cities Alliance and its 2000 work programme were approved.

Montréal, June 2000—First Public Policy Forum ("Political Dimensions of Support for Cities"), Consultative Group review of application guidelines and approval of the Cities Alliance Vision Statement.

Rome, December 2000—Second Public Policy Forum ("Local Partnerships: Moving to Scale"), Consultative

Group approval of amendments to the Cities Alliance Charter, the 2001 work programme, and procedures to establish the Policy Advisory Board and the Steering Committee.

Kolkata, December 2001—Third Public Policy Forum ("Sustainable Partnerships for City Development"), Consultative Group review of procedures for the first independent evaluation of the Cities Alliance and approval of the 2002 work programme.

Brussels, October 2002—Panel discussion at the European Commission ("Achieving the Millennium Development Goal of Cities without Slums"), Consultative Group review of the independent evaluation of the Cities Alliance and approval of the 2003 work programme.

São Paulo, October 2003—Fourth Public Policy Forum ("Sustainable Financing Strategies for Cities and Financial Services for the Urban Poor"), Consultative Group approval of procedures for developing country membership in the Consultative Group and approval of the 2004 work programme.

eThekwini (Durban), November 2004—Fifth Public Policy Forum ("Making City Development Strategies Come Alive in South Africa"), Consultative Group approval of new Policy Advisory Board members and the 2005 work programme.

Marrakech, November 2005—Sixth Public Policy Forum ("Morocco's Cities Without Slums Programme"), Consultative Group review of procedures for the second independent evaluation of the Cities Alliance and approval of the 2006 work programme.

Washington, D.C., November 2006—Seventh Public Policy Forum ("Environment, Poverty and Development in an Urbanising World"), Consultative Group discussion and approval of the findings of the second independent evaluation.

Manila, Philippines, November 2007 – Eighth Public Policy Forum ("Leveraging Resources for Liveable Cities"), Consultative Group review and discussion of New Medium Term Strategy 2008 – 2010. Steering Commit-

tee was restructured as the Executive Committee while it was also decided to redefine and restructure the Policy Advisory Board.

Barcelona, Spain, January 2009 – Ninth Public Policy Forum ("Local Government Perspectives on the Effectiveness of Development Aid"), Participants highlighted the need for coordination at all levels—local, national and supranational—in order to combat urban poverty globally. They also stressed the importance of bringing in local authorities as real partners in urban development.

Consultative Group Members as of June 2009

Local authorities

- **United Cities and Local Governments**
- **Metropolis**

The Urban Poor

- **Slum/Shack Dwellers International**

Governments

- **Brazil**
- **Commonwealth of Australia**
- **Canada**
- **Chile**
- **Ethiopia**
- **France**
- **Germany**
- **Italy**
- **Japan**
- **Netherlands**
- **Nigeria**
- **Norway**
- **Philippines**
- **South Africa**
- **Spain**

- **Sweden**
- **United Kingdom**
- **United States**

Multilateral organisations

- **Asian Development Bank**
- **The European Union**
- **UNEP**
- **UN-HABITAT**
- **World Bank**

The Executive Committee

Set up by the Consultative Group the strengthened Executive Committee is to provide guidance to the work programme of the Secretariat. The first meeting of the Committee was held in Trondheim, Norway where it formally approved amendments to the MTS.

Executive Committee Members as of June 2009 comprised UCLG (Chair), Brazil, France, Norway, South Africa, UN-Habitat, World Bank.

The Secretariat

As with the Consultative Group, the Cities Alliance Secretariat has witnessed growth and staffing changes reflective of the increasing profile of urban and the concomitant increase in the volume of activities. Staff have joined and left over the years with the most noteworthy being the retirement of the founding programme manager, Mark Hildebrand in 2006 and the appointment of William (Billy) Cobbett as programme manager. The year 2009 probably saw the highest increase in new staff, in line with the objective to implement the Medium Term Strategy 2008 - 10. Julian Baskin joined in January 2009 to the newly created permanent position of Senior Urban Specialist (Slum Upgrading), to oversee the Cities Alliance slum upgrading work programme and coordinate and monitor the portfolio, in addition to working with members and prospective partners to develop strategic upgrading programmes.

The Communications team was strengthened with the recruitment of Iraj Hettiarachchi as Communications Associate and Juliet Bunch as Web Editor. Two Research Analyst positions funded by the government of Norway, one with a focus on Gender and Youth in urban and the other on cities and the Environment were filled by Hilde Refstie and Alex Ricardo Jimenez respectively. Rodolfo Gaspar Jr. joined as Information Management Assistant while Phyllis Kibui joined the Programme Operations team as Operations Coordinator.

Cities Alliance regional operations were also beefed up during 2009, in recognition of the need for more direct response to clients on the ground and the increasing significance of Sub Saharan African operations. Tewodros Tigabu joined as regional advisor for east and Central Africa, based in Addis Ababa while Mamadou Diagne was appointed regional advisor for West Africa, located in Abidjan, Côte d'Ivoire. Both join Adele Hosken in Pretoria as regional advisor for southern Africa and Dhiraj Ajay Suri as advisor for South Asia.

The year 2009 also saw some sad departures from Cities Alliance, including that of Giorgio Romano Schutte, formerly regional Advisor for Brazil who played a key role in a number of high profile projects; and that of Stefan Agersborg who served as a Consultant supporting the Programme Operations Team with document collection and data input.

Cities Alliance Secretariat Teams as at June 30, 2009:

Front office

William Cobbett	Manager
Sid Henderson	Sr. Programme Assistant
Neelam Tuteja	Programme Assistant

Programme Operations Team

Kevin Milroy	Sr. Operations Officer/ Deputy Manager
Madhavan Balachandran	Financial Management Specialist
Françoise Aubry-Kendall	Resource Management Analyst
Erika Puspa	Information Management Analyst
Rodolfo Gaspar, Jr.	Information Management Assistant
Viorica Revutchi	Programme Assistant
Ildiko Csorba	Programme Assistant
Phyllis Kibui	Consultant (Programme Operations)
Berta Sarria	Temporary (Resource Mgmt.)

Slum Upgrading Team

Julian Baskin	Sr. Urban Specialist
Andrea Merrick	Urban Specialist
Hilde Refstie	Research Analyst
Celine D'Cruz	Urban Specialist

CDS Team

Jean-Christophe Adrian	Urban Specialist
Andrea Haer	Urban Specialist
Ricardo Jimenez	Research Analyst

Communications

Chii Akporji	Communications Officer
Juliet Bunch	Web Editor
Iraj Hettiarachchi	Communications Associate

Monitoring and Evaluation Team

Günter Meinert	Sr. Urban Specialist

Financing for Africa Special Programme (with AfD)

Thierry Paulais	Sr. Urban Finance Specialist

Cities Alliance Secretariat Teams as at June 30, 2009:

Regional Offices

São Paulo, Brazil
Ana Claudia Rossbach	Regional Advisor
Mariana Kara Jose	Research Analyst
Regianne Bertolassi	Programme Assistant

Addis Ababa, Ethiopia
Tewodros Tigabu	Regional Advisor

Abidjan, Cote d' Ivoire
Mamadou Diagne	Regional Advisor

New Delhi, India
Dhiraj Ajay Suri	Regional Advisor

Pretoria, South Africa
Adele Hosken	Regional Advisor

Mobile food vendor, Bangkok, Thailand. © William Cobbett/Cities Alliance

FINANCIALS

Ten Years of Cities Alliance Finances

From its inception, the Cities Alliance has received strong support from the main international development agencies that give priority to city and urban development issues. Ten donor governments pledged at least the minimum $250,000 membership contribution during the inaugural meeting of the Cities Alliance Consultative Group (Berlin, 1999) or in the immediate months afterwards. All of the G-7 nations plus the Netherlands, Norway, and Sweden joined the World Bank, UN-HABITAT, and the organised representatives of cities and local governments as founding members of the Alliance.

United Cities and Local Governments (UCLG) and Metropolis currently represent cities on the governing board, holding four seats with no annual membership contribution required.

The initial budget taken to Berlin in December 1999 called for mobilising $40 million during the first three years (2000–02). Although it took four years for Cities Alliance members to meet that target, the Alliance's financial picture has remained strong. The Alliance's founding members committed more than $120 million during its first 10 years.

Additional commitments of more than $6 million have been made by new development agencies joining the Alliance, including three new multilaterals UNEP, the Asian Development Bank [ADB], the European Union [EU]) and the governments of Australia and Spain.

A prominent feature of the Cities Alliance has been the participation of developing country governments, which are allowed full membership for a minimum annual contribution of $50,000. Six governments have made this financial commitment: Brazil, Chile, Ethiopia, Nigeria, the Philippines, and South Africa. Starting in 2007, Brazil voluntarily increased its annual contribution to $75,000.

The leading international network of slum dweller organisations, Shack/Slum Dwellers International (SDI), joined the Alliance in 2007, with its annual membership contribution funded by the government of Norway.

Most of Cities Alliance funding has been used for a grant facility for slum upgrading and city development strategy projects, serving all developing regions. The main business line of the Alliance is administration of the grant facility, complemented by a small portfolio of learning, knowledge sharing, and communication activities implemented by the Cities Alliance Secretariat.

During the early years of the Alliance, most grant facility projects were executed by the World Bank and UN-HABITAT on behalf of the beneficiary cities and countries. In recent years, an increasing share of projects is executed directly by country-level recipients, following an alignment of Cities Alliance policy with the aid effectiveness agenda. During fiscal 2009, the funding for nearly 60 percent of approved projects went to national and local governments or their civil society partners.

The Khan el Khalili shopping district in Cairo, Egypt. © Diana Haertrich / transit / Still Pictures

Fiscal Year 2009 Highlights

Cities Alliance members sponsored 17 new city development strategies (CDSs) and slum-upgrading projects as part of the $11.6 million work programme approved during fiscal year 2009, including $9 million approved from core funds. The core fund approvals were 17 percent higher than in fiscal year (FY) 08, and disbursements were up 5 percent.

Projects in Latin America and the Caribbean were the largest regional recipients of grants in FY09, receiving US$2.1 million in allocations, 18 percent of the total approved. Projects in Sub-Saharan Africa and Asia received 16 percent of grant funding. More than 50 percent of funding was allocated for global and multiregional activities, including funding of the Cities Alliance Secretariat. Also included was nearly $1.4 million in joint work programme activities with Alliance members, most focused on learning and knowledge activities, such as environment, climate change, and municipal finance.

The financial highlight of FY09 was a commitment of $15 million to the Cities Alliance from the Bill and Melinda Gates Foundation for of the Land, Services and Citizenship programme. The project will be implemented in five low-income countries, working programmatically to facilitate a partnership between area-based organisations of slum dwellers with all levels of government. The project is supported by Cities Alliance members to develop citywide strategies to upgrade existing slums and to help cities and their citizens plan and implement strategies for future growth.
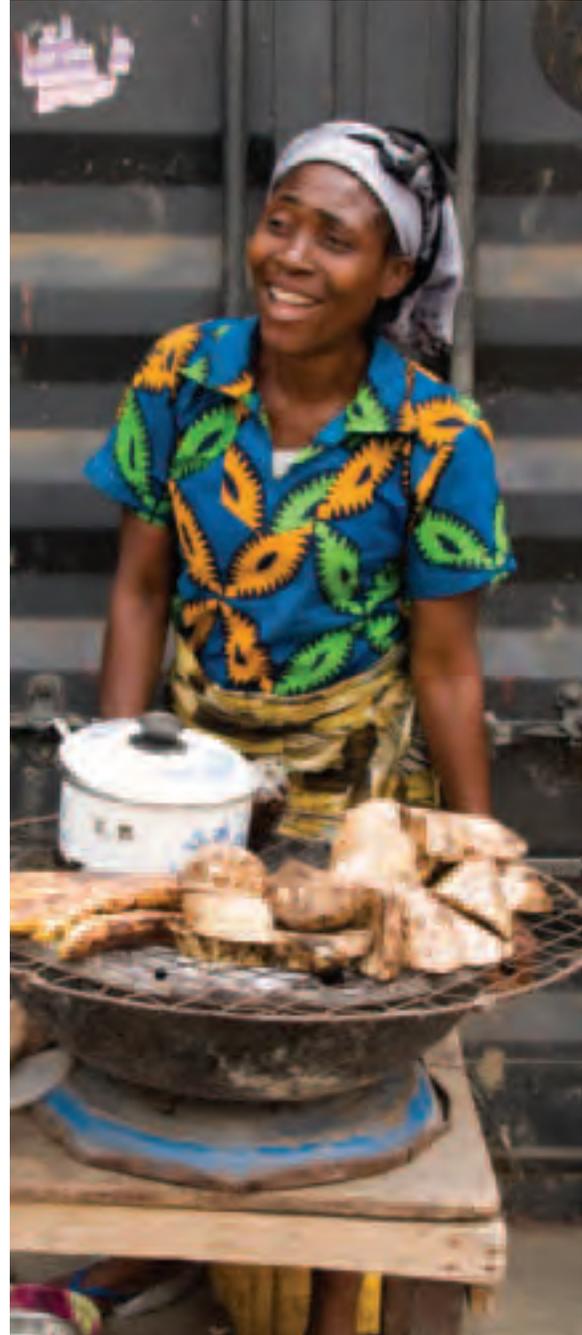
Jankara Market in Lagos, Nigeria. © Mark Shenley/ Still Pictures

Grant Recipients for Country-Specific Projects (Fiscal Years 2007, 2008 and 2009)

Legend:
- Development Co-operation/International/Regional Organisations
- National Government
- Municipal /Sub-National
- Network/Association/Foundation
- Academia/research Institutes
- NGOs/Civil Society
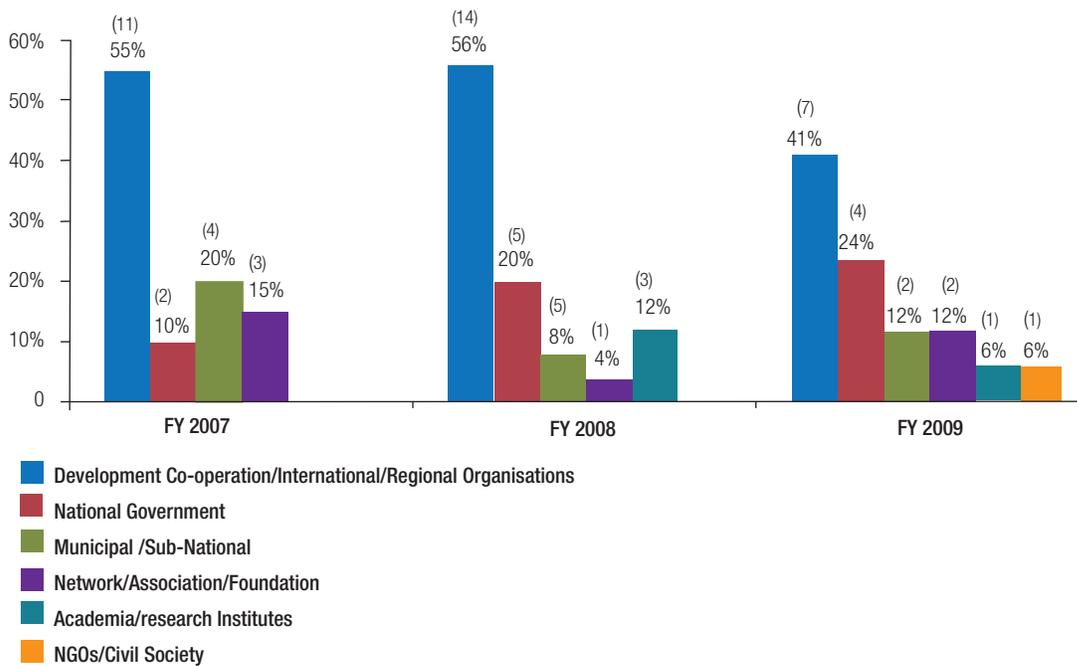
Note: Projects do not include (1) Secretariat budget managed allocations, (2) Land, Services and Citizenship for the Urban Poor global activities (Gates Foundation) and (3) Regional and global projects. Cancelled projects were included in the calculation.

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SOURCES OF FUNDS FY00--FY09 (Unaudited)
(US$ as of 30 June 2009)

SUMMARY

Type of funding	Pledges	Paid-in
Core funding	67,618,880	60,958,699
Non-core funding	70,047,947	68,697,744
Non-core Secretariat funding	9,901,079	8,735,481
Total Funding	147,567,906	138,391,924

Donor	Pledges	Duration	Paid In (a) FY09	Cumulative
Core funding				
ADB	1,250,000	2002-2003, 2005-2007	0	1,250,000
Australia	750,000	2008-2010	750,000	750,000
Brazil	450,000	2004-2010	225,000	375,000
Canada	1,500,000	2000-2001, 2003-2006	0	1,585,293
Chile	50,000	2008	50,000	50,000
Ethiopia	250,000	2006-2010	49,975	149,975
European Commission	1,000,000	2009-2011	0	0
France	2,100,000	2000, 2002-2008	101,158	2,003,387
Germany	2,950,000	2000-2009	333,600	2,762,027
Italy	4,140,000	2000-2008	562,320	4,266,225
Japan	2,000,000	2000-2006	0	1,750,000
Netherlands	3,500,000	2000-2004, 2006-2008	249,970	3,499,940
Nigeria	50,000	2005	0	50,000
Norway	5,905,000	2000-2008	1,089,666	6,014,175
Philippines	50,000	2008	0	50,000
Shack Dweller Int'l	100,000	2008-2009	50,000	100,000
South Africa	250,000	2006-2010	50,000	150,000
Spain	2,250,000	2008-2010	0	2,321,400
Sweden	6,125,000	2000-2012	800,993	5,085,397
UNEP	1,100,000	2003-2007	0	1,100,000
UN-HABITAT	400,000	2004-2007	0	400,000
United Kingdom	7,100,000	2000-2007	(6,675)	7,500,148
United States	3,498,880	2000-2010	0	2,461,053
World Bank	20,850,000	2002-2010	2,694,945	17,284,679
Total core	67,618,880		7,000,952	60,958,699
Non-core funding(b)				
Canada	75,000	2004	0	73,608
France	375,000	2008-2009	128,620	207,420
Gates Foundation	15,000,000	2009-2012	14,999,980	14,999,980
Italy	13,135,000	2001-2008	421,740	12,700,518
Japan	5,000,000	2000-2006	0	4,250,000
Netherlands	350,000	2003-2004	0	350,000
Norway	3,200,000	2002-2007	0	3,272,992
Sweden	8,734,000	2003-201	237,996	9,083,649
UNEP	15,000	2007	0	15,000
United Kingdom	22,620,000	2001-2008	1,843,596	22,200,630
United States	843,947	2003-2008	843,947	
World Bank	700,000	2001	0	700,000
Total non-core	70,047,943		17,631,932	68,697,744
Non-core Secretariat funding(c)				
World Bank	3,086,079	2000-2002, 2006-2009	6,844	3,086,079
UN-HABITAT	2,523,000	2000-2011	180,000	2,163,000
Sweden	685,000	2005-2008	0	729,402
Other	3,607,000	2001-2012	400,000	2,757,000
Total	9,901,079		586,844	8,735,481

Note: Fiscal year covers the period July 1, 2008 through June 30, 2009.
(a) Amounts may vary from amounts pledged because of exchange rate fluctuation.
(b)Non-core funding is earmarked for a specific facility, region, or activity. The facilities include the Community-Led Infrastructure Finance Facility, the Cities Without Slums Facility for Sub-Saharan Africa, the Slum Upgrading Facility, and the Land, Services and Citizenship project.
(c) Secretariat funding includes in-kind funding for staff secondments from UN-HABITAT, Germany, France and Sweden.

USES OF FUNDS, FY00--FY09 (Unaudited)
(US$ as of 30 June 2009)

SUMMARY

	FY09		Cumulative	
Funding source	Allocations	Disbursements	Allocations	Disbursements
Core activities	8,983,359	7,419,772	62,319,234	48,100,935
Non-core activities	2,576,844	4,874,270	63,060,900	53,060,982
Total Uses of Funds	**11,560,203**	**12,294,042**	**125,380,134**	**101,161,917**

APPROVALS BY TYPE OF ACTIVITY

	FY09		Cumulative	
Type of activity	Core Funds	Non-core funds	Core funds	Non-core funds
City development strategies	3,858,289	240,000	19,117,013	3,559,495
Scaling up upgrading	1,715,070	100,000	16,112,156	41,096,117
CDS and upgrading	810,000	1,650,000	15,380,065	8,961.709
Secretariat	2,600,000	586,844	11,710,000	9,443,579
Total approved grants	**8.983,359**	**2,576,844**	**62,319,234**	**63,060,900**

APPROVALS BY REGION

	FY09		Cumulative	
Region Non-core funds	Core funds	Non-core funds		Core funds
Sub-Saharan Africa	1,419,000	415,000	11,775,896	4,322,695
Asia	325,000	0	12,011,220	3,396,775
Eastern Europe & Central Asia	621,000	0	2,990,327	0
Latin America & the Caribbean	1,738,976	375,000	10,207,816	14,752,475
Middle East & North Africa	134,833	0	4,522,564	0
Global/Multiregional	2,144,550	1,200,000	9,101,411	31,145,376
Secretariat	2,600,000	586,844	11,710,000	9,443,579
Total approved grants	**8,983,359**	**2,576,844**	**62,319,234**	**63,060,900**

SECRETARIAT EXPENDITURES

Expense	FY09	FY08	Y07	Cumulative
Operational:				
Secretariat staff*	1,402,440	1,326,223	1,040,371	7,881,605
Consultants, other labour	205,829	255,704	104,053	1,032,502
Travel	400,721	385,894	332,892	2,724,971
Other costs	21,373	50,093	35,374	805,250
Subtotal	**2,030,363**	**2,017,914**	**1,512,690**	**12,444,328**
Management and administration				
Secretariat staff	974,668	848,151	859,494	6,793,100
Rent, computing, other costs	338,324	335,662	259,544	2,025,400
Subtotal	1,312,992	1,183,813	1,119,038	8,818,500
Total	**3,343,355**	**3,201,727**	**2,631,728**	**21,262,829**

*Includes an in-kind Project Staff for the Financing of African Cities: Stakes, Issues & Tools Project.

NEW and ON-GOING ALLOCATIONS
as of 30 June 2009

FY (appr.)	Grant Amount (US$)	Start Date	Country	Activity
SUB-SAHARAN AFRICA REGION				
FY06	330,000	Apr-06	Benin	Development Strategy for Greater Cotonou
FY08	250,000		Benin	Urban development and rehabilitation strategy for the city of Abomey
FY06	330,000	Apr-06	BurkinaFaso	Strategy for Developing Greater Ouagadougou and Improving Basic Infrastructure and City Services in Underprivileged Areas
FY06	500,000	Feb-07	Cameroon	Urban Development and Poverty Reduction Strategy: City of Douala and its Greater Urban Area
FY08	74,000	Dec-07	Ethiopia	Establishment of Ethiopian Cities Network (ECN)
FY09	75,000	Aug-08	Ghana	Preparatory Grant Request Towards Ghana's New Direction In Support Of Sub National Government Infrastructure Development And Service Delivery
FY08	71,000	Jun-08	Liberia	Preparation of Monrovia Slum Upgrading Initiative
FY08	71,375	Jun-08	Malawi	Preparatory Grant for Development of Lilongwe CDS
FY08	360,000	Apr-08	Mali	National program for slum upgrading and reduction of substandard settlements in the cities of Mali - Cities of Mali without Slums
FY06	75,000	Oct-05	Mozambique	Slum Improvement Demonstration Project for Maputo City
FY09	52,500	Jan-09	Mozambique	Preparatory Grant for the Development of a State of Mozambican Cities Report
FY09	353,000	Jun-09	Mozambique	Slum Upgrading and City Development Strategy for Nampula City
FY08	250,000		Nigeria	Preparation of State of the Cities Report
FY09	240,000	Mar-09	Regional	Building Partnerships for Cities Without Slums in Western Africa
FY09	193,500	Feb-09	Regional	Development and Adaptation of Quick Guides for Policy Makers on Housing the Poor in African Cities
FY06	380,000	Apr-06	Senegal	Greater Dakar Urban Development Strategy
FY06	430,000	Feb-07	Senegal	National Programme for Slum Improvement and Slum Upgrading in Senegal's Cities: "Senegalese Cities without Slums"
FY06	500,000	Jun-06	South Africa	Upgrading for Growth: Implementing the Breaking New Ground Policy within Ekurhuleni's City Development Strategy
FY06	535,000	Jun-06	South Africa	The Tshwane Sustainable Human Settlement Strategy and Financing Plan
FY08	500,000	Mar-08	South Africa	Strengthening the South African National Upgrading Support Programme
FY09	100,000	Mar-08	South Africa	Strengthening the South African National Upgrading Support Programme- USAID Cofinancing
FY08	240,000	Mar-08	Swaziland	Supporting the Design of a CDS-based Local Government System in Swaziland
FY05	360,000	Sep-04	Tanzania	Action Plan to Upgrade All Informal Settlements in Dar Es Salaam by 2015
FY07	73,956	Dec-07	Tanzania	Establishment of Tanzania State of the Cities Report (Preparatory Phase)
FY09	370,000	Apr-09	Togo	Greater Lomé Urban Development Strategy
FY09	450,000		Uganda	Development of the National Urban Policy and Strategic Urban Development Plan

NEW and ON-GOING ALLOCATIONS
as of 30 June 2009

FY (appr.)	Grant Amount (US$)	Start Date	Country	Activity
ASIA REGION				
FY05	215,000	Nov-05	Bhutan	Bhutan National Urban Development Strategy and Thimphu City Development Strategy
FY07	14,775	Dec-06	Bhutan	UNEP Cofinancing of Bhutan National Urban Development Strategy and Thimphu CDS
FY08	180,000	Cancelled	Cambodia	Improvement of Living Environment in Flood Prone Slum Areas in Cambodia through Community-based Waste Management Strategies
FY06	250,000	Sep-06	China	Shanghai Development Strategy in Regional Context
FY04	182,600	Jul-04	India	Community-Led Sangli Toilet Construction Activity
FY08	500,000	Jul-08	India	Transformation of Mumbai into a World Class City - Phase II
FY05	180,700	Feb-05	India	Hyderabad City-Wide Slum Upgrading Action Plan
FY05	154,700	Mar-05	India	Visakhapatnam City Development Strategy and Slum Upgrading Action Plan
FY06	184,268	Dec-05	India	City Development Strategy for Hubli-Dharwad
FY07	75,000	Jan-07	India	Urban Institutional Strengthening and Capacity Enhancement Project
FY07	75,000	Mar-07	India	Urban Strategy for India 2025 and Mega Cities Strategy
FY07	74,419	Apr-07	India	Bruhat Bangalore comprehensive development and slum upgradation strategy
FY08	75,000	Apr-08	Indonesia	Making Urban Investment Planning Work. Building on the Indonesian CDS Process
FY06	500,000	Nov-05	Mongolia	Citywide Pro-poor "Ger Upgrading Strategy and Investment Plan" (GUSIP)
FY07	75,000	May-07	Nepal	Preparation of a Proposal - Nepal: Slum Upgrading Strategies and Investment Program"
FY06	541,100	Oct-05	Philippines	City Development Strategies in the Philippines: An Enabling Platform for Good Governance and Improving Service Delivery
FY06	500,000	Jul-06	Philippines	A Metro Manila 'Cities Without Slums' Strategy
FY08	196,500	Oct-08	Philippines	Review of the Cities Development Strategy Program in the Philippines and Preparation and Publication of the State of Philippine Cities Report
FY09	250,000	Mar-09	Philippines	Towards a Local Economic Development Strategy in Quezon City
FY08	100,000	Jun-08	Regional	South Asia Regional Adviser
FY09	75,000	Jan-09	Regional	South Asia Regional Adviser - increase
FY09	75,000	Jan-09	Multi-country	Preparatory Proposal to Support Fiji Islands, Samoa and Papua New Guinea Implement their Commitments under the Pacific Urban Agenda (PUA) through the Preparation of CDS/Settlements Upgrading Strategies
FY08	500,000	Nov-07	Sri Lanka	Pro-poor Partnerships for Participatory Settlement Upgrading in Sri Lanka
FY07	357,225	Cancelled	Vietnam	City Development Strategy focusing on Urban Environment Management in Haiphong City
FY07	75,000	Apr-07	Vietnam	Urban Planning in a Rapidly Urbanizing Setting - Danang

NEW and ON-GOING ALLOCATIONS

as of 30 June 2009

FY (appr.)	Grant Amount (US$)	Start Date	Country	Activity
EASTERN EUROPE AND CENTRAL ASIA REGION				
FY09	250,000	Jun-09	Albania	Albania Tirana City Development Strategy
FY08	210,100	Cancelled	Azerbaijan	Municipal Development Strategies – Azerbaijan
FY09	300,000	Nov-08	Georgia	Tbilisi City Development Strategy for Sustainable Development
FY09	71,000	Oct-08	Tajikistan	City Development Strategy Elaboration of a Full-Scale Project Document
LATIN AMERICA AND THE CARIBBEAN REGION				
FY09	499,006		Argentina	A Way Forward – Argentina City Development Strategies for Three Municipalities in the Province of Buenos Aires
FY06	450,000	Oct-05	Brazil	Strategies for the Sustainable Planning, Financing, and Implementation of Low-Income Housing and Urban Development Policy (Municipality of São Paulo)
FY06	7,208,280	Dec-05	Brazil	Bahia Integrated Urban Development Program – Viver Melhor/BIRD: Technical and Methodological Assistance Project
FY07	500,000	Apr-07	Brazil	Poverty-Focused City Development Strategy for the Metropolitan Region of Belo Horizonte
FY08	114,479	Dec-08	Brazil	Establishment of a management structure for the Municipal Fund for the Support of Social Interest Housing (FUMAPIS) of the Municipality of Diadema
FY08	211,496	Aug-08	Brazil	Building institutional capacity for scaling up slum upgrading – Distance Learning Course for Integrated Slum-Upgrading Actions
FY09	490,000	Jun-09	Brazil	Regulation of ZEIS – Special Social Interest Zones in the Municipality of Salvador
FY09	500,000	Jun-09	Brazil	State of the Cities Report – Brazil
FY09	75,000	Jul-09	Brazil	Technical Assistance and Guidance in the Implementation of the Brazil National Housing Plan (PlanHab)
FY07	498,200	Oct-07	Chile	Support for the implementation of the programme to recover 200 neighbourhoods through capacity building and strengthening among local actors and public services
FY09	74,970	Jun-09	Chile	Chile Recovering Neighborhoods Program: Lessons learned in *Mes del barrio* experience among local actors and public services
FY08	500,000	Feb-09	Costa Rica	Towards a Neighbourhood Improvement Policy: Home, Community, City, and Quality of Life
FY06	500,000	Apr-06	El Salvador	Preparation of an Urban Development Strategy for the Region La Paz in the Department of La Paz and San Vicente
FY05	879,195	Jul-04	Regional	Scaling Up Successful Methodologies in the Latin America and Caribbean Region (Italy)
FY09	475,000	Jul-08	Regional	São Paulo Cities Alliance Support Office

NEW and ON-GOING ALLOCATIONS
as of 30 June 2009

FY (appr.)	Grant Amount (US$)	Start Date	Country	Activity
MIDDLE EAST AND NORTH AFRICA REGION				
FY06	350,000	Dec-05	Egypt	Alexandria City Development Strategy for Sustainable Development: Phase II
FY08	75,000	Nov-07	Egypt	Preparatory Grant Assistance for Greater Cairo Metropolitan Development Strategy and Citywide Upgrading
FY06	379,231	Oct-06	Lebanon	Al-Fayhaa Sustainable Development Strategy
FY05	490,000	Sep-05	Morocco	Partnership Framework Agreement for Ministry of Housing and Supporting and Monitoring of the Program Urban Development Cities Without Slums
FY05	250,000	Feb-05	Regional	Establishing a Regional City Development Strategy Facility at the Arab Urban Development Institute (AUDI), Riyadh, Saudi Arabia
FY08	380,000	Mar-08	Syria	Aleppo City Development Strategy
FY09	74,833	Cancelled	Syria	Preparation of Syria State of Cities Report
FY09	60,000	Mar-09	Syria	Upgrading Informal Settlements in Rief Damascus – Preparatory Grant Assistance
FY07	245,000	Jun-07	Tunisia	Greater Sfax Development Strategy – Phase 2
FY06	250,000	Nov-06	Yemen	Sana'a City: Medium- to Long-Term City Development Strategy for Sustainable Development
FY08	74,500	Jun-08	Yemen	Sana'a City Development Strategy Climate Change Incremental Activity
GLOBAL AND MULTIREGIONAL ACTIVITIES				
FY08	125,000	Feb-08	Global	Learning and Knowledge Sharing – MTS Supplemental
FY09	100,000	Jan-09	Global	Learning and Knowledge Sharing – increase
FY08	25,000	Feb-08	Global	Communications and Advocacy – MTS Supplemental
FY09	100,000	Jan-09	Global	Consultative Group and Public Policy Forum meetings – increase (Barcelona)
FY09	50,000	Jan-09	Global	Cities Alliance Advocacy Panel (Restructured Policy Advisory Board)
FY09	10,000	Jan-09	Global	Technical Peer Reviews – increase
FY07	2,364,000	Feb-07	Global	Development of the Community-Led Infrastructure Finance Facility (CLIFF) – Sida continuation funding
FY08	116,040	Jul-07	Global	Development of the Community-Led Infrastructure Finance Facility (CLIFF) – USAID cofinancing for Design of Urban Poor Fund
FY08	647,550	Dec-07	Global	Support for Priorities of CA Medium-Term Strategy – Norway noncore
FY08	160,000	Feb-08	Global	Implementation of Medium-Term Strategy – Secretariat Costs
FY08	25,000	Feb-08	Global	Monitoring and Evaluation – MTS supplemental
FY09	100,000	Jan-09	Global	Monitoring and Evaluation – increase
FY05	250,000	Feb-06	Global	Developing MDG-based CDSs
FY05	250,000	Feb-06	Global	UCLG Committee on Local Finance and Development (formerly Municipal Finance Commission)

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NEW and ON-GOING ALLOCATIONS
as of 30 June 2009

FY (appr.)	Grant Amount (US$)	Start Date	Country	Activity
GLOBAL AND MULTIREGIONAL ACTIVITIES				
FY06	517,000	Apr-06	Global	Mainstreaming Cities Alliance Engagement with UCLG
FY06	10,000,000	Jul-05	Multiregional	Slum-Upgrading Facility (SUF) – Pilot Programme
FY05	242,500	Mar-05	Global	Incubating Local Economic Development (LED) Partnerships
FY05	525,000	Mar-05	Global	Advancing the Cities Alliance Knowledge Generation and Dissemination Agenda (DFID) – including MFTF and Urban Finance cofinancing
FY08	50,000	Feb-08	Global	Urban Finance Initiative, including Municipal Finance Task Force (MFTF) – MTS suppl.
FY06	610,000	Oct-05	Global	Enhancing Urban Development in National Policy Dialogues
FY06	100,000	Jan-06	Global	CA Urban Environment Initiative
FY08	50,000	Feb-08	Global	CA Urban Environment Initiative – MTS supplemental
FY08	370,000	Jan-08	Global	Financing of African Cities: Stakes, Issues & Tools (France Noncore)
FY08	75,000	Jun-08	Global	Cities with Jobs: Integrating Productive Employment into City Development and Slum-Upgrading Strategies
FY09	50,000	Jan-09	Global	Gender and Youth
FY09	150,000	Aug-09	Global	Evaluation of Project Implementation Modalities of the Cities Alliance
FY09	68,600		Global	Making the Case for Incremental Housing
FY09	1,200,000	Mar-09	Global	Land, Services and Citizenship – Gates Foundation–funded programme
FY09	75,000	May-09	Global	Establishing the University Urban Research Initiative
FY09	400,950		Global	Joint Work Programme: Mainstreaming the Environment in the Cities Alliance Activities
FY09	250,000	Jul-09	Global	Joint Work Programme: Successful Approaches to National Slum Upgrading and Prevention
FY09	75,000	Aug-09	Global	Joint Work Programme: Lessons and Policy Recommendations from Urbanisation Programmes of Precarious Settlements in Brazil
FY09	65,000		Global	Joint Work Programme: Cities and Climate Change ($435,000 additional from Norway noncore for MTS)
FY09	250,000	Jun-09	Global	Joint Work Programme: UCLG Municipal Finance Commission – Second Phase
FY09	75,000	Jul-09	Global	Joint Work Programme: Enhancing Enumeration as a Tool
FY09	250,000		Global	Joint Work Programme: UCLG City Future CDS – Second Phase

ACTIVITIES CLOSED or CANCELLED DURING FY09
as of 30 June 2009

FY (appr.)	Grant Amount (US$)	Completion Date	Country	Activity
SUB-SAHARAN AFRICA REGION				
FY02	380,640	Jan-08	Burkina Faso	CDSs and local Poverty Reduction Strategy Papers for the local governments of Bobo-Dioulasso, Banfora, and Ouahigouya

ACTIVITIES CLOSED or CANCELLED DURING FY09
as of 30 June 2009

FY (appr.)	Grant Amount (US$)	Completion Date	Country	Activity
FY07	75,000	Aug-09	Kenya	Preparation of CDS and State of the Cities Report (SCR) Programme for Kenyan Urban Local Authorities
FY06	500,000	Dec-08	Mozambique	Improving Water and Sanitation in Quelimane City
FY07	42,000	Jun-09	Mozambique	Preparatory Grant for the Development of a CDS and Slum-Upgrading Strategy for Chimoio
FY07	42,000	Jun-09 Vilankulo	Mozambique	Preparatory Grant for the Development of a CDS for
FY07	89,325	Dec-07	Namibia	Preparatory Study: Participatory City Development Strategies in Namibia
FY07	270,000	Dec-08	Regional	Cities Without Slums: towards implementing a support program for countries and cities of western and central French-speaking Africa – increase
FY06	240,000	Jun-09	Rwanda	Financial Management Modernization and Development Strategy for Kigali
FY08	71,000	Jun-09	Sierra Leone	Preparation of Slum Initiative, Freetown

ASIA REGION

FY (appr.)	Grant Amount (US$)	Completion Date	Country	Activity
FY06	237,933	Jul-09	India	City Development Strategy for Pro-Poor Economic Growth for the Heritage City of Agra
FY07	75,000	Mar-09	Vietnam	Preparation of a Proposal on Viet Nam: City Development Strategy for Thanh Hoa City in a Regional Development Context

EASTERN EUROPE AND CENTRAL ASIA REGION

FY (appr.)	Grant Amount (US$)	Completion Date	Country	Activity
FY06	71,000	Oct-08	Moldova	Moldova – City Development Strategy
FY05	230,000	Aug-09	Russian Federation	Vologda Development Strategy Alliance

LATIN AMERICA AND THE CARIBBEAN REGION

FY (appr.)	Grant Amount (US$)	Completion Date	Country	Activity
FY08	55,000	Mar-09	Brazil	Support of National Housing Plan and National Housing Subsidy Policy

MIDDLE EAST AND NORTH AFRICA REGION

FY (appr.)	Grant Amount (US$)	Completion Date	Country	Activity
FY03	245,000	Jul-09	Morocco	Metropolitan Cooperation in the Tetouan Region: the Role of the CDS
FY09	74,833		Syria	Preparation of Syria State of Cities Report
FY05	200,000	Jun-09	Yemen	Medium- to Long-Term City Development Strategy for Local Economic Development for Hodeidah and Mukalla Cities

GLOBAL AND MULTIREGIONAL ACTIVITES

FY (appr.)	Grant Amount (US$)	Completion Date	Country	Activity
FY08	125,000	Dec-08	Global	Knowledge Dissemination – increase (Web site, publications, etc.) (Part of Learning and Knowledge Sharing)
FY08	125,000	Dec-08	Global	Knowledge Generation and Learning – increase (Part of Learning and Knowledge Sharing)
FY08	150,000	Dec-08	Global	Consultative Group and Public Policy Forum meetings – increase (Manila)
FY08	100,000	Dec-08	Global	Policy Advisory Board Semiannual Meeting – increase
FY07	15,000	Dec-08	Global	Technical Peer Reviews – increase
FY03	2,300,000	Jun-09	Global	Development of the Community-Led Infrastructure Finance Facility (CLIFF) – Sida
FY08	90,000	Dec-08	Global	Final Project Evaluations – increase-(Part of Monitoring and Evaluation)

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Abbreviations and Acronyms

ADB	Asian Development Bank
AFD	Agence Française de Développement (French Development Agency)
AFDB	African Development Bank
AVSI	Association of Volunteers in International Service (Italy)
AusAID	Australian Agency for International Development
BMZ	Bundesministerium für wirtschaftliche Zusammenrbeit und Entwicklung (German Federal Ministry for Economic Cooperation and Development)
CDIA	Cities Development Initiative for Asia
CDS	City Development Strategy
CLIFF	Community-Led Infrastructure Financing Facility
CSIRO	Commonwealth Scientific and Industrial Research Organisation (Australia)
DFID	Department for International Development (United Kingdom)
FIA	Fédération Internationale de l'Automobile (FIA Foundation for the Automobile and Society),
FLACMA	Federación Latinoamericana de Cuidades, Municipios y Asociaciones
FMCU-UTO	World Federation of United Cities
GOLD	Global Report on Decentralization and Local Democracy (UCLG)
GTZ	Gesellschaft für Technische Zusamenarbeit (German Agency for Technical Cooperation)
HUDCC	Housing and Urban Development Coordinating Council (Republic of the Philippines)
IADB	Inter-American Development Bank
IBSA	India-Brazil-South Africa
ICLD	International Centre for Local Development
ICLEI	International Council for Local Environment Initiatives
IFC	International Finance Corporation (World Bank Group)
IIED	International Institute for Environment and Development
ISTED	Institut des Sciences et des Techniques de l'Equipement et de l'Environnement pour le Développement (France)
IULA	International Union of Local Authorities
IYF	International Youth Foundation
JNNURM	Jawaharlal Nehru National Urban Renewal Mission (India)
KfW	KfW Bankengruppe (Germany)
LAUD	Local Authorities and Urban Development (France)
LCP	League of Cities of the Philippines
LDC	Least Developed Countries
MAEE	Ministry of Foreign and European Affairs (France)
MINURVI	Assembly of Ministers of Housing and Urban Development of Latin America and the Caribbean Region
MISTRA	Foundation for Strategic Environmental Research (Sweden)
MoHUPA	Ministry of Housing and Urban Poverty Alleviation (India)
MoUD	Ministry of Urban Development (India)
MTS	Medium Term Strategy
MTSU	Mumbai Transformation Support Unit
PAC	Programade Aceleraçãodo Crescimento (Growth Acceleration Programme Brazil)
PEARL	Peer Experience and Reflective Learning Network (India)
PNH	Brazil's National Housing Plan (Plano Nacional de Habitação).

Abbreviations and Acronyms

PASDEP	Plan for Accelerated Development to End Poverty
PRSP	Poverty Reduction Strategy Papers
RAY	Rajiv Awas Yojana (India)
SDI	Shack/Slum Dwellers International
SEHAB	São Paulo Municipal Housing Secretariat
Sida	Swedish International Development Cooperation Agency
SUF	Slum Upgrading Facility
UCLG	United Cities and Local Governments
ULBs	Urban Local Bodies (India)
UNACLA	United Nations Advisory Committee of Local Authorities
UNECA	United Nations Economic Commission for Africa
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC COP 15	United Nations Climate Change Conference in Copenhagen (COP 15)
UN-HABITAT	United Nations Human Settlements Programme
UPFI	Urban Poor Fund International
USAID	United States Agency for International Development
WUF	World Urban Forum
WACLAC	World Association of Cities and Local Authorities Coordination

Left: Slum housing in Nairobi, Kenya. © William Cobbett/Cities Alliance

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