

# Cities Alliance Annual Report 2012

## CITIES WITHOUT SLUMS

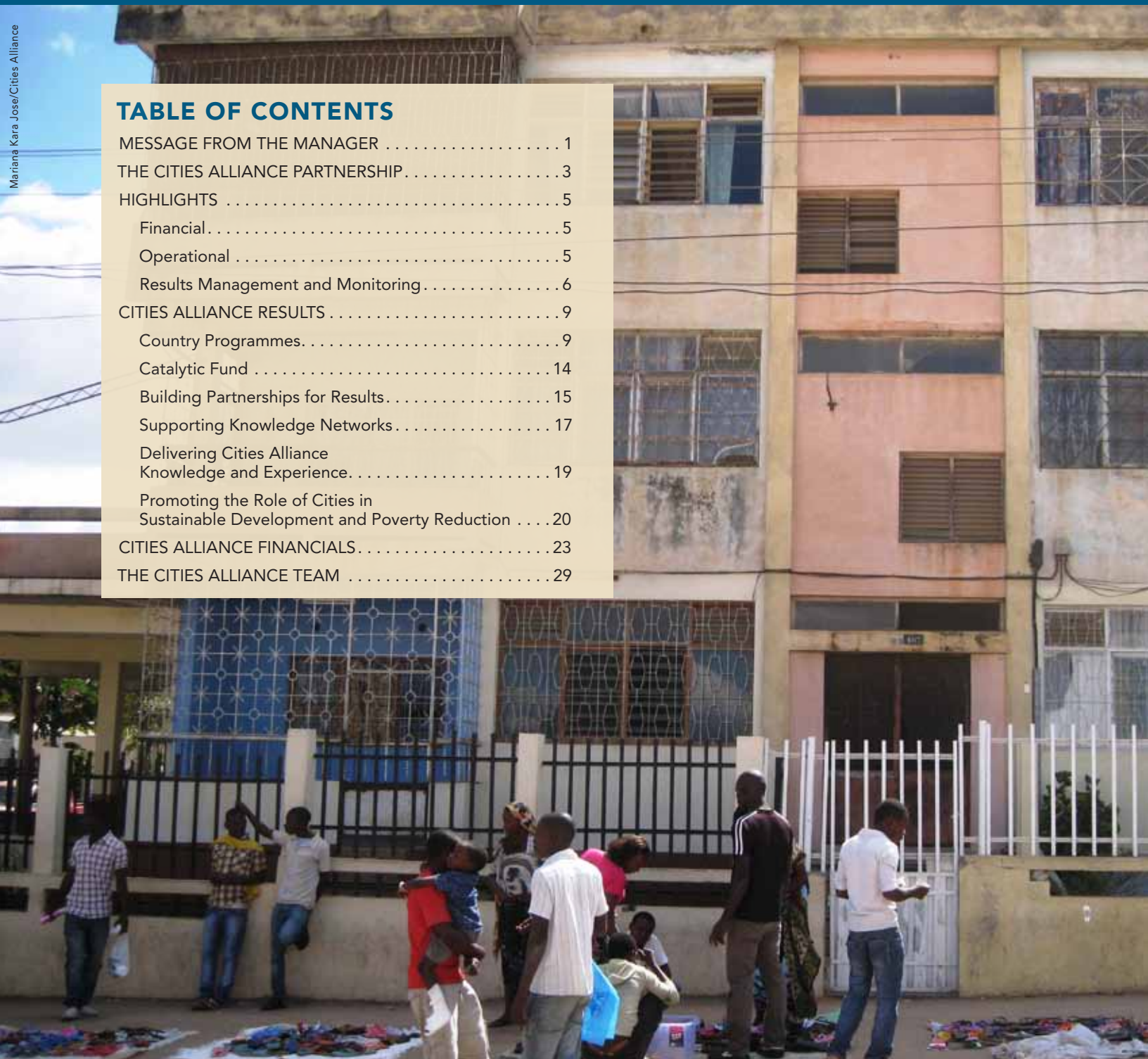


*Nakasero Market in Kampala, Uganda.*

Robert Harding/SuperStock

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Street vendors in Nampula, Mozambique.

## MESSAGE FROM THE MANAGER

This Annual Report covers a particularly important year in the life of the Cities Alliance—one characterised by solid, substantive progress and the consolidation of the new business model, which has enabled the partnership to become increasingly focused, strategic, and effective.

The five Country Programmes are each at a different stage, but all are showing the kind of progress and promise we envisaged when first developing the model. Building upon well-known (and generally ignored) lessons of development, these are some of the key elements on which our Country Programmes have focused: local leadership, a long-term and consistent commitment, partnerships amongst members and partners alike, local capacity, simultaneous action across different tiers of government, the meaningful involvement of communities, the role of the private sectors, and linkages to investment.

Above all else, the Country Programmes are consistently demonstrating their value as platforms or frameworks for incorporating additional levels of activities organised around a common strategic objective, which can be summarised as the goal of sustainable urbanisation, and cities. There is no magic and no silver bullet of the type that is avidly sought by so much developmental practice.

Other elements of the new business model are also showing their value, as in the case of the Catalytic Fund, which attracted a great deal of interest in its call for proposals addressing “Youth and the City.”

The Cities Alliance is now paying far more attention to other essential components of the partnership’s strengths: Knowledge generation and the better documentation and dissemination of lessons from its extensive and varied portfolio. And, long overdue and therefore all the more welcome, 2012 saw extensive progress in the development of a Results-Based Framework for the Secretariat and the partnership, and which is now being applied to the Country Programmes with great effect.

Possibly the greatest benefit that has emerged from our new Charter and Business Model is the redefined role of the Secretariat, which now has much greater clarity in its role in facilitating the work of the organisation and in forging the partnerships necessary to achieve our agreed goals. This is evident not only in the extremely intensive work involved in establishing the Country Programmes (which have also been valuable in strengthening our operational relationship with the World Bank), but also in the development of the Joint Work Programme for the Middle East and North Africa, in partnership with the Center for Mediterranean Integration (CMI), and our Joint Work Programme in South Asia, as well as country-level partnerships in Brazil, the Philippines, and South Africa. Joint Work Programmes with UN-Habitat and United Cities and Local Governments (UCLG) and its affiliates are already having important results.

Better servicing the entire Cities Alliance membership is already producing positive results and will become increasingly evident in the year ahead, not least because of the unanimous decision of the Consultative Group that the Secretariat should relocate to Brussels in 2013 and begin the next phase of this unique and vibrant partnership.

**William Cobbett**, Manager





Shopkeeper in a Kampala, Uganda informal settlement.

## THE CITIES ALLIANCE PARTNERSHIP

### **Who We Are**

The Cities Alliance is a global partnership for urban poverty reduction which promotes and strengthens the role of cities in sustainable development.

### **What We Do**

Well-run and inclusive cities offer an enormous opportunity for achieving sustainable development. The Cities Alliance offers support to cities in providing effective local government, promoting an active citizenship, and encouraging public and private investment.

The Cities Alliance seeks to realise this goal by supporting cities and national governments to:

- Develop and/or enhance national policy frameworks to address urban development needs;
- Develop and implement local inclusive strategies and plans;
- Strengthen the capacity of cities to provide improved services to the urban poor;
- Develop mechanisms to engage citizens in city or urban governance; and
- Create conditions conducive to public and private investment.

### **How We Work**

The Cities Alliance partnership works through four business lines:

- **Country/Regional Programmes** are longer-term, programmatic approaches to addressing the specific urban development needs of a selected country or region, normally in the context of rapid urbanisation and the growth of urban poverty.
- **Catalytic Fund (CATF)** grants support policies that catalyse city transformation and activities that enhance innovation and learning.
- **Knowledge and Learning** programmes are flexible, multi-year instruments that focus on sharing knowledge and experience on specific issues.
- **Communications and Advocacy** activities promote the Cities Alliance's key messages on urban development in order to encourage policies and behaviours that contribute to the vision of sustainable cities without slums.

### **Cities Alliance Members**

**Local authorities:** United Cities and Local Governments (UCLG) and Metropolis

**Governments:** Australia, Brazil, Chile, Ethiopia, France, Germany, Italy, Nigeria, Norway, the Philippines, South Africa, Sweden, and the United States

**Non-governmental organisations:** Shack/Slum Dwellers International (SDI) and Habitat for Humanity International (HFHI)

**Multi-lateral organisations:** European Union, UN-Habitat, and the World Bank



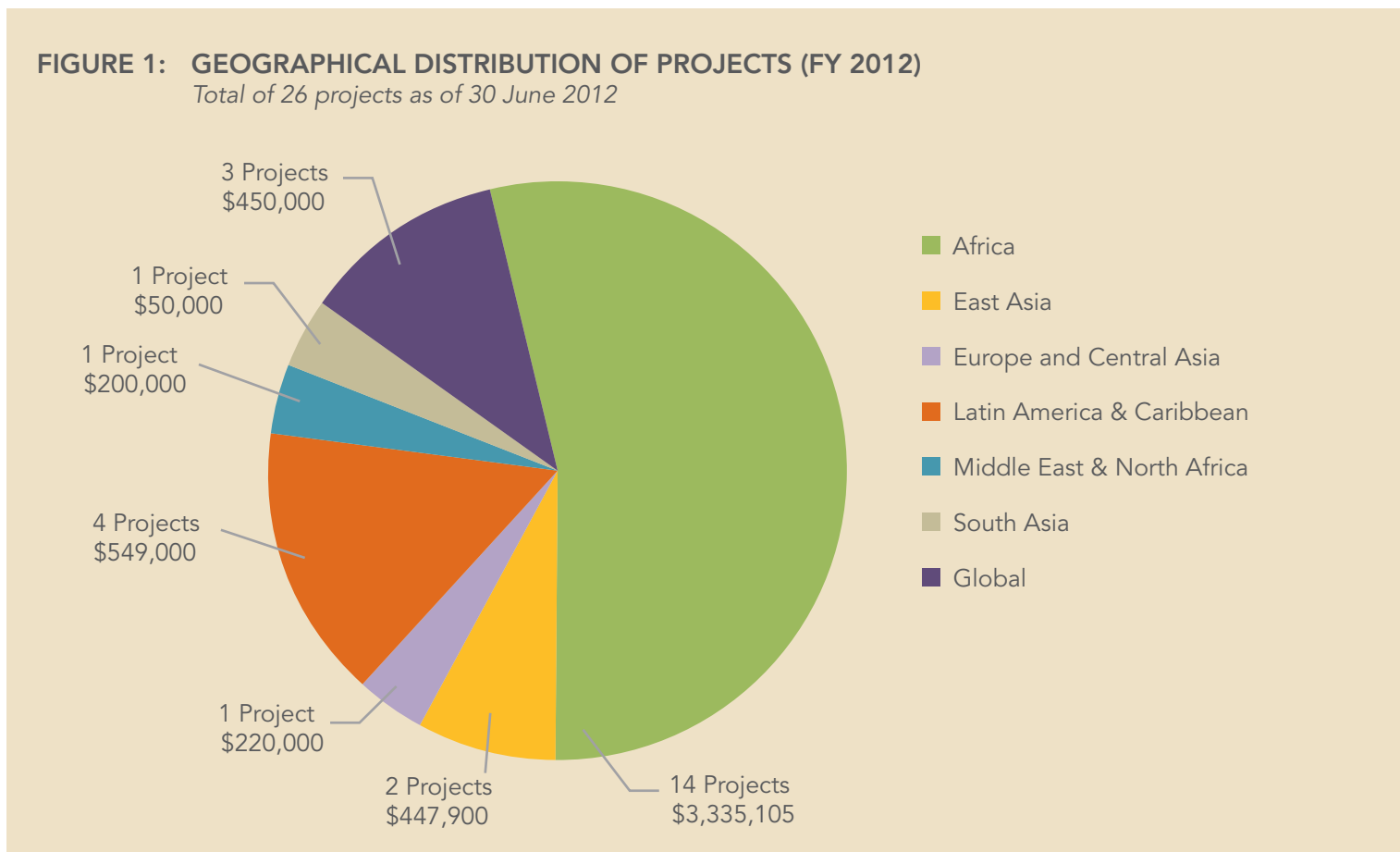
Women making food to sell in Old Fadama, Accra, Ghana.

## HIGHLIGHTS

FY2012 was the first year managed under the new Cities Alliance business model, which adopted a strategic, programmatic approach to urban development. Overall, the business model is making a significant and positive impact on the work of the Cities Alliance and offers great promise for the organisation. The year's highlights include:

### FINANCIAL

As in previous years, the bulk of the projects approved by the Cities Alliance in FY2012 were in Africa (Figure 1), and US\$1.9 million was approved for the Cities Alliance Country Programme in Ghana alone.



### OPERATIONAL

- **Country Programmes** in Uganda, Ghana, Vietnam, Burkina Faso, and Mozambique were strengthened and deepened.
- **Consultative Group** and **Executive Committee** meetings held in Mozambique (November 2011) and Uganda (June 2012) highlighted the strength of the respective Country Programmes and gave Cities Alliance members the opportunity to see the Country Programme approach in action.

- The **Policy Advisory Forum on Financing African Cities** held in Maputo in November 2011 highlighted one of the key issues facing African cities today.
- The first proposals were approved under the **Catalytic Fund**, following the FY2011 Call for Concept Notes. The second Call for Proposals, issued in February 2012, focused on the theme “Youth and the City.” It generated considerable interest, with more than 200 applications submitted.



Sfax, Tunisia.

- Regional work programme activities were approved for the **Middle East-North Africa (MENA) region**, where Cities Alliance members have formed a partnership with the Center for Mediterranean Integration (CMI) to support cities and national partners in designing and implementing inclusive development strategies.
- **Partnership programmes in Brazil and the Philippines** were deepened, with funding for Brazil’s efforts to formulate a national involuntary resettlement policy with universal relevance, and a knowledge management and exchange system for city managers in the Philippines, arguably the home of the City Development Strategy (CDS) methodology.
- Two major **publications** were produced: *Financing Africa’s Cities* by Dr. Thierry Paulais, the culmination of four years of research and analysis financed jointly by the Agence Française de Développement (AFD) and the Cities Alliance; and a series of *Quick Guides for Policy Makers: Housing the Poor in African Cities*, published in partnership with UN-Habitat.

## RESULTS MANAGEMENT AND MONITORING

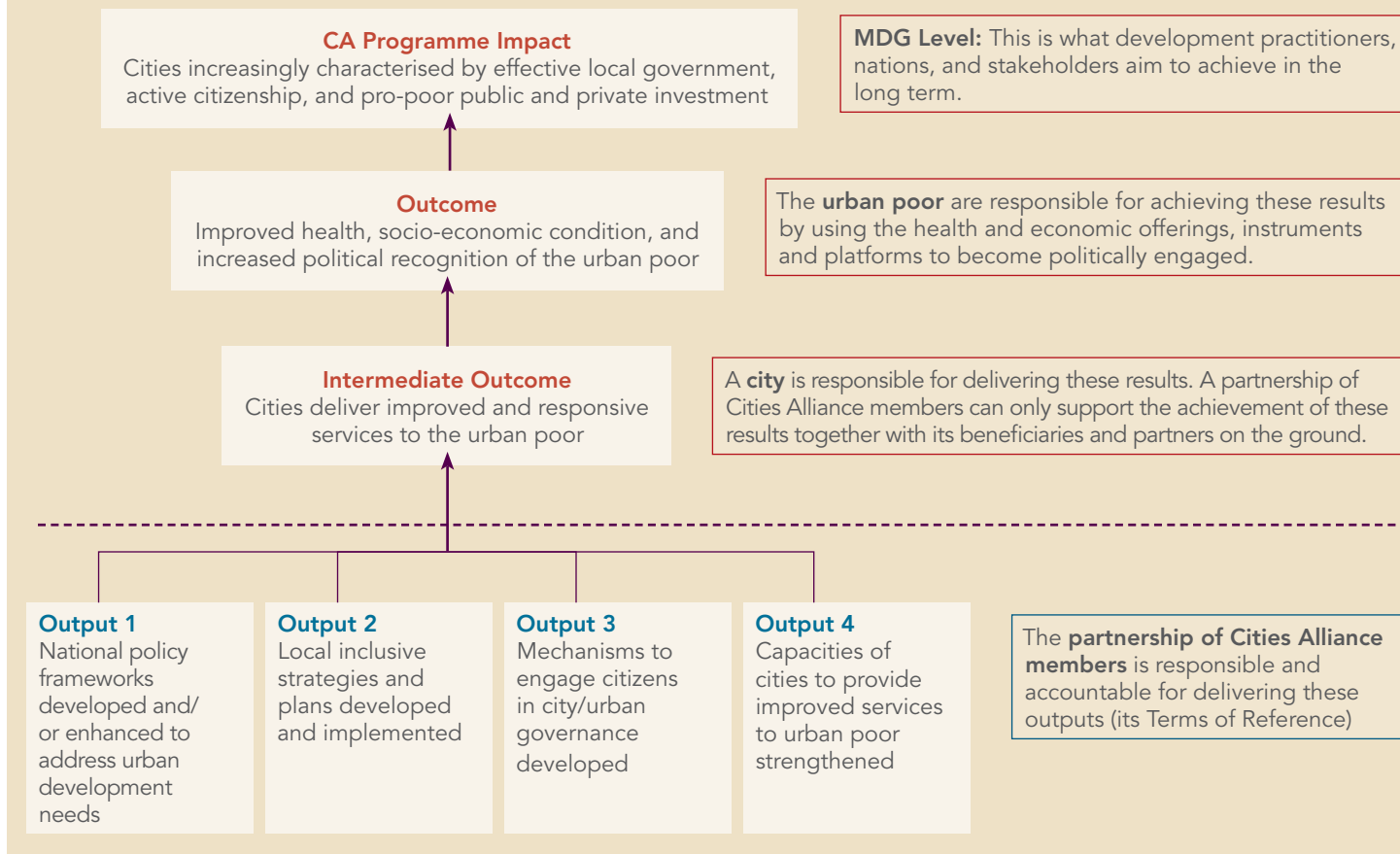
During FY2012, the Cities Alliance also moved quickly to respond to the 2011 Independent Evaluation of the partnership, which recommended developing an appropriate monitoring and evaluation system—starting with a clearer framework that would serve as a sound basis for communicating results.

Over the course of the year, the Cities Alliance Secretariat made significant progress on developing a results-based management system for the Cities Alliance. Under the guidance of a senior consultant, the Secretariat developed two aligned Results Frameworks, one for the Secretariat and one for the Cities Alliance programme as a whole. A draft set of Performance Indicators were developed for both frameworks. These products were presented to the Executive Committee, which offered positive feedback and a commitment to support next steps. Progress is continuing, with the assessment and proposal of a final set of Performance Indicators, the drafting of reporting formats, capacity building in Results Management, and monitoring programmes for results.

The performance monitoring system is being operationalised—capturing data on progress and emerging results from Cities Alliance programmes and projects—and sharing the data and lessons learned with Cities Alliance members, stakeholders, and beneficiaries.



**FIGURE 2: CITIES ALLIANCE PROGRAMME RESULTS CHAIN**



### A Framework for Delivering Change

A key component of the Cities Alliance results management and monitoring system is the organisation's Theory of Change, an outcomes-based approach that aims to help the Cities Alliance determine how best to use its resources to achieve its medium- and long-term development goals.

In order to achieve those goals, the Cities Alliance will deliver outputs in four main areas (see Figure 2), by implementing a number of activities within each of the four Cities Alliance Business Lines (Country Programmes, the Catalytic Fund, Knowledge and Learning, and Communications and Advocacy).

The Results Chain breaks down the Theory of Change and shows how each step builds toward achieving the Cities Alliance's long-term goal: Namely, cities increasingly characterised by effective local government, active citizenship, and pro-poor public and private investment.

The Performance Indicators now under development for each level of the chain will enable the Cities Alliance to effectively monitor and evaluate the programme and form the basis for results-based reporting.



Market in Kumasi, Ghana.

## **CITIES ALLIANCE RESULTS**

At the end of 2010, the Cities Alliance repositioned its business model and adopted a more strategic, programmatic approach to urban development. This approach has begun generating concrete results—which are particularly evident in the Country Programmes underway in Uganda, Ghana, Vietnam, Mozambique, and Burkina Faso.

In addition to the Country Programmes, there were also clear results in other key areas: The Catalytic Fund, building partnerships, supporting knowledge networks, delivering Cities Alliance knowledge, and promoting the role of cities in sustainable development and poverty reduction.

### **COUNTRY PROGRAMMES**

During the last year, the Country Programme in Uganda was consolidated and began demonstrating real results, while in Ghana and Vietnam the programmes were successfully launched, building on the partnerships established and nurtured throughout the design phase. In Burkina Faso and Mozambique, extensive, inclusive design processes led to broad consensus about the shape and scope of the programmes to be rolled out in the coming year.

## Mainstreaming a Culture of Dialogue in Uganda

What began as a programme for five Ugandan secondary cities has expanded to include nine additional municipalities that are part of the World Bank's US\$130 million municipal support programme, effectively ensuring clear alignment between the objectives of the Cities Alliance Country Programme—called Transforming the Settlements of the Urban Poor in Uganda (TSUPU)—and the future investment of government resources. This expansion means that the Country Programme now covers 14 secondary cities in Uganda.

Further evidence of the mainstreaming of the TSUPU programme is the strong institutional management structure established by the Ministry of Lands, Housing and Urban Development, which incorporates a wide range of officials, each responsible for specific activities and linkages with programme partners.

In another important milestone, all five of the original participating municipalities successfully launched Municipal Development Forums, building on the continued success of the National Urban Forum and creating a positive environment for national- and local-level dialogue.

Makerere University completed a restructuring process, bringing together the urban planning graduate degree programme and the Faculty of Technology master's programme. The University has developed the joint City Development and Slum Upgrading Strategy guidelines in a consultative process, and the planning faculty will play a central role in the rollout of the CDS process to 14 municipalities. This will fundamentally change how planning has traditionally occurred in Uganda, with the development of local capacity and the transfer of such capacity to a new generation of young planners.

After successfully launching active Federations of the Urban Poor in all five municipalities, Actogether (an affiliate of SDI), has transformed from a small, highly dependent organisation to one that has developed a capacity and excellence in community mobilisation, reflected in SDI's selection of Uganda as its Learning Centre. With the support of Actogether, the Federations have completed slum profiles for all five municipalities, and enumeration and mapping activities are in progress. The Federations have also started identifying community projects and have proactively engaged local government for planning support and access to land.

A recent evaluation revealed that TSUPU and its approach has a high degree of credibility, support, and buy-in from stakeholders. The collaborative aspects of the programme design and its subsequent implementation have been instrumental in gaining the strong commitment of partners at all levels. Activities undertaken during the set-up phase over the last year have created an enabling environment for the roll-out of the programme. With the mobilisation of communities and the formation of Municipal Development Forums, the preconditions are now in place for both an inclusive national policy formulation and local development process.

It is also worth noting that many of the principles associated with TSUPU are informing approaches to upgrading in Kampala by other actors, with the Federations as the common link. This underscores the extent to which TSUPU is fostering a culture of dialogue at the national and local levels, and which is increasingly becoming a mainstreamed approach to urban issues.



From left: SDI President Jockin Arputham and Ugandan Minister of Lands, Housing and Urban Development Daudi Migereko at the launch of a sanitation unit in Jinja built as part of the Cities Alliance Country Programme.



*Dilapidated housing in Vinh, Vietnam.*

### **Scaling Up Urban Upgrading in Vietnam**

In Vietnam, the groundwork was laid for scaling up urban upgrading efforts to as many as 50 cities. The Cities Alliance funded a Vietnam Urbanization Review, which was undertaken by the World Bank, and which has provided the analytical foundation for the national government to formulate strategic and cohesive urban policies and to guide investment prioritisation—an important evidence base for national dialogue.

That dialogue has begun to take place at the revitalised Vietnam Urban Forum (VUF), now anchored within the Urban Development Agency in the Ministry of Construction, which chairs the Forum. With Cities Alliance support, the VUF is seen as the means for strengthening information dissemination and coordination across the urban sector—leading to a fully functional, effective platform for urban sector exchanges and structured dialogue including a wide range of stakeholders. The VUF also aims to mobilise the rollout of the National Urban Upgrading Strategy (NUUP), which is expected to lead to an upgrading approach that is based on partnerships with local governments and urban communities—a significant shift in centralised Vietnam.

Finally, as a result of a preparatory grant to the Association of Cities of Vietnam (ACVN) supported by the Asian Coalition of Housing Rights (ACHR), the operational guidelines have been completed to expand the Community Development Fund (CDF), a network of 30 cities engaged in community-led upgrading activities. The conditions are now in place to consolidate and expand the CDF to an additional 20 cities.



Public toilets in a slum neighbourhood of Accra, Ghana.

### **Forging Partnerships and Building Capacity in Ghana**

In Ghana, three important grant agreements were put in place during the last year, allowing for the effective launch of the Country Programme. These grant agreements were to:

- GIZ, the lead Cities Alliance member, to support the Urban Development Unit in the Ministry of Local Government and Rural Development to develop an inclusive national urban agenda;
- The Institute of Local Government Studies, to develop and deliver a municipal leadership training programme; and
- Peoples' Dialogue through SDI, to mobilise and build the capacity of organisations of the urban poor.

In addition, through the Country Programme, a partnership was forged between the World Bank and Peoples' Dialogue, and a proposal developed that will leverage a World Bank investment of US\$150 million in water and sanitation in the Greater Accra Metropolitan Area.

### **Building on CDS and Slum Upgrading in Mozambique**

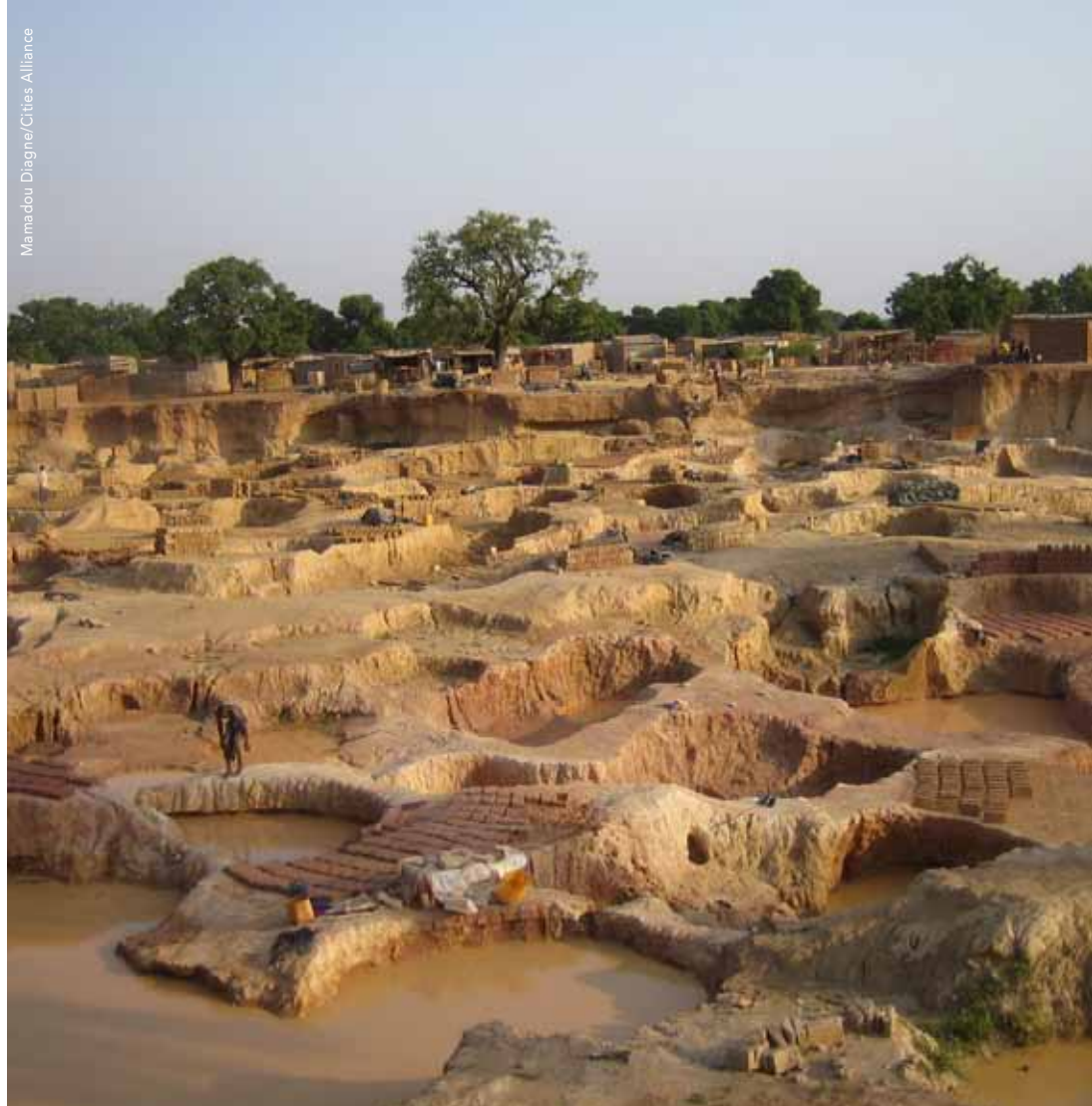
In Mozambique, a concept note was completed for the Country Programme that builds on two key opportunities. The first is an ongoing Cities Alliance grant to UN-Habitat to facilitate a CDS and slum upgrading process in the municipality of Nampula. The second is an opportunity to partner with the Governments of Brazil and Italy to deconstruct the successful slum upgrading experience of Bahia, Brazil, and to reconstruct the process in Maputo. These two grants will form the basis of the Country Programme and will be linked to the greater urban context as laboratories for learning.



Celebrations at the launch of an upgrading project in Maputo's Chamanculo-C neighbourhood that is supported by the Cities Alliance and the Governments of Brazil and Italy.

## Determining Focus Areas in Burkina Faso

In Burkina Faso, members and partners agreed on several main focus areas to guide the development of the Country Programme, including, for example, support for the organisation of the National Urban Forum. Along with the Ministry of Housing and Urban Planning, the Association of Municipalities of Burkina Faso (AMBF) will play a key role in implementing the programme, which will focus on the capital city of Ouagadougou, the second city of Bobo Dioulasso, and three secondary cities (Dori, Dedougou, and Tenkodogo). It was agreed that the programme should aim to roll out the CDS and other experiences previously supported by the Cities Alliance in Ouagadougou and Bobo Dioulasso, and adapt these tools to secondary cities. UN-Habitat was nominated by national partners and Cities Alliance members to lead the programme's final preparation phase.



Urban degradation in Ouagadougou, Burkina Faso.

### WEST AFRICA: ILLUSTRATING THE CITIES ALLIANCE'S STRONG ENGAGEMENT IN AFRICA

Sub-Saharan Africa has long been a priority for Cities Alliance operations; over the past decade, the Alliance has approved more projects in Sub-Saharan Africa than in any other region. The partnership continues to demonstrate its commitment with the development of an action plan that focuses on secondary cities, which are bearing the brunt of rapid urbanisation.

In West Africa, the Cities Alliance's increasing focus on the region is especially notable. Two out of four Cities Alliance Country Programmes in Sub-Saharan Africa are located in West Africa (Ghana and Burkina Faso; the other two are in Uganda and Mozambique). The partnership also has a senior staff member located in the World Bank office in Abidjan, Côte d'Ivoire.

In recent years, the Cities Alliance has provided some US\$8.75 million in grant funding to the region: US\$6 million for Country Programmes in Ghana and Burkina Faso, and US\$2.8 million for activities in Abidjan, Bamako, Cotonou, Dakar, Douala, Freetown, Lomé, Ouagadougou, and Yaoundé. This represents an average rate of US\$15.3 for every 100 urban dwellers in 10 West African countries.

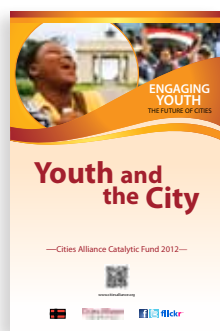


Young informal trader in South Africa.

## CATALYTIC FUND

During FY2012 the Cities Alliance Secretariat completed the grant-making process for the projects selected through the first Catalytic Fund Call for Proposals, issued in January 2011. These projects are now active and operational. They cover a range of issues, including tenure security in southern Africa, housing sector development in Ethiopia, urban development strategies for Yaoundé (Cameroon) and metropolitan Santiago (Chile), as well as sustainable development in Bukhara and Samarkand (Uzbekistan).

The Cities Alliance also issued the second Call for Proposals for the Catalytic Fund in February 2012. This time, the Call featured a specific theme: “Youth and the City: Challenges of and Visions for Demographic Change.” Chosen by the Consultative Group at its 2011 meeting in Maputo, the theme builds on the efforts the Cities Alliance has made in recent years to integrate gender and youth in its work programme under Norway’s sponsorship. The Call has been a resounding success, generating more than 200 applications from all over the world. The evaluation and selection process is currently underway.





## BUILDING PARTNERSHIPS FOR RESULTS

In addition to our Country Programmes, the Cities Alliance in FY2012 also sought to mobilise members around regional strategies in India, Brazil, and the Middle East and North Africa region through partnerships and Joint Work Programmes.

### Brazil

Through our partnership with Brazil, the Cities Alliance continued to provide technical assistance to the Brazilian Ministry of Cities aimed at improving national urban policies, with a focus on the social component of national housing programmes. The Cities Alliance and the World Bank worked together with the Ministry of Cities and CAIXA to formulate a policy framework and guidelines for implementing involuntary resettlement and improving social sustainability in federally funded infrastructure development programmes. The issue of involuntary resettlement has taken on a new urgency in light of the significant expansion of infrastructure investments planned over the next five years as part of the second Accelerated Growth Programme (PAC) and in preparation for upcoming international sports events to be hosted by Brazil (the World Cup in 2014 and the Olympic Games in 2016).

This fiscal year also marked the conclusion of a longstanding partnership in the state of Bahia, where the Italian Government, the World Bank, and the Cities Alliance supported a highly successful integrated slum upgrading initiative implemented by the Avsi Foundation. The Bahia experience used a participatory and integrated approach that made a real difference in the lives of slum dwellers and facilitated upgrading at scale in the province. After years of fine-tuning, the methodology developed in Bahia was instrumental in the preparation of national guidelines and thematic manuals on social work used throughout Brazil to implement housing projects. The Bahia methodology is now being adapted by the Municipality of Maputo to upgrade the Chamanculo-C neighbourhood with the support of the Cities Alliance and the Governments of Brazil and Italy.



The São Paulo Department of Housing and Urban Development (SEHAB) was awarded the prestigious UN-Habitat Scroll of Honour award in 2012 for a slum upgrading programme supported by the Cities Alliance. From left: Maria Teresa Diniz of SEHAB; Elisabete França, SEHAB Director; William Cobbett, Cities Alliance Manager; and Vanessa Padiá de Souza of SEHAB.



The Divisional Commissioner of Agra and other city officials visited Kachhpura in August 2011. As a result, the city allocated funds to pave all unpaved streets in Kachhpura and provide individual toilets to all households without access.

### Working Together to Support India's Flagship Urban Programmes

Within the context of the new Cities Alliance business model, the World Bank's South Asia Urban team (SASDU), the World Bank Institute (WBI), and the Cities Alliance have agreed to establish a multi-year partnership that aims to bring together efforts to support India in effectively addressing its urban challenges. The partnership focuses on slum prevention and improvement, urban strategies, and learning and capacity building. It would support the two urban ministries under the Government of India's flagship programmes—Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the national slum upgrading programme, Rajiv Awas Yojana (RAY)—as well as selected states and cities.

### India's First Citywide Upgrading Plan in Agra

Originally in partnership with USAID, the Cities Alliance has supported the city of Agra in the preparation of an inclusive citywide slum upgrading plan, the first of its kind in India. While funds are still being sought to implement the comprehensive plan, the first efforts are already bearing fruit under the direction of a local NGO, the Centre for Urban and Regional Excellence (CURE). The Uttar Pradesh state government is expanding or replicating the pilot projects implemented with Cities Alliance support, and slums have become a key component of the development agenda—leading the state government to improve services to these areas. So far, the Cities Alliance grant has triggered US\$22 million in additional investments.

### Joint Initiative for Inclusive Growth in Cities of the MENA Region

Following member requests to respond to the Arab Spring in a coherent, collaborative, and constructive manner, the Cities Alliance and Center for Mediterranean Integration (CMI) members active in the region have consolidated a partnership to offer support through a Joint Work Programme (JWP). Cities Alliance members include Germany, Italy, and France, as well as UCLG, UN-Habitat, and the World Bank. The support will be guided by a long-term view that seeks to mobilise available local, regional, and global expertise to foster inclusive growth in cities across the region.

Its activities will revolve around three thematic pillars: Strengthening cities for inclusive economic growth; creating accountable cities and towns; and promoting subsidiarity. Building on a thorough needs and portfolio assessment, the JWP is mobilising support for its first national project in Tunisia.



Tunis, Tunisia.

William Cobbett/Cities Alliance

## SUPPORTING KNOWLEDGE NETWORKS

With its diverse membership and experience, the Cities Alliance is in a unique position to facilitate the sharing of knowledge and learning. In recent years, the Cities Alliance has established a number of Joint Work Programmes with members and partners to gather lessons learned based on cumulative experience with slum upgrading and strategic urban development, as well as emerging issues such as climate change.



### **Building a Knowledge Network with the African Centre for Cities (ACC)**

The partnership between the ACC and the Cities Alliance was established in 2009 as a platform to catalyse and facilitate the development of national State of the Cities Reports (SOCRs) in Africa, with the goal of using these processes to build urban knowledge and organisational capacity to respond effectively to the unique challenges and opportunities faced by African urban policy-makers, planners, and development practitioners. This initiative is supported through the establishment of a robust network of practitioners focused on learning from peers in South Africa and Brazil, as well as undertaking collaborative research to strengthen

the quality of locally produced research and to contribute to the development of new urban knowledge.

During FY2012, the main deliverables for the partnership included proposals for State of the Cities Reports in Ghana and Ethiopia, which were both approved for funding. The ACC team also led two knowledge-sharing events designed to establish a regional practitioners group and to enhance their knowledge of the State of the Cities Report process, with the support of the World Bank Institute and the South-South Knowledge Exchange (SSKE) trust fund.

### **Rethinking Urban Planning in Africa**

The Cities Alliance is currently supporting a broad initiative to rethink urban planning in Africa—in particular the curricula—and to support the development in Africa of centres of excellence focused on urban research. The main vehicles for this initiative are partnerships between the ACC and the Association of African Planning Schools (AAPS), as well as between AAPS and Shack/Slum Dwellers International (SDI).

The ACC and AAPS have established the Platform for Urban Planning Law Reform in Sub-Saharan Africa, representing urban planning and legal experts from government, civil society, academia, and the private sector, with the support of the Cities Alliance and the Rockefeller Foundation. The group met in July 2012 and agreed to consider a long-term strategy to bring about urban and planning law reform in Sub-Saharan Africa. This includes developing a long-term vision for law reform in partnership with relevant development agencies, civil society, professional associations, and educational networks.



Meeting of the Platform for Urban Planning and Law Reform in Sub-Saharan Africa in Bellagio, Italy, July 2012. The Cities Alliance was represented by Mamadou Diagne, Sr. Programme Officer for West and Central Africa (third from right, bottom row).



Residents washing clothes in a slum neighbourhood of Mumbai, India.

### **India's Peer Experience and Reflective Learning (PEARL) Programme**

The Cities Alliance is providing knowledge support to the Peer Experience and Reflective Learning (PEARL) programme under JNNURM, the single largest urban development initiative in India's history, which links funding for infrastructure projects with significant urban reforms. Working under the Ministry of Urban Development (MOUD), 65 cities are participating in JNNURM, and PEARL is their peer-learning network that focuses on knowledge exchange for better city governance and more efficient implementation of urban infrastructure investments and urban reforms.

In addition to various local capacity-building activities, the grant supported a knowledge needs assessment of local government (ULB<sup>1</sup>) functionaries. The goal of the assessment was to better understand the functionaries' knowledge needs within the context of the governance structures and responsibilities devolved by the various States to different tiers within the municipalities.

### **Promoting City-to-City Partnerships in the Global South**

In its role as a global representative of cities, United Cities and Local Governments (UCLG) has played a critical role in brokering partnerships between cities to strengthen the

ability of cities in the global South to plan and manage sustainable urbanisation. One such partnership between eThekweni (Durban), South Africa and Mzuzu, Malawi led to the production of the first City Development Strategy for Mzuzu.

Together with Metropolis and UN-Habitat, UCLG also led the way in developing the World Urban Campaign, which seeks to promote a positive vision for sustainable urbanisation and the key role played by cities to achieve that vision.

### **Creating Enabling Environments for Sustainable Urbanisation**

In June 2012, the Cities Alliance established a Joint Work Programme with United Cities and Local Governments of Africa (UCLGA) that focuses on two primary goals: To catalyse a policy debate on creating effective environments that will enable cities to become productive, sustainable, inclusive, and bankable; and to guide Cities Alliance advocacy, knowledge, and technical advisory support over the next ten to 20 years.

As part of the Joint Work Programme, UCLGA—in partnership with the West Africa Economic and Monetary Union—hosted a meeting for West African Ministers and senior government officials of finance, decentralisation and urban development in April 2012 in Niamey, Niger. The meeting, which was co-financed by the Cities Alliance, sought to raise awareness of the role of cities in economic development and the need to scale up urban investment to ensure that member states of the Union are able to benefit from rapid urbanisation. Financing urban investments is a critical factor in creating an enabling environment for cities, and it is one of the criteria UCLGA will use over the next year to measure progress made towards developing well-functioning cities in 50 African countries.

<sup>1</sup> Urban Local Bodies

## DELIVERING CITIES ALLIANCE KNOWLEDGE AND EXPERIENCE

### **Financing Africa's Cities**

Released in January 2012, *Financing Africa's Cities* by Dr. Thierry Paulais addresses the issues of financing urban growth on the African continent and offers a methodical clarification of local investment issues for policy makers and professionals working in the field. Through a series of African case studies and examples from other continents, the book proposes practical ways to modernise local investment financing systems, promote endogenous financing solutions, and mobilise new sources of funding.

*Financing Africa's Cities* is the culmination of a four-year period of research and analysis, jointly financed by Agence Française de Développement (AFD) and the Cities Alliance. Dr. Paulais is now Deputy Director for the Africa Region at AFD and was previously seconded to the Cities Alliance.

### **Cities Building Resilience in a Changing World**

The results of the Joint Work Programme “Climate Change, Disaster Risk, and the Urban Poor” have been published. This study analyses the key risks to the urban poor posed by climate change and disasters—particularly with regard to the delivery of basic services—and identifies strategies and financing opportunities for addressing those risks.

The work is part of a broader programme under the Mayors’ Task Force on Climate Change, Disaster Risk and the Urban Poor, which comprises the mayors of Dar es Salaam, Jakarta, Mexico City, and São Paulo. They have recognised the importance of these issues in their cities and have demonstrated strong support for taking action. Urban risk assessments have been carried out in each of the four cities, providing the basis for much of the knowledge in the study.

### **Documenting Knowledge from the Cities Alliance Portfolio**

The Cities Alliance has released a new series of publications to document some of its most successful projects since it was created over a decade ago. The Cities Alliance in Action series explores the reasons behind the success of the projects and some of the lessons learned—not only for the concerned stakeholders, but for any reader interested in urban development.

In FY2011-12, the Cities Alliance produced seven Cities Alliance in Action impact stories: *New Urban Planning Strategies for the Philippines* (CDS in the Philippines); *Douala Takes Ownership of its Future* (Douala CDS); *Using Technology to Transform Urban Planning in São Paulo* (Habisp); *Upgrading South Africa's Housing Policy* (National Upgrading Support Programme); *A Model of Participatory Development in Tunisia* (Sfax CDS); *Promoting Innovation in Urban Upgrading in São Paulo* (Bairro Legal); and *A Partnership to Support Cities in Addressing Climate Change* (Joint Work Programme on Cities and Climate Change). More impact stories are in production.

### **Quick Guides for Policy Makers: Housing the Poor in African Cities**

The Cities Alliance, in partnership with UN-Habitat, developed a series of Quick Guides that will provide national and local officials as well as policy makers in African cities with tools and practical knowledge to help them enhance their understanding of low-income housing issues so they can make informed policy decisions that benefit the poor. The easy-to-read guides provide an overview of trends, conditions, concepts, policies, tools, and recommendations for optimising the opportunities of urbanisation and its implication for the role of local government, tenure security, affordable housing, involvement of communities, and financing options.





Informal housing in Accra, Ghana.

William Cobbett/Cities Alliance

## PROMOTING THE ROLE OF CITIES IN SUSTAINABLE DEVELOPMENT AND POVERTY REDUCTION

Now that communications and advocacy has become one of its four main business lines, the Cities Alliance began laying the groundwork in FY2012 to significantly ramp up efforts in this area.

### ***Mobilising Cities Alliance Members in Advance of Habitat III***

The Cities Alliance, in partnership with UN-Habitat, has established a Joint Work Programme with UCLG that seeks to mobilise Cities Alliance members around preparations for Habitat III in 2016. The initiative also aims to strengthen advocacy on the opportunities of urbanisation and the potential contribution of local authorities to the international negotiations on sustainability and development. One of the initial activities of the Joint Work Programme was the participation of a number of Cities Alliance members in a high-level partners meeting at the United Nations in New York City in April 2012 to discuss joint advocacy in advance of Habitat III.

### **Enhancing and Expanding the Cities Alliance's Online Presence**

Over the past year the Cities Alliance began a major overhaul of [www.citiesalliance.org](http://www.citiesalliance.org), expanding the content and giving the site a fresh, new look. The homepage was revised to reflect our new business model and focus on results, with sections highlighting impact stories, results, and urban statistics. The overhaul continues into FY2013, when we will launch our new Knowledge Resources section—making it much easier for users to access the knowledge available on the site.

In addition to the website, the Cities Alliance also significantly expanded its online presence in FY2012 to three social media sites: Facebook, Twitter, and Flickr. Through these sites, the Cities Alliance has been able to reach a whole new audience interested in urban issues and also engage with members and partners in a very interactive—and immediate—way. All three sites are thriving and continue to add new followers each week.

### **THE SIXTH WORLD URBAN FORUM**

As the world's premier conference on cities, the World Urban Forum (WUF) is a unique opportunity for the Cities Alliance to showcase its messages and promote the partnership. The Alliance has a tradition of successful, dynamic participation in WUF, and the September 2012 event in Naples, Italy was no exception.

The Cities Alliance hosted a large, well-appointed booth in the Exhibition Hall which attracted a wide range of visitors, from Ministers and mayors to urban planning students and representatives of civil society. The booth, which was again shared with the Global City Indicators Facility (GCIF) following the success of the Rio World Urban Forum, featured interactive presentations by representatives from two of our Country Programmes, Ghana and Vietnam, who discussed the innovative programmes with visitors and answered questions. It was also a focal point for Cities Alliance members, who networked and held small bilateral meetings there.

In addition to the booth, the Cities Alliance presented a Networking Event based on its 2012 Catalytic Fund, themed "Youth and the City." The event, which was filled to capacity, showcased various perspectives on economic development for the urban youth. An exciting new slum upgrading publication undertaken in partnership with the Inter-American Development Bank, *Slum Upgrading: Lessons from Brazil*, was launched by principal author Fernanda Magalhaes at the Forum.



Cape Coast, Ghana.



## CITIES ALLIANCE FINANCIALS

### FINANCIAL SUMMARY

(In US\$ millions as of 30 June 2012)

	FY07	FY08	FY09	FY10	FY11	FY12	FY11-FY12 % Change
<b>Contributions Paid In:</b>							
<b>Core</b>	7.782	10.158	7.001	7.101	7.075	7.461	
<i>Contribution Adjustment *</i>						-0.302	1%
<b>Facilities*</b>	4.565	1.355	16.844	2	0	-0.070	0%
<b>Other Non-Core</b>	3.244	4.404	0.788	1.955	1.274	0.108	
<i>Contribution Adjustment **</i>						-0.300	-115%
<b>Total Paid In</b>	<b>15.591</b>	<b>15.917</b>	<b>24.633</b>	<b>11.056</b>	<b>8.348</b>	<b>6.897</b>	<b>-17%</b>
<b>Disbursements:</b>							
<b>Core</b>	8.264	7.145	7.451	8.503	8.023	8.069	1%
<b>Facilities***</b>	1.559	3.583	3.417	3.266	0.929	1.741	87%
<b>Other Non-Core</b>	2.888	4.25	0.87	2.954	1.921	1.542	-20%
<b>Total Disbursements</b>	<b>12.711</b>	<b>14.978</b>	<b>11.738</b>	<b>14.723</b>	<b>10.873</b>	<b>11.352</b>	<b>4%</b>
<b>Approved Funding Allocations:</b>							
<b>Core</b>	4.641	7.662	8.983	10.746	8.604	6.482	-25%
<b>Facilities***</b>	4.392	0.392	1.515	3.274	2.047	1.945	-5%
<b>Other Non-Core</b>	0.626	1.578	0.475	2	1.681	0.459	-73%
<b>Total Allocations</b>	<b>9.659</b>	<b>9.633</b>	<b>10.973</b>	<b>16.02</b>	<b>12.332</b>	<b>8.886</b>	<b>-28%</b>

\* Core Contribution Adjustments include ADB (US\$295,251), DFID (US\$6,675)

\*\* Facilities and Non-Core Contribution Adjustments include relocations from Non-Core to Core TFs: USAID (US\$69,503), SIDA (US\$71,526), ITALY (EUR 180,000 or US\$228,798)

Refund of Netherlands' contribution balance, booked under Core TF cash balance but not processed as of 06/30/2012 (US\$1,664,600)

\*\*\* Facilities: Africa Facility; Land Services & Citizenship (Gates); and three closed facilities: Community-Led Infrastructure Finance Facility (CLIFF), Slum Upgrading Facility (SUF); and Community W&S Facility.

Excludes In-kind contributions for staff secondments to Secretariat.

**TABLE 1: CITIES ALLIANCE: SOURCES & USES OF FUNDS**  
(US\$ as of 30 June 2012)

CORE FUND			NON-CORE FUNDS	
Cumulative	FY12		FY12	Cumulative
80,635,957	7,461,130	Contributions Received	108,838	74,394,602
*	(1,966,526)	Contribution Adjustments	(369,827)	**
0	0	In-Kind Contributions	477,094	9,603,579
5,836,495	104,465	Investment Income	81,178	922,969
<b>86,472,452</b>	<b>5,599,069</b>	<b>Total Sources of Funds</b>	<b>297,283</b>	<b>84,921,150</b>
(72,683,035)	(8,068,649)	Project Disbursements	(3,282,443)	(57,423,475)
0	0	In-Kind Disbursements	(477,094)	(9,603,579)
(1,146,182)	(83,646)	Trust Fund Administration Fees	(1,633)	(1,522,976)
32,001	0	Foreign Exchange Gain (Loss)	(70,330)	239,899
<b>(73,797,216)</b>	<b>(8,152,295)</b>	<b>Total Uses of Funds</b>	<b>(3,831,500)</b>	<b>(68,310,131)</b>
<b>12,675,236</b>		<b>Fund Balance US\$</b>		<b>16,611,019</b>
(9,727,223)		Less: Undisbursed Allocations		(8,269,221)
<b>2,948,013</b>		<b>Funds Available for Allocation</b>		<b>8,341,798</b>

\* Core Contribution Adjustments include refund of contribution balance to ADB (\$295,251), refund of contribution balance to DFID (US\$6,675), and a refund of Netherlands' contribution balance, booked under Core TF cash balance but not processed as of 06/30/2012 (US\$1,664,600)

\*\* Non-Core Contribution Adjustments reflect relocations of donor contributions to the Core TFs and include transfer of the balance of SIDA allocations for CLIFF, SUF & secondment position (US\$71,526), transfer of EUR 180,000 from Italy's contribution for Bahia, Brazil project (US\$228,798), and transfer of unused USAID allocation for Sangli Toilet Construction Project (US\$69,503)

**TABLE 2: FINANCIAL CONTRIBUTIONS**  
(US\$ as of 30 June 2012)

Donor	Pledges	Duration	FY12	Cumulative (US\$ equivalent)
<b>Core funding</b>				
ADB	954,749	2002-2003, 2005-2007	(295,251)	928,066
Australia	5,382,750	2008-2013	1,926,800	3,048,605
Brazil	750,000	2004-2014		600,000
Canada	1,500,000	2000-2001, 2003-2006		1,585,293
Chile	150,000	2008-2011		150,000
Ethiopia	250,000	2006-2016		249,920
European Commission	1,000,000	2008-2010		1,035,094
France	2,776,023	2000, 2002-2014	100,000	2,781,503
Germany	4,190,000	2000-2013	335,900	3,788,552
Habitat for Humanity	100,000	2010-2011	49,980	99,980
Italy	5,550,000	2000-2011	228,798	5,640,263
Japan	1,750,000	2000-2005		1,750,000
Netherlands	3,500,000	2000-2004, 2006-2008		3,499,940
Nigeria	100,000	2005, 2012		50,000
Norway	10,205,000	2000-2012	1,629,966	10,270,235
Philippines	250,000	2008-2011	100,000	150,000
Shack Dweller Int'l	250,000	2000-2012	50,000	250,000
South Africa	2,250,000	2006-2015		2,321,400
Spain	500,000	2008-2010		250,000
Sweden	6,125,000	2000-2012	470,183	5,935,168
UNEP	1,200,000	2003-2009		1,199,987
UN-HABITAT	800,000	2004-2011	400,000	800,000
United Kingdom	7,100,000	2000-2007	(6,675)	7,527,015
United States	3,498,880	2000-2012	69,503	3,568,383
World Bank	27,600,000	2002-2013	2,100,000	24,821,152
<b>Total core</b>	<b>87,732,402</b>		<b>7,159,204</b>	<b>82,300,557</b>
<b>Non-core funding</b>				
Canada	75,000	2004	0	73,608
France	357,209	2008-2009	0	357,209
Gates Foundation	15,000,000	2009-2015	0	14,999,980
Italy	15,798,541	2001-2011	(228,798)	15,569,743
Japan	4,250,000	2000-2005	0	4,250,000
Netherlands	350,000	2003-2004	0	350,000
Norway	3,200,000	2002-2007	0	3,272,992
Sweden	9,900,974	2003-2012	37,312	9,900,974
UNEP	90,000	2007	0	15,000
United Kingdom	24,130,650	2001-2011		24,130,650
United States	843,947	2003-2008	(69,503)	774,444
World Bank	700,000	2001	0	700,000
<b>Total non-core</b>	<b>74,696,321</b>		<b>(260,989)</b>	<b>74,394,600</b>

**TABLE 3: APPROVED FY12 FUNDING ALLOCATIONS — SUMMARY**  
(US\$ as of 30 June 2012)

	Non-Core	Core
<b>Country/Regional Project Allocations</b>		
Projects supporting implementation of policies and strategies	–	–
Projects supporting elaboration of policies and strategies	–	–
Projects providing country-specific data and knowledge	–	–
<b>Sub-Total</b>	–	–
<b>Catalytic Fund (New Grant Facility)</b>		
Catalytic Fund		1,210,000
Kitty Fund		125,000
<b>Sub-Total</b>	–	<b>1,335,000</b>
<b>Country Programme Allocations</b>		
Land, Services & Citizenship Programme	1,944,955	75,000
Other Country Programming Support	351,700	796,850
Country Partnership Programmes		624,000
<b>Sub-Total</b>	<b>2,296,655</b>	<b>1,495,850</b>
<b>Global Knowledge &amp; Advocacy Activities</b>		
City Development Strategies	–	200,000
Environment/ Climate Change/ Disaster Risk Reduction	–	–
Communications & Advocacy	–	300,000
Other Learning & Knowledge Sharing	–	100,000
Slum Upgrading		126,500
Finance		100,000
Monitoring & Evaluation		75,000
<b>Sub-Total</b>	–	<b>901,500</b>
<b>Partnership Allocations</b>		
Management, Finance & Administration	–	1,600,000
Technical, Knowledge, Communications and M&E*	107,204	935,000
Governance & Administration	–	215,000
<b>Sub-Total</b>	<b>107,204</b>	<b>2,750,000</b>
<b>Total Approved Funding Allocations</b>	<b>2,403,859</b>	<b>6,482,350</b>

\* Includes In-Kind contribution of staff secondments from Germany, France, and through the World Bank Junior Professional Officer programme from Italy

**TABLE 4: APPROVED FY12 FUNDING ALLOCATIONS — DETAILED**  
(US\$ as of 30 June 2012)

Country	Activity Title	Allocation Amount
<b>Global Programme Operations</b>		
<b>Catalytic Fund</b> (New grant facility)		
<b>Kitty Fund</b>		
Asia regional	Institutionalising urban reforms in India by integrating the Indo-FIRE(D) experience into the regional training network: knowledge	50,000
Global	Catalytic Fund administration and peer-to-peer learning support	75,000
<b>Catalytic Fund</b>		
Cameroon	Urban Development Strategy of Yaounde and its metropolitan areas of Yaounde-CDS	240,000
Chile	Strategic Plan of the Southern Association of Municipalities of Santiago of Chile: Processing, territorial approach and citizen participation	250,000
Ethiopia	Housing Sector Development: Making Shelter Assets Work	250,000
Sierra Leone	Promoting affordable and sustainable sanitation services in Freetown	0
Sub-Saharan Africa region	Tenure Security Facility Southern Africa: the provision of technical assistance and advisory services on incrementally securing tenure in slum upgrading	250,000
Sri Lanka	Promoting Climate Resilient City Development and Settlements Upgrading Strategies for Sri Lankan Cities	0
Uzbekistan	Sustainable Development Strategy for the Historic Cities of Bukhara, Samarkand and Nukus	220,000
<b>Global knowledge and advocacy activities</b>		
<b>Theme: Slum Upgrading</b>		
Africa region	Development and Adaptation of Quick Guides for Policy Makers on Housing the Poor in African Cities - Dissemination and Training phase	126,500
<b>Theme: Strategic City Development</b>		
Global	City Future: Manage and apply practical knowledge (urban planning) of and for cities	200,000
<b>Theme: Environment/ Climate Change/ Disaster Risk Reduction</b>		
<b>Theme: Finance</b>		
Africa region	Financing of African Cities - Phase II (Marketing & Dissemination)	100,000
<b>Other Learning &amp; Knowledge Sharing</b>		
Global	General Learning & Knowledge Sharing (FY12 increase)	100,000
<b>Theme: Communications &amp; Advocacy</b>		
Global	The Governance of basic local public services - 3rd Global Report on Decentralization and Local Democracy (GOLD III)	50,000
Global	Advocacy campaign: Cities Contributing to the future we want towards Habitat II	200,000
Global	General Communications & Advocacy (FY12 increase)	50,000
<b>Theme: Monitoring &amp; Evaluation</b>		
Global	Development and Implementation of Cities Alliance M&E system	75,000

TABLE 4 (Continued)

Country	Activity Title	Allocation Amount
<b>Country / Regional Programming Allocations</b>		
<b>Land, Services &amp; Citizenship Programme</b>		
Burkina Faso	Formulation of the Burkina Faso Country Programme	75,000
Ghana	Ghana LSC: Building the Capacity of the Urban Poor for Inclusive Urban Development in Ghana Phase I	250,000
Ghana	Ghana LSC: Support to Develop a National Urban Agenda Focused on Inclusive Urban Development Policies and Strategies	755,895
Ghana	Ghana LSC: Sustainable Urban Local Government Capacity Building in Ghana: An Enabling Platform for Effective Governance and Enhancement of Service Delivery	414,160
Uganda	City development strategies for Uganda's secondary cities	0
Vietnam	Support city-wide upgrading process in 20 small and medium cities in Vietnam	524,900
<b>Country Partnership Programmes</b>		
Brazil	Technical Assistance to structure the National Monitoring System for Urban Settlement	74,000
Brazil	Development of a methodology for the customisation and implementation of a Social Housing Information System in Brazilian municipalities based in the experience of the municipality of São Paulo	75,000
Brazil	Technical Assistance to the Ministry of Cities in formulating an Involuntary Resettlement Policy and Guidelines to improve social sustainability in urban development and infrastructure projects	150,000
Brazil	Brazil / LAC Support Office (increase)	75,000
Philippines	Developing A Knowledge Management and Exchange System for City Managers	250,000
<b>Other Country / Regional Programming &amp; Support</b>		
Africa Region	Promoting City Enabling Environments in Africa (UCLGA JWP)	75,000
Africa Region	Creating enabling environments for sustainable urbanisation (UCLGA JWP)	244,000
Africa Region	Urban Planning Education and Applied Research in Sub-Saharan Africa	130,000
Ethiopia	Ethiopian State of the Cities Report - Good Governance for Growth & Transformation	351,700
Ghana	Preparation for the State of Ghanaian Cities Project 2012	72,850
Tunisia	MENA JWP: Tunisia Urbanization Review	200,000
Middle East & North Africa (MENA) Region	Development and support for MENA regional programme	75,000
<b>Partnership Operations</b>		
<b>Management, finance and administrative operations</b>		
	Secretariat - Management, finance communication and administrative operations	1,600,000
<b>Technical, knowledge, communications and M&amp;E operations</b>		
	Secretariat - Technical, knowledge, and M&E operations	935,000
	Regional Advisors, East & Southern Africa - increase (Sweden Non-Core)	107,204
<b>Governance and Administration</b>		
	Consultative Group/ EXCO Meetings	185,000
	WUF/ Africities / Urban Forum / Others	30,000

## THE CITIES ALLIANCE TEAM

### SECRETARIAT STAFF

Akporji, Chii	Communications Officer <i>(on external assignment in Nigeria)</i>
Allou, Serge	Senior Urban Specialist
Balachandran, Madhavan	Financial Management Specialist
Baskin, Julian	Senior Urban Specialist
Bunch, Juliet	Web Editor
Cobbett, William	Manager
Gaspar, Rodolfo Jr.	Information Assistant
Henderson, Susanna	Senior Programme Assistant
Hohmann, René Peter	Urban Specialist
Khalayim, Oleh	Programme Officer
Kibui, Phyllis	Operations Officer
Milroy, Kevin	Senior Operations Officer and Deputy Programme Manager
Mushtatenko, Oksana	Resource Management Analyst
Puspa, Erika	Information Analyst
Revutchi, Viorica	Programme Assistant
Shah, Phoram	Consultant
Silva, Federico	Programme Officer
Tuteja, Neelam	Programme Assistant
Zeman, Andrea	Urban Specialist

### REGIONAL STAFF

Bertolassi, Regianne	Programme Assistant	São Paulo, Brazil
Diagne, Mamadou	Senior Programme Officer	Abidjan, Côte d'Ivoire
Hosken, Adele	Knowledge Management Analyst	Pretoria, South Africa
José, Mariana Kara	Research Analyst	São Paulo, Brazil
Suri, D. Ajay	Senior Programme Officer	New Delhi, India



Busy street in Hanoi, Vietnam.

Susanna Henderson/Cities Alliance

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**Cities Alliance**  
Cities Without Slums