

Executive Committee Meeting
Kampala, Uganda
6 June 2012

Agenda Item No. 2: Independent Evaluation
Support Document: Summary of Key Findings/Recommendations and
Secretariat Comments

Background:

The 2011 independent evaluation was commissioned by the CA Consultative Group and conducted during 2011 by COWI A/S of Denmark. The preliminary findings and recommendations were presented to the CG at the November 2011 annual meeting in Maputo. The draft final report was circulated to EXCO members for comment on January 6, 2012, and the Final Report was released to the full CG on April 16, 2012. (The Final Report is part of the background documentation for the meeting.)

The key findings and recommendations are summarized in the table on the following pages, along with Secretariat comments and proposed next steps.

Recommended Action:

Provide guidance to the Secretariat and to the CG on EXCO's responses to the findings and recommendations, and on development of action plans to address the recommendations.

**2012 Independent Evaluation of the Cities Alliance:
Evaluator's Key Findings/Recommendations, Secretariat Comments on
Findings/Recommendations and Proposed Next Steps**

PROGRESS UPDATE (May 2012)

| FINDINGS & RECOMMENDATIONS | SECRETARIAT COMMENTS | F/U |
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| <p>Key Findings: CA has succeeded in establishing a unique platform for international urban development cooperation, bringing together key actors including bilateral donors, multilateral organizations, associations and NGOs.</p> <p>New business model has strengthened CAs work and organization considerably through:</p> <ul style="list-style-type: none"> • Improved coherence of effort among members and other partners • Defining the concepts on which most partners agree. • The introduction of Country Program concept • Clearer governance structure • Focused and innovative knowledge production through JWP and potentially through catalytic fund. <p>Although new Business Model has improved work of CA, there is potential for further improvement, particularly in relation to development of more comprehensive strategies for advocacy, communication and knowledge and learning as well as in relation to the organization of the work.</p> | <p>The evaluation validates high relevance of the programme and positive changes made with the new business model that the Secretariat has proposed over past few years.</p> <p>It also confirms the Secretariat's views on the main areas needed for improvement.</p> | |
| Overall and specific findings relating to each of the evaluation criteria: | | |
| Relevance - Key finding: | | |
| <p>Objectives of CA and its programme design have been relevant from the outset and its activities are consistent with the needs of the beneficiary countries and cities.</p> <p>Strategic orientation towards activities aiming at systemic changes has been further developed through development of a theory of change and by the adoption of the new charter and the development of the draft business plan, with the four service lines which are all relevant for achieving CA objectives.</p> | <p>The strategic orientation will be further strengthened through adoption of a coherent results framework and more rigorous performance management system, both currently under development.</p> | |
| <p>CA's design is well suited towards incorporating new issues within urban development cooperation, especially through JWPs. This is e.g. the case in relation to the development of new knowledge on how CDS may respond to climate change challenges, both in relation to mitigation and adaptation.</p> <ul style="list-style-type: none"> - Effective advocacy is also dependent on the CA members advocacy activities and their political involvement - There is need for European representation of the CA. | <p>The lessons/experience from the first round of JWPs should result in even more effective JWP instrument going forward.</p> <p>UCLG has proposed that members coalesce around an advocacy JWP that will lead up to Habitat III.</p> | |

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| | The MENA JWP, with strong leadership from European members and targeting EU funding, could be a catalyst to mobilize European representation. | |
| CA's unique partnership approach, is relevant in relation to a number of international trends and conditions in urban development, especially: <ul style="list-style-type: none"> • Rapid increase in urbanization and number of slum dwellers • World-wide financial crisis, which intensifies the competition for development assistance between different development issues • Continuously increasing demand for improved aid effectiveness. | | |
| CA's work is complementary to other programmes, with no major overlaps. However, in relation to K&L activities there is need for more intensified collaboration, particularly in relation to WB and UN-Habitat. | More intensified collaboration will not only minimize overlaps, it also offers potential to increase coherence on knowledge supply side so as to increase effectiveness in delivery to demand side. | |
| Efficacy Findings: | | |
| • Intended outcomes and objectives of the CA are unclear and not directly measurable, although important improvements are found with the results framework of the new business plan. | The objectives under the old Charter were less clear and measurable than those in the new Charter. A results framework with clear indicators will further improve this situation. | |
| • There is no consolidated capturing of progress achieved or outcomes in relation to the CA's overall objectives or objectives stated at business line or country programme level. Development of an appropriate M&E system is a key area of concern for the CA. | The CA's approach to progress reporting and capturing outcomes has been ad hoc. A Performance Management System is currently under development that will address this deficiency. | |
| Recommendation: Elaborate clear and concise strategic results framework: (pg. 69) A clearer strategic results framework agreed among the members would enhance focus on the internal logic in the program, provide a more specific mandate and be a good basis for communicating about the CA. This strategic results framework should consist of overall and operational objectives of each business line and means to achieve them, options and requirements for resource mobilization, CPP country selection criteria, target groups and themes for K/L and Advocacy. | Immediately after this recommendation was made at the Maputo CG meeting in Nov 2011, the Secretariat retained an experienced senior consultant to assist staff and the membership to finalize the results framework that has been in development in the CA for a several years. EXCO will be briefed on progress at its June 2012 meeting. | Actions to be dev. |
| Achievement of overall objectives - Key findings: | | |
| • Some progress in relation to achieving the overall | More progress probably would have been | |

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| objectives has been made - in particular in middle-income countries. | found if the CA had a proper results monitoring and reporting system in place. | |
| • The CPP approach is promising in terms of achieving greater impact, but it is too early to determine the actual effects. M&E in respect to the CPPs will be important to keep them on track. | Plans for FY13 are to develop a results framework for each Country Programme, to be developed from within the overall CA results framework. | Actions to be dev. |
| Commitment to and financing for urban development challenges in developing countries - Key finding: | | |
| • CA has an important role to play but has not fully released its potential in relation to facilitating commitment to the urban development agenda. There is a need to devise a strategy for the advocacy work. | Agreed | Actions to be dev. |
| Little evidence of the achievements made by the CA in respect to retaining donors' and developing countries' commitment to continued financing of urban development and slum upgrading. | This is a valid observation. More systematic results reporting will help provide evidence. More self-reporting by CA members might be required. The on-going JWP on national slum upgrading case studies might also yield some evidence at developing country level. | |
| Country programmes Overall findings: | | |
| • Country Partnership Agreements (CPAs) have been established in accordance with MTS although not in all countries planned | The Country Partnership Agreement was an innovation introduced in the MTS (and established initially for Brazil and Philippines), but subsequently evolved into Country Programmes, a more structured and member-driven instrument. | |
| • Projects have been successfully implemented in line with CPAs, including Brazil and Philippines, but due to lack of consolidated data, it is not possible to determine outcomes at programme level. | This is a valid observation. More systematic results reporting will help. | |
| • The CA has made good progress in establishing and implementing CPPs CA has developed and described the CPP concept in the business plan and has embarked on the development of CPPs in Uganda, Ghana, Burkina Faso, Mozambique, and Vietnam, Uganda being the most advanced. Uganda CPP: Important achievements: - Increased political awareness at national/local level about urban problems/recognition of the needs of urban poor. - Developed strategies/direction for urban development. Created new working relationships between the national government/municipalities and local communities. | | |

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| <ul style="list-style-type: none"> - Established better data on real situation in the five municipalities. - Created forums enabling public participation. - Created saving schemes in the five municipalities. | | |
| <p><i>Recommendation: Reconsider monitoring and reporting arrangements for the CPPs: (pg. 71)</i></p> <ul style="list-style-type: none"> - CA to discuss with partners involved in CPPs on how to set up monitoring and reporting - Add regional advisors who are devoted to one or several CPPs in their region, devote staff members and travel budget to CPPs, and/or outsource through hiring consultants to monitor contract for CPPs. | <p>The Secretariat will engage with members and local partners to establish results frameworks for country programmes during the course of FY13.</p> <p>The Secretariat is also learning from experience about what type of staff, consultant and member support is needed for CPs.</p> | <p>Actions to be dev.</p> |
| <p>Projects - Key findings:</p> | | |
| <ul style="list-style-type: none"> • Due to lack of M&E system systematically collecting data on achieved outputs and outcomes across projects, it is not possible to quantify outputs/outcomes and present an aggregated picture. | <p>The Secretariat made some improvements in its annual reporting to Gates Foundation on the LSC programme, submitted in May 2012, and is setting up system to improve reporting.</p> | |
| <ul style="list-style-type: none"> • Data from reviews of samples of projects shows that, in general, projects were successfully generating planned outputs and outcomes in their local setting, which led to improved political awareness (often both at local and national levels) of urban development issues and methods for CDS/SU, capacity building of stakeholders involved, and sometimes to actual changes in institutional and legal frameworks. | | |
| <ul style="list-style-type: none"> • There was limited success in terms of creating coherence of effort | <p>The research for this finding was in middle 2011. Coherence of effort is increasingly being realized in all the CPs, and is increasingly a focused objective.</p> | |
| <ul style="list-style-type: none"> • While local government associations were involved and benefitted from some of the projects, there is no data reflecting a 'systematic engagement' as was planned in the mid-tern strategy. | <p>The research for this finding was in middle 2011. A systematic engagement with the City/LGA has been achieved in 4 of the first 5 LSC CPs. In addition, more systematic engagement is being pursued at the regional and global levels (eg, with UCLG and UCLGA).</p> | |
| <ul style="list-style-type: none"> • The MTS focused on increased client execution as a means to achieve increased ownership of cities and partners to the projects but CA has learned the client execution is not necessarily the means to this end. The CPP approach opens up new possibilities for increasing ownership, and builds on | | |

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| these lessons learned. | | |
| <p>Recommendation: Develop a monitoring and evaluation framework: (Pg. 70) CA should develop the following fundamentals for the future monitoring and evaluation system:</p> <ul style="list-style-type: none"> • Key indicators and performance targets corresponding to strategic objectives, operational objectives and outputs • Performance review corresponding to business cycle • Annual progress reports providing assessment of progress in respect to targets set for the specific year • Progress and completion reports and impact assessment for CPPs and individual grants | This recommendation is being proactively pursued. | Actions to be dev. |
| Knowledge and learning - Overall findings: | | |
| <ul style="list-style-type: none"> • Increasing focus on K&L after MTS but not all planned outputs achieved. Knowledge management system/strategy prioritized in MTS has not materialized | Agreed. Development of KM strategy and improved KM business processes is under development, targeting initially secondary cities in Africa, to bring more focus to the efforts. Central to the strategy is clear identification of primary audiences to be targeted (eg. city professionals in secondary cities). An expert consultant has been retained to assist both CA and UCLGA secretariats improve their knowledge packaging, dissemination and support efforts. | |
| <ul style="list-style-type: none"> • A number of JWPs implemented which are appreciated by members and contribute to knowledge generation and coherence of efforts. | | |
| <ul style="list-style-type: none"> • Limited partner/member involvement in JWPs and the focus is on generation of knowledge rather than on dissemination and learning | <p>Lessons of experience from first round of JWPs will be applied to future generations.</p> <p>Lack of strategic and systematic knowledge dissemination is a key deficiency. Improving this will be a priority during FY13-FY14.</p> | |
| <ul style="list-style-type: none"> • M&E strategy based on impact chains (as prioritized in MTS) not materialized, but results-based management indicators established in BP | This is being addressed in development of CA results framework and performance management system. | |
| <ul style="list-style-type: none"> • A library is maintained but it is questionable whether it is making any significant contribution to K&L | The library has allowed the Secretariat to better respond to ad hoc requests, but significant contributions will only be made when this is systematized. This will be key part of development of CA knowledge | |

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| | management systems over medium-term. New knowledge search function for CA website (expected during 2012) will be important improvement. | |
| Advocacy and communication - Overall findings: | | |
| <ul style="list-style-type: none"> Although a communications and advocacy strategy was to be prepared according to MTS, no such formal documented advocacy/communication strategy has been put in place. Limited extent of advocacy activities at forums and events outside the CA/urban development community i.e. less focus on non-members and high-level political decision-makers | <p>This is an acknowledged area where improvements are needed.</p> <p>The Secretariat will provide some initial proposals for focused attention.</p> <p>EXCO guidance is sought.</p> | |
| <ul style="list-style-type: none"> The website improved as planned in MTS, but it does not tell the full CA story. | | |
| <i>Recommendation: CA should further enhance cooperation with members on knowledge & learning and advocacy & communications. (Pg. 9)</i> | Agreed. EXCO guidance is sought. | Actions to be dev. |
| Efficiency: | | |
| <p>Key finding: The mix of competencies in the secretariat covers the needs and ensures an effective management.</p> <p>The new business plan enhances efficiency by providing grants through the Catalytic Fund and CPP's instead of the open grant facility. However, WB administrative procedures are limiting the efficiency.</p> | Some additional skills might be needed in Secretariat related to improvement of knowledge management, communication & advocacy. | |
| <p>Overhead Costs - Key finding:</p> <p>CA's overhead costs are reasonable compared to other Global and regional partnership programmes.</p> | | |
| Steps taken to reduce the costs and processing time include a change in the evaluation and approval procedures for applications to the Catalytic fund, compared to the procedures for applications to the previous Open Grant Facility. | Preliminary results from the first cohort of Catalytic Fund are that efficiency improvements have resulted. | |
| <p>Efficiency in grant making - Key findings:</p> <p>- There is scope for improvement in efficiency of grant making procedures</p> | The WB has introduced new Small Grant Guidelines, which the Secretariat will be using. It will take a year or two before the overall impact on efficiency is known. The Secretariat can improve some efficiency through better organization of work in the Secretariat. | |

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| <p>The CA has taken important steps, but prolonged grant making is caused by changed WB procedural requirements which are:</p> <ul style="list-style-type: none"> • Enforcement of World Bank Country Director concurrence for all country specific projects • Mandatory review by World Bank country Legal Teams of all grant agreements for country specific projects • Introduction of safeguards screening according to WB standards for all grants regardless of size • Requirement that all grants to government ministries must be signed by Minister of Finance or equivalent • Strengthened procurement procedures according to WB standards regardless of grant size. | <p>While these procedural requirements might negatively affect grant-making efficiency, some also positively affect grant efficacy, such as increased effectiveness on the ground by ensuring tighter linkages with broader country assistance strategies.</p> | |
| <p>World Bank hosting of the Cities Alliance - Key finding:</p> <ul style="list-style-type: none"> • Although both positive and negative implications, the location of the CA Secretariat in the WB is an asset • There is no obvious alternatives to WB hosting of the CA | | |
| <p>- Operational guidelines need updating: Having clear, useful and applicable guidelines will work in favor of efficiency</p> | <p>Agreed. The operating guidelines of the programme need to be updated to reflect new Charter, business model and product lines. This is proposed as a FY13 deliverable for Secretariat and EXCO.</p> | <p>Actions to be dev.</p> |
| <p>Governance and management: Overall finding: The government and management structures and processes established in the new charter are well articulated and work well towards bringing about legitimate and effective governance and management.</p> | | |
| <p>Legitimacy- Key finding: The programme has a high degree of legitimacy</p> | | |
| <p>Legitimacy is ensured by the broad composition of the CG and by CA's ability to bring the voices of the poor into various decision making fora. However, cities could be better represented. Not necessarily by full membership of the CG for individual cities, but through either attracting more national city associations or by allowing individual cities to participate as associated members.</p> | <p>There does not seem to be consensus around this issue among CG members. This can be considered again as part of a review of CA membership, which EXCO asked of the Secretariat, especially with respect to representation of developing countries, and of U.N. organizations.</p> | |
| <p>Accountability - Key findings:</p> | | |

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| • With the new charter, roles and responsibilities of various governing bodies are more clearly defined ensuring a high degree of accountability | | |
| • There is a lack of "ownership" to the CA among (some) members | This can be reviewed as part of the Secretariat's review of CA membership. | |
| • Lack of clearly elaborated strategies in relation to some of the business lines, e.g communication and advocacy, and knowledge management | Agree. These will be addressed during FY13-FY14. | |
| • Lack of an effective M&E system is a problem for the accountability of the program | Agree. These will be addressed during FY13. | |
| Responsibility and Fairness - Key finding: The CA set-up adheres to the principles of responsibility and fairness: | | |
| Poverty reduction is a core element of CA's objectives, and all the above mentioned norms are included in the MTS and the BP as well as in the criteria for evaluation proposals for the Catalytic Fund. | | |
| Transparency: Key finding: The overall transparency of the CA is somewhat undermined by the lack of free access to key strategic documents on the organizations website. | | |
| <i>Recommendation: CA should make more information available to non-members to increase transparency and enhance communication (Pg. 9)</i> | Agree. As a starting point, during FY13 the Secretariat will review all material on the "Members Page" of the CA website and determine which can/should be moved to public pages, in compliance with the WB's Disclosure of Information policies. | Actions to be dev. |
| Resource mobilization and sustainability Key finding: CA is vulnerable in relation to resource mobilization, which is threatening medium to long term sustainability: | | |
| Both the core and non-core funding come from a small number of donors which makes the CA vulnerable. In the period from 2007 to 2011 the WB has accounted for 36% of the core funding. However, WB funding will decrease to the regular \$ 250,000 membership fee as from FY 2013 which increases the pressure on the CA to raise additional funding. | Agree. This is a top priority of Secretariat management for FY13. The new business model and strategic plans now provide a solid foundation and framework from which to increase partnership effectiveness. | Actions to be dev. |
| <i>Recommendation: Continue according to agreed strategy and consider how to attract additional members and</i> | The role of local government associations can be reviewed as part of the broader | |

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| <p><i>resources: (Pg. 69)</i> In order to further enhance legitimacy and increase client focus, CA needs to attract national associations of local government. This would be well in line with the CPP approach and also a support of the knowledge and learning business line, where these associations would be among the key partners.</p> | review of membership. | |
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