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I. Introduction

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

1 In the last 20 years, the world urban population has grown from 2.25 billion to 3.5 billion. Most of this growth has occurred in developing countries. It is expected that it will reach 4.9 billion in 2030. At the same time, the annual urban growth rate is declining in many parts of the world.

2 Local governments have grown in importance in recent decades and their role is widely recognised, but their political, institutional and financial resources and powers do not match their mandate. Urban governance and decentralisation have progressed in all regions of the world to the benefit of urban dwellers. However, local government capacities remain underdeveloped in many countries, particularly in secondary cities, and there is enormous room for south-south and city-to-city cooperation for urban development.

3 Economically and culturally, cities are effective engines of growth and innovation allowing people to access a variety of job opportunities and personal development at large scale. However, especially in low income countries, many of these jobs are provided by the informal sector and decent work remains a challenge in many cities.

4 Cities, large and small, are also places of growing inequalities and sometimes of squalid poverty, in terms of both income poverty and inadequate access to shelter and basic services. But their neighbourhoods are often marked by human solidarities, community networks and citizen initiatives.

5 By their density, compact cities offer the potential for sustainable development and the efficient use of natural resources. But most cities witness harmful environmental pollution hazards. They are a major contributor to and victim of climate change and related disasters. Sustainable urban development strategies should be matched by adequate investment and resources.

6 The Cities Alliance is a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development. It aims at supporting cities, local and national governments and their partners¹ in the developing world in addressing the above challenges to capture the gains of urbanisation and taking advantage of the above opportunities, for the benefit of their citizens.

¹ Partners are non-CG members and may include cities, national association of local governments, national governments, civil society organisations, NGOs, university and research institutes, private enterprises, etc.
II. Cities Alliance Objectives

7 Cities Alliance is governed by three over-arching objectives:
   a) To strengthen and promote the role of cities in poverty reduction, and in sustainable development;
   b) To capture and strengthen the synergies between and among members and partners; and
   c) To improve the quality of urban development cooperation and lending.

8 The Cities Alliance is primarily a vehicle for partnership, seeking to improve the quality and coherence of support being provided to city and national governments in the developing world, as well as the quality of members’ own urban programmes. To this end, the Cities Alliance will not develop separate implementation capacity, but work through the existing capacity of its members, as well as other partners, to promote the vision of ‘Sustainable Cities without Slums’. To achieve this vision, the Cities Alliance will promote new partnerships between local and national government, slum dwellers, private foundations, the private sector, NGOs and other partners.

9 The Cities Alliance prioritises support to cities, local authorities, associations of local authorities and/or national governments that are committed to:
   a) Improving their cities, and local governance, for all residents;
   b) Adopting a long-term, comprehensive and inclusive approach to urban development;
   c) Implementing those reforms necessary to effect systemic change, and to achieve delivery at scale; and
   d) Decentralising resources to empower local government

III. Cities Alliance Activities

10 Support provided by the Cities Alliance falls within the following broad categories:
   a) Citywide and nationwide slum upgrading programmes;
   b) City development strategies; and
   c) National policies on urban development and local government

11 Within these broad categories, Cities Alliance members and partners are able to respond to a range of developmental challenges, which are identified as priorities by the city or national government, slum dwellers, and other members or partners.
City development strategies are generally multi-sectoral and citywide, and can encompass a wide range of priorities on sustainable urban development, including subjects related to three pillars of sustainable development (economic, social and ecological) as well as investments, governance systems and physical implementation.

12 Cities Alliance country-specific activities are limited to those countries listed in the OECD Development Assistance Committee’s list of Aid Recipients\(^2\), as amended (Developing Countries). Any city, national association of cities, or national government with their partners can approach the Cities Alliance for support, either through one or more members of the Cities Alliance, or through the Secretariat, which will attempt to identify appropriate member(s) to provide such support. Cities Alliance members may also apply for support. Cities Alliance will make specific efforts to increase the focus on least developed countries and secondary cities and mobilise the expertise of middle income countries. Programmes of assistance by the Cities Alliance strive to reflect the priorities of the city and its residents, local government association and national government.

13 In general, the Cities Alliance offers support to meet its objectives, including the following types of activities, subject to the availability of resources:

   a) **Country Programmes**
      Longer-term programmatic support, at a multiple city / national scale;

   b) **Catalytic Projects**
      Shorter-term activities designed to catalyse change;

   c) **Knowledge activities**
      Activities designed to fill knowledge gaps and build capacity at local, national, regional and global levels; and

   d) **Communication support, and advocacy**
      Activities designed to improve awareness of relevant policies or activities, influencing policies and behaviour and contribute to dynamic local, national, regional and global debates.

### IV. Membership of Cities Alliance

14 Membership of the Cities Alliance is open to representatives of (i) national governments; (ii) multi-lateral organisations; (iii) the global organisations of local authorities, UCLG and Metropolis; (iv) international networks of organisations engaged in urban development; and (v) other partners as described below.

\(^2\) The DAC List of Aid Recipients, as updated from time to time, can be found on the OECD homepage: [http://www.oecd.org/document/45/0,3343,en_2649_34447_2093101_1_1_1_1,00.html](http://www.oecd.org/document/45/0,3343,en_2649_34447_2093101_1_1_1_1,00.html).
There are two categories of membership (a.) Full Members and (b.) Associate Members, both of which are entitled to participate in the Consultative Group meeting of the Cities Alliance.

Consultative Group (CG) Full Members include representatives of (i) national governments; (ii) multi-lateral organisations; (iii) the global organisations of local authorities; UCLG and Metropolis, and (iv) international networks of organisations.

CG Associate Members may include representatives of (i) foundations, (ii) NGOs, (iii) private companies, (iv) local authorities and (v) other partners as defined by the CG. They are entitled to participate in the CG session without participation in the decision-making process.

Others interested in Cities Alliance activities may be invited by the CG Co-Chairs to attend specific CG sessions as Observers and to participate in specific Policy Advisory Forum sessions. Observers are non-decision making and do not need to pay annual membership fees.

The current membership of the Consultative Group (as of 30 June 2010) is listed as Annex I.

Prospective Full Members and Associate Members of the Cities Alliance can apply for membership of the Consultative Group, provided they (i) are sponsored by 3 (three) existing Full Members of the Consultative Group (ii) endorse the Cities Alliance Charter and (iii) undertake to meet their financial contributions to the Cities Alliance Trust Fund.

Their applications are reviewed by the Executive Committee for recommendation to the Consultative Group. With the exception of UCLG and Metropolis, all members are required to make a financial contribution to the core funds of the Cities Alliance, according to the Schedule of Annual Membership Fees listed as Annex II. The CG, upon recommendation by the EXCO, may decide upon other exceptions to the rule.

Members that fail to make their agreed financial contribution for two consecutive financial years will no longer be members of the Consultative Group, and they will be notified by the EXCO.

V. Governance of the Cities Alliance

The Cities Alliance is composed of four structures:

a) The Consultative Group (CG);

b) The Executive Committee (EXCO);

c) The Policy Advisory Forum (PAF); and

d) The Secretariat.
a) The Consultative Group

24 The Consultative Group comprises Full Members and Associate Members of the Cities Alliance, and is the primary decision-making body of the organisation.

25 The Consultative Group meets at least once a year. Two thirds of the membership constitutes a quorum of the Consultative Group. Decisions in the Consultative Group are taken by Full Members by consensus. Consensus means no objection to agreement, but does not preclude the ability to dissent on the record without objecting. It has the authority to form Working Groups.

26 The Consultative Group is co-Chaired by the founding members of the Cities Alliance: the World Bank\(^3\) and UN-Habitat\(^4\).

27 Primary Roles and Responsibilities of the Consultative Group:

   a) Adopt, and amend, the Charter;
   b) Approve the long- and medium-term strategic direction of the Cities Alliance;
   c) Ratify the annual work plan and budget of the Cities Alliance, including that of the Secretariat and the Policy Advisory Forum, following approval by the Executive Committee;
   d) Approve the criteria to be used in evaluating and approving Cities Alliance activities;
   e) Review and evaluate the overall performance of the Cities Alliance;
   f) Establish the membership fees for different membership categories;
   g) Help raise additional resources;
   h) Appoint Rotating Members of the Executive Committee;
   i) Appoint the Chairperson of the Policy Advisory Forum;
   j) Approve the applications of new CG members; and
   k) Decide on the physical location of the Secretariat.

b) The Executive Committee

28 The CG appoints the Executive Committee. The Executive Committee is accountable to the Consultative Group in all matters.

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\(^3\) Represented by the Vice President of Sustainable Development, or his/her designated representative

\(^4\) Represented by the Executive Director or his/her designated representative
The Executive Committee comprises representatives from a combination of Permanent Members, Rotating Members and an Ex-Officio Member and a potential Observer, viz.,

a) Permanent Members:
   a. UCLG, UN-Habitat and the World Bank

b) Rotating Members:
   a. One national government from Developing Countries
   b. Two national governments from non-Developing Countries
   c. Two other Full Members or Associate Members

c) Ex-Officio Member
   a. Manager of the Secretariat

The Chairperson of the EXCO may invite the Chairperson of the PAF to participate in the discussion of the EXCO as an Observer.

Permanent Members and Rotating Members are decision making and the Ex-Officio Member and Observer are non-decision making.

Rotating Members are selected by the CG, for three-year terms, appointed on a staggered basis. The UCLG representative acts as the Chairperson of the Executive Committee. If, for any reason, the UCLG representative is not available, the EXCO members will elect a Chairperson for that meeting.

The EXCO's primary roles and responsibilities are to:

   a) Provide guidance to the Secretariat on matters of policy and strategy;
   b) Approve the Business Plan, annual work plan and budget of the Cities Alliance, including that of the Secretariat and the Policy Advisory Forum, subject to ratification by the CG;
   c) Monitor progress and make recommendations to the CG;
   d) Participate in the selection of the Manager of the Secretariat;
   e) Approve any operating manuals produced by the Secretariat;
   f) Select countries for country programmes;
   g) Nominate the Chairperson of the Policy Advisory Forum for CG appointment;
   h) Respond to requests from the CG; and
   i) Consider applications for membership and makes recommendation to the CG.

The Manager of the Secretariat is selected and appointed by the World Bank in accordance with World Bank policies and procedures. The Executive Committee participates in endorsing the position’s terms of reference and is involved in shortlisting and interviewing candidates.
The Executive Committee meets as often as necessary, but no less than twice per year. It has the authority to form Working Groups. One of the EXCO meetings precedes the CG meeting.

c. The Policy Advisory Forum

The Policy Advisory Forum is the Cities Alliance platform for public discussion, debate and knowledge sharing of activities that improve awareness of relevant policies or activities, changing policies and behaviour.

The Forum promotes dialogue between CG members and invited partners on key policy and strategic issues of city and urban development, and advises the Cities Alliance on appropriate policies and strategies.

The PAF has a Chairperson for a period of three years. In formulating the work programme and activities of the PAF, the Chairperson will work in close consultation with the Chairperson of the EXCO, the Co-Chairs of the Consultative Group and the Manager of the Secretariat.

The PAF provides a platform for Full Members and Associate Members of the Consultative Group to engage in policy dialogue with other parties, including but not limited to representatives of:

a) Country partners of the Cities Alliance, particularly cities and local authorities;

b) Universities and training institutions;

c) Non-governmental organisations;

d) Community-based organisations;

e) Foundations; and

f) Private sector organisations.

The main PAF meeting is held in conjunction with the annual meeting of the Consultative Group. In between meetings, the PAF can also be convened, in coordination with the Secretariat and the Chairperson of the PAF, at a country or city level.

The PAF Chairperson provides reports to the Chairperson of the EXCO, the Co-Chairs of the Consultative Group and the Manager of the Secretariat.
d) The Secretariat

41 The Secretariat carries out the Cities Alliance Work Programme and manages its day-to-day operations. A primary function of the Secretariat is to actively facilitate the participation of members in the activities of the organisation. It also provides appropriate services to its Members, and generally facilitates the work of the partnership.

42 The Secretariat is administered by and within the World Bank, and the World Bank serves as trustee of Cities Alliance financial resources. The Cities Alliance Secretariat Manager and staff are part of the Finance, Economics & Urban Development Department of the Sustainable Development Network, Vice Presidency of the World Bank.

43 Cities Alliance Secretariat staff are World Bank staff members recruited and managed according to World Bank policies and procedures. The Secretariat may accept staff members on secondment from other organisations and through junior professional and similar programmes.

44 Under the overall direction of the Manager, the Secretariat has the following roles and responsibilities:

a) Facilitate Member involvement in the activities of the Cities Alliance;

b) Screen and evaluate project proposals, in accordance with criteria approved by the CG;

c) Provide Secretariat services to the CG, EXCO and PAF;

d) Prepare and present medium- and long-term strategies, for consideration by EXCO and the CG;

e) Support the CG and EXCO in fundraising on behalf of the Cities Alliance;

f) Maintain a database of projects of the Cities Alliance;

g) Monitor the implementation of projects and disseminate lessons learned from CA and other activities, including an Annual Progress Report;

h) Draft the Work Programme and budget for EXCO approval and CG ratification, and facilitate its implementation; and

i) Prepare and present status reports on progress and results.
IV. General

45. Nothing in this Charter is intended to be a waiver of, or impair or limit, any privileges or immunities of any Member under its respective Articles of Agreement or equivalent documents, or any applicable law, all of which are expressly reserved.
Annex I:

Full Members of the Consultative Group (30 June 2010)

In Alphabetical Order, by type of member:

National governments – Developing Countries
  Brazil
  Chile
  Ethiopia
  Nigeria
  Philippines
  South Africa

National governments – non-Developing Countries
  Australia
  France
  Germany
  Italy
  Netherlands
  Norway
  Spain
  Sweden
  United Kingdom
  United States of America

Multi-lateral organisations
  European Commission
  United Nations Environment Programme (UNEP)
  UN-Habitat\(^6\)
  World Bank\(^7\)

Global organisations of local authorities
  Metropolis
  United Cities and Local Governments (UCLG)

International networks of organisations
  Habitat for Humanity International
  Slum/Shack Dwellers International

\(^6\) Founding member
\(^7\) Founding member
Associate Members of the Consultative Group (30 June 2010)

None
Annex II: Schedule of Minimum Annual Membership Fees

These fees constitute the core resources of the Cities Alliance and are used to fund the annual Work Programme for the Cities Alliance. Members are encouraged to contribute more than the minimum.

<table>
<thead>
<tr>
<th>Category</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multilateral Organisations:</td>
<td>$250,000²</td>
</tr>
<tr>
<td>National Governments (non-Developing Countries):</td>
<td>$250,000</td>
</tr>
<tr>
<td>National Governments (Developing Countries):</td>
<td>$50,000</td>
</tr>
<tr>
<td>Global Organisations of Local Authorities, UCLG and Metropolis</td>
<td>N/A</td>
</tr>
<tr>
<td>International Non-Governmental Organizations and Networks:</td>
<td>$50,000</td>
</tr>
<tr>
<td>Foundations, Private Sector and Universities:</td>
<td>$250,000</td>
</tr>
<tr>
<td>Other Partners (as defined by the CG)</td>
<td>$TBA</td>
</tr>
</tbody>
</table>

² For UN agencies, this can be combined as a minimum of $100,000 cash, and the remainder in-kind (e.g. Staff secondment)