4. Projects and Proposals – Slum Upgrading and CDS

4.1 Introduction

Table 1 in Annex I gives an overview of the processing of the applications for grants from the Cities Alliance, the basic work of the Secretariat, the Steering Committee and the CG in the first three years of the CA's existence. Only 13 of the 59 projects financed in that period – excluding cancellations – have been completed at the time of this report, indicating that it is not feasible to assess a representative sample of completed projects, let alone their longer term sustainability. In some cases, the completed project start dates occur early in the life of the CA when the Secretariat was trying as swiftly as possible to expand the portfolio, so they cannot be taken as representative of the normal pattern of CA projects. Thus, a random sample survey of completed projects and their impact on the achievement of the objectives of the CA – and hence upon urban poverty – must await the next evaluation report.

Table 2 shows the distribution of projects by main theme and region for the three years. It shows the balance between regions, with cumulative expenditure highest in Latin America. However, this result is inflated by one major pledge for a non-core project, by the Italian Government in Bahia; without this, the cumulative total for Asia becomes 42 per cent greater. The data show a high incidence of project approvals in Sub-Saharan Africa and Latin America and the Caribbean in the first year (compared the other regions), a pattern that was not continued on the subsequent years. However, the Middle East/North Africa and Europe/Central Asia remain under-represented in all three years (4.5% and 3.2% respectively)

Of course, the picture would look rather different if these shares were compared to the distribution of total population. If developing Asia stands as 100, then Sub-Saharan Africa is 20, Latin America 16 and the Middle East 9 (with East Asia 58, and South Asia 42). This is a misleadingly simplistic approach since the CA's central aim is to assist the poor, so weighting by the distribution of the poor would produce a rather different picture, made even more extreme by a weighting by the urban poor – with South Asia dominating the regions in terms of numbers, followed by Africa. However, the divergences show some of the problems of helping those in greatest need but with least capacity to apply. Applications depend in the first instance on an active and willing partner at the city level with the capacity to apply, and this perhaps accounts for the initial over-representation of Latin America.

Tables 1 and 2 allow us to see how the sequence of starting projects developed over the three years. It shows that the strong bunching of projects in the first two years in Asia (principally CDSs) has been redressed in 2001 and 2002, partially by an increase of project approvals in Latin America and partly by a drop in approvals in Asia and Africa. The value of projects in Africa dropped by nearly 40% in 2001 from $1.1million to $695 but increased again in 2002. However, over the three-year period the value of core funded projects in Asia ($4.5 million) has been substantially larger than those of Africa ($2.9 million) and Latin America ($3.0 million). The Middle East and Europe/Central Asia remain very under-represented. In addition to the core funding the figures for Latin America and Global projects are greatly enhanced by two major non-core pledges – one already mentioned in Bahia, Brazil ($5 million); and the UK funded Community-led Infrastructure Finance Facility, CLIFF ($10 million, attributed to 2002 although it has not yet started and is spread over a number of years).

The Secretariat, as we have noted, is now up to full strength and thus with more capacity to stimulate, cultivate and guide projects, targeted much more precisely on priority themes and areas, so that there should be a decline in the number of projects financed but an increase in quality.

4.1.1 Processing Applications

The mechanisms for processing applications – a preliminary assessment where the proposals are checked against the CA's objectives, principles and criteria, revisions made by the applicant where these are found to be deficient and resubmission, peer reviews, final check and – for larger projects – recommendations for acceptance to the Steering Committee – seem to work efficiently and with surprising swiftness. The team of peer reviewers are conscientious in their work, although the numbers are perhaps too weighted to the developed countries. 42 per cent of a panel of 19 are drawn from Europe and North America, with a further 26 per cent from Latin America. It maybe also be that a Washington DC location and the ease of telephone use from there to certain destinations and not others tends to encourage a concentration of peer review consultations in a limited number of directions; this should be discouraged in the interests of political balance. In time hopefully, the selection of peer reviewers can include a higher proportion of experts from developing countries.

Since the emphasis in applications for funding is intended to be innovatory, it might be helpful to later reviewers if the Secretariat could work out a scale of innovation to mark each application, putting the innovation in a comparative context. Although clumsy – and with the best will in the world somewhat subjective – it would allow some assessment of the distribution of innovatory work. In the same way, since innovation implies a higher degree of risk, each application might receive a risk rating on the application form. The project proposal form would benefit by requiring more searching information on levels of innovation and the nature of the risks involved.

It is said by many that the mode of application is not user-friendly and that this severely affects the possibility of applications from the poorest cities where the need is greatest and the CA declared intention to assist is strongest. This has led to pressure to revise the application form which the Secretariat and the Steering Committee have wisely resisted. Some applications have been made with the assistance of donors and LGAs and this could well be encouraged. However, now that the Secretariat is becoming more pro-active, then encouragement in a longer process of preparation by priority applicants - those most in need of slum upgrading or of CDS - may ease this process, although it is important that the Secretariat does not affect the sense of the city in its ownership of the project. In time, the Secretariat may begin to identify priority classes of city – those with the largest proportion of poor or chronically poor; cities with the most archaic approaches to squatters and slum-dwellers; those with severe problems of industrial restructuring as in the formerly Centrally Planned Economics (the Chinese North-East, the Urals, Central Rumania, Slovakia etc.); or cities, beyond the emergency stage but still emerging from war (as in Mozambique, Angola, Congo) or natural disaster. This assumes that the cities concerned have demonstrated by their prior behaviour a clear commitment to tackling the issues of poverty and reform. Given this, these would be cases where the Secretariat might consider special efforts should be made to stimulate and cultivate applications. Once priorities have been established, they should be published to guide applicants.

There are other complaints that the costs of preparing applications or helping poor cities to apply – in terms of staff time as well as other costs (for example, visits to the city by sponsors to help application preparation) – are a disincentive to apply. This may have

been true in the first instance, but the degree of flexibility that has now been incorporated in the procedures for priority cities should have eased these difficulties.

Over time, the emphasis in both areas of interest will change as lessons are learned. What is seen as innovatory will necessarily change, as, at the moment, the up-scaling of slum upgrading is becoming increasingly involved with micro-financing schemes. In CDS, it may well be the case that stress will shift from undertaking CDSs directly to strengthening LGAs and capacity building in local training institutions to facilitate cities undertaking CDSs on their own account.

4.1.2 Client Feedback

Client feedback has recently been introduced and could constitute an indispensable part of the final review process. However, the results are of variable value since both task managers – who most frequently distribute the relevant forms – and clients who complete them, have usually a vested interest in proclaiming the project's success (especially if the client hopes for follow-on investment as a result of completing the project). The form can be strengthened by insistence on more precisely quantified information (perhaps drawing on the performance indicators outlined later in this report). Of course, clients need to be briefed before the project begins on what information they will be required to keep for the final review. However, proper assessment requires the project to be visited by an independent observer to hold discussions with clients and stakeholders, ideally during project implementation as well as on completion. Again, ideally, this should involve members of the Secretariat so that their experience of the practical implementation of projects is strengthened in order to assess both those projects and to be better equipped to assess the realism of new applications for funding.

4.1.3 The Principles[3]

By and large, the Secretariat has been conscientious in ensuring accepted projects conform to the guiding principles, even if those principles are not invariably self-evident in meaning. The next evaluation will need to concern itself with how far implemented projects conformed in practice to the principles. While focussing on the urban poor is reasonably consistent, promoting 'pro-poor' policies is only in the most superficial sense clear. The deeper changes in the labour market, in levels of employment and the changing distribution of income – where the levels and character of poverty are determined – has received less attention than the direct delivery of benefits to the poor. Promoting the role of women in city development has not, so far as can be determined, received attention (although in 2002, the 'women of the Philippines League of Cities', with a representative of the Latin American Federation of Women Mayors and Councillors, raised with the Secretariat the issue of a gender focus to CDS). Supporting local initiatives has been a fairly consistent theme in a number of proposals, and scaling-up in a much larger number (particularly in Slum Upgrading). Partnerships between local and national governments have occurred frequently, partnerships with organisations representing the urban poor less so.

Proposals submitted for funding are also required to conform to a set of criteria[4] which have been fairly strictly applied. However, some may, with experience, require qualification. While government approval is a precondition for operating in a country, the rapid turnover of a city's elected leadership, for example, may affect the local viability of a project. It may be necessary to co-operate with local alliances of partners, of stakeholders outside the government – NGOs, private business, trade unions, universities etc. – within

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[3] The principles are enumerated in the Terms of Reference for this report; see Annex IV.
[4] See Terms of Reference, Annex IV.

which the official city leadership may only be occasionally present. Of course, if the primary purpose here is to constitute a legal entity with the capacity to borrow this approach will prove impossible, but there may be many other tasks – including formulating a CDS – where this is not so.

The linkage to investment is a more troublesome issue. The context of city government often tends to encourage many mayors to blame the lack of infrastructure investment for all present failures, when it is notorious that often a much greater problem is the inability to raise local resources to which the municipality is entitled (taxes, user charges, transfers to finance recurrent costs, and employing this financial base to leverage borrowing and private sector investment). In the same way, it is notorious that city water engineers insist on the option of expanding new capacity when 40-60 per cent of the local water throughput is lost through seepage through badly maintained pipes or theft from the existing system. Thus, within a CDS, administrative reform and improved asset management rather than major new infrastructure investment is sometimes the crucial issue. It might therefore be considered dangerous to encourage a mistaken approach of seeking relief through outside investment rather than technical assistance to enhance administration – it offers a too convenient escape from the problems (and, if infrastructure investment is not forthcoming, a convenient excuse for failures). However, in slum upgrading, without some fairly clear directions in follow on investment, any study is likely to prove futile. And even in CDS, the experience is that without some investment follow-on, cities have little incentive to reform; a CDS ought to provide the study that otherwise an investing agency would be required to undertake.

On the environmental criterion, there is a good record of application in the majority of slum upgrading projects which, by their nature, hinge upon environmental improvement. There is some application in CDSs, but since the meaning of this question turns on a detailed prior knowledge of the environment of the city concerned, it is difficult to include the issue, before that knowledge is available, in an application for funding. Finally, the specification that deliverables should occur within 24 months has drawn criticisms that it imposes one rule on a great diversity of projects with very different efficient time sequences. Thus, a slum improvement project that entails mobilising, organising and training community organisations at the same time as preparing municipal authorities for scaling-up participatory approaches to slum upgrading may well find 24 months too short; or again, a CDS which emphasizes the institutionalisation of the process in order to ensure sustainability, particularly in the context of the municipal culture of many developing countries, may not be feasible in such a period; micro financing schemes in the future may similarly require more time.

4.1.4 Regulatory Reform

The issue of reform is not emphasized in the criteria except implicitly elsewhere in the concept of good governance. However, this issue is surely of paramount importance and should be included. Again, indicators of both the negative effects of some regulations and the positive effects of their removal are needed to allow applicants for funding to give realistic targets for reform. At the moment, this relative lack of specific attention to such indicators may be a reason why few proposals seem designed to attack explicitly the negative features of the legal and regulatory framework which restricts the capacity of the poor to improve their position and housing.

4.1.5 Slum Upgrading and CDS

Of the 57 projects that have been approved, 15 have been for both CDS and slum upgrading activities. These projects set out to provide a context for scaling-up of slum

upgrading from the project level to that of citywide strategies. By the same token, they can provide CDSs an anchor for investment, firmly rooted in poverty alleviation, based on pro-a poor policy. In 'straight' slum upgrading projects this element tends to be weak. The scaling-up of slum upgrading can easily fall into the proliferation of discrete projects that pay little attention to their impact on the city that surrounds them. City development initiatives, such as the proposed construction of a new commuter railway in Salvador, Bahia, will inevitably have a significant impact on the mobility of slum dwellers and, at the same time, on land values, both of which will impinge on areas currently destined for urban renewal and upgrading. With the scaling up of slum upgrading efforts to a city-wide level, the integration of these efforts with a CDS becomes vital.

4.2 Slum Upgrading

Approaches to participatory slum upgrading that are based upon the development of consensual partnerships between slum communities and their leaders, civil society organisations, local and central government agencies and the private sector, are still evolving. Thus there is a wide range of approaches and different degrees of engagement in different cities, countries and regions. The position of the CA as to what is slum upgrading is well summarised in the Cities Without Slums Action Plan[5]. Not all SU projects supported by the CA adhere to this specification but, where relevant, they work towards it and it constitutes the basis for policy and related changes in the process of going to scale on a citywide and/or national level.

4.2.1 Outputs

As of June 2002, 20 slum upgrading projects to a total value of $15.5 million, including both core and non-core funding, have been approved and started. In the first year (FY2000) 17 SU project proposals were submitted half of which were approved (Annex 1, Table 1). Similarly 12 combined SU-CDS projects requested CA support and 9 were approved. In the following year there was a 35% drop in requests for SU though the approval rate remained the same. This appears to coincide with the decision to take a less proactive role in encouraging indiscriminate applications in an effort to become more selective.

The distribution of SU projects by regions has also varied, with, in LAC, 14 proposals submitted of which 8 were approved; in Sub-Saharan Africa and Asia respectively 9 and 8 submitted and 5 approved in each region; 2 submitted and approved in MENA and none in Eastern Europe and Central Asia.

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[5] Slum Upgrading consists of physical, social, economic, organizational and environmental improvements undertaken cooperatively and locally among citizens, community groups, businesses and local authorities. Actions typically include:
- installing or improving basic infrastructure, e.g., water reticulation, sanitation/waste collection, rehabilitation of circulation, storm drainage and flood prevention, electricity, security lighting, and public telephones;
- removal or mitigation of environmental hazards;
- providing incentives for community management and maintenance;
- constructing or rehabilitating community facilities such as nurseries, health posts, community open space;
- regularizing security of tenure;
- home improvement relocation/compensation for the small number of residents dislocated by the improvements;
- improving access to health care and education as well as social support programmes to address issues of security, violence, substance abuse, etc.;
- enhancement of income-earning opportunities through training and micro-credit; and
- building social capital and the institutional framework to sustain improvements.

The scale and cost of core funded SU projects vary considerably, ranging from the preparation of a proposal for a Slum Networking Project in Indonesia costing $30,000, to $500,000 for the development of Pro-poor SU Frameworks in India, the Philippines and South Africa. Non-core funds for SU embrace the Italian government's contribution of $4.4 million to the Bahia, Brazil project and the recently approved Global Community-led Infrastructure Finance Facility (CLIFF) by DFID.

4.2.2 Project Selection

Whilst all the SU projects meet the 10 basic criteria for selection to a greater or lesser extent (as will be examined later in this section), they have different emphases, which can be grouped into 4 broad categories:

i) <u>Strategic policy studies and workshops</u> aimed at increasing understanding and awareness of the importance and processes of developing national and citywide SU strategies and programmes. e.g.1) Regional Roundtable on Upgrading Low-Income Settlements in Africa ($100,000), which brought together practitioners and experts in urban upgrading in a three-day workshop in Johannesburg to examine the experience, opportunities and challenges to carrying out upgrading in the African context; e.g.2) Building an Enabling Strategy for Moving to Scale in Brazil ($560,000), which supports a series of studies and a programme of advocacy and consensus-building as the first step in the development of an integrated national SU strategy.

ii) <u>Scaling-up on-going SU projects and programmes</u> e.g. Salvador, Bahia, Brazil, Technical and Social Assistance Project ($4.4 million non-core funding), which at the same time as giving support to the management of integrated SU involving different public sector agencies, civil society organisations and community groups, gives emphasis to processes to extend SU to the whole Riberia Azul area of Salvador with a slum population of c.150,000 (c.6% of the city population). By engaging the Bahia State urban development company, CONDER, it is linked to a programme of 8 major urban regeneration and development sub-programmes of citywide upgrading. This, in turn, can form the basis for an integrated development strategy for the city.

iii) <u>Institutional capacity building and the preparation of legal and procedural instruments</u> to enable the development of national or citywide SU policies/strategies. e.g. Madagascar Slum Upgrading and City Development Strategy in 4 Major Cities ($176,000), which provides support to city development strategies and participatory strategic planning for up-scaling poverty reduction, with a focus on basic urban infrastructure, complementing local and national investments with local arrangements for community participation and ownership of water and sanitation and other urban infrastructure, as well as municipal and national capacities for replication and sustainability.

iv) <u>Management and capacity building for innovative SU projects</u> through which new approaches are tested and demonstrated. e.g. São Paulo 'Bairro Legal' programme ($300,000), through which a process of integrated, social and environmental improvements incorporating the award of secure tenure, employment generation and a diversified public safety policy will be implemented in a holistic cross-sectoral way in a prominent favela (Paraisópolis) in the city.

4.2.3 Assessment of Performance

It is not the intention to evaluate the performance and impact of individual CA supported SU projects for two reasons:

i) No consistent monitoring procedures have been built into SU project implementation and management procedures, nor into the project wind-up process. Only 3 out of 20 SU projects have been completed.

ii) The CA has been in 'start-up mode' and, despite very clear and focused principles, goals and objectives, it has been finding its feet operationally with an apparent concern to disburse project support funding in order to 'make its presence known', which is wholly justified. This does not mean that the appraisal and selection proposal has been indiscriminate.

However, overall observations on the 20 SU projects initiated since May 1999 is made on the basis of the CA Guiding Principles, Goals and Operational Objectives and the set of 10 Criteria that constitute the first line of project selection. Also observations are made on the Salvador, Bahia Technical and Social Assistance non-core funded project in Brazil, which was visited as part of the independent evaluation.

4.2.4 Guiding Principles[6]

Poverty reduction and inclusion: Through their emphasis on environmental improvement of housing and public infrastructure, all the SU projects focus on the urban poor and the alleviation of the social impacts of poverty. Those projects that set out to address scaling-up and the development of national and citywide strategies and programmes can be identified as enhancing 'pro-poor' policies. The concept of 'inclusive urban citizenship', implying unrestrained access to mainstream urban institutions, notably affordable finance and security of tenure, is more complex and has not been explicitly embraced by the majority of projects, although CLIFF as well as several proposals under consideration at the time of writing (i.e. Cambodia, ACCION) are notable exceptions. Direct support to poverty reduction efforts (enterprise development, income and employment generation, marketing support, etc.) are evident in several SU projects, though they tend to be secondary to the environmental and social components. The project support to youth training in building trade skills and employment in a community-based co-operative in the Salvador, Bahia project in Brazil provides a significant example of effective poverty reduction as part of a SU project.

Women and social capital: There is little explicit reference to promoting the role of women in SU project documents, though in the Salvador, Bahia project women clearly play a major part in all the social and managerial aspects of the project, which builds upon and nurtures the existing social networks and institutions in the Riberia Azul neighbourhoods of Salvador. To ensure this, the project started by undertaking a comprehensive participatory survey of household and community conditions, structures and assets, building up a 'portrait of the community'. This process is widely recognised as important to developing community cohesion and confidence. However, it is doubtful if its elaborate

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[6] Guiding Principles (from *CA Vision, Civis Issue 1*, p.4)
- Focus on urban poor and poverty reduction; promote pro-poor policies and inclusion; scaling-up poverty reduction efforts;
- Promote the role of women in city development;
- Support existing local initiatives (social capital);
- Promote partnerships – national government/local authorities/NGOs.

recording process can be, or needs to be, replicated on a citywide scale when the approach is extended to the upgrading of all favelas in the city.

Partnerships: Clearly all SU projects give significant emphasis to building partnerships and promoting cohesion of effort between different actors and stakeholders.

4.2.5 Goals[7]

Effectiveness of urban development co-operation: At this early stage of the CA it is not possible to assess the extent to which the CA supported SU projects in general contribute to improving the quality and impact of urban development co-operation grants and lending. There is evidence, however, in projects such as the Madagascar slum and community development project, of putting considerable effort into the co-ordination of donor support. Another example is the project for co-ordination for a sustained programme for upgrading in Central America that is explicitly designed to enhance the effectiveness of support to SU on a regional basis.

Collective know-how: The emphasis on scaling-up clearly reinforces the CA's role as a vehicle for advancing collective know-how at city and national levels. Also activities such as the Africa regional roundtable on upgrading and the Central America project mentioned above contribute significantly to collective knowledge. However, in support of the 'learning alliance', there is a need for greater imagination and commitment to be put into documentation and dissemination at the design stage of all SU projects, identifying specific national and international targets and vehicles for disseminating experience and lessons.

4.2.6 Operational Objectives[8]

There is no doubt that all 20 SU projects to some extent address the primary operational objectives of 'scaling-up' and strengthening policy frameworks. But there are projects, notably in category 4 above, that give greater emphasis to developing and consolidating processes and procedures of integrated participatory SU project management as 'pilots' or 'demonstration projects' prior to any strategic consideration of wider policy change or the formulation of citywide or national programmes. This is not inconsistent with the CA principles and goals, particularly where such projects also embrace an examination of the implications of their replication at a larger scale such the Bairro Legal project in São Paulo mentioned above or the project for upgrading informal areas in Ismailia Governorate of Egypt.

The other operational objectives (strengthening policy frameworks; creating stakeholder alliances; and the promotion of awareness for the need to scale-up SU), which by-and-large are covered by all SU projects, have been discussed above.

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[7] Goals - (from *CA Charter: Objectives and Rationale*, p.1)
- Improve the quality of urban development co-operation and lending and strengthen the impact of grant-funded urban development co-operation;
- Expand the level of resources reaching the urban poor by increasing the coherence of existing programmes;
- Provide a vehicle for collective know-how.

[8] Operational Objectives (from *CA Charter: Activities*, p.3)
- Identify and develop opportunities for national and citywide upgrading programmes;
- Help strengthen policy frameworks of community-based upgrading;
- Help establish consensus with local stakeholders and create alliances, and mobilise resources;
- Promote activities that raise awareness and disseminate strategic information on scaling up.

4.2.7   Criteria for Selection[9]

These criteria are for the first round assessment of project selection to which each project is subjected by the Secretariat. Thus all projects comply with them, though with varying degrees of rigour. Several of the criteria have been discussed above and in the preceding chapter, and are not revisited here; others, such as government approval and co-financing verge on procedural.

In summary, the overall selection process for SU projects has been consistent with the guiding principles, goals, operational objectives and selection criteria of the CA. In order to maintain the clarity of focus of the CA, it is important that principles, criteria, etc. remain concise and prominent. However, the Secretariat's and Steering Committee's practice of reasonable flexibility in their application and not letting them become too rigid or regulatory should not be lost.

4.2.8 Monitoring and Evaluation of Slum Upgrading Projects

Whilst the principles, goals and objectives are embraced by the 10 basic criteria for the first line of appraisal for project proposals, they are not sufficient as indicators of the impact of effective CA supported SU, undertaken with the ultimate goal of citywide and national urban poverty alleviation and reduction. For this a set of primary indicators is needed to evaluate the CA SU impact on scaling-up, policy development and institutional strengthening, with secondary indicators of the extent of decentralised participation and the provision of operational enabling supports at the project level and indications that the lessons learnt are adequately disseminated.

Indicators
- Scaling-up and institutionalisation from discrete projects to citywide or national level programmes
  - o <u>Policy change and the launching of medium to long-term SU programmes</u>, including a commitment to the MDGs of secure tenure and access to safe water and sanitation (policy change has high visibility but is relatively easily reversed in conditions of political change)
  - o <u>Fiscal commitment</u> through the opening or strengthening of a permanent SU budget line in city and/or national accounts (opening a budget line shows a higher level of commitment but is not a guarantee of funding)
  - o <u>Institutional/organisational change</u> to enable new, participatory, etc. (see above) national or citywide SU policies and integrated programmes to be implemented (tends to be more permanent; less susceptible to partisan political intervention)
  - o <u>Legislative change</u> that allows/requires new, participatory, etc. (see above) national or citywide SU policies and programmes to be implemented (such legislation shows a high level of commitment that is usually politically hard to repeal)

- Participation and partnership to ensure an appropriate/effective level of participation, engagement, ownership of the SU process and the development of partnerships between local actors and stakeholders, with emphasis on the active role of women.

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[9] Project Selection criteria (from CA Charter: Activity Identification and Selection, p.4)

• Targeting the objective	• Coherence of effort
• Government commitment and approval	• Scaling-up
• Linkage to investment follow-up	• Institutionalisation and replication
• Partnerships	• Positive impact on environment
• Co-financing	• Duration

- o Degree of financial and technical support/exchange between national/state government and local government in building capacity for the development and management of sustained SU and urban poverty reduction programmes
- o Levels of consultation, participation in decision-making, programme/project management between local government, (public/private sector) implementing agencies, urban civil society organisations and community leaders/representative bodies at the project level. (Definitions of subsidiarity levels and degrees of participation, engagement and ownership must be locally determined, preferably by beneficiary communities themselves)
- o Extent of grassroots (CBO/NGO) generated poverty reduction and SU initiatives taken up and acted upon by local and central government agencies.
- o Incidence of women in leadership, negotiation and management roles in community organisations and women's take-up of enterprise and income support opportunities and training.

- Enabling communities and low-income households to participate in and manage their upgrading and poverty reduction processes.
  - o Ease of access to affordable credit both for housing and enterprise development by individual women and men, and by community organisations and co-operatives for collective local enterprises.
  - o Accessibility to technical and managerial advice and assistance and support services such as basic health care.

- Development of awareness and dissemination of the importance of: 1) urban poverty reduction to urban and national economic and social development; 2) SU to the alleviation of the social impacts of urban poverty and to its long-term reduction; and 3) the participation of low-income communities as partners in SU processes.
  - o Extent of media coverage and public debate, adoption by political platforms/manifestos, etc.
  - o Extent to which innovatory experience has been disseminated and used to stimulate new approaches to scaling-up SU in other cities and internationally as a capacity building process.

To facilitate monitoring and evaluation of SU projects, the section on monitoring in the proposal forms should be extended to cover how the four sets of basic generic indicators, outlined above -and any others that are contextually relevant- will be and monitored.

These should be brought together in an evaluation at the end of short (2-year) projects and at agreed intervals for longer (non-core funded) projects that can distil the principal lessons learnt. Project evaluations should be addressed both to the CA Secretariat and Steering Committee to help inform the wider SU project selection process, and the CG and wider donor community in support of the 'learning alliance'.

To assist the assessment of the level of innovation of SU projects, project proposals should include a section on the anticipated lessons to be learnt beyond the institutional confines of the project itself, and by whom at city, national and international levels. This should be linked to a dissemination strategy, for which project funding should be provided as a component of the 'learning alliance'.

4.3 City Development Strategies (CDS)

4.3.1 Background to CDS

Consensual planning with a concern for city economic growth, competitiveness, and with stakeholder participation, is a product of the economic recessions of the 1970s and 1980s and of globalisation in Europe and North America. It was embodied in the spread of the stakeholder city forum, in public-private city economic development corporations, in municipal economic development departments and city level statistical and monitoring units. Such an approach to city governance was, however, relatively new in the developing countries of Asia and Sub-Saharan Africa (and often profoundly discouraged by higher levels of national centralisation), when the UN-Habitat-UNDP UMP began processes of city consultation, and, much later, the World Bank introduced the concept of CDS in 1998. In Latin America, however, decentralisation in the 1980s and 1990s created strong big city Mayors and the development of concern for economic competitiveness and consultation.

The Bank's formula in the first instance included a concern with city economic development (and the continuing supply of relevant data to persist in monitoring the city economy), with the alleviation and reduction of poverty, enhancement of the environment and the reform of the city management and finance (this followed the earlier Bank formula embodied in the 1991 Policy Statement, Urban Policy and Economic Development). The first attempt to carry out the formula occurred in Haiphong in Vietnam, and given the conditions of a former Centrally Planned Economy, involved relatively little participation. The earlier UN-Habitat-UNDP UMP process of city consultation was centrally concerned with stakeholder participation and the reform of urban government. These two threads were brought together in the CA, initially enriching both (the Bank embraced participation with vigour; the UMP's first CDSs incorporated city economic development). At the same time, the Japanese Government volunteered to finance an ambitious set of CDSs in Asian cities, claiming that its own experience in planning postwar Japanese cities made it uniquely qualified to contribute. Thus, a third element entered the equation, this time explicitly concerned with city planning (which had historically implied physical, rather than social and economic, planning).

The combination of three concepts, however, led to great confusion over what a CDS was – an economic development perspective, a consultation process to improve city government, or an action plan on an agenda defined by the city concerned. The Secretariat – with officials in the Bank and in UN-Habitat – made successive attempts to reach a formula acceptable to all participants without ultimately being able to establish a consensus. Forces were pulling in different directions, resulting either in the proverbial circus horse or, to change the imagery to that of Mao, a laissez-faire attitude to let a hundred flowers bloom. Although the CA Charter had stressed participation and a focus on poverty and sustainability, an assessment of a city's growth prospects and assistance to local authorities in management and finance, under implementation the CDS concept spread in many different directions.

In practice, the Secretariat left the definition of CDS 'flexible' on the not unreasonable grounds that the great variety of conditions and interests in different cities made it impossible and undesirable to go beyond a minimal suggestion – a consensual city vision, a focus on poverty reduction and urban governance with follow up to investment possibilities. Almost inevitably, this tended in some cases to lead to the omission of the novel Bank task of 1998 of training city stakeholders in an understanding of, and an

exploration of the means to guide, the city economy[10]. Even as late as the spring of 2001, the Secretariat insisted that "a local economic strategy is at the core of a CDS" (*CDS: the CA Perspective*, 31 May 2001). Thus, the CDS that emerged in some formulations ignored the crucial link between employment and the labour market in reducing poverty. 'Pro-poor' became limited to delivering to the city's poor such benefits as the municipal authorities could afford (and doing so in a most politically contentious context), not empowering them through work (with contrary examples in Aden, Rio Grande do Sul, Kingston, Jamaica, Burkina Faso, Kigali and Mostar).

The CDS exercise spread with extraordinary speed, particularly in Asia, suggesting the concept, even if ill-defined, met a genuine need. By mid-2001, it was said 50 had been completed (not, of course, all funded by the CA) and 40 were underway. However, while this might be seen as a remarkable case of up-scaling, the significance of the advance is not easy to determine. There have been earlier periods when the old Master Plan formula became popular – for example, in India in the 1960s (for all cities with 100,000 or more population) and in Mexico in the late 1970s under the rule of President Lopez Portillo. Immense numbers of plans were produced but with very little change in city behaviour. Indeed, it might seem that, paradoxically, drawing up a plan was a substitute for tackling the obdurate problems of reality, not part of the remedy.

However, it might be argued that these precedents are not relevant to the CDS exercises. The old Master Plan was imposed on cities, drawn up by experts without local ownership or participation and not focussed upon poverty alleviation (though this was not true of all plans – cf. the Karachi Master Plan). Under the CDS rubric, participation and the poverty focus are, as it were, mandatory. Of course, very different levels of participation occur, depending upon the legal framework and the nature of municipal leadership. In the former Centrally Planned Economies of Asia, there is not only an absence of NGOs, no tradition of participation in city planning, and in many cases, the public authorities are often positively hostile to allowing into the process people who are outside government or party. In the first generation of CDS in China, the Canadian consultants made laudable efforts to increase the degree of participation, but observed sadly at one stage that:

> "A strong sense of hierarchy affects stakeholder participation. For example, discussion groups did not select leaders; instead, the highest ranking government official present assumed leadership or individuals were selected ahead of timing by the government".

Furthermore, the CA grant procedure laid down the need to identify investment partners and follow through finance for the period after the completion of the project (in contrast to the Master Plan which often listed infrastructure needs but with no strategies to meet them.

However, on the other hand, few CDSs sought to specify the kinds of institutional innovations that might be required to make the CDS process sustainable (in, for example, as mentioned before, the City Fora, associated municipal departments with line items in the municipal budget and the creation of data gathering agencies). Indeed, the emphasis on Action Plans in the CDS formula tended to place the stress on the product, the plan, and foreclose on developing the process of making planning sustainable (in contrast to the UMP process of consultation). Nor did it reconcile the old tension in the Master Plan between the wish of the elected Mayor for physical outcomes, infrastructure and large visible projects which might influence his or her chances of re-election, and the

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[10] And so mocking the unattributed citation in the CA's publication, *Civis* (1 Oct. 2000, p.2):
   "the same quality and rigour of analysis, advice and strategising that is normally applied to national economies and central governments, should be applied to urban economies and local authorities".

imperatives of social and economic development where the criteria of success and failure were much less clear-cut or visible even if they had greater relevance for issues concerning the poor.

The CDS output was accordingly diverse, from rather conventional plans (including physical plans), swift mayoral wish-lists to major analytical exercises with aspirations to change the perceptions of the stakeholders (in terms of the analysis of the poor, of the economy, of the urban environment, of city government and finance – as in Haiphong, Sofia, Cali, Recife, Johannesburg, the Chinese City-Regions etc.). Some employed considerable outside expert inputs to discover a city largely unknown to the stakeholders (thus reordering not only their perceptions but also the priority and target of policy actions), others depended largely upon the self-analysis of the city administration and its planning department. In some cases, the largest cities were the focus of attention both because they were identified as the most important components of the national spatial economy, because they included such heavy concentrations of the poor and because, in an open global economy, they were seeking to identify the means to position themselves in a global competition. In others, big cities were excluded on the grounds that they were too complicated to undertake such an exercise with, so the focus was on cities as small as 40,000 populations.

There was thus also a diversity of purposes. In the smaller cities, these spanned such factors as (and they are not listed in order of priority of preference):
- to teach the participants about their city;
- to bring the poor into the process of thinking about the city;
- to change the style of city governance and government;
- to bring the stakeholders closer to the administration (without it being very clear who were validly stakeholders); to build civil society;
- to open the city administration to public view and outside participation;
- to identify the scale and types of city infrastructure needs;
- to spot light the city's key environmental threats;
- to explore possible administrative or financial reforms;
- to open up learning between cities;
- to expose the city to international best practice;
- to prepare sectoral lending programmes for World Bank or other lending agencies;
- to secure the co-ordination of donors in urban development;
- to seek means to expand the local economy;
- to give the NGOs access to leveraging local authority funds;
- to secure the co-ordination of public authorities.

The degree to which these, not necessarily mutually exclusive, aims could be met depended in part on the analytical tools employed, and thus, very often, the involvement of outside expertise. An alternative route might have been to provide training for city officials, capacity building involving outside expertise, but this usually involved a long period of preparation which postponed the CDS to some distant time.

In some cases, there seems to have been something of a prejudice against the use of outside expertise, consultants, on the grounds that this would reduce the ownership of the CDS by city or stakeholders. This is an odd objection – if a commercial corporation engages management consultants to advise, it cannot be said thereby to relinquish ownership to the consultant (and the client retains the complete right to choose or reject the consultant's advice). In fact, it may have been more a means to reduce the cost of the CDS in order to achieve an up-scaling. If a city has the capacity to undertake adequate self-analysis, it has no need of either a CDS or the CA. More often it is precisely a city's

inability to lift itself out of a particular mode of operation, to detach itself from the inertia of conventional perceptions in order to grasp best practice from outside that is one justification for an independently serviced CDS. This may not mean consultants in the ordinary sense but experts drawn from cities abroad through the LGA network. But outside assistance is fundamental in opening new horizons – whether through direct service to the city or through the creation of capacity building for the staff.

4.3.2 The Evaluation of the CDS Experience

There have by now been very many CDSs, perhaps of the order of 150 - both with CA funding and without (occurring before the CA was created or parallel to its CDS exercises). Intellectually they form one evolving tradition, regardless of the sources of funding and sponsorship, although they cover, as noted, a great diversity of purpose and product. The diversity encourages confusion as well as difficulty in detecting the central rationale, thus affecting decisively the possibility of evaluation.

The numbers are now sufficient to consider the entire range, to undertake a full evaluation to assess what should be the proper set of purposes for a CDS funded under the trust-fund arrangements, what are the necessary components and the desired outcomes – ultimately to determine what has been achieved and what is likely to be sustained. Only then does it become possible for the CA to continue to finance the development of CDSs as an instrument to achieve its objectives. Deciding on a single formula does not rule out variations by context and content to fit different cities and countries and in no way limits the parallel initiatives of partner agencies, but it does establish a necessary set of components and a robust methodology for trust-fund financed CDSs. The CA is then in a position to judge where and when a CDS should be supported or rather the support that should be given to facilitate cities to undertake a CDS (through technical support, training etc.).

What might we be looking for in such an evaluation? To lay down one purpose would be arbitrary (and pre-empt the possible results of an evaluation), but for the sake of example, we can lay down that the justification for a CDS is as a means to achieve a city which is:

   i) a secure and satisfactory context for citizens to pursue their purposes, bearing in
      mind the necessity to assist the poor attain the same level as the rest of the citizens;
   ii) economically, socially and environmentally sustainable in the foreseeable future.

The means to these two ends include:

   i) the reform of local government in order that the greatest efforts can directed at
      achieving these two purposes;
   ii) a package of pro-poor policies directed at those conditions which centrally sustain the
      condition of poverty;
   iii) means to increase and sustain participation in the management of the city, to
      enhance transparency and accountability;
   iv) policies to restore, protect and enhance the environment;
   v) an action plan to achieve the city's priorities in investment in infrastructure, linked to
      potential investors.

The first step in the evaluation is a desk analysis of all the CDSs undertaken over the past five years in order to establish a typology, a set of classes, ordered according to the date of completion. Without pre-empting the results of such a study, classes might include (and some cities fit in more than one class):

- CDSs undertaken in the former Centrally Planned Economies, with, in Asia, great difficulties in participation (Ulaan Batar; the Chinese City Regions 1 and 2; Shenyang; Haiphong and Ho Chi Minh City);
- analytical studies (Haiphong, Recife, Sofia, Johannesburg);
- UMP consultative studies (including the seven already compared);
- 'conventional' plans (Kathmandu; Phnom Penh);
- public sector co-ordination plans (Dhaka, Khulna);
- rapid self-diagnosis plans (Philippines CDS-2; Tamilnadu)
- CDSs linked to slum upgrading.

Depending on the numbers in each class, it then becomes possible to choose a random sample, or a prototypical case, to give a total selection of possibly 10 to 15 cities. This would be the basis to compare the components included, the methodology employed and the practical outcomes proposed.

The assessors should then visit each city to check the practical outcomes of the exercise and the degree to which they contribute to the two aims proposed. Indicators are suggested below, but these must be provisional since their relevance will necessarily vary by city, country and by historical time. What is an impressive reform in one context may be a trivial one in another. Similarly, the variation in purposes of the CDSs makes for a different selection of indicators. Finally, the time when the assessment is made is crucial – on the completion of the CDS, one year later, five years later, etc.

The central result of a CDS ought to be a change in the behaviour of those who manage the city, changes which include the establishment of medium-term spending programmes, part of the city's budget, to accommodate the new purposes.

For example, in relationship to the local authority adopting pro-poor policies one would expect[11] some or all of these:

- the city authorities would know the numbers, composition, character and distribution of the poor in the city; how incomes are earned, and patterns of over- or under-employment; the possible seasonal variations in these matters, and the points where public intervention can be most effective;
- actions taken or policies put in place to remove regulatory or legislative restriction on the poor accessing opportunities (for example, local government ordinances that enforce evictions or in other ways undermine security of tenure; land use controls which empower the police to remove pavement dwellers or from securing their statutory rights [for example, in India, access to Fair Price shops, small loans and many other benefits are restricted to those with identity cards and such cards are issued only to those in legally recognized properties; beggars are excluded from statutory pensions]);
- actions and long-term policies (with appropriate line items in the budget) to ensure full coverage of all poor areas by electricity and safe water supply, sewerage, primary schools and primary health clinics (with slum areas included in para-medical visiting schedules); by libraries and community centres, by access to parks and sports facilities;
- measures to facilitate access to work for the poor – public transport routing, all-weather cycle and pedestrian routes between living and working areas;

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[11] Unfortunately, making effective pro-poor policies requires testing them against the specific detail of particular places, hence the specific examples included.

- measures to facilitate the extension of micro financing networks to poor areas for housing or business credit (for cycle rickshaws, trolleys, stall stocks, cooking equipment) with adequate mechanisms to service loans.

The indicators for the seriousness of the reform of local government are much better codified and need not be repeated in full here. Indeed, indicators of municipal performance are included in every section – as above in 'pro-poor policies'. Suffice it to enumerate:

- the degree to which the municipality raises the full revenues to which it is entitled (including local taxes and tariffs);
- the degree to which user charges are raised, ensuring the costs of public services (water supplies, bus and electricity services etc.) are fully recovered with allowance for adequate maintenance and capital provision for future investment;
- the reliability of municipal services – quantity and quality of water supplies; of sewerage systems (including the maintenance of land fill sites), of rubbish collection and disposal of toxic wastes;
- the frequency of contact between councillors, officials and the citizens – do councillors maintain 'surgeries'?

Indicators of the attitude of the municipality to economic development require the assessors to make a rapid survey of selected business opinion both in the registered and unregistered – or informal – sectors, to establish:

- what regulations affect business most directly and expensively – employment, land use, health and safety, environmental etc.; how far is the administration of these regulations merely an excuse for corruption; scale and periodicity of payments to public bodies;
- what clearances are required before starting a new registered business – time and cost of processing?
- what regulations affect unregistered business – police and official harassment (requirement and scale of bribes required to operate), land use regulations etc.

4.3.3 Participation

Participation is, as we have seen, a difficult concept since it is not self-evident who the 'stakeholders' are, whether they are a stable class of persons, and the forms of minimum representativeness which is acceptable. Some of the indicators might include:

- the number of non-public organisations active in the city (NGOs, universities and colleges, trade unions, social and sports clubs, private businesses), how many of such organisations have been represented in consultation meetings – one meeting, more than one, all?
- how many representatives have played an active part in the technical working meetings?
- do these representatives report to their membership? How often? In what detail?
- what are the means by which these representatives influence decisions? By speaking in a meeting, framing a resolution, amending a document, voting?
- what other contacts have taken place between the Mayor, councillors or municipal officials – addressing or attending meetings of the organisations concerned; 'surgeries'; door-to-door canvassing; attending slum-dwellers organisation's meetings?

- what other media of communication are there between city and citizens – radio and television, local press; local conferences, seminars, workshops etc.?
- has consultation been institutionalised? Through a City Forum, regular meetings of stakeholders – how often? With what attendance? With what agenda?
- what measures have been taken to arm the citizens with data and research adequate for informed discussion? How easy is it for a citizen to discover elementary information – e.g. infant mortality rates by the smallest enumeration/electoral unit; crime rates over time by class of crime and city ward etc.?

On the environment, again, the Indicators are already well-codified. Some of the more important can be repeated (and replicate Indicators under other headings):

- the proportion of the city served by safe piped water supplies; the reduction in draining the aquifers;
- the proportion of the city served by safe all-year sewerage and drainage systems, by garbage disposal and the safe disposal of toxic wastes; the adequate management of land-fill sites and other means of disposal (incinerators etc.).
- action taken or programmes in place (with budget allowance) to recover ruined sites, industrial, locomotive or diesel disposal dumps, and to redevelop such sites;
- monitoring of known pollution points – lead factories, traffic junctions etc., and ensuring these are not close to residential areas or schools;
- action taken – or policies in place – to clean rivers, lakes, sea-shores; to restore hillside vegetation, and develop parks, urban woodlands and other green areas.

The list of key indicators of the change of behaviour of municipal managers will vary quite markedly between countries, different legal, institutional and social frameworks. The local list is a matter for local CAs and LGAs to formulate with the assessors scrutinising the indicators for consistency.

In undertaking a full evaluation of all the CDSs that have been undertaken, the CA will no doubt want to learn the lessons of the Japanese experience in developing CDS in Asia, with two conferences of cities to establish networks of communication. In addition, the World Bank's evolving experience is important. In its 2001 revised urban policy statement (*The Urban and Local Government Strategy – Two Years Later*, 9th Oct.2001), the Bank renewed its adherence to CDS as an instrument, defining it now as an:

> "holistic and participatory strategic plan, led by local government but with wide civic and private sector involvement to identify a development vision for a city; to prioritise actions and investment; and mobilise stakeholder consensus on the use of resources".

This compares with the 1999 statement (*Cities in Transition*) where the CDS was to include a vision statement, an account of the prospects for economic development and priorities for action along the four themes: liveability[12], enhancement of city productivity, management and finance. However, in practice there has seemed to be more freedom, as in the CA concept – the Bank proposal for a Lucknow CDS, for example, accepts that the strategy should be "defined by the city itself". However, by 2002, it seemed the concept itself was being divided between the main item, a City Poverty Strategy which would bring the attention of all of the sectoral divisions of the Bank on one city (Lima and Lagos were mentioned as possible cases) and a much more modest Local Economic Development

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[12] In the Kathmandu CDS, the authors neatly switch the points on the criteria to "urban economics to improve livability".

strategy. The evolution of Bank thought on this question suggests that there are lessons to be learned and disseminated among the partners of the CA.

4.3.4 The Philippines CDS

Some of the problems of the CDS concept can be seen in what is by reputation so far the most successful up-scaling of the exercise, in the Philippines (however, we have noted the World Bank Tamilnad Urban Development Project II in India, with a claimed 50 CDSs in the State). Three cities had gone through the process under the UMP programme, and a further seven (CDS-1) were undertaken, funded by the Government of Japan. After completion, another 31 (CDS-2) were accepted by CA and are currently being implemented – or 41 in total when the present phase is complete. The cities selected deliberately excluded the largest cities in the Philippines.

In the case of CDS-1, one city was invited to participate, but seven responded, so it was decided to include all seven. The central concern was to collect a given body of data, identify the poor, establish a city vision for the future, and assess the order of local government. In the most successful cases, there was a high level of participation, founded less on the CDS process or requirements than the 1991 Local Government Reform which made stakeholder participation (accredited NGOs, private sector representatives etc.) mandatory in key city committees and on a new city development council. Japanese and local consultants supervised the process through out. Although the final outcome is not clear, perhaps 5 of the original 7 are still involved in the process, and in some cases, have been able to access external – albeit preferential – investment interest (from the World Bank, the Asian Development Bank, the Philippines Development Bank). No serious economic development analysis seems to have been undertaken, so the vision statements tend to lack any economic underpinning or precision, and 'pro-poor' policies tend to be the traditional ones – for example, land for 'socialised housing' for selected groups (that, in at least one case, included local government employees). A web site was created to share the experience with other cities.

The programme was not evaluated before CDS-2 began, so we do not have an assessment of how much of what has changed might have occurred in any case, the counterfactual. Here, the CA awarded $600,000 to the LGA, the League of Cities of the Philippines (LCP) with joint task managers from the World Bank and UN-Habitat. The proposal was to undertake CDSs for 10 cities, with some assistance to the earlier 3 UMP cities and the 7 of CDS-1 for implementation. However, 31 applied for consideration, and, again, were all accepted but without additional funds. On the original application for funding, it was noted that:

> "Unfortunately, the Local Government Units do not yet have the personnel, finance, authority, management capabilities and experience to fully carry these heavy responsibilities; they urgently need support in building up their capacity to govern effectively in partnership with local civil society".

One would then have felt it necessary to apply for increased funds to meet this deficiency. However, no increases were applied for. As a result, the project was weakest in supplying support – not only was the finance per city now very small, it was all to be concentrated on the LCP, itself with severe problems of managing capacity.

Cities in effect undertook and financed their own CDS, exclusively in-house. Two energetic, very hardworking and talented consultants at the LCP headquarters endeavoured manfully – or rather, 'womanfully' – to supervise the process. The project began in November 2001, with a national workshop to which 130 came (from 35 cities),

after which the 31 cities began to prepare draft plans. There was a second 'knowledge workshop' in February of the following year. In the cases known – and the two consultants at the centre were able to visit only 12 of the 31 cities before submission of the draft CDSs at the end of July 2002 – the process was undertaken by the Mayor with 4 or 5 officials, but the bulk of the work was assumed by the city Planning Office; through the city committees, mentioned earlier, it is said that there was much stakeholder participation.

Unfortunately, recruiting locally the technical consultants required to advise the cities – on poverty, the environment, urban planning and training – proved difficult, and appointments were not made until the period for drafting the first draft was virtually complete. Nor did it prove possible to organise appropriate training schemes (in the University of Asia and the Pacific and the Local Government Institute) before submission of the draft reports. By then the technical consultants were on hand to respond to the drafts submitted and to hold regional 'cluster' workshops to discuss these drafts with the cities in the relevant region.

In sum then, for various reasons, some within the intentions of the Task Managers, some within the accidents of recruiting consultants and creating training facilities, the stage of CDS draft preparation has received remarkably little external input, and cities have been largely abandoned to their own intellectual resources. For those in close contact with the centre, there has been great enthusiasm, reflected in their willingness to pay for the exercise and participate in it, but in general for many others, it is difficult to see why they would want to undertake it, what it is likely that they will learn and what is the potential for sustainability in what they have achieved. Eleven of the 31 were newly created cities with new Mayors, so CDS may have provided a useful pretext to explore the city, force an interrelationship between administration and stakeholders, to start to think holistically about the city and, hopefully, focus on the poor. However, one cannot help thinking that these things could have been done more effectively with less under-funding and understaffing, by relating consultant and capacity building inputs to the individual city and with greater intensity.

However, the judgements here are premature and much may still be achieved in the revision of the CDS drafts. More to the point, from the CA point of view, it would seem that the CDS concept is no longer innovative in the Philippines and a different approach to scaling-up might be appropriate. The experience with the LCP may have been a useful one even if the organisation is not yet strong enough to manage such an under-funded project. But perhaps, in co-operation with the international LGAs, a CA project to strengthen the LCP might make it a focal point for a Filipino CA to supply technical assistance and capacity building for a spread of CDSs within the country. Were the LCP able to draw on technical inputs from other countries where CDSs have been undertaken – perhaps through the international LGAs – this could immensely strengthen a proper scaling-up process.

The commentary on the Filipino experience suggests that in any more general evaluation of the CDS experience worldwide in order to define a more precise formula to undertake them, it is important to lay out some of the institutional conditions for sustainability. The long-term processes must receive more emphasis than the short-term product if habits of behaviour are really to be changed in any lasting and meaningful way.

Furthermore, criteria for adequate participation – as suggested earlier – are needed, again varying according to the different social contexts of different countries. Ultimately, only visits by outside assessors can check the value of this. However in some cases, client feedback illustrates the newly discovered importance of participation in particular cities – in Madagascar, the clients report that traditionally relations between the citizens and the

municipality of Diego Suarez were characterised by mistrust, but "the new CDS has enabled us to communicate with the citizens".

An evaluation of the CDS in practice would also allow the retrieval of other information – for example, the individual poverty studies undertaken as part of CDS to guide future efforts to understand urban poverty (and what the minimum analytical content should be) and propose responses. Other trawls through the CDS literature might reveal comparative sources of knowledge – on the use of urban land, on legislative and regulatory framework, on managing and financing the different functions of local government in different countries, on modes of traffic and traffic management, on different performances in levying user charges for different services etc.

It is also important to restore the economic development component. It has often been noted before that Mayors and city officials, emerging out of a past of centralised government where economic management is the exclusive prerogative of national government, have little idea what their city economy is, its strengths and weaknesses. The demand for large infrastructure projects, expanding capacity rather than managing existing capacity effectively, fills the vacuum. The method here is already being worked upon in the World Bank, and the experience of city members of the international LGAs is a rich source. Perhaps the CA's associate partner, ILO, might be drawn into the discussion. The CA needs to make it part of its learning and disseminating alliance.

In sum, then, the CDS experience has been fertile or confused according to the perception of the observer. However, all CDSs have, at least in intention, focussed upon urban poverty and its alleviation. The measure of relevance, however, varies according to the purpose of the CDS, as does its efficacy and efficiency. In any case, these criteria can hardly be applied for some time after the completion of the project and are interwoven with the concern for sustainability. Of course, a full evaluation of the CDS process – within and without the CA funded projects – may reveal cases where it has already failed, it has already been shown to be unsustainable. Lessons can be drawn from such failures that influence future exercises. The different purposes also define the efficiency with which the CDS was accomplished – a more expensive product and process may be a more efficient use of resources than a cheaper one if it is better value for money and meets much more important objectives. Indeed, the cheap product may have even more negative effects by discrediting the entire project for those that come after.

4.4 Global Initiatives

In the three years in which the CA has been financing projects, what are called 'global initiatives' – excluding the non-core $10 million pledged to CLIFF – have taken some 8.4 per cent of total funding. Of this total sum roughly a quarter has been employed in slum upgrading studies, a quarter to CDS. In terms of the distribution of the 18 projects concerned in the three years of the life of the CA, half occurred in the first year, seven in the second, showing the bunching of finance to cover launch costs.

Global initiatives partly overlap with regional projects, designed to, as it were, enhance the knowledge or learning networks of the CA clients. Projects include the development of information networks, web sites (for China, the Philippines, Indonesia, India and Latin America) and toolkits. Take by way of illustration the South African case where the nine largest cities created a support and learning network; each city was at the same time developing a CDS (or in the local parlance, an integrated development plan), and the network allowed them to monitor this, exchange information, evaluate what they were doing and maintain a focus on the poor.

Other projects include the research mentioned in sustainable housing finance, in comparative studies (of seven UMP CDSs, or of three upgrading projects, in Mumbai, Manila and Durban). The residue has been devoted to financing CA meetings – CG, PAB, PPF – and the expenses of peer review etc.

The sums expended have declined over time. They should begin to expand as the work of evaluation and dissemination increases. When the emphasis was on funding country projects, the tendency was to minimise global actions, but with a more deliberate facilitation of a global 'learning alliance', this is likely to change. In fact, the projections already allow for this (see the *Financial Report to the Steering Committee*, April 2002).