

## Cities Alliance:

### Medium Term Strategy 2008 – 2010

#### Background and Context

Since its launch in 1999, the Cities Alliance has rapidly established itself as the leading global coalition focused on the developmental role of cities, and on slums. Amongst the very first acts of the Cities Alliance was the drafting of the ***Cities without Slums*** action plan, which was subsequently picked up by the UN Secretary General and, with an irresistible combination of the patronage of Nelson Mandela and the endorsement of the world's leaders, secured slums a modest but vital position on the world's development agenda. The term **Cities without Slums**, inspirational to many, criticised and sometimes wilfully misunderstood by others, is now substantially associated with the Cities Alliance, and with its members.

While the Cities Alliance has continued to grow in size and in stature, it has nonetheless retained its original sharp focus, and working methodology. The Cities Alliance is not a new, independent development organisation, but a global coalition of cities and their development partners. With no independent implementation capacity, the Cities Alliance is an instrument of its members, explicitly geared towards providing support to cities of all sizes in the developing world.

Cities Alliance support remains focused on two main substantive areas:

- support for citywide, and nationwide, slum upgrading; and
- support for city development strategies, through which a city engages its essential stakeholders to formulate a long-term, sustainable and inclusive future for all its citizens.

Both types of activities will require the support of investment partners within the context of a sustainable financing strategy, signalling the need for approaches that move well beyond the scope of development aid and grants.

In addition to the central importance of investment and financial sustainability, the Cities Alliance provides support on a conditional basis, governed by a set of criteria that are explicitly designed to overcome some of the known weaknesses and failures of international development assistance, and which need to be subject to constant review and reinterpretation. One of the central philosophical underpinnings of the Cities Alliance – that of promoting coherence of effort – was significantly reinforced through the adoption of the **Paris Declaration on Aid Effectiveness**, to which many Cities Alliance members are signatories in their own right.

However, it is worth recalling that one of the original motivations behind the establishment of the Cities Alliance was a general frustration at the perceived failure of development institutions to collaborate with each other and also to focus on a rapidly urbanising world, the urbanisation of poverty and the related growth of slums. Apart from a few, if notable, successes, international development assistance had no

discernable impact on the issue of scale, as the number of slum dwellers in the second half of the 20<sup>th</sup> Century grew from an estimated 35 million to over 900 million.

In general, urban development assistance has been dominated by sectoral projects, limited in focus and in scope, and constrained by short-term political considerations, and donor funding requirements. When there was later a partial shift to budgetary support, it was the anti-urban bias of most national governments that ensured that neither cities nor slums were the focus of long-term planning support.

The Cities Alliance was also created, *inter alia*, to improve collaboration between the major multilateral and bilateral actors engaged in urban development, and to convince members and partners alike to focus on the issue of scale – so that, slowly, painfully but inexorably, development replaces decay and decline, the numbers of slum dwellers are reduced as their circumstances improve, and cities’ economic growth, prosperity and systemic investment in institutions causes the gradual disappearance of slums

The focus of this collaboration was originally on the relationship between the two founding members, the World Bank and UN-Habitat. As the Cities Alliance has expanded its membership, however, the primacy of this relationship – so essential for the original stewardship of the coalition - has gradually evolved, to the benefit of the partnership as a whole. . Operating within the framework of the Cities Alliance Charter, the organization has retained a clear focus on promoting social inclusion, and in reducing urban poverty<sup>1</sup>.

Since its establishment, the Cities Alliance has approved projects worth \$90 million through which assistance has been provided in over 50 countries and more than 210 cities, and linked – directly and indirectly – to over \$8.5 billion of investments. Even as the Cities Alliance core budget increases through a combination of increased confidence and new members, the Cities Alliance’s major impact will rest largely in two main areas, one internal, the other external: (i) the effect that Cities Alliance learning has on the main development programmes and budgets of its members and, (ii) the value and utility of the knowledge and learning that the Alliance harnesses and disseminates to partner cities and countries.

To monitor and evaluate the effectiveness of the organisation, the Cities Alliance has deployed considerable time and resources to being evaluated, with some regularity, with close attention being paid to the internal management of the Secretariat, and to the impact of the organisation as a whole. In addition to a number of small-scale evaluations, the Cities Alliance Consultative Group has commissioned two major, independent evaluations, both subject to international tendering. Both the 2002 and the 2006 evaluations have provided positive overall assessments of the organisation, and both have also made specific suggestions as to how the organisation could be strengthened.

In adopting the findings and recommendations of the 2006 evaluation, the Consultative Group requested the Secretariat to produce a draft Medium Term Strategy to guide the organisation for the next three years. The main elements of the Strategy were presented to, and discussed with, the Steering Committee in Nairobi in April 2007, and the Policy

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<sup>1</sup> There are a variety of definitions of urban poverty, many of which have severe shortcomings. For an intelligent discussion of this topic, please see David Satterthwaite, [The under-estimation of urban poverty in low and middle-income nations](#). Working paper 14, Poverty Reduction in Urban Areas, (IIED, London, 2004)

Advisory Board in Tunisia the same month. Thereafter, some of the central issues now incorporated into the Strategy were canvassed with all members of the Consultative Group in a letter inviting their input. The Medium Term Strategy was then discussed in great detail by the Consultative Group in Manila on the 8<sup>th</sup> November 2007. This meeting endorsed the vision, overall direction and four objectives of the Strategy, but requested some revisions to the detailed document. This version of the Strategy incorporates those changes, as well as the written comments received from some members following the Consultative Group meeting.

In summary, there are a number of fundamental choices facing the Cities Alliance and its members, including the overall trajectory of the organisation, its size and its continued mission. At the core of the debate is a choice between the search for new, innovative and inherently more risky ways of providing ever more effective support to cities and countries, or the more limited (but nonetheless legitimate) objective of being a well-respected and well-managed portfolio of interesting projects, and better-than-average annual meetings. Readers of this Medium Term Strategy will be left in little doubt as to the preferred option. However, as was made clear at the Manila meeting, this Medium Term Strategy should be used as a living document providing an overall direction, rather than as a rigid and all-encompassing rulebook.

#### **Points of Departure:**

Before introducing the outline of the Medium Term Strategy, it would be appropriate to note the points of departure that underpin the Strategy:

- The work of the Cities Alliance needs to build upon that of its members, utilising their respective strengths and mandates, and not duplicating their efforts;
- The Cities Alliance Secretariat has very specific functions and tasks, all of which are determined by the Consultative Group – however, the Secretariat is not the Cities Alliance;
- Although the Cities Alliance will require increased resources to achieve its potential, and implement this Medium Term Strategy, it is not designed to achieve its major impact through its funding activities; and
- The Cities Alliance's major impacts will be achieved through the sharpness of its focus; the quality of its work portfolio; the value of the knowledge that it generates; the analyses it produces; the quality of support it provides; and the learning that it promotes.

## **Medium Term Strategy 2008-2010: Summary**

The Secretariat proposes that the first Medium Term Strategy be for the period 2008 – 2010, and that it be updated annually, and reviewed by the Consultative Group. Thus, the Cities Alliance will always be operating within a minimum of a three-year time horizon, which will also greatly facilitate the drafting of the Secretariat's annual work plan.

In terms of the proposed Medium Term Strategy, the Cities Alliance will retain its existing focus of activities while significantly overhauling and upgrading its knowledge management capabilities, which will be underpinned by a bold communications strategy developed with its members, and a rigorous monitoring and evaluation strategy. The Cities Alliance will increasingly offer longer-term relationships with a limited number of leading cities and countries, while simultaneously preparing partnerships with other cities and countries, especially least developed countries. A central feature of the Medium Term Strategy will be to emphasise the partnership nature of this global coalition, and in finding new ways to engage more of our members.

While operating within the framework of the Charter, and retaining its substantive focus, it is proposed that **the Goal of the Medium Term Strategy is for the Cities Alliance to increase its contribution to systemic change, and to scale.**

In order to achieve this goal, the Medium Term Strategy will be implemented through four objectives:

- I. Systematically increasing the ownership and leadership of cities and countries;**
- II. Raising the profile of cities, and of slums;**
- III. Increasing the depth and breadth of Cities Alliance members' involvement; and**
- IV. Continually improving the management of the Cities Alliance work programme.**

## Medium Term Strategy: Discussion

### **The Cities Alliance is a Learning Alliance.**

From its earliest days, the Cities Alliance has become more systematic in understanding the reasons for the success or the failure of the work that it has supported. To date, every single completed activity financed by the organisation has been the subject of an evaluation of some kind – mostly by the Secretariat, but also by outside evaluators, and sometimes by both.

These evaluations are, however, but one part of how the Cities Alliance learns. Greatly assisted by its members, and their help and insights in observing and understanding what drives change in a given city or country, the Cities Alliance has, over the years, identified a number of conditions that seem to be essential for success. None of these are new, nor are they novel – indeed, most of them are known - but they are, all too often, missing or ignored.

They include:

- The importance of the city or national governments leading the process;
- City or national governments having the political will to take the necessary decisions, and to see them through;
- The importance of providing support to national associations of local government, and strengthening the city's voice in national debates on urban development;
- The need for a long-term vision and programming, which does not get derailed by short-term political considerations, such as election cycles;
- The need, in parallel, for long-term, consistent and reliable support by partners, which do not get derailed by short-term considerations, such as a budget deadline;
- The importance of these reforms being seen as the core business of the government;
- The need for strategies to leverage private sector investment;
- The need for setting public targets, so that the population can identify with the objectives, and also hold the government accountable;
- The need for resources to be allocated accordingly;
- The central importance of a consultative or participatory approach, embracing the private sector and slum dwellers alike; and
- Promoting the essential role of women in development..

### **A Comprehensive Approach**

The Cities Alliance's experience has shown that, for reforms to be successful, they are normally undertaken on a multi-sectoral basis. In the case of slums, for example, it is unlikely that slums will proliferate solely due to the shortcomings in one sector – on the contrary, our experience has shown, time and again, that the growth of slums is facilitated by policy and resource deficiencies across a geographically-diverse, broad

spectrum of sectors – in short, slums are not only the physical manifestation of poverty, but also of systemic policy failure.

Conversely, it is difficult to see how a sectoral, project-based approach to slums or to urban development more generally, can achieve impacts that will not only be sustainable over time, but **will allow the shack to become the house, the slum to become the suburb, and the slumdweller to become the citizen**. The Cities Alliance has, thus, been consistently reinforced in its insistence on a citywide, multi-sectoral approach to its work.

In general, we have found that the work of our members is likely to have maximum traction in those countries that have already made a firm commitment to change, and are in a general state of promoting reforms, affecting institutions, policies and procedures alike. Such a city or national government actively plans for, and prepares, far-reaching changes across different tiers of government, and across multiple sectors, over time.

Indeed, it is becoming ever more apparent that the scale of the development challenges faced by many of our partner countries demands **nothing less** than a fundamental re-examination of priorities, policies, budgets and systems of governance, which cannot be satisfied through a collection of *ad hoc*, standalone projects. At best, such a project may have demonstration value – it is unlikely to contribute to real and meaningful change. The Cities Alliance should increasingly avoid supporting such activities and should, instead, actively encourage projects that are driven by city government, or state or national governments. Cities Alliance members should support rather than take the lead in projects.

Indeed, most of the countries in which the Cities Alliance support is required will have to consider fundamental reforms in order to overcome huge social, economic and infrastructural backlogs. A city that has 40, 50 or 60 percent of its population living in slums, un-serviced and socially excluded, doesn't have a 'slum problem' – it has a **city problem**. It is no real surprise, therefore, that the Cities Alliance's most effective work has been undertaken in cities in countries where a set of reforms is underway, or where there are very clear signs of a move towards reform.

The first premise of the Medium Term Strategy, therefore, is that the Cities Alliance should prioritise working with those governments already committed to change and reform over time – for three main reasons: (i) the Cities Alliance support will have a far greater impact and (ii) the opportunities for learning and knowledge sharing will be greatly enhanced, and (iii) the model or example to other cities or countries will be more emphatic.

Prioritising these leading countries also addresses one of the founding tenets of the Cities Alliance Charter, that of meeting the challenge of scale. **In this respect, the issue of scale is not addressed by merely finding the greatest concentrations of poverty, but rather in working with those governments which hold the greatest promise for improving the living conditions of the greatest number of urban poor.** In effect, the city or national governments that should be seen as the Cities Alliance's natural partners are those that have already taken the decision, (or are in the process of doing so), to decisively address the needs of their urban poor and have recognised that, in order to make this sustainable, this needs to be undertaken in the context of citywide or nationwide reforms. This is contrary to an oft-held view that the Cities Alliance (and

development agencies generally) should focus primarily where poverty is deepest. However, the Cities Alliance will continue to ensure that least developed countries are well represented in its work programme, and that the Medium Term Strategy does not privilege middle income countries. The Cities Alliance's Africa Facility will provide extremely useful support in this regard.

**To repeat, the goal of the Cities Alliance in its Medium Term Strategy is to increase its contribution to systemic change, and to scale.**

In order to achieve this goal, and this impact, the Cities Alliance Secretariat will develop criteria to identify those countries where Cities Alliance activities have the potential to achieve the greatest impact, to support activities that can achieve scale, and tailor a work programme accordingly. This will enable the Cities Alliance to indicate its willingness to become a stable partner and enter into a longer-term partnership with a select number of countries, agreeing to support such countries for a longer, specific period and in so doing help to consolidate city or country-led reforms by offering consistent, reliable, professional and critical support. This approach would allow both parties to move beyond the short-term, *ad hoc*, donor-driven projects, very few of which have any impact beyond the activities themselves.

One obvious starting point, in many ways, is to formalise the relationship with those countries that already have an existing portfolio, and that have shown positive results through a diverse range of Cities Alliance activities supported by active Cities Alliance members. Institutionalising activities that have already demonstrated their capacity to make a real change goes to one of the founding tenets of the Cities Alliance Charter: *'scaling-up successful approaches to overcome urban poverty'*.

Two caveats are immediately important: The **first** is that this approach is not meant to exclude all other countries from being able to access Cities Alliance support – on the contrary, this approach will be most successful if it actively encourages other cities or countries to learn from the progress that has been made in certain countries, and find ways of adapting these lessons to their own situation. The Cities Alliance will also take active steps to ensure that its portfolio and allocations are appropriately balanced between middle income countries and low income countries.

This will, therefore, necessitate the use of a more flexible approach to providing initial assistance to a city, or country, one specifically designed to assist prospective least developed city or national partners to access programmatic Cities Alliance support, structured towards the goal of a longer-term partnership. In part, this product can build upon the recent success of the preparatory grants in improving the quality of the Cities Alliance portfolio <sup>2</sup>.

It also suggests that the Cities Alliance needs to develop ways to **wholesale** its knowledge and technical assistance delivery. There are tens of thousands of cities of all sizes in the world, each of which would benefit from improved strategic city development planning, and from knowledge about scaling up slum upgrading. But

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<sup>2</sup> In order to build upon the success of preparatory grants, the secretariat will introduce a revised and simplified application format.

realistically, only a very limited number can be reached through direct CA technical assistance and structured, longer-term support from CA members.

This reality points to the centrality of the role of knowledge management, and structured learning, within this Medium Term Strategy. In the first year of the MTS, the Cities Alliance secretariat will introduce policies and procedures designed to better analyse, capture and disseminate the experiences that are generated, not only from within its work portfolio, but also beyond. Central to the long-term success of this approach will be the organisation's nascent monitoring and evaluation programme, which should become fully operational during FY09.

The **second** caveat is to clarify that, although this Medium Term Strategy is unashamedly programmatic in its orientation, space should always be left for the possibility for the Cities Alliance to entertain requests for support to innovative proposals from cities or countries. Therefore, the Cities Alliance must continue to signal its willingness to accept new proposals from cities and countries for support, according to the current guidelines and procedures.

Beyond those caveats, though, the direction should be clear. The Cities Alliance should not engage in activities where it has absolutely no comparative advantage: it is not a post-conflict or disaster agency, nor does it generally fund research or conferences, and nor does it duplicate – or fund – the work of its members. It is a global coalition of cities and their development partners that works through the capacity of its members. The role of the Secretariat is to actively facilitate the most effective involvement of Cities Alliance members, to constantly try and improve collaboration between these members, and to help broker the best possible assistance, viewed from the perspective of the client city or government.

The Cities Alliance should measure its success by the extent to which its work has contributed to change – policy, legal, administrative, bureaucratic and budgetary change – that is essential to improve both the lives of the urban poor and the overall health of the cities in which they reside. It should also measure this change by the impact it has on the issue of scale – helping cities and countries to not only reduce backlogs, but begin the vital task of finally getting ahead of the problem, leading inexorably to a reduction not only in the numbers of slum dwellers, but also to an increase in the number of **Cities without Slums**.



## Objective One:

### **To systematically increase the ownership and leadership of cities and countries**

This first objective carries a great deal of the weight of the Medium Term Strategy, focused, as it is, on the core issue of the quality of the Cities Alliance's work programme. It is also a modest attempt to begin to address what is often amongst the most problematic aspects of development assistance – the donor-client relationship. Such problems have included the structural imbalance between the donor and the client; the tendency for development priorities to change; for short-term priorities to dominate the development agenda of cities and donors alike; the linkage between accepting assistance and particular developmental models, and/or consulting services; the limited usage of local consulting skills; and so on.

However, instead of analysing the problems at great length, we rather prefer to make clear our assumptions, and to spell out the proposed approach. These both arise from the very direct experiences arising from the Cities Alliance portfolio.

#### **Client Execution**

Our point of departure is as straightforward as it is clear: We believe that an activity's chance of success is directly related to the extent that it is conceived, designed, proposed and managed by the entity requesting the assistance – generally, a city government, a national association of local governments, and/or a state or national government, or one of their local partners. The role of international development partners, in this case, Cities Alliance members, is to provide active support and professional expertise in response to the needs and requests of the partner making the request. **The guideline should be that the city chooses our member(s), rather than our member choosing the city.**

We believe that our members will want to identify mechanisms that strengthen both the ownership and the leadership of partner cities and countries, an objective strongly reinforced by the commitments and objectives contained in the **Paris Declaration on Aid Effectiveness**. The mechanisms, however, should be designed in a way that retains our members' important strategic and technical inputs to the process.

**The Cities Alliance prefers its activities to be implemented and managed by the partner, be it a city, a country or a local partner.** The Alliance also wishes cities to be more assertive in their choice of partners. Cities that control CA grant funds will be able to take a more direct role in selecting the sources of technical assistance, possibly enhancing the utilisation of local or regional capacity and skills; and in not being beholden to purchasing services based on the source of funds or co-sponsorship.

Only in those instances where the city or its local partners clearly have insufficient capacity to properly manage and administer Cities Alliance funds, should a member of the Cities Alliance, or a third party, be requested to act as agent of the city, and manage

the implementation, but with a view to building capacity of the local partners. Other instances where client execution may not be opportune may include those countries where there are legislative or administrative barriers to such an arrangement or where unintended but significant financial penalties may be incurred.

However, these are considered exceptions - in the majority of cases, it will be the city or country that enters into a grant agreement with the Cities Alliance. The Cities Alliance expects exceptions to the policy of client execution to systematically reduce and, ultimately, disappear. In all circumstances partnership arrangements between recipient countries and cities, and supporting Cities Alliance members, should be well defined at the start of the project in order to ensure satisfactory and timely implementation, as well as quality reporting. The aim is, indeed, to put into practice *the alliance of cities and their development partners*, which is at the core of the Cities Alliance approach.

Client execution will entail cities or countries reporting directly to the Cities Alliance – and the Consultative Group – on the progress made, the utilisation of funds and, most pertinently, on the results achieved. This approach, again, underscores the importance of monitoring and evaluation within the Cities Alliance work programme, undertaken by cities with support from Cities Alliance members. In many cases, however, smaller and weaker cities may require additional assistance in order to be able to access Cities Alliance members and resources.

The Cities Alliance Secretariat has already established a good track record of implementation through small cities and, in some cases, NGOs, some of whose reporting and fiduciary compliance is of the highest standard. Extending this throughout the portfolio may have the effect of slowing down grant agreements by a matter of some weeks, but we believe that this will be more than off-set by the longer-term development benefits.

A focus on client execution will require some modest strengthening of the Secretariat's capacity to provide the fiduciary due diligence required by the World Bank for client-executed grants, and for related grant administration functions, so as to meet the demands of both the current grant portfolio and the anticipated demands resulting from the Medium Term Strategy.

## **Partnership Agreements**

Beyond the relatively straightforward issue of client execution, we believe that the most significant and decisive move that the Cities Alliance can introduce – designed to support systemic change, and delivery at scale – would be a willingness to enter into a stable, long-term partnership arrangement at the request of a country, or city.

The purpose of such an arrangement, which could be informal or take the form of a Memorandum of Understanding or **Partnership Agreement** would be for the Cities Alliance and its members to make clear their intention to act as reliable, constructive and critical partners to a city or country over a given number of years, but certainly well beyond the previous guideline of 24 months. Such agreements would be tailored according to the circumstances and needs of each city or country partner. For their part, the city or country would make a clear commitment to strategic city development planning and scaled up upgrading, with support to be provided by Cities Alliance

members. Such an Agreement would both allow and require both parties to undertake a wholly different type of planning and programming, so that long-term objectives can be jointly planned.

The advantages of a Partnership Agreement would include:

- The development and regular review of a joint strategic work programme;
- Publicising a joint commitment to clear objectives and targets, over time;
- Providing a mechanism for vastly improved coherence of effort amongst Cities Alliance members;
- Mitigating against common uncertainties, such as a change of government or personnel, or changes in donor priorities;
- Capturing and disseminating nationally and internationally major lessons from the experience of the city or country;
- More accurate budgeting by the Cities Alliance, including the more flexible use of funds;
- Providing a structured mechanism with an ability to raise the profile of urban and city issues in PRSPs and other policy documents;
- Providing coherence to a range of different donor-supported activities; and
- Joint advocacy by the Cities Alliance and its partners.

Such an agreement would largely be built around issues of knowledge and learning, monitoring and evaluation, and advocacy, and an assessment of strategic gaps and priorities for which the assistance of the Cities Alliance and its members might be sought. It would not constitute an attempt to pre-programme or co-ordinate ongoing projects or work programme activities, which should continue to be developed, and processed, on their own merits. Wherever possible, such an agreement would build upon existing activities, not only those directly supported by the Cities Alliance, but also those undertaken by Cities Alliance members as part of ongoing bilateral work programmes.

The initiative for a partnership with the Cities Alliance should be taken by the city, the association of cities, or the national government, which would also be primarily responsible for setting the objectives to be attained within the period of the Agreement. The city, association of cities or the national Government would also take the initiative to identify, convene and engage with the individual Cities Alliance members that would be invited to participate, and provide support. The Cities Alliance, via the Secretariat, would facilitate an agreement between the Government, and the Cities Alliance members, and help finalise details of the proposed joint work programme. Each agreement would be specifically tailored to the needs of the given city or national government.

Key elements of an agreement for a city or country could include:

- A detailed programme to collate, analyse and disseminate key information relating to urban and city issues, including environmental conditions, key policy frameworks, data on population and economics, etc.;
- Support for the preparation of strategic reports, such as a State of the Cities Report;
- An assessment of urban environmental issues, opportunities and priorities;
- An inventory of cities, stakeholders and donors active in the urban sector;
- An analysis of the intergovernmental policy and fiscal framework;

- Resources to capture and document innovative experiences of cities, with subsequent national and international dissemination;
- Strategic priorities and plans for learning, knowledge sharing and advocacy, including organisation of events and intra-national, and international learning exchanges;
- Mechanisms for monitoring and evaluation;
- An examination of the inter-governmental fiscal framework, particularly in respect of the impact on municipal finance;
- The identification of sources of domestic finance for city infrastructure and home finance for the poor;
- The identification of mechanisms to promote the role of women in decision making, and in development more generally;
- Strategic priorities for technical assistance for city development strategies and scaling up slum upgrading;
- A technical assistance programme for helping cities elaborate proposals; and
- A mechanism for periodic review and updating of the agreement.

We expect that the first agreements will include countries that already have extensive Cities Alliance activities; by cities or countries that the Cities Alliance will be able to showcase internationally, inviting other cities and countries to learn from their experience.

The Secretariat will report regularly to the Executive Committee, and annually to the Consultative Group, on the status of agreements and the pipeline for prospective agreements, so that the CG may consider the budget envelope allocated for the arrangements. Activities undertaken within such an agreement will be processed through the same donor coordination and approval processes as for regular project proposals.

Where necessary, the Cities Alliance will also provide preparatory grants tailored to assist cities and countries in the initial stages to developing a range of activities that could lead to an agreement. In short, preparatory grants will be available to those cities and countries that wish to engage with the Cities Alliance and its partners on a more structured basis.<sup>3</sup> This will also be an important mechanism to ensure that there is an appropriate balance between middle income countries (MICs) and least developed countries (LDCs) within the overall work portfolio.

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<sup>3</sup> In certain circumstances, some cities will require even smaller amounts of support in order to be able to make the first application

The activities undertaken with the support of such a grant could include:

- The establishment a Cities Alliance “knowledge node” in the country or city with a local partner, to provide knowledge, tools and two-way information flow on strategic city development planning and on slum upgrading;
- Introducing the Cities Alliance to, and deepen engagement with, the recipient government, the national local government associations, as well as different partners;
- Identifying Cities Alliance members active in the country, and to solicit their active involvement;
- Engaging with relevant stakeholders in the country, at local and national levels, the public and private sectors, including NGOs and CBOs, and assess their level of preparedness to engage in a partnership;
- An examination of intergovernmental fiscal arrangements, and municipal finance, and the availability of credit, and investment opportunities, where appropriate;
- Providing preparatory assistance for city development strategies and slum upgrading programme(s) of action, or for learning, knowledge sharing and advocacy activities.

In the case of sub-Saharan Africa, this mechanism could be used most effectively in tandem with the existing Africa facility, and with the local government association support initiative proposed under Objective Two of this MTS.

### **Project Proposals**

The Cities Alliance existing work programme and proposal process will continue to run in parallel with longer-term agreements and the supporting grants package, neither of which would weaken the Cities Alliance’s ability, or desire, to receive new proposals supported by its members. Indeed, some of the Cities Alliance most interesting proposals have emerged through this route. However, as the Medium Term Strategy is implemented, the Consultative Group may in future have to consider whether to give guidance to the Secretariat and earmark allocations for agreements , as this may well have the effect of narrowing the window for single and unsolicited proposals, or lead to their delayed approval pending new injections of funds.

Again, it is necessary to recapitulate that the Cities Alliance is, in global terms, a relatively small facility, with an extremely modest amount of resources at its disposal. **While this Medium Term Strategy is predicated on a steady increase in those resources, the far greater emphasis is reserved for increasing the impact of Cities Alliance activities, rather than merely continually seeking ever increasing amounts of funds for more projects.** If the Cities Alliances resources are ultimately to receive a major boost, then this should take place against a background of support to a relatively limited number of cities and countries, but with real impact on change, and at scale.

## Objective Two:

### To raise the profile of cities and slums

The Cities Alliance and its members have a key role to play in drawing national and international attention to the existing and the emerging developmental challenges in cities of all sizes. This is also an area where the Cities Alliance can really operate as a coalition, reinforcing and drawing together the analysis of individual members.

In so doing, the Cities Alliance can also help to refine some of the central messages, emphasising the importance of approaching these huge challenges from the perspective of national and, more importantly, city governments: indeed, considering the need for a national strategy for cities, rather than merely discussing 'urban' issues. There is a big difference between these two approaches.

The Cities Alliance will increase its efforts to refine and promote these messages through an expanded communications and advocacy strategy, utilising the communications capacities of our members, and incorporating the more effective use of the internet, as well as an expanded and structured programme of knowledge products, outlined in the organisational section below.

It will increase its channels for disseminating these messages in a targeted manner, working through the network of local government associations, starting in Africa for the 2008 work programme. In addition, the Cities Alliance will also support the efforts of one of its newer members, the main global network of slum dwellers, Shack/Slum Dwellers International (SDI) to catalyse foundations and other donors, governments, and the general public around the issues and opportunities of slums. It will also continue to strengthen its emphasis on promoting increased attention to the urban environment.

However, this is an issue that substantially transcends a communications response, critical though this will be. It will also benefit from the Cities Alliance making best use of the comparative and competitive advantages that many, if not most, of its members possess. To identify and maximize these advantages, the Secretariat will also engage with individual or multiple members on given issues, and identify ways in which a range of different resources, skills and networks could be utilized.

The secretariat will commence this process not only through a new Communications Strategy, but also by beginning to develop and facilitate joint work programmes with - and among - members.

The first priority should be the development of a joint strategic approach and work programme with organizations representing cities on the Cities Alliance – United Cities and Local Governments (UCLG) and Metropolis. Thus far, the CA has paid insufficient attention to the vast reservoirs of operational and learning capacity located within their membership. **The Cities Alliance also needs to view cities as resources rather than merely as 'clients' – the key to unlocking these resources will be UCLG and Metropolis, as well as developing country members.**

## **Organised Local Government: UCLG and its Constituencies, and Metropolis**

### **United Cities and Local Governments (UCLG)**

Both UCLG and Metropolis<sup>4</sup> play a dual role within the Cities Alliance – not only are they both members, but they also represent the constituency that the Cities Alliance was created to support. They are, at the same time, both member and partner.

There are a number of ways in which UCLG and the Cities Alliance can work together, not only to strengthen the Cities Alliance's overall work programme, but explicitly as a means of raising the profile of cities, and of a range of urban issues, from governance and economic growth, to slums.

Specific activities could include:

- The Cities Alliance and UCLG Secretariats working together to raise the profile of city/urban issues, and explore possibilities for a joint work programme.;
- The identification of mechanisms to increasingly use individual cities or local government / city associations as resources, able to provide expert support and advice to other cities facing similar developmental challenges.;
- The Cities Alliance providing support to UCLG and UN-Habitat to promote the Guidelines on Decentralisation and the Strengthening of Local Authorities, , adopted at the 21<sup>st</sup> Session of UN-Habitat's Governing Council in April 2007.

The Cities Alliance Secretariat should also continue to develop a joint work programme with the UCLG Secretariat, and engage Cities Alliance members. In particular, work with the UCLG Local Finance Committee should be continued in two fields:

- Local Government access to finance for public infrastructure; and
- Innovative financing systems in partnership with financial institutions.

The latter two areas of work will also complement activities currently being finalised – work on two financial trackers, investigating the supply and the demand sides of the financial equation, as well as the development of a robust joint work programme with the Subnational Finance Technical Assistance Facility of PPIAF.

### **Metropolis**

With respect to Metropolis, the Cities Alliance Secretariat believes that the initiative towards a Bank of Cities, which is being championed by the President of Metropolis, has very significant potential. To this end, Metropolis and the Secretariat have recently agreed to collaborate, and will develop a joint work programme, including the provision of support to one or more of the first activities of this initiative. The need to provide preparatory assistance to the city of Antananarivo has already been identified.

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<sup>4</sup> . Metropolis is the Metropolitan Chapter of UCLG.

The significance of this initiative lies not only in the targeted and strategic manner that Metropolis (and UCLG) intend to approach the issue of municipal finance and city investments, but also because it **signals the emergence of the international associations of local government as active implementation partners for Cities Alliance activities**. As stated above, this is viewed as a very welcome and strategic development, very much in line with the overall direction of this Medium Term Strategy.

### **Local Governments: Prioritising Africa**

At the 2003 meeting in Brussels, sub-Saharan Africa was identified as a priority by the Consultative Group. Sub-Saharan Africa is the continent that is urbanising the fastest, as a whole, and which also has many of the world's greatest developmental backlogs and challenges. The vast majority of the world's least developed countries are found in Africa. For all of these reasons, additional attention needs to be paid to sub-Saharan Africa in the Medium Term Strategy.

The agreements discussed in Objective One could become an increasingly important tool for the Cities Alliance to engage with individual African cities, and countries. This should begin to create an even more robust pipeline over the next few years, providing the Cities Alliance with a base of partners that will provide a vital network of partners with whom to collaborate on raising the profile of city issues more generally.

However, the Cities Alliance also proposes to introduce a more proactive approach, in partnership with the emerging local government organisations in the region. **The systematic engagement and provision of support to National and Regional Local Government Associations** is proposed as a specific, defined project for the Cities Alliance in this Medium Term Strategy.

Following the launch of United Cities and Local Governments of Africa (UCLGA) in 2005, a representative voice for local government covering all of Africa finally emerged, affording the Cities Alliance and its members an historic opportunity to encourage decentralisation, sound intergovernmental relations and providing a vehicle to support the growing number of national local government associations in the region.. However, subsequent to the drafting of the MTS, UCLG-A has become largely dysfunctional as a result of internal conflict.

Once these internal issues have been resolved, and a united structure re-emerges, a support programme could be developed with UCLGA and interested Cities Alliance members is proposed, to assist national local government associations to:

- Improve the capacity and performance of local authorities for planning and implementation of city development strategies, and slum upgrading and prevention programmes;
- Become agents of change to improve the national enabling environments of countries in the region by raising the profile of the cities and positive benefits of urbanisation, and for catalysing systemic and sustainable improvements of policy, finances and public performance of local authorities.

The Local Government Associations (LGAs) involved include national local authority associations; regional associations (such as the East Africa Local Government



Association); and the continental association (UCLGA). This programme could serve as a precursor for other regions on the continent, and be implemented by UCLGA with support from Cities Alliance members active in the region such as AfD, the World Bank, UN-Habitat, GTZ, CIDA as well as local partners such as the Municipal Development Programme (MDP) and South African Cities Network (SACN). The approach could also be adopted at a state, national or regional level in other continents.

The detailed work programme to be developed between the Cities Alliance and UCLG-Africa, could include some or all of the following:

### **Analysis of the national enabling environments of participating Local Government Associations**

- development of the framework for analysis, including data on population and economics; inter-governmental fiscal relations; existing planning regulations, municipal development funds and other sources of domestic capital; characterisations of policies of decentralisation, land, housing, slum upgrading; and other basic framework information;
- collection of data/information by Local Government Associations, supported by a mechanism for technical or implementation assistance;
- assessment of enabling environment by Local Government Associations and their strategic partners;
- consolidation, analysis and reporting of information; and
- a draft work programme of recommended activities, based on the above analysis.

**Packaging, development and dissemination of knowledge products and tools** for use by national Local Government Associations with their members, such as planning, implementation of city development strategies and slum upgrading programmes. Interested Local Government Associations will be invited to become a **knowledge partner** of the Cities Alliance. Activities could include:

- identification of relevant existing knowledge products/tools;
- identification of product/tool gaps;
- development of products/tools to fill gaps;
- packaging of products/materials into modules for use by Local Government Associations with their members;
- dissemination of the initial set (library) of materials;
- Development of a plan with the Cities Alliance Secretariat for ongoing maintenance of the library, and for general two-way learning and information flow.

### **UN-Habitat: The City Agency of the United Nations**

The Cities Alliance and its members have already made good use of the convening power of the United Nations, and the growing importance of UN-Habitat's normative role. Through the unqualified success of the World Urban Forum (WUF), UN-Habitat has managed to create – in a remarkably short period of time – the world's pre-eminent forum for showcasing, discussing and debating urban and city issues. The adoption at the 21<sup>st</sup> Governing Council of the Guidelines on Decentralisation and the Strengthening

of Local Authorities has opened a significant opportunity to push forward the decentralisation agenda.

The **State of the World's Cities** provides an essential vehicle for significant advocacy efforts, offering not only a thorough analysis of the most significant recent developments, but also acting as a vehicle for concentrating an international focus onto urban issues. Additionally, UN-Habitat's recent decisions to launch State of Cities Reports at a Regional level and a Sustainable Urbanisation Campaign have the potential to shine an international spotlight on one of the defining developmental challenges of our time. Together, this amounts to a significant package of advocacy tools around which the Cities Alliance and its members should rally.

The Secretariat should also engage the monitoring capacity within the Global Urban Observatory (GUO), which provides an excellent platform to monitor progress in certain cities and countries.

The Medium Term Strategy of the Cities Alliance, and UN-Habitat's own Medium Term Strategy and Institutional Plan complement each other in significant ways. Indeed, an excellent platform has now been laid for vastly improved collaboration between UN-Habitat and the Cities Alliance, particularly for raising awareness on urban challenges, and for improved collaboration on advocacy and policy issues.

To this end, UN-Habitat and the Cities Alliance Secretariat have agreed to jointly develop a joint three year work programme, which will be subject to an annual bilateral review meeting between the Cities Alliance Secretariat and its counterparts in UN-Habitat.<sup>5</sup>

### **Working with the World Bank**

The location of the Cities Alliance Secretariat at the World Bank comes with a number of distinct benefits, all of which serve to underscore the value of continuing this relationship. However, there is always a danger of this relationship being assumed to be effective, and even being taken for granted.

The location of the Secretariat should not obscure the need for the Cities Alliance Secretariat to work just as purposefully and programmatically in developing a joint work programme with the World Bank, and its constituent parts. As the single largest development institution in the world, the importance of having a structured relationship is self-evident. Of course, this needs to be done in such a manner that provides for appropriate professional space and distance between the Cities Alliance and the World Bank, as was recommended in the recent evaluation by the World Bank's Independent Evaluation Group.

The Secretariat has substantive but distinct relationships with three parts of the World Bank. The first is with the most direct interlocutor, the Urban Anchor. The relationship between the Cities Alliance Secretariat and the Urban Anchor is primarily normative and strategic, and the two parties have the potential to complement each other's strengths. The second is with the operational regions, through a combination of interaction with Task Managers and Sector Managers. Working on these relationships are absolutely

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<sup>5</sup> The post-election violence in Kenya has delayed the development of a joint work programme.

essential to the continued health of the Cities Alliance pipeline of work activities – it is this relationship that has historically provided some of the strongest and most innovative of the Cities Alliance’s activities, and continues to do so.

The third relationship – which is likely to increase in importance through the adoption of this Medium Term Strategy – is with the World Bank Institute. Although the organisation is currently being reviewed, initial discussions with the WBI have confirmed the enormous potential of the relationship, and the leverage that could be achieved through bringing in other members of the Cities Alliance around issues of knowledge sharing and learning.

These three relationships come together strategically and organisationally in the Urban Sector Board, which is the managerial platform (upon which the Cities Alliance is represented) to direct the urban agenda within the World Bank. During the course of 2008, the Cities Alliance Secretariat and its World Bank partners will develop a more formal framework for increased collaboration and mutual support.

### **UNEP: Increased attention on the urban environment**

At the last two meetings of the Consultative Group, the United Nations Environment Programme (UNEP) raised concerns about the perceived lack of attention being paid to the urban environment in the work programme of the Cities Alliance. Specific suggestions that were tabled were not endorsed by the Consultative Group as a whole. Subsequent to the Washington meeting, UNEP and the Cities Alliance Secretariat have re-examined the issue and have agreed on a formulation that will address the major concerns.

We do not believe that Cities Alliance members will find controversial the suggestion for the Cities Alliance to become far more systematic in the manner in which urban environment issues are addressed. In order to achieve this, two recommendations are made. The first amendment is to the wording of the environment criterion in our Guidelines for the Submission of Proposals, which would now read:

**“Positive Impact on Environment:** Activities supported by the Cities Alliance must aim to achieve significant environmental improvements. ***The proposal should contain details of how these environmental improvements will be achieved, including through the setting of specific goals or targets, demonstrate how these improvements would be institutionalised, and the positive impacts sustained.***”

The second recommendation underscores the first, and provides a specific mechanism:

The Cities Alliance would move towards making mandatory a Strategic Environmental Assessment for all significant CDS and SU proposals (for instance, any activity that receives an Alliance grant in excess of \$250 000, or any proposal with a citywide focus), to be conducted either during, or immediately after, the activity. Since the Cities Alliance would be making this a mandatory requirement, it would be appropriate for the Cities Alliance to provide the additional resources to ensure that cities are not penalised.

As a first step, it is recommended that Partnership Agreements will include a work programme for assessing and developing plans of action to address urban environment issues for a city or country.

In addition, proposals will need to contain a system for monitoring the environmental impacts of the project. This will be done with the assistance of UNEP and ICLEI. In addition, the terms of reference of Cities Alliance project evaluators will include the review of the environmental impacts of the project. In addition, the Cities Alliance secretariat and UNEP will also prepare a joint work programme which will, *inter alia*, incorporate the monitoring and evaluation of environmental impacts within the CA work portfolio.

### **Slum Dwellers: Engagement with Shack/Slum Dwellers International**

In November, 2007, Slum Dwellers International (SDI) became the first non-governmental organisation (NGO) to join the Cities Alliance. This provides an excellent platform for the Cities Alliance to pursue a more structured engagement with SDI and its network of slum dweller federations. From an advocacy perspective, SDI has become increasingly effective in putting forward the interests of the slum dweller as an important voice of the urban poor, and has been able to point to the power and capacities of slum dwellers to be effective partners in development. This is a centrally vital message for the Cities Alliance and its partners, especially insofar as it is able to challenge the negative image so often associated with slum dwellers.

SDI has also been able to put forward a positive message about slum dwellers: their ability to organise, to generate financial assets through savings, to make decisive contributions to development policy. In these, and other fields, SDI is able to point to tangible successes, sometimes achieved with support through the Cities Alliance and its members.

SDI has a growing network, with an active presence in 25 countries, and has recently demonstrated a new strategic willingness to move beyond demonstration projects to engage with city and national governments in a bold and potentially significant manner. In the view of the Cities Alliance, SDI should no longer be treated merely as the public face of the ultimate client, nor just as a new member, but rather as a natural advocacy and development partner for the Cities Alliance. This will doubtless result in new attitudinal changes amongst all parties, but we are certain that the potential implicit in this relationship will reap real dividends. It will also afford a far greater legitimacy and realism to Cities Alliance's advocacy efforts.

Apart from advocacy, during 2008 the Cities Alliance will continue to assist SDI to design its Global Urban Poor Development Fund, with funding made available through CLIFF by Sweden (Sida) and, subsequently, by the Gates Foundation. In addition, the Cities Alliance will continue to support the further elaboration of the CLIFF programme, expanding activities in Kenya and initiating a new programme in the Philippines.

### **Private Sector/Foundations / Policy Institutes**

Private sector foundations, particularly in the United States, have long been development stakeholders of enormous significance. The Rockefeller Foundation, for example, was

instrumental in its contribution to the Green Revolution in agriculture, whereas the Ford Foundation has a long track record of providing support to innovative organisations, such as SPARC in India, and Slum Dwellers International. Many of them have very sizeable budgets, often larger than many bilateral donors. The Bill and Melinda Gates Foundation is now one of the largest development agencies in the world.

The Cities Alliance should have a conscious strategy to reach out and engage with this constituency, not so much as sources of funding but rather as development partners that interact with different constituencies than those reached by the Cities Alliance. The Cities Alliance Secretariat has recently begun to engage with both the Rockefeller and the Gates Foundations, and there is very clear evidence that these relationships have the potential to be extremely beneficial to all parties. For its part, the Rockefeller Foundation has again indicated its ability to lead from the front, with its decision to host a very significant intellectual event at Bellagio, Italy, in the summer of 2007, bringing a sharp focus to urban development issues.

These activities also build upon a very modest but effective relationship that was developed with the Worldwatch Institute around the launch of their State of the World 2007 Report. Overall, this is clearly an arena within which the Cities Alliance, its membership and its sharp focus have a great deal to offer. The Cities Alliance Secretariat is also exploring partnership and collaboration possibilities with the International Institute for Environment and Development (IIED) in London, and the International Activities Center of the Urban Institute in Washington DC.

### **Objective Three:**

#### **To increase the depth and breadth of Cities Alliance members' involvement**

As a coalition, the Cities Alliance has no separate implementation capacity, but works through the capacity of its members. It is this fact that most clearly underscores the importance of not viewing the Secretariat as representative of the Alliance, but as the mechanism through which partners receive the support of Alliance members. This operational reality will also greatly inform the implementation of objectives two and three of this Medium Term Strategy, as their efficacy and success are mutually reinforcing.

It was very largely due to the operational capacity and collaboration between the Cities Alliances' two founding members that the organisation was able to establish itself so rapidly following its launch in 1999. For the first two to three years, UN-Habitat and the World Bank were instrumental, both individually and jointly, in most of the proposals submitted to the Cities Alliance. Subsequently, as the Alliance expanded, other members with operational capacity, such as JBIC, DFID, USAID, GTZ and AfD, became involved, shared the responsibility and opened up new opportunities for the Alliance.

Notwithstanding this expansion, it nonetheless remains a fact that the bulk of proposals submitted to the Cities Alliance are sponsored or co-sponsored by a relatively small number of our members. In the view of the Secretariat, nothing should be done to lessen the involvement of active members – rather, the approach should be to find mechanisms to increase the involvement of all members, especially those that do not have operational capacity. In order to increase the involvement of more members, it will be necessary to look well beyond the co-sponsorship of proposals as the main mechanism for members' involvement.

Several actions are proposed to address this issue, including more strategic joint work programmes among members; staff secondments from a wider range of members; increased translation of key Cities Alliance documents; and more dynamic use of the Cities Alliance website. However, this will be a constant effort undertaken by the Secretariat, and will be open to new ideas and innovation.

The Cities Alliance has helped facilitate several joint work activities with members, such as development of the LED resource guide for cities (with the Netherlands, World Bank, UN-Habitat, and USAID), published in 2007, or the Municipal Finance Task Force, launched in 2005. We propose increased engagement in joint work activities and, if possible, joint work programmes – both thematic and operational – and more strategic programming of these activities by including them in the medium-term strategic planning process, to be considered by the CG during its annual meetings.

It is proposed that the Cities Alliance will focus on the following initiatives during 2008:

**Cities Development Initiative for Asia (CDIA).** A joint undertaking between the Asian Development Bank (ADB) and the German Government, CDIA aims to *‘...contribute to the promotion of sustainable and equitable urban development, leading to improved environmental and living conditions for all in Asian cities’.*

Aimed primarily at the local governments of medium-sized cities in Asia, this initiative arose from the ‘Investing in Asia’s Urban Future Conference’ in Manila in February 2007. Subsequently, the Swedish International Development Agency (Sida) has indicated its interest in joining the initiative.

The CDIA has the potential to act as an instrument with the capacity to strengthen the Cities Alliance’s engagement with Asian partners in general and with the Asian Development Bank (ADB) in particular. The CDIA and Cities Alliance secretariats have already established a positive and mutually beneficial working relationship, which will be further strengthened through collaboration on specific activities.

**Local Economic Development, ILO and other partners.** Arising from a discussion at the Washington 2006 CG meeting, a number of Cities Alliance members expressed a strong interest in finding mechanisms to more effectively integrate employment into urban development strategies. The International Labour Organization (ILO) took the lead and hosted an informal meeting of interested parties in Geneva in March 2007, which was also attended by representatives from DFID, SIDA, UN-Habitat and the World Bank. This ‘Core Group’ has begun to examine how to use city development strategies and slum upgrading programmes as vehicles for a greater impact on job creation, including leveraging municipal investment plans and donor budgetary support.

As a first step, the Core Group has begun to develop a Policy Advisory Note on urban employment that will:

- Raise awareness on cities strategic processes’ and the extent and nature of their role in supporting job opportunities at the local level;
- Assess knowledge and capacity gaps in promoting employment at the municipal level, and recommend what the different actors, especially Cities Alliance members and partners, could do to improve the situation;
- Propose a strategy and work programme under the Cities Alliance umbrella to address those issues.

**Cities and Climate Change, UCLG, UNEP, UN-Habitat and the World Bank.**

Beyond improving the quality of attention paid to the urban environment within its work programme, a number of Cities Alliance members have expressed their concerns about the impact of climate change on cities, particularly those in the developing world. With a need for cities and countries to focus far more on strategies to adapt to the consequences of climate change, this is likely to be a rapidly expanding aspect of the Cities Alliance work programme, for which city development strategies have enormous potential.

The Cities Alliance Secretariat has been in preliminary discussions with UCLG, UNEP and the World Bank on the kind of catalytic support that the Cities Alliance could provide in taking forward this issue, and in helping our members to coordinate more closely.

## **Cities Alliance publicity and materials**

While publicity and materials will also be part of the Cities Alliance communication strategy, how well the Cities Alliance is able to communicate with all of its members is a key variable in determining the level of the involvement of those members. In order to facilitate improved knowledge and awareness of Cities Alliance activities, and to allow Alliance members to popularise the work of the Cities Alliance in their countries, amongst professions, local governments and NGOs, a significantly improved range of informative and simple publicity material will be essential.

Wherever appropriate and effective, the Cities Alliance will translate essential material into different languages, some of which may be aimed at our members but, in certain cases, at partners. As a first step, we have already translated the Cities Alliance brochure, our corporate calling card, which contains a brief description not only of the Cities Alliance itself, its mission, and objectives, but also lists the Cities Alliance criteria and advises on how to apply for assistance. The Cities Alliance brochure has already been translated into *Arabic, Chinese, French, Japanese, Portuguese, Russian, Spanish and Swahili*.

The application form will also be translated into different languages, and we will also indicate our ability to accept applications in these languages, although the translation will add some time to application processing.

Building upon this approach, the Secretariat would like to explore the possibility of undertaking member and country-specific publications. This would be a joint publication to publicise the urban development aims of the Cities Alliance member, and to showcase activities they have supported, and to highlight the impact they have had through working with the Cities Alliance.

## **[www.Citiesalliance.org](http://www.Citiesalliance.org)**

While the Cities Alliance has made modest attempts to use the internet as a resource, it is proposed that the organisation significantly ramps up its use of the web, and makes it a major platform for dissemination, outreach, and management.

As is described in more detail in the Work Programme, the Secretariat will shortly be in a position to complete the CDS and Slum Upgrading databases, which will be searchable by members. This is the first phase of a knowledge management exercise which will see the Cities Alliance website become increasingly functional as a resource for members and the public alike.

However, the Secretariat plans to move significantly beyond using the web as a sophisticated library. In addition, the website can be used as a platform for:

- Providing active, current links to all of our members, offering them the opportunity to regularly update links, and to showcase specific activities;
- Showcasing the activities of specific city or country activities, with active links to all involved members and partners;



- Allowing members to see the current status of a project proposal, allowing members to track progress against the Cities Alliance service standards (Objective 4);
- Providing a platform for the development of a global events diary, highlighting major city, national and international events, posted by our members and partners; and
- Highlighting major events and news from our members.

## **Regional Staff**

The Cities Alliance currently has a small office in Brazil – located at the University of São Paulo, as well as regional advisors located in Benin, and in South Africa.. The Brazil office has been very effective not only in providing support to operations, and advising on the preparation of new proposals, but also in helping the Ministry of Cities design a forward looking programme that will serve as the basis for the first Partnership Agreement.

Based on the previous experience of having staff members co-located in the World Bank offices in Pretoria and New Delhi, as well as that of the current regional advisor located in Cotonou, it is apparent that a field officer with intimate knowledge of the region and the Cities Alliance can boost the quantity and quality of applications to the Cities Alliance.

It is proposed to expand this approach, cautiously, during the course of the Medium Term Strategy. In the first year, it is proposed to appoint locally-recruited nationals to act as the regional staff member in Addis Ababa, to provide support to the members and the Government of Ethiopia, and in New Delhi, to help expand the Cities Alliance work programme. UN-Habitat Programme Managers (HPMs) can play a supporting function in many countries.

## **Other initiatives**

Finally, the Cities Alliance is beginning to witness the emergence of new working relationships, through which developing country members assume the role of the international development partner. This is a potentially significant development. One of the first such examples was the city-to-city cooperation between the cities of Addis Ababa and Johannesburg, which was unfortunately disrupted by local elections turmoil in 2006. However, it seems that a new programme is in the process of being designed. Elsewhere, the metropolis of Lille has provided direct support to Cotonou, capital of Benin.

More recently, Brazil has signaled its interest in providing support and assistance to Mozambique, following preliminary discussions held in Bahia in 2006, on the occasion of the annual Tri-partite meeting, also involving the Government of Italy. Informal discussions with our members indicate that this could become a significant addition to the Cities Alliance portfolio. Given that this is based upon the transfer of knowledge, improved communications and local ownership, these developments are entirely consistent with the overall trajectory of the Medium Term Strategy.

The Cities Alliance Secretariat is also reviewing the definition and requirements of co-sponsorship of a proposal, to try and identify ways in which this could be re-examined to provide scope for more members to become involved in the Cities Alliance work programme. In addition to the specific activities above, the Secretariat has identified a number of additional opportunities that could be used to raise the profile of urban development issues, cities and the Cities Alliance amongst our members.

These include:

- the possibility of a member hosting a meeting of the Cities Alliance, such as the Spring Meeting of the Policy Advisory Board;
- hosting a meeting of the Executive Committee;
- hosting a specific, substantive activity (such as LED or Climate Change);
- hosting the annual meeting of the PPF and the Consultative Group;
- Cities Alliance participation in learning or policy events organised by the Cities Alliance member country, or partners within that country; and
- The possibility of Cities Alliance members participating in a field evaluation mission, organised by the Cities Alliance Secretariat.

The March 2008 International Dialogue on Slum Upgrading provided an excellent example of a CA member city, São Paulo, Brazil, leading discussions and sharing experiences of citywide upgrading. Jointly organized by the Municipality of São Paulo and the Cities Alliance, with the support of Brazil and Metropolis, this very successful event used the São Paulo experience as a platform for learning and policy dialogue amongst a number of Cities Alliance partner cities, including Cairo, Lagos, Manila, Mumbai and Ekurhuleni, as well as a number of observer cities.

## Objective Four:

### To continually improve management of the Cities Alliance work programme

The Secretariat's ability to provide the necessary support to the Medium Term Strategy will rest, firstly, on significant changes to its work processes and, secondly, on enhanced capacity. **Amongst a number of pressing priorities, enabling the organisation to act as a learning alliance must take pride of place.** A key part of this learning will involve improved engagement with members, **always ensuring that the Secretariat is leveraging, rather than duplicating or replacing existing capacity.**

The two areas requiring the most time and effort will be the development and implementation of an overarching knowledge management system, which has a number of component parts; and the development and maintenance of a comprehensive monitoring and evaluation strategy..

As noted earlier in this document, the effectiveness and utility of the Cities Alliance is likely to grow in direct proportion to its ability to use its members, partners and secretariat to capture, analyse and disseminate useful, applicable information about urban development, and the lessons learnt from different cities and countries. Even as its access to resources grows, the Cities Alliance will remain a relatively small player in funding terms, but has the potential to become a globally significant player through its members, and through its ability to act as a Learning Alliance.

These functions – knowledge management, monitoring and evaluation, communications and advocacy – will determine how effective the Cities Alliance will be in supporting a bolder vision, supporting systemic change as cities and countries address urban and city developmental challenges at scale.

The role and efficiency of the Secretariat will be pivotal in this regard, both drawing upon, and supporting, Cities Alliance members.

Many of the tasks listed below are already in process, and some have their own, internal logic, and are intrinsic to the running of the organisation. However, all of them will feature very strongly in the first year of the Medium Term Strategy, and feature strongly in the 2008-2010 Work Programme that has been developed by the Secretariat.

#### **Work Programming**

In many ways, the most important mechanism that needs to be influenced by the Medium Term Strategy of the Cities Alliance is the Work Programme of the Secretariat. To effect this, the Work Programme has been completely redrafted and rewritten, to follow the logic and the priorities of the MTS. The first draft of this new Work

Programme was tabled at the CG meeting in Manila, and has already undergone its first revision (as a result of this redrafting of the MTS).

The Cities Alliance Work programme is designed to provide CA members with the executive-level information needed to inform strategic planning, monitoring, oversight and resource allocation. The first draft provides a detailed breakdown of the Work Programme for FY 2008, but also includes plans and projections for FY09-FY10.

The Work Programme also incorporates – and responds to – many of the comments raised by members, such as the development of the Cities Alliance’ Monitoring and Evaluation strategy, the use of indicators, Knowledge management and so on. In parallel with this process, the Secretariat is in the process of revising its team structure, workflow procedures – in fact, all programme operations.<sup>6</sup>

The following sections briefly provide the background to some of the changes and new priorities that have been identified, and which will be reflected (in the appropriate format) within the Work programme:

## **An Expanded Communications Strategy**

### **(i) Overview**

In general terms, the scope of the communications strategy encompasses both the external and the internal communication functions of the Cities Alliance.

The **external** targets Cities Alliance members including the cities themselves represented by UCLG and by Metropolis; local government officials or city administrators; other city stakeholders including civil society organisations and NGOs; the media; the private sector; urban development specialists; and the general public.

The **internal** will focus on communications to and between CG membership; Secretariat staff including those within regional offices; and also include communications from the Programme Manager.

The overall objective of the communications strategy will be to work with CA members to support the Cities Alliance’s goals, and its contribution to systemic change in urban development and to scale. This will be undertaken through a combination of:

- Knowledge Sharing
- Advocacy
- Strengthening Partnerships
- Promoting Key Messages and
- Leveraging Resources

Overall, a concerted communications and advocacy approach should help to significantly increase the image of urbanisation, and of cities of all sizes, as a global public good. A successful campaign should also significantly boost the national and international profile of the Cities Alliance as a partnership, having a major impact on urban development.

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<sup>6</sup> All of these changes came into effect on 31<sup>st</sup> January, 2008, with the Medium Term Strategy.

Benefits internal to the partnership should include enhanced cooperation among Cities Alliance members, evidenced by improved and mutually-reinforcing knowledge and advocacy partnerships.

## **(ii) Publications Programme**

The Medium Term Strategy has focused the Secretariat's attention on the weaknesses and inconsistencies of the Cities Alliance's communications, and the consequent lack of a substructure to our publications programme.

The goal of the publications programme would be to more efficiently package and promote the Alliance's knowledge and learning, and help achieve the overarching goal of contributing to systemic change, and to scale.

Within this publications programme, the following product lines are being considered:

- (a) **Cities in Action.** A series of short publications, highlighting ongoing or completed activities in a given city (or state, or country, as appropriate).
- (b) **Cities Alliance Working Papers Series.** More detailed, book-length studies and analyses of city activities; the detailed results of a field evaluation; or a study of a specific urban or city theme
- (c) **Cities Alliance Technical or Resource Guides.** This series has begun to emerge, although without the benefit and guidance of an overarching strategy.
- (d) **Country Framework Reports.** Detailed analyses of urban, environmental and economic issues, with the support of Cities Alliance members active in that country.
- (e) **Promotion of members' material.** Cities Alliance will also promote and disseminate material produced by its members and partners.
- (f) **Promotion of non-members' material.** The Cities Alliance will also seize opportunities to collaborate with non-members
- (g) **Enhance the Municipal Finance Task Force website** to include innovations in city-community financing in slums.

## **(iii) Website**

The website will serve a number of functions, not only as an indispensable tool in an expanded communications strategy, but also as a management tool and an excellent method of improving our interaction with our members, and also of improving their profile within this coalition.

## **Internal Staff Reorganisation**

The secretariat will introduce, in 2008, significant changes to a number of job descriptions, and terms of reference. In all cases, the object of this exercise has been to remove duplication and overlap; to better align job functions; to improve efficiency and – most importantly – to improve job satisfaction and career opportunities.

## **Young Professionals Programme**

The Young Professionals Programme will allow for the secondment or financing of up to four qualified professionals.

The main purpose of the programme, and the main job for these professionals, would be to provide capacity to the Secretariat in a number of substantive areas. Activities and responsibilities would include:

- Assisting senior technical staff in the proposal evaluation process, and in monitoring of progress;
- Drafting articles for the Cities Alliance website; preparing project summaries; synthesising published material; assessing thematic resources; and other writing and analytical tasks.
- Assisting in organising and reporting on events and meetings;
- Interacting with task team leaders, based at the World Bank and elsewhere;
- Helping the Secretariat undertake portfolio reviews, whether by country, topic or region; and
- Preparing analyses of current development issues, under the direction of senior members of the Secretariat.

## **Introduction of Service Standards**

In order to improve the quality of the services provided by the Secretariat to members and partners, and to improve transparency, the Secretariat proposes to introduce service standards across the range of service and functions it performs.

## **Revising and Updating Cities Alliance Operations Manual**

The Manual of Procedures is being revised and updated. In summary, the objectives of the manual are:

- To provide instructions to the staff at the Secretariat to fulfill their organisational roles; and
- To ensure transparency and consistency in the Secretariat's business processes.

## **Improving the Knowledge Management System**

In some ways, the Cities Alliance itself needs to become a knowledge management system. However, this can only happen if the organisation is underpinned by an advanced management information system and knowledge sharing-learning activities, with the following goals:

- ***To improve internal knowledge and information resources management.*** Improve the Cities Alliance's ability to effectively and efficiently capture, structure, manage and disseminate its knowledge and information within its Secretariat;

- **To provide the Secretariat, partners and clients** with timely access to Cities Alliance knowledge and information resources, assisting them to scale up successful approaches and promote knowledge sharing and learning.

This has a number of elements, all of which are currently under development within the Secretariat:

### **Project Database**

The Cities Alliance Project Database will be entirely searchable and serve as a tool to collect and store knowledge and information related to all Cities Alliance projects, both completed and current, including members, partners and consultants information. It will also serve as a monitoring tool for Alliance project proposals.

### **Cities Alliance Website**

As mentioned under objective three, the Medium Term Strategy envisages greatly enhanced use of the Web as a managerial and knowledge management tool, allowing the Cities Alliance to engage with members and partners alike, track progress on the work programme, the status of proposals etc, as well as act as a major platform for the dissemination of substantive material on the activities of the Cities Alliance and its partners.

### **Overhauling Monitoring and Evaluation (M&E)**

The secretariat has commenced developing the Alliance's monitoring and evaluation framework. A first draft will be circulated among members at the beginning of 2008.

The purpose of M&E in the Cities Alliance is threefold: It supports

- accountability,
- knowledge management and learning, and
- results based management.

The information provided through existing and additional monitoring mechanisms will be used in evaluations as systematic, objective and, to a significant extent, participatory assessments. Evaluations in the Cities Alliance will contribute to organizational learning and knowledge management, helping to understand why certain results are achieved, and their impact on stakeholders.

Evaluation should enable the incorporation of lessons learned into the decision-making process of both recipients and Cities Alliances' members. Evaluations are not only excellent learning tools, they also support accountability by encouraging accurate and fair reporting on performance and results. In addition, they support results-based management objectives by helping to improve the design and performance of ongoing operations, as well as the portfolio of operations and of the institutional performance.

M&E will focus initially on three levels:

- single operations, such as a CDS or SU-operation in a given city,
- portfolio and programmatic level,
- overall institutional performance of the Alliance.

On the operational level, M&E will contribute to a stronger orientation towards impacts. Project design, correspondingly M&E and reporting on results of the operation, should be based on impact chains. The gradual introduction of new instruments is suggested, such as ex-ante impact assessments, midterm reviews, participatory completion evaluations and ex-post evaluations. It is anticipated that most cities will need additional substantial and methodological advice from sponsoring CA members to improve project design, result oriented implementation and M&E. **On the institutional level, M&E will help to determine the overall performance of the Cities Alliance, its relevance and fulfillment of objectives, development efficiency, effectiveness, as well as its impact and sustainability.**