

Cities Alliance Steering Committee
MEETING REPORT
13-15 October 2003
São Paulo, Brasil

The Steering Committee met on 13 and 15 October 2003 in São Paulo, Brasil, in preparation for the annual meeting of the Cities Alliance Consultative Group. In attendance: Biau, Reutersward (UN-Habitat); Flora, Plessis-Fraissard (World Bank); Saiz, Bilsky (WACLAC); Konukievitz, Stremplat-Platte (Germany); Carlson (USA); and Hildebrand, Milroy (Secretariat). The agenda is attached.

1. Approval of September 2003 Meeting Report

The draft report of the September 2003 electronic meeting of the SC was adopted, during which the SC approved the proposed \$1.7 million FY04 budget; recommended approval of two Large Scale proposals (South Africa W&S Partnership; and Cali, Colombia, slum upgrading and land tenure regularization); and staffing/personnel matters.

The Secretariat was asked to reflect, in its future budget and financial reporting, the amount it receives for administering Non-Core contributions. The Secretariat briefed the SC on the current amount of annual management fees received from administering the Salvador, Bahia, (Italy) and CLIFF (UK-DFID) Non-Core programmes.

2. Resource Mobilisation

A. Donor commitments. The SC was briefed by the Secretariat on current financial commitments made to the partnership -- US\$57.7 m., of which US\$8.8 m. is expected to be received in 2005-2008 – and on the status of the annual membership arrangements with CA bilateral and multilateral members.

There was discussion on the benefits and costs of trying to bring private sector contributions to the CA for Core & Non-Core activities, such as through an endowment fund; and discussion on the CA becoming more active in facilitating financing for housing and infrastructure.

B. Funds Available. The SC reviewed the schedule of cash resources anticipated to be available for the FY04 Core work programme -- US\$5.6 mil., including US\$3.75 mil. for new projects. It was noted that the EU is preparing a large water & sanitation facility, which Manfred Konukievitz agreed to approach to promote linkages to the Cities Alliance.

C. Developing country membership. The Secretariat briefed the SC on prospects of developing country membership in the CA Consultative Group (as “members” or “associate members”), including Brasil’s intent to join the CA. The SC discussed the political benefits of developing country membership in the CG and the resulting

opportunities for the CG to learn from these countries; and the possible complications of a larger membership base. The Steering Committee discussed the required minimal annual contribution of members, and considered various options for developing countries.

After consideration, the SC recommends to the CG to amend Charter article #34 by adding the new sentence, highlighted below:

“34. The *Core Fund* comprises a pool of resources that can be used for any activity falling within the work program approved by the Consultative Group. The funds will be applied to country-specific activities, multi-country activities, knowledge and learning activities, and governance costs. Contributions to the Core Fund are not subject to any donor restrictions, including in relation to nationality of consultants. Unless otherwise indicated, all contributions to the Cities Alliance would be designated to the Core Fund. All participating donors would be required to make a minimum contribution to the core fund of \$ 250,000 per annum. In the case of regional development banks, such core contributions can be tied to their relevant operational regions where required by their statutes. ***Governments of countries referred to in article 12 will be required to make a minimum contribution to the Core Fund of \$50,000 (or local currency equivalent) per annum.***”

Article 12 specifies countries eligible to receive CA assistance (from the OECD development assistance list).

D. Renewal of “Associate Membership” category (Charter article 23). The SC reviewed the role of the associate members, as has been included in the Charter and renewed periodically since the Charter approved after the Berlin CG meeting:

“23. During the first four years of operation (through December 31, 2003), the CG will invite prospective financial partners to serve as “Associate Members” of the Cities Alliance Consultative Group. The associate membership will be non-voting but will share information and participate in key meetings.”

After consideration, the SC recommends to the CG to replace the first sentence of article #23, to read: *The CG will invite prospective financial partners to serve as “Associate Members” of the Cities Alliance Consultative Group for a maximum period of two years.*”

3. Personnel/ Staffing

The Secretariat briefed the SC on the recruitment for Secretariat posts:

Senior Urban Finance Advisor – offer has been made to a candidate previously endorsed by the SC;

Communications Officer – post was re-advertised.

The SC endorsed the Secretariat's recommendation to recruit an Urban Economist, through the World Bank's Staff Exchange Program with Caisse des depots et consignations (CDC) – Ms. Pascale Chabrilat.

The Secretariat briefed the SC on the appointment of Ms. Carien Engelbrecht as a regional advisor for East & Southern Africa, to be posted in the World Bank's office in Pretoria.

4. Other Business

John Flora briefed the SC, on behalf of a task force organized by UN-Habitat, on a prospective global shelter finance facility, G-SAF, and on his intention to report to the CG on the progress of the task force.

Emilia Saiz gave a short briefing on the pending merger of the main international associations of local authorities, to be mentioned at the upcoming CG meeting.

5. Next Meeting of SC

The SC agreed to meet in conjunction with the next World Urban Forum, 13-17 September 2004, in Barcelona.