



# **Medium Term Strategy (MTS) Update**

**October 2010**

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# MTS Update to CG

October 2010

## *Executive Summary*

*This document contains a summary of the progress made thus far by the Secretariat in implementing the decisions adopted by the CG in Mumbai. It also incorporates, in a preliminary manner, some of the outcomes of the Exco meeting that took place in July.*

*The document also reflects the Secretariat's proposed adjustments to the new business model, based on an assessment of initial responses to the business model from a number of CA members. In general, a more cautious approach to the transition has ensured a gradual implementation of the business model, thereby not pre-empting the decisions of the CG in Mexico City.*

*Over the same period, the Executive Committee has deemed it appropriate to take a bolder approach to the redrafting of the Charter. This follows the first of two EXCO meetings in Paris, the second of which is due to focus almost exclusively on a revised Charter. At the July meeting, the Secretariat had recommended .....that CA members give high priority to re-building the Cities Alliance as a Partnership, capitalising upon the diverse strengths of all Cities Alliance members, rather than relying on a limited number of active members and/or the Secretariat.*

*In July, in response to some concerns amongst a number of members, the Secretariat had proposed a gradual approach to the transition, which was reflected in the following aspects:*

- 1. An enhanced role for the Catalytic Fund, which will be more readily available to fund the broader engagement of members in providing support to developing cities and countries;*
- 2. Allowing time for an assessment of the first four in-country programmes;*
- 3. The improved alignment between the work programme, and the allocation of the budget. Specifically, the Secretariat recommends that the EXCO and/or the CG make clear budgetary allocations to the four different pillars of the work programme, viz.: The Catalytic Fund, In-Country Programmes, Knowledge and Learning, and Communications and Advocacy;*
- 4. A concerted attempt to engage more CA members in the strategy and activities of the partnership; and*

5. *A newly defined relationship between the Secretariat and the Executive Committee, with the latter playing more of a leadership role within the Cities Alliance.*

## **1. Overview – Context and Strategic Orientation of the Cities Alliance**

The Medium Term Strategy (2008-2010) was designed to consolidate and build upon the mandate and success of the Cities Alliance after its first eight years. Produced after the second independent evaluation, and incorporating an honest assessment of the perceived strengths and weaknesses of the organisation, the MTS has been instrumental in providing a strategic framework for the Cities Alliance.

The impact of the MTS will form a key component of the forthcoming independent evaluation. At the time of the meeting in July, it was argued that the MTS had helped the Cities Alliance to:

- Improve its contribution to the Paris and Accra agendas adopted by the international development community;
- Contribute to an improved international focus on urban development;
- Sharpen the focus of CA interventions; and
- Improve the efficiency and management of the Cities Alliance overall.

Where the MTS was arguably less successful was in the objective of increasing the breadth and depth of member involvement in the affairs of the organisation. It is the strong view of the Secretariat that renewed and sustained attention will be necessary to redress this problem.

More recently, in the deliberations at the Barcelona CG meeting in 2009, and more evidently at the Mumbai meeting in January 2010, it was clear that the founding Charter was beginning to show signs of age, raising questions about its effectiveness as a consensus document, and in directing the organisation. In particular, the following strains were identified:

- The changing membership of the CG, and in the turnover of personnel representing member organisations;
- The subsequent loss of institutional memory;
- A changing international developmental context;
- The evident gaps within the document; and
- Significant, ongoing changes within the host organisation, and their impacts on the CA.

As a first step, the CG decided at Mumbai to undertake this review of the Charter in two phases, with the first focusing on the membership of the organisation, and the process of decision-making, prior to a more comprehensive review of the entire Charter, following the third independent evaluation, scheduled for mid-to-late 2011. However, when this issue was discussed at the July meeting of EXCO

in Paris, it was clear that there existed a substantial appetite for completely reviewing the Charter in a more streamlined manner, and bringing a lengthy period of member introspection to finality, ideally by the time that the CG meets in Mexico City. To this end, EXCO decided to convene a second meeting in October, to consider either a draft version of a wholly new Charter, to be presented to the CG the following month, or a substantially amended Charter.<sup>1</sup>

Considerable progress was made at the Paris meeting, which also dealt – at length – with the perennial issue of the relationship between the Cities Alliance, the secretariat, and the World Bank, both as co-founder of the organisation, as well as host and administrator of the Partnership. A great degree of clarity and consensus emerged from this meeting, with EXCO expressing a general satisfaction with the balance of alignment and autonomy that the Cities Alliance had achieved, and been allowed, within the World Bank.

Subsequent to the July meeting, further attention has had to be given to the dual issues of the programmatic alignment of the Cities Alliance work programme with that of the World Bank, and the associated mainstreaming of Cities Alliance procedures with those of the Bank. The practicalities of these adjustments are in the process of being resolved (and streamlined) between the CA Secretariat, and the respective operational and administrative parts units within the Bank.

It is very important that Cities Alliance members are fully apprised of the detail and implications of these further adjustments to the daily and strategic decisions of the Cities Alliance. In the view of the Secretariat, properly and openly managed these new working arrangements could offer the Cities Alliance an excellent opportunity to leverage not only the World Bank, but also more Cities Alliance members. This is an issue that deserves to be fully canvassed at the CG meeting in Mexico City.

### **Developing a Cities Alliance Theory of Change**

In framing its own responses to the challenges raised by its members, the Secretariat has subsequently sought to provide a framework, in order to help itself and members to contextualise the current and future role of the organisation. Following the Mumbai meetings, in which a number of significant decisions were taken in respect of the CA's business model, the Secretariat grappled with some of the central themes raised by the MTS: the challenges of *systemic change*, and of *scale*. We believe these remain valid objectives to continue to guide the organisation in the immediate future, while moving towards a complete revision of the Charter itself.

This issue will need to be more fully developed in the revised MTS, which will eventually emerge from the process of revising the Charter. However, it will certainly be useful to outline some of the major issues that a theory of change will need to address, many of which build directly on the logic of the current MTS.

The first assumption that needs to be made explicit is that, increasingly, the focus of the Cities Alliance and its members will be on cities and countries that are at comparatively early stages in managing their process of urbanisation. This assumption complements both the emerging consensus within the CG for an increased focus on poorer countries, as well as building on the experience and lessons that the Cities Alliance has gained from a decade of working with urbanised countries such as Brazil, South Africa, Chile and the Philippines. In addition, it also provides a very clear basis and rationale for the continued engagement with CA's MIC members, both as repositories of relevant and replicable knowledge but, equally importantly, as mentors for countries faced with similar challenges,

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<sup>1</sup> This version of the MTS was updated immediately prior to the second EXCO meeting, which is again scheduled to be hosted by UNEP at its Paris offices, subject to the prevailing situation in France.

eager to both avoid the same mistakes, and learn from the successes. The Cities Alliance has already been able to demonstrate the interest in this methodology in the engagement between Malawian and South African cities, the ongoing interest in lessons from Brazil (for example, from India and South Africa), the emerging relationship between Brazil and Mozambique, with support from the Government of Italy, and the example of intra-city networking offered by the League of Cities of the Philippines.

The second, and broader assumption, is that the challenges associated with rapid urbanisation are consistently exacerbated by inappropriate and counter-productive policies, at both the local and national level. This is an issue that the Cities Alliance has consistently covered, most recently in the opening chapter of the 2009 Annual Report.

It is upon this combination of factors influencing the trajectory of change - where demographic realities are increasingly at a variance, or even clash with, the prevailing policy environment - that the Cities Alliance and its members will increasingly focus, and provide support to governments wishing to manage a more orderly, dynamic and productive process of change. Or, to put the issue more starkly, what should not be at issue is the fact that fundamental, profound change is certain in developing cities and countries - but, rather, **the nature, pace and process of that change**. Different decisions, and different policy approaches, especially learning from other cities and countries, can make significant differences between successful and orderly transformation, and difficult, socially disruptive and unproductive transitions.

More recently, there has been increased attention on the role of cities in contributing to, and mitigating against, the impacts of climate change, with a particular focus emerging on green cities, as well as city resilience, not only to climate change, but also to systemic shocks and disasters. In the view of the Secretariat, these issues can and have been most appropriately addressed through the non-formulaic vehicle of a city development strategy, but it would be appropriate for EXCO to provide some guidance on the importance of these issues to the Cities Alliance.

The context of the CA's work, therefore, includes:

- Rapid urbanisation, mainly within Africa and Asia, encountering similar pressures to those witnessed in Latin America and the Caribbean over the past 3-5 decades;
- Evolving, if sometimes inadequate, policy responses;
- The growth of informality, and associated governance challenges;
- Changing demographics - internal and cross-border migration, the growth of secondary cities, and the growing proportion of youth within the population;
- The increasing confluence between the impacts of climate change and urban risks arising from poor policies; and
- More recently, the impacts of the economic crisis, and the need for improved systems of financing.

In the recent past, there has been a discernable increase in international attention on urban issues, and the analysis of the changing nature of challenges facing cities. Amongst a number of reports produced by private sector organisations (McKinsey, Arup), UN agencies (UNFPA, UN-Habitat), the World

Development Report 2009 stands out for the compelling case that it made for cities and, indeed, for systems of cities. Equally importantly, the WDR 2009 improved our understanding of the uneven nature of growth, the importance of agglomeration and the need for informed interventions.

It has always been the view of the Cities Alliance that, aside from advocacy and information sharing, development partners should not attempt to insert themselves into the decision-making process in a given country. It is the local society and its government(s) that are the main drivers and decision makers, either pushed by the increasing dysfunctionality of the old systems of management and control or, increasingly in a globalising world, in observing and learning from less disruptive experiences from other cities and countries – particularly from those cities and countries with appropriate, relevant and transferable experience. The language of ‘south-south’ points to this emerging tendency, even if it oversimplifies the practice.

It is, therefore, important to record that some of the most significant policy shifts that have emerged in the past few years are those of developing countries themselves, including in sub-Saharan Africa. Not only in the more urbanised countries in west Africa, such as Senegal, Benin and Ghana, but also in countries noted for their low levels of urbanisation, such as Uganda, Malawi and Tanzania, or those with an historic apathy to the urban poor, such as Kenya, have introduced new policies and initiatives to respond to their growing urban reality. Globally, the most significant lessons have been learned from the manner in which China has attempted to harness the process of urbanisation and the economic power of its cities, which have been instrumental in driving the country’s unprecedented economic growth, and transformation. More recently, we have begun to witness the preparedness of India to contemplate comprehensive programmes to reform cities, as well as support *in-situ* slum upgrading on what would need to be an unprecedented scale.

In summary, the last few years have demonstrated that there is emerging a new understanding of the nature, extent and urgency of the urban challenge. In particular, there is now a consensus that cities have problems, but are not the problem. Policy makers are increasingly realising that slums and grinding, unrelenting poverty that are the menace, and not slum dwellers.

As welcome as these changed perceptions are, more urgent action and bolder actions are vital. Not only do cities in the developing world need to respond to current backlogs and challenges, but they also need to be anticipating, and actively planning for future growth. The Cities Alliance needs to pay attention to the nexus of decentralisation and urbanisation, which is not only where many of these developmental challenges will manifest themselves, but also where long-term solutions will need to be found.

There is also a greater clarity that most national developmental challenges will be concentrated in cities of all sizes. The greatest challenge is for the local population, the political leadership, and their institutions – the building of an evidence-based consensus, the taking of the necessary decisions, the introduction of necessary reforms, the allocation of the budget, the reorientation of the administration, and the measuring and reporting on progress – these are all issues for **that** city, **that** society, **that** government. The provision of support, and learning from outside, are roles that can be played by international development agencies, and facilitated by partnerships like the Cities Alliance.

## **The Role of the Cities Alliance**

In this context, we also need to briefly consider how international aid, and the development architecture, is changing, and further needs to change. What is clear is that the traditional pre-eminence of a limited number of countries and organisations is being challenged by the emergence of

new power systems and models of cooperation, and by the rejection of top-down, supply-driven and high-cost models of development assistance.

The Cities Alliance is both affected by these changes, and also attempting to influence the debate, combining as it does elements of both the old and the new. While it is hardly alone in the field of urban development, it has a number of strengths, which include:

- The CA is an **alliance focused on cities**. While working through, and with, national government, the focus of the Cities Alliance is on the *local*, where the citizen meets city hall, the formal meets the informal, and where daily life is lived, and where livelihoods are transacted and transformed;
- The eclectic composition of the Cities Alliance, which incorporates the post-WW2 multilateralism of the UN system (UN-Habitat, World Bank and UNEP), the G7-G20 bilateral, emerging regional/global powerhouses (Brazil, South Africa, Chile, Philippines, Nigeria), representatives of LDCs (Ethiopia), OILCs (Nigeria), as well as new (SDI) and established (HFHI) international NGO and, most importantly, the international organisations representing local government (UCLG and Metropolis);
- From its very launch, the Cities Alliance has been conceptualised as more than the sum of its parts, to be achieved not through acting as a financier (or a Trust Fund), but through **the power of its members working together**, the alignment of its interventions, the quality of its work, the knowledge that it generates, the analysis that it produces and the learning that it shares;
- A Secretariat dedicated to helping members achieve the goals and vision of the Alliance, and strengthening the organisation as a Partnership.

### **Developing the New Business Model**

Arising from the intense debate that was generated by the different responses of members to the Medium Term Strategy, the Secretariat proposed a number of revisions to the CA's business model, which had been debated and developed since Barcelona, and which were finally adopted in Mumbai. These revisions stem from a number of inputs, which include the 2006 Independent Evaluation, constant assessments of the strengths and weaknesses of the CA portfolio, as well as observations of the most effective processes that contribute to systemic change and to scale.

Based on the preceding factors, the Secretariat found it necessary to develop a theory of change to guide the organisation through this transition, and to forge a consensus about its vision, role and the methods it uses. Re-emphasising its core principle of examining the city in its entirety, the Cities Alliance seeks to promote inclusive cities that are both integrated (comprehensive and holistic) in their approach, as well as integrative, providing space, voice and opportunity for the urban poor.

In considering essential changes to the Cities Alliance's business model, the Secretariat has necessarily started from the guidance that already exists in the current Charter. The following two policy statements from 1999 have helped to frame our thinking in 2010:

1. The Cities Alliance is a global coalition of cities and their developmental partners;
2. The Cities Alliance has been conceived to improve the efficiency and impact on urban development cooperation, making unprecedented improvements in the lives of the urban poor.



This we understand to mean that the primary focus of the CA is on (poverty in) **Cities**, and our primary method is that of cooperation, with our members acting as a **Partnership**. *We further interpret this to mean that the modest resources should not be used to merely augment the ongoing work programmes of our members, but rather add qualitative value which members and partners could/would not generate individually.* It is these understandings that inform the logic of the business model which is presented in the rest of this document.

Based on early member responses, Secretariat adopted a more cautious, transitional approach to the new business model, envisaging a more prominent role for the Catalytic Fund in this period. This will have important implications for the CA's approach to budgeting, and to nascent country programmes.

### **Summary of Recommendations from the Secretariat:**

- ✓ Overall, the Secretariat proposes a business model that is predicated on the more active involvement of CA members;
- ✓ The Secretariat believes that this would most obviously be facilitated by an empowered and more active Executive Committee;
- ✓ In particular, the Secretariat believes that the selection of countries for in-country programme support should be a decision for EXCO, acting on information and recommendations provided by the Secretariat;
- ✓ In selecting a country, the Executive Committee should also very clearly identify the leading CA member for such a programme, who will facilitate the involvement of other CA members, with Secretariat support;
- ✓ No new items / themes should be added to the work programme without the identification of the necessary budget and resources for implementation;
- ✓ It is proposed that, during the transition, EXCO makes clear budgetary allocations between the four pillars of the CA's work programme, which will then be conveyed to all CG members, and acted upon by the Secretariat; and
- ✓ In-country programmes would, in the transition, be limited to the three already identified (Uganda, Vietnam and Ghana), with the fourth being selected by EXCO, from recommendations submitted by the Secretariat.

## 2. The Four Pillars of the Cities Alliance Work Programme

### 2.1 The Catalytic Fund

#### Rationale

After 10 years of experience, the CA Open Access Grant Facility has been replaced by a Catalytic Fund as one of the four strategic pillars of the CA business model. The Catalytic Fund (CATF) has been developed in accordance with the following principles:

- Strategic alignment with the new CA business model: The CATF harmonizes with the new CA business model, following the MTS, adhering to the theory of change and complementing the other CA tools, namely In-Country Programmes (ICP), Communication and Advocacy and Knowledge and Learning (K+L).
- Global Reach: The CATF is to maintain a wide geographical scope of the CA, much beyond the limited number of countries envisaged for in-country-programming.
- Demand orientation: Cities are at the centre of the CATF, and mechanisms will be in place to foster ownership and commitment.
- Process optimization and transparency: The CATF will intend to systematically lower transaction costs for CA members and partners, while maintaining transparency in the selection process and increasing the developmental value of its projects.

#### Objectives

The Catalytic Fund has two major and complementary strategic objectives: The first objective is oriented towards the specific local situation while the second aims at the broader CA constituency.

**Objective 1:** The Catalytic Fund aims to have catalytic effects on initiating and enhancing urban transformation processes promoting more inclusive cities.

**Objective 2:** The Catalytic Fund aims at advancing collective know-how through the learning that can be distilled from the project experiences and shared with a broader audience.

Urban transformation is a long term process, with multiple actions and actors, which changes a city by developing innovative ideas and concretising them through cooperation. A **catalytic effect**, as intended by the Catalytic Fund, will:

**Bring change:** This change would not happen without the action of a catalyst able to initiate and then mediate the process of transformation.

**Shape a ‘cooperation system’:** A catalytic reaction develops through the building and development of a dense system of partnerships. Positive change in complex systems such as cities adapts to the idea of multiple drivers, different approaches, activities and competencies are being aligned for synergetic results towards a common goal.

**Innovate:** The catalytic effect is creative and value-added. It often relies on diverse combinations of inputs, alternative pathways and new solutions. Innovation will be measured in terms of new ideas, products and processes in the local city context.

As the CATF aims to ‘advance collective know-how through the learning that can be distilled from the project experiences and shared with a broader audience’, the CATF will prioritise projects with a high potential to generate case studies, practical experiences in dealing with a well defined problem, which address local needs as well as the knowledge interest of the Alliance. The main instruments of knowledge generation and sharing will be: (i) peer-to-peer exchange (in most cases city to city); (ii) advisory services provided by CA members; and (iii) the preparation and presentation of the case study by the applicant to a peer audience (e.g. at WUF, UCLG congress, Africities, and other). These instruments will be integrated into the design of each project, the peer to peer exchange and the advisory services will be incorporated in the project budget. The presentation to a peer audience will require an additional budget line as part of the Secretariat’s K+L programme, separate from project grants.

The appraisal process might also make a useful contribution to the CA learning function. The debates emerging from the consensus building for the funding decisions might be extremely relevant and insightful with regard to the current trends and innovative solutions in urban development and, as such, be of great interest to an audience beyond the CA Secretariat. A mechanism to facilitate the sharing of this knowledge into CA’s constituency would be to synchronize the selection meetings with a CA event, e.g. the CG meeting, or with renowned international events, e.g. WUF or UCLG congress, and/or report to the Policy Advisory Forum.

### **Basic Characteristics of the CATF Appraisal Process**

The appraisal of proposals for CATF builds around the following major tenets:

- Grants are awarded in a competitive process intended to increase the quality and focus of the portfolio in order to leverage the impact of CA and tailor it to the new programmatic objectives;
- The application for CATF support will be through a call for concept notes (concise outline of the intended projects) twice a year, which will be processed in a batch, instead of appraising proposals individually, throughout the year. This is a direct consequence of the competitive process but will also contribute to the lowering of transaction costs;
- The proponents of the most promising concept notes will be asked to submit a fully elaborated project proposal, from which the projects for funding will be selected. This stage of the selection process will also be competitive, with the probability of success determined by budget availability;
- It is proposed that the selection process will use an external evaluation panel (EEP) to aid the CA Secretariat in assessing the relevance and quality of proposals, and in supporting objectivity and transparency. The EEP recommendations are reviewed by the CA Secretariat and revised in cases where strategic portfolio criteria will need to be taken into consideration. The final list approved by the Manager is referred to the CG for endorsement on a no-objection basis.

- Subject to guidance of EXCO and/or the CG, as well as budgetary allocations, it is further proposed that grants will not exceed \$250,000. Projects with high cost effectiveness and lower overall costs will be prioritised;
- All proposals shall include co-financing from the recipient organization, implementing partners, and other sources. The amount of co-financing shall be adequate to the capacity of the proponent and the size of the project.

### Proposed Selection Criteria

The suggested selection criteria are in line with the core principles of the founding CA Charter and capture its nine criteria. They reflect a redefinition rather than a substantial change of the criteria. The rationale is to provide the CA Secretariat and the EEP with a tool which allow not only to judge if a proposal qualifies according to a set of criteria, but to decide among qualifying proposals which ones are comparatively better.

The criteria for evaluating the proposals are deduced from the objectives of the CATF: (1) to cause catalytic effects on urban transformation (bringing change, system of cooperation, and innovation); and (2) advancing collective know-how. The ‘Implementation conditions’ - do not map to any specific goal but rather cover the probability of successfully concluding the project. It is worth noting that the criteria and sub-criteria are not meant to aggregate mathematically into a final numerical score. Criteria and sub-criteria are rather to function as guidance for evaluating those aspects that are most important to the CA, and that therefore need to be considered when evaluating the proposals competitively.

<b>1. Implementation conditions</b>	<ul style="list-style-type: none"> <li>• Capacity</li> <li>• Cost-Effectiveness</li> <li>• Result Framework</li> <li>• Fiduciary Management</li> <li>• Risks and Mitigations</li> <li>• Co-Funding</li> </ul>
<b>2. Impact</b>	<ul style="list-style-type: none"> <li>• Scalability</li> <li>• Transferability</li> <li>• Institutionalization</li> <li>• Follow-up investments</li> <li>• Targeting the objective</li> </ul>
<b>3. Cooperation</b>	<ul style="list-style-type: none"> <li>• Ownership</li> <li>• Harmonization</li> <li>• Alignment</li> <li>• Partnerships, Dialogue and Consultations</li> </ul>
<b>4. Innovation</b>	<ul style="list-style-type: none"> <li>• Innovative design, process and products</li> </ul>
<b>5. Knowledge and Learning</b>	<ul style="list-style-type: none"> <li>• Learning from M&amp;E</li> <li>• Learning and dissemination</li> <li>• Applicability</li> </ul>

In addition to the generic criteria above, EXCO and the CG might consider additional criteria in order to generate case studies on issues of high interest, e.g. providing land for incremental housing, urban poor investment funds, or other. These additional criteria could be varied from year to year, thereby generating valuable case studies covering strategic issues. The Secretariat will also apply strategic

criteria to maintain the geographical scope of the portfolio, the balance between MIC and LDC, optimal member engagement, knowledge gap-filling and thematic balance.

### **The Small Grant Facility**

Historically, there has been a consistent demand for small grants (<US\$75,000) within CA financing activity. Small grants average between 10% and 15% of the total CA budget and account for almost 50% of all the grants approved yearly. The majority of the small grants are directly executed by CA members often as knowledge related activities. With regard to small grants, the Catalytic Fund (CATF) appears as a less tailored accommodation than the previous Grant Facility, as small projects would compete with much larger ones. Against this background, the CA is introducing a specific tool, the Small Grant Project Facility (SGF). This is a separate part of the CATF and will be fully dedicated to the financing of small grants.

The main goals of the SGF are the same as in the CATF. Specifically, it aims (1) at initiating and enhancing catalytic transformations leading towards more inclusive cities; (2) at advancing collective know-how through the learning that can be distilled from the project experiences and shared with a broader audience. The SGF maintains different operational characteristics from the CATF which descends from their different rationale. Three major characteristics should be mentioned:

- (1) Reduction of transaction costs. The SGF will provide money in a timely and appropriate manner, simplifying the costs of transaction both internally for the Secretariat as well as for the applicants.
- (2) Supporting CA Members. The SGF will be open only to CA members (or their clients/partners)<sup>2</sup> providing a flexible window open all year round for catalytic opportunities that builds on members' strength.
- (3) Comparative selection. Although the SGF provides funding in a timely manner, proposals for funding will still be selected competitively. The idea of a competitive process for project selection derives in the first instance from the limited available resources upon which the fund will draw but will also allow the Secretariat to favor those proposals more in line with the CA renewed strategic objectives of scale and impact.

The SGF is open all year round and proposals are received by the Secretariat on an ongoing basis. Proposals are submitted to the Secretariat through an application form. At the end of each quarter on pre-established dates, all proposals received during the previous quarter will be batched and processed. The CA Secretariat is fully in charge of evaluating the proposals. The evaluation operates basically on the same criteria as for the CATF.

### **Requested Decisions**

Subject to the endorsement by CG of the principal characteristics of the CATF as described above, presented in detail in the "Red Book" on the CATF, and the "Blue Book" on the SGF, the Secretariat will initiate the first call for concept notes shortly after the CG meeting in Mexico City, with submission date in early 2011. CG and EXCO members may also wish to recommend to the

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<sup>2</sup> CA member execution is highly preferred to reduce the transaction costs. Third party execution is possible but the application should at any rate originate from members.

Secretariat additional candidates for the external evaluation panel, which will initially be built around the existing pool of Independent Technical Assessors (ITAs). Upon advice of EXCO, the CG will also decide on the budget available for the CATF – as well as the three other pillars of the work programme, which will then determine the number of full project proposals to be considered for funding.

## 2.2 Country Programmes

The need for the Cities Alliance to develop an In-Country Programme (ICP) approach was clearly identified in the Medium-Term Strategy (MTS):

*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.*

Since the adoption of the MTS, the CA Secretariat has worked to outline the parameters and understand the implications of this new model of CA support. The first significant attempt to formulate a longer-term, programmatic approach was in the development of the Land, Services and Citizenship programme, which was the basis for a \$15m grant from the Bill and Melinda Gates Foundation. This programme has subsequently been launched by the Government of Uganda with a number of CA members, and is currently under development by the respective governments and CA members in Ghana and Vietnam.

With the development of criteria for the selection of countries for in-country programme support, the fourth country should be selected by the Executive Committee, based on information provided by the Secretariat<sup>3</sup>.

The ICP is primarily designed as a vehicle through which Cities Alliance members will support the national government, local authorities, communities and their development partners to comprehensively:

1. Engage in *meaningful dialogue* and cooperation;
2. Increase their *awareness* of the situation of the urban poor and their capacity to contribute to urban development;
3. Enhance their *knowledge* of inclusive urban development;
4. Elaborate inclusive urban *strategies, policies and plans*;
5. Identify and *mobilise finance* and other resources for inclusive urban development;
6. *Adjust their organisations* to support inclusive urban development; and
7. *Implement* inclusive urban policies, strategies and plans.

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<sup>3</sup> Due to the budgetary requirements of an in-country programme, it is proposed to reduce the number of LSC countries from five to four.

## Country Programme Design

The core objective of an In-Country Programme is to bring CA members together into a series of facilitated engagements with national and local authorities. This process helps to collectively define the demand and informs how limited ICP resources can best be utilised to: 1) build on and support to CA member and other initiatives currently underway; 2) strengthen the operational synergies between members, and with national and local government; and 3) help fill the defined programming gaps that will enable an integrated focus on the inclusive city and the urban poor.

Bringing the drivers of development together in the design process of the ICP helps achieve two results: 1) set out a longer-term CA commitment to pro-poor urban programming within a specific country; and 2) enable purposeful coherence of effort between CA members in support of the programme.

The ICP supports the institutionalisation of dialogue between drivers of development at national and at local levels enabling the better formulation of policy, strategies and plans. In this respect the ICP aims to achieve the following:

- Improved national urban policies reflective of the inputs of local authorities and communities;
- Urban strategies and policies that reflect and respond to the needs of the urban poor; and
- Credible development plans aligned with investment.

The Country Programme is an approach, rather than a specific methodology, and will be tailored to the specific conditions and requirements of the country in question, whether low income, or middle income countries.

In-Country Programmes would be developed primarily in lower income countries, with a particular emphasis on Sub-Saharan Africa. From the outset, Cities Alliance members would work together in helping the government to: (a) build citizenship and good governance at a local level; (b) improve planning and urban management systems for effective municipal service delivery; and (c) enable the policy environment for efficient and effective pro active management of urbanisation.

The nature of the Alliance's implementing strategy for ICPs in LICs will depend on the budget allocated. It is envisaged that a small portfolio of carefully selected LIC countries will be programmed with parallel grants enabling the concurrent implementation of the three objectives above. Equally, an ICP could also be developed via a sequencing of a limited number of interventions, supported by CA grants.

Irrespective of whether an ICP is packaged as a programme of sequenced or parallel grants, the following fundamental characteristics would apply in both instances:

- The ICP would be a negotiated multi-year programme, identified and designed through a process of active stakeholder involvement; and
- The strategic point of entry of programme design is the city level, linking with *inter alia* the national association of local governments, national government, the private sector, and organisations of the urban poor.



The Cities Alliance may also provide ICP support to a limited number of MICs that have large populations of the urban poor and whose experience might be relevant to other low-income countries.

As agreed in Mumbai, emphasis would be placed on strengthening and utilising the Alliance's existing portfolio of MICs as an asset base for South-South exchange. Thus, in MICs that are selected for in-country programming, many of the follow up grants would endeavour to facilitate this objective. In particular, these ICPs would:

- Focus on processes and outputs that might serve as a demonstration effect through South-South exchange;
- Target grants at strategic opportunities (national, local government and community) that would leverage knowledge, pro-poor policy reform and new praxis.

It is envisaged that ICPs in middle-income countries would build on the existing relationships with Brazil, India, Philippines, Chile and South Africa.

The Country Programme approach is still at an early stage, with the most progress having been made in Uganda, from which a number of important preliminary lessons have already emerged. These will be presented for discussion at the CG meeting in Mexico City.

### **Country Selection Criteria**

Above and beyond due considerations of impact, geographic spread and the varied interests of the CA membership, the following are among the key assessment criteria:

1. Demonstrated demand from national and local government;
2. Political commitment to addressing the needs of the urban poor;
3. The nature and extent of CA member engagement;
4. Outcome/Impact of past CA investment(s);
5. The mobilisation of new partnerships.<sup>4</sup>

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<sup>4</sup> For example, universities and training colleges

## 2.3 Knowledge and Learning Programme

### Rationale

Knowledge generation and sharing is one of the defining pillars of the Cities Alliance's role in international urban development. As motivated in the founding Charter, one of the priority objectives in creating the organisation was to *provide a structured vehicle for advancing collective know-how*. Considering the wealth of knowledge represented in more than 200 projects supported by the Alliance over the past decade, it seems that their potential to influence urban policies and practices has not yet been fully realised. The role of the Alliance as a global generator and provider of knowledge needs to be reinforced and substantiated.

Given limited scope and resources, this can only be achieved by focusing the knowledge and learning programme and linking it with the specific strength of the Alliance, namely:

- its specific approach to change, the urban transformation process towards inclusive cities;
- the reference to operations on the ground, which demand and provide *applied* knowledge;
- the variety of expertise of partners and CA members, offering options which are easily accessible and adaptable to specific situations; and
- the global character of the Alliance, which facilitates analysis of local experiences against a broader context.

### Objectives

Taken the above as guiding principles, the evolving Knowledge and Learning Programme is designed to screen and capitalise worldwide experiences of transformation processes towards inclusive cities, make them available to urban practitioners and feed them into policy dialogues on local, national and international level. This is aimed to:

- encourage more urban actors to engage in transformation processes, as CA approaches are promoted by opinion leaders, training institutions and other multipliers;
- increase the effectiveness and efficiency of urban transformation processes, as policy makers and practitioners draw on previously developed approaches and instruments;
- increase the sustainability of CA support beyond the project duration as drivers of urban development integrate the knowledge into their individual and organisational work routines; and
- increase the coherence of effort among all parties involved, as they align their policies, approaches and instruments.

Once again, also in the context of knowledge and learning, it must be highlighted that the Alliance relies in first instance on its members, with only a supportive/complementary role for the Secretariat.

### **Knowledge Generation**

The operations of the Cities Alliance, namely activities supported by the Catalytic Fund and the in-country-programming will generate knowledge. As experience shows, they will also identify knowledge gaps, where approaches or experiences are not readily available, neither by CA members and partners, much less by the CA Secretariat. The Secretariat will systematise this demand for knowledge, suggest possible means of knowledge generation and learning, and consolidate it into a K+L work programme, as part of the overall annual CA work programme to be submitted to the CG.

The Catalytic Fund will give priority to projects with a high potential to generate practical solutions to development challenges, address both local needs as well as the knowledge interest of the Alliance. These experiences will be analysed, synthesised and shared as case studies. The main instruments of knowledge generation and sharing will be advisory services from CA members, peer exchange (in most cases city to city); and the preparation and presentation of the case study by the applicant to a peer audience (e.g. at WUF, UCLG Congress, Africities, and other).

In-Country Programmes will also generate experiences, but of more complex nature, targeting more themes and engaging more actors. In addition, they will generate valuable experiences on managing complex urban transformation processes. Similar to the Catalytic Fund, advisory services, peer exchange and presentations to a peer audience are built into the design and the budget of In-Country Programmes. As has already been demonstrated in Uganda, Urban Fora at local and national level are a vital element of in-country programming and will be very significant for sharing information, for alignment and for joint learning. The participation of all CA members and partners active in the correspondent country needs to be strongly encouraged. In addition, and different from the Catalytic Fund, the CA Secretariat will have an active role in monitoring the substantive progress of the programmes, and in capturing the experiences, with a focus on learning about the management of transformation processes.

The third principal instrument to address knowledge gaps are **Joint Work Programmes** among CA members, mainly to generate concepts, position papers, or tools, including pilot experiences with their application. Preference should be given to Joint Work Programmes among several members, as this would contribute also to the alignment of concepts and approaches. Joint Work Programmes can also be extended to CA partner-countries with related expertise and experience, e.g. Brazil, India, Philippines, among other. The CA Secretariat will actively approach a CA member or a country to establish a Joint Work Programme addressing an identified knowledge gap.

Specific studies could also be commissioned to universities, think tanks or consultancies, if a Joint Work Programme is not feasible or deemed less efficient. However, such activities should also be undertaken in consultation with, or through, a CA member, and not by the Secretariat alone.

### **Knowledge Sharing and Learning**

The CA Secretariat will continue to improve the Alliance's project data base, the web site, newsletter, CIVIS notes, and print publications. Whereas these tools are useful for the sharing of knowledge, more effort should be made by members to motivate their respective constituency to learn from knowledge

available in the CA, from partners and members. Members are encouraged to finance, convene, organise and support CA-related **learning-platforms**, further interrelating their networks and staff with CA experiences and partners. Prominent examples include the UN-Habitat's World Urban Forum and the World Bank's Urban Research Symposium.

CA members should be encouraged to enhance their efforts to mobilise and strengthen additional actors, such as Universities or Training Institutes, in their capacity to give technical advice to local and national governments and to train and qualify urban professionals. They should be engaged as local partners in In-Country Programmes and in projects of the Catalytic Fund, with the dual purpose of making their existing expertise available to cities and at the same time enhancing and updating it.

In addition to these project-related activities, longer term CA support will be made available to establish or consolidate cross-border **knowledge and learning networks**, which could also include northern Universities. The African Association of Planning Schools, the Commonwealth Association of Planners and the African Centre for Cities are examples to illustrate the potential long term impact on urban development.

The changing international architecture for urban development, the evolving business model of the CA, as well as the diversity in the CA membership suggests a strong need for policy discussions at the CG level to foster alignment among members. The Secretariat recommends that the current Public Policy Forum should be refocused as a Cities Alliance Policy Advisory Forum, as suggested by the draft new Charter. Participation could be extended to policy makers and practitioners from CA members, beyond the principal representatives to CG. CA members, the CA Secretariat, and – upon invitation- external guests would provide inputs for the Forum.

### **Current Knowledge Activities and Perspectives**

Some examples for the activities and instruments suggested above can already be found in the current CA portfolio. However, they are not yet systematic nor consolidated enough as to shape the knowledge and learning programme with the characteristics and objectives described at the beginning of this chapter.

The Secretariat is compiling knowledge gaps and potential means of addressing them in a knowledge and learning programme for endorsement and further development by ExCo in 2011. This will permit to identify additional sources of available knowledge from members, to avoid duplication, and to prioritise knowledge activities. Hopefully, it will also encourage broader member participation in Joint Work Programmes.

The current Joint Work Programmes have a strong focus on environment and climate change. Other themes being more deeply examined through Cities Alliance support are housing, enumeration, municipal finance and slum upgrading policies. Additional topics might be identified by the CG and EXCO, subject to the availability of resources.

## 2.4 Communication and Advocacy

The Cities Alliance Medium Term Strategy identified “the need for increased advocacy, together with partners, to promote understanding of the role of cities and local authorities in development.” (April 2008)

The CA Working Group (WG; July 2009) recommended that the Secretariat elaborate a “systematic and comprehensive advocacy strategy for the CA, which not only identifies the necessary mechanisms and activities, but also defines the roles and contributions of the members, the Secretariat including its regional advisors, and the Advocacy Panel”. The WG also recommended that the CA strengthen its presence in Europe by establishing a small sub-office. EXCO was subsequently less supportive of establishing a sub-office in Europe, particularly in the context of a constrained resource environment.

The CA Executive Committee (September 2009) endorsed the WG recommendation for an advocacy strategy, noting that additional funding would be required, and additional Secretariat staff capacity might be needed to support the strategy.

Advocacy was also considered by the CG at the Mumbai meeting (January 2010), where there was agreement that the CA needs an aggressive advocacy plan. Members expressed the need to engage more proactively with donors and multilaterals such as the OECD and EU, decide upon the future of the Advocacy Panel, and use economists to quantify the urban problem. The Secretariat was asked to incorporate the CG’s ideas as it continued to develop advocacy plans with interested members.

At its Paris meeting, EXCO proposed to defer the decision on any significant new initiatives on Advocacy, pending continued development of plans and a clearer picture on funding availability. As a first step, it was proposed to combine the Public Policy Forum (PPF) and Advocacy Panel, creating a Policy Advisory Forum (PAF), with the current Advocacy Panel member assuming the Chair of the Forum. Subject to the endorsement by CG of this concept, as presented in the draft new Charter, the PAF Chairperson will work in close consultation with the Chairperson of ExCo and with the Manager of the Secretariat to formulate a work programme for the PAF.

The Secretariat still seeks CG input, and guidance, as to the scope and nature of an advocacy programme around two strategic objectives:

- i. To influence policy makers in donor governments/agencies and their multi-lateral organisations, particularly in Europe, concerning the urgent need to address rapid urbanisation, and particular the growth of slums, and the central role of cities and local governments in responding to these issues; and
- ii. To support efforts to catalyse change processes around issues of rapid urbanisation and the role cities in developing countries, particularly in support of CA strategic In-Country Programmes.

The first objective is in response to demand from the CG and from broader partnership objectives, and the second is targeted at achieving developmental outcomes, particularly in poor countries, as part of the CA results framework.

The programme could be developed as a strategic set of projects implemented through Joint Work Programmes with CA members and partners. The active engagement of CA members would be required, particularly UCLG, UN-Habitat, UNEP, WB, GTZ, AFD, USAID, HFHI and SDI. Participation would be needed from members both for direct inputs to the project as well as for other, complementary initiatives. CA members would also need to fund the advocacy plans.

Some CA members are participating in the **World Urban Campaign** (UN-H, UCLG, HFHI), which was launched at WUF-5 in Rio de Janeiro with support from the Cities Alliance. A coalition of Habitat Agenda partners of UN-H form the foundation of the Campaign, many of these partners with significant European presence (e.g., international professional associations). Synergies with WUC activities and partners could be further developed and, if members so decide, the Cities Alliance be formally affiliated with the Campaign.

### **Advocacy plans in Low Income Countries**

The initial development of in-country programmes through the Land, Services & Citizenship project have identified needs and opportunities for in-country communications and advocacy activities. In Ghana, the assessment of CA members in the country is of a good set of governmental and civil society partners ready to make improvements in policies and programs, but there was a strong current of hostility in the media and in public opinion towards slum dwellers, and little recognition of the potential of municipal and metropolitan governments to improve economic development and poverty reduction.

In response, awareness-raising and other communication activities are proposed to be part of the LSC in-country design for Ghana, which is still at an early stage.

In addition, a broader media project has been developed, which could simultaneously be structured within the in-Country Programme, as well as form a component of the World Urban Campaign. Called ***Causing Change in Ghana***, it is planned to produce a magazine and weekly radio show that features people, projects, organisations, networks and businesses that are improving lives and livelihoods in Ghanaian cities and towns.

### **Requested decisions**

CG and EXCO guidance on continued development and implementation of the CA advocacy programme is needed. The opportunity for advancing a city/urban agenda seems good, but to take advantage of the opportunities, a significant investment is required. Members will need to indicate their financial commitment to such a strategy.

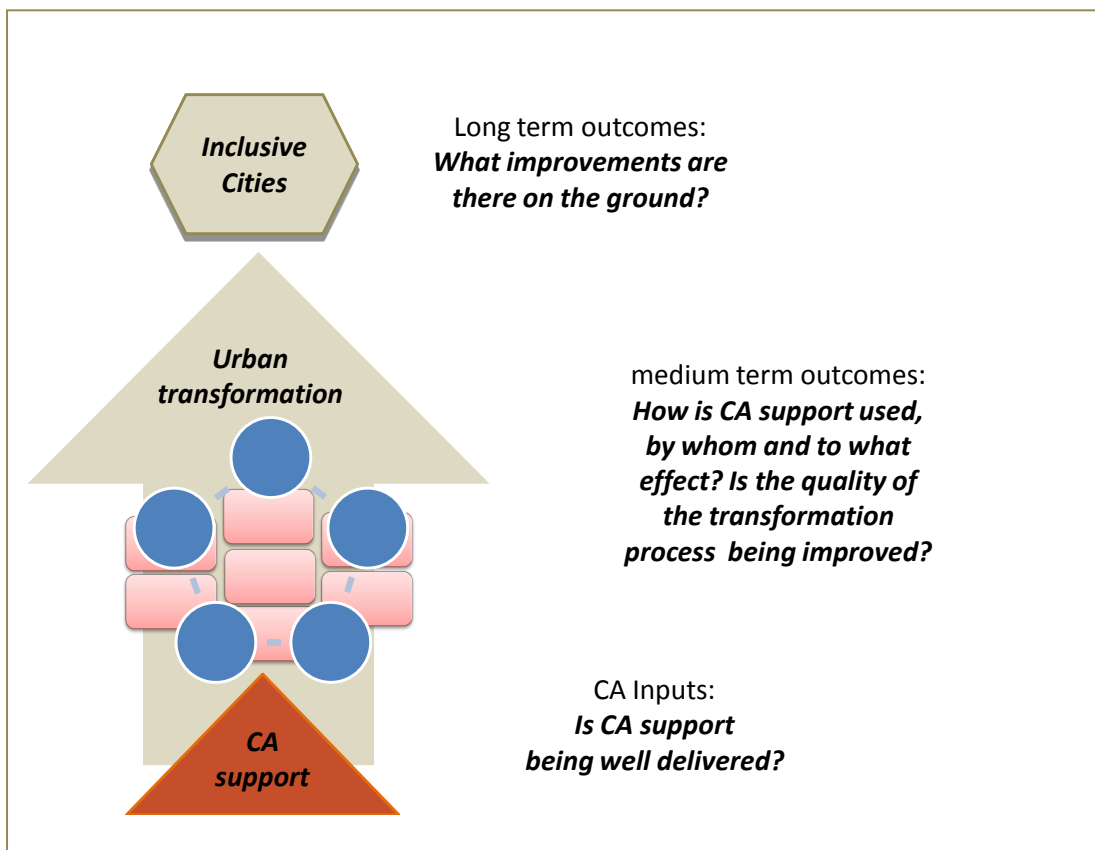
### 3. Framework for the Cities Alliance’s Results Based Management

#### Overall Approach: Urban Transformation towards Inclusive Cities

The reference for the results based management of the new business model is the ‘Cities Alliance Approach to Change, summarized in the graph below.

Results based management aims to improve performance, based on insights gained through monitoring and evaluating results basically on three levels: inputs, medium term outcomes, long term outcomes. This can roughly be expressed by the following questions:

- *Are the CA services being well delivered?*
- *Are they being well used?*
- *Do they cause the desired effects?*
- *What can be improved?*



## CA Inputs to an Urban Transformation Process

Starting at the bottom of the graph, the first level of observation is the **input level**, assessing the **quality of CA support**: Are the inputs provided by CA to the urban transformation process being well delivered?

The focus is on the added value contributed by the CA, based on its four main value propositions:

1. **Coherence of effort**: Is the support aligned among CA and harmonized with partner policies?
2. **Knowledge**: Is up-to-date and experience-based knowledge being made accessible to all parties involved?
3. **Grant funding**: Does the CA funding make a catalytic difference to the process, with activities that would not take place without CA financing?
4. **Reputational leverage**: Does the reputation of the CA make a difference in terms of convening stakeholders and facilitating innovation?<sup>5</sup>

The ongoing “Evaluation of the CA project implementation modalities” will retrospectively analyze 25 projects supported by CA to assess to what extent these value propositions actually did make a difference to the projects. The findings and corresponding recommendations aim to make the value propositions even more effective and to further increase the added value of CA support in future interventions, through the new catalytic fund as well as through in-country-programming.

## Improving the Quality of an Urban Transformation

The second level of observation, on the medium term outcomes, refers to the **effect of the CA support on the urban transformation process**. CA aims to improve the quality of urban transformation processes, specifically:

- to make them more effectively addressing urban inclusion;
- to make more efficient use of resources;
- to enhance the sustainability of the transformation process.

Effective urban transformation processes, as promoted by the Cities Alliance, typically cover the seven action areas listed below. To assess the effect of CA support on the transformation process, the guiding questions are: Who uses CA support and to what short or medium term effect? What outputs<sup>6</sup> are being generated by Cities Alliance support? What difference is being made in the seven action areas of the urban transformation process?

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<sup>5</sup> These questions will be complemented with more precise indicators

<sup>6</sup> Examples for outputs and services are: advocacy strategies; analytic work and data; learning opportunities, proposal for Organisational and legal reform; convening of dialogues; methodologies for planning; continuous process support, other.



- The drivers of urban transformation increase their awareness of the situation of the urban poor and their potential for the urban development;
- Local governments and other drivers of urban transformation enhance their knowledge about inclusive urban development, the knowledge base is more consolidated, “common wisdom” on inclusive urban development is more widespread among stakeholders (scale);
- Drivers of urban transformation engage in meaningful dialogues and cooperation led by local and national governments, more stakeholders are engaged, more opportunities of interaction created, more partnerships initiated and consolidated;
- Drivers of urban transformation adjust their Organisations to support inclusive urban development, mandates within and among Organisations are cleared, work processes adjusted, the capacity of enunciation, negotiation and sustained commitment of actors and Organisations is improved;
- Local and national governments, in cooperation with other drivers of urban transformation elaborate policies, strategies and plans with a focus on inclusive urban development,
- Drivers of urban transformation, with their supporting partners, mobilize financing and other resources for inclusive urban development;
- Local and national governments, in cooperation with other drivers engaged in urban transformation, implement inclusive urban policies, strategies and plans.<sup>7</sup>

**Projects of the catalytic fund** are limited in scope and duration and will typically not have results in all of the areas mentioned above. Projects will be selected upon the ex-ante assessment for their potential to cause effects. The M+E monitoring of the implementation will be responsibility of the implementing partners, without involvement from the CA secretariat. The evaluation of the project results will be based on the mandatory presentation for peer review.

In the context of **in-country-programming**, the monitoring of the urban transformation process should be a shared between local and national partners and the CA. Urban transformation processes must be steered and managed by local or national governments, so the M+E must be functional to the results based management by them. As the ownership for the transformation process clearly lies with local and national governments, so must the ownership for the M+E. Consequently, the design of the M+E must be specific to the local situation, the priorities and capacities of the leading drivers of the transformation process. However, experience shows that partners might need support from CA to design and maintain efficient M+E mechanisms. In addition, CA will have to monitor and evaluate the quality of its support as described in the section above.

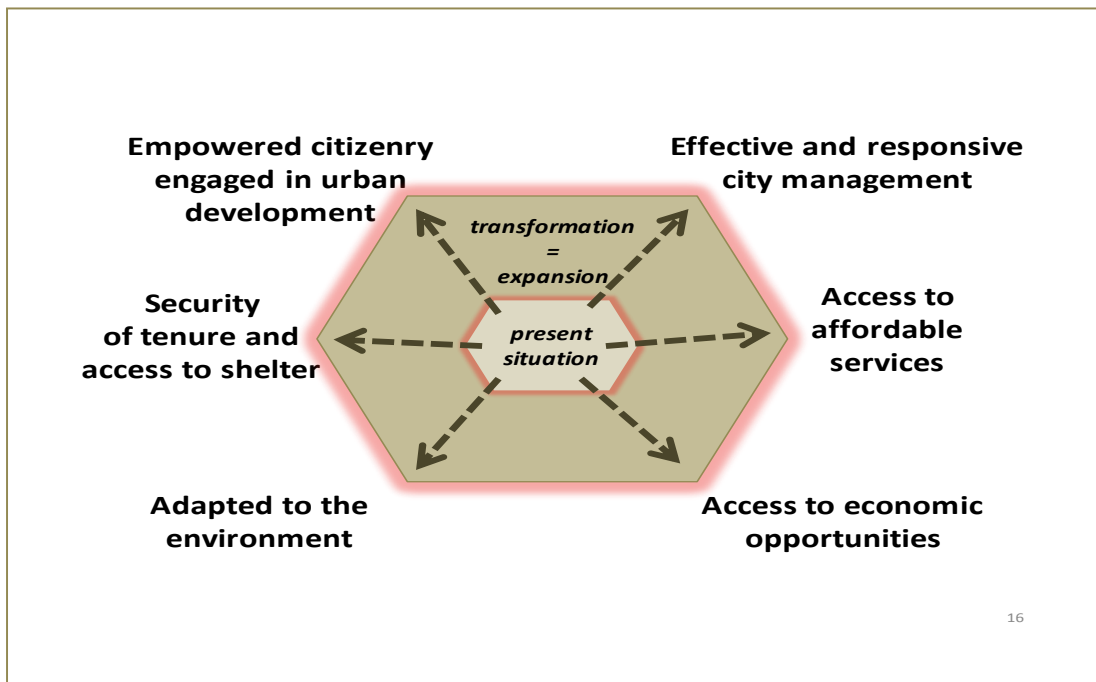
### **Expanding Urban Inclusion**

The third level of observation is on the long term outcomes, the tangible improvements achieved on urban inclusion. According to the “Cities Alliance Approach to Change”, urban transformation processes with improved efficacy, efficiency and sustainability as described above, will lead to more

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<sup>7</sup> These questions will be complemented with more precise indicators, which for reasons of readability are not presented in this document.

inclusive cities. Whereas projects of the catalytic fund will show results mainly on the quality of the transformation process (short and medium term outcomes), in-country-programming are expected to impact over time also on the social inclusion.



Social inclusion is influenced by many factors (e.g. overall economic development), so improvements cannot be exclusively attributed to CA support. However, well designed M+E of the input level and of the medium term outcome level can establish plausible results chains, reflecting the plausible contribution of CA support to the expansion of social inclusion.

An even bigger challenge than this “attribution gap” will be the lack of reliable data and effective M+E mechanisms on this level. Experience shows that M+E in many cities and countries is rather weak, and might not provide consistent data as desired. M+E of in the context of CA in country programming will rely strongly on M+E by partners and CA members. Even though, expectations on scope, quality and timeliness of data will have to be balanced against local conditions.

**Requested decisions**

Endorsement of the suggested value propositions of the CA would contribute to reinforce the mission statement of the CA. In the same way, endorsement of the medium term outcomes would define the methodology of CA support, and the concept of inclusive cities would focus the overall objectives of the CA. In conjunction, this coincides with the revision of the CA charter.

Subject to endorsement by CG of the business lines of the CA, and of the foci for M+E as described above, the secretariat will proceed with developing the operational details of M+E specifically for in-country-programming, the catalytic fund, the knowledge and learning and the advocacy programme.

The independent external evaluation of the CA, due by mid 2011, will contribute to validate and further refine the new business model of the CA. The secretariat will develop the draft TOR accordingly and submit them to CG.

## 4. Organisational Reform of the Cities Alliance

The demand for a revision of the Charter has emerged over the past few CG meetings, and was a major sub-theme of the 10<sup>th</sup> Anniversary meeting of the CG in Mumbai, January 2010. The motivation for the review stems from a number of factors, including:

1. The fact that the Charter has hardly changed since it was negotiated in 1999, while both the membership, composition and international context have all evolved significantly;
2. There are a number of obvious gaps in the Charter, including the lack of a clear definition of the role and composition of the Executive Committee, and the Advocacy Panel;
3. The adoption of a new business model is likely to require clarity over procedures, such as for country selection, project approval; and
4. Revising the Charter will provide a vehicle to generate a new consensus amongst Cities Alliance members.

At the Mumbai meeting, it was agreed to adopt a phased approach to the review and revision of the Charter. **The first phase**, which would be discussed in Paris and be finalised at the CG meeting in Mexico City, will focus on

- Membership issues, in particular how to include cities, LGAs, NGOs, Foundations and other types of new members; and
- The decision making structure – roles, functions and necessary composition of EXCO, CG and Advocacy Panel.

The **second phase** would include a full revision of the whole Charter after the 2011 independent evaluation, with a proposal submitted to the CG for decision at its 2012 meeting.

*However, as stated earlier in the document, and in light of the inter-related nature of the issues under consideration, the Secretariat believes that EXCO may wish to consider a single process for the revision of the Charter, commencing with immediate effect.*

As part of this process, the Secretariat wishes to bring to EXCO's attention the nature and extent of some of the reforms that are currently underway within the World Bank, and which are likely to have a significant impact on Global Programs and Partnerships, of which the Cities Alliance is one. As noted in the Mumbai meeting, the World Bank is responsible for carrying the burden of financial, fiduciary and reputational risk of the Cities Alliance, on behalf of all members.

In general, there is a growing requirement for programmes such as the Cities Alliance to improve their alignment with World Bank operations, and to mainstream their activities. Combined, these have a number of implications which will need to be discussed with, and considered by, all Cities Alliance members. As one example, World Bank safeguards procedures are now being applied to grants, no matter the size. Thus far, the secretariat has adapted to these changes through increased training of the Secretariat staff, as well as positive engagement with the requisite World Bank expertise.

## **Annexure A**

### **Reorganisation of the Secretariat: for Information**

As was indicated in Mumbai, the Secretariat has been restructured as part of the move towards a new business model. Designed to delegate more authority, improve efficiency and better share the workload, staff will be assigned to one or more of four teams units. Each team will be lead by a Team Leader, and will be responsible for establishing, and following, a well-defined work programme and budgets. The teams and main responsibilities will be:

#### **1. Global Programme Operations (G Meinert)**

- a. Monitoring of ongoing projects of the closed grant facility outside Africa and MICs.
- b. Catalytic Fund (including small grant facility SGF as described above)
- c. Knowledge & Learning
- d. Communications & Advocacy
- e. Special projects (e.g., Financing of African Cities)
- f. Monitoring & Evaluation, Results Reporting

#### **2. In-Country Programming Operations (J Baskin)**

- a. In-Country Programming for LICs (Urban Support Programme)
- b. Land, Services & Citizenship programme
- c. MIC programmes (Brazil, Phil, India, SA, Chile)

#### **3. Programme Administration (P Kibui)**

- a. Financial administration (financial reporting, budgeting, etc.)
- b. Resource management
- c. Grant administration (FM, procurement, grant agreements, etc.)
- d. Information management

#### **4. Partnership Operations (W Cobbett)**

- a. Secretariat management
- b. Member relations and resource mobilization
- c. Governance support -- CG/EXCO

- d. Outreach and representation
- e. HR administration
- f. Office administration