

## **Cities Alliance Executive Committee Meeting**

7-8 July 2010

Paris, FRANCE

### **Meeting Report**

#### **Attendance:**

#### **Executive Committee:**

Messrs. Marré, Bender (BMZ) and Baehring (GTZ) (Germany); Berg (Norway); Maphisa (South Africa); Gateau (Chair) and Saiz (UCLG); Lemmet (Wednesday), Hoballah (Thursday) and Smaoun (UNEP); Biau (UN-Habitat); Allaoua and Joshi-Ghani (World Bank)

**Apologies:** Chile

#### **Secretariat:**

Messrs. Cobbett, Henderson, Meinert (Thursday), and Milroy

**Venue:** UNEP Paris Office, 15 rue de Milan

#### **Opening and Welcome from UNEP – Sylvie Lemmet, Division Director, DTIE**

UNEP is very pleased to host its first meeting of this very unique, well designed partnership. UNEP looks forward to discussing the future of the partnership, believes in the key partners of the EXCO and would like to achieve specific targets for the Cities Alliance and its future. UNEP fully supports the Joint Work Programmes of the Cities Alliance and believe these should be capitalised upon as unique delivery mechanisms.

#### **Opening and Welcome from Chair – Elisabeth Gateau, Secretary General, UCLG**

Cities Alliance is at a crossroads. The rich debates on the policy priorities and business model have greatly benefited the partnership allowing for further understanding and closer collaboration. Clear conclusions and decisions need however to be reached in this meeting in order to allow the work of the Alliance to go forward. UCLG attaches great importance to the Cities Alliance as it is the only global partnership with different stakeholders fully dedicated to local governments. We are at the beginning of the urban era, and it is therefore important for the Cities Alliance to clarify its goals, renew its commitment to the urban agenda and be responsive to cities needs.

Member Updates: UCLG will host its Local and Regional Leader Summit in mid-November to re-elect officials, UCLG-Africa voted in new leadership with an Executive Bureau, UN-Habitat is in the process of selecting a new Executive Director, and there is a new World Bank Vice President in charge of urban development.

EXCO meeting minutes are drafted by the Secretariat, submitted to the Chair, and then circulated and requested for Approval by EXCO, usually at the next meeting.

#### **Opening and Welcome from Cities Alliance Manager – Billy Cobbett**

From the Secretariat's position, the key issues for discussion and decision are as follows:

1. The Secretariat is not the Cities Alliance
  - a. How do we achieve better ownership of Cities Alliance by its members with clear political guidance?
  - b. What are the members' expectations of Cities Alliance so that the Secretariat can be held accountable?

2. How do we maximize the impacts of Cities Alliance?
  - a. The Secretariat is located in the World Bank, and we need to maximize the leverage of Cities Alliance and to do this, we need support of members to underwrite that decision.
3. How do we bring in and leverage other members?

The meeting was called to order and some revisions to draft agenda were made (see Annex 1 for final agenda).

EXCO Minutes from Mumbai January 2010 were approved.

### **The Position of the Cities Alliance in a Changing Environment – Billy Cobbett**

The Cities Alliance is in a good position as the recognition of CA key issues such as urban development and local government are rising. There is renewed member reception and client demand which reinforces the need for Cities Alliance. However, the Cities Alliance has unresolved debates, stemming from the adoption of the Medium Term Strategy in 2007, and the Working Group paper of 2008. The Secretariat has also been challenged with an ever increasing mandate which includes:

- Servicing Least Developed Countries and increasing our impacts in those countries
- Incorporating Youth and Gender into our work
- Designing and Implementing an Advocacy Campaign in Europe
- Acting as a Learning Alliance
- Promoting South to South cooperation
- Building our Middle Income Country portfolio and redefining the role of MICs within the CA
- Strengthening the role of Cities within CA and raising the profile of cities, slums and associated issues

The new business model has helped the Cities Alliance become more operationally strategic, moving it away from a single grant making facility and allowing it to become more precise with its investments. The Secretariat has made significant progress in developing a Theory of Change, which is a vehicle to lead to the substance of CA's work.

The CA products have been re-oriented into four pillars, which should be considered as tools for CA members:

- 1.) Catalytic Fund (CF)
- 2.) In-Country Programming (ICP)
- 3.) Knowledge and Learning
- 4.) Advocacy and Communications

The Secretariat has also:

- Closed Grant Facility on 31 March 2010 – processed \$20million in funding
- Re-organized the Secretariat; and
- Made significant process on the design of the Catalytic Fund

Along with planning for and implementing this ambitious mandate, the Secretariat has been dealing with a changing environment within the World Bank since the January 2010 meeting in Mumbai.

- World Bank Trust Fund policies are changing

- There is mainstreaming of Trust Fund programmes<sup>1</sup> into World Bank business
- Stronger pressure to align CA work programme with that of the World Bank countries and regions
- Phasing out of Window One World Bank Development Grant Facility (DGF)
  - DGF funding was an annual contribution of \$3million
  - Board of the WB decided in June of this year that it is closing DGF Window One (long-term window), its main source of funding for Cities Alliance and many other programmes, in a phased approach over the next three years
    - FY11 contribution has been reduced by \$0.45 million, to \$2.55m, with further reductions expected for FY12 and FY13
  - CA has been asked to establish a DGF financial exit strategy with WB immediately
    - Must include strategies to fund raise to replace the DGF
    - What guidance can we get from members re: exit strategy?

The Secretariat, like other Trust Fund Programmes in the World Bank, is also facing a learning curve in processing grants as administration of CA trust funds and DGF funds are increasingly mainstreamed with World Bank procedures, synchronised with World Bank sector teams and Country offices. These new requirements can be managed but are currently causing delays within the Secretariat and increasing transaction costs and will continue to do so until the World Bank finalises its own procedures and agreed processes can be established for the CA.

The Secretariat also reported that some members had expressed concern about the balance of funds allocated between the different components of the CA's new business model and, in particular, between the Catalytic Fund, and the ICP. To date, ICPs in Uganda, Vietnam and Ghana have seen positive initial results, but require significant levels of financing, at approximately \$3-4m per country. The Secretariat sought clarity from the Executive Committee over the % of funds that members wanted allocated to each pillar which, together, constitute the work programme of the Cities Alliance

The Secretariat requested clear political direction from the EXCO and recommended the following:

- ✓ Overall, the Secretariat proposed a business model predicated on the more active involvement of CA members;
- ✓ This should be facilitated by an empowered and more active Executive Committee;
- ✓ 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 active Secretariat support;
- ✓ No new items / themes should be added to the work programme without the identification of the necessary budget and resources for implementation;
- ✓ During transition to new business model, EXCO should make 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.

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<sup>1</sup> Although the Cities Alliance is recognized as a Global Programme, and as a partnership, and not a "Trust Fund" it is still governed by the Trust Fund policy of the World Bank.

Given these changing conditions, the Secretariat urged EXCO to streamline the Charter revision process so that outstanding issues in the partnership can be quickly resolved.

### **EXCO Discussion and Decision Summary**

Each member provided their view of the Cities Alliance, and it was agreed that the Alliance needs to take ownership of the new business model and work with the Secretariat to maximize the impact of limited resources. Overall, members were very satisfied with the documentation provided by the Secretariat in preparation for the meeting as it shows planning and processes being put in place to provide greater clarity for the direction of the Cities Alliance.

The requirement for the Cities Alliance to become more aligned with the World Bank's operations, including Country Assistance Strategies (CAS), raised the recommendation from members for the need of the Cities Alliance and the World Bank to clarify their symbiotic relationship. Caution was raised that alignment can equal recentralization which is in direct contrast to decentralization, one of the key tenants of the Paris and Accra agendas. It was noted that while cities are rarely directly involved in the World Bank's CAS process, the Municipality of Rio de Janeiro has just entered into a loan with the World Bank, the first city to do so.

Members discussed the need to develop a long-term plan for the future of the Cities Alliance. However, EXCO members believe that the location of the Cities Alliance at the World Bank has been of great advantage to the Alliance until now and any future decisions should take this into account. It would be imperative however to safeguard the special nature of the partnership and to ensure a balance with the internal regulations of the host.

It was noted that when compared with other World Bank global programmes inside the Sustainable Development Vice Presidency and the Finance, Economics and Urban (FEU) Department, where the Cities Alliance is currently located, the Cities Alliance is relatively autonomous, with the FEU Director being involved in mainly human resource (HR) and fiduciary issues. The EXCO was reminded that the Cities Alliance is **not a typical** World Bank Trust Fund funded by donors and therefore should not be compared to these types of programmes. Rather, it is a Partnership, of which the Bank is a co-founder and one of its members and also the host of the Secretariat as per agreement amongst members.

The meeting helped Members better understand the implications of continued tightening of the World Bank's policies and procedures, and the relationship of the CA partnership within the World Bank, and to address their concerns. The Secretariat indicated its satisfaction with the clarity that emerged from this discussion, which would strengthen its relationship with the different units within the World Bank, and allow it to mobilise members in support of the Bank's Urban and Local Government Strategy.

### **Organisation Reform of the Cities Alliance – EXCO**

#### **Discussion**

The EXCO held an in depth discussion on amending the CA Charter. The discussions covered such ideas as redefining CA as an international partnership for urban poverty reduction with its main activities continuing to be under the slum up-grading and CDS components, through the newly established catalytic fund and in-country programmes, with the specific objectives of increasing synergies between external support agencies, and strengthening local government authorities.

It was suggested that the governance structure of the CA could comprise four entities: CG, EXCO, Policy Advisory Forum (PAF) and Secretariat. The main functions of the CG would be to approve/ update the Medium-Term Strategy (MTS) and to ensure that annual work programmes are consistent with the MTS. The CG would continue to meet every year. The main functions of the EXCO would be to review the annual work-programme and budget of the CA and submit its observations to the CG, to oversee the selection of countries for in-country programming and the selection process under the catalytic fund, and to approve the budget and staffing of the Secretariat. In principle EXCO would meet twice a year. The main function of the Policy Advisory Forum (PAF) (combining the previous Public Policy Forum, Policy Advisory Board and Advocacy Panel) would be to advise the CG on substantive matters, meeting annually in conjunction with the CG sessions. The current chair of the Advocacy Panel should be the permanent chair to ensure continuity.

One proposal discussed was that membership of the CA could become multi-tiered to include core members, associate international members, and in-country partners, whereby type of membership is related to type of organization. Core CG members could include government representatives (OECD donors and developing countries) and multi-lateral organisations (World Bank, UN-Habitat, UNEP and others) that are paying their respective annual fees, and local government representatives through UCLG.

Associate international members could include Foundations, NGOs, Private companies and other partners which are contributing their respective annual fees. They could participate in the CG sessions on a rotating basis. Associate international members and in-country partners would participate actively in the PAF sessions. In-country partners comprise of governments, local authorities, civil society organisations and other local partners involved in CA activities, as well as other observers, could participate in the PAF and be invited to CG sessions by the co-chairs on a case by case basis.

Another idea discussed was to have tiered membership based on the level of annual dues paid (full members, associate members). See Franz Marre's written suggestions in this regards, submitted to the Secretariat immediately after the meeting (Annex II).

This issue was not finalized, and is to be discussed again at a special EXCO envisaged to take place in Paris, to coincide with UN-Habitat's meeting on basic services, in late October 2010, along with the finalization of the proposed amendments to the Charter.

The Secretariat warned that weakening the membership status of existing members could have negative consequences for the organisation, impacting on the unique nature of the partnership, as well as its ability to raise funds for its activities.

### **Decisions:**

It was agreed that the Charter can be amended without the assistance of an international consultant, and to limit the review to the following sections:

- the Chapeau on page 1,
- Section A "Objectives and Rationale"
- sections B, C and D, "Relationships with Programmes of Participating Partners", "Cities Alliance Activities" and "Activity Identification and Selection"
- and Section E, "Governance and Organisational Structure"

The Secretariat was tasked to draft amendments of the above referenced sections, based on meeting notes, to be circulated to the EXCO by end of July. Amendments will be finalised by the end of October at a

special session of the EXCO in Paris and submitted to the CG for approval in Mexico City, November 2010.

### **Presentation: Four Pillars of the Cities Alliance Work Programme**

Due to limited time, the Catalytic Fund was the main item presented to the EXCO. Members agreed that there was sufficient understanding of the four pillars to take some decisions without a detailed presentation.

### **Catalytic Fund Discussion**

The objectives of the Catalytic Fund are to complement members' activities, create added value, create knowledge and case studies to be disseminated. The Fund will aim to bring change, shape a cooperation system and innovate. The suggested selection criteria are in line with the core principles of the CA Charter and capture its nine criteria, but they are expanded in number to allow the Secretariat and the External Evaluation Panel the ability to decide among qualifying proposals which ones are comparatively better.

### **Decisions:**

In terms of budgetary allocations, the EXCO discussed the following indicative breakdown from FY12 and beyond:

- 60% of core funds to be devoted to the catalytic fund,
- 25% to in-country programmes, and
- 15% to knowledge dissemination and advocacy

EXCO agreed that grants under the catalytic fund will be awarded through a competitive process on a bi-annual basis (beginning second half of FY11) and in two steps (concept notes, followed by full proposals). Grants will not exceed US\$ 250,000.

EXCO agreed that the Secretariat should simplify the criteria for the Catalytic Fund and take into consideration the criteria developed for UN-Habitat country level activities adopted in April 2009 by GC-22 (HSP/GC/22/Add.7).

EXCO agreed that there should be a year-round small grants window of the Catalytic Fund, under the Manager's discretion, and limited to proposals up to \$75,000.

EXCO agreed that the first country programmes will be developed in Ghana, Uganda and Viet Nam and that a 4<sup>th</sup> country would be jointly identified. In-Country Programmes should be harmonized with the World Bank's CAS, UN-Habitat's HCPDs and other member activities.

EXCO confirmed that the Secretariat should not develop separate implementation capacities but rather draw upon the capacities of its members and partners.

Finally, EXCO decided that CA European advocacy plans need further development and would be considered at a later stage, in relation to the World Urban Campaign and in full partnership with the local authorities through UCLG.

### **Preparations for the CG Meeting in Mexico City, Mexico, November 15-18 2010**

This year's Annual Meetings will be held in conjunction with UCLG's "Local and Regional Leaders World Summit" which is being co-sponsored by Mexico City. Event space has been reserved by UCLG for the Cities Alliance meetings:

15 November- Monday- Executive Committee Meeting – Hilton Hotel  
16 November - Tuesday- Launch of the newly created Policy Advisory Forum (PAF) –to be chaired by Clare Short  
17 November - Wednesday- CG Meeting – Palace de Minería  
18 November - Thursday - CA member participation in the days events designed by UCLG and Cities Alliance to host a parallel session.

**When not involved in CA meetings, CG members are encouraged by UCLG to fully participate in the events and open meetings of the UCLG Congress.**

UNEP suggested that this might be a good opportunity to present the Green House Gas Index that is part of its JWP with the WB and UN-Habitat. The Secretariat requested EXCO members to submit ideas to the Secretariat as to how best to use the spaces allotted.

### **Financial and Budget Report FY10 – FY11**

The Secretariat requested approval of its proposed budget for FY11 and requests assistance to mobilize \$3million to close the funding gap included in the budget.

Partnership Operations: \$3.3million – includes Secretariat Costs

Global Programme Operations:

It was noted that \$400,000 out of the \$2.4 million for Catalytic Funds will be kept for small rolling grants (\$75,000 max.), at the Manager’s discretion. It was agreed that funding for the Catalytic Fund will increase in percentage from FY11 level. There was a debate in regards to the amount of budget allotted to knowledge dissemination and advocacy ending with the EXCO recognizing the importance of advocacy but requesting the Secretariat to scale back its budget allotment until the funding gap is mobilized, and to re-present the issue at the next EXCO meeting in Mexico City in November.

### **UN-Habitat Secondment**

UN-Habitat and the Secretariat presented their respective perspectives on the recruitment of a replacement for J.C. Adrian, who had been transferred to Haiti. EXCO members reiterated the importance of leaving the management of the Secretariat to the Manager, and to avoid any micro-management.

### **Conclusion**

Any further comments on meeting documents should be sent directly to the Secretariat. The EXCO thanked UNEP for hosting the meetings and for the Secretariat’s preparation. The Secretariat also thanked UNEP and the EXCO Chair, Elisabeth Gateau, for excellent leadership.

Meeting adjourned.

**The Cities Alliance  
Executive Committee Meeting, 7-8 July 2010  
AGENDA**

**Venue: UNEP Paris Office, 15, rue de Milan, Paris Cedex 09, Paris 75441, FRANCE**

<b>WEDNESDAY, 7 JULY 2010</b>		
<b>13h00</b>	<i>Tea/ Coffee</i>	<i>Venue: Room to be confirmed</i>
<b>14h00 –14h30</b>	Opening and Welcome <ul style="list-style-type: none"> <li>➤ Sylvie Lemmet, UNEP Director, Division of Technology, Industry and Economics (D'TIE)</li> <li>➤ Elisabeth Gateau, UCLG Secretary General and EXCO Chairperson</li> <li>➤ William Cobbett, Manager Cities Alliance</li> </ul>	
<b>14h30 – 15h30</b>	<b>The Position of the Cities Alliance in a Changing Environment</b>  Presentation of Key Issues <ul style="list-style-type: none"> <li>➤ Cities Alliance/World Bank Relationship</li> <li>➤ Cities Alliance as a Partnership</li> <li>➤ Development Grant Facility(DFG) Funding/Exit Strategy</li> <li>➤ Political Leadership - EXCO</li> </ul>	<i>Secretariat: Billy Cobbett/ Kevin Milroy (Handouts: MTS Update to Executive Committee (EXCO) (July 2010) &amp; DGF Briefing)</i>
<b>15h30 – 15h45</b>	<i>Tea/ Coffee break</i>	
<b>15h45 – 17h30</b>	<ul style="list-style-type: none"> <li>➤ Discussion</li> </ul>	<i>EXCO</i>
<b>17h30 – 18h30</b>	<b>Organisation Reform of the Cities Alliance</b> <ul style="list-style-type: none"> <li>➤ Including amending the Charter</li> <li>➤ Governance</li> <li>➤ Decision Making</li> </ul>	<i>Secretariat/EXCO</i>
<b>18h30 – 19h00</b>	<b>Confirmation of Agenda for Thursday 8<sup>th</sup></b>	<i>Chair: Elisabeth Gateau</i>
<b>19h00</b>	<b>Conclusion</b>	
<b>THURSDAY, 8 JULY 2010</b>		
<b>8h30 -9h00</b>	<i>Tea/ Coffee</i>	
<b>9h00-9h30</b>	<b>Summary of 7 July discussion</b>	<i>Elisabeth Gateau</i>
<b>9h30-11h00</b>	<b>Presentation: Developing CA's Theory of Change</b> <ul style="list-style-type: none"> <li>➤ Context and assumptions</li> <li>➤ Cities Alliance Goals and Approach to Poverty</li> </ul>	<i>Günter Meinert</i>

	<ul style="list-style-type: none"> <li>➤ Proposed Focus on Inclusive Cities</li> <li>➤ Proposed Action Areas and Results Chain</li> </ul>	
11h00-11h30	<i>Tea/ Coffee Break</i>	
11h30-12h30	<b>Presentation: Four Pillars of the CA Work Programme:</b> <ul style="list-style-type: none"> <li>➤ Catalytic Fund Update on the Evaluations of Project Implementation Modalities</li> <li>➤ In-Country Programmes</li> </ul>	<i>Secretariat</i>
12h30 –14h00	<i>Lunch</i>	<i>Secretariat</i>
14h00 – 15h00	<b>Four Pillars Presentation continued:</b> <ul style="list-style-type: none"> <li>➤ Knowledge and Learning</li> <li>➤ Advocacy and communications</li> </ul>	
15h00 – 15h30	<i>Tea/ Coffee Break</i>	<i>Kevin Milroy (Handouts: CA Financial and Budget Report FY10-FY11)</i>
15h30-16h00	<b>Preparations for the CG Meeting: Mexico City November</b> <ul style="list-style-type: none"> <li>➤ EXCO meeting 15<sup>th</sup> November</li> <li>➤ Cities Alliance role in UCLG World Congress</li> </ul>	<i>EXCO</i>
16h00 – 17h30	<b>Decisions</b> <ul style="list-style-type: none"> <li>➤ Charter next steps</li> <li>➤ Resource Mobilisation</li> <li>➤ Business Model</li> <li>➤ Budgeting and Staffing</li> </ul>	
17h30-18h00	<b>Financial and Budget Report FY10-FY11</b> <ul style="list-style-type: none"> <li>➤ Including Staffing</li> <li>➤ UN-Habitat Secondment</li> </ul>	
18h00 – 19h00	<b>Any other business</b> <b>Concluding statements</b>	

BMZ Written Comments on Membership

Dear Friends,

Let me share some additional thoughts regarding membership in the CA with you.

I don't think that anybody will argue against the idea that only those who have paid a membership fee should be entitled to participate in decisions relevant for the utilization of funds. I also believe that it would be perfectly OK to set a certain threshold for such membership fees (which of course needs to take into account different financial capability of the member).

I fully appreciate the argument that a "2<sup>nd</sup> class membership" should be avoided, if that is not the decision of the member themselves. On the other side, the CA should be open also to those who (hopefully only as a beginning) are only able/willing to pay a minor contribution but wish to do more than only "observe".

I should therefore like to repeat my proposal to differentiate between three categories of members:

- (Ordinary) Members: these are those who have paid in the full membership fee. They are fully committed to the principles and objectives of the Cities Alliance and participate with all rights and duties. Exceptions should be possible, i.e. the supreme body of the CA may decide to invite countries/organizations to participate as ordinary members without paying (in full). This may e.g. apply to SDI.
- Associated Members: they have paid in a lower amount (which should also be defined) thus expressing interest but not wishing to be a fully fledged member. They have full participatory rights except for decisions on financially relevant matters
- Observers: interested in what the Cities Alliance is doing without wishing to commit financially. They only participate in such events which are explicitly defined as "open".

Hence, it is purely the decision of an interested country/organization which level of involvement is being sought. And in principle, there is no limitation as to where the applicant comes from: government/public sector, civil society, private sector etc. Applications go via the Secretariat and are being decided by the CG. Should there be a doubt whether the applicant indeed does have the required level of commitment, a diplomatic suggestion to start as an "associated member" may be helpful. The risk that the CG could be filled with "obstructors" seems to be extremely remote.

On the other hand, we should seek a more balanced distribution of membership (in the broader sense) in the CA so that all relevant groups of stakeholders (I would explicitly include the private sector and science/academia) are represented. I will check how that has been defined in REN21 and come back on the issue.

As agreed, the CA will have (or more precisely: continues to have) the following bodies:

- The Consultative Group being the supreme body of the CA

- The Executive Committee being the link between the Secretariat and the members in between the annual meetings and acting as advisor, decision taker etc.
- The Public Policy Forum which aims at bringing forward the discussion on and the theory about urbanization / slum upgrading.
- The Secretariat.

The Annual Meeting comprises of three parts, possibly as follows:

- day EXCO, restricted to EXCO members
- 1-2 days Public Policy Forum, open to all members and observers plus invited guests.
- 1.5 days Consultative Group of which one day is open to associate members and observers and relates to the discussion of CA relevant matters and partnership issues; the last half day is for (ordinary) members only and devoted to decision making. Decisions are being taken in consensus and I trust that any concerns in specific cases will be overcome by the “spirit of partnership” which governs the CA.

Beyond that, there is a matter of principle where we have to find consensus: the question on what the fundamental role of the Cities Alliance is, and, deriving from that, what the function of the annual meeting and namely of the Consultative Group is. Is it a partnership event comprising an element of decision taking, or is it an event aiming at taking relevant decisions, using the occasion to include partnership relevant activities?

Let me first of all state that I am open to both views. The important thing is only to have a common idea on that in order to avoid misinterpretations during the further discussion of membership etc. However, I do have a personal preference, and that is focussing on the partnership as was laid down in the current version of the charter.

What does that mean for membership? In neither case we can abstain from a situation that creates a difference between participants. But the focus on decision making may lead to the view that the CG should be open to a broader range of participants. If a risk is felt that single members could obstruct decisions by vetoing them, the principle of consensus would need to be modified. In the case of the IRENA, the statute says something like, “Decisions are taken by consensus; if consensus cannot be found, the respective body decides by unanimity minus two votes”. As I said, I can live with such a regulation, but I would be more comfortable with a setting that avoids “winners” and “losers”.

I hope that the rest of the day was productive and led to good decisions. I look forward to continued exchanges and to seeing you at the latest in Mexico.

All the best,  
Franz