Evaluation of Cities Alliance

Final Report

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Oslo, October 2007

Project: Evaluation of Cities Alliance

Client: Swedish International Development Agency and Norway's Ministry of Foreign Affairs

Period: July-October 2007

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Acronyms and Abbreviations

ADB	Asian Development Bank
CA	Cities Alliance
CDS	City Development Strategy
CLIFF	Community Led Infrastructure Financing Facility
DFID	Department for International Development, UK
GTZ	Gesellschaft für Technische Zusammenarbeit, Germany
LED	Local Economic Development
MFA	Ministry of Foreign Affairs, Norway
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
NGO	Non-Governmental Organisation
PRSP	Poverty Reduction Strategy Paper
SACN	South African Cities Network
Sida	Swedish Agency for International Development
SSA	Sub Saharan Africa
UCLG-A	United Cities and Local Governments of Africa
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

INTRODUCTION

The United Nations Millennium Declaration recognizes the dire circumstances of the world's urban poor. It articulates the commitment of member States to improve the lives of at least 100 million slum dwellers by the year 2020 (Target 11, Millennium Development Goal No. 7).

The Cities Alliance (CA) was co-founded in 2000 by the UN-Habitat and the World Bank, with the latter partner hosting its Secretariat. CA is an evolving partnership of donors, multi-lateral organisations, governments, local authorities, private sector and civil society, focusing on city development strategies (CDS), urban development advocacy and citywide and nationwide slum upgrading.

By 2007 CA had worked with over 150 cities worldwide, providing over USD 80 million in grants, linked to USD 8.2 billion in investments, of which USD 5.1 billion had been provided by the World Bank[1]. The Alliance now consists of 23 members, with Sweden and Norway as two of the early funding countries.

By this time, Sweden has agreed to commit altogether 56.8 MSEK during 2003-2008 within four different support envelopes. Norway provides support to Cities Alliance on an annual basis. The grant for 2007 is anticipated to be NOK 10 mill. In addition to the annual membership fee, which is included in the above figure, Norwegian support has been provided to discreet projects such as the "African Slum Upgrading Facility", "South Africa Cities Network" and "Urban Financing Research" (Dr. Rajivan). A long term agreement is presently being discussed between Norway and the Secretariat.

The "Universalia Management Group" carried out a comprehensive evaluation of the Cities Alliance during 2006 commissioned by the CA's Consultative Group. Universalia used both qualitative and quantitative methodology: document review, individual and groups interviews, field visits (Brazil, Egypt and India) and two web-based surveys. This evaluation confirmed CA's program focus on CDS and slum upgrading initiatives as appropriate. The evaluation also contained a number of recommendations on how the effectiveness of the partnership could be enhanced.

The current Swedish and Norwegian evaluation would complement the Universalia evaluation and look at issues of special relevance for the two Nordic countries. It would have a greater focus than the Universalia evaluation on to what extent the contributions of CA make a difference in the livelihoods of poor people living in urban slums in Sub-Saharan Africa.

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[1] Independent Evaluation of Cities Alliance by Universalia, October 2006-10-17

1 CITIES ALLIANCE: GOALS AND APPROACHES

1.1 ASSIST IN CREATING CITY DEVELOPMENT STRATEGIES

Cities Alliance (CA) has two main support programmes; the drafting of City Development Strategies (CDS) and slum upgrading. A CDS is perceived as the link between the process by which local stakeholders define their vision for their city and its economic growth, environmental and poverty reduction objectives, with clear priorities for actions and investments. It is an action-plan for equitable growth in cities and their surrounding regions, developed and sustained through wide participation, to improve the quality of life for all citizens, not least the poorer segments of the population through citywide slum upgrading strategies.

CA holds that each city needs to identify and analyse its own opportunities and problems; the values and preferences of its residents; its assets and resources and change drivers, including its relationship to its region and the national and global economy.

Thinking citywide provides a mechanism for local stakeholders to assess the linkages between their respective priorities for health, security, jobs, housing, education, transport, and the environment and to develop a shared vision.

The CDS process seeks to utilize the considerable potential of the urban poor as development agents by supporting their participation in decision-making processes that affect their livelihood. Involving key stakeholders and collaborative leadership and responsibility is a more effective way of creating a business-enabling environment.

Learning from other cities through knowledge-sharing networks is also seen as the most effective and sustainable way to transfer knowledge. The involvement of local government associations is considered crucial for the institutionalisation and replication of a CDS.

The key methods of intervention for **City Development Strategies (CDS)** are to[2]:

a. support city-based consensus-building process to establish priorities, strategies, and actions for urban poverty reduction and sustainable urban development;

b. assess the city's economic growth prospects linked to employment and to regional and national development objectives;

c. assist local authorities in outlining financing and investment strategies, taking into account city-based resources and revenues, as well as private sector investors and partners; and

d. build capacity and share the lessons and knowledge acquired in formulating and implementing city development strategies.

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[2] The listed methods under paragraphs 1.1 and 1.2 are extracts from CA's Charter.

1.2 ASSIST IN UPGRADING OF SLUMS

Slum households are defined by UN-Habitat as households that lack decent water supply, adequate sanitation facilities, sufficient living area (not overcrowded), decent structural quality and/or security of tenure.

Secure tenure is one of the most essential elements of shelter. Insecure tenure inhibits investment in housing, distorts land and services prices, reinforces poverty and social exclusion, causes severe stress and illness (through eviction/threat of eviction) and has the biggest impact on women and children.

According to the UN-Habitat's "State of the World Cities Report" 2006-2007, more than 900 million people lived in slums in 2001. Of these about 850 million lived in developing countries, which had an annual growth rate of slum dwellers of 2.37%.

Slum improvement in low income urban communities has at its simplest come to mean a package of basic services comprising clean water supply and sewage disposal. But fundamental is legalizing and 'regularizing' the properties in situations of insecure or unclear tenure. The upgrading customarily provides a package of improvements in streets, footpaths and drainage as well. Solid waste collection is frequently included with its positive impact on health, along with street lights for security and night activity. Electricity to homes is often initiated later by private companies.

Physical improvement is only the beginning: health issues are addressed by providing clinics and health education programs, school facilities, and lastly programs are offered to increase income earning opportunities and the general economic health of a community. For many slum dwellers, the upgrading is the start to becoming a recognized citizen.

The Alliance's key methods of intervention for supporting **citywide and nationwide upgrading** of low-income settlements are to:

a. identify and develop opportunities for citywide and nationwide slum upgrading programs;

b. help selected cities and countries strengthen their policy framework as a necessary foundation for scaling-up community-based upgrading programs;

c. establish consensus with local stakeholders, create alliances, and mobilize resources to implement programs; and

d. promote activities that raise awareness, disseminate information, and create a global base of knowledge on "best practices" in scaling up slum upgrading programs.

The most important element for success is seen to be the commitment by all: the city, the community, and the families - requiring a sense of partnership. All parties need defined roles and incentives to work with the poor ands to be kept informed and coordinated. Sustainability concerns must be a priority in financing, institutions, and regulations. The key to financial sustainability is to design these programs in a way that is affordable based on the income of the community and the city and country in which they are operating. Standards need to be flexible and designs need to conform to the affordable budget envelope.

2 METHODOLOGY OF EVALUATION

The evaluation has been carried out by three international consultants. The team leader and one of the consultants met with relevant staff of Sida and the Ministry of Foreign Affairs, Norway, and conducted interviews and perused relevant material at the Cities Alliance Secretariat in Washington DC. The team leader and the third consultant studied CA assisted activities in South Africa, Kenya and Ethiopia; interviewing government officials, two non-government organizations and met with slum dwellers. Meetings were also conducted with staff members of the World Bank, UN-Habitat and United Cities and Local Governments (UCLG).

Analyses of performance of CA's supported project were also based on general material, project documents, documents from other agencies, NGOs and the independent evaluation reports of CA in 2002 and 2006. A special source of documentation for this team represented the 28 ex-post evaluations of completed projects carried out by staff of the CA Secretariat and some external consultants.

3 URBANIZATION & POVERTY IN SUB-SAHARAN AFRICA

Despite slow economic progress since the 1970s, cities in Sub-Saharan Africa (SSA) are experiencing the fastest population growth rates in world history. The urban population was 32% in 1990, and is projected to reach 54% in 2030. SSA is urbanizing faster than any other continent, at a rate of above 5% a year. These rates are comparable with those of Western European cities at the end of the 19th century, with the same associated problems of high child mortality, low life expectancy and low literacy levels. However, the development of African cities is not associated with the commensurate economic growth and effective redistributive measures required to alleviate poverty which took place in Western Europe.

In addition to migrations from the countryside to the cities within a country, there are more than 14 million African migrants residing in neighbouring or other African countries. This number does not take into account considerable refugee populations in the Great Lakes region, the Horn of Africa, Ethiopia, Eritrea, Sudan (Darfur) and parts of West Africa.

Poverty is growing. In 1990, 241 million Africans (47.4 per cent) were living on less than US$ 1 per day. In 1999, this figure had increased to 315 million, averaging 49 per cent of the total population. In the absence of significant interventions, their number is expected to reach 404 million in 2015, or 46 per cent. In 2001, 166.2 million people or 72 per cent of Africa's urban residents were living in slums (UN-Habitat 2004).

The Africa-wide annual slum growth rate is estimated to be 4.53%, while the rate for two of the countries visited in conjunction with this evaluation is 4.81% (Ethiopia) and 5.88% (Kenya). While the size of the urban population is considerably larger in South Africa, its growth of slums is about to stabilize, as can be seen from Table 1.

Table 1: Total Population, Urban and Urban Slum Population 2001 (in '000)

	Total Population	Urban Population	% Urban	% Slum populat. in cities	Slum Pop	%Slum Annual Growth rate
Kenya	31293	10751	34.4	70.7	7605	5.88
Ethiopia[3]	64459	10222	15.9	99.4	10159	4.81
S.Africa	43792	25260	57.7	33.2	8376	0.19

Source: UN-HABITAT (2004)

The rapid urbanization process in Sub-Saharan Africa and the declining economic performance of most African countries have created a new face of poverty characterized by a significant proportion of the population living below the poverty line in over-crowded slums and sprawling shanty towns around major cities.

The high rate of urbanization has resulted in the phenomenon commonly known as the urbanization of poverty – a new face of poverty characterized by increasing higher incidences of poverty in urban areas than in rural areas. SSA towns are ill prepared to face

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[3] Other sources hold that the percentage of slum dwellers in Ethiopian cities is considerably lower.

the rising challenges. In other regions of the world, urbanization has been positively correlated with growth and poverty reduction. Urbanization in Africa has not contributed, through economies of scale and value added production chains, to overall growth in GDP. East Asia and Africa have had similar rates of urbanization (4-5% per annum) for the period 1970-95, but GDP growth in East Asia accelerated by about 3.7% p.a. while GDP in Sub-Saharan Africa.[4] declined by .66% p.a. Whether or not the figures are exact, the nature of the challenges that the SSA towns and cities are facing require urgent action.

3.1 Specific challenges faced in slum upgrading in Africa

Based on documented material and own observations the evaluation team has identified the most common features relating to slum upgrading efforts in Eastern and Southern Africa. This evaluation has not analyzed the determining factors which lies behind the current development, but present these figures as a backdrop to the evaluation of the efforts made by Cities Alliance.

i. **Insecure Tenure**. The improvement of living conditions is curtailed by the lack of rights to the land. In addition, the lands occupied by slums are often of the poorest quality: riparian reserves, swamps, steep slopes, refilled abandoned mining fields, quarries, garbage dumps, railway safety zones, road reserves, land under high voltage power lines, and so on. A large majority of the slum dwellers in Kenya for example do not own, but rent their shacks. The insecure tenure situation therefore acts as a disincentive to make any improvement of the living quarters.

ii. **Poor Housing**. Typically, informal housing settlements consist of shanties made of mud, wattle and iron sheets, or even poorer material. Densities are very high.

iii. **Health Hazards**. The shacks contain severe health dangers from hazardous and other wastes, toxic gases from former mine areas and physical danger during floods or other exposed location. The HIV/Aids pandemic represents a grave danger of infection, and limits further the floor space.

iv. **Gender disparities**. The proportion of female-headed households that are poor is higher than male-headed households in urban areas. Women are more vulnerable to poverty than men, and very exposed to HIV/Aids and Sexually Transmitted Infections (STIs) via poverty driven commercial sex, domestic violence, unwanted teenage pregnancies, unsafe abortions and poor access to family planning and health services.

v. **Infrastructure Services.** Access to roads, transport, water, sanitation and toilets, electricity, basic services and infrastructure tends to be minimal or even non-existent, even for garbage collection and excreta collection.

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[4] The World Bank *Development Indicators*, 2000; the World Bank, *Poverty Assessments* for several countries 1993-2000.

vi. **Lack of Information**. The residents lack adequate and actionable information about their living situation. Even if slum area representatives are elected/selected to sit on slum upgrading committees, information is not always passed on to major parts of the occupants, due to sectarian interests. This considerably hampers the slum-dwellers' ability to negotiate on the basis of possible choices. It further de-voices them on matters affecting the planning and management of informal settlements.

vii. **Low Participation and Collaboration**. Most slum-upgrading processes have treated the community as a passive end user whose participation is not needed. This de-participation of communities has resulted in low buy-in and sometimes a total rejection of upgrading schemes

4 CA IN SOUTH AFRICA, ETHIOPIA AND KENYA

This chapter gives a brief overview of city strategies and slum upgrading and the achievements of efforts carried out by the countries themselves in cooperation with Cities Alliance and its partners.

4.1 ACHIEVEMENTS IN SOUTH AFRICA

After transition to majority rule, the South African cities faced huge challenges. In the context of CA's operational framework, these have been described as follows[5]:

Productive City: Negligible public and private sector investment as a basis for industry efficiency, other than cheap labour: Hence the country had an artificially small middle class and therefore weak domestic demand, making the productive capacity of the population undervalued and un-harnessed.

Inclusive city: A core feature of South African cities is inequality. Large numbers of residents (are) marginalized into under-serviced ghettos on the edges of cities, where they are geographically, materially and psychologically distanced from the opportunities and advantages of city life.

Sustainable city: Apartheid spatial planning left SA cities with up-built neighbourhoods/environments that were dysfunctional and, in turn, resource inefficient. Reversing apartheid has unfortunately meant reinforcing and exacerbating these inefficiencies, as more and more residents claim highly resource-intensive livelihoods, from which they were previously excluded.

Well-governed city: An inheritance of bad relations between communities and municipalities, poor public participation, discord between and with communities, and high levels of crime and violence; also financially and administratively weak institutions of government.

4.1.1 CDS and Slum Upgrading in Johannesburg

Johannesburg pioneered the strategic transformation process of South African cities via the iGoli process, which aimed at restructuring dysfunctional institutional arrangements that had contributed to a very serious financial crisis in 1997. It aimed at creating delivery of services much more efficiently than before. The CDS-related activities supported by the Cities Alliance through the World Bank, UN-Habitat, USAID and others from 2000 till 2002 were parts of these efforts, which included fiscal, financial, and institutional reform of the city. This included further a major upgrading program of one of the largest urban informal settlements in South Africa, the creation of metropolitan utilities, a full program of local economic development, inner city reform, the implementation of an urban safety net program, creation of a metropolitan health district, the establishment of an metropolitan police system, a unified fiscal management system, and a strategy for restructuring the

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[5]. SACN: State of Cities Report, 2004 and 2006.

financial debt of the city. At the time of the CA support, all these components were well underway with teams working directly under the CEO of the city.

It is not possible to distinguish the effects of the CA support from all other national and international initiatives, in which also the World Bank, DFID, USAID and AfDB joined forces. However, during the next few years, the inner city saw a re-generation on all the aspects targeted, including increased access to basic services such as water, sanitation, electricity and solid waste removal to nearly 100 %. Further, the city received significant private sector investments and restoration of public confidence, and there was a drop in certain violent crime rates of between 8 and 18 %.

The South African system of Integrated Development Planning (IDP) is a process by which municipalities prepare 5-year strategic plans that are reviewed annually in consultation with communities and stakeholders. These plans seek to promote integration by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.

4.1.2   South African Cities Network

The strategic transformation of Johannesburg also provided a platform for exchanging information and transferring experiences between South African cities. The Cities Alliance' support to the South African Cities Network (SACN) in 2001 and 2005 includes contributions to its CDS programme, citywide slum upgrading in the framework of the National Urban Renewal Strategy – to deal more effectively with urban poverty, HIV/AIDS initiatives and establishment and use of indicators to help measure city performance.

SACN was established in 2002, as a membership organization, which currently encompasses the 9 largest cities and municipalities in the country. The nine cities were home to 37% of the country's total population and represented 58% of the total local government budget in 2001. The per capita local government spending power of the nine cities was over three times that of the other municipalities. The SACN is answerable to a Board of Directors, chaired by a representative of the Minister of Provincial and Local Government. Its work is reflected as a programme of that ministry.

The purpose of SACN is to provide the institutional capacity to allow the cities of SA to learn from each other and from other leading international practices. Building on existing databases, with a number of inherent weaknesses, the SACN has worked systematically to construct an improved City Development Index, which measures performance across five areas, each containing broad sets of indicators within the cities as productive, inclusive, sustainable and well-governed.

While building on the five-yearly censuses conducted by the national statistical institution (StatsSA), SACN has more actively engaged StatsSA in data collection around city-level information requirements. SACN is also cooperating with research institutes, universities, NGOs, individual firms, business associations and other national or international organizations, in the context of City Development Strategies, to mobilize energies of the city stakeholders towards common goals. The SACN members themselves are also actively engaged in the collection of more finely grained data about their respective cities. The data assists its members and other stakeholders to grasp and compare what is happening in each

and all cities, at a particular period in time, as well as over time, and also to enable the cities to see whether or not they are achieving their development objectives.

The data are excellently presented in the "State of the Cities Reports" of 2004 and 2006, and offer invaluable help for urban planning and program implementation. SACN has in addition taken on a wider knowledge management role in arranging or participating in meetings, workshops, seminars, conferences and symposia, and turning out a large quantity of user friendly material, analyses, newsletters, etc.

The recognition of local government in the Constitution as a sphere of government has significantly enhanced the status of local government as a whole and has given it a new dynamic role. It is this sphere of government that is seen as the key instrument of delivery of household services.

The South African Local Government Association (SALGA) is a board member of SACN, and might thereby represent a potential link and agent for transferring lessons from the nine largest cities to the remainder of the cities and the rural municipalities. SALGA participates in intergovernmental structures and is therefore able to influence national and provincial legislation and to gauge the impact of such legislation on local government.

4.1.3   The Tshwane Settlement Strategy and Financing Plan

The CA project on the Tshwane Settlement Strategy and Financing Plan (CSHSS) which started in 2006, represents the nation's first integrated housing and economic development upgrading plan. Its chief objective is to achieve political and public consensus on a comprehensive plan that integrates a housing and upgrading strategy into existing transport, economic and social initiatives as articulated in the Tshwane City Development Strategy (CDS), including the capital, Pretoria. The support requested would entail appointing a multidisciplinary expert team to work with Tshwane departments led by the housing, city planning and Environmental management departments to review the draft housing and upgrading strategy.

The second objective was to review the seven zonal sub-strategies to identify key upgrading, urban renewal and transport opportunities given the land use patterns in the seven zones. The zonal sub-strategies was to be tailored to meet specific requirements and opportunities within each zone, ensuring that all stakeholders understood the process and to ensure buy-in on the new strategy.

The strategy process addresses the nature and cost of capital investments needed in a 15-year financing plan and identifies institutional capacity required to implement the Tshwane CSHSS.

The strategy also identifies and delivers upgrading services, and will ultimately build upon the existing CDS for Tshwane, promoting complementarity across all government sectors. Community participation and stakeholder empowerment including all levels of social and geographic stratification are seen as important elements. Wider popular participation would be sought through city wide workshops and road-shows as well as consultation with the ward committees of all 76 municipal electoral wards. Some aspects will be built on public-private partnerships (PPPs).

The conceptual framework for TCSHSS consists of the sustainable livelihood approach, which offers an analytical tool to understand the various ways in which living conditions can be improved and disparities decreased (see box below). The approach focuses on the various assets of the poor and the strategies they use to make a living.

During the initial months, some difficulty was experienced with redeployment of officials within the Housing, Environmental Management and City Planning Cluster. Due to shifting priorities in their overall global development assistance, USAID and DFID closed down their contributions. Nevertheless, the team has continued its work and has presented the outline of the strategy to the decision-making-body.

The decision to obtain a full council resolution in support of the Cities Alliance grant has proved critical to maintain momentum for grant activities under shifting circumstances. The team is determined to complete the anticipated planning results in time to contribute to the municipal budget cycle.

Table 2: Sustainable Livelihood Approach of TCSHSS as Analytic Tool

Natural capital	- Environmental sustainability - Reducing the ecological footprint of the settlement - Location, integration, land conservation - Energy efficiency and renewable energy / Water conservation - Sanitation, resource recovery, waste management
Social capital	- Networks of mutual support, social cohesion - Strengthening community institutions and social networks - Overcoming racial and socio-economic segregation - Integration of socio-cultural amenities and services - Measures to address crime and violence, enhance safety - Innovative partnerships and enabling governance
Physical capital	- A sustainable built environment - Shelter with security of tenure - Public infrastructure: schools, clinics, libraries, police stations, etc. - Transport infrastructure - Engineering services - Commercial & industrial facilities
Human capital:	- Skills, knowledge, and ability to work - Access to appropriate health & education facilities - Job creation, entrepreneurship, LED - Empowerment for women and the marginalised
Financial capital	- Economic sustainability - Increasing income - Affordability and alternative finance - Cost savings - Functioning secondary market

4.1.4 The Ekurhuleni Strategy

The fourth largest city in the nation, the Ekurhuleni Metropolitan Municipality (EMM), was established in December 2000 from the nine previously existing local authorities of the East Rand (east of Johannesburg). By 1999 they each had distinct socio-economic profiles,

including population density, economic productivity and service delivery. The amalgamation of the councils brought into sharp relief the huge social and economic disparities that were the product of apartheid social planning. The EMM estimates that approximately 65% of the metro's population resides in townships and informal settlements and of that nearly a quarter is in informal or inadequate housing.

Community development workers (CDW) play an essential role in the mapping and solution of households' social and economic problems. The CDW are assisted to build a detailed data sets for each of the households describing:

a) employed household members including identification of all individuals who appear to be underemployed given their existing skills and experience,

b) unemployed but skilled household members who are actively looking for work,

c) unemployed and unskilled household members who are actively seeking opportunities to acquire skills that will enable them to join the EMM labour force,

d) micro enterprises, presumably household based, that may be assisted to grow in a variety of ways; and

e) households in which, due to disability, illness or age, employment is not a possibility.

For these households, the CDWs are in the process of carrying out a second level of analysis that will describe i) precisely the social benefits for which the households appear to be eligible, ii) the social benefits the households are actually receiving, and iii) the constraints to be addressed in assisting these households to receive the full range of benefits for which they are eligible, and more. The household data sought are similar to that of Tshwane and includes demography, job and poverty profile, skill needs, social grant dependency and eligibility (see above.)

The second step in the strategy, starting in 2007, will seek to focus on connecting the household data with the needs and services of manufacturing firms, financing and training institutions and social programmes, in efforts to arrive at appropriate actions needed by the public and private sector as well as households themselves to be put on a balanced and sustained city development path.

4.1.5 Municipal Water and Sanitation Partnership Initiative

This was a project approved in 2003 to be implemented by the Municipal Infrastructure Investment Unit (MIIU) - a non-profit South African organization, with World Bank sponsorship and support by USAID and DFID in addition to Cities Alliance. The objective was to identify and implement municipal water and sanitation service management measures and financing alternatives that expand and improve service access by the urban poor.

The demonstration effects of this activity were to be extended beyond the targeted cities through knowledge sharing via existing South African networks, including but not limited to the South African Cities Network (SACN), co-funded by the Cities Alliance. Replication was expected at a nationwide scale through the MIIU and the increased willingness of banks to lend to second tier cities for infrastructure investment.

Even if this is listed as an ongoing project, the team was informed that the project has come to a standstill, including the funding by USAID and DFID.

4.1.6 National Upgrading Support Programme

Pursuant to the government's policy "Breaking New Ground", the Housing Minister last August submitted an application to Cities Alliance on US$ 0.5 mill, with co-funding from the World Bank, USAID and GTZ, as part of a commitment to tackle the problems of informal settlements in South Africa by 2014.

The Comprehensive Plan is committed not only to build or upgrade about half a million dwellings a year, but to do so and also to create sustainable human settlements and communities. This approach will therefore need to break with existing, unsustainable, patterns of housing delivery. policy framework to guide the practical attainment of sustainable human settlements.

Linked to this, the difficulty of accessing credit in the low-income housing sector is a pressing concern, contributing to the continuation of subsidy-only upgrading prospects. Private sector credit for households to invest in improving their housing is central to achieving this leverage.

The tasks ahead appear daunting, and involving among other things

- developing informal settlements policy for roll-out on a huge scale,
- designing appropriate institutional frameworks, guidelines and manuals,
- national capacity building programme for informal settlement upgrading,
- developing instruments for private sector lending and non-mortgage forms of credit,
- involvement of business in informal settlement upgrading broadly,
- providing speedier service dealing by Department of Land Affairs' Registry of Deeds,
- providing integrated development plans,
- promote effective housing planning,
- provide technical support to municipalities to administer housing funds,
- attain higher housing densities and better access to transport and economic opportunities, and
- develop systems for monitoring and evaluation.

This proposal, if approved and implemented, could constitute a watershed in the experiences of creating cities without slums in one African country.

4.1.7 Johannesburg – Addis Ababa Partnership

The chief objective of the Johannesburg-Addis Ababa Partnership Programme ('JAAPP'), supported by CA in 2004 and then in a downscaled proposal to CA in 2007, is to support the City Government of Addis Ababa's ongoing three year transformation programme, focused on the formulation and implementation of a participatory and pro-poor CDS within Addis Ababa. To support this objective, the program will harness the experience, expertise and knowledge of the City of Johannesburg in transformation and CDS implementation including direct technical support around areas such as financial and land management as

well as a deepening of the city's leadership and management capacity through high-level interaction between the political and executive echelons of the two cities.

A second objective is to develop the City of Johannesburg's capacity to develop and implement a model for knowledge and information sharing, as well as direct capacity building with other cities, especially in African countries.

Ultimately the programme is about testing an innovative new approach to building capacity for city management in general, and CDS in particular. It aims to test whether or not this model works more effectively than the traditional and more costly model of using consulting firms.

The proposed partnership comes at a key point in the ongoing transformation processes in both cities. In Addis Ababa, the city government is completing basic structural reforms including:

- Establishment of ten sub-municipalities within the city and thereby to improve access to city resources and services.

- A vertical restructuring within the city administration to clarify responsibility for municipal services and functions on the one hand and delegated state functions on the other.

The agreed work programme between the two cities includes:

- Facilitating participatory processes for strategy and policy development;

- Establishing technical and policy support groups;

- Leading and facilitating capacity-building programmes including workshops, training programmes and the development of training materials;

- Transferring strategic management systems and programs; and

- Facilitating knowledge exchange through secondment, study visits, workshops and development of a comprehensive city transformation process package, aimed at wider application than between the two cities.

The attention to and interest in the JAAPP was high, because it was the first of its kind. The cooperation was quite extensive in the early stages of this project, but was halted when a new government came into power in Ethiopia. In 2006 the two partners revitalized the plans of cooperation. Due to the previous impasse, the CA Secretariat has now received a new, more prioritized and scaled-down proposal for consideration.

4.2 ACHIEVEMENTS IN ETHIOPIA

Ethiopia has one of the highest rates of urbanization in Africa. Its urban centres suffer from a number of social and economic problems including income disparity, deep poverty, high unemployment, a huge housing shortage, poorly developed physical and social infrastructure.

4.2.1 Addis Ababa CDS

The CA supported CDS initiated in 2002, was piggy-backing on the city's Master Plan revision during 1996-2002. Addis was confronted by a number of challenges and reforms at

the time. Most significant was the transformation from a centralized to a market economy. In the CA context this entailed strengthened participation and the rights to housing, services and land. The CDS process coincided with the government decentralization drive, by which the city was decentralized into ten semi-autonomous local authorities for effective planning and service delivery.

The CA lasted for only eight months. The six main activities were: a city-wide conference, participatory slum upgrading and local development plans, a ten year financing strategy, development of a collaborative network for upgrading and urban service delivery and human resource development.

In the ensuing evaluation of the project by the CA Secretariat, it was pointed to problems like the short duration of the project and the failure to coordinate with the plans and actions of the authorities. The institutional context was in transition and there had to be institutional re-positioning of the CDS since the implementing partner was disbanded. Overall, the engagement of the CA may have been too late to add value. A further weakness was that the success of the Addis Ababa Master Plan, and the CDS as a part of it, rested to a very large extent on the engagement and support of the then mayor. Shortly afterwards there was a complete change in city government.

4.2.2 Ethiopia Housing Study

In consonance with the Master Plan for Addis Ababa, the Government embarked on a series of major housing and land markets initiatives designed to improve the shelter and basic infrastructure situation of urban residents, especially the urban poor. The World Bank was supporting the Government in modification of the national legislation on land and development of land information systems in the country. The work on capacity building and local government restructuring was supported under an IDA-financed project and the GTZ-financed Municipal Management Policy Development Project (MMPDP) and the Low-Cost Housing Project. To accelerate implementation of the above initiatives and design reforms, the Government and GTZ agreed to collaborate on an action oriented housing sector study, and got the approval that the first phase would be financed under a CA grant in 2004, involving preparation of a series of notes on various aspects of the housing policy. The second phase entailed preparation of a housing policy or guidelines to overarch the frameworks (not completed by September 2007). The policy notes addressed the proposed low income housing program, land use plans and markets in major cities, ways to encourage greater private sector participation and housing sector safety nets issues.

The ongoing reforms, supported by the World Bank and GTZ, target policy, legal, regulatory and institutional framework and capacity building, such as re-enactment of urban land lease holding proclamation, expropriation of land for public purpose and compensation proclamation and a new urban development policy. In addition, the urban and local governments institutional and organisation reforms emphasize good governance formation of Amhara, Oroma and Tigray regional states' legislation and the federal legislation establishing Addis Ababa and Dire Dawa as chartered city governments. Further the reforms culminated into the creation of the Ministry of Works and Urban Development (MWUD) in 2005 - a reflection of increased attention at the national level to urban development.

The MWUD has initiated the development of documents that outlines plans for the "Accelerated and Sustained Development to End Poverty" (PASDEP, 2005/6-2009/10), through urban development and construction industry which identifies policies, programs and target to fulfil PASDEP aims: e.g. enhanced participation and municipal infrastructure, integration of rural and urban development, development of low cost housing technologies, supply of serviced land, and the creation of a revolving housing development fund. One pillar of the PASDEP is the Grand Addis Integrated Housing Development Program (GAAIHDP) with aims at a considerable increase in completed housing units. The programme subsidises poor strata of the population, particularly women headed households.

In spite of its successes, the programme is continually facing challenges on aspects like awareness raising, popular participation, affordability by the poor and quality and durability of low cost housing.

4.2.3 Ethiopian Cities Network

Cities Alliance has recently decided to support the establishment of an Ethiopian Cities Network (ECN), co-funded by the World Bank, the German GTZ, the Ministry of Works and Urban Development and the relevant cities themselves. About 20 Secondary Cities and the two Federal chartered Cities have already been partially working together in informal networks - for example in the frame of the World Bank funded Capacity Building for Decentralized Service Delivery Programme (CBDSD), in knowledge exchange activities of the Action Programme 2015 (AP 2015) funded by the German Government and coordinated by GTZ and in the implementation of projects of the Urban Development Fund (UDF) funded by the German KfW.

The objective of the network is to establish knowledge and experience transfer between the member cities – create a mutual learning process. In addition to the interaction between the municipalities, ECN seeks to promote debates between state (municipal) and non-state actors on urban development, conferences, workshops with local and international partner-organizations, dialogue, and local involvement and contributions.

4.3 NAIROBI SLUM UPGRADING POLICY FRAMEWORKS

The Nairobi Initiative on Slum Upgrading Policy Frameworks (CNSUP) is a joint initiative between the government and UN-Habitat. In the application a total of 16 development agencies are listed as co-sponsors, although there is no evidence of their involvement over time. The programme was initiated following a meeting between the Former President of the republic of Kenya and the Executive Director of UN-Habitat. The programme aimed at improving security of tenure, housing, infrastructure, slums and informal settlements of Nairobi. It was divided into five phases i.e. inception, preparatory, implementation, evaluation and replication phases. CA had been approached to provide support for the inception and preparatory phases of CNSUP.

The preparatory phase activities, which were to be accomplished within twelve months, comprised social and economic mapping, development of country based mortgage finance system, national slum upgrading policy and institutional reforms for citywide slum

upgrading. The activity constantly encountered a range of obstacles: outputs had to be reconsidered, goals reassessed, budgets adjusted and the final outcomes being far below those that were anticipated. CA's self evaluation of the project later concludes thus there is no discernible impact on the policies and practices of either the Nairobi City Council, or the government.

The evaluation holds that the limited timescale of 12 months was grossly unrealistic. This was complicated further by the choice of the pilot in Kibera, a settlement representing the complex political–socio-economic settlement structure and a critical nerve centre to Nairobi city politics. There was no prior consultation on the intentions as well as identification of beneficiary needs and priorities and hence miscommunication resulting in conflict between the slumlords and tenants, leading in court cases, rents riots, and fighting resulting in deaths. The dynamics involved required more investment in social capital and process, built around joint partnership, working collaboratively and seeking complementarity between the state, UN Habitat, non-state actors and the slum dwellers, which never materialized.

However, the CNSUP had profiled the slum issue in Nairobi, and contributed to put the issues on the agenda of the subsequent Kenyan government, thanks in part to the Nairobi Informal Settlements Coordination Committee (NISCC). Later, the government prepared the "Kenya Slum Upgrading Programme" (KENSUP) at national level, with an accompanying comprehensive implementation strategy, financial plan and budget allocations.

The Association of Local Government in Kenya (ALGAK) and UN-HABITAT have applied for CA funding of USD 75,000 to facilitate the preparation of a full proposal to develop a Kenya CDS process with an LED focus. The objectives for the first of two stages in an overall programme are to develop City Development Strategies for a select number of urban local authorities in Kenya. It would seem pertinent that the lessons from the Nairobi project were fully analyzed and taken on board before a larger, more complex project is approved.

5   SWEDISH AND NORWEGIAN NON-CORE FUNDS

In addition to regular core funding, CA has also non-core (earmarked) funding arrangements with Canada, Italy, Japan, Netherlands, U.K., UNEP, USAID, Sweden and Norway. The latter two countries' non-core contributions to date are:

SWEDEN:

- **CA Africa Facility;**

- **Community-Led Infrastructure Facility (CLIFF)** – co-financing of a large project administered by Homeless International;

- **Slum Upgrading Facility (SUF) –** co-financing of a large project administered by UN-Habitat (Sida and Norway funds go directly to Habitat, but the CA administers DFID's funds to SUF. This facility is not covered by this evaluation);

- **SUF Pre-Implementation Support** – support for WB involvement;

- **Regional Advisor – E&S Africa** – financing of project proposal;

- **Seconding of Staff to CA.**

NORWAY:

- **CA Africa Facility** – administered through grant application process;

- **Urban Finance Initiative** – support to the CA Secretariat's analytic work;

- **South Africa Cities Network** – co-financing of project proposal.

The team finds that there were good reasons to create access to non-core funds, especially to allow the CA at an early stage to respond quickly to innovative and strategic priorities and opportunities, and that the non-core funds from the two Scandinavian countries have generally been very useful in this respect. The effects and efficiency of some of the larger contributions are assessed below.

5.1   THE CITIES ALLIANCE AFRICA FACILITY

The Cities Alliance Africa Facility was set up in 2002 as a non-core program to increase and bring the Africa portfolio closer to the level of other regions. The different components in the 2 year work programme, that the facility was designed for, were to[6] –

o   *Build political commitment*
   -   Policy and strategic planning consultations to support Cities, States and/or Governments to come together with stakeholders to set agendas, plans and targets for scaling up efforts for slum upgrading
   -   Information campaigns

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[6]   Built on Draft Concept Note by Pelle Persson, Sida, Sweden.

- o *Advance Collective Know-How ("Learning Alliance")*

  - Develop slum upgrading data for SSA

  - Build links with facility partners

  - Build up a knowledge fund.

- o *Increasing Coherence and Synergies*

  - Partnership Fund for SSA for capacity-building of organizations of the urban poor, local authorities, and

  - Partnership building and promotion of stakeholder participation

  - Cities Alliance Regional Advisor for Africa

- o *Move to City Wide and Nation-Wide Scales.*

  - Actions linked to Investments and New Financial Mechanisms

  - Technical Assistance Fund.

An initial funding target of US$4 million was proposed for the Facility, which represented the estimated capacity of the Alliance to program, supervise and monitor non-core activities in the region during the two years 2003-04.

The Facility never embarked on the ambitious agenda that the initial memos indicated. The Facility has, in practice, primarily been used for assisting cities to develop applications to Cities Alliance (so called preparatory grants). In addition, Facility funds were available to: provide funding for Africa proposals that exceed the "regional balance" proportion of Core funds,[7] to help meet co-financing requirements for Core funding proposals; and, to top up funding allocations that exceed the core funding limit of $500,000.

The Facility has been used primarily for preparatory assistance activities, and to provide additional funding beyond the core funds for CDS and SU projects in the region. The resulting full proposals resulting from the preparatory assistance are then usually funded from core funds.

Among others, the two Scandinavian countries Sweden and Norway have provided a considerable part of the Africa Facility, which since its start in 2002 has disbursed 13 grants, totalling about USD 1.78 million[8] – an average of three grants per year. Of these, two have led to large preparation activities totalling USD 1.0 million from CA core funds, two others have contributed to large scale upgrading programme preparation and one has been for a regional advocacy event, and another to put in place an advisor for Western and Central Africa. In parallel, Swedish Sida financed an advisor for Southern and Eastern Africa. As of

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[7] The Cities Alliance Charter, Para. 16 (a), stipulates that "Cities Alliance resources will be allocated in a way that ensures a reasonable balance of activities across developing regions." The Africa Facility was available to provide additional resources for proposals from Sub-Saharan Africa that exceeds that regional balance – to provide additionality of resources for Africa.

[8] As of June 30, 2007. Communication from Mr. P. Persson, CA Secretariat.

September 2007 the Africa Facility had about USD 2.8 million available to grant from existing donor agreements.

An ambitious and innovative programme of activities was developed by the SACN (with WB help), and requested USD 500,000 from the CA. But there was still a strategic funding gap of USD 250,000, for which the CA Secretariat approached Norway to fund. This combination of core and non-core funds helped spawn the South Africa State of Cities Report, one of the highest impact allocations the CA has made. The follow up State of Cities Report was paid from core funds two years later. This engagement has helped set the standard of the State of Cities Reports, currently under preparation or planning in Niger, Brazil, Ethiopia, the Philippines, Tanzania and Kenya.

The CG concluded that while many of the preparatory grant activities yielded good results, there was still a need and opportunity to increase the amount and type of help it offers. Over time the CA core grant allocations have shifted somewhat towards Sub-Saharan Africa. From 1999 to 2006 the CA worked with a total of 194 cities in 50 countries. This had included 16 countries in SSA, 12 countries in Asia, 11 in Latin America and 6 in the Middle East and North Africa.

The Africa Facility has so far been underutilized, but this is being addressed in the CA's Medium Term Strategy, which the Consultative Group will consider at its November meeting in Manila[9]. Plans are proposed for the full utilization of the Facility for a strategic action plan aimed at advocacy, learning and knowledge sharing, working through local government associations and the most committed of governments on the continent. There are attempts to replicate the successful experiences learned in the South Africa Cities Network (State of Cities Report) in a number of countries throughout the continent and beyond.

5.2 COOPERATION WITH SLUM DWELLERS INTERNATIONAL

Cities Alliance is increasingly cooperating with non-governmental or non-profit organizations, particularly The Shack/Slum Dwellers International (SDI), whose profile on urban slum matters is high and increasing, not only for its advocacy work, but also for operations in the field.

Founded in 1996, Slum Dwellers International (SDI) estimates that its 5.6 million members across 14 countries have amassed nearly $32 million in savings, helped secure land for 125,000 families and created 79,500 new housing units. In 11 other countries slum dwellers are forming savings groups and building federations with SDI's help.[10]

The case studies have clearly shown how far Slum Dwellers International has gone, in terms of its achievements and its millions of members. It has made relatively low investments, but its dissemination effect and members' response have been very high.

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[9] Based on written communication with the CA Secretariat.

[10] R. Neuwirth: "Shadow Cities – A billion Squatters." Routledge 2005

What makes Slum Dwellers International so strong is its members' common needs and therefore similar aims – that is their life purpose. The set up they have created allows them to control the money and set their own agendas. Their sustainability is not in the hands of external funding. Slum dwellers have a common reference system, where reality and action communicate far better than any other communication media.

"…Tools, like the cultural mapping used by Slum Dwellers International and saving schemes, surveys, land search, house modelling, manufacturing building elements on site, proposed and used are mechanisms for local generation of knowledge that builds local communities' own self-confidence".[11]

In South Africa the evaluation team met with the NGO Community Organization Resource Centre (CORC), which is affiliated with the Shack/Slum Dwellers International.

The approach of CORC is to organize small groups (on average 20 - 200 members) in savings and credit clubs, which have a relationship with one of the commercial banks (Standard). The aims of the members are to build their own houses, in one go or incrementally, in accordance with affordability. The organization provides advice on land acquisition, finance, technical and constructional matters, EIA, security of tenure, cadastral surveys, mapping exercises and data collection (enumeration). They train members of the club in bookkeeping, financial management, legislative and administrative matters. They are also engaged in advocacy. CORC is implementing a project in cooperation with Ekurhuleni Municipality and has also a consolidated relationship with SALGA. Having operated in South Africa for a number of years, it is now establishing affiliated organizations in neighbouring countries.

In Kenya another SDI affiliate, "Pamoja Trust", has negotiated for land in at least ten settlements and have completed house-modelling in eight. As a result, three of these eight settlements have now resolved the layered and complex land ownership challenges that faced them. In all the three settlements, the residents have identified both tenants and structure owners as equal beneficiaries. They have, with the help of technical support developed urban layouts, negotiated for alternative building standards, and secure tenure. It has thereby provided a community-led precedent to urban planning and design.

5.3 CA SUPPORT TO CLIFF

Launched in 2000, the Community-Led Infrastructure Finance Facility (CLIFF) is a facility providing loans, guarantees, bridge finance and technical assistance to encourage and support private sector investment in community led urban regeneration projects. CLIFF is being implemented under the programme of the Cities Alliance, by Homeless International, initially as a development and demonstration pilot project in India. It also cooperates with a number of NGOs and receives funding from DFID and Sida. Its objective is to scale up community-driven slum development, rehabilitation and infrastructure initiatives, in partnership with local authorities, and the private sector in poor towns. CLIFF was

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[11] DFID Research R7171: *Improving Research Knowledge Technical Transfer: Final Report*

conceived as a response to a DFID-funded research project, and was designed as a means of catalyzing access for the urban poor to public and private funds available for slum upgrading. Through the provision of bridge finance, CLIFF lowers the risk profile for slum upgrading projects, thereby lowering the barriers to investment for both the public and private financial intermediaries.

In 2006 the Cities Alliance sponsored an evaluation of CLIFF by the consultancy firm GHK of the UK. It was concluded that CLIFF had been proactive in accessing and leveraging bank and other finance, but the flow of funds through CLIFF, while steady, had not been as rapid as anticipated. However, the expectations may have been too high. CLIFF had enabled better quality and more responsive housing solutions as compared with developer-built houses for the poor. The viability of the CLIFF model had still to be proven – especially in environments where there is not such a ready source of revenue as Mumbai. While the evaluation team finds the CLIFF mechanism promising and contributing to solve financial problems, it does not yet consider the model ready for scaling-up.

6 COHERENCE WITH CA SELECTION CRITERIA

6.1 TARGETING POVERTY ORIENTATION

It is the experience of this evaluation that the goal of CA to launch and pursue CDSs as consensus-building processes to establish priorities, strategies, and actions for urban poverty reduction has been a tall order, particularly in CA's initial period. There appears to be two main reasons for this. Firstly, many of the CA projects maintained a narrow focus of work with more emphasis on a product rather than a process. Secondly, the short duration of the projects made participation of the urban poor more difficult. Neither had a majority of governments requested specific poverty orientation, or they were sceptical to allow wide popular participation, especially at the municipal level, where the opportunities for national control were reduced. The CDS strategies have in most cases aimed at solving infrastructure problems and enhancing economic and social conditions in general.

The SU activities have to a higher extent been formulated to target slum dwellers. The enumeration processes at the outset of a slum upgrading project are supposed to record the demographic, social and economic situation of all members of the households, including marginalized groups such as widows, orphans and disabled. The gender issue has not come up in the CA's evaluations. However, the team witnessed during its limited field work that women's groups were strongly represented and particularly active and vocal.

In the poorest group of countries, especially in Africa, the affordability issues of slum upgrading have proved to be particularly difficult, because of lack of both household and public resources to pay for upgraded houses with better infrastructure and amenities. The condominiums that are under construction in Kibera, Nairobi to lessen the density in the slum and make room for roads, infrastructure and amenities, are way beyond reach of the slum dwellers in general, in the absence of subsidies. In Ethiopia, the current housing policy defines four ways of providing decent housing: condominium, real estate development, housing cooperatives to construct own houses and upgrading of houses in slum areas. During the last few years, the overwhelming emphasis has been on constructing condominiums. Even if these are sold at net cost price, they are well beyond the reach of most people occupying the slum areas. It is not clear yet how the government will approach the issue of upgrading of existing shacks.

The South African government gives house building subsidies of up to R36.000 to household, whose total monthly incomes are below R3500 a month. The subsidy is delivered as the house is built by the developer or it is linked to household savings and loans from financial institutions, as a mechanism to overcome the down-payment barrier.

Looking beyond Africa, the Ministry of Housing in Chile[12] manages several programs for delivery of subsidized housing. It encourages a wide array of shelter projects: in-situ barrio upgrading, densification with new infill houses; retrofitting previously urbanized land,

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[12] CA's own project evaluation.

rehabilitating buildings and establishing new expandable core houses on new sites with basic services. The Housing Solidarity Fund, which is a central element of the country's low income housing strategy, provides subsidies of about US$ 10.000 (in 2006) to household below the country's poverty line (the poorest 16%).

6.2 PARTICIPATION

The information conveyed by the 28 evaluation reports indicates that popular participation in CA projects is less than satisfactory in about half of the projects. The unsatisfactory emphasis on participation seems to be partly the case because city development strategies and slum projects are often implemented according to a sectoral or technical perspective. In part, the slum problem has been conceptualized in terms of number of housing units to be constructed, with little concern for developing townships, preserving neighbourhoods with a multitude of relations, ease of access to work places, income opportunities, suitability of the land, environmental issues, possible health hazards, and not least affordability. However, this perspective have been widened in some of the more recent projects.

Whereas traditional societies in most African countries have strong social relationships, common economic interests, cultural heritage and ethnic orientation, the slum areas are made up of diverse segments of various stakeholders: resident and non-resident owners of structures, tenants including marginalized groups such as widows, orphans and disabled, back yards dwellers, local leaders, Faith Based Organizations (FBOs), NGOs, CBOs, youth and women's groups, local authorities, political parties and individual politicians.

CDS and SU processes are designed to be inclusive, and participatory through organised gathering and exchange of information and ideas. Wide participation, creation structures to facilitate dialogue, and the communities' ability to understand debate and build consensus, are critical in execution of targeted slum upgrading..

Any SU activity tends to raise anxieties about displacements, or lack of compensation for structures that have been erected. These anxieties regiment different groups against each other, in some cases particularly the structure owners (slumlords) against the tenants.

The evaluation team found that despite some existing community structures/participation mechanism representing the slum dwellers and frequent meetings, glaring communication problems occur at times. A particular dramatic case in point is represented by the slum dwellers living in Kibera, Nairobi, who have not been receiving relevant official information. The systems to register rights and needs of the people were not sufficient and there was a lack of an effective framework to share information between the diverse groups.

Many CA supported activities have not created sufficient communication channels, nor has there been sufficient time to make adequate plans. The communication strategies/processes have not sufficiently involved marginalized groups, nor provided a clear understanding of roles and responsibilities by all stakeholders.

6.3 GOVERNMENT COMMITMENT

Governments have in general committed to pursue the Millennium Development Goal of slum upgrading (see Introduction). Based on the findings in this evaluation, it is clear that some have progressed well in setting up an enabling environment for accessing land,

security of tenure and housing development. However, the current institutional arrangements are in general characterised with multiple institutions with partly overlapping roles and lines of accountability. Over the years the responsibility for land matters and housing has been moved between ministries, and often shared by two or more. Too often, the initiatives to move forward with city strategies and slum upgrading have only been vested in a few enterprising individual mayors or senior government officials, without institutional commitments by parliaments, governments or backing in policy documents or budgets. As the result of change of mayor, minister or government, a number of initiatives have stalled.

The official funding for urban planning and programmes or investments have often been the victim of meagre local government revenue sources or non-substantial and/or non predictable transfers from the central government. This issue is now increasingly put on the radar screen of governments and development agencies engaged in reforming and improving the effectiveness of governments, including the devolution of powers to local governments. Some CA-financed activities have in some cases coincided with World Bank or other donors' initiatives in this respect, e.g. in Zambia and the Philippines.

Another pertinent concern that repeatedly dogs the success of the CDS and SU are delays in the formulation of new policy and an enabling legal framework to regularise tenure and transform the planning and management of land and urban development services.

But there are also a number of examples where the government has formulated bold policies in an attempt to reverse the slum problem.

The CA support to "Enhancing Access of the Urban Poor and Vulnerable Groups in Vietnam to Basic Infrastructure and Housing" took advantage of and reinforced good working practices introduced by the World Bank's 'Urban Upgrading Project'. Initially, the urban poor faced many constraints like unfavourable physical location and land markets, lack of access to services, credits and so on. The government showed willingness to try new policy approaches, including expending considerable investments and allowing for greater involvement of both local and urban governments. The country seems to be bound to continue in a bold fashion its slum upgrading program.

Pursuant to completing the Master Plan for Addis Ababa and implementing a Housing Sector Study - both supported by CA - the Ministry of Works and Urban Development in Ethiopia has outlines plans for the "Accelerated and Sustained Development to End Poverty" (PASDEP, 2005/6-2009/10), through urban development and construction industry which identifies policies, programs and target. The documents outlines a framework for improvements on urban land administration, participation, municipal infrastructure, integration of rural and urban development, low cost housing technologies supply of serviced land, and the creation of a revolving housing development fund. Specifications of the government's priorities and support are expected in the new housing policy which are nearing completion, and which will outline the approaches to be taken to reach the objectives.

In spite of serious setbacks in some countries, there are a sizeable number of positive examples in all regions where local and central governments have found or could be about to find creative and effective solutions to the housing and slum problems.

The strategic transformation process of South African cities during the last 10 years serves as an inspiration to several countries and cities in Africa and beyond. The processes in Johannesburg, included firstly fiscal, financial and institutional reforms and secondly a major upgrading program of one of the largest urban informal settlements in South Africa, the creation of metropolitan utilities, a full program of local economic development and inner city reform of its administration including police and health services. The comprehensive settlement strategy for Tshwane, including zonal sub-strategies, housing and slum upgrading, is very much focused on sustainable livelihoods, the improvement of living conditions and reduction of disparities inherited from the apartheid period. The settlement strategy for a neighbouring city, Ekurhuleni, follows a similar path, but seeks in addition to improve the overall social and economic conditions by linking the job market, training and social services directly to the resources and problems at the household level. This is facilitated by the active involvement by Family Welfare Educators.

Through the South African Cities Network and potentially the South African Local Government Association (SALGA), the strategic and slum upgrading work in South Africa are about to be an integral part of the cities normal business and activities. The cities and municipalities are regularly presented with information about their own performance compared to other cities; they inspire and learn from each other and are at, or close to the turning point, of moving towards the solution of their slum problem.

Likewise, the CDS program in the Philippines is remarkable for having obtained the commitment and involvement of not only the mayors of the 10 cities that were part of the CA program, but another 31 mayors from other cities. The enthusiasm of the mayors and the city administrations is an indication that the process satisfies a strongly felt need. Like the South African Cities Network, the Philippines program promotes the exchange of information, experience and best practice. There are also strong elements of mutual support among the cities.

6.4 CO-FINANCING AND FINANCIAL LINKAGE

Co-financing consists of financing for specific costs elements of the CA-supported activities, for which the proponents already had committed when the application was approved. Co-financing is most often provided both by the sponsoring agency(ies) and by the participating government/municipality.

Of the 28 evaluated CA projects, 27 had data on co-financing. Whereas total funding of these 27 projects was USD 6.422 million, co-financing amounted to USD 9.527 million or close to 1.5 times as much as CA allocations. However, a closer took at the 27 projects shows that three projects constituted a major part of the co-financing. In the remaining 24 projects, co-financing totals came to only 60% of the Cities Alliance' funding. The co-financing comprised in most cases allocated funds by the sponsoring agency or the national government/city. In some cases it represented "contributions in kind by the Implementing Agency.

Based on the premise that CA allocations are relatively small and the importance of bringing cooperating partners together, it can be argued that the level of co-financing for the great majority of CA projects is too low.

A related key principle of CA is the linkage of its allocations to further investments, which could bring about lasting benefits. Of the 28 evaluated projects, about a third had achieved satisfactory linkages to further investments at the time of project closure. More important than the size of the linked funding is the issue of whether it contributes to serve the purposes of the Cities Alliance. This issue has not been thoroughly analyzed.

6.5 LOCAL PARTNERSHIPS

The Cities Alliance perceives City Development Strategies and programmes for slum upgrading as participatory processes, comprising ownership by central and local authorities, community organizations, the private sector and other local stakeholders.

However, the various CA modalities of support give different prospect for participation and developing partnerships. The early CA projects which started shortly after 2000 had more often a narrow perspective and were less participatory than those approved during the last few years.

Participation should not be regarded as an overall objective by itself, but primarily as a means to achieving the project goal. In the "Scaling-up Upgrading through a CDS Approach" in Karu, Nigeria, the analytic work was split - with the World Bank assisting with the socio-economic structures and UN-Habitat the urban governance, services and land management component. The CA evaluation team found that the two components proceeded independently of one another, almost as they were two separate projects. At the local level the participatory approach was found embodied particularly in the UN-Habitat component; and a range of participatory activities and procedures were utilized: constituency consultation at neighbourhood levels, stakeholder working groups and broad-based consensus-building consultations. The evaluation concludes that, the participatory activities were well attended, but simply ended with no higher purpose served.

The World Bank supported component, on the other hand, was found to be narrower in focus and entailed less consultation with the wider stakeholder community. However, the activities were built on clusters of self-organized groups who contributed significantly to the local economic development (LED) strategy, which had a variety of follow-up activities.

In the UN-Habitat sponsored preparatory project "Slum Upgrading and Vulnerability Reduction in Flood-prone Cities and Towns" in Mozambique, the CA evaluation expressed a strong satisfaction concerning the implementation arrangements and the involvements and cooperation of key ministries, directorates, city municipalities and local stakeholders. In this case, necessary civil works were identified and undertaken after due consultations, which served the important purpose of bringing the community together and giving them the sense that their efforts had some material and concrete results, which facilitated their engagement in future efforts.

The partnerships developed in most of the CA supported projects in South Africa seem strong, but much less so in Ethiopia and Kenya. In Addis Ababa the CA supported to the CDS process, run alongside the work on the Master Plan, but did not address partnerships. The experience in the Collaborative Nairobi Slum Upgrading Programme demonstrated a fundamental lack of information, mutual distrust and little commitments to objectives.

The gist of partnership is coalition-building between different stakeholders in all related sectors, at different administrative levels and in both the public and private economic spheres, whereby actors need to receive and to share information, make contributions to agreed approaches, foster the spirit of pulling together and solve common problems. Our analysis of the 28 evaluated projects show that the creation of local partnership was found satisfactory (ranging from marginally satisfactory to highly satisfactory) in about half of the cases. The Latin American projects scored the highest and the Sub-Saharan Africa the lowest. This may be due to the longer duration of strong social movements in Latin America than in Sub-Saharan Africa.

6.6 COHERENCE OF EFFORTS

The CA guidelines aim at supporting activities that promote cross-sectoral, inter-divisional and multi-donor coordination, and to maximize collaboration between the World Bank, the UN system, and other Cities Alliance members.

An overview of the Cities Alliance Funding application history shows that there is a clear trend in the portfolio over time from single sector or single city efforts to broader city-wide and nation-wide comprehensive strategic and slum upgrading work. During this decennium the project size and complexity has steadily been increasing, and so has the number of CA members sponsoring each application.

This is happening in spite of the fact that many donors still has not fully recognized urban poverty as an increasingly central battleground. The teaming up of donor alliances in some sector assistance programmes (e.g. health, education, communications, governance), are far from being realized in city planning and development.

In spite of some examples of very productive cooperation between agencies, competition between some agencies for scarce resources is also a fact in some cases. The evaluation team considered factors like sharing of data and information, preparing joint or complementary documentation and the like. In the sample of the 28 evaluated projects, the team noted 9 cases of cooperation between the UN system, the World Bank and ADB, of which 4 were judged to represent satisfactory cooperation and 5 not so satisfactory. The working relationship between one multilateral and one or more bilateral agencies seemed to be closer and more productive.

The CDS and slum upgrading efforts in Johannesburg were part of a wide financial and institutional restructuring of the city, including the upgrading of one of the largest informal settlement in the country. The city itself took the lead, with substantial and successful financial support from the World Bank, UN-Habitat, DFID, USAID and AfDB.

The Indonesian project "Institutionalizing Poverty-Focused City Development Strategies" was implemented under two separate grant agreements with the World Bank and UN-Habitat. On the initiative of UN-Habitat, the UNDP Build program was also brought into the activity with good effect. Efforts were also made at a later stage to reach out to other CA members: USAID, ADB and JICA. However, a more formal agreement at the formative stages of the project might have produced additional coherence of efforts. A similar situation surrounded the "Collaborative Nairobi Initiative on Slum Upgrading Policy", submitted by UN-Habitat, but co-sponsored by the government, the World Bank, DFID and SIDA. UN-

Habitat listed a total of 16 development cooperating agencies as co-sponsors, although there is little or no evidence of any consistent involvement of the majority of these.

While coherent and substantive involvement of a number of recipient and donor agencies normally is advantageous, because it pools financial resources and technical competence, this requires a much clearer delineation of roles and responsibilities than has sometimes been the case.

6.7 INSTITUTIONALIZATION AND REPLICATION

At the beginning of this decade the majority of applications were sponsored by the two main funding agencies (World Bank and UN-Habitat). Increasingly that role is taken over by the authorities of the respective country, at the municipal or national level.

In most cities visited, capacities in CDS and SU are developed around individuals from conceptualisation through implementation and there are many examples that once the individuals are voted out of office or leave the job for another reason, the project activities cease altogether, or are stalled for long periods. There is a strong need for the projects to be better institutionalized and grounded in democratic legislative decisions, guiding policies and work programs, which will be more binding than is currently the case.

The capacity-building objective should target empowering all relevant stakeholders, through appropriate capacity building measures to effectively participate in the implementation of CDS and SU. Cities in general need improved capacity to undertake sustainable CDS and SU projects, to train stakeholders in working with participatory methods and approaches for planning, implementation, monitoring and evaluation. It is also important to sensitise stakeholders to the issues, to train and empower communities to meaningfully participate throughout the project cycle. The data in the sample of 28 evaluations reviewed shows that capacity building efforts were found satisfactory in just above 50% of the projects. The average percentages of satisfactory capacity building efforts for Latin America, Africa and Asia were respectively 75, 55 and 46 percent.

Of late, individual city applications are being replaced by multiple city initiatives, submitted by the respective mayors, in cooperation with the national government. This development has been pioneered by the Philippines and South Africa. These projects seek to address urbanization and urban performance in a systematic way. This has both the potential benefit of measuring and comparing performance and trends and exchanging lessons between cities in a country and/or between countries. This could represents a quantum leap and a "scaling up" through the creation of more lasting partnerships between cities, national authorities, research institutions, statistical bureaus and others. Whereas the "scaling up" process is happening among the largest cities, the CA has so far not addressed the need for support by the intermediary and smaller cities.

6.8 ENVIRONMENTAL IMPACT

Based on the project design and evaluation documents the environmental impacts of CA projects appear to be relatively neglected both by the participating countries and the funding agencies. This is an issue that has also been pointed to by UNEP. Of the 28 CA evaluation reports, only 3 have a satisfactory coverage of the environmental area. The lack of attention

to the water and sanitation issue in slum areas, are frequently cites as a problem, but does not appear to be sufficiently addressed through Environmental Impact Assessments or similar studies. Issues like lack of refuse collection, hazardous waste control and indoor air pollution are hardly ever addressed, not to speak of greenhouse gases. The problem of floods is addressed in one project, but very much head on.

The UN-Habitat sponsored project "Vulnerability reduction in flood prone cities in Mozambique" gives a very good example of slum upgrading in the context of frequent exposure to floods. CA supports the cities of Maputo, Chokwe, Tete and Quelimane to effectively address critical and urgent issues to reduce the vulnerability of communities living in flood prone areas. This was achieved through six outputs; community based environmental land use planning and natural resources management plans; strategy to upgrade basic services adapted to flood prone areas; disaster and contingency plans; policy and legal framework for disaster preparedness and vulnerability reduction; key operational demonstrative activities and strategy to improve legal property rights. The project resulted in a clearer plan on how to deal with floods, and in increasing the capacity at the level of the communities to cope with weather events. The methodology advocated by the project has promoted the building of social capital in poor communities and is integrating the poor in the decision-making processes

The more recent CA projects show an increasing concern for environmental issues. This applies especially to the recently initiated projects in South Africa: the South African Cities Network, the Ekurhuleni CDS and the Tshwane CSHSS, which all emphasize that natural capital and environmental sustainability is one of the important components. They all target the reduction of the ecological footprint of an urban settlement by:

- adapting to the natural cycles of a location,

- integration of land conservation,

- energy efficiency, renewable energy, resource recovery, water conservation, and sanitation, and

- waste management.

7 ASSESSMENTS, MONITORING AND EVALUATION

According to CA's Charter, independent technical assessment is compulsory for proposals with a budget exceeding USD 75,000, while it is optional for smaller projects. Interviews with the CA staff have established that the average cost per assessment assignment is about USD 300. This limited budget means that a professional consultant only can spend maximum 3 hours on the assignment. Inexperienced consultants or people partly volunteering may be able to spend more time, but the task is so demanding that professional consultants should be hired. The team has found that the resources allocated for initial assessments are insufficient, and generally does not allow for thorough scrutiny and analysis.

The CA is in the process of overhauling its Monitoring and Evaluation (M&E) system, which has recently been strengthened with the secondment of a full time M&E professional. The M&E system operated till now, in addition to the independent evaluations carried out in 2002 and 2006, has largely concentrated on preparing terminal project evaluations. By this time there exist 28 terminal project evaluations, while 47 projects have been registered as completed. The evaluations are in most cases based on desk studies while the remainder are field studies done by staff members of the Secretariat and at times external consultants. Some of the field studies are quite informative. The desk studies are fairly short and narrow in scope, which suggests that the existing monitoring/reporting system is not very thorough. Admittedly, a few of the completed projects are rather small, for which the terminal review requirements could be relaxed to some extent.

In the World Bank, regional banks and the UN system the sponsoring/implementing organizations are normally required to prepare substantive terminal project reports, which are made publicly available. These organizations also prepare annual progress reports of multi-year projects. If such a system was instituted, the M&E function at the secretariat could be somewhat relieved from being buried in project evaluations, and could to a greater extent concentrate on using the project reports to summarize project experiences. In addition it could engage more in synthetic in-depth evaluations of a cluster of similar projects, e.g. regular CDSs, or thematic evaluations of issues like CA's approaches and achievements concerning poverty orientation, participation, institutionalization and investments linkage. Evaluations of issues like CA's knowledge management and institutional effectiveness could partly be carried out internally and partly through independent external evaluations, which would still be required at regular intervals.

The development of specific indicators for assessing achievements in various dimensions/areas, like environment, social aspects of development, particularly concerning marginalized groups and gender issues would be very helpful at project formulation and reporting/evaluation stages.

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8 EFFECTIVENESS OF ADVOCACY AND KNOWLEDGE MANAGEMENT

It can be argued that the urban poverty and shelter issues have been given a too peripheral role among the Millennium Development Goals (MDGs). The magnitude of urban poverty and increasing urbanization constitute serious impediments to the attainment of several MDGs, related to health, education and welfare. This includes vector borne diseases (e.g. malaria) gastro related diseases, (like diarrhoea), respiratory diseases - caused by in-door air pollution, injuries, as well as other environmentally diseases caused by lack of sanitation and hazardous waste removal, as well as lack of amenities for education and self improvement.

The Cities Alliance already plays an important role in disseminating lessons and advocating the urban poverty and shelter issues. However, with an increasing attention to these issues, and larger membership from developed and developing countries, the CA would be even better placed in the future to find and disseminate approaches and solutions and also to advocate the issues.

The CA Charter does not reflect that CA has an advocacy role. Naturally, this role would be the responsibility of the entire alliance including partners in cooperating countries, and not only the Secretariat. It is also anticipated to require more resources and new relations with donors and other partners.

9 COLLABORATION BETWEEN PARTNERS

Cities Alliance is housed by the World Bank in Washington DC, and it dependent on the World Bank for a number of institutional, administrative and financial services. Although the World Bank stands for a good proportion of CA's co-funding and linkage to investment, there is, at least among staff working on urban planning and slum issues a recognition that the Bank has been well privileged to share the knowledge and competency that the CA represents. There seems to be an increasing awareness in the Bank that the urban poverty issues need to occupy a much more central role in its poverty policy. It is noteworthy that urban poverty and shelter issues have not been adequately mainstreamed in the World Bank's initiated national PRSP strategies.

The UN-Habitat represents a valuable source of insights and information, both at Headquarter and by its country representatives. It has prepared knowledge products of quality and good use to CA. However, the evaluation team has come across instances, where UN-Habitat has not had a full and transparent budget relationship with its national counterparts. The agency has at times provided a very high portion of the required inputs itself, so that its share of the total financing costs well exceeded the 15 %, which normally is the upper limit.

Some of the bilateral agencies, especially GTZ has proved to be a very valuable partner, both as the main sponsor and as co-sponsor. The evaluation shows that active involvement and coherence between a number of CA members increases the size and quality of CA projects.

Representing stakeholders at the city or community levels, the United Cities and Local Government and NGOs affiliated with Slum/Shack Dwellers International have also been valuable partners, which could contribute more if their involvement were better formalized. The CA has a great need for new cooperating partners to prepare the ground and stimulate the strategic and slum-upgrading processes, especially in the secondary and tertiary cities.

10 OVERALL RESULTS OF CURRENT PORTFOLIO

CA presents itself as a proponent for the scaling up of successful approaches to poverty reduction, by supporting the preparation of city development strategies, and to plan the eradication of slums. CA works through a number of different development agencies/organizations; it has spent around USD 10 million a year, and operates through short term engagements, preferably less than 24 months.

Keeping in mind the rapidly increasing slum areas, diseases and often bottomless poverty of many developing world cities, it has taken on a tall order. Yet the question begs itself; how relevant, effective, efficient and sustainable are the results of Cities Alliance' work? The short answer is that the slum population is increasing at an unprecedented rate. But has CA brought the world closer to solutions: has it introduced new and more effective models for city development strategies and developed policies or models for slum upgrading which may help solve the enormous problems?

The present evaluation has neither had the time, nor the scope to answer these questions as fully and to the same depth as the evaluation of CA in 2006 by the Canadian consultancy firm Universalia. However, the team's more partial findings support the general conclusions of the former evaluation, that Cities Alliance is –

- Identifying an important void in current development work and development cooperation: the rapidly increasing urban poverty, urban structure and shelter problems;

- Staking out a required broader perspective on city development comprising its economic development, its fuller integration of the population in the process, good governance and sound environment, and popular participation as an essential means of achieving this;

- Demonstrating novel approaches to the drafting of city strategies and carry out slum upgrading;

- Bringing together a rapidly increasing number of developing and developed countries, municipalities and cities, NGOs and the private sector to seek to solve the problems in a coherent way;

- Facilitating new dialogues and cooperation in a partly forgotten sphere of government – municipalities and cities – where the problems of poverty, diseases and poor living conditions increasingly will have to be solved;

- Acquiring and disseminating insights and knowledge of which approaches and methods work and which do not.

10.1 CITY DEVELOPMENT STRATEGIES

Cities Alliance has introduced a very useful model for a strategy at an overarching level (CDS), which include economic, social, environmental and governance aspects, and is based on a participatory approach. The CA's self evaluations portray about two thirds of the completed CDSs as satisfactory. At its best, the City Development Strategies have been linked directly to the countries' or cities' long and short term planning efforts, and thereby

exerted considerable influence. The most novel feature, as experienced by countries, is its emphasis on participatory approaches, and the efforts to link poverty alleviation with public and private sector investments. Some of the latter CDSs, in for example Tshwane and Ekuhuruleni, South Africa, have employed a broad model focusing also strongly on sustainable household livelihood, and containing about 25 measurable indicators.

The evaluation team did not have the time and resources to determine the extent to which all completed CDSs were adequately integrated into the respective partner country's planning effort. However, the CA terminal evaluations show that there are great variations between countries. At times, especially in CA's infancy, the CDSs were more donor driven, with a strong sectoral focus, and lacking in participation and poverty orientation. There are also examples that CDSs have been initiated too late and have operated in parallel with major government planning efforts and hardly had any influence. Some other CDSs have served as adjuncts to larger sector plans supported by the World Bank.

The experiences in some countries, especially the Philippines and South Africa stand out and have received a high visibility and appeal in other countries. The City Development Strategies in Johannesburg, Tshwane and Ekuhuruleni, are regarded as very useful inputs to their system of 5 year Integrated Development Planning, that are reconsidered annually in consultation with stakeholders. The two latter cities have developed a model using a sustainable household livelihood approach, encompassing about 25 indicators on the households living conditions and assets/development prospects, presented as different types of household capital, whether it is of a natural, social, physical, human or financial nature. In Ekuhuruleni, family welfare educators form an important role in following up individual families to strengthen the links between the households and the job market, as well as the educational and social welfare sectors. This is a well coordinated effort, at least on paper, centred on the welfare of the household.

With assistance from CA and cooperation with the National Bureau of Statistics, the South African Cities Network has developed a system for State of Cities Reports, which tracks over time the development of key variables related to the CDS in the country's 9 largest cities: economic growth, employment, tax level, income level, skills, access to water and sanitation, health, HIV-Aids frequency, shelter condition, access to municipal services and more. Comparison between the cities has yielded very interesting results, has triggered the interest for better performance among the participants. There is also an interest to extend the system to smaller municipalities.

Based on these experiences in South Africa as well as similar work in 31 cities in the Philippines, a number of countries are now coming forward with the same or similar ideas of national cities networks, or even networks across borders. This development may hold the promise of a quantum leap, with quick and very fruitful learning and scaling up of positive experiences.

However, a word of caution is called for. Successful city or country-wide processes in middle income developing countries are clearly based on the specific economic, institutional competences and other conditions that do not necessarily exist in the lower income countries. For that reason, one must be cautious to apply standardized approaches to assessments of CDSs or State of Cities Reports. Rather, each country will have to build on its own resources and political, economic and other context.

10.2 SLUM UPGRADING

The slum upgrading portfolio encompasses efforts to draft preliminary national policies, planning concrete measures in single cities and exchanging experience between cities and countries. To some extent, but less than expected, have the activities targeted the launching of medium- to long-term SU programmes, fiscal commitments; institutional/ organisational and legislative changes.

Slum upgrading processes can be extremely time-consuming, partly because of inadequate and hazardous land conditions and unclear ownership and tenure systems. Furthermore, the dwellers represent a wide variety of social, economic, religious, tribal or other features. Where concrete actions on the ground have been initiated without prior adequate information sharing and settling of the issues, the initiatives have created hostilities or been stalled.

During the last 30 years, the attitude of governments to slums has been changing from direct hostility and occasional slum demolition in the past to a more cooperative attitude during recent times. Still, a number of governments have no or little experience in supporting gradual upgrading programmes. Till now, the governments of Ethiopia and Kenya have supported the construction of condominiums, which has created an affordability problem for the former dwellers of the area. As has been demonstrated in many countries, government or private construction of condominiums will not solve the problem of poverty for the majority in poor developing countries.

With initial support from the CA, the government of Ethiopia is in the process of developing a much more active housing policy, including consideration for employment creation through labour-intensive methods and subsidies for poorer, especially women-headed households. At an early stage, it defined four ways of providing decent housing: constructing condominium, real estate development, supporting housing cooperatives to construct own houses and upgrading of houses in slum areas. The housing policy is still being drafted, and it is not known how the government will prioritize its efforts.

The Ministry of Housing in Chile manages several programs for delivery of subsidized housing. It encourages a wide array of shelter projects: in-situ barrio upgrading/densification with new infill houses; retrofitting previously urbanized land, rehabilitating buildings and new expandable core houses on new sites with services. A key criterion for families to receive subsidies is to organize and take part in the activities of house savings groups.

Based on government policy, the South African government has committed to tackle the problems of informal settlements in South Africa by 2014. The Comprehensive Plan aims not only at building or upgrading about half a million dwellings a year, but to do so while also creating sustainable human settlements and communities. This approach needs to break with the existing, unsustainable, patterns of housing delivery.

The tasks in South Africa involve among other things:

- developing informal settlements policy for roll-out on a huge scale,

- national capacity building programme for informal settlement upgrading,

- developing instruments for private sector lending and non-mortgage forms of credit,

- providing speedier service dealing by Department of Land Affairs' Registry of Deeds,

- developing systems for monitoring and evaluation.

This proposal, if approved, could constitute a wealth of experiences of creating cities without slums in one African country.

10.3 DURATION OF CA's INVOLVEMENT

CA's Charter holds that one of its selection criteria of projects is that "Special attention will be given to those activities that promise deliverables within well-defined time frames, and preferably within 24 months." The team finds that the great majority of projects have been prepared in accordance with this criterion, which has been an impediment to quality work. In nearly half of the projects evaluated by CA, the duration was found to bee too short, which prompted the implementing agency either to extend the duration, or terminate the project before all the components had been delivered. The CA Secretariat has stated that it has been trying to push the envelope for longer term projects. The evaluation team proposes that the CA Charter is amended in this regard.

The strong emphasis on poverty orientation and participation at the local level does not correspond well with short implementation periods. In most cases the value of a good participatory process is higher than the timely delivery of a product (strategy, plan etc). The project design has not made provision for adequate time for information sharing, consultation and technical support required by the local level participants, many of which represents marginalized groups. The short duration is also an impediment to learning and knowledge management.

10.4 MODALITIES OF SUPPORT

Cities Alliance is in many ways at a watershed. Since its inception about 8 years ago, it has extended its support to about 150 cities. It has committed about USD 40 million at an average size of less than USD 300,000 per project. It has a small secretariat and the primary contacts to the developing countries have been through the executing agencies, mainly the World Bank and UN-Habitat, but increasingly others. The support has gone to the full range of developing countries, from the middle income to the least developed.

The current evaluation holds that the resources have been spread too thinly; the grants have been relatively small and of a too short duration. This evaluation calls for longer term and more concentrated efforts in order to enhance goal achievement. Some of the middle income developing countries have benefited well and have set in motion policies and activities that could stabilize or even reduce their slums within a decade or less. There is the prospect that these middle income countries could test new approaches, provide good lessons and knowledge, and engage in cooperation to pass on their experiences to less developed countries.

This may be a tempting way forward and fully within the Charter of CA, which states: "Cities Alliance is a global coalition of cities and their development partners committed to scaling up successful approaches to poverty reduction." The time required for the countries to arrive at a steady path towards the elimination of slums is uncertain. It would also seem

paradoxical if Cities Alliance increases its focus and efforts on the middle income developing countries at the same time as the aid agencies have phased out, or are in the process of phasing out its other support to the same countries.

The least developed countries, especially in Africa and some in Asia, with a slum increase ratio ranging between 4 and 6 per cent per year are poised for very serious problems and are in much more need of support. If the growth rates of slums are unchecked, several African countries could get a slum population in the tens of millions in a few decades. The growth of slum areas represents unacceptable and humiliating social conditions to the affected population groups, but also serious health threats to others countries and a breeding ground for criminality and terrorism.

It would seem imprudent to focus too much attention on countries within a particular income range, not least because this evaluation has shown that slum problems cannot be solved with the same means in the poorest countries as the middle income ones. Whereas, the middle income countries can invest much more in infrastructure and subsidize individual households, the poorest groups of countries will have to find other ways, based on cheaper solutions and a higher degree of self help. In order for CA to gain the most experience and knowledge the team feels that it should focus on countries in a variety of situations and options, and keep up its efforts in the poorest countries.

In reviewing applications, the CA should follow its principles of "essential ingredients in nation-wide slum upgrading", which requires supported countries to:

- Demonstrate political will.
- Set national and city targets
- Put it (slum upgrading programme) in the budget
- Implement policy reforms
- Ensure open and transparent land markets
- Mobilise non-public sector resources
- Prevent the growth of new slums

11 CONCLUSIONS

1. **City Development Strategies.**

CA's concept of City Development Strategy has proved to be a very useful model. At their best, the strategies have been linked directly to the countries' or cities' long and short term planning efforts, and thereby exerted considerable influence. The most novel feature, as experienced by countries, is its emphasis on participatory approaches, and the efforts to link poverty alleviation with public and private sector investments, and focusing strongly on sustainable household livelihood, with clearly identified dimensions and measurable indicators.

However, the CDS efforts have at times, especially in CA's infancy, been donor driven, with a strong sectoral focus, and lacking in participation and poverty orientation. There are also examples that CDSs have been initiated too late and have operated in parallel with major government planning efforts and hardly had any influence. Some other CDSs have served as adjuncts to larger sector plans supported by larger donors.

Based on experiences of building city networks in South Africa as well as in the Philippines, which entail the gathering of reliable data and monitors the social, economic and political development of cities, a number of countries are now coming forward with the same or similar ideas of national cities' networks, or even networks across borders. This development may hold the promise of a quantum leap, with quick and very fruitful learning and scaling up of positive experiences. However, it is uncertain to what extent such a model can be replicated by poorer countries, with less amenable economic, institutional and other contexts.

2. **Slum Upgrading**

To some extent, but less than expected, have the activities targeted policy changes, the launching of medium- to long-term SU programmes, fiscal commitments; institutional/organisational and legislative changes.

Some slum upgrading processes have been extremely time-consuming, partly because of unclear ownership and tenure systems and inadequate and hazardous land conditions and partly conflicting interests among the slum dwellers.

Countries which have made considerable progress with slum upgrading encourages a wide array of shelter projects: in-situ upgrading/densification with new infill houses; retrofitting previously urbanized land, rehabilitating buildings and encouraging the building of new expandable core houses. Programs for capacity building of would-be slum up-graders are being tried out, so is the introduction of speedier systems for awarding and registration of title deeds or security of land tenure.

Financing has always been a huge impediment. Some NGOs like Slum Dwellers International, are organizing slum dwellers into savings and credit schemes for future purchase or a long process of incremental house construction or home improvement. These efforts have mostly been made on a small scale. There is an urgent need for better models and lessons on how to make quicker headway in slum upgrading on a larger scale.

3. Duration of CA's Involvement

The very nature of CA financed activities is long-term oriented. Popular participation, institutional capacity building, awareness promotion, changes of legislation, empowerment of local authorities generally takes considerable time. A large proportion of the projects have had problems to complete within 24 months, which is a general norm for CA-assisted projects. This has led to a large number of projects being rushed through or closed down prematurely. This has led to more uncertainty of what will happen at project closure, especially for slum upgrading, which has proved to be very complex processes.

Some of the middle income developing countries have benefited well and have set in motion policies and activities that could stabilize or even reduce the growth of their slums within a decade or less.

For longer term framework relationships, it would seem imprudent to focus too much attention on countries within a particular income range, not least because slum problems cannot be solved with the same means in the poorest countries as the middle income ones. Rather, the evaluation team points to the principles already laid down by CA as essential ingredients in nation-wide slum upgrading, which are required to be followed by all countries, as selection criteria for longer term CA efforts.

4. Cooperation with Sponsoring Partners

Coherence of efforts by countries and sponsoring partners is key to CA's existence as a partnership, since the Secretariat does not have its own operational department, and is not expected to play such a role. Good coherence has in some cases led to a combined and a higher level of funding, higher availability of technical competence and more committed task managers. However, the evaluation shows that there are as many examples of lack of cooperation as good cooperation. In several cases have two member agencies of the Cities Alliance worked in parallel without sharing insights, consultation and planning. There has at times been an absence of coordinating mechanisms and arrangements, which has resulted in loss of synergy.

The two original co-sponsors of CA, the UN-Habitat and the World Bank decided that CA would be housed by, and depend on the World Bank for its administrative and related services. If the World Bank will be actively involved in urban poverty and shelter issues, there does not seem to be any sufficient reason to reconsider the present location of the Cities Alliance Secretariat. However, there has been the assumption that the World Bank would be more actively involved in these issues, than has happened till now. In any case CA needs to flag its independent policy, programming and advocacy work more clearly, and the sponsoring agencies need to do more to promote the CA identity and image in the contexts of its supported projects.

There are examples that one agency has not been transparent to partner countries about the total budget, and has inflated its share of total financing costs well beyond the 15 % normally set as the limit for implementation and supervision of projects.

5. Environmental Issues

Of CA's ten eligibility criteria, the environmental impact is the one issue most frequently omitted in CA evaluations. During the review of the 28 completed evaluation reports, the team found only three references to satisfactory environmental assessments, which is remarkable considering the enumerable environmental problems and health hazards in the slum areas in which CA operates.

6. Project Assessment, Monitoring and Evaluation

The resources allocated for initial assessments of project proposals are insufficient, and generally does not allow for thorough scrutiny and analysis.

The CA is in the process of overhauling its Monitoring and Evaluation system. Till now, only about 2/3 of completed projects have been evaluated - the majority through internal desk studies. No terminal project report by the sponsoring agency/ organization has been made available to the evaluation team. The, secondment of an M&E officer to the Cities Alliance Secretariat is a good step in the right direction.

7. Knowledge Management and Advocacy.

Given the fact that there is grossly insufficient attention to urban poverty and shelter issues among donor agencies, the CA has an important role to play on knowledge sharing, networking and advocacy. There is a huge demand for systematic knowledge among partner countries, sponsoring agencies as well as relevant NGOs and private sector actors. An enhanced evaluation function can be very helpful in analyzing and identifying good policies and approaches, which would further facilitate CA's work on knowledge management and advocacy.

8. Non-core Funds

The non-core funds made available by the two Scandinavian countries have enabled the CA to respond quickly to innovative and strategic priorities and opportunities, and have been very useful in this respect. The Africa Facility especially, has provided preparatory grants, which have helped to increase the number of new applications from the continent and, i.a. helped facilitate the South African State of the Cities Report, which could set a precedent for many countries.

12 RECOMMENDATIONS

1)   The completion of very useful CDSs and an initial scaling up to countrywide cities reports in some middle income developing countries, is leading a number of poorer countries towards attempting the same quantum leap. The CA should be cautious and not apply standardized approaches to consideration of CDSs or State of Cities Reports, but rather review each proposal on its own merit against its own criteria and the countries' capacities, resources and other relevant contexts.

2)   As part of its M&E or knowledge management program Cities Alliance should carry out a systematic review of successful and feasible approaches to slum upgrading under different economic and social conditions, including self help efforts, models for establishment of special funds, savings and credit schemes, mortgage and guarantee systems, etc.

3)   CA should revise its policy on duration of projects, to include longer term engagements, not least because the subject matter is very complicated and the approaches are very process-oriented as opposed to oriented towards a product (e.g. preparing a consultancy report).

4).   CA should review the issues of cooperation and coordination among the key sponsoring agencies/organizations and consider expanding the number both among the regional development banks and the bilateral aid agencies, which are already engaged in such projects. The role and terms and conditions of acting as the lead sponsoring or implementing agency/organization as well as having a supporting role should be further clarified.

5)   CA should carry out a review of potentially increased roles for cities and local government associations, like the UCLG and NGOs affiliated to Slum/Shack Dwellers International, particularly in the context of assisting medium and small cities.

6)   The Monitoring and Evaluation (M&E) function should be strengthened. All CA supported projects should have publicly accessible terminal reports prepared by the key sponsoring institution/agency and annual reports of all multiyear projects. This may enable the M&E function at the Secretariat to concentrate more on using the project reports to summarize project experiences, and in addition doing more synthetic in-depth evaluations on a cluster of similar projects (e.g. regular CDSs), or thematic evaluations of issues like CA's achievements on poverty orientation, participation, institutionalization and linkage to investments. The development of specific indicators for assessing achievements in various dimensions/areas, like environment, poverty focus and institutionalization would also be of good help at project preparation and reporting/evaluation. Evaluations of issues like CA's advocacy role and institutional effectiveness could partly be carried out internally and partly through independent external evaluations, which would still be required at regular intervals. The resources allocated for initial technical review of project proposals should be increased.

7)   The CA Charter should be revised, pertaining to:

-   the criterion on giving special attention to projects of times frames with a duration not longer than 24 months, and

-   inclusion of advocacy matters in line with CA's objectives, as an activity of Cities Alliance.

Resources should be made available to allow various CA initiatives on networking, including cooperation with successful cities after their project relations with CA have been terminated.

8)   The CA should prepare more specific policies, guidelines and indicators regarding its achievements of environmental impacts and social development, particularly as regards marginalized groups, including women-headed households and other gender issues.

9)   Non-core funds often give the flexibility to act more quickly. However, now that the CA is more established and is moving towards more strategic work programming, the proportion of non-core funds relative to core funds should decrease.

Annex A: Objectives of the Evaluation

General objectives

The general objective of this evaluation are to assess the Swedish and Norwegian support to the Cities Alliance (CA) focussing on to what extent this support benefits the urban poor in the least developed countries, as well as consider the content and form of future Swedish and Norwegian co-operation.

Specific objectives

The specific objectives of this evaluation are as follows:

i.   To provide an updated general overview of the short-term and long-term objectives and whether CA is appropriately organised to meet these objectives;

ii.   To evaluate the effectiveness, competency and capacity of the CA;

iii.   To compare the effectiveness, competency and capacity of the CA approach in relation to other similar methodologies and implementing organisations;

iv.   To evaluate the relevance of CA's activities and to what extent it improves the living situation of the urban poor in the least developed countries, especially in Sub-Saharan Africa;

v.   To evaluate the impact of the CDS-technique on the poorest strata in urban slums and its adequacy with regard to securing funding for implementation;

vi.   To evaluate the methodology used by CA to identify and decide on activities to be implemented and the relations with clients.

vii.   To evaluate to what extent environmental and gender issues and rights perspectives are considered in CA's activities.

viii. To evaluate the work of the CA in relation to the Paris declaration on aid effectiveness (in particular the issue of donor harmonisation).

ix.   To evaluate if the present administrative and physical location of Cities Alliance is conducive for its purpose and work.

x.   To evaluate the relevance and effectiveness of all the Swedish and Norwegian support mechanisms.

xi.   To evaluate CA's relations with other institutions and its general role in promoting coherence and cooperation between stakeholders in city development.

xii.   To evaluate the present monitoring and reporting approach for CA and, in particular, suggest changes on how the achievements of CA could be measured.

xiii. To suggest changes in the objectives, orientation, work, reporting format, etc, of the CA according to changing urban contexts.

Annex B: List of Informants

SCANDINAVIAN COUNTRIES:

Michael Atterhøg, Sida, Sweden
Erik Berg, Ministry of Foreign Affairs, Norway
Per Nygaard, Ministry of Local Government, Norway
Mona Helland, Ministry of Local Government, Norway

CITIES ALLIANCE

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WORLD BANK

Roy Gilbert
David de Groot (South Africa Office)
Lawrence Hannah
Depali Tewari

PUBLIC-PRIVATE INFRASTRUCTURE ADVISORY FACILITY

(working closely with the World Bank)
James Leigland

UN-HABITAT

Inga Bjørk-Kleby, Ass. Secetary General
Martin Barughare
Alain Grimand
Antoine King
David Kithakye
Thomas Kjaergaard
Jos Maseland
Eduardo Lopez Moreno
Michael Mutter
Felista Ndunda-Odari
Eric Vershuur
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Jessica Rosen Tulodo

UCLG-A

M. Jean Pierre Elong Mbassi

ADDIS ABABA

Wubshet Berhanu, City Manager
Addisalem Tesfaye (Assistant Mayor)
Ephrem Bekele
Ibrahim M. Hussein, Ministry of Works and Urban Development
Tsigereda Tafesse
Akale Kifli   (GTZ)
Jember Jewfera
Mathewos Asfaw Bekele, Independent Consultant

KENYA

Mr. Tirop Kosgey   -   Permanent Secretary, Ministry of Housing
Mrs. Leah Muraguri –   KENSUP
Marion Rono –   KENSUP
Tom Odongo   –   Deputy Director, Nairobi City Planning
Jane Weru   -   C.E.O, Pamoja Trust

Community Members – Kibera, Nairobi

David Onyango
Dennis Otieno

SOUTH AFRICA HOUSING DEPARTMENT

Phillip Chauke
Monika Glinzer
Johan Wallis

CITY OF JOHANNESBURG

Rashid Seedat
Pakiso H. Phalatse

SACN

Sithole Mbanga

TSHWANE

Verna Nel
Riana Du Plessis

EKHURULENI

Clr Duma Nkosi, Executive Mayor
Mandla Tshabalala   .
Moses Maseko
Pat Flusk
Ntombi Milgne
Pheladi Mojapelo
Lewa Ilale
Mchaela Sibeko

CORC

Joel Bolnic (by telephone)

TINASONKE SETTLEMENT

UozukoTati
Norha Mehlo,
Solomon Popheto,
Angeline Maggas,
Andisa Ngulube,
Nkosinathi Sibulelo,
Angelina Masiza,
Jeanett Mabutho,
Thulani Mtethwa,
Nobukhulu Phekula,
Vusi Nhlapo,
Alfred Mogede,
Wilson Kula,
Petrus Ndabesitha,
V. Marabela,
Mandisa Manyole,
Andisa Ngulube,
Nkosinathi Sibulelo
Angelina Masiza,
Jeanett Mabutho,
Thulani Mtethwa,
Nobukhulu Phekula,
Vusi Nhlapo,
Alfred Mogede,
Wilson Kula,

Petrus Ndabesitha,
V. Marabela,
Yolisile Mehlo,
Bessie Mamni,
Sylvia Pilane,
Nosipo Mloko,
Nobakazi Thukuthezi,
Elais Matogi.