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**The Impacts of City  
Development  
Strategies**

# **The Impacts of City Development Strategies**

Commissioned by  
The Cities Alliance

## **ECON Analysis**

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## Table of Contents:

1	EXECUTIVE SUMMARY .....	1
1.1	Introduction.....	1
1.2	The Development of CDS.....	2
1.3	Monitoring and Evaluation (M&E) in the Development of a CDS .....	4
1.4	Assessing the Impacts of CDSs using M&E .....	8
1.5	Developing a Guidance Framework for Integrating M&E into the Design and Implementation of CDS .....	9
1.6	Mainstreaming the Guidance Framework: Recommendations on Next Steps.....	11
2	INTRODUCTION.....	13
2.1	Background.....	13
2.2	Objectives of the Project.....	13
2.3	Review of CDS and Development of the Project .....	14
2.4	Report Structure.....	16
3	THE DEVELOPMENT OF CDS.....	17
3.1	What is a City Development Strategy?.....	17
3.2	Making Use of the Experience of the Diversity of CDSs.....	19
3.3	Providing a Framework for CDS .....	20
3.4	The Role of National Networks and Associations.....	21
3.5	Asia and East Asia: Do They Require A Specific Approach to CDS?.....	22
4	REVIEW OF CDS EXPERIENCE PROCESS AND THE ROLE OF MONITORING AND EVALUATION (M&E).....	26
4.1	Introduction.....	26
4.2	Building a CDS.....	27
4.3	Primary Components of CDS Design.....	29
4.4	Initial and Updated Assessments .....	32
4.5	Participation and Ownership.....	38
4.6	Vision, Goals and Priorities .....	41
4.7	Action Plans and Implementation.....	45
4.8	Institutionalisation .....	47
4.9	Summary of M&E Issues.....	50
5	ASSESSING THE IMPACTS OF CDSS USING M&E .....	52
5.1	Introduction.....	52
5.2	CDS Themes and Content.....	53
5.3	Measuring ‘Success’ .....	59
5.4	Monitoring the City as well as the CDS .....	62
5.5	National Frameworks for M&E.....	62
5.6	Selecting Appropriate Indicators .....	65
6	THE DEVELOPMENT OF THE GUIDANCE FRAMEWORK FOR INTEGRATING M&E INTO THE DESIGN AND IMPLEMENTATION OF CITY DEVELOPMENT STRATEGIES .....	67
6.1	Introduction.....	67
6.2	Lessons Learned from the Review Phase .....	68
6.3	Presentation of Principles at the CDS conference, Hanoi .....	69
6.4	Designing the Framework.....	70
6.5	Road testing the Framework.....	71

7	MAINSTREAMING THE GUIDANCE FRAMEWORK: RECOMMENDATIONS ON NEXT STEPS .....	74
7.1	Introduction.....	74
7.2	Feedback from the Road-tests.....	74
7.3	Recommendations and Next Steps .....	74
	ANNEX I - A GUIDANCE FRAMEWORK FOR INTEGRATING M&E INTO THE DESIGN AND IMPLEMENTATION OF CITY DEVELOPMENT STRATEGIES .....	76
	ANNEX II – EDITED SUMMARIES OF THE 10 DESK AND FIELD STUDIES	77
	Selection Criteria.....	77
	Conducting the Reviews.....	78
	Case Study Review Summaries.....	78
	#1 - Colombo - Sri Lanka.....	79
	#2 - The CZT Region (Changsha, Zhuzhou and Xiangtan), China.....	84
	#3 – Haiphong -Vietnam .....	91
	#4 - Johannesburg – South Africa .....	96
	#5 - Karu, Nigeria.....	105
	#6 - Kigali - Rwanda .....	108
	#7 - Latvia Cities Program .....	114
	#8 - Recife Metropolitan Region (RMR) - Brazil .....	119
	#9 - Taygaytay City - Philippines.....	122
	#10 - Taguig City - Philippines .....	126
	#11 - Special Region of Yogyakarta, Indonesia.....	131

## Tables, Figures and Boxes

Table 1- CDS projects for desk reviews and detailed case studies	15
Table 2 – Approach to CDS Design in Case Study Cities	30
Table 3 – Initial Assessments in Case Study CDS projects	34
Table 4 Participation in CDS Process in Case Study Cities	39
Table 5 – Visions, Goals and Objectives in Case Study CDSs	43
Table 6 – Action and Implementation Plans in Case Study CDSs	46
Table 7 – Institutionalising the CDSs in Case Study Cities	48
Table 8 - Overarching Themes for City Development Strategies	54
Table 9 - Evolution of Johannesburg CDS	56
Table 10 – The key issues or themes covered in Case Study CDSs	57
Table 11 – M&E in Case Study CDSs	59
Table 12 - Hierarchy of Indicators for Urban Management	60
Table 13 - Proposed Indicators for CZT Cities, China	61
Table 14 - Sample of Indicators from Johannesburg’s ‘City Scorecard’	65
Figure 1 - The CDS Process .....	28
Figure 2 - Analytical Framework for State of the Cities Report 2004 .....	54
Box 1 – ‘Urban Karte’ Assessment Tagaytay City .....	36
Box 2 - ‘Triple A’ Assessment, Yogyakarta.....	37
Box 3 - Performance Management Framework for South African Local Government .....	64
Box 4 – Desirable Characteristics of Indicators .....	66

# 1 Executive Summary

## 1.1 Introduction

City Development Strategies (CDS) are an approach to city-based strategic planning. The CDS concept is being promoted and funded internationally by the Cities Alliance and its member organizations (including the World Bank, Asian Development Bank, UN-Habitat and others). The CDS concept was piloted in 1998, initially in East Asia. Since then over 100 cities worldwide have undertaken a CDS process. Broadly speaking, CDSs seek to promote stronger local economies and poverty reduction, through the development of strategies for growth, and better local governance (particularly in respect to financial strategies). They also provide a linkage between city planning and international development support and are being envisaged as a one means of translating Millennium Development Goals (MDGs) into local and regional targets and priorities. However, CDS design is essentially driven by the cities themselves. As a result, CDSs, have taken many forms, with differing formats, priorities and scale.

ECON Analysis, Norway, and The Centre for Local Government at the University of Technology in Sydney, Australia, were commissioned by the Cities Alliance (CA) to carry out a review of the impacts of CDS, with the goal of preparing a guidance framework to help cities integrate monitoring and evaluation (M&E) into future CDSs. The guidance framework is intended to provide city leaders and officials with an analytical tool that can be used to assess how successful they have been in meeting the objectives set out in their city development strategies.

For their initial review the team looked at the analyses of CDSs made by various funding bodies (including CA, the World Bank, UN-Habitat and the Asian Development Bank). They also interviewed representatives from the member organizations of CA that have sponsored CDSs and provided “task managers” in different countries.

To provide the basis for the development of the guidance framework the team conducted its own detailed review and analysis of individual CDS projects and programs in ten countries representative of the range and diversity of experiences, scale, focus and regional location. In Asia they looked at the City of Colombo in Sri Lanka; the CZT regional cities in China; Haiphong in Vietnam; the cities of Tagaytay and Taguig in the Philippines; and the cities in the Yogyakarta region of Indonesia. In Africa the CDSs reviewed were Johannesburg in South Africa; Karu in Nigeria; and Kigali in Rwanda. The team looked at the six cities in Latvia which have developed CDSs in Eastern Europe. In Latin America and the Caribbean, the cities of the Recife region of Brazil were reviewed. The reviews

were supplemented by field trips to Sri Lanka, Vietnam, the Philippines, Indonesia and South Africa. The City of Newcastle in Australia was used as a point of comparative reference from more developed countries.

From these analyses and the city reviews, this report provides an overview of how CDSs have been developed, and the range and types of CDSs. It also discusses whether there are regional differences in approach particularly in respect of any distinctive challenges faced by cities in Asia. From the more detailed country reviews, the report looks at the role that monitoring and evaluation (M&E) has played in the CDS process, from initial design through to implementation and institutionalisation. Drawing on the M&E undertaken by the cities themselves, the report examines how far it is possible to assess the impacts of CDSs.

The guidance framework is then developed in a form intended to enable city leaders to improve their monitoring and evaluation – to “take the temperature of their city”.

## **1.2 The Development of CDS**

### **Defining and Providing Guidance on CDS**

City Development Strategy is not a tightly defined planning methodology but rather an approach to strategic planning at the city (or in some cases regional) level with certain general characteristics:

- A strategic direction or plan has been developed;
- It contains objectives for the growth and development of the city, including, but not limited to, poverty reduction;
- It has been prepared through series of stages which will have included extensive consultation.

Beyond this, CA and its member organisations including the World Bank, Asian Development Bank, UN-Habitat and UNDP, have left the definition and the approach to CDS flexible to allow for the wide range of conditions in which cities are developing, and the variety in governance, administrative and legal structures. Enabling the city leadership and stakeholders to build up their CDS in a manner which addresses and is appropriate for local conditions has been seen as crucial to securing ownership and commitment.

Consequently the output of CDSs has been extremely diverse, ranging from conventional physical or master plans, to ‘wish lists’ of projects compiled for or by city leaders, to complex and ambitious analytically driven strategies. So while “intellectually they form one evolving tradition, regardless of the sources of funding and sponsorship... they cover a great diversity of purpose and product.

The diversity encourages confusion as well as difficulty in detecting the central rational, thus affecting decisively the possibility of evaluation”<sup>1</sup>.

Two themes are repeated in previous evaluations of the CDS initiative. The first is to ask how the knowledge and experience built up from this diversity of CDSs can be harnessed. It is possible to develop a typology or categorisation of CDSs, as a starting point, built around the characteristics of cities which produce variations in the “product” of a CDS, such as the stage of development of the city and the resources it has available. Or, it could focus on the nature of the plans themselves and the processed using in preparing them. However, this may not now be the most effective way to distil lessons and experiences for future CDSs. As CDS is an “evolving tradition” many of the lessons from the earliest CDSs, positive and negative, have already been incorporated into the procedures and practices for more recent strategies and into the criteria used by CA and the Alliance members.

The second repeated theme is that there may be a need for a more detailed and precise common framework to provide guidance to those preparing a CDS, and as the basis for assessing how well they are progressing. CA has not attempted to provide or prescribe a single framework or guidance on how to conduct a CDS, though many of its documents contain an indicative or embryonic framework. Members of the Alliance and several of the families of CDSs (e.g., in China and the Philippines) have developed their own frameworks, manuals or tool kits to assist them. The use of a common framework or approach to CDS has been particularly productive where a group of cities has worked through its strategy building together with the assistance and support of a national network or local government association (as in the Philippines, South Africa and Indonesia). However, the challenge in preparing a common framework is to produce something which is sufficiently robust, and which is flexible enough to be useful in the variety of contexts, with the range of capacities and resources, in which Cities are developing CDSs.

## **CDS in Asia**

This review was asked to make comparisons between CDSs in Asian Cities and those in other regions and to note any specific recommendations for CDSs in Asia. There was a particular interest in CDS among Asian Cities in the late 1990s, reflected in the funding provided by CA in its first two years and active support for CDS or similar approaches by what became members of the CA (the World Bank, UN-Habitat and JICA). There is still a view that CDSs have a particular role to play in Asia because of the scale of poverty in the region.

The regional focus on Asia is no longer evident in the dispersal of funds from CA. This is a result of the explicit concern in CA to ensure a “regional balance” in its programs but also reflects a changing “demand” for CDS support from different regions.

The case studies did not suggest that the Cities in Asia were facing difficulties and problems not found elsewhere, or that their intermediate and institutional frailties (in planning systems, institutional capacity, etc) were unique to the region.

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<sup>1</sup> Development Planning Unit, University College London, Independent Evaluation: An Assessment of the First Three Years, November 2002

Indeed, there were as many divergences in focus between CDSs in Asia as there were between those in this region and Latin America, Africa or Europe.

Thus rather than recommending an approach to M&E which is specific to Asia (or its sub regions) the framework which has been developed is pitched at the concerns and characteristics of each city as perceived and defined by city leaders and stakeholders.

## **1.3 Monitoring and Evaluation (M&E) in the Development of a CDS**

### **Building a CDS**

The broad aim of the CDS process is to produce a multi-faceted development framework with wide-ranging stakeholder support that will improve city governance, and also marshal resources for sustainable and equitable economic growth, sustained reductions in poverty, and a better urban environment.

This requires a participatory process that leads to an agreed vision, goals and priorities for the city; a set of strategies and action plans that constitute a realistic program linked to available resources; establishment of new or improved institutional mechanisms required to underpin implementation; and strategies and action plans for providing additional streams of resources and investment both internally and through attracting external support.

This suggests an iterative approach to CDS design and implementation. A CDS can never be completely ‘right’ or finished at a single point in time. Because of this, and because CDS is relatively new concept (especially in less developed cities) it cannot be expected or advised that all CDSs will or should follow the same sequence. ‘Entry points’ to CDS design will differ from place to place. For these reasons the guidance framework in this report is constructed in terms of “building blocks” to acknowledge that CDSs can be constructed in different orders and with differing structures.

M&E is at the core of the CDS process. It should be designed as an integral part of the whole process rather being seen as a separate phase or stage that is completed at some point after plans are implemented.

### **Primary Components of CDS Design**

The Cities reviewed for this project displayed a wide variety of structures and forms of preparation for the CDS. In many cases these were a product of approaches initiated or proposed by sponsors and donors for the CDS (as in the case of Colombo) or a pre-determined approach of format for the CDS (as in CZT, the Philippines and others). The approach or design of the CDS seems rarely to have been seen as a phase of the CDS itself. There is certainly little evidence of consideration being given to how the process or its outcomes would or might be monitored to gauge their “success”.

Several of the more recent CDSs reviewed for this project, in which the process has been deemed by the cities themselves to be successful, had built upon

previous activities and initiatives (often donor funded). This suggests, first, that these projects were effectively preparation for the development of CDS, even if they were not initially conceived or designed for this purpose. Second, that a notional maximum allocation of two years for the preparation of a CDS may not be realistic.

### **Assessments**

Robust strategies with M&E require a solid foundation of fact and analysis. Initial assessments for CDS need to go beyond a compendium of facts and must also examine and analyse the position of the city in terms of, inter alia, demography, society, economy, environment, infrastructure. However, it is important that assessments do not become extremely lengthy and detailed if this deprives other critical building blocks of the CDS of resources and collapses them into timeframes that are too short to allow thorough consideration of issues, consultation with stakeholders, and formulation of strategies.

In the case study cities there has generally been a fairly substantial amount of initial basic information collected about economic, social, environmental and developmental issues, plus in some cities assessment of governance and financial management. Several cities included consultation with stakeholders as a means of obtaining additional information and perspectives, or checking the accuracy of findings. However, it appears that none of the assessments considered likely implementation and institutionalisation issues (such as relevant government policy frameworks or the need for local government capacity building) in any depth.

Furthermore, in most cases the assessments took the form of compilations of statistics or indicators with little systematic or rigorous analysis of the material. Assessments have been constrained by deficiencies in the quantity or quality of data. In many attempts to produce an exhaustive 'Urban Karte' profile of a City for its CDS, the gaps in information are more extensive than actual data sets. This has been a particular problem when national government departments or agencies have not provided the information to local governments.

Also noteworthy are the very limited linkages between initial assessments and subsequent M&E of CDS impacts. This mostly reflects an general lack of the latter, and also a widespread failure to see the CDS process as a long term and iterative one that will require regular reviews and updates.

In terms of strengthening CDS M&E, this experience suggests that M&E systems should begin with the information that is available to cities, and be realistic about what is likely to be accessible and reliable in addition to this in the short to medium term.

### **Participation and Ownership**

The CDS literature emphasises the importance of effectively engaging all stakeholders (and especially the poor) in open and meaningful discussions about issues, opportunities, visions, goals, strategies and priorities. This is a means for generating active participation in the formulation of the CDS and tapping stakeholders' knowledge and ideas.

Consultation and participation in the CDS process demands skilled and thoughtful leadership, and a willingness to look beyond current thinking and key players for fresh insights and new approaches. In this way the CDS can transcend ‘business as usual’.

The evidence from the case study cities is that developing consultation and participation mechanisms is seen as one of the most important achievements of the CDS process. In this way most CDSs have already gone beyond the conventional practices for the City. However, the extent to which these mechanisms become part of the established and standard procedures for consultative planning is very variable. And few Cities have established any means for assessing how effective or systematic their consultation procedures are.

### **Vision, Goals and Priorities**

Establishing a clear vision, goals and priorities for a CDS is where formal political commitments need to be secured, and the likely level of resources for implementation locked in, so that realistic action plans can be prepared.

Ideally, a vision statement should be short, straightforward and easily understood; capture the collective aspirations of all inhabitants; and highlight the potential of the city to develop in ways that will secure a better future. It will also reflect the “unique” attributes of the city or region.

Visions need to be further articulated as a set of goals and more detailed objectives that lead directly to strategies and action plans. This process demands informed decisions about preferred options, priorities and how resources can best be used. In many of the case study cities it is derived from undertaking a more systematic assessment of the City’s Strengths-Weaknesses-Opportunities and Threats (a SWOT analysis).

While visions and goals were universally produced by the cities, one of the general conclusions is that they were generally not linked to or prepared in a form that made them amenable to M & E.

### **Action Plans and Implementation**

Action plans translate goals and priorities into specific strategies, programs and projects that ready for implementation. They reflect the choices and commitments that have been made and show: who will do what, with what resources, in which sequence and by when. Action plans must contain a balance of realistic assessments of currently available resources with initiatives to generate and access additional resources. In many cases short term projects will depend on local resources or small grants. For the medium and longer term, part of the city’s planning will be to identify potential sources of additional funds. The CDS can provide the focus for a concerted and planned approach to more successful investment planning and may deliver results even in the short term.

For the most part, the plans which were produced in the case study cities are sets of “intermediate” projects or programs. And there has been little monitoring of how far the action plans have been carried through nor are their mechanisms in place to do so.

## **Institutionalisation**

Effective, ongoing implementation and necessary updating of a CDS depends upon the CDS becoming an integral part of the way the city and its partners go about their business – a common point of reference that informs decisions about all their activities that have a bearing on successful implementation of the agreed goals, priorities and action plans. If existing arrangements do not facilitate success, or constitute a road block to achieving desired outcomes, then new or improved mechanisms must be introduced.

In general, it appears from the case study cities that institutionalisation of the proposals emerging from CDSs has not been strong unless there are complementary systems mandated by central governments that offer a suitable framework, as with the requirement for all South African cities to prepare an annual Integrated Development Plan

On the other hand, refusal of a central agency to accept a CDS as a means of meeting legislative requirements can present a significant blockage to institutionalisation as occurred in one case study City in the Philippines.

Several of the case study cities have taken some steps of their own to improve structures and procedures in the wake of CDS preparation and there are examples of ongoing partnerships being established with other key stakeholders. However, performance in this regard can best be described as patchy.

## **Monitoring and Evaluation Issues**

Experience to date suggests that CDS processes have not routinely incorporated all or even most of the elements necessary for successful M&E. The conclusions from the case studies are that although there are interesting applications of some elements of M&E Cities have not applied M&E comprehensively or at all the stages of CDS. Most attention seems to have been paid to the collection of baseline information at the start of the process. In many cases, the M&E envisioned in CDS proposals and documents has not been followed up in the implementation. This highlights the need for careful design of the planning process at the outset, taking into account the views of key stakeholders.

M&E need to be considered at and incorporated into all stages of CDS preparation so that stakeholders can agree on the questions that need to be asked as work proceeds, who is to be responsible for asking those questions and analysing the answers, and how the information collected from monitoring and evaluation will be used to correct any deficiencies in the process. It is important to identify, at an early stage in developing an M&E framework, who will be the key constituencies and users of information. The primary constituency will be the mayor, head of the executive body or equivalent with responsibility for managing and leading the city. However, one product of a developed program for consultation and participation will be a wider range of stakeholders with an interest in and commitment to city's progress. These become both a group of users of information, but also potential sources of information.

Establishing national or regional networks to facilitate information gathering and exchange, and to provide a basis for benchmarking with comparable cities, have shown to be particularly helpful (in South Africa and the Philippines).

## 1.4 Assessing the Impacts of CDSs using M&E

Monitoring and evaluating the tangible outcomes of CDSs is intrinsically difficult and complex:

- CDS is multi-dimensional and results will take a long time to emerge;
- There is a strong possibility of political change during implementation;
- National-level indicators are usually too generalised to pinpoint results at a city or sub-city level;
- Establishing cause and effect is frequently impossible, as CDSs are part of a complex range of programs and interventions.

These intrinsic difficulties are compounded by the lack of useful and reliable data in many developing economies and limited resources to collect additional data, a particularly acute problem in relation to the circumstances of the urban poor.

### Measuring ‘Success’

The ‘success’ of a CDS can only be measured by reference to what it attempts to do. The typical CDS can be expected to span a broad range of interlocking themes.

Poverty alleviation is one of the overall and fundamental objectives of CDSs and hence features in every CDS in some form. However, the concept of poverty is complex and has been the subject of considerable debate in academic as well as development literature. Cities also articulate and present this commitment to alleviating or reducing poverty quite differently in their strategies. Some cities articulate the objective in terms of economic growth while others see it in the context of sustainable development.

Similarly the Millennium Development Goals (MDGs) are becoming a global point of reference for the developing world, and a number of initiatives are underway to translate the MDGs into objectives and indicators relevant and appropriate to the city level. For most Cities, the local translation is still work in progress, and in the case study cities at the time of this assessment, there was no evidence that MDG had informed or been explicitly incorporated into CDSs. Notwithstanding the variations in the way that CDS goals are articulated, for the purposes of preparing a Guidance Framework they can be conceptualised as falling into several groups or families of themes, such as the five themes proposed UN-HABITAT: shelter; social development and poverty eradication; economic development; governance and environmental management

In developing and applying indicators for urban management, it is conventional to differentiate goals, outcomes, outputs, activities and inputs as a hierarchy of measures. In practice, while cities often claim to be monitoring action plans or activities which were derived from their strategies, many of the CDS cities reviewed here were not in a position to review the activities resulting from their

CDS. They did not have in place the basic elements which are required to monitor impacts against objectives let alone consider the relationship between short term outputs, medium term outcomes or longer term impacts. There have been notable exceptions such as the package of output and outcomes indicators proposed for the CZT In China (though these indicators was not integrated into the preparation of the CDS) and six mostly outcome-oriented indicators established to measure its success in revitalising the inner city in Johannesburg. Several cities have also introduced or are planning broader monitoring systems that cover their operations more generally (in some instances as a response to national requirements for performance management)

Where the Cities investigated for this report have articulated satisfaction with their CDS, or indicated that they regard it as having been "successful" they are often referring to the completion of the CDS process rather than its outcomes or impacts.

In terms of information used for monitoring their activities, outputs or outcomes, where this was taking place, there was little evidence of any of the Cities using innovative techniques or mobilising the interest and resources of NGOs

## 1.5 Developing a Guidance Framework for Integrating M&E into the Design and Implementation of CDS

### Preparing a Guidance Framework

There are three related reasons for the absence of M&E in CDSs:

- The demand for M&E from the City leaders is often not well developed.
- Cities often lack the resources & capacity to fully implement M&E. Finally,
- The approaches to M&E they have been advised to or are attempting to adopt are not practicable or appropriate to the resource base, capacity and availability of information.

To address these issues, nine basic principles for M&E have been used to develop a guidance framework:

1. **Audience** – it is necessary to be clear about who the users of the framework will be and that the information collected meets their needs.
2. **Practicality** - it should be practical and realistic in terms of the availability and reliability of information.
3. **Flexibility** – it should be capable of being modified as the city gains more information and /or as the challenges change.
4. **Building Capacity**- it should build on the existing information available.
5. **Relevant & Focussed** – it should be relevant to and focused on the key objectives of the CDS.

6. **Simple & To The Right Scale** – it should be to the right scale beginning with a core set of indicators that can be refined and expanded over time.
7. **Appropriate & Meaningful** –it should include both quantitative and qualitative measures that make sense and are relevant.
8. **Balanced** – it should cover both what the CDS is hoping to achieve (its outcomes) and how it is to be done (the process).
9. **Benchmarking** – it should make it possible to make comparisons with other Cities where these are helpful and informative.

A workshop held during the CA conference on CDSs in Hanoi in November 2004 endorsed this approach of basing the framework around the nine principles with M & E woven throughout CDS design and implementation.

In designing the framework the team also used the important conclusions from the reviews of CDSs. Notably that the system of M&E should begin with the information that is available to cities, and be realistic about what is likely to be accessible and reliable in addition to this in the short to medium term. In addition most of the cities and regions did not have in place the basic elements which are required to monitor impacts against objectives let alone consider the relationship between short term outputs, medium term outcomes or longer term impacts. Rather than designing a complex system, with unrealistic assumptions about the likely availability of information, the framework aims to put in place the basic foundations which are necessary to make M&E effective at the city and/or region level

Consistent with the nine principles, and a focus on meeting the needs of each city, its leaders and stakeholders, the guidance framework which is developed here is not prescriptive. It offers two general paths to developing an M&E system within a CDS.

The first focuses on the “**building blocks**” for preparing a CDS and identifies the: M&E questions that need to be asked at each phase. While the starting points for CDSs may differ as may the sequence in which they are developed, they commonly use the following building blocks:

- Assessment;
- Consultation and Participation;
- Visions, goals and objectives;
- Action plan and implementation; and
- Institutionalisation

The framework has been designed to acknowledge that there is no single starting place that has been used for initiating a CDS. However, Cities will need to complete all the building blocks at some stage. Following the guidance on the building blocks ensures that M&E is incorporated into the process of preparing the CDS.

The second path focuses on **CDS themes**, and identifies the M&E questions that need to be asked for each of the key issues. CDSs generally explore a number of

issues/themes. To illustrate how M&E can be integrated into the themes of a CDS the framework uses five thematic grouping developed by UN-Habitat for developing urban indicators:

- Shelter
- Social development & poverty reduction
- Environmental management
- Economic development
- Governance

Following the guidance on the themes will ensure that cities have prepared the basis for M&E for the proposed **outcomes** of the CDS.

The framework is prepared as a series of modules covering each building block and each theme using a question-based format to enable the city leaders to explore the key issues associated with integrating monitoring and evaluation into a CDS.

### **Road testing the Framework**

Before all the modules were completed and the framework finalised, the overall approach and the drafts of two of the modules were road tested in two countries.

The first road test was conducted in the **Philippines** through an intensive one-day workshop with participants who had prepared CDSs for 16 Cities in the first two phases of CDS. In **Vietnam** a series of workshops were conducted over five days in the City of Nam Dinh a medium sized city which has been preparing a CDS supported by the Swiss Agency for Development and Cooperation (SDC).

The road tests confirmed that the overall framework, of complementary building blocks and themes, is intelligible and constructive. The principles for M&E were particularly helpful for establishing an initial approach to CDS and in providing a point of reference as it develops. The question based, modular format was found to be easily intelligible. These responses informed the development of the final modules for all the building blocks and themes.

## **1.6 Mainstreaming the Guidance Framework: Recommendations on Next Steps**

While the framework was found to have the required balance of being both robust and flexible, the road tests indicated that for it to be fully operational, enhancements would be required which went beyond the current project. To be fully intelligible and useable, the modules require transposition into the specific circumstances, legal codes etc of each country. Illustrations and examples, particularly from cities which have or are undertaking CDSs are especially

informative. And the format in which the material is presented is very significant in determining how accessible and comprehensible it is.

For the guidance framework to be more fully developed and used widely, the report therefore recommends:

- The basic text of guidance framework should be translated into other media formats such as web pages, CD-ROMs, etc.
- The framework should be accompanied by a fully worked through example which could be prepared either by providing additional resources for a city or cities about to undertake a CDS to “pilot” the framework and for their experiences at each stage to be written up as a fully worked through example or by providing a fully worked through “hypothetical” case study example.
- The Framework will need to be promoted and supported by training of those who will use it.

In countries where there is a national approach to rolling-out CDSs to a number of cities and it is being supported or operated by a national network or association, resources could be provided for the framework to be adapted for national use by all the cities.

## **2 Introduction**

### **2.1 Background**

City Development Strategies (CDS) are an approach to city-based strategic planning. The CDS concept is being promoted and funded internationally by the Cities Alliance and its member organizations (including the World Bank, Asian Development Bank, UN-Habitat and others). The CDS concept was piloted in 1998, initially in East Asia. Since then over 100 cities worldwide have undertaken a CDS process. Broadly speaking, CDSs seek to promote stronger local economies and poverty reduction, through the development of strategies for growth, and better local governance (particularly in respect to financial strategies). They also provide a linkage between city planning and international development support and are being envisaged as a one means of translating Millennium Development Goals (MDGs) into local and regional targets and priorities. However, CDS design is essentially driven by the cities themselves. As a result, CDSs, have taken many forms, with differing formats, priorities and scale.

### **2.2 Objectives of the Project**

The authors of this report, ECON Analysis (Norway) and the Centre for Local Government at the University of Technology in Sydney (Australia), were commissioned by Cities Alliance to carry out a review of the impacts of CDS, with the goal of preparing a guidance framework to help cities integrate monitoring and evaluation (M&E) elements and systems into future CDSs. The framework is intended to help city leaders and officials (and other interested stakeholders) to monitor CDS implementation and to assess how successful they have been in meeting the objectives set out in their strategies. The review has a particular focus on Asia and the guidance note has been developed to be useful in the Asian context.

It is important to note that the study was not intended to serve as an evaluation of the Cities Alliance or an as “audit” of individual CDS initiatives. The purpose of the review was to enable the team to familiarise itself with the diversity of CDS initiatives, and the existing approaches to monitoring and evaluating the impacts of CDSs.

## 2.3 Review of CDS and Development of the Project

The review and the development of the guidance framework was conducted in a number of stages:

1. An extensive review was conducted of the previous analyses of CDSs undertaken by the various bodies which have funded them (including the Cities Alliance, the World Bank, UN-Habitat and the Asian Development Bank);
2. Discussions and interviews took place with representatives of key international organizations including “CDS task managers” from the World Bank, UN-Habitat, Asian Development Bank and other development agencies;

The team undertook detailed reviews and analysis of individual CDS projects and programs in ten countries

The CDSs for review were selected following consultation with a number of stakeholders and after initial assessments of what was already known about CDSs. They were selected to be representative of the range and diversity of experiences, scale, focus and regional locations of CDSs

The CDSs selected were (summarised in Table 1):

- In Asia: Colombo in Sri Lanka; the CZT regional cities in China, Haiphong in Vietnam; the cities of Tagaytay and Taguig in the Philippines; and the cities in the Yogyakarta region of Indonesia;
- In Africa: Johannesburg in South Africa; Karu in Nigeria; and Kigali in Rwanda;
- In Eastern Europe and Central Asia, six cities in Latvia which have developed CDSs;
- In Latin America and the Caribbean, the cities of the Recife region of Brazil.

The reviews were supplemented by field trips to Sri Lanka, Vietnam, the Philippines, Indonesia and South Africa. To provide a point of comparative reference from more developed countries, the City of Newcastle in Australia was also reviewed. Newcastle has been through phases of economic and social reconstruction using processes and methodologies that share the characteristics of CDS.

**- ECON Analysis and Centre for Local Government, UTS -**  
The Impacts of City Development Strategies

*Table 1- CDS projects for desk reviews and detailed case studies*

<b>City</b>	<b>Country/Region</b>	<b>CDS Funder</b>	<b>Characteristics of CDS</b>	<b>Date CDS Completed</b>
Colombo	Sri Lanka/Asia	UN Habitat/WB.	Highly participatory multi-city CDS.	1999-2001
CZT Region	China/Asia	CA (CDS 1)	CDS involving 3 cities within regional context. Comprehensive UN Habitat funded system of PIs prepared alongside CDSs. CDS linked to investment strategies.	2001-2002
Haiphong	Vietnam/Asia	WB and UNDP	CDS has grown from WB project on local economic development and UNDP program for Public Administration Reform.	1998-2003
Johannesburg	South Africa/Africa	Un-Habitat/CA	J'burg program developed as part of City Assistance Strategy Program building from city council projects emphasising economic growth and finance. CA support has funded network of cities in SA.	Ongoing since 1999
Karu	Nigeria/Africa	CA	CDS builds on extensive economic assessment with strong economic development focus.	2002-2003
Kigali	Rwanda/Africa	CA	CDS with economic development strategy linked to finance and investment strategy in a post conflict setting. Used to build public confidence in participation from a low base of expectations.	2001-2002
Latvia Group	Latvia/E. Europe and Central Asia	CA	CDSs in a situation of a change in political leadership and a volatile political landscape. CDSs are n linked to LED used innovative techniques for communicating indicators to community.	2004-ongoing
Recife	Brazil/ Latin America and Carribean	CA	14 Municipalities in Municipal Region. Strong emphasis on financial and economic development.	2003-2004
Tagaytay	Philippines/ Asia	CA (CDS 2)	CDS in "secondary city" prepared as part of family of CDS2 cities involving national network and associations and based on extensive networking, training programs etc.	2001-2003
Taguig	Philippines/ Asia	ADB	Part of ADB project with three larger cities in Metro Manila	2002-2003
Yogyakarta	Indonesia/ Asia	CA	CDS is a cluster of five cities and the Province. Building on 1999 de-centralisation laws CDs is linked to WB urban development reform project and national performance management project	2003-ongoing
Newcastle	Australia/Asia-Pacific	City Council/State	City in advanced economy undergoing reconstruction with local economic development strategy linked to sustainability. Legal framework in NSW require a strategic planning processes similar to CDS.	In phases of reconstruction since 1980s

3. Preliminary findings and lessons learned regarding effective CDS monitoring and evaluation were discussed in detail at at: (i) A forum of the network of Local Government Training and Research Institutes in the Asia Pacific (LOGOTRI) in Colombo in October 2004, and (ii) at Cities Alliance international conference on CDSs held in November 2004 in Hanoi;
4. The guidance framework developed from this detailed analysis and “road tested” in the Philippines and Viet Nam in early 2005.
5. Following the road tests the guidance framework was finalised but also a number of enhancements were identified which would be necessary to make the framework fully operational in the different national and regional contexts in which it would be used.

## **2.4 Report Structure**

This final report has three main elements:

- A main report on the finding of the study, and the process used to develop the guidance framework (Chapters 2-7);
- The “Guidance Framework for Integrating Monitoring & Evaluation into City Development Strategies” developed and tested by the ECON-CLG team (See Annex I); and
- The experience of CDS in the cities reviewed by the team; (included in the relevant sections of chapters 4 and 5, with each case study is summarised in Annex II).

## 3 The Development of CDS

*“It is absolutely critical to approach the CDS process with modesty and integrity rather than over-ambition which cannot be fulfilled....the approach should be one that emphasises simplicity, clarity of process steps, effective communication, cumulative experimentation and learning” Edgar Pieterse, South Africa<sup>2</sup>*

### 3.1 What is a City Development Strategy?

City Development Strategies (CDS) have become part of the lexicon of urban development used by cities, donors, and international agencies since the late 1990s. What is being referred to is not a tightly defined planning methodology but rather an approach to strategic planning at the city (or in some cases regional) level which manifests certain general attributes.

As a broad approach, CDS has been characterised as the confluence of three organisational approaches <sup>3</sup>:

- The World Bank - with a particular focus on local economic development, poverty alleviation, enhancement of the environment, and reform of city finance and overall management;
- UN Habitat-UNDP - promoting city consultation as a means of reforming urban government as part of wider processes of stakeholder participation;
- The Japanese Government - contributing experience in city planning which had conventionally been interpreted as spatial or physical rather than economic or social planning.

Each of these organizations provided financial and other support for CDSs, many of them in Asia, both prior to and alongside their coming together as Cities Alliance. Many CDSs bear the imprint of their sponsors’ particular interests in both emphasis and design.

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<sup>2</sup> Quoted in GHK City Development Strategies: An Instrument for Poverty Reduction report for DFID UK, August 2002

<sup>3</sup> Development Planning Unit, University College London, Independent Evaluation: An Assessment of the First Three Years, November 2002

Bringing this conceptual and institutional variance into the Cities Alliance has produced an overarching approach to CDS with room for all three elements. Thus, the CA Charter stresses consensus building amongst stakeholders, city visions and strategies with priorities for action and investment<sup>4</sup>.

The Alliance has not attempted to fashion a single approach to, or definition of, what constitutes a CDS. However, its eligibility criteria for financial assistance sketch out some broad parameters, emphasising:

- A consensus-building process to establish priorities, strategies, and actions;
- Urban poverty reduction and sustainable urban development;
- Economic growth linked to employment and to regional and national development objectives;
- A need for local authority financing and investment strategies; and,
- Capacity building.

These themes are also found in the criteria the Alliance uses for determining its levels of financial support for CDSs. A CDS must aim at reducing urban poverty and is expected to achieve significant environmental improvements. The criteria currently in use also emphasise the importance of institutional support and linkages. Activities must enjoy government and local authority commitment, be co-financed and have a potential for institutionalisation and replication. Investment partners must be identified and both private sector and community organizations included in participatory processes.

The CDSs that have been funded and completed under this general rubric have differed in scale, scope and precise focus. What they share, and this may be the closest it is possible to come to a definition of CDS, is:

- A strategic direction or plan has been developed;
- The direction or plan contains objectives for the growth and development of the city, including, but not limited to, poverty reduction;
- The direction or plan has been prepared through series of stages which will have included extensive consultation.

Beyond this, Cities Alliance has left both the definition and the approach to CDS flexible to allow for the wide range of conditions in which cities are developing, the variety in governance, administrative and legal structures. Allowing the city leadership and stakeholders to build up their CDS in a manner which addresses and is appropriate for local conditions has been seen as crucial to securing ownership and commitment.

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<sup>4</sup> CA Charter

As a consequence, the output of CDSs has been extremely diverse, ranging from conventional physical or master plans, to ‘wish lists’ of projects compiled for or by city leaders, to complex and ambitious analytically driven strategies. So while “intellectually they form one evolving tradition, regardless of the sources of funding and sponsorship... they cover a great diversity of purpose and product. The diversity encourages confusion as well as difficulty in detecting the centrale rational, thus affecting decisively the possibility of evaluation”<sup>5</sup>.

Attempts to evaluate the CDS initiative have thus tended to repeat two themes. The first is to ask how we can harness and focus the knowledge and experience built up from this diversity of CDSs. The second is to suggest that there is a need for a more detailed and precise common framework or frameworks to provide greater guidance to those coming new to preparing a CDS, at the same time providing the basis for assessing how well they are progressing.

### **3.2 Making Use of the Experience of the Diversity of CDSs**

A typology or categorisation of CDSs could be build around the characteristics of cities which produce variations in the “product” of a CDS<sup>6</sup>:

- The stage of development of the city and its chief characteristics;
- The stage of development of CDS, recognising that a CDS is never strictly “complete” and that early versions may be followed by later more developed and comprehensive approaches;
- The scale (and complexity) of the problem or size (and resources) of the city;
- The primary, driving needs of development, whether economic development, poverty reduction, improved governance.

It could, alternatively or in additional dimensions, focus predominantly on the nature of the plans themselves and the processed using in preparing them<sup>7</sup>:

- “Conventional” spatial or master plans e.g., Kathmandu;
- Analytical studies e.g., Johannesburg and Sofia;
- Consultative studies, particularly those flowing from the initial work of UN-Habitat, such as Colombo, Bamako, Santo Andre<sup>8</sup>;

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<sup>5</sup> Development Planning Unit, University College London, Independent Evaluation: An Assessment of the First Three Years, November 2002

<sup>6</sup> GHK Group; A Discussion Report for DFID (UK) and City Development Strategies: Taking Stock and Signposting the Way Forward the World Bank July 2000

<sup>7</sup> Development Planning Unit, University College London, Independent Evaluation: An Assessment of the First Three Years, November 2002 p32

<sup>8</sup> UNDP City Development Strategies Lessons from UMP/UB-Habitat Experiences

- Public sector coordination plans, e.g., Dhaka and Khulna;
- Rapid self diagnosis plans, e.g., in Tamilnadu;
- Plans which link CDS to slum upgrading, the other “arm” of Cities Alliance activities;
- CDSs developed in economies in which the focus has been and to a large extent remains on national/central planning rather than planning at the local level, such as China and Vietnam.

There is no database or resource which documents all of the city based strategies that have been part of this “evolving tradition” of CDS. One of the stakeholders interviewed at the beginning of this project commented that what would make the most important contribution to an understanding of CDSs would be a comprehensive listing of all the strategies which have been developed. However, it is questionable whether this would provide the most useful means for distilling lessons and experiences which could be of use to future CDS cities. In an evolving tradition some of the lessons from the earliest CDSs have already been incorporated into the procedures and practices for more recent strategies. The criteria used by Cities Alliance have been informed by this experience, as have the activities of the Alliance members who sponsor individual projects. So, despite the remaining flexibility in the types of planning which are supported as CDSs, it is unlikely if not inconceivable that a conventional master or spatial plan would be the product of an exercise now being funded by Cities Alliance or any of its member organizations.

This review takes the experience of CDSs in eleven developing countries (with a twelfth used to provide a point of reference from a more developed economy) indicated Table 1. Though not technically a “sample” they were selected to reflect the diversity of CDSs.

### **3.3 Providing a Framework for CDS**

The Cities Alliance has not attempted to provide or prescribe a single framework or guidance for cities on how to conduct a CDS. However, many of its documents contain an indicative or embryonic framework based on the common approaches to CDS developed by many cities and the lessons learned.. Thus, the Cities Alliance assessment of the First Results of CDS, based on city strategies developed up to 2002, contains an outline of the process of producing a CDS and the key building blocks: design and assessment, vision and strategy, and implementation and monitoring<sup>9</sup>. In addition several of the families of CDSs Cities Alliance has supported have developed their own manuals or tool kits to assist them (e.g., in China and the Philippines). Members of the Alliance have also developed and used their own frameworks. Early CDSs sponsored by the World Bank used extensively the *urban karte* approach to making initial assessments and organised the information around common themes of “Liveability,” “Bankability,” “Competitiveness” and “Good Governance” (used

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<sup>9</sup> Cities Alliance [City Development Strategies: First Results](#)

for CDSs in China, Indonesia, the Philippines, Thailand and Vietnam)<sup>10</sup>. UNDP provided an outline of a “Participatory CDS process” from the experience of UMP/UN-Habitat with CDSs in seven countries in Asia, Africa and Latin America<sup>11</sup>. Most recently, the Asian Development Bank has prepared a staged approach to the process with detailed guidelines for preparing a CDS (including guidance on monitoring and evaluation)<sup>12</sup>.

The use of a common framework or approach to CDS has been particularly productive where a group of cities has worked through its strategy building together with the assistance and support of a national network or local government association (as in the Philippines, South Africa and Indonesia). One of the most frequently repeated conclusions of early assessments of CDS is that it would be advisable to develop frameworks to assist and guide cities through all or parts of the CDS process. The discussion report prepared for DFID and the World Bank in 2000 proposes the establishment of a “normative framework for the CDS initiative to clarify its expected outcomes and to drive the process”<sup>13</sup>. Writing two years later at the conclusion of their reviews of a number of case study CDSs the authors reflect that the failure of CDS to provide a “robust framework for the strategic analysis of comprehensive city development incorporating environmental, economic, social and institutional requirements for change” is a major shortcoming of the CDS process<sup>14</sup>. The analytical shortcomings are deemed to be particularly evident in the definitions and assessment of poverty. Similar comments were repeated to the review team for this report by stakeholders: the problems that cities have with preparing CDSs were not due to deficiencies or absence of basic information, but a lack of capacity and experience in knowing how to analyse material to reach strategic conclusions.

The challenge is to prepare a framework which is sufficiently robust but which is also flexible enough to be useful in the variety of contexts in which CDSs are developed and to be useable by cities with a wide range of capacities and resources available to them.

### **3.4 The Role of National Networks and Associations**

In three of the countries surveyed for this review, groups of cities have worked through national or regional networks which have supported or facilitated the CDS.

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<sup>10</sup> Pacific Consultants International, Almec Corporation, Nikken Sekkei Ltd Urban Development Strategy and City Assistance Program in East Asia, The World Bank September 2000

<sup>11</sup> UNDP City Development Strategies Lessons from UMP/UB-Habitat Experiences

<sup>12</sup> ADB City Development Strategies To Reduce Poverty 2004

<sup>13</sup> GHK Group; A Discussion Report for DFID (UK) and City Development Strategies: Taking Stock and Signposting the Way Forward the World Bank July 2000

<sup>14</sup> GHK City Development Strategies: Reflections and Suggestions October 2002.

## **Philippines**

The second round of CDSs in the Philippines (“CDS 2”) has been coordinated by the League of Cities (LCP). A National Coordinating Team was established at LCP and workshops held to guide the 31 participating cities through the CDS process. Specialists were hired to give advice at particular points in the process on local economic development, environment, urban finance, poverty alleviation, physical planning and governance. The LCP has also prepared a CDS toolkit and developed a web-based information sharing facility providing access to a wide range of information and experiences.

## **South Africa**

Johannesburg is a member of the South African Cities Network (SACN – supported by the Cities Alliance and comprising the country’s nine major metropolitan municipalities). One of SACN’s key objectives is to promote and support CDSs, although the Network was not launched until late 2002, by which time Johannesburg was well advanced in implementing its strategies. However, SACN provides a useful forum for exchange of information and ideas about ongoing work on CDSs, and Johannesburg is now able to share experience with several other comparable cities, notably Durban (eThekweni) and Cape Town. Importantly, SACN prepared the State of the Cities Report 2004, which it is now updating. This provides up-to-date and fairly comprehensive comparative data on economic, social and environmental conditions, quality of life, sustainability and governance. It is a project of SACN’s Urban Indicators Working Group, which is formulating and using a set of indicators to support improved city management in the nine metropolitan areas.

## **Indonesia**

The Yogyakarta CDS is being prepared under the aegis of the Urban Sector Development Reform Program (USDRP), launched in 2002 with support from the World Bank. The project emphasises the value of regional coordination and supports institutional capacity building, including establishment of a City Performance Rating System (CPRS) for comparative benchmarking.

## **3.5 Asia and East Asia: Do They Require A Specific Approach to CDS?**

In examining the main components of CDS the review team was asked to make comparisons between CDSs in Asian Cities and those in other regions and to note any specific recommendations for CDSs in Asia.

There is no doubt that there was a particular interest in CDS among Asian Cities following the initial promotion and development of this approach to strategic planning in the late 1990. This was in part a reflection of the active development in the region of CDS or approaches which share some of its characteristics by what were to become the members of the Cities Alliance (particularly the World Bank, UN-Habitat and JICA). In consequence, there was a “strong bunching of projects in the first two years [of Cities Alliance activities] in Asia (principally

CDSs)”<sup>15</sup>. There is still a view that CDSs will have particular role to play in Asia because of the scale of poverty, with the region being the “home to 70 per cent of the world’s poor” and remarkably high levels of poverty remaining in South Asia (with an estimated 450 million people in poverty in India alone, and China (with 225 million living in absolute poverty)<sup>16</sup>.

A review of early initiatives attributed the strong regional interest in the CDS approach in Asia to a set of common urban issues in the region: “rapid urban population growth as a result of the Asian model of “industrialization process”, manifested in<sup>17</sup>:

- Less developed transport infrastructures;
- Urban environmental deterioration;
- Shortage in funds to meet demands for public and social service delivery;
- Less diversified urban economies;
- Current stagnation of local economies in association with unemployment; and
- Poor housing and living environment linked with urban poverty.

The same report identifies a set of institutional issues which need to be addressed by Asian cities which pose difficulties for cities trying to strengthen their “Liveability,” “Bankability,” “Competitiveness” and “Good Governance”:

- Non-existence of, or poor institutions for, urban planning, land use control and growth management;
- Less autonomous mindset of local officials due to a long-history of centralized resource allocation system;
- Too weak financial and tax basis of local governments to enable them to invest sufficient capital outlay for their own projects/programs;
- Less capacity of local officials in planning, managing and resolving current issues; and
- Less coordination and integration with the private and public sectors, as well as among relevant government agencies, including the central government.

The regional focus on Asia is no longer so evident in the dispersal of funds from Cities Alliance. To some extent this is a result of the explicit, current concern in Cities Alliance to ensure a “Regional Balance” in its overall programme (though it

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<sup>15</sup> Development Planning Unit, University College London, Independent Evaluation: An Assessment of the First Three Years, November 2002

<sup>16</sup> Cities Alliance Annual Report 2004 p26

<sup>17</sup> Pacific Consultants International, Almec Corporation, Nikken Sekkei Ltd Urban Development Strategy and City Assistance Program in East Asia, The World Bank September 2000

would appear that Central and Eastern Europe are still “under-represented”). But it is also likely to reflect a changing “demand” for CDS support from different regions.

The case studies conducted for this review did not suggest that the Cities in Asia were facing sets of difficulties and problems which were not found elsewhere, or that the intermediate and institutional frailties (in planning systems, institutional capacity, etc) were unique to the region. Indeed, there were as many divergences in focus between CDSs in Asia as there were between those in this region and Latin America, Africa or Europe. Where there were similarities in approach in the phases or components of CDSs, this can be attributed to the common elements required of CDS (irrespective of the fact that there is no single prescriptive framework being promoted). Where a similar technique or methodology has been used in preparing parts of the CDS, for example the extensive use of the “urban karte” in initial assessments in several Asia Cities, this seems to be a product of particular donors working with consultants who favoured and saw benefits in this approach.

The political, social and economic variations within the Asia region mean that Cities in particular countries have found aspects of the CDS approach more challenging than those in others. Thus, in the attempts to develop the first phase of CDSs in China, a number of challenges to implementing a CDS approach to development were identified including<sup>18</sup>:

- Lack of non-governmental organizations
- Lack of experience in stakeholder participation
- Data deficiencies
- Rigidity and static nature of the current planning frameworks which lacked a market orientation
- Weak horizontal coordination within and between government organisations
- Use of national norms and frameworks to establish and run local urban services
- Plans and priorities within cities determined by a few municipal departments
- Local governments have considerable decision making authority, but limited fiscal resources
- National policy frameworks were concerned more with rural than urban poverty

In its discussions with stakeholder organizations in the countries and with cities themselves, the review team came to characterize the broad differences between CDS in Vietnam and the Philippines as those between cities which were rich in information but relatively poor in experience of widespread consultation and

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<sup>18</sup> CDS in China: A Manual undated

participation (Vietnam) and cities rich in participation but relatively poor in reliable, quantitative information (the Philippines). This is a characterization which everyone recognised and with which they broadly agreed.

Thus, rather than recommending an approach to M&E which is specific to Asia (or indeed to sub regions) the framework which has been developed is pitched at the concerns and characteristics of each city as perceived and defined by city leaders and stakeholders (consistent with the overall philosophy of the CDS approach)

# 4 Review of CDS Experience Process and the role of Monitoring and Evaluation (M&E)

## 4.1 Introduction

This chapter focuses on how monitoring and evaluation needs to be incorporated into the CDS process to ensure that essential components ('building blocks') of CDS design are assembled effectively. It is essential that monitoring and evaluation of both the process and impacts of a CDS reflects precisely what has been attempted and why. Chapter 5 then turns to the issue of monitoring and evaluating the impacts of CDSs as part of implementation.

Monitoring and evaluation are essential elements of any planning process. There is little point in planning without effective implementation and stakeholders therefore need measures of achievement. At the same time, strategies may need to be adjusted to improve their effectiveness or to address emerging issues and other changes in the operating environment. Thus progress towards desired outcomes needs to be both monitored and evaluated so that plans and implementation programs can be updated from time to time as required. Equally, stakeholders need to be assured that worthwhile results are being achieved in order to gain their ongoing commitment and support.

In the case of City Development Strategies, it is also important to monitor and evaluate the planning process itself. Putting effort into monitoring and evaluation of impacts is only worthwhile if the planning process and proposals are soundly based. CDS literature highlights the following critical dimensions of the process:

- Assembling and analysing information to obtain a succinct and accurate picture of current conditions, trends and issues;
- Ensuring broadly-based participation of stakeholders;
- Engaging civil society and, in particular, the poor;
- Formulating a consensus vision and goals that effectively link economic growth, poverty reduction and sustainability;

- Building the leadership and management capacity of local governments;
- Strengthening community organizations and networks;
- Promoting good governance and cooperation between levels or spheres of government;
- Establishing ongoing partnerships with other key stakeholders;
- Generating necessary institutional mechanisms for implementation;
- Fostering investment and financial initiatives, including but not limited to donor support;
- Ensuring that goals and implementation strategies are realistic, having regard to likely availability of resources and the need to demonstrate worthwhile results as quickly as possible.

Experience to date (including the findings of the case studies carried out for this project) suggests that CDS processes have not routinely incorporated all or even most of these elements.

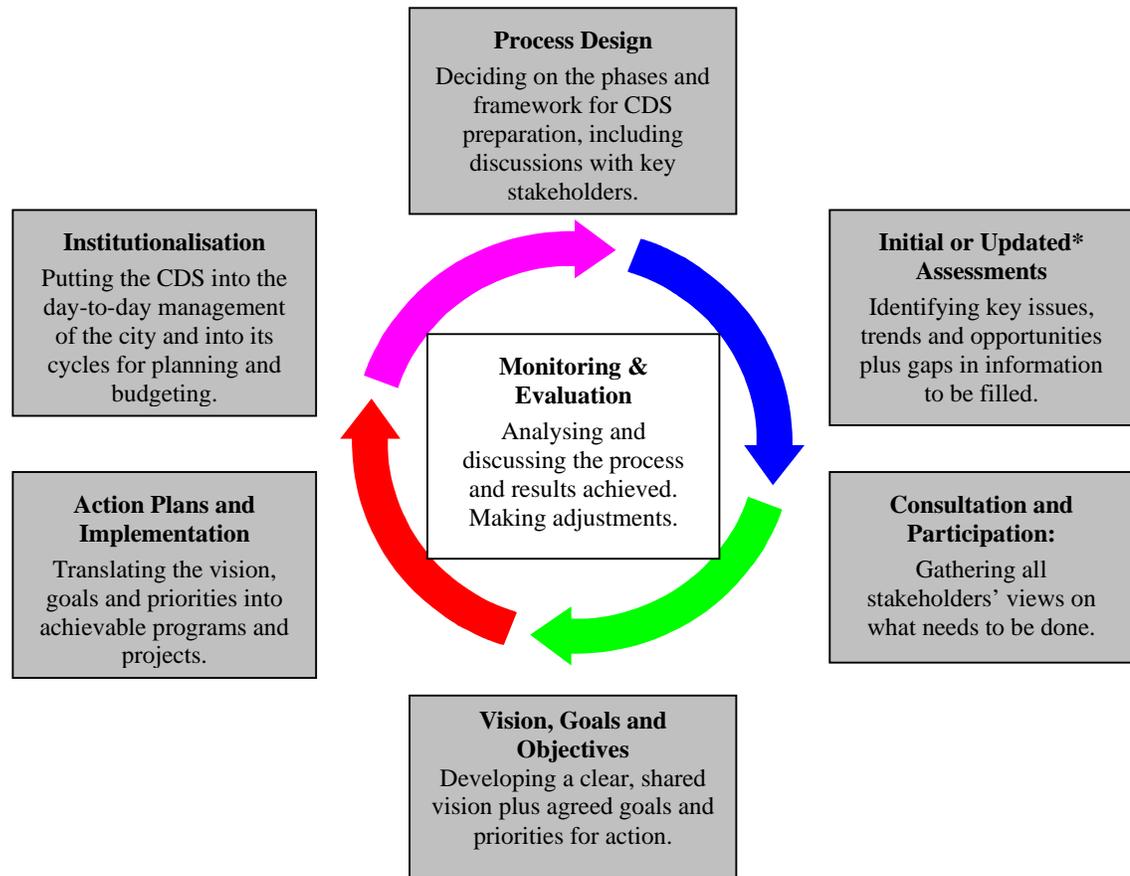
The conclusions from the case studies conducted are that although there are interesting applications of some elements of M&E (which are described at various points in this section) Cities have not applied M&E comprehensively or at all the stages of CDS. Most attention seems to have been paid to the collection of baseline information at the start of the process. In many cases, the M&E envisioned in CDS proposals and documents has not been followed up in the implementation. This highlights the need for careful design of the planning process at the outset, taking into account the views of key stakeholders. These issues are discussed later in this chapter.

Monitoring and evaluation of the planning process should be relatively straightforward, given the will to undertake it. A series of checkpoints and feedback loops can be built into the program for preparing and launching a CDS in such a way that any gaps in the process can be identified and corrected as necessary.

## **4.2 Building a CDS**

Issues associated with CDS design have been the subject of a number of reviews commissioned by the Cities Alliance and its partners. Figure 1 is based on those reviews and seeks to capture the essential elements or ‘building blocks’ of the CDS process.

Figure 1 - The CDS Process



\* In light of monitoring and evaluation and new information on local conditions, needs and trends (the operating environment).

In very general terms, the broad aim of the CDS process is to produce a multi-faceted development framework with wide-ranging stakeholder support that will improve city governance, and also marshal resources for sustainable and equitable economic growth, sustained reductions in poverty, and a better urban environment.

As noted in section 4.1, this requires a participatory process that leads to an agreed vision, goals and priorities for the city; a set of strategies and action plans that constitute a realistic program linked to available resources; establishment of new or improved institutional mechanisms required to underpin implementation; and strategies and action plans for providing additional streams of resources and investment both internally and through attracting external support.

Figure 1 suggests an iterative approach to CDS design and implementation. This accords with both planning theory and practical experience. A CDS deals with a complex mix of issues in an often rapidly changing developmental, institutional and political context, and can never be completely 'right' at a single point in time. The CDS process – including monitoring and evaluation – must reflect this reality.

Because of this, and because CDS is relatively new concept (especially in less developed cities) it cannot be expected or advised that all CDSs will or should follow the same sequence. Often a CDS will build on earlier specialised studies and plans, such as an economic development strategy. Or a more general strategy may have been prepared but without extensive stakeholder involvement or only a limited implementation framework. So ‘entry points’ to CDS design will differ from place to place. For these reasons the guidance framework discussed in the latter sections of this report is constructed in terms of “building blocks” to acknowledge that CDSs can be constructed in different orders and with differing structures (see Annex 1).

However, whenever the decision to prepare a CDS is taken, it will be important to undertake a round of preliminary consultation to bring together key stakeholders and ensure that the intended approach is practical, logical and will over time assemble all the necessary building blocks. This should be followed by an initial or updated assessment of issues, problems and opportunities in the city concerned. Assessments will vary in detail and complexity according to local circumstances and available data and resources. They will need to be updated at regular intervals as circumstances change and to reflect progress towards achieving CDS goals.

Monitoring and evaluation must be part of all the parts of the planning process itself in addition to implementation achievements and impacts. For these reasons, Figure 1 has M&E at the core of the CDS process rather than as a separate phase or stage that is completed at some point after plans are implemented.

Sections 4.3 and 4.4 discuss some of these aspects of the CDS process in more detail, reflecting the project terms of reference and drawing on the experience of the case study cities.

### **4.3 Primary Components of CDS Design**

The Cities reviewed for this project displayed a wide variety of structures and forms of preparation for the CDS (summarised in Table 2). It appears, however, that in many cases the structures and forms were a product of approaches initiated or proposed by sponsors and donors for the CDS (as in the case of Colombo) or a pre-determined approach of format for the CDS (as in CZT, the Philippines and others). The approach or design of the CDS seems rarely to have seen as a phase of the CDS itself with similar commitments to consultation and extensiveness promoted at later stages in the process. There is certainly little evidence of consideration being given to how the process or its outcomes would or might be monitored to gauge their “success”.

*Table 2 – Approach to CDS Design in Case Study Cities*

<b>City</b>	<b>Extent of Preliminary Consultation and Process Design</b>
<b>Colombo</b>	CDS built upon the work conducted in Colombo under the UN-HABITAT/UMP City Consultations project. A ‘CDS awareness program’ organised by HABITAT; establishment of stakeholder groups and CDS working groups in each of 3 participating local governments
<b>CZT Region</b>	CDS 1 in China was an extension of the earlier Fuling CDS exercise, supported by WB and the Japanese Government as part of a broader initiative to formulate regionally based development strategies in East Asia. A separate but related project (with a different time frame), developed a framework of performance indicators. Preliminary consultation work limited to municipal and provincial government representatives, with proceeding stakeholder workshops aimed at establishing strategies and priorities.
<b>Haiphong</b>	Initial WB project pilot case study of urban and environmental development based on number of specialist assessments. UNDP funded CDS process subsequently followed CDS design of assessment, visioning, action plans with a degree of stakeholder participation
<b>Johannesburg</b>	Discussions with key stakeholders for <i>iGoli 2002</i> but not conceived as a broad CDS. Limited consultation with stakeholders re process for <i>iGoli 2010</i> , but apparently largely consultant driven. The majority of work undertaken over the relevant period of 6-7 years has been initiated and funded by the City itself as a response to particular local needs and/or South African government requirements for corporate and strategic planning.
<b>Karu</b>	The idea for a CDS began with a visit from the AFTU2 urban team and with the goal of raising awareness about the impacts of planning policies in Abuja, and initiating debate among decision makers. The CDS itself had a substantial community consultation (particularly with representatives from the business sector).
<b>Kigali</b>	The City of Kigali was a new institution with low capacity in a number of key areas and limited current information as a basis for planning. The notion of a CDS was promoted by USAID in response to concerns that the role of local government in economic development was absent in discussions regarding fiscal decentralization.
<b>Latvia Group</b>	Dialogue involving Association of Mayors, municipal officials in charge of city development, World Bank. These meetings sought to ensure mutual understanding of CDS objectives, methodology, sequence of activities, expected results. Each Mayor presented major urban planning, governance and unemployment challenges
<b>Recife</b>	Led by a state agency complement the preparation of a larger project – the Pro-Metropole project – which aims to improve the capacity of public, private and civic institutions to deliver and provide land, infrastructure, and basic urban services.
<b>Tagaytay</b>	Standard process design and national planning workshop and training program for all ‘CDS 2’ cities. Local working group established with key stakeholders with additional workshops on specific issues organized according to identified needs. The extent of detailed local process design unclear.
<b>Taguig</b>	Identified stages of CDS design and initial ‘strategic conference’ conducted but purely internal to city administration
<b>Yogyakarta</b>	The Yogyakarta project builds on an earlier round of strategic planning, so awareness and ‘buy-in’ for the project and the approach are strong.

Previous reviews of CDS preparation have also commented on the absence of structured programs being developed from the outset for preparation of the CDS and its implementation<sup>19</sup>.

Several of the more recent CDSs reviewed for this project in which the process has been deemed by the cities themselves to be successful had built upon previous activities and initiatives. Cities were able to make use of previous experience of building consultative processes, for example, or more holistic approaches to planning which had been developed during other projects (often donor funded). This suggests two things. First, that these projects were effectively preparation for the development of CDS, even if they were not initially conceived or designed for this purpose. Second, that a notional maximum allocation of two years for the preparation of a CDS may not be realistic.

A preparatory phase and process design, which may include some preliminary consultation gives a City many advantages in putting together its CDS. It provides an opportunity to:

- Identify key stakeholders and elicit their support and cooperation;
- Discuss in broad terms how the CDS is expected to proceed;
- Establish respective roles and responsibilities, as well as a sense of joint ownership of the process;
- Determine who will provide political leadership;
- Formalise ongoing project management and consultative arrangements;
- Agree a framework for further community and stakeholder consultation and participation;
- Begin to match expectations to likely resources for implementation;
- Canvass opinions on likely key issues and scope the initial assessment;
- Make an initial assessment of the issues and challenges faced by the city;
- Incorporate monitoring and evaluation mechanisms into the process.

Without early consideration of these issues, there is a risk that the CDS process will lack a clear sense of direction, or be over-ambitious and generate unrealistic expectations, or proceed without the required level of stakeholder support. In a practical sense this can lead, for example, to waste of resources on an initial assessment that is excessively detailed or fails to inform key issues and achievable outcomes.

Early consideration of monitoring and evaluation issues is particularly important, so that priorities for ongoing work can be identified, necessary baseline data collected, and appropriate mechanisms put in place.

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<sup>19</sup> GHK Group; A Discussion Report for DFID (UK) and City Development Strategies: Taking Stock and Signposting the Way Forward the World Bank July 2000

## 4.4 Initial and Updated Assessments

Robust strategies require a solid foundation of fact and analysis; so equally does monitoring and evaluation of the preparation and implementation of those strategies. Thus initial and regularly updated assessments of conditions, issues and opportunities in the city concerned are an essential input to any CDS.

Experience shows that assessments need to go beyond a compendium of facts about the city's demography, society, economy, environment, infrastructure, etc. They must also examine and analyse the position of the city in terms of, inter alia:

- Regional, national and global urban systems and trends;
- Opportunities for attracting investment;
- Government policy frameworks that may impact on the intended scope of the CDS and its implementation;
- Mechanisms for cooperation between levels or spheres of government;
- The quality of urban governance and the capacity of local government;
- The financial position of the local government;
- The need for new or improved institutional mechanisms to support CDS implementation.

As noted in the previous section, assessments can become extremely lengthy and detailed, taking a long time to prepare and consuming considerable resources. There is perhaps inevitably a temptation to try to capture every piece of available information and apply all sorts of analytical tools in an attempt to paint a definitive picture of the current situation and make reliable forecasts about the city's future.

The danger here is that other critical building blocks of the CDS will be deprived of resources and collapsed into timeframes that are too short to allow thorough consideration of issues, consultation with stakeholders, and formulation of strategies. Stakeholders may lose interest and commitment if there is a long delay whilst the initial assessment is being prepared. Moreover, the longer an assessment takes, the more likely it is that parts will be out-of-date by the time it is completed, as circumstances can change substantially over relatively short periods of time.

This is where the phase of preliminary consultation and process design discussed above can make a real difference by scoping and placing realistic limits on the initial assessment, having regard to existing knowledge about likely key issues and the intended overall structure and outcomes of the CDS process. In many cases sufficient information will already be available from published sources, government statistics, local government records, etc to undertake a 'rapid appraisal' or 'strategic overview' of the city. This can then be fleshed out into a more comprehensive assessment as resources and time permit.

In any event, assessments will have to be updated from time to time as circumstances change, new issues and opportunities emerge, and, hopefully, implementation of the CDS starts to have an impact on-the-ground.

Table 3 records some key features of assessments carried out in the case study cities for this project. Generally there has been a fairly substantial analysis of basic information about economic, social, environmental and developmental issues, plus in some cities assessment of governance and financial management. Several cities included consultation with stakeholders as a means of obtaining additional information and perspectives, or checking the accuracy of findings. However, it appears that none of the assessments considered likely implementation and institutionalisation issues (such as relevant government policy frameworks or the need for local government capacity building) in any depth. Furthermore, in most of the cases the assessments took the form of compilations of statistics or indicators with little systematic or rigorous analysis of the material.

Also noteworthy are the very limited linkages between initial assessments and subsequent monitoring and evaluation of CDS impacts. This mostly reflects a general lack of the latter, and also a widespread failure to see the CDS process as a long term and iterative one that will require regular reviews and updates.

In the Philippines and Indonesia initial assessments were carried out using the 'Urban Karte' and 'Triple A' methodologies respectively. These are summarised in Box 1 and Box 2 below.

**- ECON Analysis and Centre for Local Government, UTS -**  
The Impacts of City Development Strategies

*Table 3 – Initial Assessments in Case Study CDS projects*

<b>City</b>	<b>Scope of Assessment/s</b>	<b>Role in CDS Process</b>	<b>Methods Used</b>	<b>Links to M&amp;E</b>
<b>Colombo</b>	Fairly broad, covering themes of: economic potential, poverty, and preceding and active development efforts; a 'Status of the City Report' was also prepared for each city	Allied; Informed consultation and formulation of vision and objectives	Studies then "mapping reports" resulting from local 'experts' and stakeholder input	None evident
<b>CZT Region</b>	Broad: economic and social development, urban structure, transport, environment, infrastructure, financial management. Drawing on existing plans and strategies	Analysis underpins strategic directions. Note: Some differences of analysis between consultants and city officials	Consultant studies and analysis, visit to Canada, input by local officials, stakeholder workshops	Consultants reports propose some areas for M&E Also, parallel CDS indicators project but not integrated into CDS.
<b>Haiphong</b>	WB initiative reviewed the areas: economic development, solid waste management, environment, pollution, infrastructure, governance and city management, and private sector participation. UNDP CDS used broadly based situational analysis	WB assessments formed basis of strategy. UNDP CDS situational analysis informed visions, action plans	Specialist papers prepared by members of a World Bank mission for WB project. UNDP CDS used Urban Karte indices; stakeholder based reviews of liveability, competitiveness, financial transparency and management; and a SWOT analysis	None evident
<b>Johannesburg</b>	None initially: CDS began as narrow response to financial crisis. A broad thematic assessment has informed later stages, but not published.	Limited: issues and content of CDS driven largely by city government's own ideas and assessments, plus stakeholder input.	Study primarily undertaken by external consultants in conjunction with City staff. Process built on findings and views from <i>iGoli 2002</i> work.	Indirect: Not a product of specific institutional design around the CDS. A M&E relationship exists through current IDP performance management, framework which reflects strategies from <i>iGoli 2010</i> and <i>Joburg 2030</i> .
<b>Karu</b>	The objective of the study was to gather reliable data that could support informed policy making by the State and Local Government to support growth and employment creation in Karu, while at the same time empower the private sector with knowledge that they could use to formalize their own professional cluster networks and lobby the government for appropriate actions.	Commentators seem to agree that the 'initial assessment' phase was the strongest features of the Karu CDS. The final report / product of the CDS process was an 'Analytic Report about the economy and employment structure' which included some general and preliminary guidance on goal setting and institutionalization.	Quantitative survey using multi-stage sampling technique. 10 focus groups, interviewed. Vehicle counts.	None evident

**- ECON Analysis and Centre for Local Government, UTS -**  
The Impacts of City Development Strategies

*Table 3 - continued*

<b>City</b>	<b>Scope of Assessment/s</b>	<b>Role in CDS Process</b>	<b>Methods Used</b>	<b>Links to M&amp;E</b>
<b>Kigali</b>	Comprehensive socio-economic data collection by the city in partnership with a local research institute	Formed the basis for discussion regarding the development of the Kigali Economic Development Strategy	Through a series of workshops, a collaborative committee analysed the data and prioritised strategies in terms of economic factors that the local government could influence and sectors that the economic development strategy could target	None evident
<b>Latvia Group</b>	Each city in the project begins by collecting and analysing information that could provide the basis for an assessment of the city's competitive advantages. This process is also referred to as a "competitive assessment".	The competitive assessment feeds into the visioning exercise and the determination of goals, objectives and action plans	Cities are using different techniques (e.g., SWOT analysis) for the competitive assessments.	Yet to be developed
<b>Recife</b>	A comprehensive and consistent government plan based on a very thorough diagnostic of social, economic and physical issues for the Recife metropolitan area.	Provided a basis for the action plan, including costings and feed into the development of the large infrastructure projects and into subsequent strategic planning in the region.	Assessment of problems and potentialities based on a consistency analysis of existing projects, background papers and planning seminars	Limited development of M&E
<b>Tagaytay</b>	Extensive: Urban Karte profile assembled across broad themes of economic and social development, urban design and transport, environment, and governance	Basis for strategy formulation however themes were pre-determined with limited scope for local variation	Data collection, review by National Coordinating Group for CDS 2 cities, public and stake-holder consultation	None evident
<b>Taguig</b>	Basic: identifies problem areas in population, housing, infrastructure, health, education	Limited: of three key themes only one seems directly linked to initial assessment	Straightforward data collection	None evident
<b>Yogyakarta</b>	The focus here is the Atlas. These vary in the different local areas, although generally include basic information on existing conditions and trends including Geographic Maps, Thematic Maps, Infrastructure Ledgers and Organization Structures of Local and Provincial Governments.	The Atlas is intended to serve "as basis for rational decision-making and consensus-building among the stakeholders based on logic arguments and a common perception of the existing conditions".	The process is discursive and participatory with a focus on drawing on local knowledge and the findings from previous studies. The consultant plays a key role in collecting and collating data.	Currently No distinct M&E component, although elements of M&E are woven through the Triple A approach and the present programs aim to build M&E capacity.

*Box 1 – ‘Urban Karte’ Assessment Tagaytay City<sup>20</sup>*

<b>BASIC CITY PROFILE</b>	
Total Population (2000)	45,287
Urban Population (2000)	18,234
Average Population Growth Rate (1995-2000)	3.89
Administrative Land Area (km <sup>2</sup> )	65
Population Density in Urbanized Area (people/ km <sup>2</sup> )	8
Number of Households	8,590
Commercial Ports	none
<b>ECONOMIC DEVELOPMENT</b>	
Percent of population with higher education	14.66 %
Major institutes of higher learning	Public Libraries – 4; Colleges – 3; Vocational 1; Post Graduate – 1
Connectivity facilities	PLDT; DIGITEL ISP’s – 28
City business office	1
Average no. of days for a business license	2 days maximum
Availability of amenities	Health stations 51; Restaurants 113; Groceries 7; Hotel/Inns 44; Convention Centres 3; Casino Filipino 1
Labour cost (average wage cost) viz: Manila, Cebu	No data available
Type of financial services available in the city	Banks – 11
Labour force participation rate	No data available
Employment rate	No data available
<b>SOCIAL DEVELOPMENT</b>	
Percent of households with access to piped water	88 %
Percent of households with access to electricity	98.02 %
Percent enrolment in primary and secondary school	98.55 %
Crime rate	0.25 %
Household poverty ratio	40.26 %
Percent of households with formal housing	59.74 %
<b>URBAN DESIGN and TRANSPORT</b>	
Major historical, cultural, or natural site	1th Airborne Division, 1st Division USAFFE
<b>ENVIRONMENT</b>	
Presence of fresh water aquifers and recharge areas	None
Park space per person	5 km / person
<b>BANKABILITY and URBAN FINANCE</b>	
Percent of IRA to total revenue	35 %
<b>GOVERNANCE</b>	
Capital or infrastructure investments in city	Php. 184,386,944.60

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<sup>20</sup> The City Development Toolkit for Philippine Cities; available from CDS Project Office, League of Cities of the Philippines or at <<http://www.cdsea.org>>

*Box 2 - 'Triple A' Assessment, Yogyakarta*

The Province of Special Region of Yogyakarta (DIY), Indonesia, and its five municipalities have each developed their own sets of Atlas, Agenda and Aturan-main (=Rules-of-the-game), also referred to as the Triple-A instruments:

**1. Atlas.** The Atlas is “a common source of basic information on existing conditions and trends” with the following contents:

- Geographic Maps
- Thematic Maps
- Infrastructure Ledgers
- Organization Structures of Local and Provincial Governments.

**2. Agenda.** The Agenda “is a concrete action plan for addressing development priorities, based on long-term development visions and medium-term strategic objectives”. It generally consists of the following:

- Profile
- Long-Term Development Vision
- Medium-Term Strategic Objectives
- Assessment of Financial Capacity
- Action Plans for the Development of Urban Functions
- Action Plans for Spatial Development
- Area-Based Development Action Plans
- Sectoral Infrastructure Development Action Plans
- Municipal Management Development Action Plans.

**3. Aturan Main** (“rules” of the game). The Aturan Main “provides guidelines and standards for public-service delivery, as well as for community and private-sector participation in local governance”. Its contents are as follows:

- Underlying Principles
- Uses and Users
- Government-Service Delivery
- Urban Management
- Inter-Municipal Cooperation
- Community and Private-Sector Participation.

In most developing cities, assessments will be constrained to a greater or lesser extent by deficiencies in the quantity or quality of data. In most attempts to produce an exhaustive ‘Urban Karte’ profile of a City for its CDS, the gaps in information are often more extensive than actual data sets<sup>21</sup>. For example, The South African State of the Cities Report deals at some length with data problems. Even in that relatively advanced economy there are significant gaps in official statistics that can only be filled by municipalities carrying out their own surveys, and this is likely to be beyond the capacity and resources of many. Often ‘educated guesses’ or ‘expert opinion’ must be used in lieu of statistical information – not necessarily a bad thing if those involved are indeed well informed.

Another issue relates to the provision of information to local government by central agencies. In the Philippines, CDS cities have experienced problems in

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<sup>21</sup> see for example the information on Philippines cities compiled in Pacific Consultants International, Almec Corporation, Nikken Sekkei Ltd *Urban Development Strategy and City Assistance Program in East Asia*, The World Bank September 2000

accessing information bases held by national departments for their initial assessments. These problems are to be addressed in the next round of Philippines CDSs. Similar concerns have been expressed in South Africa and probably exist elsewhere.

In terms of strengthening CDS M&E, this experience suggests that M&E systems should begin with the information that is available to cities, and be realistic about what is likely to be accessible and reliable in addition to this in the short to medium term.

## **4.5 Participation and Ownership**

The CDS literature emphasises the importance of effectively engaging all stakeholders (and especially the poor) in open and meaningful discussions about issues, opportunities, visions, goals, strategies and priorities. This is seen as much more than just formal consultation about the conclusions of the initial assessment or receiving comments on draft strategies. Rather, it is a means for generating active participation in the formulation of the CDS and tapping stakeholders' knowledge and ideas. In this way it is hoped that strategies will be devised with a greater chance of successful implementation; that stakeholders will take ownership of those strategies and commit resources to projects and programs; and that cooperation and coordination amongst stakeholders will be enhanced.

Consultation and participation processes need to be handled very carefully. Clearly, resources and time are not limitless and some constraints on the scope of participation have to be accepted. Equally, it is not possible to engage with all stakeholders simultaneously: some will be consulted at the outset and others a little later. Some stakeholders will put forward their ideas forcefully and confidently with little prompting. Others will have had little or no experience of consultation and will need encouragement and assistance to express their views. Some will be regarded as highly influential and warranting very careful attention, especially if they are likely to provide political support or fund implementation projects. Others may be seen as less important, even though they may bring valuable new perspectives to the discussion.

Consultation and participation in the CDS process therefore demands skilled and thoughtful leadership, and a willingness to look beyond current thinking and key players for fresh insights and new approaches. In this way the CDS can transcend 'business as usual'. The evidence from the case study cities is that developing consultation and participation mechanisms, is seen as one of the most important achievements of the CDS process. In this way most CDSs have already gone beyond the conventional practices for the City. However, the extent to which these mechanisms become part of the established and standard procedures for consultative planning is very variable. And few Cities have established any means for assessing how effective or systematic their consultation procedures are. Table 4 summarises the participation processes of the case study cities.

- ECON Analysis and Centre for Local Government, UTS -  
The Impacts of City Development Strategies

Table 4 Participation in CDS Process in Case Study Cities

City	Primary Stakeholders Involved	Scope of Participation Process	Techniques Used	Ongoing Activity and Arrangements
<b>Colombo</b>	Core Area Councils (Colombo City, Kotte, Dehiwala Mt. Lavinia), The Western Provincial Council, civil society groups, reps. of the urban poor (such as Community Development Councils), business and community leaders	Modest, but built on earlier consultation carried out under HABITAT Urban Management Program	Focus groups for each of 4 key result areas; briefing sessions, citizen forums, media. A 'National Partner' (leading NGO) was used as coordinator;	Some stakeholder groups retained for follow-up projects
<b>CZT Region</b>	Provincial and local government representatives; business and community representation in stakeholder workshops reported	Modest due to lack of local experience in consultation	Stakeholder workshops (two per city) with range of representation and methods including presentations, framework driven facilitated discussions (SWOT), group work, questionnaires	Strategies propose ongoing stakeholder involvement; Hunan Province established a mechanism for limited participation by citizenry in planning development
<b>Haiphong</b>	WB project essentially conducted by WB team. UNDP CDS conducted by Urban Management Coordinating Committee with representation across districts involving City departments, the people's committee, enterprises, unions and research institutes.	Little evidence of participation in WB process. UNDP CDS used widespread participation in assessments, visioning and strategies	Stakeholder meetings and workshops on assessment, visioning and strategies. Assessment workshops "ranked" Haiphong on key WB indicators	Unclear
<b>Johannesburg</b>	Varied as CDS evolved. Initial <i>iGoli</i> strategy work focused on then financial crisis with provincial and national governments & World Bank. <i>iGoli 2010</i> work included broader involvement with civil society, academia, NGOs, business and unions although stakeholder involvement diminished due to withdrawal of unions and some elements of civil society over-direction.	Very limited initially. Later attempts at extensive consultation and partnerships, but not always successful. Now city is required by law under national legislation to undertake regular community consultation (Public Participation Policy).	Joint steering committee, independent facilitation, open council meetings, forums (large public meetings), community visits and community group discussions, focus groups, business and community surveys, Ward Committees.	Ward Committees and other processes required under <i>Municipal Systems Act</i> ; Mayoral visits to local communities; annual public meetings on corporate plan and budget; Johannesburg Development Authority for inner city.
<b>Karu</b>	Findings from the initial assessment provided the basis for the consultations, and focused on consultation with stakeholders in 6 economic clusters.	Participants at the economic cluster groups consultations/workshops began with a wide ranging review of issues/problems and then focused on defining a set of small, feasible actions that can demonstrate results within a year.	Dissemination of the findings from the initial assessment to stimulate discussion on opportunities and constraints for economic growth and poverty reduction.	Participants subsequently agreed to set up the Business and Economic Development Committee (BEDC) of Karu.

- ECON Analysis and Centre for Local Government, UTS -  
The Impacts of City Development Strategies

Table 4 - continued

City	Primary Stakeholders Involved	Scope of Participation Process	Techniques Used	Ongoing Activity and Arrangements
<b>Kigali</b>	The collaborative committee included representatives from: departments of city government, central government ministries, the private sector and business community, “The poor” and representatives from local area community development committees, and donors.	The committee discussed the finding of the initial assessment. “Prioritisation workshops” were also held, although the results of these assessments were omitted from the final report because it was perceived that ‘prioritising objectives would limit their ability to solicit funding from donors’	Participants prioritised strategies in terms of (1) economic factors that the local government could influence and (2) sectors that the economic development strategy could target. (high, medium, low rankings).	The KEDS is being replaced by new planning initiatives, although the KEDS is broadly considered to have enduring value because it set a precedent for consultative strategic planning
<b>Latvia Group</b>	The first step after team mobilization is “to establish a Steering Committee in each city, which shall include key stakeholders from all sectors.	Ongoing. The cities are at various stages in this process.	N/A	N/A
<b>Recife</b>	Extensive community consultation with stakeholders representatives in a variety of forums	Focused on issue identification and developing development scenarios (trend and desirable).	Presentation of background research, ‘scenario’ approach.	Results and learning feeding into other strategic planning and project lending.
<b>Tagaytay</b>	Local community; multi-sector groups	Limited: primarily seeking feedback rather than strong input and engagement	Public meetings to present Urban Karte results and draft vision and strategies, plus multi-sector stakeholder forum	Series of issues-based ‘councils’ established to sustain CDS participation processes. These remain unmeasured for effectiveness
<b>Taguig</b>	Strong focus on business and NGOs representing poor yet no “intensive” meetings with communities	Limited: highlighted need for expanded consultation	Small number of stakeholder and <i>barangay</i> level meetings	Mayor meets regularly with some key stakeholders
<b>Yogyakarta</b>	Ensuring “Legitimacy and local ownership” is central to the ‘triple A’ framework. The projects are implemented through multi-stakeholder task forces that are mobilized by provincial and local governments and coached by a consultant team of foreign and local experts.	The Atlas preparation process forces stakeholders to open his or her cache of information to scrutiny. The process then seeks to correct inaccuracies and false claims. The stakeholders also agree on the priorities and strategic thrust of the Agenda.	Stakeholder discussion. See left.	Project Ongoing. The multi-stakeholder Task Forces will be the players in the “updating process”.

The Colombo CDS process included a proposed set of indicators for successful consultation and participation. These comprised:

- Type of stakeholders;
- Number of stakeholders;
- Level of participation in stakeholder group discussions;
- Number of stakeholder meetings;
- Type of institutional structures created for stakeholder participation;
- Number of representatives from civil society organizations including NGOs who have access to CDS Taskforce, Steering Committees and Working Groups;
- Contributions by each municipal council for CDS process and for implementation of strategy in terms of time and money;
- Political support for CDS process and implementation;
- Outputs/documents produced.

There is no evidence, however, of these indicators being applied in practice. In this, Colombo was not untypical. There is little evidence from the CDSs reviewed of the consultation and participation processes being monitored or evaluated. Nor does there appear to have been much monitoring of the extent to which the consultation processes developed for the CDS were continued and institutionalised after the CDS was complete.

## **4.6 Vision, Goals and Priorities**

Establishing a clear vision, goals and priorities for a CDS is perhaps the most crucial phase. This is the point at which formal political commitments need to be secured, and the likely level of resources for implementation locked in, so that realistic action plans can then be prepared.

Some cities have found it useful to distinguish between the city development ‘vision’ and the city development ‘strategy’ as separate stages in formulating their CDS.

Ideally, a vision statement should be short, straightforward and easily understood; capture the collective aspirations of all inhabitants; and highlight the potential of the city to develop in ways that will secure a better future. It will also reflect the “unique” attributes of the city or region

As described by the Cities Alliance, a vision is:

- A forward-looking ideal of where a community wants to be. It not only inspires & challenges but is meaningful enough that all residents can relate to it;

- Answering the question - “What does the region have the potential to be”;
- Based on the spatial definition of an economic region;
- Reflecting the unique attributes of the urban region: (i) comparative and competitive advantages, (ii) values & preferences of its residents, (iii) its relationship to the global, domestic, and sub-national economies, (iv) its history, & (v) its physical characteristics.<sup>22</sup>

Vision statements may also be valuable if they serve to galvanise support for the CDS process and further development of more detailed strategies. However, framing a city vision is not necessarily easy and may not be productive. Balancing the often differing and sometimes competing interests of the various stakeholders can result in vision statements that attempt to patch over differences of opinion and are too generalised to provide a clear basis for action.

Visions therefore need to be further articulated as a set of goals and more detailed objectives that lead directly to strategies and action plans. This process demands informed decisions about preferred options, priorities and how resources can best be used. In many of the case study cities it is derived from undertaking a more systematic assessment of the City’s Strengths-Weaknesses-Opportunities and Threats (a SWOT analysis).

The Cities Alliance describes the relationship between the CDS strategy and the City Vision in these terms:

A strategy is:

- A set of means (actions), pursued with discipline and intent to produce results within a given time period, measurable against targets;
- Limited to a number (<6) of high leverage initiatives;
- “Trend-bending”;
- A product of a Vision informed by SWOT analysis;

Translating Visions into Strategies and Action Plans must be consultative and collaborative, ensuring that all key stakeholders are engaged and reach a shared understanding of what is needed and proposed. Complete agreement is unlikely, but as a general rule all parties need to feel that their issues and needs are being addressed to a reasonable extent. Table 5 analyses the vision statements, goals and priorities of the case study cities.

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<sup>22</sup> < <http://www.citiesalliance.org> >

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The Impacts of City Development Strategies

*Table 5 – Visions, Goals and Objectives in Case Study CDSs*

<b>City</b>	<b>Nature of Vision Statement</b>	<b>Detailed Goals and Objectives?</b>	<b>Clear Priorities?</b>	<b>Level of Political Commitment</b>
<b>Colombo</b>	Single sentence, very broad	Yes: three objectives for the Colombo CDS, with targeted outcomes grouped under four Key Result Areas (KRAs). Within these KRAs 6 cross-cutting implementation objectives are outlined	Only in terms of Key Result Areas	Initially high, but fell away following change of Colombo Mayor
<b>CZT Region</b>	No new vision or unifying statement; CDS built on existing development plans	Yes. Five goals specified: economic competitiveness, urban environment improvement, social initiatives, sustainable financial management, integration of cities according to goals	Yes, CDS established prioritisation and action programs for existing strategies;	High, in that CDS complements existing efforts
<b>Haiphong</b>	WB project envisages strategy based on light manufacturing and services. UNDP CDS produced for 2010 and 2020 covering economy, living standards, infrastructure	WB project “proximate steps” for delivering strategy. UNDP CDS develops strategy into five areas	WB project has as priority neighbourhood level initiatives. UNDP CDS has process to use stakeholder SWOT analysis to prioritise from plans	Unclear in respect of WB. UNDP CDS has wide representation across City Departments with some stakeholder representation but not yet adopted by people’s Committee.
<b>Johannesburg</b>	Short statement Only, prepared at one point in the evolution of the CDS through <i>Joburg 2030</i> . Suggests a strong economic focus. There are now moves to broaden emphasis	Yes: articulated at various points in the evolution of the CDS.	Yes: set out in both the CDS documents and more recently the Mayoral Priorities	High, but not necessarily to the CDS as such, rather the broader themes and aspirations it reflects.
<b>Karu</b>	The final report focused on the findings of the initial assessment. It is reported that this work subsequently feed into the Karu Development Strategy (KDS) Process.	The final analytical report included some general and preliminary guidance and recommendations on objectives, goal setting and institutionalization. The cluster groups also developed more detailed action plans.	Strongest in the six cluster groups.	Initially substantial. However, other strategies and projects are now the focus.
<b>Kigali</b>	The CDS work served to provide a broad vision for the development of the urban area. This is significant because urban development challenges (land pressure, growing urban poverty) and opportunities (employment and economic diversification) are comparatively new to Rwanda.	The final strategy does not outline specific objectives growing out of the broad vision and goals. There are no details on timing, or performance indicators or measurable outcomes.	Collaborative work on setting priorities was conducted; however this was omitted from the final report so as not to limit / constrain donor investment in areas not highlighted as priority areas.	Strong during project implementation, however staff changes and new project commitments have undermined follow-up.

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The Impacts of City Development Strategies

*Table 5 - continued*

<b>City</b>	<b>Nature of Vision Statement</b>	<b>Detailed Goals and Objectives?</b>	<b>Clear Priorities?</b>	<b>Level of Political Commitment</b>
<b>Latvia Group</b>	CDS Ongoing. Each CDS city to develop a vision – ‘a description of the stakeholders’ preferred economic future of the city’	It is envisaged that each city will develop goals and objectives (more descriptive and concrete than a vision statement) that are directly related to the findings from the competitive assessment. The objectives shall be more ‘specific; time bound and measurable’.	Yet to be developed. Attention on identifying prioritised projects, some of which should provide ‘quick- wins’ for the strategy.	Variable. One city has withdrawn from the programme.
<b>Recife</b>	Based on participative review of development scenarios	Yes. Goals, actions and costing	Yes. Priority areas of interventions were identified and presented.	Strong during project implementation, but not institutionalised as a regular feature of regional strategic planning or mainstreamed in city planning.
<b>Tagaytay</b>	Not clearly stated. Implied within a 9-point action plan covering themes of tourism, infrastructure, health, urban issues, education, employment, partnerships	Yes: six strategies and sub-programs. Strategy themes: infrastructure, environment, social services, city management, economic diversification, tourism	Yes: 9-point action plan and investment priorities	Strong personal commitment by Mayor
<b>Taguig</b>	Single sentence, very broad	Yes, across 3 themes: service improvements, economic development, and better governance through community participation	A number of targeted ‘interventions’ are specified but follow-up uncertain	Strong personal commitment by Mayor
<b>Yogyakarta</b>	The Agenda is based on long-term development visions and medium-term strategic objectives. It includes a profile, and long-Term Development Vision and medium-Term Strategic Objectives and an assessment of Financial Capacity	See left. The Agenda also includes: Action Plans for the Development of Urban Functions, Action Plans for Spatial Development, Area-Based Development Action Plans, Sectoral Infrastructure Development Action Plans and Municipal Management Development Action Plans.	Yes. Priority actions are discussed in the various plans	Strong commitment by Mayors and senior officials

While visions and goals were universally produced by the cities, one of the general conclusions is that they were generally not linked to or prepared in a form that made them amenable to Monitoring and Evaluation.

## 4.7 Action Plans and Implementation

Action plans translate goals and priorities into specific strategies, programs and projects that ready for implementation. They reflect the choices and commitments that have been made and show:

- Who will do what;
- With what resources;
- In which sequence and by when (Cities Alliance, undated).

Action plans also need to establish how the success of the implementation program will be monitored and evaluated, who will be responsible for this task, and what key performance indicators will be used. This aspect is discussed in more detail in chapter 5.

As noted previously, action plans must be balance a realistic assessment of available resources with elements that identify how additional resources can be accessed. It is advantageous to include a number of projects that can deliver early tangible results. In many cases these short term projects will depend on local resources or small grants. For the medium and longer term, part of the city's planning will be to identify potential sources of additional funds. There will be a number of avenues to be considered internal to the city's administration including charging for use of facilities, broadening the tax base, making tax collection more effective etc. The city will also need to consider and plan how it will access finance and investment markets locally, nationally and internationally. The CDS can indeed provide the focus for a concerted and planned approach to more successful investment planning and may deliver results even in the short term. One of the immediate results of the CDS for the CZT region of China was to secure additional investment from the World Bank. Table 6 indicates the scope of action plans and implementation programs in the case study cities.

**- ECON Analysis and Centre for Local Government, UTS -**  
The Impacts of City Development Strategies

*Table 6 – Action and Implementation Plans in Case Study CDSs*

<b>City</b>	<b>Detailed Action Plan?</b>	<b>Focus on Early Results?</b>	<b>Monitoring System Established?</b>
<b>Colombo</b>	Yes, but no follow-through as donor support not forthcoming	Unclear as Action plans abandoned	None evident
<b>CZT Region</b>	CDS established priorities and action programs across four “streams of activities”. Advice is offered to cities in context of national policy	Unclear. An early focus was upon establishing successful terms for WB loan	Final report specified a series of indicators linked to goals. A related project established performance indicators for CDS and a Manual, yet follow-up mechanisms unclear
<b>Haiphong</b>	WB report identifies 8 key areas for “proximate” action; UNDP CDS develops five plans into detailed action plans, 28 domains, 116 program groups and 540 programs	Not evident. Emphasis on process	None evident
<b>Johannesburg</b>	Yes. Both in CDS documentation ( <i>iGoli 2002</i> and <i>Joburg 2030</i> ) and in the city’s corporate plan and related strategies. The City is also required under the <i>Municipal Systems Act</i> to prepare an annual Integrated Development Plan (IDP)	Yes. A need to address a financial crisis in late 1990s and now political imperative for elected Executive Mayor. Focus on issues such as crime reduction, inner city renewal, housing improvement	Yes, but not part of CDS as such. Cities are required by law to formulate and report against indicators each year. J’burg has a ‘City Scorecard’ that covers all aspects of city administration including elements of CDS implementation. Specific indicators for inner city renewal have also been adopted, and work is underway on a package of high-level strategic indicators for regular monitoring by the City Manager.
<b>Karu</b>	A one-week session of Economic Cluster Consultations reveal led to the development of a list of actions for follow up. The business community also organized into a group called the Business and Economic Development Committee (BEDC) of Karu to carry this agenda forward.	Yes. There was an explicit focus on identifying short term measures that would stimulate the local economy and help to build momentum for more ambitious reforms.	None evident
<b>Kigali</b>	Yes. However, the implementing Action Plan was prepared by the project coordinators after the strategy was approved by the city council. It provides further details regarding each implementing activity in the strategy however the re is no prioritisation of strategies.	No	No
<b>Latvia Group</b>	Are envisaged, but are yet to be developed	Yes. Attention on prioritising projects that can deliver ‘quick- wins’ for the strategy.	Yet to be developed, although Each city has agreed that regular and accurate measurement of city progress is critical to the implementation of CDS/LED and associated action plans.
<b>Recife</b>	Yes. With costings	Yes. Integrated long-, medium- & short term activities	Not evident
<b>Tagaytay</b>	Yes: 10-year implementation matrix and 9-point action plan	Unclear, although city staff estimate projects identified for first two years of CDS have commenced	Only informal monitoring by Mayor and city officials
<b>Taguig</b>	No, although some specific projects identified	Implied for specific projects but not articulated in CDS	Work under way, but limited scope.
<b>Yogyakarta</b>	Yes. The agenda includes agreed action plans.	Yes. Includes short, medium & long-term actions.	The current project focuses on enhancing the M&E mechanisms

For the most part, the plans which have been produced are sets of “intermediate” projects or programs. And, as the summary indicates, there has been little monitoring of how far the action plans have been carried through nor are their mechanisms in place to do so.

## 4.8 Institutionalisation

Effective, ongoing implementation and necessary updating of a CDS depends upon:

- Integrating the CDS into the corporate plans and budgets of those organizations that have accepted responsibility for projects and programs – in particular the local government and city administration which will usually need to play a leadership role;
- Establishing and maintaining working partnerships, cooperation and coordination of efforts;
- Linking the activities of different levels or spheres of government (‘joined-up government’);
- Continuing to build the capacity required – whether in terms of enhancing skills, marshalling resources or creating new institutions and processes for planning and implementation;
- Ensuring that the CDS remains highly visible and that all stakeholders and especially the community at large are kept informed about progress.

In essence, the CDS needs to become an integral part of the way the city and its partners go about their business – a common point of reference that informs decisions about all their activities that have a bearing on successful implementation of the agreed goals, priorities and action plans. If existing arrangements do not facilitate success, or constitute a road block to achieving desired outcomes, then new or improved mechanisms must be introduced.

Table 7 reports on key elements of institutionalisation in the case study cities. In general, it appears that institutionalisation of the proposals emerging from CDSs has not been strong unless there are complementary systems mandated by central governments that offer a suitable framework. Thus the requirement for all South African cities to prepare an annual Integrated Development Plan (effectively a multi-sectoral strategic and corporate plan and budget) in consultation with central agencies, the community, business and other stakeholders, provides a clear and logical pathway for CDS implementation and necessary institutional improvement.

**- ECON Analysis and Centre for Local Government, UTS -**  
The Impacts of City Development Strategies

*Table 7 – Institutionalising the CDSs in Case Study Cities*

City	Capacity-building Program?	CDS integrated into Local Government's Corporate Plan?	Effective Inter-government Relations (IGR)?	Other ongoing Partnerships?
<b>Colombo</b>	Some adjustments within City council linked to CDS working groups such as institutional capacity building	No: CDS not considered a priority process by current Mayor	Initially in terms of structural CDS preparation but no evidential follow-up	A number of stakeholder groups maintained and reported as utilized for proceeding projects
<b>CZT Region</b>	Yes: training of officials; manual on CDS preparation and monitoring;	CDS built on or modified existing plans; reluctance was reported by provincial government regarding institutional reform and integration	Yes, within existing system of government. Working relationships between municipal and regional government identified as a crucial strategic issue	Proposals in CDS for new regional level monitoring body
<b>Haiphong</b>	Not in WB project. UNDP CDS developed capacity amongst members of UMCC with international visits and training	Unclear with WB project. UNDP CDS builds upon existing plans, but yet to be fully endorsed by People's Committee	Unclear with WB project. UNDP CDS developed process for intra-city liaison and involved some provincial departments	WB unclear. Appears from UNDP CDS that UMCC continues to act as coordinating body for CDS
<b>Johannesburg</b>	Not defined as such, but keen awareness of the need to progressively improve skills and city administration	Yes, through the annual Integrated Development Plan (IDP)	Not detailed in CDS, but efforts to improve links with provincial and national gov'ts. Also, South Africa has formal legal arrangements for IGR, including identifying joint activities in IDPs.	Yes e.g. Johannesburg Development Authority for inner city renewal
<b>Karu</b>	None evident. Although some measures in the action plan have capacity building elements	It is reported that the CDS work subsequently feed into the Karu Development Strategy (KDS) Process.	Various measures in the action plan touch on the need for more effective IGR.	The Business and Economic Development Committee (BEDC) of Karu was established as a result of the process.
<b>Kigali</b>	The project was conceived as a capacity building project, and the KEDS includes various capacity building components. However it is not clear if these are being implemented	The strategic view provided by the KEDS was unique in Kigali and has fed (both directly and indirectly) into various subsequent planning initiatives.	Central government representation of the collaborative committee; however IGR does not feature strongly in the KEDS.	The collaborative committee is no longer in operation (at least not in the same form).
<b>Latvia Group</b>	The CDS program has been designed to increase capacity and capability in local government strategic planning and associated decision support tools.	Links with territorial development plans, plans to improve administrative efficiency and other stakeholder consultation activities.	Links to national frameworks in the proposal (e.g., <i>The National Development Plan</i> . Whereby the CDS is considered to compliment this top-down vision with a bottom-up participative process; also links with the Public Administration Reform Strategy). The effectiveness of IGR associated with the project and proposals arising out of the CDSs can not yet be determined.	N/A

- ECON Analysis and Centre for Local Government, UTS -  
The Impacts of City Development Strategies

Table 7 - continued

City	Capacity-building Program?	CDS integrated into Local Government's Corporate Plan?	Effective Inter-government Relations (IGR)?	Other ongoing Partnerships?
<b>Recife</b>	Yes. The project focused specifically on building capacity. However, as a once of exercise, the impact was limited	Sought to influence regional investment priorities (with some success)	Considered broadly successful in terms of promoting the regional challenges and opportunities, but would ideally have been repeated at the local level.	Links with new forms of regional and local strategic planning and fed into project preparation for new investment projects.
<b>Tagaytay</b>	Not evident	Yes, through Annual Investment Plan. Also attempt to make CDS the Mayor's Executive Agenda required under LG Code (Act) but not agreed by national department.	Not evident: problems with obtaining data from national agencies and institutionalisation of CDS under LG Code	Yes: series of issues-based 'councils' to follow-up aspects of CDS, but results uncertain
<b>Taguig</b>	Limited: some new structures established to implement CDS	No. Corporate planning process still developing. No CDS investment plan.	Not evident	Very limited. Multi-sectoral group of City, HABITAT, NGO, business, but results uncertain
<b>Yogyakarta</b>	No capacity building programme as such, although the current project includes several elements that focus on capacity building (e.g., financial management) and strengthening local government institutions.	The level of integration with other local government planning and management varies. The present project proposes to review and update the Aturan-main elements of the strategies "on the basis of changes in national, provincial, and local laws and regulations", requiring renewed interaction among the development stakeholders.	It is intended that the Aturan-main elements of the next iterations of the CDS will: <i>inter alia</i> (i) formulate guidelines for inter-provincial, inter-municipal and urban-rural coordination, (ii) match vertical relations among national, provincial, local government level, (iii) propose mechanisms for stakeholder participation at a regional level, (iv) discuss roles of provincial and local parliaments and public media and (v) develop mechanisms for planning, financing, implementation, and monitoring and evaluation of inter-provincial investment programs.	N/A

On the other hand, refusal of a central agency to accept a CDS as a means of meeting legislative requirements can present a significant blockage to institutionalisation. For example, at the time the case study for this project was conducted the national Department of the Interior and Local Government in the Philippines as not willing to allow the City of Taygaytay to use its CDS to meet its obligations under national guidelines. Intergovernmental relations appear generally to be an area in need of attention.

Several of the case study cities have taken some steps of their own to improve structures and procedures in the wake of CDS preparation and there are examples of ongoing partnerships being established with other key stakeholders. However, performance in this regard can best be described as patchy.

## 4.9 Summary of M&E Issues

M&E of the various phases of CDS preparation and implementation will help to ensure that:

- All the necessary building blocks are in place;
- Assessments, consultation, formulation of a vision, goals and action plans, and strengthening of institutional arrangements have all been carried out thoroughly and in a manner most likely to lead to successful implementation of the strategy.

M&E need to be considered at and incorporated into all stages of CDS preparation so that stakeholders can agree on the questions that need to be asked as work proceeds, who is to be responsible for asking those questions and analysing the answers, and how the information collected from M&E will be used to correct any deficiencies in the process.

It is important to identify, at an early stage in developing the M&E framework, who will be the key constituencies and users of information. The primary constituency will be the mayor, head of the executive body or equivalent with responsibility for managing and leading the city. However, one product of a developed program for consultation and participation will be a wider range of stakeholders with an interest in and commitment to city's progress. These become both a group of users of information, but also potential sources of information.

Establishing national or regional networks to facilitate information gathering and exchange, and to provide a basis for benchmarking with comparable cities, have shown to be particularly helpful. The South African Cities Network has played a key role in promoting the uptake of urban indicators and in setting baselines for M&E through compilation of the State of the Cities report. In the Philippines, the League of Cities and CDS Executives Association are poised to play a similar role. And in both those countries, national governments are implementing standardised performance management frameworks that can be used or adapted to track progress in implementing CDSs and/or to monitor city conditions and service delivery more generally.

It needs to be clearly understood, however, there are no absolute ‘rights’ and ‘wrongs’ to be identified. The CDS process will inevitably differ from place to place according to local circumstances, and approaches to M&E will also vary accordingly. Moreover, the CDS process is inevitably iterative, responding to changing circumstances and new information, and M&E must take this into account.

The Guidance Framework discussed in subsequent chapters and presented in Annex 1 reflects these parameters, and is therefore flexible and capable of adaptation to differing local needs.

# 5 Assessing the Impacts of CDSs using M&E

## 5.1 Introduction

Monitoring and evaluating the tangible outcomes of CDSs is intrinsically difficult and complex. There are several reasons for this:

- The concept of CDS is a bold and ambitious one: it is multi-dimensional and seeks to bring about transformational change in the way cities are planned and managed, so that results (apart from some specific small-scale implementation projects) will usually take a long time to emerge;
- There is a strong possibility of political change during the implementation of CDS, and often new leaders may wish to revise visions, goals and implementation strategies;
- National-level economic and social indicators are usually too generalised to pinpoint results at a city or sub-city scale, at least over the short term;
- Establishing cause and effect is frequently impossible, given that CDSs are inherently part of a complex range of programs and interventions aimed at city development, economic growth, poverty reduction, sustainability, good governance, etc.

These intrinsic difficulties are compounded by the lack of useful and reliable data in many developing economies which is often particularly acute problem in relation to the circumstances of the urban poor – their housing, employment (usually concentrated in the informal sector) and capacity to pay for improved services.

This provides a challenge to prepare a CDS that<sup>23</sup>:

- Incorporates A logical, results-focussed framework;
- Provides clearly and precisely articulated desired outcomes;

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<sup>23</sup> GHK Group; A Discussion Report for DFID (UK) and City Development Strategies: Taking Stock and Signposting the Way Forward the World Bank July 2000

- Makes use of the measures which are available. These will include ‘intermediary’ measures of results, such as whether governance processes have been improved, necessary partnerships established, stakeholder commitments obtained which, though not themselves measures of “outcomes” are pre-requisites for achieving substantive impacts in terms of economic growth, poverty reduction and sustainability .

## 5.2 CDS Themes and Content

The ‘success’ of a CDS can only be measured by reference to what it attempts to do. The precise content of a CDS will vary from place to place depending on local issues and priorities, and therefore the CDS process described in chapter 3 and shown in Figure 1 is ‘content neutral’.

Over recent years there has been considerable debate regarding the key themes to be pursued by CDSs. Poverty alleviation is one of the overall and fundamental objectives of CDSs. However, the concept of poverty itself is potentially complex and has been the subject of considerable debate in academic as well as development literature. Cities also articulate and present this commitment to alleviating or reducing poverty quite differently in their strategies. Some do not use the term ‘poverty alleviation’ as such, focusing on action to address the symptoms and causes of poverty that are within their mandate and competence. From the assessments in this report, some cities articulate the objective in terms of economic growth: others see it in the context of sustainable development.

In the past five years, the significant global focus for development of Cities and regions, as much as nations, has been the Millennium Development Goals (MDGs). United Cities for Local Government (UCLG) estimates that up to 70% of the MDGs are directly relevant to city management. There are a number of initiatives underway to translate the MDGs into objectives and indicators relevant and appropriate to the city level. The Metropolitan Area of Curitiba in Brazil has developed an Observatory for Sustainability Indicators linked to the UN-Habitat Global Observatory Network <sup>24</sup>. A group of 12 cities in the Philippines, the majority of which have participated with the first or second phases of CDS, including Tagaytay, are involved in a pilot program to “localize” MDG.

For most Cities, the local translation is, at best, still work in progress, and in the case study cities at the time of this assessment, there was no evidence that MDGs had informed or been explicitly incorporated into the CDSs. The typical CDS can be expected to span a broad range of interlocking themes. As noted in section 4.1, this implies that the CDS is a multi-faceted if not holistic approach to city development. Conceptually, however, likely themes can be grouped under four or five broad headings proposed by the World Bank and UN-HABITAT, as in Table 8.

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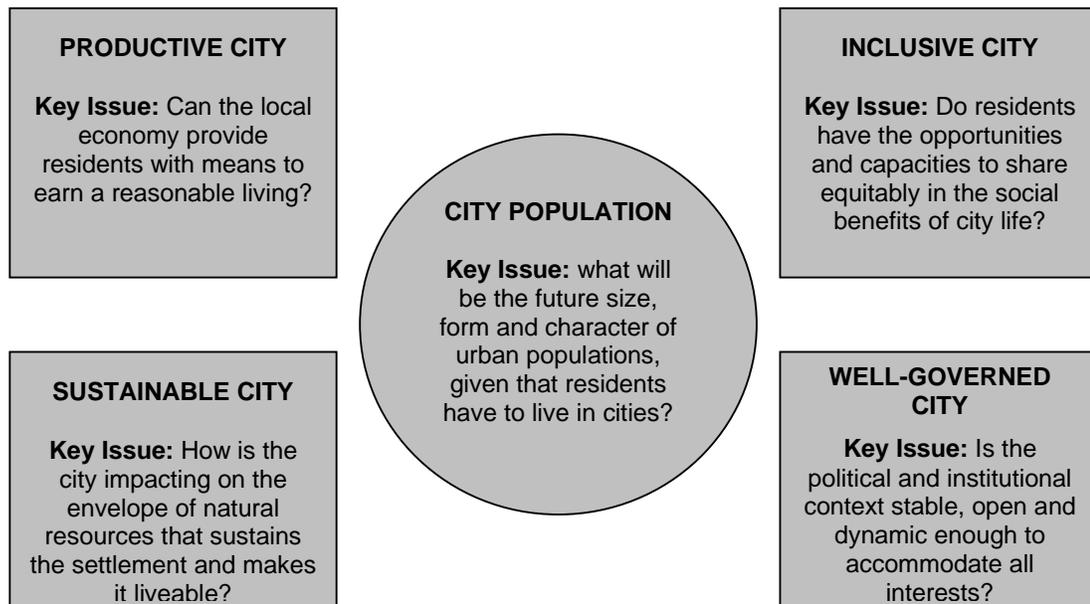
<sup>24</sup> details are at < <http://www.observatorio.org.br/>>

*Table 8 - Overarching Themes for City Development Strategies*

World Bank	UN-HABITAT
<b>Liveability:</b> the poor achieve a healthy and dignified living standard	<b>Shelter:</b> Adequate housing and basic services; security of tenure; access to land and credit
	<b>Social Development &amp; Eradication of Poverty:</b> Equal opportunities for a safe and healthy life; social integration; support for disadvantaged groups; gender equality
<b>Competitiveness:</b> buoyant, broad-based growth of employment, incomes and investment	<b>Economic Development:</b> Stronger small and micro enterprises; public/private partnerships; access to productive employment
<b>Good governance:</b> inclusion and representation of all groups in the urban society; accountability, integrity and transparency of local government	<b>Governance:</b> Participation and civic engagement; transparent, accountable and efficient governance; sound financial management; decentralization and strong local authorities
<b>Bankability:</b> sound financial management of local government	
	<b>Environmental Management:</b> Balanced settlement structures; water management; reducing pollution; disaster prevention; environmentally sound transport etc

Figure 2 shows how similar themes were applied to the State of the Cities Report 2004 prepared by the South African Cities Network.

*Figure 2 - Analytical Framework for State of the Cities Report 2004*



Because cities face so many challenges, there is a risk that CDSs will be made to cover too much ground and be all things to all people. Plans that attempt to be all encompassing can lose focus on key issues and priorities and become cluttered with generalised statements of little or no practical value. This highlights the importance of a rigorous, results-focussed process, and particularly of careful process design, an appropriate initial assessment, and effective consultation with stakeholders to build consensus around a clear vision and achievable goals and priorities. M&E of the planning process itself should be used to reflect on whether or not that process has been sufficiently focussed and produced workable strategies.

In a review of progress with several early CDSs, GHK (2000) observed that a more complex, multi-faceted strategy could be developed over time. The first phase of a CDS might focus on just one or a few key issues, such as economic development, with additional themes and inter-relationships to be explored subsequently. The evolution of the Johannesburg CDS over the period from the late 1990s until today illustrates this approach. It began with iGoli 2002, a targeted program for improved city governance and financial management, though always with the intention of progressing to the more holistic iGoli 2010 (which was, however, never completed due to political change); was then re-focussed more narrowly on to economic development in Joburg 2030; and is now being reviewed again to give more attention to wider metropolitan planning, social and environmental issues. This evolution is summarised in Table 9 (modified from Parnell, undated).

*Table 9 - Evolution of Johannesburg CDS*

	<b>iGoli 2002</b>	<b>iGoli 2010</b>	<b>Joburg 2030</b>	<b>Review 2004-5</b>
<b>Key concerns</b>	Financial crisis; ensuring future viability of the city	Integrated planning beyond crisis management	Municipal strategy and economic development	Broader approach to metropolitan planning
<b>Content Drivers</b>	Provincial and National government, with World Bank advisors	Council, senior corporate management and consultants	Portfolio councillor for economic development and Council-appointed consultant	Councillors, senior management and Corporate Planning Unit
<b>Objectives</b>	<ul style="list-style-type: none"> <li>▪ 3 year revenue-led budget, credit control</li> <li>▪ Institutional rationalisation – creation of metropolitan structure</li> <li>▪ Corporatisation and contracting out</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data gathering</li> <li>▪ Linked focus on economic growth, competitive-ness and basic needs</li> </ul>	<ul style="list-style-type: none"> <li>▪ An African world class city</li> <li>▪ Economic growth through skills development and crime reduction</li> </ul>	Expand or complement <i>Joburg 2030</i> to reflect wider social, environmental and spatial planning concerns (as reflected in statement of Mayoral Priorities)

Using a similar format, the major themes of the CDSs reviewed for this project are presented in Table 10.

*Table 10 – The key issues or themes covered in Case Study CDSs*

<b>City</b>	<b>Key Concerns</b>	<b>Content Drivers</b>	<b>Objectives</b>
<b>Colombo</b>	Lack of shared vision and integrated development strategy; Quantity and quality of services; Increasing numbers of disadvantaged; Natural hazards; Inadequate focus on city economy; Erosion of governance capacity	Donors, participating local governments, national and provincial agencies, partner NGO	Reducing urban poverty (focus on under-served areas), economic development (PPPs), improved physical and social infra-structure, empowerment and good governance (increased management efficiency, law enforcement, public awareness and education)
<b>CZT Region</b>	Regional strategies based on participatory approaches, comparative experience in governing metropolitan regions, problem solving, market based policy instruments and methods for managing development.	Provincial and city governments	Economic growth through clusters and stronger market links, environmental improvement, better financial management (including innovative practices), poverty reduction, regional integration
<b>Haiphong</b>	For WB project Economic development, urban environment and industrial pollution, land use and infrastructure, city management, finance and governance. UNDP CDS focused on economic development, liveability and infrastructure	WB project is Donor (World Bank). UNDP CDS describes itself as “bottom up”, coordinated by cross-Department by UMCC	For WB project, piloting new approach to urban and environmental development in Vietnam. UNDP CDS notionally part of Administrative Reform Project
<b>Johannesburg</b>	Initially financial crisis then broader economic development and integrated planning	Initially funding agencies, then mainly city council	Financial sustainability, economic growth, crime reduction, better services and housing for the poor, effective metropolitan planning
<b>Karu</b>	Immigration into urban areas driving increased growth in poverty and informal settlements. Underdeveloped links between the government and the private sector	Consultant / researchers played a key role in collating information. The business group that formed as a result of the project is attempting to carry the agenda forward.	Enhancing local economic development to reduce poverty and maximize economic growth, improving governance (particularly community consultation and improving links between the govt and private sector), raising awareness regarding the economic contributions of unorganised/informal sector.
<b>Kigali</b>	New Government structures, reconciliation, relatively new emergence of urban poverty challenges and opportunities	Initial concept driven by USAID. Consultant played a key role in facilitating and documenting community consultation.	The main goals of KEDS were to “(1) build a foundation to compete in the global economy in the future and (2) to expand job opportunity to reduce poverty now.”

Table 10 - continued

City	Key Concerns	Content Drivers	Objectives
<b>Latvia Group</b>	The need to formulate more comprehensive city development plans that focuses on local economic development (LED) and job creation, and to devise and implement action / investment plans and projects with particular reference to poverty reduction.	CDS content under development	CDS content under development
<b>Recife</b>	Extreme inequality in income distribution, high concentration of poverty, and high levels of violence in the community	Local planning institutions interested in the CDS concept because its methodology could conceivably be applied to over 50 additional cities in Brazil	To enable to city governments of the RMR to assume their new role in the promotion of economic growth and greater equity through (i) bringing together stakeholders to help them better understand the opportunities, challenges, and alternatives their cities face; and (ii) to stimulate stakeholders to actively engage in exploiting best feasible courses of action.
<b>Tagaytay</b>	Economic development, socio-cultural development, urban design and transport, environment, financing, governance	Donors: standard content for all Philippines 'CDS 2' cities	Improved basic services, economic diversification (especially tourism), infrastructure support for economic growth, better environment, enhanced city management
<b>Taguig</b>	Efficient and people-oriented services, economic development, participatory development. Also slum improvement – related cities without slums initiative	Mainly city and local stakeholders	Build local government capacity; improve housing, infrastructure and services; expand employment and training; develop tourism and recreation; increase community participation
<b>Yogyakarta</b>	In the 2nd phase, the need for regional integration so that balanced regional development and urban-rural linkages contribute to poverty reduction in both urban and rural areas.	Driven by community leaders and consultation, although consultant plays a key role in collating data	Comprehensive assessments at local and regional level encompassing key sectors of the economy and local government responsibility.

## 5.3 Measuring ‘Success’

Table 11 summarises the extent to which each of the case study cities have sought to monitor the success of their CDSs in achieving these desired objectives. It indicates very little monitoring of implementation of the CDS per se. However, several cities have introduced or are planning broader monitoring systems that cover their operations more generally (in some instances as a response to national requirements for performance management). And cities often claim to be monitoring all or parts of action plans or activities which were derived from their strategies.

*Table 11 – M&E in Case Study CDSs*

City	Specific Monitoring of CDS?	Other Forms of Monitoring?
<b>Colombo</b>	No	None evident
<b>CZT Region</b>	None evident	Basic framework proposed in CDS final reports (see Table 13). More extensive system of 66 indicators in six “categories” proposed by China CDS Indicators Project.
<b>Haiphong</b>	No M&E evident for WB project or UNDP CDS	For UNDP CDS it is claimed that annual monitoring of projects takes place under supervision of People’s Council
<b>Johannesburg</b>	No, except for inner city renewal (Johannesburg Development Authority)	Yes: extensive performance monitoring by city council in accordance with national requirements and for its own purposes
<b>Karu</b>	No	Unknown
<b>Kigali</b>	No	Increased attention to M&E in subsequent strategic planning projects.
<b>Latvia Group</b>	Envisaged – yet to be developed	N/A
<b>Recife</b>	No	Unknown
<b>Tagaytay</b>	Nothing systematic, but some projects seen as emanating from CDS	National Local Government Planning and Management System being established: 122 standard indicators for on-line information exchange and benchmarking
<b>Taguig</b>	No	See above. Also moves by city itself to establish in-house performance management
<b>Yogyakarta</b>	No. Although elements of M&E elements woven into triple A approach. Updating of these tools can be considered a form of M&E.	National requirements currently evolving rapidly (e.g., focus on performance based budgeting).

In developing and applying indicators for urban management, it is conventional to differentiate goals, outcomes, outputs, activities and inputs as a hierarchy of measures (as in Table 12 with indicates the definitions and examples used in the Performance Indicators Manual prepared for the China CDS Cities) Municipal performance management systems tend to focus on outputs – providing a quantum of services, delivering projects on time and within budget, etc-or inputs, such as staffing, finance and so on.. For a city or municipality, as noted in section 5.1, measuring outcomes directly can be very difficult and ‘intermediary measures’ of outputs may be the only realistic option.

*Table 12 - Hierarchy of Indicators for Urban Management*

<b>Levels</b>	<b>Meaning</b>	<b>Examples of Indicators</b>
Goals	Long term widespread improvement	Improved traffic safety
Outcomes	Intermediate effects of outputs	Reductions in numbers of traffic accidents
Outputs	Products or services provided	Number of traffic signs installed
Activities	Tasks undertaken to transform inputs to outputs	Construction and maintenance of traffic signs
Inputs	Financial, human and material resources used	Budgets, staff numbers, equipment

(Kyung-Hwan Kim China CDS Performance Indicators Manual, Dec 2002: 6)

In practice, many of the CDS cities reviewed here were not in a position to review the activities resulting from their CDS. They did not have in place the basic elements which are required to monitor impacts against objectives let alone consider the relationship between short term outputs, medium term outcomes or longer term impacts.

There have been notable exceptions. In China, a package of both output and outcomes indicators were proposed for the CZT regional CDS, as shown in Table 13. However, in practice the development of the indicators was not integrated into the preparation of the CDS and hence they are of limited use as tools for M&E (see Annex 2).

Table 13 - Proposed Indicators for CZT Cities, China

Theme	Goal	Indicator/Measure
ECONOMIC	Increase the competitiveness of the economies of the three cities	<ol style="list-style-type: none"> <li>1. Growth in GDP</li> <li>2. Increase in GDP/capita</li> <li>3. Growth of non-traditional enterprises and emerging sectors</li> <li>4. Growth and diversification of the tertiary sector</li> </ol>
SOCIAL AND CULTURAL	Assist poor people, people laid-off from SOEs, and rural migrants to the city integrate into the society and benefit from economic growth	<ol style="list-style-type: none"> <li>1. % of laid-off people re-employed</li> <li>2. Maintenance of adequate funding for income assistance programs</li> <li>3. % of rural migrants employed</li> </ol>
ENVIRONMENT AND INFRASTRUCTURE	Significantly improve the urban environment	<ol style="list-style-type: none"> <li>1. Improved surface water quality</li> <li>2. Improved air quality</li> <li>3. Improved urban environment</li> </ol>
FINANCIAL	Manage revenues and expenditures in a financially sustainable manner	<ol style="list-style-type: none"> <li>1. Decrease in on-budget deficits</li> <li>2. Increased capacity to borrow from commercial sources</li> <li>3. Adequate funding for o&amp;m</li> </ol>
GOVERNANCE	Plan and implement integration of the three cities in a manner that contributes to achievement of the above goals	<ol style="list-style-type: none"> <li>1. Creation of appropriate regional institutions</li> <li>2. Delivery of certain services at regional level</li> </ol>

(Adapted from: CHREOD, CZT, Monitoring Criteria 2003, 3: Kyung-Hwan Kim China CDS Performance Indicators Manual, Dec 2002, 6)

In South Africa, the Johannesburg Development Authority has established a set of six mostly outcome-oriented indicators to measure its success in revitalising the inner city. These include:

- ‘24 Hour City’ – specifically attendance at various entertainment and sporting venues;
- Property market – value of building plans approved and vacancy rates for A- and B-grade properties;
- Office rents – median rentals for A-grade properties;

- Business activity in impact areas – measured by service levies (rates) collected;
- Confidence in the inner city – a business survey and index;
- Overall awareness and satisfaction with JDA – an annual survey.

Where the Cities investigated for this report have articulated satisfaction with their CDS, or indicated that they regard it as having been "successful" it appears that they are often referring to the completion of the CDS process rather than its outcomes or impacts.

In terms of information used for monitoring their activities, outputs or outcomes, where this was taking place, there was little evidence of any of the Cities using innovative techniques or mobilising the interest and resources of NGOs.

## **5.4 Monitoring the City as well as the CDS**

It is also important to distinguish monitoring the implementation of the CDS and associated activities on the one hand, and ongoing review and assessment of conditions and issues in the city (the operating environment) on the other. There is a risk, clearly evident from recent South African experience at least, that local governments will put a lot of effort into complex performance management systems for their own operations and staff, but not enough energy into monitoring what is actually happening to the city and its people.

Having a program for ongoing monitoring of the key parameters of population, economic and social development, environment, infrastructure provision, etc will provide further evidence as to whether or not implementing the CDS is making a difference – accepting that cause and effect often cannot be definitively pinned down – and also identify needs for additional or amended policies and programs to respond to changing circumstances.

## **5.5 National Frameworks for M&E**

As noted previously, national frameworks for M&E of the performance of local governments are in place in South Africa and the Philippines, and to some extent Indonesia. In the case of China, the Cities Alliance has sponsored a project specifically to formulate indicators for CDSs, and in South Africa it has assisted the Cities Network's project on urban indicators.

### Philippines

Since the second phase of CDS was completed in the Philippines, that national government has introduced a new local government information and data base system through the Department of the Interior and Local Government. The Philippines Local Government Planning and Management System (LGPMs) is intended to be operational from 2005. LGPMs will allow local government units (LGUs) to enter their own data online then have access to all the information which benchmarks them against other cities. It contains around 122 indicators

grouped under five areas: governance; administration; social services; economic development; and environmental management. The system has already been trailed in over 100 LGUs and is intended to go 'live' for data entry from January 2005. It clearly offers the potential to provide Cities in the Philippines with a wide range of statistical information on which to base assessments for CDS and from which to assess their progress as well as providing a capacity to compare a City with others.

There is, however, some concern in local government circles about how effective the system will be in operation and how reliable the information. These concerns echo those found in the CDS cities in the Philippines reviewed as part of this project when they have attempted extensive "urban karte" assessments at early stages of their CDSs. There have been problems of data collection with only 40% of the pilot LGUs having completed all the data fields. However, there is provision for other government agencies to input data which may overcome the problems LGUs experience in gaining access to information held by national departments (previously noted in Chapter 4).

### South Africa

In South Africa national legislation requires all municipalities to establish a detailed performance management framework (see Box 3). This includes annual preparation of an Integrated Development Plan (strategic and corporate plan and budget), setting and monitoring indicators, community consultation and annual reporting against the indicators. A small set of national indicators has been prescribed to which municipalities add their own.

Complementing these requirements, the South African Cities Network (SACN) has undertaken a major project to develop Urban Indicators appropriate to the needs of its members. A draft set of indicators has been developed, linked to the analytical framework for CDSs shown in section 4.2.

*Box 3 - Performance Management Framework for South African Local Government*

The Municipal Structures Act stipulates that a municipality must annually review:

- The needs of the community;
- Its priorities to meet those needs;
- Its processes for involving the community;
- Its organizational and delivery mechanisms for meeting the needs of the community;
- Its overall performance.

The Municipal Systems Act provides for a national framework for performance management linked to the preparation of annual Integrated Development Plans (IDPs) and requires all municipalities to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government;
- Conduct an internal audit on performance before tabling the report;
- Involve the community in setting indicators and targets and reviewing municipal performance.

The following key performance indicators have been prescribed for use by all municipalities as part of their IDPs:

- Percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- Percentage of households earning less than R1100 per month with access to free basic services;
- Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in term of the municipality's IDP;
- Number of jobs created through municipality's local economic development initiatives including capital projects;
- Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- Percentage of a municipality's budget actually spent on implementing its workplace skills plan.

In the case of Johannesburg, the council has adopted a 'City Scorecard' with a very extensive set of indicators. These are mostly focussed on service delivery, but there are also indicators of outcomes. A small sample is presented in Table 14.

*Table 14 - Sample of Indicators from Johannesburg's 'City Scorecard'*

Key Performance Area	Key Performance Indicator	Baseline	Target 2004/5	Target 2005/6
Enhanced customer service	% Positive perception in annual customer satisfaction survey	70%	75%	80%
	Average time to resolve queries: J'burg Water	68 hours	60 hours	45 hours
Provision of basic services	% Households with access to basic solid waste removal	75%	90%	95%
Prevent and combat crime	Number of new Metro Police academy graduates	120	165 every 6 months	165 every six months
	% Decrease in vehicle hijacks	4417	2%	2%
Sustainable urban development	Program to promote densification	Nil	Program completed	Program implemented
	Hostel units converted to family or other accommodation	800	2,000	2,500
Alleviation of poverty and improved basic standard of living	Number of poor households benefiting from 'social basket'	New indicator	100,000	tbd
Effective financial management	Variance against city budget	0% over-expenditure	0%	0%
Promote economic development	Number of sector and area programs implemented	8 initiated	8 implemented	Monitoring / preliminary review of 8 programs

## 5.6 Selecting Appropriate Indicators

In its work on urban indicators the South African Cities Network has emphasised the importance of using appropriate indicators at different stages of the strategic planning (or CDS) process. It suggests that there are four such stages:

- Developing appropriate policies with clear goals and strategies;
- Measuring the performance of local authorities;
- Reviewing policies and strategies;
- Reporting on progress to increase accountability and transparency.

The SACN approach is summarised in Box 4.

#### *Box 4 – Desirable Characteristics of Indicators*

##### **Strategy Formulation**

As part of strategy formulation, indicators provide baseline and target measures against which to gauge the success of the initiatives implemented to achieve the objectives. Indicators used at this level are closely tied to the goals set and should also reflect the responsibilities of local government. Target indicators can be of four types:

- Input Indicators: showing resources expended in relation to a specific goal, such as the amount of money spent or the total number of employee-hours needed to deliver a service;
- Output Indicators: showing the quantity of products or units of service provided to the population;
- Outcome Indicators: showing the results of programs and services or the quality of the service e.g., measures of customer satisfaction;
- Efficiency Indicators: showing the cost per unit of an output or outcome.

##### **Performance Monitoring**

In assessing the effectiveness of urban policy the indicators identified as part of the strategy should be measured at regular intervals. Key Performance Indicators (KPIs) are derived from the target indicators identified as part of the strategy. The indicators should conform to the SMART criteria - specific, measurable, achievable, relevant and time-related.

##### **Policy or Strategy Review**

Indicators used in this phase should be broad-ranging so as to reveal policy gaps and identify new or emerging development challenges. These indicators are broader than those for measuring strategy. Review indicators are also not necessarily tied to what is under the control of a local authority and should instead be oriented to broader, multi-sectoral urban policy issues. Various tools have been developed including:

- City Development Index. Developed by UNCHS (Habitat) this is a composite index of a range of indicators that measure city development: city product, infrastructure, waste, health and education;
- Human Poverty Index. The UNDP Human Poverty Index focuses on deprivation in four dimensions: longevity as measured by the probability at birth of not surviving to age 60, knowledge as measured by the adult illiteracy rate, percentage of people without access to water, percentage of children under 5 who are under weight, and social exclusion – as represented by the long term unemployment rate (12 months or more).

##### **Reporting**

Indicators can be used to report on the progress in policy implementation. A range of stakeholders can benefit from the reporting of indicators, including elected and appointed officials, residents, commercial and business organizations. Reporting against indicators promotes participative and transparent local government.

Development of indicators should reflect different classes of stakeholders and the type of information they will find valuable in addressing issues that concern them. For example, the information needs of citizens are for simple and easily understood indicators. For reporting to councillors, use can be made of a scorecard comprising a set of indicators.

Ideally, the indicators used for reporting should be developed through a consultative process with stakeholders, such as the Seattle Sustainable Indicators Project. Failure to consult is likely to result in indicators that are less relevant and therefore less credible to external parties.

# **6 The Development of the Guidance Framework for Integrating M&E into the Design and Implementation of City Development Strategies**

## **6.1 Introduction**

Developing a framework to be used in Monitoring and Evaluating the affects and successes of CDSs poses two major challenges and questions:

- How can a framework be developed that is capable of addressing the range and variety of situations in which cities are attempting to prepare CDSs without being so general or vague that it can provide little practical direction or assistance?
- Who is going to use the framework given that the concerns of city leaders, national governments, donors, and local stakeholders are not identical even if they have areas of overlap?

This chapter indicates how the review team went about developing a framework that addresses these two challenges. There were four phases:

1. Based on the CDS literature and the reviews of CDS experience in thirteen countries, nine 'principles of good M&E practice' were developed to provide the basis for designing the guidance framework;
2. These lessons and possible approaches were discussed with a group of Asian urban specialists with knowledge of CDSs in the region at workshop in Sri Lanka in October 2004;
3. The lessons from the review of M&E in CDSs and the principles were presented to an invited group representing Cities Alliance, donor organisations, and those with direct experience of developing CDSs at a

workshop held during the Cities Alliance conference on CDSs in Hanoi in November 2004;

4. From the reviews and discussions a framework was developed which was “road tested” in early 2005 in two countries developing new phases of CDS.

## 6.2 Lessons Learned from the Review Phase

The general literature that advises cities on conducting CDSs puts great emphasis on the importance of monitoring and evaluating their outcomes. While there is no single framework prepared or promoted by Cities Alliance for CDSs, the guidance material prepared by alliance members also emphasises the importance of M&E. However, almost without exception, reviews of the practice of CDSs have commented on the lack of basic integrating or guidance frameworks and an absence of monitoring of processes or outcomes.

The CDSs reviewed for this project found that while there are interesting applications of some elements of M&E, Cities have not applied M&E comprehensively or at all the stages of CDS. Most attention has been paid to the collection of baseline information at the start of the process during an initial assessment.

In many cases, the M&E envisioned in CDS proposals and documents is not been followed up or implemented. As a consequence of the lack of comprehensive M&E, it is difficult to establish the effectiveness & impact of CDSs.

There are at least three related reasons for this absence of M&E:

- The demand for M&E from the City leaders is often not well developed. In some cases there is not a strong culture of evidence-based decision making in the city;
- Cities often lack the resources & capacity to fully implement M&E;
- The approaches to M&E they have been advised to or are attempting to adopt are not practicable or appropriate to the resource base, capacity and availability of information (in some instances this appeared to be because the frameworks they were attempting to use were directed more towards the interests and concerns of donors and international agencies than to the cities themselves).

To address these issues, the framework that has been developed is based on, and seeks to operationalise, nine basic principles:

1. **Audience** – it is necessary to be clear about who the users of the M&E system will be and to ensure that the information collected meets their needs.

2. **Practicality** - The system should be practical and realistic in terms of the availability and reliability of information.
3. **Flexibility** – The overall framework for M&E should be capable of being modified as the city gains more information and /or as the challenges facing the city change.
4. **Building Capacity**- M&E should build on the existing information available to the city.
5. **Relevant & Focussed** –M&E should be relevant to and focused on the key objectives of the CDS.
6. **Simple & To The Right Scale** – M&E should be to the right scale beginning with a core set of indicators that can be refined and expanded over time.
7. **Appropriate & Meaningful** –it should include both quantitative and qualitative measures that make sense and are relevant.
8. **Balanced** – M&E should cover both what the CDS is hoping to achieve (its outcomes) and how it is to be done (the process).
9. **Benchmarking** – the M&E should make it possible to make comparisons with other Cities where these are helpful and informative.

In addressing the first principle the research team clarified with Cities Alliance that the focus for the framework should be on what cities **themselves** want and need to know. Put simply: it provides a mechanism for mayors and city leaders to routinely “take the temperature of their cities”.

## 6.3 Presentation of Principles at the CDS conference, Hanoi

The lessons from the review of M&E in CDSs, the principles and the proposed focus were presented to a workshop held during the Cities Alliance conference on CDSs in Hanoi in November 2004. The workshop discussions provided a strong endorsement that:

- The framework should be oriented toward city managers and community stakeholders and avoid being (or being seen to be) donor-driven;
- The principles were appropriate and should provide the basis for the framework;
- To be effective, M&E should be woven throughout CDS design and implementation and not be a stand alone phase completed at the of the process.

## 6.4 Designing the Framework

The framework prepared on this basis is intended to provide guidance to city leaders and stakeholders. The research team have adopted the term ‘guidance framework’ in preference to referring to it as a “normative framework” as suggested in the terms of reference for this project.

In designing the framework the team also used the important conclusions from the reviews of CDSs. Notably that the system of M&E should begin with the information that is available to cities, and be realistic about what is likely to be accessible and reliable in addition to this in the short to medium term. In addition most of the cities and regions did not have in place the basic elements which are required to monitor impacts against objectives let alone consider the relationship between short term outputs, medium term outcomes or longer term impacts. Rather than designing a complex system, with unrealistic assumptions about the likely availability of information, the framework aims to put in place the basic foundations which are necessary to make M&E effective at the city and/or region level.

Consistent with the nine principles, and a focus on meeting the needs of each city, its leaders and stakeholders, the approach is not prescriptive. It offers two general paths to developing an M&E system within a CDS.

The first focuses on the “building blocks”, that is M&E questions that need to be asked at each phase of preparing a CDS? For, while there is no set process of producing a strategy all CDSs use a common set of ‘building blocks’ to produce an agreed set of objectives, even if they put them together in different orders. The building blocks in the framework are common to many of the documents which advise on how a CDS might be constructed and they have been used in most of the CDSs reviewed for this project. The building blocks in putting together a CDS can be viewed as forming a cycle (see section 4.2 and figure 1).

The framework has been designed to convey that there is no single starting place that has been used for initiating a CDSs. Some cities have commenced with comprehensive assessments; others with extensive consultation and participation; some cities have started a CDS with a consultative process to agree upon city visions. Whatever their preferred starting point, Cities will need to complete all of the building blocks at some stage in preparing their CDS. Following the guidance on the “building blocks” was intended to ensure that M&E is incorporated into the process of preparing the CDS.

This guidance framework was to cover each of five CDS building blocks:

- Assessment;
- Consultation and Participation;
- Visions, goals and objectives;
- Action plan and implementation; and
- Institutionalisation.

The second path focuses on CDS themes: what M&E questions need to be asked for each of the key issues? CDSs generally explore a number of issues/themes. While all CDSs will have a focus on reducing poverty, the emphasis on different themes will vary from city to city, and may change over time. The ‘thematic’ approach to developing CDS M&E encourages cities to focus on the most important outcomes they expect from the CDS. Following the guidance on the themes will ensure that cities have prepared the basis for M&E for the proposed **outcomes** of the CDS.

While the objectives of individual CDSs differ there are some common “groups” of themes in CDSs internationally. To illustrate how M&E can be integrated into the themes of a CDS the framework uses thematic grouping developed by UN-Habitat for developing urban indicators. The five themes are:

- Shelter
- Social development & poverty reduction
- Environmental management
- Economic development
- Governance

The intention was to prepare as a series of modules covering each building block and each theme using a question-based format to enable the city leaders to explore the key issues associated with integrating M&E into a CDS.

## **6.5 Road testing the Framework**

Before all the modules were completed and the framework finalised, the overall approach and the drafts of two of the modules (one on the “Assessment” building block, and the other on the “theme” of shelter) were road tested in two countries.

The counties selected were:

- The Philippines: two phases of CDS were completed by the end of 2004 and a third phase was in preparation to commence in 2005. The CDS Cities have experience of attempting to work with the “urban karte” approach to making assessments for their CDSs, which has posed difficulties in terms of access to information. One of the intentions of the planned third phase of CDS is to re-engineer a CDS approach to incorporate more extensive M&E;
- Vietnam: CDSs are planned for four medium sized cities. Two of these, for the cities of Nam Dinh and Dong Hoi were already underway as projects funded by the Swiss Agency for Development and Cooperation (SDC). Two others, in Halong and Can Tho, were due to commence in 2005 funded by Cities Alliance.

The road test in the Philippines was conducted through an intensive one-day workshop with participants who had prepared CDSs for 16 Cities in the first two

phases of CDSs. The workshops went through the overall contents of the Guidance framework and looked at the two modules already prepared, the building block on assessment and the theme of shelter and urban development.

The Vietnam road test was conducted over five days in the City of Nam Dinh. The project team worked through the framework in small groups with the Vietnamese staff of the urban development agency administering the CDS, members of the Cities CDS taskforce, and local and international consultants working with the city.

The road tests produced an overall response to the substantive content of the framework, the approach and the complementary components of building blocks and themes:

- The overall framework, of complementary building blocks and themes was found to be intelligible and constructive. In Nam Dinh, the CDS has commenced with an extensive consultation process and has been allowed to develop in phases and at a pace not strictly planned at the outset. Providing a framework which did not prescribe that a CDS should start with extensive assessments, and acknowledging that Cities will start at their own appropriate point in the process but could accumulate the building blocks in moving toward their CDS incorporating M&E enabled the City leaders to see how far they had come. They also felt that the overall framework would assist them in giving shape and direction to the processes placing what they had achieved in a context which would enable it to be completed effectively. CDS Cities in the Philippines, have gone through carefully phased processes as a group (either in phase 1 or 2) but found the links between the building blocks and the themes (which differ for each CDS) informative of considerable potential assistance
- The principles for M&E were found to be particularly helpful for establishing an initial approach to CDS and in providing a point of reference as it develops. The senior city leaders in Nam Dinh indicated that they intended to use the principles to review the components of the CDS they have put together so far.
- The question based, modular format was found to be easily intelligible. Particularly important in the Philippines was the fact that M&E framework is adaptable to the different requirements of each city and builds from the resources of information and capacity they have available
- In the road tests it was possible for the project team to work through the framework and draft modules in detail with city leaders and managers with assistance in both countries, where necessary, from specialists who had advised and supported the cities in preparing CDSs. While this demonstrated the viability of the approach and the appropriateness of the documentation in general terms, it also demonstrated that, for the framework to be taken up and used in particular countries and cities, additional work would be required: In addition to the material made available in the modules the cities felt it would be helpful to have indications of where they could find further information and material on key aspects of developing M&E procedures for the building blocks and themes;

- The modules and the framework are, of necessity, drafted in general terms so that they can be used internationally in different contexts. However, to be fully intelligible and to be useable, they require transposition into the specific circumstances, legal codes etc of each country for cities to be able to make the most use of them;
- No matter how appropriate and useful the substantive content, the format in which the material is presented is very significant in determining how accessible and comprehensible it is;
- The cities participating in the road tests found examples particularly illuminating. They suggested that more illustrations and examples would be advantageous in each module.

Based on the responses from the road tests, the project team completed all the modules for the guidance framework contained in Annex 1. In response to the conclusions from these discussions, however, for each module, signposts are provided to further information which is available in written documentation on or the internet. Each module also contains appropriate examples.

The road tests provided the team with information on what would be required to operationalise the framework and mainstream robust M&E in future CDSs. Developing the framework in this way went beyond the scope of this project, however, chapter 7 of this report provides recommendations of steps which could be taken to ensure that the guidance framework is taken up and used in CDSs.

# **7 Mainstreaming the Guidance Framework: Recommendations on Next Steps**

## **7.1 Introduction**

The road tests for the guidance framework prepared for this project provided an indication of the next steps required to operationalise the framework and mainstream M&E in future city development strategies.

## **7.2 Feedback from the Road-tests**

While the framework was found to have the required balance of being both robust and flexible, the road tests indicated that for it to be fully operational, certain enhancements would be required that go beyond the terms of reference for this project:

- To be fully intelligible and useable, the modules require transposition into the specific circumstances, legal codes etc of each country for cities to be able to make the most use of them. During the road tests, the assistance of national consultants was crucial in helping cities recognise the various components as what they had done or were planning to do;
- Illustrations and examples, particularly from cities which have or are undertaking CDSs are especially informative;
- No matter how appropriate and useful the substantive content, the format in which the material is presented is very significant in determining how accessible and comprehensible it is.

## **7.3 Recommendations and Next Steps**

- The guidance framework is presented in this report as a basic text. To make it more immediately useable there is a need to translate the framework into other media formats, e.g., webpages, CD-ROMs, etc.

- The framework will be more easily understood if it is accompanied by a fully worked through example: this could be done in two ways:
  - “Piloting” the approach: A city or cities about to undertake a CDS could be provided with the resources to enable them to run through the whole framework. Their experience at each stage could be written up as a fully worked through example. This would be particularly useful where a city is a first mover in a country where many other cities are to undertake a CDS provide additional resources;
  - A worked through example could be prepared as a “hypothetical” case study.
- Experience from frameworks or toolkits developed by other international agencies is that if they are to be taken up widely, the frameworks need to be promoted and supported by training of those who will be using them. A possible approach for Cities Alliance would be to provide regional training in the overall framework aimed at sponsors of CDSs and consultants who will be preparing CDSs with Cities;
- Adapting the modules to include specific reference to national frameworks, legislation, best practice examples, other guidance notes, contact points for assistance, etc, is crucial. These can be partly achieved through the promotion and training. However, in countries where there is a national framework for CDS roll-out and it is being supported or operated by a national network or association, resources could be provided for the framework to be adapted for national use by all the cities.

# **Annex I - A Guidance Framework for Integrating M&E into the Design and Implementation of City Development Strategies**

Attached as a separate file

## **Annex II – Edited summaries of the 10 desk and field studies**

The ECON-CLG team conducted its own detailed review and analysis of individual CDS projects and programs in ten countries. The reviews are summarised in the following pages.

### **Selection Criteria**

The Cities for review were selected, in consultation with CA, using four main criteria:

1. Relevance – the cities selected were those where initial desk reviews and discussions with stakeholder organizations indicated that there were likely to be insights and guidance normative framework.
2. Diversity:- the cities were selected to provide a range of CDSs along the following dimensions:
  - The geographical/continental spread of CDSs: with representation of each of the continents in which CDSs have been supported but with a specific emphasis on Asia.
  - CDSs in individual cities, CDSs in groups of cities and those supported by national or regional networks
  - CDSs with explicit reference to local economic development strategies
  - CDSs in prepared for cities of different scales and with varying capacity/resource availability
  - CDSs supported by Cities Alliance and those which have been supported by other funding agencies
3. Scope for review – cities selected where those where supporting documentation and key were likely to be available, enabling the ECON-CLG team to conduct a detailed review;
4. Adding Value - the CDSs priorities were those for which the ECON-CLG review could add value to what is already known from CA's own reviews or assessments or those of other agencies.

## Conducting the Reviews

Each review was conducted through an assessment of all written documentation available from every source and from consultation with key informants. The reviews were of two types:

- Members of the team made field trips to Sri Lanka, Vietnam, the Philippines, Indonesia and South Africa. For the CDSs in these countries, the team case organised discussions with the Mayor and/or Chief Executive of City; the person within City/cities with responsibility for implementing CDS, task Manager of funding/supporting organizations for the CDS and, where possible the head of any organizations which lead consultations with stakeholders. In the countries where the CDS was part of a national network, such as the Philippines and South Africa, the team also interviewed the key people within the network organizations
- For the case study cities to which it was not possible make field trips, the team contacted key informants by telephone and email.

The reviews were conducted using a common template which also provided the framework for the discussions with informants. The template covered:

- The primary components of CDS design;
- Initial assessments;
- Participation and ownership;
- Monitoring and evaluation (M&E) in CDS design and implementation;
- The impacts of the CDS;
- Contrasting Asian CDS with other regions;
- Key Issues for Developing the Guidance Framework;

## Case Study Review Summaries

The reviews were not intended to “audit” nor to make a comprehensive evaluation of the CDS. The objective was to inform the team on key aspects of the CDS process, and in particular the role played by monitoring and evaluation, to assist them in developing a guidance framework. In each case a substantial and well-informed assessment was prepared, synthesising written documentation and the range of views expressed. However, the assessments were intended to be working notes to assist the team so they were not referred back to each of the informants for their endorsement or agreement. This annex contains summaries of the assessments of each of the case studies. The summaries therefore constitute working documents on CDSs, and do not pretend to be comprehensive audits.

## **#1 - Colombo - Sri Lanka**

### The Design and Main components of the CDS

The Colombo City Development Strategy from 1999-2001 was one of the first three of its kind in the world. The CDS built upon the work conducted in Colombo under the UN-HABITAT/UMP City Consultations project, an undertaking that had developed strong consultation relationships with stakeholder groups.

The CDS initiatives were framed to address the following Key issues:

- The lack of a shared vision and an integrated strategy for the development of the Colombo core Area
- An increasing mismatch in the quantity and quality of the demand for, and supply of, urban services
- The growing numbers of under-served and disadvantaged city dwellers
- The disruption of daily life due to natural hazards
- An inadequate focus on the city economy
- The erosion of the institutional capacity for city governance

### City Assessments

Three Thematic “mapping” reports were produced for the CDS and were conducted using local consultants and academics. The reports were:

- A Study on Economic Potential of Colombo Core Area
- A Study on Poverty Profile of Colombo Core Area
- A Study on Past and Current Development Effort of Colombo Core Area

A Status of the City Report was also prepared for each city that included comments from early stakeholder consultations and which also outlined key development issues for each of the cities. Although it was reported that the indicators used were those that were available and / or commonly used by the project consultants, there was no evidence of the application of these indicators.

It was stated that local academics and “respected experts” were used in the process / methodology component of the assessment, however no evidence or documentation was available concerning the focus and substantive context of the assessment. There was also no evidence / documentation available regarding the methods used for analysing trends and identifying key challenges and opportunities, or any linkages between the initial assessment and subsequent monitoring and evaluation activities.

### Participation and ownership

The three initial reports produced by the CDS project were included in information given to all the stakeholder groups and then used to help develop the Status of the City reports in each of the three cities.

The following participatory and ownership-building processes were established and supported by the CDS:

- Awareness sessions with key institutional stakeholders
- Development of thematic working groups
- Widespread Community consultation
- Development of CDS working groups in each city

These processes built upon the work during the UMP City Consultations project and have been reported as a beneficial aspect of the “evolution” of the Colombo CDS.

The Colombo CDS report included a range of indicators for participation and process such as stakeholder group discussions, committees, city level working groups, awareness creation, briefing sessions on CDS to council members, person to person interviews, citizen forums, stakeholder consultations and report card systems.

There is no documentary or anecdotal evidence that these indicators were ever measured.

#### Visions, Goals and Priorities

There were three objectives of the Colombo CDS as listed in the Strategy TOR document. These included the establishment of a comprehensive development framework for Colombo, the establishment of a Strategic Action Plan based on a comprehensive development framework, and the Adoption of Elements of the Strategic Action Plan by development agencies.

Key issues were then decided:

- Lack of a shared vision and an integrated strategy for the development of the Colombo core Area
- Increasing mismatch in the quantity and quality of the demand for, and supply of, urban services
- Growing numbers of under-served and disadvantaged city dwellers
- Disruption of daily life due to natural hazards
- Inadequate focus on the city economy
- Erosion of the institutional capacity for city governance

City specific objectives were then set for the three cities. For Colombo City it was

decided to promote public private partnership in development of the city economy. For Kotte Municipality, the emphasis was upon promoting a comprehensive City Development Strategy involving the city's stakeholder groups, and for the Dehiwala Mt. Lavinia Municipality, the aim was to formulate a comprehensive City Development Strategy.

A broad vision was developed for the Colombo core area. This was outlined as:

The commercial and economic hub of South Asia, wherein all citizens enjoy the highest possible quality of life, with optimal basic services, freedoms, rights, and security being guided by principles of good urban governance enabling every opportunity to create wealth, equity and sustainable development

Major targeted outcomes were grouped under four Key Result Areas (KRAs). These were: the reduction of urban poverty, the development of the city economy, city infrastructure development, and empowerment and governance. Underlying these KRAs were a number of broad responses. They were:

- Increased Management Efficiency
- A focus upon under-serviced, environmentally sensitive and heritage areas
- Public-private partnerships
- Enhanced legislative and enforcement support
- The expansion and upgrading of physical and social infrastructure
- Public education and awareness strategies

There is no apparent evidence of the use of performance indicators to guide this process.

#### Action and Implementation

The application of the Colombo City Development Strategy was sequenced accordingly:

##### *Appointment of a key national partner*

This was SEVANATHA, a Colombo-based NGO with a strong reputation for participatory processes, particularly working with the urban poor via funds from UN-HABITAT.

##### *Identification of major stakeholders*

- Three Colombo Core Area Councils; Colombo City, Kotte Municipality, Dehiwala Mt. Lavinia Municipality
- The Western Provincial Council
- Civil Society groups

- Representatives of the Urban Poor, particularly stakeholders from Community Development Councils (CDCs)
- The Business Community (formal and informal)
- Community leaders

*Defining objectives including city specific objectives and deciding upon key issues*

This was conducted across three cities as outlined above under ‘Visions, Goals and Priorities’.

*Development of a management structure*

This was defined across national, provincial and city level administrative levels. A CDS Taskforce was established at the provincial level chaired by the Chief Secretary of the Western Province Provincial Council.

*Design and implementation of participatory processes*

This involved:

- Conducting familiarization sessions
- The development of Cities Stakeholder Groups
- Hosting thematic working groups at identified Municipal Councils

*Drafting of Thematic and State of City Reports*

*Instigation of a main city consultation process*

The process then “re-convened” to discuss a broad CDS for the Colombo Core Area, referred to as the Colombo Strategic Development Framework.

*Development of a broad vision for the Colombo core area*

See above, ‘Visions, Goals and Priorities’.

Institutionalisation

This project utilised a key national partner (SEVANATHA) and a CDS Task Force chaired at the Western Provincial Council. This Task Force was primarily given the role of coordination and was also essential as it was “purpose-built” to cover all key institutional players in keeping with a multi-agency approach. Thematic working groups were also established to work-in the three cities with the aim of covering the KRAs outlined above. In addition, CDS Working groups were established in each of the participating councils

There was an intention to develop Key Action Plans for implementation and conduct a “market place” session for donor agencies so that fundable elements could be assessed, however, as quoted from the Colombo CDS documentation: “Since there were no committed funds through the CDS project for immediate

implementation of proposed actions, the CDS action plans were not implemented”.

#### Monitoring and evaluation

There has been no evidence of any integrated monitoring and evaluation process built in to the CDS Colombo project.

#### Measuring the impacts of the CDS

It is unclear as to what impacts might be attributed to the CDS process, as the Colombo CDS remains largely unimplemented. It was judged that the outcomes and impacts were of little impact, and it also appears that very little data from the initial assessment and the M&E system has been used to inform ongoing city based planning and decision-making. There is also no data concerning CDS impact attribution.

Some ideas arising from the CDS process have been adopted through consequent initiatives such as the Poverty Reduction and Healthy Cities programs, and the Colombo Municipal Council has taken on some aspects of institutional capacity building. Whilst the current Mayor of Colombo Municipal Council had examined the CDS documentation, the view was the CDS was not a priority process. He commented that Colombo is now focussing on the Healthy Cities Program as the main arena for development.

Many of the community and stakeholder groups formed during the CDS project have been maintained and utilised for following projects yet there is no documentary or anecdotal evidence that the CDS participation and ownership initiatives were ever measured.

#### Significant Issues which Informed the Development of the Guidance Framework

Upon reviewing the Colombo City Development Strategy project documentation combined with in-country interviews with key stakeholders, the following issues were apparent and therefore significant to the development of the annexed Guidance Framework. In summary, these needs based issues were:

- The requirement of building M & E into a guidance framework upfront
- The necessity of funding a position that would oversee the project / strategy and be responsible for M&E activities
- Fund the facilitator for the whole project, not just for a six month period
- Be aware of the emphasis of sponsoring agencies when defining the focus and key areas relevant to the project / strategy
- Be aware of country based statutory and legal frameworks, particularly in view of the awareness that in many cases a CDS is an “artificial intervention” that needs to be tailored to existing legal relationships.

## **#2 - The CZT Region (Changsha, Zhuzhou and Xiangtan), China**

### The Design and Main components of the CDS

The first CDS project in China supported under Cities Alliance (CDS 1) was undertaken between 2000 and 2002 in two locations; the City-Region of Changsha, Zhuzhou and Xiangtan (CTZ), the focus of this summary), and the City of Guiyang. Sponsored by the World Bank EASUR, the CDS was facilitated by the Canadian consulting company, CHREOD. A separate but related project, with a time frame which commenced after the main CDS, was funded by CA, WB and UN Habitat to develop a framework of performance indicators for CZT and Guiyang. This project is discussed in the section of this summary which focuses on Monitoring and Evaluation.

CDS 1 was an extension of the earlier Fuling CDS exercise in China, which the WB and the Japanese Government supported as part of a broader initiative to formulate regionally based development strategies in the countries of East Asia. Conducted with the Planning Commission of Hunan Province as the counterpart organization, the CZT CDS therefore placed emphasis on strengthening development planning by taking the integration of existing strategies and plans as a starting point. To this was added a dimension of systematic stakeholder analysis and participation and a component for training and building the capacities of the participating cities.

As part of its strengthening of development planning, the CDS gave particular attention to the linkages between economic policies and physical planning, and the long term financial viability of infrastructure development.

### City Assessments

Four sorts of assessment were made of CTZ to inform the strategy:

1. A situational analysis was carried out, covering:
  - The regional context, comparing conditions and trends in CZT with regional and national conditions and trends;
  - Industrial structure;
  - Socio-economic projections to 2010 and 2020,
  - Environmental conditions and trends with regard to air quality, water pollution, and urban environmental quality;
  - Current and planned urban structure
  - Transportation demand and supply, existing and planned, within the city and interurban;
  - Demand and supply for water, wastewater treatment, and solid waste treatment;
  - The current and projected financial situation, especially in regard to infrastructure financing.

2. The assessment also drew on the full range of existing plans to identify the current development strategies. This appears to have ensured continuity and also understanding of and commitment to strategies from the provincial leadership.
3. an assessment was made of strengths and weaknesses of CTZ which identified as major strengths, its regional position and transport links, structural diversity, and strong provincial leadership. And as its weaknesses; the economic nature of the hinterland, lack of competitiveness of SOEs, access to strong markets, future unemployment and poor environmental conditions
4. the major issues facing the city region were identified and analysed

#### Participation and ownership

One of the starting points for the CDS process was a recognition that stakeholder participation in has not conventionally been a ‘structured’ part of the planning and urban management in Chinese cities. Two workshops for stakeholders were therefore scheduled for each city, the first a presentation and discussion of the city’s plans and strategies, and the second a debate about the interim findings of the CDS Study. The results fed into the development of strategies and setting of priorities. Those invited to the workshops included leaders from different levels of local government, managers from State Owned Enterprises (SOEs) and private business in a variety of sectors, local university administrators, and representatives of workers, students, and retired people as well as non-governmental organizations concerned with issues relevant to community and economic development.

There were both substantive and process objectives for stakeholder participation in planning the CTZ CDS. The substantive goal was to provide information and a sense of community priorities that would inform development of the CDS. The process goals were to:

- Introduce participatory strategic planning
- Ensure that all participants had an opportunity to be heard
- Provide all involved with a positive experience that would encourage further citizen participation.

While it is not clear what participatory and ownership-building processes were established or supported by the CDS, many of the specific strategy activities developed envisaged and promoted continuing forums and participation with a range of stakeholders. And, during the period the CDS was being prepared, the Hunan Province in 2001, for the first time provided a mechanism for input by its citizens into the planning development process.

#### Visions, Goals and Priorities

The general goals of the CDS were to:

- Improve the competitiveness of the economies of the three cities;
- Significantly improve the urban environment;

- Assist poor people, people laid-off from SOEs, and rural migrants to the city to integrate into the society and benefit from economic growth;
- Manage revenues and expenditures in a financially sustainable manner;
- Plan and implement integration of the three cities in a manner that would contribute to achievement of these goals.

However, the CDS did not so much modify current CZT development strategies or develop entirely new ones as provide ‘different perspectives’ on them.

### Action and Implementation

Though the Visions and Goals largely re-presented strategies already contained in other planning documents the CDS attempted to contribute specific proposals for prioritization and programming of activities.

The CDS identified four “streams of activities”:

1. Creating the conditions for “cluster” development: Building on the significant concentrations of activity in several sectors, take measures to stimulate greater interaction among enterprises, and strengthen support services, with the goal of creating clusters that generate innovation, diversification, and greater productivity;
2. Developing stronger links with external markets, development partners, and potential investors with the goals of securing access to new markets, increasing exports, and achieving higher levels of domestic and foreign investment;
3. Making significant improvements to the environment in order to improve the lives of residents, improve the image of CZT cities as places to invest, and provide enterprises with adequate infrastructure;
4. Developing and implementing further programs of integration between the cities to facilitate these activities

The CDS also made provision for the three city governments to conduct a capital investment program over a 20 year period one product of which would be to provide employment opportunities for laid off workers, migrants and poorer households.

### Institutionalisation

The CDS essentially built upon existing plans for the Cities and the Region. However, it added a framework for prioritization and a program based around actions. It also provided manuals for city and regional leaders and had an explicit component of the CDS dedicated to capacity building

### Monitoring and evaluation

The CDS contained general recommendations for the establishment of a monitoring system to regularly measure progress toward CDS goals with the institutional responsibility residing with either the provincial government or a newly-created regional planning institution. It also contains suggested indicators or measures for each of the five major goals of the CDS, contained in the

summary table at the end of this summary.

A separate but related project on China CDS Performance Indicators Project, was funded by Cities Alliance and managed by UN Habitat, to assist the CDS 1 Cities in China to develop a set of performance indicators, commence their applications, and secure a mechanism for sustaining the indicators system.

The China CDS Indicators Project followed a ‘bottom-up’ approach in that each of the cities developed a suite of indicators linked to its CDS, which had by the time of this project, already been prepared.. As a first step toward identification of indicators, each city prepared a background review of the goals and strategies of CDS plans and other relevant development plans, and the current practice of collecting and using data in conjunction with urban management. The guiding principle for the link between the CDS and the performance indicators was that there should be “ no policy without indicators and no indicators without policies”

The project produced a General Performance Indicators Manual for China CDSs and a specific set of indicators developed by each of the Cities. The CZT component of the indicators project collected 66 indicators ‘classified in six roughly comparable categories’: Economic Livelihood, Social Development, Quality of Living, Urban Infrastructure, Environmental Management, and International Cooperation.

At the completion of the Performance Indicators project it appears that there was an intention to consolidate and institutionalize the approach. The Hunan Provincial Development and Planning Commission and Hunan Provincial Statistics Bureau plan to jointly study the data on indicators ‘periodically’ and provide policy suggestions to provincial government and urban managers. CZT signalled that it planned to publish annual report on indicators both in print and on their website. There was also a stated intention to attempt to develop a China wide urban indicator system integrated with the current statistic system in the country.

Indicator	Number of Measures
<b>1. Economic Livelihood</b>	
○ GDP (City Product)	3
○ Industry Structure	2
○ Fixed Asset Investment/demand	3
○ Employment	4
○ Hi-Tech Industry	1
○ Local Gov. Finance	3
<b>2. Social Development</b>	
○ Population	3
○ Public Health (eg life expectancy)	6
○ Education and Human Resources	4
○ Income Distribution and social insurance	
<b>3. Quality of Life</b>	
○ Household Income, Exp., Prices	6
○ Housing	1
○ Culture and Communications	3
○ Security	2
<b>4. Urban Infrastructure</b>	
○ Land Use and Development	3
○ Water, electricity and gas	5
○ Transport	2

○ Infrastructure construction	2
<b>5. Environmental Management</b>	
○ Air Quality	2
○ Water Quality	3
○ Waste Disposal and Recycling	2
<b>6. International Cooperation</b>	
○ Trade	2
○ Foreign Direct Investment	1
<b>TOTAL</b>	<b>66</b>

Despite the attempts in the Performance Indicators project to build “from the bottom” on the outcomes of the CDS, the lack of alignment of this project with the CDS itself appears to have resulted in a lack of take up and implementation of the system. It also revealed some inherent difficulties with the sources of data for the purposes of monitoring a CDS at the City and/or Regional level. Many of the statistics identified for the indicators derive from the Statistics Bureau.. However, the data they are mandated to produce are not necessarily be in the format, time frame and the level of disaggregation preferred by the other units of municipality that need the data.’ The lack of disaggregated data was identified particular problem which limits the value of the collected data for improving city management in such areas as providing services to specific areas or income groups.

The final reports from the project also identify as an issue the question of which is the appropriate body or level of governance to monitor the impacts. Since the strategy is a regional one, the potential bodies identified are the Provincial Government or a newly created provincial planning body.

### Measuring the impacts of the CDS

The CDS had five Intended major outcomes:

- Economic - Improve the competitiveness of the economies of the 3 cities
- Social - Assist poor people, people laid-off from SOEs, and rural migrants to the city to integrate into the society & benefit from economic growth
- Urban Structure & Transport – [none]
- Environment & Infrastructure - Significantly improve the urban environment

Both the CDS and the linked project to develop performance indicators identified measures for assessing the progress toward these outcomes. However, it does not appear that these measures have been used systematically to monitor the impacts.

At the completion of the CDS, the impacts were identified at the levels of prioritization of projects and as impacts on ‘Local thinking about cities strategies and plans’ and follow on activities. The CDS assisted the three CZT cities ‘sharpen their views’ on city-regional cooperation and related opportunities for cost/effective regional investments and service delivery. A regional authority for wastewater management was inconsideration at eh time of writing. It also assisted the three cities present a proposal to the central government for World Bank financing (CDS-3). The initial CDS work provided a contextual and operational

framework for this proposal, including

- The establishment of CDS working teams at city and provincial level
- The provision of an overall strategy and context
- Project preparation and facilitation work

#### Significant Issues which Informed the Development of the Guidance Framework

The CDS has identified a number of challenges in developing a CDS in the Chinese context which are relevant when developing the Guidance Framework on M&E:

- Lack of non-governmental organizations
- Lack of experience in stakeholder participation
- Data deficiencies ‘Though considerable data can be found on the issues of interest to a CDS, it is not always consistent, it is often difficult to construct a time series permitting analyses of trends, and it usually has to be obtained from many different departments and consolidated in one database. There is particular concern about industrial structure data, information on fiscal capacity and debt, and data on social issues and urban poverty. The official responsible for the CDS project should have the power to assure that all relevant data is made available.’
- Rigidity and static nature of the current planning frameworks which lacked a market orientation
- Weak horizontal coordination within and between government organisations
- Use of national norms and frameworks to establish and run local urban services
- Plans and priorities within cities determined by a few municipal departments
- Local governments have considerable decision making authority, but limited fiscal resources
- National policy frameworks concerned more with rural than urban poverty

	<b>GOAL</b>	<b>STRATEGY</b>	<b>INDICATOR/MEASURE</b>
ECONOMIC	Increase the competitiveness of the economies of the three cities	Develop Stronger links with external markets Create Conditions for cluster development in: ○ Transport equipment and services ○ Food products and pharmaceuticals	Growth in GDP Increase in GDP/capita Growth of non-traditional enterprises and emerging sectors Growth and diversification of the tertiary sector
SOCIAL AND CULTURAL	Assist poor people, people laid-off from SOEs, and rural migrants to the city to integrate into the society and benefit from economic growth	○ Education and culture ○ IT equipment and services	% of laid-off people re-employed Maintenance of adequate funding for income assistance programs % of rural migrants employed
ENVIRONMENT AND INFRASTRUCTURE	Significantly improve the urban environment	Environmental Improvement	Improved surface water quality Improved air quality Improved urban environment
FINANCIAL	Manage revenues and expenditures in a financially sustainable manner		Decrease in on-budget deficits Increased capacity to borrow from commercial sources Adequate funding for O&M
GOVERNANCE	Plan and implement integration of the three cities in a manner that contributes to achievement of the above goals	Develop and implement the integration concept	Creation of appropriate regional institutions Delivery of certain services at regional level

(CHREOD, CZT, Monitoring Criteria 2003, 3: Kyung-Hwan Kim China CDS Performance Indicators Manual, Dec 2002, 6)

### **#3 – Haiphong -Vietnam**

#### The Design and Main components of the CDS

There have been two “phases” of the development of the CDS for Haiphong. In 1998, the World Bank initiated an evaluation of City Development Options for the City as a pilot case study on urban and environment development for the country with a strong emphasis on economic development. The Project was initiated by the WB to “deepen the Bank’s understanding of urban development in Vietnam”- in context of “public sector reform and poverty alleviations”. Haiphong was identified by the National Government as the site for the pilot case study based on the City’s leading role amongst the cities attempting to “modernise”. The evaluation used the four key WB components of competitiveness, livability, bankability and good governance and was intended to keep the “Doi Moi” reforms applied at the local level by increasing efficiency in collective decisions, spending and management. The evaluation of and strategy for Haiphong provided a major component (alongside an assessment and strategy for Ho Chi Minh City) for the WB’s approach to Growth, Poverty Reduction and Environmental Quality in Cities and Regions of Vietnam, completed in 2001. The WB’s assessments and strategies appear to have been, for the most part, the product of a team of consultants which prepared specialist papers, reviews and options, subsequently discussed with City Officials.

The second phase was a UNDP, and Dutch Government Project with a particular emphasis on Public Administration Reform (referred to henceforth as the UNDP CDS). While consultants contributed to a number of the components in the development of the CDS, it was driven by the City’s Urban Management Coordination Council (UMCC) with the support of the Peoples’ Committee. It used a series of building blocks which follow the general program supported by Cities Alliance moving from Assessment, to Visioning, and then development of an Action Plan

#### City Assessments

The WB report was based on series of separate specialist papers prepared by members of its specialist team which make extensive assessments of:

- Economic development;
- Solid waste management;
- Environmental management;
- Industrial pollution;
- Infrastructure and maintenance;
- Governance and management;
- Private sector participation.

The UNDP- CDS was based on an extensive situation analysis using:

- Urban karte socio economic indices which were also used to compare Haiphong with other major cities in Vietnam;
- A review of the city in terms of its livability , competitiveness, financial transparency and management competence. The review included internal and external stakeholder participation/consultation to rank the City on each of the dimensions;
- A SWOT analysis.

### Participation and ownership

The degree of participation in the WB project is unclear. The Strategy seems to be largely the product of the WB team, although they worked with Vietnamese counterparts and the final options for City Development were presented as a report to the City’s People’s Committee

Participation was built into the UNDP-CDS process The ranking of the city in terms of the WB dimensions of livability etc was undertaken in 6 meetings of various stakeholders across a number of districts involving the people’s committee, city departments from the city districts, enterprises, unions and research institutes. The longer-term visions and plans were developed in 5 meetings while meetings were scheduled for each of five major strategic components of the “Visions for 2010”.

### Visions, Goals and Priorities

The basis for the WB city development strategy for Haiphong is the rapidly changing productive structure” moving from heavy industries to labour intensive, light manufacturing exports” with the assessment that the major , untapped potential for the City is in the promotion of light manufacturing exports and a stronger service based economy. The strategy assumes that environmental and governance issues are linked to direct investments into the city so measures are needed to improve the efficiency of management and governance. “A key strategy for all these objectives is for the city to become more actively involved directly at the neighborhood level where public infrastructure is under capitalized and where the city has already demonstrated excellent results in improving sustainable service delivery “.

The UNDP-CDS process produced two Visions for Haiphong:one for 2010 the other for 2020. The Vision by 2010 is that “Hai Phong will be a seaport city with a comprehensive infrastructure. It will have developed into the economic centre of the North with a high standard of living and a good business environment. It will be:

- A seaport city with a comprehensive infrastructure
- The economic focal point of the North in which the service industry and aquaculture will have developed.
- Having high living standard and good business environment.

For 2020, the Vision is that “Hai Phong will have become the modern, stably developed seaport and Viet Nam economic point”.

### Action and Implementation

The WB development Option contains a number of specific complementary, or “proximate” actions to achieve the overall Strategy:

- develop tradable services (e.g., tourism, banking) and services to support growing exports;
- support small scale city-building actions designed to fill in gaps in existing neighborhood infrastructure to support labor-intensive manufacturing exports and create new amenities to begin creating a services city;
- create a business council of local and regional figures, with international consultants
- bring Haiphong’s environmental quality to within the quality standards of internationally competitive cities in the same rank,
- mobilize local neighborhood groups to participate in the creation of facilities and services (a “city small bricks” program) needed to improve health and welfare and to support small scale improvements (streets, lighting, draining, water and sewerage);
- use the “city small bricks” program to strengthen linkages between government departments to achieve greater efficiency in city government
- invest in solid waste landfill and educate citizens about recycling and payments;
- create a strategic general plan for the city that covers the four main areas of successful cities, and obtain necessary resources

The UNDP CDS articulates the Haiphong Visions into an Action Plan with five central plans:

- seaport development
- comprehensive infrastructure development
- becoming the Northern Economic point/node
- good living environment
- good business environment

Each of these is then developed into a number of domains (28 in total) , program groups (116) and into specific programs (540). The results of the SWOT analysis have then been used to prioritise the programs.

### Institutionalisation

It is not clear to what extent the WB reports of 1998 or 2001 were institutionalized.

The UMCC CDS claims, as one of its advantages, that there were already in place a number of planning projects that visioned/anticipated the city's future. These included the economic and social strategies to 2010; the urban space schemes to 2020; the environment protection project to 2010; the districts' social and economical development scheme; and, the detailed schemes of other inhabited areas of districts and towns. The CDS was also used as a point of integration for development schemes already prepared for other branches of the economy, namely, tourism, aquaculture, agriculture, industry, health service, culture, education.

It appears that that the programs identified in the CDS have not yet been translated into an investment plan nor yet been fully endorsed by the People's Committee. However, the City officials, the People's Committee and People's Council claim that they keep the CDS updated and use it as the point of reference for integrating their planning and decisions. It is used as the basis for reviewing and proposals before they are submitted for decision at the City level.

#### Monitoring and evaluation

Neither the WB strategies nor the UNDP CDS contain any explicit measures or procedures for M&E. However, the members of the UMCC claim that M&E of projects is undertaken annually with the People's Council as the supervising agency and through meetings with other agencies.

#### Measuring the impacts of the CDS

There is no evidence that the strategies recommended by WB reports were adopted at the City level in Haiphong. This, with the absence of a monitoring and evaluation system, makes it difficult to assess any impact of the CDS.

For the UNDP CDS, the City leaders regard it as having considerable success in providing an integrating vision with attached plans and strategies which can be used as reference points for decision making. Their anticipation is that this focus will have a profound affect on economic and social growth.

#### Significant Issues which Informed the Development of the Guidance Framework

While the institutional memory in the City of Haiphong regards the UMCC process as the development of its CDS, it is clear that work on strategic thinking, analysis and visions has been underway for a number of years.

In the final assessment of the success of the UNDP CDS, the lack of management skills and knowledge as a major impediment to strategic development. The development of the CDS indicates that it has been possible to build a process with a wider range of participation than is conventional in the Vietnamese planning approach. However, there has been only limited success in translating the detailed action plans into investments.

The experience of the two phases of CDS illustrate the importance of taking appropriate objectives and benchmarks when assessing the impacts or success of a

CDS. There is limited evidence on which to assess how far the strategies proposed by the WB approach in the late 1990s were adopted at the City level and hence little basis on which to evaluate the impacts of the strategies in the key areas of outcomes: economic development, livability etc. Hence the “success” of the CDS is doubtful. However, if the subsequent UNDP CDS process is evaluated in the terms that the city leaders themselves use, it has produced visions and action plans for the development of the City which are still extant as the basis for discussing and considering priorities. Thus, it appears to have achieved an integration of separate planning procedures achieved with significant inputs from stakeholders which can be deemed to be a successful outcome for a project aimed at Administrative Reform.

## **#4 - Johannesburg – South Africa**

### The Design and Main Components of the CDS

The Johannesburg City Development Strategy commenced in 1999 and is both current and still evolving. Partial support in the early stages was provided by UN-Habitat and UNDP through the Urban Management Program (UMP), and there was also involvement from Cities Alliance. The University of Witwatersrand had a coordinating role for some aspects in early stages of the CDS.

Recent strategic planning processes for Johannesburg have not been seen by most of those involved as a ‘CDS’ in terms of the CA’s global initiative. The majority of the work undertaken over the past 6-7 years has been initiated and funded by the City itself as a response to particular local needs and/or South African government requirements for corporate and strategic planning. External assistance was limited to elements of the first two phases iGoli 2002 and iGoli 2010 and focused chiefly on addressing the City’s financial crisis rather than broader planning issues. Nevertheless, the Johannesburg experience offers valuable insights for other CDS projects and covers much of the same ground.

The Johannesburg ‘CDS’ has evolved through four distinct stages over the past 5 years each with its own key focus and consultation procedures:

- IGoli 2002 was centrally concerned with financial viability;
- IGoli 2010 focussed on data collection for integrated planning beyond crisis management;
- Joburg 2030 was a strategy for municipal and economic development;
- The review in 2004-2005 was intended to broaden the scope of Joburg 2030 beyond economic development.

The basis for developing Joburg 2030 into a more holistic long-term framework for the City’s physical, economic and social development already exists to some extent in annual Integrated Development Plan (IDP) and the Executive Mayor’s Mid-Term Report. The latter identifies six wide-ranging Mayoral Priorities comprising:

- good governance
- economic development and job creation
- inner city regeneration
- public safety
- service delivery excellence and customer care.
- tackling HIV/AIDS.

In addition, the City has prepared an Environment Strategy and a Human Development Strategy, filling evident gaps in the Joburg 2030 framework.

The City is required under the Municipal Systems Act to prepare an annual Integrated Development Plan (IDP intended to combine elements of both corporate and strategic approaches, guiding the municipality's programs and expenditures but with a clear focus on developmental outcomes, and with effective links to the activities of other spheres of government. Importantly, IDPs must include a performance management framework and specific indicators to report progress in achieving a number of national objectives for service delivery and improved quality of life.

The Council in Durban (eThekweni), has used the IDP as its City Development Strategy and adjusted the content accordingly, rather than having separate documents. The national Department of Provincial and Local Government (DPLG), which oversees the Municipal Systems Act and IDP process generally, believes this should become standard practice.

Johannesburg has a large and relatively well-resourced city administration. Each phase in the formulation of the CDS has been seen primarily as a task for professional managers and appointed consultants, driven by the council. Institutional and organisational frameworks have thus been those of the municipality itself.

#### City Assessments

A comprehensive assessment conducted for iGoli 2010, but not published. was structured and included data collection and analysis across the four themes/objectives:

1. safety and security (tackling Johannesburg's high crime rate)
2. foundations for growth and development: health, housing, infrastructure and services
3. human development through empowerment and opportunity
4. growth through competitiveness, knowledge and entrepreneurship.

Key findings related to:

- demographic trends – the incidence of poverty and the HIV/AIDS crisis
- the need to focus on economic development to drive improved quality of life
- crime as a disincentive to business investment
- deficiencies in education and workforce skills that hinder participation in the knowledge economy
- gaps in infrastructure and access to basic services, and the likely cost of necessary improvements
- the danger of perpetuating 'two cities' – an affluent, world class minority and a majority sliding deeper into poverty and the HIV/AIDS epidemic.

The assessment was undertaken primarily by external consultants (but with the involvement of city staff and substantial stakeholder input).

Earlier work on iGoli 2002. linked directly to and drove the draft iGoli 2010 strategy and in turn strongly influenced Joburg 2030,. In that sense there was a learning process as political leaders and senior managers handled and reflected upon the evolution from iGoli 2002 to Joburg 2030.

### Participation and ownership

Ongoing communication and consultative processes put in place as part of the city's broader governance framework have included:

- the adoption of a Public Participation Policy and (mostly) open council meetings
- annual consultation on the IDP and budget through a Johannesburg Stakeholders Forum – a large public meeting
- annual Executive Mayor's Roadshows, visiting local communities to view projects and hold discussions with community groups
- an Inner City Advisory Committee coupled with the work of the JDA in liaising with inner city stakeholders, especially business
- periodic surveys of customer satisfaction and community perceptions of key issues and the council's performance
- the establishment of Ward Committees.

There have also been specific mechanisms for stakeholder involvement adopted at different stages of the four CDS style initiatives including:

- the Emergency Committee for iGoli 2002 (including provincial and national governments and the World Bank)
- the appointment of the University of Witwatersrand Graduate School of Public and Development Management as 'anchor institution' for the CASP-funded components of iGoli 2002/2010
- stakeholder meetings and housing focus groups held as part of those CASP-funded elements
- the iGoli 2010 Partnership with a range of business and community stakeholders (but weakened by the withdrawal of the unions and some elements of civil society).

The only specific participatory process established for the CDS were stakeholder meetings and housing focus groups for the CASP-funded elements of iGoli 2002, and later the iGoli 2010 Partnership and associated stakeholder forums. Whilst the Partnership as such has not been sustained, however the City has established other mechanisms for implementing various elements of its strategies and draws

extensively on its broader range of participatory processes. Several of these, have been established in parallel with CDS formulation, but for other reasons.

The city's governance framework is built around the central decision-making role of elected councillors and the Executive Mayor. They participate in both 'formal' and 'informal' participation and consultation processes across all facets of the City's activities. In addition, there are complex networks of influence linking the council to a very diverse range of external stakeholders.

The role of national networks is also a factor to consider. Johannesburg is a member of the South African Cities Network (SACN), which is sponsored by the Cities Alliance and has as one its key objectives the promotion and support of CDSs. The SACN could not influence the evolution of Johannesburg's CDS until very recently – the Network was not launched until late 2002, by which time Johannesburg had prepared and begun implementing Joburg 2030. Nevertheless, the recent work of SACN in compiling the State of the Cities report and in performance measurement does appear to have had some impact, and there are evident opportunities to exchange views on the appropriate form and content of future strategies and, importantly, IDPs.

The national Department of Provincial and Local Government and its Minister played leading roles in establishing SACN, and the Department has firm views on the need to avoid duplication between CDSs and IDPs.

### Visions, Goals and Priorities

Joburg 2030 has Vision for the future of the City:

The main strategy elements and specific measures to have emerged from the rolling CDS process over the past seven years may be summarised as:

***Re-organising and streamlining the City's administration including*** improving financial and performance management, a purchaser-provider split, the establishment of corporatised entities for service delivery, and extensive contracting-out.

***Creating an environment conducive to investment and growth*** through reducing crime, enhancing the skills base, improvements to utilities and transport, upgraded telecommunications an expanded SMMEs sector, 'catalytic' development and improvement projects

***The creation of a series of city-wide strategies*** based around urban structure, environment, housing and social development

***A strong focus on inner city renewal*** including the establishment of the JDA and an Inner City Regeneration Task Force and a number of other place-based improvement projects, particularly in low-income suburbs.

### Action and Implementation

The main avenues for CDS implementation generally are the annual IDP and budget process which allocates resources across the whole City administration for

further detailed planning, capital works and service delivery and also allocates responsibilities and sets timeframes, targets and performance measures.

Other key implementation mechanisms include Task Forces, Plans and Programs on specific issues such as Inner City Regeneration, Spatial Development, Housing and HIV/AIDS

### Institutionalisation

The CDS is both current and still evolving. The proposals of Joburg 2030 are being pursued as a subset of the City's broad range of activities through the IDP and special arrangements such as the JDA. Previously, the proposals of iGoli 2002 were implemented through restructuring of the City's administration and financial management, and those revised arrangements are ongoing. Because the various phases of the Johannesburg CDS have been undertaken alongside, and in some cases as part of ongoing changes to City planning and administration, it is difficult to separate out more than a few outcomes and impacts as attributable specifically to the CDS process.

Those that could be identified with some confidence during the review are:

- Better financial management (crisis averted) and enhanced access to financial markets (eg through bond issues)
- Improved governance framework
- Reorganisation of the city's administration along 'purchaser-provider' lines
- Establishment of the water utility – although this was seen by many (especially labour unions) as a retrograde step towards privatisation, job-shedding and price rises taking services beyond the reach of the poor)
- The housing strategy and ongoing programs, including upgrading of informal settlements
- The inner city strategy – leading amongst other things to establishment of the jda and implementation of local area improvement projects
- Establishment of the economic development unit and implementation of a range of associated programs and projects
- A stronger focus on public safety and crime prevention, including an expanded role for the metropolitan police.

### Monitoring and evaluation

Monitoring and evaluation of the Johannesburg CDS as such has been confined to:

- a limited review of the processes used in the early stages (iGoli 2002 and 2010) as part of external evaluations commissioned by UN-HABITAT, the World Bank and others;

- academic reviews ;
- internal reviews by the City administration (sometimes with consultant support) ;
- satisfaction and perception surveys conducted by the JDA in relation to the progress of inner city revitalisation.

There was no attempt to build a M&E framework into the design of iGoli 2002/2010 or Joburg 2030. However, the City now undertakes extensive ongoing monitoring and review of its full range of programs through statutory processes, chiefly the IDP, and as part of the City's expanded performance management systems (including customer and community surveys).

The Municipal Structures Act stipulates a number of aspects for annual review and provides for a national framework for performance management with key performance indicators have been prescribed for use by all municipalities. These include access to basic utilities and services, jobs created through local economic development initiatives, and equity and workplace skills planning.

*KEY PERFORMANCE INDICATORS PRESCRIBED FOR MUNICIPALITIES  
IN SOUTH AFRICA*

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- The percentage of households earning less than R1100 per month with access to free basic services
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in term of the municipality's IDP
- The number of jobs created through municipality's local economic development initiatives including capital projects
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan.

Johannesburg has adopted a performance management framework that goes far beyond minimum requirements with a City Scorecard is based on the 'balanced scorecard' approach from the four perspectives of financial, customer needs and services, internal business processes, and learning and growth. For 2004/5 it is informed by the City's current 13 'strategic thrusts':

KPIs have been set across each of 13 priorities and targets set for 2004/5 and 2005/6 which are a mixture of input, output and outcome targets. Examples are given in the Table below.

Key Performance Area	Key Performance Indicator	Baseline	Target 2004/5	Target 2005/6
Enhanced customer service	% positive perception in annual customer satisfaction survey	70%	75%	80%
	Average time to resolve queries: Joburg Water	68 hours	60 hours	45 hours
Provision of basic services	% households with access to basic solid waste removal	75%	90%	95%
Prevent and combat crime	Number of new Metro Police academy graduates	120	165 every 6 months	165 every six months
	% decrease in vehicle hijacks	4417	2%	2%
Sustainable urban development	Program to promote densification	nil	Program completed	Program implemented
	Hostel units converted to family or other accommodation	800	2,000	2,500
Alleviation of poverty and improved basic standard of living	Number of poor households benefiting from 'social basket'	new indicator	100,000	tbd
Effective financial management	Variance against city budget	0% over-expenditure	0%	0%
Promote economic development	Number of sector and area programs implemented	8 initiated	8 implemented	Monitoring/ preliminary review of 8 programs

The broader performance management system builds on the City Scorecard with linked Departmental and Individual Performance Scorecards. At its current stage of development the system focuses primarily on aspects of service delivery and management, and on appraising the performance of individuals rather than the organization as a corporate entity. Data availability and reliability and the high cost of additional data collection, surveys etc limit the administration's ability to focus effectively on outcomes rather than inputs and outputs.

Work is currently under way to put together a package of high-level strategic indicators for regular monitoring by the City Manager – 'a City Manager's Dashboard'. Again, however, this will initially (at least) comprise mainly of indicators of service delivery outputs and efficiency.

The JDA has established a set of six outcome KPIs to measure the success of its activities in pursuing the inner city revitalisation agenda.

In addition, Johannesburg has been an active participant in the SACN and preparation of the State of the Cities report. The latter includes a range of data relevant to monitoring and evaluating the impacts of the Johannesburg CDS, and is to be updated over the next year or two. As yet, however, there do not appear to be effective operational linkages between the two processes.

#### Measuring the impacts of the CDS

The CDS is both current and still evolving. The proposals of Joburg 2030 are being pursued as a subset of the City's broad range of activities through the IDP and special arrangements such as the JDA. Previously, the proposals of iGoli 2002 were implemented through restructuring the City's administration and financial management, and those revised arrangements are ongoing. Because the various phases of the Johannesburg CDS have been undertaken alongside, and in some cases as part of ongoing changes to City planning and administration, it is difficult to separate out more than a few outcomes and impacts as attributable specifically to the CDS process. Those that could be identified with some confidence during the research are:

- Better financial management (crisis averted) and enhanced access to financial markets (eg through bond issues)
- Improved governance framework
- Reorganisation of the City's administration along 'purchaser-provider' lines
- Establishment of the water utility – although this was seen by many (especially labour unions) as a retrograde step towards privatisation, job-shedding and price rises taking services beyond the reach of the poor)
- The Housing Strategy and ongoing programs, including upgrading of informal settlements
- The Inner City Strategy – leading amongst other things to establishment of the JDA and implementation of local area improvement projects
- Establishment of the Economic Development Unit and implementation of a range of associated programs and projects
- A stronger focus on public safety and crime prevention, including an expanded role for the metropolitan police.

In each case, these are both 'anticipated' and 'realised' impacts. The review did not identify any significant cases of unintended impacts, except to note that the 'hard' economic philosophy underlying both iGoli 2002 and Joburg 2020 provoked strong adverse reactions in some quarters and highlighted the need for complementary measures to produce a more holistic strategic framework.

Undoubtedly some data collected for iGoli 2010 (the only phase of the CDS that could be described as incorporating an 'initial assessment') is now being used as part of the City's broader database to support both performance management and ongoing planning and decision-making under the umbrella of the IDP. However, the City's 'M&E' system (performance management framework and City Scorecard) was developed largely independently of the CDS process to meet statutory requirements and as part of moves to improve administration and governance generally. The latter can be traced to some extent to iGoli 2002.

#### Significant Issues which Informed the Development of the Guidance Framework

The development of CDS for Johannesburg has not been an isolated process but has been part of a longer term and more extensive set of initiatives to move to a more strategic level in city planning accompanied by development of an extensive array of performance indicators from which performance can be measured. In this sense, CDS has been a contributor not necessarily the key driver. Relative to other Cities in developing countries reviewed for this project, Johannesburg is relatively well resourced. But even here , it is clear that the dedication of resources to these activities and their institutional mainstreaming is, to a significant extent, a product of the fact that the CDS approach compliments and is consistent with the national framework of IDP applying to all municipalities in the country. The national network of Cities, SANC, has been in a position to build on and deepen this interest and commitment so that there is comparable information being produced for a number of cities.

## **#5 - Karu, Nigeria.**

### The Design and Main components of the CDS

The strength of the KARU CDS lies in the ‘initial assessment’ phase (i.e., the review of the local economy and employment structure) and the development of a forum for small business advocacy (BEDC).

The Stakeholder consultation associated with the process is generally considered to have been strong and worthwhile, with the CDS (the initial assessment) ‘providing a mechanism for us to learn about and discuss the drivers of city development and change in new ways’.

The final report / product of the process was an ‘Analytic Report about the economy and employment structure’ which included some general and preliminary guidance on goal setting and institutionalisation. However, implementation of these recommendations has been very weak. Various documents refer to the initial assessment contribution to and being part of an “overall city development strategy for Karu”. However, the CDS process appears to have ceased with the completion of the initial assessment report.

### City Assessments

An initial assessment was conducted by Centre for African Settlement Studies and Development (CASSAD). The objective of the study was to gather reliable data that could support informed policy making by the State and Local Government to support growth and employment creation in Karu, while at the same time empower the private sector with knowledge that they could use to formalize their own professional cluster networks and lobby the government for appropriate actions. The wider objective of the study was to test a methodology for undertaking local economic development in urban areas in Nigeria. (Although it is not clear whether the specific methodology has been mainstreamed, a number of CDS partners mention the Karu study as a good example of an innovate and informative initial assessment)

The study identified six main economic clusters based on the gross estimated product generated by the clusters and their contribution to employment: Construction, Trade and Commerce, Hospitality, Manufacturing, Artisans, Agriculture and Mining, General Services.

### Participation and ownership

The LED “Phase 2” centred on Consultation. Commentators note that participation was suitably broad. There were 8 stakeholder consultations sessions, 6 by cluster, one for cluster representatives, one with Governor/commissioners and LG. These provided an “opportunity to vent”, then define small, feasible actions that can demonstrate results within a year. Clusters nominated representatives (29), who reviewed and categorized actions: Land, Planning and Controls, Security, Competitive tax rates, Communication, Reorienting gvt. “Apex” committee (BEDC) reviewed actions, developed a ToR. BEDC met with

State Governor and Cabinet to present the consolidated actions (LED strategy) – none requiring funds. Governor initiated a meeting with the BEDC to link them up with the State Chamber of Commerce.

Participants at the economic cluster groups consultations/workshops agreed to set up the Business and Economic Development Committee (BEDC) of Karu. The BEDC had (when established) 29 members from different business associations, representing all clusters of economic activity. Note: The formation (and ongoing functioning) of the BEDC is generally considered to be one of the most significant impacts of the Karu CDS.

A coordinating committee with 9 members was elected by and from the 6 economic clusters. These 9 people were to be ‘first-line interlocutors’ for dialogue on all issues with the State and LG. The BEDC established it’s own ToR

### Visions, Goals and Priorities

See below

### Action and Implementation

The BEDC has responsibility for following up on implementation of actions (including securing ongoing financial support for BEDC). According to the documentation, further tasks included monitoring the Certificate of Occupancy processes (limited to informal qualitative monitoring drawing on the BEDC network), as well as establishing special BEDC sub-groups for specific issues (limited applications in practice due to lack of funds).

BEDC continue to seek funding for funding issue-specific cluster groups (which will develop action plans in key areas). However, while BEDC continues to function (on what appears to be an ad hoc basis) as of November 2004, the sub groups are yet to be established.

### Institutionalisation

The initial assessment is widely held to have helped to enhance the political leadership’s awareness of the contribution of the informal sector. Results from the initial report were presented at workshops (cluster-specific presentations) – formed the basis of general and cluster-specific consultations/discussions. The ‘identification of agreed actions for the future’ was initiated. However this process seems to have stalled. It is possible that the (considerable) learning that resulted from the initial assessment has simply been subsumed into other strategic planning initiatives (e.g., Karu Development Strategy (KDS) Process) although we were not able to verify this.

### Monitoring and evaluation

Our review of documents and interview reveal only very limited references to monitoring and evaluation. Most of these are normative statements (i.e., what M&E will or should happen, as opposed to documenting M&E in practice). The M&E arrangements outlined in the proposal make reference to various contiguous reform strategies and priorities and a range of (generally qualitative) indicators.

There is no evidence that these M&E arrangements have been operationalised by the city.

### Measuring the impacts of the CDS

The ‘Most important achievement’ has been the establishment of a participatory framework for the State and Local Gvt to interact with Karu’s informal businesses (organized into an organization called the Business and Economic Development Committee of Karu – BEDC) as well as its citizens, on all matters that affect Karu.

At the outset it was suggested that: “We believed that a CDS had the potential to at least raise awareness about the impacts of planning policies in Abuja, and perhaps even initiate debate amongst the decision makers of the Federal Capital Territory (FCT) and the states that surround the FCT. These states have satellite areas like Karu that are seeing unprecedented, overwhelming and unplanned growth”. The initial assessment was a significant achievement in terms of contributing to social learning about city development. Although the CDS process seems to have stalled somewhat, there is anecdotal evidence to suggest that this learning has been integrated into other strategic planning initiatives. There would also seem that the initial assessment was highly regarded and has been used to support the case for similar assessments in other jurisdictions (in Nigeria and in other countries).

### Significant Issues which Informed the Development of the Guidance Framework

- Commentators noted that M&E was weak in the Karu CDS, and predominantly driven by donor needs.
- M&E guidance in this context needs to take account of the fact that the city has very low capacity and exposure to M&E concepts. Need to build the case for dedicating limited resources to M&E.
- An M&E guidance note “may have been useful”, but it would “have to be simple and straight-forward to apply”. Given that the initial assessment was the strongest element, it is most obvious place to integrate M&E. Discussion on M&E would have been a useful way to explore mechanisms for mainstreaming an ongoing assessment process. For example, a useful conclusion to the initial assessment process would have to summarise what information the city has, whether it is good quality data, what further (routine) data collection would be most useful etc.

## #6 - Kigali - Rwanda

### The Design and Main components of the CDS

The proposal indicated a four-stage approach: research (economic assessment), analysis, strategy development and action plans. In reviewing the achievements of KEDS, commentators have conflated this into a three-phase process.

1. Research Phase & Establishment of a Stakeholders Committee.
2. Production of a draft Strategic Plan (which was presented to the City Council, debated, modified slightly and adopted as official city policy).
3. Convening the Stakeholders Committee in two all day workshops to prepare an action plan for implementing the strategies.

### City Assessments

The KEDS began with comprehensive socio-economic data collection by the city in partnership with a local research institute (The Kigali Institute of Science and Technology - KIST). The KIST research:

- Assessed the economic sectors for opportunities/ constraints to growth;
- Assessed factors affecting economic growth and influenced by government;
- Reviewed existing sources of the CoK's revenue with regard to rates and mechanisms of revenue collection;
- Identified approaches required by CoK to expand the economy and enhance revenue capacity.

The research resulted in a five hundred-page document that reviewed various formal and informal sectors. The KIST team also produced a comprehensive list of nearly two hundred recommendations for economic development.

Commentary on this process is generally positive, bearing in mind the extremely low capacity for strategic planning prior to the KEDS initiative. One commentator notes:

The CDS exercise was very useful for Kigali City to gather basic data and develop a kind of global vision for the development of the urban area. The urban development phenomena, expressed in terms of urban land pressure, growing urban poverty but at the same time opportunities for employment and economic diversification is new in Rwanda and still unrecognised both by government and by donors (and hardly mentioned in the PRSP, nor in any recent planning documents). In this regard the KEDS was a first local-government driven demand for strategic thinking in what urban development could bring and would entail.

### Participation and ownership

A Collaborative committee (CC) was formed. The CC was approved by city council and became the central body engaged in developing KEDS. The Committee included representatives from:

- Departments of city government
- The appropriate central government ministries
- Representatives of the private sector and business community
- “The poor”
- The Rwanda Association of Banks
- Representatives from local area community development committees (district level associations of citizens engaged in the informal business sector),
- International NGO’s
- An association of indigenous women’s NGOs
- USAID, The UNDP, the World Bank, The National Ministry of Finance and Planning, the Rwanda Federation of the Private Sector, the National Coordinator of the Poverty Reduction Strategy Paper and many others.

In addition, customized questionnaires were given to more than 70 individuals and/or organizations.

Overall, the CC demonstrated diverse representation from public and private sectors, civil society as well as central and local government.

A number of weaknesses in the participative process have been noted in reviews of the process:

- The degree of participation ebbed and flowed during the KEDS process. Some stakeholders proved to be not completely engaged or disinterested by not sending representatives to meetings. Because of the rapid pace of the project and the lack of influence that the coordinators had over these particular stakeholders, there was little that was done to try to revive their interest.
- While USAID funded the project, ‘USAID did not provide sufficient support needed to facilitate the KEDS process, particularly during the implementation phase’. This is due, in part, to the defined priorities of USAID/ Rwanda whereby emphasis is placed on rural development. Other organizations participated as institutions, but sent different individuals to different meetings of the KEDS. This negatively impacted consistency, group cohesion and flow of ideas during the process.
- The term, ‘the poor’ was used by the KEDS planners as a very general term for a wide array of stakeholders. It was subsequently clear that the city needed to expand their definitions of poor populations and include representatives from populations that would have different economic priorities.
- Youth were not represented on the committee. Nor were people living with HIV/AIDS.

- While the city included representatives from the mayor’s office, sectoral participation within the government structure was limited. There were departments in the city government that should have been more closely linked with the KEDS process (for example, the Director of Physical Planning responsible for the production of the Master Plan was not consulted).
- Significantly, there was no opportunity for democratic participation in its broadest sense. The KEDS process did not hold open town meetings or conferences. It has been noted that: “by limiting the participating actors to the individuals chosen by the local government, there was very little opportunity to identify conflicting objectives”.

### Visions, Goals and Priorities

The main goals of KEDS were to “(1) build a foundation to compete in the global economy in the future and (2) to expand job opportunity to reduce poverty now.” The main objectives under the first goal were:

1. Organizing for economic development;
2. Strategic infrastructure investment;
3. Expanding Education and job opportunities;
4. Land Reform;
5. Expanding Access to capital.

The targeted sectors under the first goal included:

1. Industry including Agri-business;
2. Tourism and hospitality;
3. Information technology;
4. Construction.

The second goal, “expanding job opportunities to reduce poverty now” has three objectives:

1. Enhancing women’s capacity to participate in the economy;
2. Growing small and micro-business;
3. Preparing street children for jobs.

Under each objective there are between five and fifteen strategies which are called “implementing activities” in the Action Plan document of the KEDS strategy.

### Action and Implementation

The implementing Action Plan was an attempt by the coordinators to prepare further details regarding each implementing activity in KEDS and was written after the strategy was approved by the city council. There is no prioritisation of strategies and the implementing steps for each activity are vague. Nor is there any funding timeline.

Note: according to one review, the original KEDS draft did, in fact, prioritize strategies. In the final document, these ranking were omitted because the perceived that ‘prioritizing objectives would limit their ability to solicit funding from donors’. They are critical of USAID: “essentially, their project cycle came to an end when the document itself was complete”.

### Institutionalisation

In the short term, the KEDS process contributed to the development of a number of institutional and organisational reform and renewal initiatives. A stakeholders committee was formed for the duration of the project. In addition, the KEDS process also contributed to:

- The creation of the Office of Economic Development (still in place as of Mar 2005, albeit in a different form with broader functions and pursuing new strategic planning initiatives)
- A master plan, with the support of UNDP. (As of March 2005 the plan remains unfinished and it is unlikely that it will be operationalized in its present form, as many features are consider overly ambitious and unrealistic),
- A base geographical information system (significant capacity problems as of March 2005),
- A thorough overhaul of the government salary system (As of March 2005 this is still perceived to have a number of weaknesses);

Of late, interest in the KEDS product appears to have waned. Interviewees have suggested this is because it lacked “a simple operationalizing strategy”.

### Monitoring and evaluation

There are only a few references to M&E in the KEDS.

- Page 31 - The CoK needs to monitor the changes in both government and private sector employment and conditions as they all impact on its economy in terms of tax base and as a market for products from other economic sectors.
- Page 34 - Ensuring the participation of women in decision making structure at all levels [will require] ... a monitoring framework with specific indicators to measure the level of participation and advancement of in the political and decision-making process in all sectors and at all levels.
- Page 34 - Changing perception of women’s role in society through ICT

training and media ... [A] Gender sensitive institutional mechanism for monitoring the media to ensure that it plays a positive role in its portrayal of women will be instituted.

- Page 59 – a reference to the coordination of micro finance initiatives, vis-à-vis ensuring that a “list of participating organizations and their respective areas or beneficiaries is updated so that it will be easier to monitor their success or failure [and] to render necessary assistance”.
- Page 86 – A reference to monitoring “career occupational needs”.

There is no evidence to suggest that these are being systematically followed up.

#### Measuring the impacts of the CDS

The KEDS has essentially lapsed, although the data collection and economic analysis is still perceived to be useful. It is unclear to what degree KEDS has helped to promote and institutionalise strategic planning. According to Capstone: many of the CC representatives stated that they were involved in the process but had little understanding of what the KEDS coordinator was currently doing and whether the strategy was ever used. Furthermore, the city has not been able to develop and implement a number of the KEDS recommendations because they are essentially outside its mandate (e.g., railways, energy supply, airport...).

One review of the KEDS process note that “it is difficult to define concretely what the outcomes of the KEDS project have been”:

It is evident that the greatest contribution of the KEDS process is that it has given the local government officials who participated a better understanding of how to assess the economic climate and how to plan for the future.

It gave them the much-needed confidence that they had a vision for the city and had gone through a participatory process to reach that vision.

Investors and donors are pouring into Kigali and have been impressed with the way that city officials are able to articulate economic priorities. But they are seemingly unaware of (or disinterested in) the KEDS project. The degree to which KEDS directly or indirectly influenced the decisions of investors and donors is difficult to measure.

Still, the projects and investments are important developments for the city economy to varying degrees. That stated one of the greatest difficulties was that the officials had a very vague understanding of the type of partnerships that could be forged around projects and how to foster the development of those partnerships.

#### Significant Issues which Informed the Development of the Guidance Framework

- In this kind of setting, where there has essentially been no functioning local government, is it arguably unrealistic to expect detailed M&E in the first phase of city-wide strategic planning? The fact that Kigali completed the plan (albeit significantly dependent on the work of external

consultants) is considered a significant achievement even though M&E was essentially non-existent.

- M&E Guidance in this context needs would need to be very straightforward and would need to produce tangible results very quickly otherwise it simply won't be sustained.

## #7 - Latvia Cities Program

Note: This project is ongoing. The CDS process and concept is quite new in Latvia, and there have been some initial challenges in getting the project up and running. There is very little scope for drawing conclusions and lessons learned at this stage.

### The Design and Main components of the CDS

The strategy for the CDS program is to focus on:

- Devising local economic development strategies and action plans to encourage a healthy business environment, create conditions for establishment of new businesses and employment generation
- Improving governance structures in the cities (stakeholder participation, partnerships between local govt and civil society, including private sector)
- Increasing the capacity of key cities of the country to explore all potential follow-up investments as soon as they start their CDS program, including PPP and EU funds available for Latvia
- Building capacity and capability within the cities and RDAs to ensure scaling-up and replication

The CDS strategy aims to “ensure that the stakeholders representing the cities are in a position to devise and implement policies, programs and projects that directly address the issues of economic and social inequalities and poverty reduction”.

The broader vision for the CDS program is “to enable the city stakeholders to implement programs and projects that turn the cities into “catalysts” of regional and national development”.

Upon commencement of the CDS program, each city will start collecting and analyzing info that could provide the basis for an assessment of the city’s competitive advantages (e.g., via a SWOT-analysis). This process is also referred to as a “competitive assessment”. According to the proposal, the formulation of the strategies shall go through five stages.

#### 1. Creating a vision

A vision shall be developed and agreed on by all stakeholders. The vision shall be a description of the stakeholders' preferred economic future of the city, which will give stakeholders a clear sense of direction. It is on the basis of the vision that goals, objectives, programs and project plans will be developed.

#### 2. Developing goals

Goals shall point more specifically to the outcomes the city seeks to achieve. Goals are much more descriptive and concrete than a vision statement and should be directly related to the findings from the competitive assessment.

#### 3. Developing specific objectives

Objectives shall be more specific; time bound and measurable. The aim is to leverage strengths, overcome weaknesses, exploit opportunities and deal with threats identified during the competitive assessment.

#### 4. Developing programs and projects to achieve the objective

Programs and projects shall form the specific actions the city will take to achieve the vision, goals and objectives. Attention shall be given to identifying prioritised projects, some of which should provide 'quick- wins' for the strategy. These projects shall include agreed actions for all stakeholders (not just the local authority).

#### 5. Documenting the strategy

The strategy shall be documented and made accessible to all stakeholders. Feedback on the LED strategy shall be encouraged and taken into account. At each workshop, the progress documents shall be developed in a user-friendly format and used as the basis for further consultation before finalization of the LED strategy.

...

Strategy implementation will be driven by “action plans”. Key issues to consider are:

- Who takes responsibility for each program or project?
- What are the targets in terms of outputs, timing and funding?
- What steps need to be taken to achieve the targets?
- What will be the reporting structures (including to stakeholders)?
- What are the performance monitoring and evaluation systems and processes?
- What has to happen to ensure they are in place and used?
- What are the budgetary & human resource requirements for the sustained delivery of the project or program?

### City Assessments

As noted above, each city is to begin by collecting and analysing info that could provide the basis for an assessment of the city’s competitive advantages (e.g., via a SWOT-analysis). This process is also referred to as a “competitive assessment”.

According to the 2nd progress report: “the capacity of the staff members in some cities (...) do not allow them to devote enough time to work on data audit and local economy assessment. Therefore, 5 cities (Valmiera, Jelgava, Jurmala, Liepaja, Ventspils) have developed ToRs for consulting firms to provide them with hands-on capacity building in the process LED development”.

The Second progress report notes that the cities have agreed to cooperate in establishing databases including information on LED, relevant quantitative and qualitative indicators, and in data that can be obtained from the State Statistical Committee. The cities will be assisted by Local Consultancy Company (Selected company: Regional Studies Center Ltd - RSC) who will work on a *Rapid Data Assessment* assignment.

### Participation and ownership

One of the core objectives of the Latvia CDS is to “improving governance structures in the cities, focusing on stakeholders participation and partnerships between local government and civil society including the private sector”. The CDS model elaborated in the proposal emphasises “consensus building, stakeholder participation and public-private partnership and ... the development of forms of urban governance that are new to and innovative in Latvia.

The first step after team mobilization is “to establish a Steering Committee in each city, which shall include key stakeholders from all sectors. The local authorities will provide institutional support for this committee”.

### Visions, Goals and Priorities

See the normative framework (above) – to our knowledge, cities are yet to develop detailed visions, goals and priorities.

### Action and Implementation

See the normative framework (above) – to our knowledge, cities are yet to develop detailed action plans.

### Institutionalisation

The proposal emphasizes the development of a “network of learning” as the participating cities communicate and interact within each other as part of the CDS process. It is hoped that this will provide a useful demonstration project in the region for nations seeking to encourage the development of their urban sector in a manner which prioritizes capacity building (governance), “self-learning”, and poverty reduction.

The proposal notes that significant work has already been undertaken by many of the target cities in terms of formulating territorial development plans, improving the efficiency of their administration and, often for the first time, involving key stakeholder groups in discussions concerning the development and management of their city or town. However:

“capacity and capability deficiencies remain and often severely compromise the ability of central and local government to define and implement projects. Furthermore, much more needs to be done to augment and improve the various plans that have been formulated and deepen the embryonic and fragile democratic planning process. Indeed, the next step for all of the eight cities is to formulate a more comprehensive city development plan that focuses on local economic development (LED) and job creation, and to devise and implement action / investment plans and projects with particular reference to poverty reduction. A focus on the effective delivery of projects is vital as the lack of delivery has characterized the recent past”.

The Latvian CDS process is also conceived to be linked with several key national strategies. The *National Development Plan* deals with the promotion of balanced economic development and an entrepreneurial and competitive economy, and CDS is considered to compliment this top-down vision with a bottom-up participative process.

There are also explicit links with the *Public Administration Reform Strategy* which is intended to promote more openness in the Latvian public administration, removal of administrative obstacles to business activities. Administrative reform is a major plank of the proposed CDS strategy.

With respect to the *Poverty Reduction Strategy*... The CDS program is conceived to assist the Government in implementing important national initiatives, responding to local needs and allowing donor support and co-financing to be effective.

### Monitoring and evaluation

The proposal records that a M&E system will be established:

A monitoring and evaluation system will be established which will be of benefit beyond the substantive nature and time duration of the CDS program. A primary outcome of the CDS program will be the development of long-term performance monitoring capacity in and across the eight Latvian cities. **Each city has agreed that regular and accurate measurement of city progress is critical to the implementation of CDS/LED and associated action plans.** Cities, and the national statistical agencies, currently collect a range of primary data in multiple sectoral areas. However, this data is rarely organized into coherent policy or management indicators.

The monitoring strategy for each city will involve **the development of a performance measurement system parallel to the analysis and consultation process for each CDS.** The key objectives, plans and targets that emerge from each CDS process will be reflected through measurable indicators in the monitoring system for the respective city. These systems will also identify a series of mechanisms for the regular reporting and public disclosure of city performance information. Concurrently the eight cities will agree upon and support the collection and reporting of a more limited series of common key indicators for the purposes of comparison. This system will be maintained in partnership with the Association of Latvian Cities and the Directorate of Regional Policy and Planning, Ministry of Finance.

Once designed, the systems will be institutionalized in each city with technical assistance from the UN-Habitat, Local Government Indicators (LGI) and regional experts. Technical assistance will include training and on-site system development. Participating cities have made a commitment to developing and integrating measurement systems into management and policy processes. **This commitment is reflected by the fact that each city has allocated a proportion of its requested fund for developing monitoring systems.** It is envisioned that these in-country systems will provide the monitoring approach for the CDS program is to have cities focus on measuring the outcomes or results of policy and programming actions. The chain of causality between these varied actions and the desired policy outcomes will likely take longer than the two year timeframe for this CDS program. It is important, therefore, for cities to focus on intermediate outcomes and process indicators that serve as proxies for long-term desired goals and objectives. The cities, technical experts and project staff will agree upon a set of intermediate measures early in the CDS program.

There is no information available regarding the status of these M&E systems.

#### Measuring the impacts of the CDS

The impact of the CDS program is expected to be:

- Increased capacity and capability;
- Improved democratic planning;
- Poverty reduction; and
- An increase in economic activity within the cities.

The process is still in its early stages and it is premature to identify lessons learned or seek to attribute specific impact to the CDS activities.

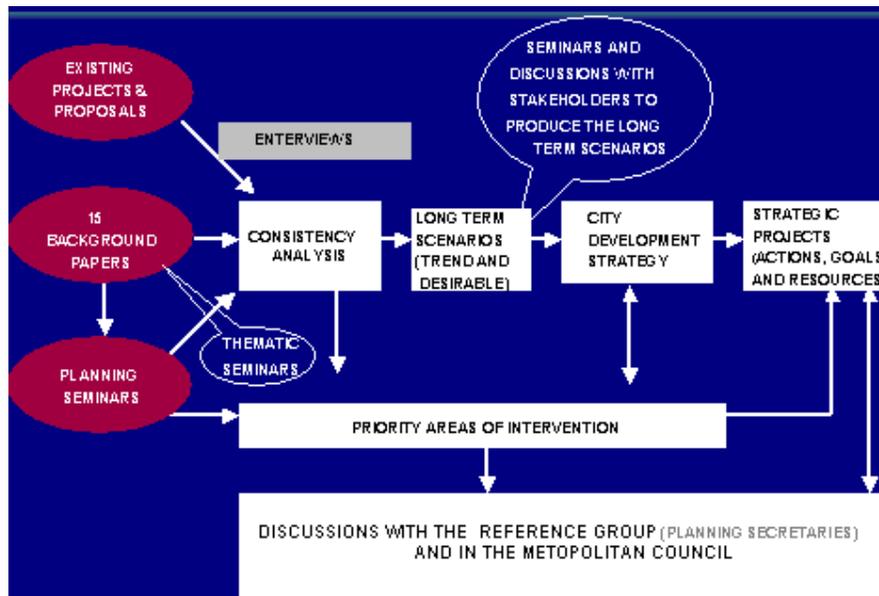
Significant Issues which Informed the Development of the Guidance Framework

This project is ongoing. The CDS process and concept is quite new in Latvia, and there have been some initial challenges in getting the project up and running. There is very little scope for drawing conclusions and lessons learned at this stage.

## #8 - Recife Metropolitan Region (RMR) - Brazil

### The Design and Main components of the CDS

The project began with a review of existing projects and proposals, background papers on key issues (with thematic seminars), and broad based stakeholder consultation. The product was a comprehensive government plan, including a detailed action plan, (with costs).



The thematic focus sought to contrast and combine enhanced competitiveness and greater livability and social inclusion as two key ‘development vectors’ (DV).

### City Assessments

As noted above, the project included a diagnostic of social, economic and physical issues for the Recife metropolitan area, leading, through a series of steps, to a detailed action plan, (with costs). The participative approach (e.g., thematic seminars, interviews, workshops, etc.) is a noteworthy feature.

The diagnostic phase focused on the following key dimensions:

- (i) An economic dimension (focusing on growth opportunities);
- (ii) An opportunity dimension (focusing on poverty levels and its characteristics);
- (iii) A demand/need and supply dimension for a number of public and merit goods;
- (iv) An allocation dimension (focusing on the capacity of government to regulate, finance and/or provide these public and merit goods); and
- (v) A social capital dimension.

The project considered development scenarios (trend and desired) as a basis for developing an action plan.

### Participation and ownership

The process included participation by all levels of government (metropolitan municipalities, other state agencies, metropolitan council, utilities, etc), although the smaller municipalities participated less than the larger ones.

The involvement of civil society throughout the process is widely regarded to be a key strength of the project.

It is reported that “the private sector has not been involved as much as expected”, which is significant given the focus on enhancing competitiveness in the region.

### Visions, Goals and Priorities

The action plan is based around three development vectors (DV):

1. ‘Competitiveness with social inclusion’
2. ‘Liveability and social inclusion’
3. “Planning and Management Metropolitan System”

The ‘competitiveness with social inclusion’ DV emphasizes: road infrastructure; quality education and vocational training; technological development and innovation; tourism and culture; enhancement of the medical and health complex; enhancement of the modern service networks; enhancement of agribusiness; and enhancement of the industrial complex.

The ‘liveability and social inclusion’ DV emphasizes: water and sewage; solid waste; drainage and risk areas improvement; housing; public transportation; upgrade of the natural and man-built environment; law enforcement; health; public space for the young; and a training and job generation program.

A third DV focused on strengthening the “Planning and Management Metropolitan System”, although this only account for 0.3% of the total expenditure. Commentators have subsequently noted that “Planning and management have not been sufficiently emphasized”.

### Action and Implementation

The product was a “well defined, realistic, politically and financially viable strategy” based on the three development vectors.

Significantly, this included substantial detail on financing sources internal to the RMR. The action plan is costed, with the (indicative) contributions of federal, state and municipal governments (and the private sector).

### Institutionalization

As noted above, the strategy includes a development vector focussing on strengthening the “Planning and Management Metropolitan System”. However, this element accounts for only 0.3% of the (envisaged) total expenditure. Commentators have subsequently noted that: “Planning and management have not been sufficiently emphasized”.

The institutional reform envisaged has not taken place, and the Metropolitan Development Fund has not been implemented.

In terms of replicating the methodology, IPEA has prepared a manual and a methodology guide for other cities in Brazil and in South America.

It has been argued that the Recife Metropolitan Region CDS process should have been followed by similar exercises in the constituent municipal areas and in other large Brazilian metropolitan areas (led, for example, by the Association of Brazilian metropolitan), however this idea has not attracted sufficient support.

Nevertheless, several commentators have noted that the project has enhanced other (ongoing) strategic planning in the region (e.g., the ‘Pro-metropole project’) and contributed to the development of project lending by the World Bank (urban upgrade project for the Beberibe River Basin in the RMR)

#### Monitoring and evaluation

No M&E is envisaged in the project proposal, and although the need for monitoring is key trends was discussed during the strategy process, no systematic M&E has been implemented.

#### Measuring the impacts of the CDS

Commentators report that the project had an impact on the way the State was dealing with its planning procedures and methods. There are also some synergies with the preparation of the Pro-metropole project.

#### Significant Issues which Informed the Development of the Guidance Framework

Monitoring and Evaluation elements were not a strong feature, so there are few ‘lessons learned’ in this regard. (Suffice to say that this project again demonstrates that you need to address M&E throughout the CDS process, otherwise it will lose traction). Implementation of the strategy appears to be quite weak, so one would not expect an ongoing M&E.

The focus on funding the strategy via financing sources within the RMR is a key strength.

## **#9 - Taygaytay City - Philippines**

### The Design and Main components of the CDS

CDS2 in Philippines followed World Bank series of CDSs in East Asia (China, Indonesia, Thailand and Vietnam) of which seven were in the Philippines (CDS1) conducted in 1998-1999. A UNDP funded Local Environmental Planning and Management (LEPM) project begun in 1998 and intended to run for three years in three cities (Lipa, Cagayan de Oro and Tagbilaran) - what are referred to as initial ten CDS cities.

As a part of a national CDS information-sharing network, the approach to the Taygaytay City CDS was the common one for CDS 2 cities, and once constructed with agreement of all the respective mayors as a common approach, it was supported by the national coordinating body at the LCP and the internet based information system of the CDSEA.

### City Assessments

The methodology for CDS2 followed CDS1 in using the “Urban Karte” approach for the basic profile of information, then more detailed information for the development of strategies on the areas identified previously in the Urban Karte approach of CDS. The information collected was on the themes of economic development, social development, urban design and transport, environmental matters, bankability and urban finance, and governance indicators.

Tagaytay informants confirmed that information required for the Urban Karte includes many of the elements that were to be part of the Local Government Planning and Management System (LGPMS), intended to be operational from 2005.

Assessment material was put together by an internal CDS Team then subject to public consultation and scrutiny by the CDS National Coordinating Group. This material was also presented to a multi-sector working group consisting of schools, the business sector, HGOs and religious groups.

### Participation and ownership

Following the procedures used for all CDS 2 cities, the participatory and ownership-building consultation processes consisted of broad community consultation and discussions with a multi sector groups. Broad community consultations were conducted for the presentation of the Urban Karte including a presentation of the CDS vision and strategy. The discussions with multi sectoral groups included stakeholder representation and barangay captains. (It is worth noting that such styles of consultation are different to that usually found in Tagaytay which is single issue based rather than multi sectoral.)

Following the completion of the CDS process it appears that Tagaytay has set up a series of issue based Councils in the City, which sustains and continues a CDS participation procedure. This however has not been measured in any quantitative sense but it has institutionalised the processes.

### Visions, Goals and Priorities

Because of the common approach taken by all the CDS 2 cities and the frameworks they were given to work with, they have common components of Economic Development, Socio-cultural development, Urban Design and Transport, Environment, Financing, and Governance (structure and processes).

Tagaytay ‘Visions, Goals and Priorities’ can be found in the articulation of its nine-point action plan, which is summarised as follows:

- An increase in tourist arrivals with access to affordable but world class facilities
- An Increase in world-class recreational facilities
- 100% accessibility of transportation, communication facilities and services to all barangays
- An increase the number of hospital beds and health providers
- A decrease the number of informal settlers by 20%
- The increase in the number of technical and vocational courses
- Increased employment opportunities in tourism and agricultural services
- Increased awareness and create public and private partnership
- The establishment of a city tertiary educational system

This action plan is underpinned by six overall strategies:

Strategy 1 The provision of efficient infrastructure support for eco-agri-tourism industry

Strategy 2 The establishment of effective environmental facilities and efficient implementation of environmental policies

Strategy 3 The enhancement of basic social services

Strategy 4 City character building and the improvement of management and administrative systems

Strategy 5 Economic diversification on product development

Strategy 6 Tourism promotion and marketing programs

### Action and Implementation

CDS2 was essentially a capacity building exercise for the LCP and for the cities that participated, and all CDS 2 cities went through the same basic procedures, with the framework and timescales agreed to by all the Mayors in a national workshop.

A National Coordinating Team was established at LCP for overall implementation and coordination. This Team also hired specialists to give advice to the cities at particular points in the process on LED such as environment, urban finance, poverty alleviation and physical planning plus governance. This Team also coordinated the preparation of a CDS toolkit based on CDS1 and 2 plus LEMP. Each city established a CDS Team consisting of the Mayor and 4-5 members of the City Government (including key staff such as Administrator, Planning Officer etc). The CDS Team was also asked to develop Technical Working Groups including local NGOs other stakeholders, academia, etc

All cities went through three distinct phases:

November 2001	<b>1. Assessment Phase - “Where are we?”</b> A national workshop
March to April 2002	<b>2. Visioning Phase</b> This was initiated by series of city level workshops. This was then validated with workshops in two locations to accommodate all cities which presented Urban Karte, visions and strategies to a panel of experts on poverty, LED and urban development.
May to September 2002	<b>3. Strategy Formulation</b> This entailed the identification of priority programs and projects (through May to September 2002), and started with two more cluster workshops with experts on urban finance, government and environment. This phase also included the preparation of the first draft CDS report (by end of May 2002).

Final aspects of the Strategy concurred in 2002 with the following timeline:

June	Further citywide consultation
July	Submission to the national organization
August	A national workshop to discuss drafts with “validation/comment” by National Coordinating Team
September	Revision and further city consultations and another set of “cluster validations”
October	Final national workshop with presentations of CDSs to the donor community
November	Adoption by City Councils by end November

Additional workshops on specific issues such as investment were organised during the process as the needs were identified.

### Institutionalisation

The City staff with responsibility for the plan have attempted to institutionalise the CDS by submitting the plan as a whole to the DILG as the Executive Legislative Agenda for the newly elected Mayor (brother of the previous mayor and supportive of the process). This was a requirement of the Legislative Code in the first year after elections, but DILG has not been willing to accept it. Making the investment priorities the annual investment plan submitted to the City Development Council has also institutionalised the CDS initiatives.

### Monitoring and evaluation

The full CDS for Tagaytay City has a ten-year implementation matrix. City staff estimate that they have started all the projects identified for the first two years

however, they do not have a routine system for checking their progress against the matrix and clearly do not use it in a systematic way for evaluating their own progress. In interview, it was stated that “monitoring is in the mind of the boss”.

### Measuring the impacts of the CDS

The Taygaytay CDS is still active and it exists as a large planning document of which the staff is very proud. In terms of outcomes and impacts attributed to the CDS process, it is clear that nationally the LCP and the sponsors see the CDS 2 exercise as a capacity building program. At a national level, in general and for specific cities, one of the characteristics of the Philippines is the number of overlapping programs and projects. For instance, Iligan is a CDS city where the AusAID PRMDP project was also based, and Tagbilaran was a LEMP city therefore deemed to be part of the CDS family in addition to its PRMDP city status.

The city administrators see these CDS processes as cumulative and complementary. The impacts are seen by the staff in Tagaytay in terms of process, that is, the way in which the consultation exercises of the CDS and the information generated by the Urban Karte have spun off into a series of councils and codes/policy documents. A series of projects are identified in the matrix are being carried out.

However there are CDS impact measurement issues to note. There is no evidence that the material collected for the initial assessment stage of Urban Karte is now being used in any systematic way to evaluate any forms of “progress” attributable to the CDS or otherwise. It was also not possible to identify any systematic M&E process taking place, yet the respondents in Tagaytay did talk in terms of specific projects being carried out which were part of the CDS. The view was put that these projects relate directly back to information collected for the Urban Karte, e.g. in education and social welfare. Some of these projects were said to have started once the information from the Urban Karte was known and before the CDS process was completed.

### Significant Issues which Informed the Development of the Guidance Framework

CDS 2 in the Philippines is a national initiative in that it involves and is supported by a LGA - the LCP. However the lack of engagement of the agencies of national government has implications for the following:

- Access to information held by national agencies but relevant to the City’s initial assessment eg employment and unemployment figures; and
- Institutionalising the CDS with the relevant national agency apparently not accepting the plan from CDS as fulfilling the requirements of specific planning documents.

These issues of engagement with national agencies are an explicit focus for the planned phase 3 of CDS.

## **#10 - Taguig City - Philippines**

### The Design and Main components of the CDS

The Asian Development Bank (ADB) initiated a Technical Assistance program entitled “Promoting Urban Poverty Reduction through Participation in the Cities Alliance”. This involved three divisions of the Bank’s Regional Sustainable Development Program: Agriculture, Natural Resources and Social Sectors. The program was viewed as a “demonstration project” within the ADB with the purpose of influencing the overall approach to urban development.

Taguig is technically a municipality not a city within the Philippines LGU categorisation and its status, or the lack of its status as a city, has been a political issue for several years supported by the Mayor but opposed by local Congressman. The municipality is just about to be accorded city status.

The ADB report suggests that a common approach was used for the ADB CDSs whereby a series of five working notes were prepared and used in each city:

1. What is a CDS
2. Preparing a CDS: Preparatory stage
3. Preparing a CDS: Analysis stage
4. Preparing a CDS: Strategy formulation
5. Preparing a CDS: Assessing Implementation through M & E

The main focus of the CDS was upon the following:

- Efficient and People-Oriented Services
- Economic Development
- Participatory Development

The CDS was also strongly linked to a CWS initiative; Taguig has a major problem with informal settlers yet has a major asset in the form of large portions of government land.

### City Assessments

The Taguig CDS Summary Report contains statements relating to eight key problem areas:

1. A high population in-migration rate contributing to rapid population growth
2. Housing - in particular, the issue of 25,000 households within informal settlements (in the year 2000) with poor services
3. Water and sanitation - the municipality has no reticulated sewerage system with approximately 43% of households connected to the piped distribution system (based on 1995 figures). Pit latrines and septic tanks are common.

4. Flooding - approximately 70% of the area of Taguig has an elevation of 12.5 meters. This means that the area is virtually flooded for much of the year.
5. Solid waste - on average Taguig generates 1,180 cubic meters of solid waste per day, and disposal is a problem because of the threatened closure of landfills serving the municipality.
6. Education - there is a shortage of elementary, secondary and tertiary school classrooms in addition to a lack of laboratory facilities, libraries and other education related capabilities.
7. Health - malnutrition in 1999 was higher than in 1998.
8. Transport - traffic congestion occurs daily with only one (substandard) major road connecting the old town to the barangays and adjoining areas.

#### Participation and ownership

The CDS summary in the ADB report is inconsistent on the issue of consultation. In the section on 'Process', there is reference to five consultation meetings with stakeholders and community meetings. However, in its assessment of the CDS it states that while the objectives of the CDS were clear for staff and council members, "... intensive meetings with the community could not be undertaken for lack of time and resources".

According to the Mayor and city Administrator, the recognition of the importance of participation was one of the most important outcomes of the process (both emerging from the private sector). This is also one of the three key themes of the Taguig CDS.

It was said that the Mayor now appears to meet regularly with stakeholders and supports the emergence of more systematic advocacy mechanisms, particularly those suited to the business community. For instance, a Taguig Business Forum was held in August 2004, and there are consultative meetings for all organizations involved in Fort Bonaficio. The Mayor also has regular meetings at the barangay level.

In regard to CWS, the report refers to projects implemented under the Taguig Multisectoral approach, comprising the Habitat-National Capital region; Philippines Business for Social Progress; Fort Bonaficio Development Corporation; Foundation for the Development of the Urban Poor, and the Ayala Group of companies.

#### Visions, Goals and Priorities

The CDS vision for Taguig was articulated as follows:

Taguig aspires to be a premier city, recognized for the quality environment, people-oriented services, and economic opportunities that it offers to its residents.

The central components and objectives of the CDS were set across the following three themes:

#### **1. Efficient and People-Oriented Services**

- Vision:* Taguig envisions a satisfied population
- Interventions:* Build local government capacity through:
- Leadership by example
  - Staff training
  - Transparent, accountable, and responsive local government
  - Improve social services, particularly Health and Education
  - Environment and sanitation, including peace and order
  - Improve infrastructure and utilities
  - Improve housing

## **2. Economic Development**

*Vision:* The vision of the municipality is to be a model of a highly progressive and innovative community in the southeastern part of Metro Manila.

- Interventions:*
- Implement the municipal ordinance encouraging Taguig employers and investors to hire at least 70% of their employees from the municipality
  - Coordinate with relevant agencies concerning job placement and training, particularly in the areas of vocational and short-term technical courses
  - Strengthen opportunities for tourism and recreation along the Laguna Bay lakeshore by regulating development in the area and educating residents
  - Capitalize on the presence of the Global City, the FTI, the Veterans Center, and the RSBS Industrial Estate to create employment.

## **3. Participatory Development**

*Vision:* The vision of the municipality is to improve governance through a high degree of community participation

- Interventions:*
- Inform residents about local government policy on community participation
  - Implement a monitoring and feedback mechanism to sustain participation

### Action and Implementation

The municipality has attempted to implement various aspects of the CWS strategy through the establishment of an Urban Poor Affairs Office, a Local Housing Board and a Local Utilities Board. The Municipal Development and Housing Office (MDHO) has also been established to prepare, implement and coordinate shelter programs for the poorest 30% of the population.

### Institutionalisation

The Taguig CDS does not appear to exist as an actual plan, rather it is more a set of strategic objectives developed during facilitated workshops. However, the three major themes developed in these workshops are clearly articulated by the Mayor as the primary objectives of the municipality and are the key themes against which Departmental heads consider in the development of performance indicators.

In the final ADB Report, the Summary notes that the Taguig CDS did outline short and medium term programs but did not identify work to be done. This Summary suggests areas of additional focus:

- Prioritising programs and projects for implementation
- Mobilising stakeholder support
- Agreeing on investment plans
- Establishing information dissemination, monitoring and performance management

When the CDS reviewer mentioned to the Administrator that other CDS cities were using the projects prioritised in the Plan as the basis for their annual investment plans, he commented that this was a good idea that will be raised at the next strategic planning conference.

Overall management of the municipality is dealt with through weekly meetings with the Mayor and Heads of Department in four clusters which each meet on an allocated morning of the week once a week. The four clusters are:

- Peace and order
- Infrastructure
- Social services
- Finance and income generation

#### Monitoring and evaluation

No monitoring is taking place. To quote the Mayor: “The best gauge of success is in election results”.

The CDS Summary Report states:

The municipal government, in consultation with stakeholders, is developing a monitoring system that, to start with, will include indicators of performance in providing basic services.

This is one the interventions proposed by the CDS under the theme of ‘Participatory Development’. However at the time of interviews, 15 months after completion of the CDS, the reviewer was informed that a matrix of performance indicators were now being prepared, with financial targets, to be reported by each Department in each ‘Cluster Group’. For example, the Infrastructure Cluster Group consists of the Departments of Engineering, Local Building, Planning and Zoning, the Local Utility Board, ‘Clean and Green’ (garbage collection), and Lake and River management.

The Head of Local Building gave as an example of the sorts of measures being devised:

Most construction is unregulated; in July, 100 building permits were issued but there were 200 notices of illegal construction. The aim is to increase number of building permits and decrease number of illegal notices so that these ratios are reversed. When

this is achieved in future years the indicators will be refined so that for example, the aim will be to reduce the time taken to issue building permits.

The indicators will be set against each of the three priority themes of the CDS. A parallel initiative by the Mayor is to set up computerized Management Information Systems.

#### Measuring the impacts of the CDS

It is difficult to attribute activities such as process or outcomes to the CDS as these are not stated in Strategy documentation. However, although the CDS is not a formal document, the main themes are repeated by the Mayor and senior managers so it does appear to inform their approach and thinking.

There is no M&E system at this stage of the CDS process yet the Mayor cites a number of achievements that have contributed to the Strategy's overall objectives. These include:

- The construction of new school buildings funded by LOGOFIND (WB)
- The development of a customer service focus, including the refurbishment of the Town Hall that includes a 'One Stop Shop' for the issuing of all permits
- Habitat-EU funded housing projects which provide relatively cheaper housing using innovative construction techniques
- Bringing consultation onto the agenda as a key theme and enacting Mayoral initiatives
- The commitment (now being met) to produce a comprehensive system of performance indicators

The above achievements may not be directly attributable to the Taguig CDS however, as with the development of the CDS, they are clearly part of Mayor's agenda to modernise and reform Council governance. As far as the Mayor is concerned, these achievements, and increased community access to information about the operations of the Council, have contributed to the municipality becoming a City.

#### Significant Issues which Informed the Development of the Guidance Framework

This CDS is clearly more of a set of organising themes or principles rather than a formal plan. Whilst it does not have any formal framework, let alone an evaluation scheme, it clearly informs the Mayor's approach to issues and that of senior managers in the Council. While it is impossible to attribute specific outcomes to the CDS it is a major contributor to the way the Mayor and others think about their overall agenda.

## #11 - Special Region of Yogyakarta, Indonesia.

### The Design and Main components of the CDS

This CDS project was suggested as a mechanism for building on the “Triple-A tool kit” that had been developed in DIY (with Swiss assistance), and to feed this work into broader reforms at a national level via a World Bank-funded Urban Sector Development And Reform Project (USDRP).

The “Triple-A tools” are a product of the ongoing Yogyakarta Urban Development Program, sponsored by the Swiss Agency for Development Cooperation (SDC) since 1989. The current phase started in October 2001 to “assist the provincial and local governments of DIY in the practical application of ‘good governance’”.

The “Triple-A instruments” are ‘Atlas’, ‘Agenda’ and ‘Aturan-main’ (=Rules-of-the-game). The **Atlas** comprises relevant information on the existing conditions (similar to an initial assessment). The **Agenda** comprises an assessment of the development potential based on the Atlas, projections of the financial capacity of government, shared development visions and strategies of the stakeholders based on Poldas, Propeda and Renstra (policies, plans, strategies), and synchronized investment programs of the government, community and private sector. The **Aturan-main** comprises guidelines for stakeholder interaction in the management of urban development in general, and in the implementation of the Agenda in particular.

Triple-A instruments had previously been prepared for each of the five municipalities (kabupaten / kota), as well as for the province as a whole (propinsi). The proposal acknowledges that “the first version of Triple-A is far from perfect” and that “the provincial and local governments have still to become fully confident in the application of the instruments”.

The focus of the current project is on updating and enhancing the “Triple A” approach. The main aims of the current project are:

- (i) Further development of the Triple-A instruments in DIY reflecting the visions on sustainable economic growth, balanced economic development and poverty reduction;
- (ii) Enhancement of the USDRP concept by placing urban development in a regional context using the Triple-A instruments in DIY as an example;
- (iii) Dissemination of the practical experiences and lessons learned in DIY for the benefit of other provinces and municipalities, both in Indonesia and globally.

The overall goal of the TA is “regional development and poverty reduction through regional integration, including inter-provincial coordination, inter-municipal coordination and strategic urban-rural linkages”. In order to realize this goal, the project supports technical assistance to help the provincial government and the local governments in the DIY to achieve the following objectives:

- (i) Review and update the Triple-A instruments, and anchor and

disseminate the results among co-stakeholders;

- (ii) Propose programs for institutional development and investment which promote regional development and poverty reduction;
- (iii) Assist in the preparation of cross-regional financing plans.

### City Assessments

The focus here is **the Atlas**. The **Atlas** is intended to serve “as basis for rational decision-making and consensus-building among the stakeholders based on logic arguments and a common perception of the existing conditions”. Atlas studies have been completed for all five cities (and the region as a whole) and these ‘initial assessments’ are being updated.

Rik Frenkel describes the atlas concept: “An Atlas has always been known as a rich source of information that is open and accessible to all. In the same manner, an atlas on DIY and on each of its constituent city and municipality is felt as the appropriate answer to the unavailability and/or inaccessibility of information. It will be a public document that will serve as a common basis or departure point as well as the ‘common language’ for portraying and assessing the existing situation as well as for identifying and defining problems and potentials”.

The focus / substantive context of the assessments vary in the different local areas, although generally include basic information on existing conditions and trends including Geographic Maps, Thematic Maps, Infrastructure Ledgers and Organization Structures of Local and Provincial Governments.

### Participation and ownership

The multi-stakeholder Task Forces will be the players in the “updating process”. The members of the project Task Forces will include representatives of all stakeholders:

- Government at provincial and local level
- Community, including all strata of the population, but especially the poor, women and elderly people, as well as non-government organizations and special interest groups;
- Private sector, including entrepreneurs and investors in the formal and informal sector, but especially small and medium enterprises;
- City councils and provincial parliament;
- Mass media, especially local television, radio and newspapers;
- Universities and academies, as well as specialized institutes.

The interim results of each step are to be “discussed in public hearings [and] shall facilitate wider participation in the updating process, and contribute to a greater sense of ownership among the stakeholders”.

This second round also includes a specific focus on the ‘effective roles of provincial and local parliaments and public media’. As has previously been the case, the final results will become public documents after being endorsed by decrees of the provincial governor, the mayor and the respective regents.

### Visions, Goals and Priorities

The **Agenda** is the key element in this regard. The Agenda “is a concrete action plan for addressing development priorities, based on long-term development visions and medium-term strategic objectives”. It generally consists of the following:

- Profile
- Long-Term Development Vision
- Medium-Term Strategic Objectives
- Assessment of Financial Capacity
- Action Plans for the Development of Urban Functions
- Action Plans for Spatial Development
- Area-Based Development Action Plans
- Sectoral Infrastructure Development Action Plans
- Municipal Management Development Action Plans.

### Action and Implementation

The Aturan Main “provides guidelines and standards for public-service delivery, as well as for community and private-sector participation in local governance”. Its contents are as follows:

- Underlying Principles
- Uses and Users
- Government-Service Delivery
- Urban Management
- Inter-Municipal Cooperation
- Community and Private-Sector Participation.

### Institutionalisation

The linkage of CDS with national planning tools relates also with the process of administrative decentralization. The Indonesian national planning system is undergoing significant changes (and further reforms are likely under SBY). Andreas Suhono (Directorate General for Urban and Rural Development, Ministry

of Public Works, Republic of Indonesia) provided extensive commentary on the potential to integrate CDS with national planning tools. He argues “an urban development strategy will only have a significance if it is being placed in the whole ‘urban management’, ‘urban planning and programming’, and ‘integrated urban development’ model, and should not be conceived in isolation”.

The project proposes to review and update the **Aturan-main** elements of the strategies “on the basis of changes in national, provincial, and local laws and regulations”, requiring renewed interaction among the development stakeholders. It is also intended that this effort will:

- Formulate guidelines for inter-provincial, inter-municipal and urban-rural coordination.
- Match vertical relations among national, provincial, local government level.
- Propose mechanisms for stakeholder participation at a regional level.
- Include effective roles of provincial and local parliaments and public media.
- Develop mechanisms for planning, financing, implementation, and monitoring and evaluation of inter-provincial investment programs.
- Standardize processes and procedures used in different municipalities.

The ‘end-products’ have previously been endorsed through provincial and local government decrees, and approved by provincial and local parliaments. It is anticipated that the second-generation triple A package will go through a similar process.

#### Monitoring and evaluation

The goal of the overarching “YUDP Triple A” is to integrate the principles and practices of good governance into municipal management. The indicators for reaching this goal are “the efficient and effective performance of municipal management functions by local government institutions in serving the public interest”. The objectives of “YUDP Triple A” (which could be rephrased as intended outcome-based indicators) are as follows:

- To effectively use the accomplishments of the previous phases of YUDP.
- To ensure the sustainability of such results through practical application.
- To disseminate the lessons learned within Indonesia and globally.
- To provide for the continuity of technical assistance by phasing in new partners.

There are very few references to specific and discrete M&E activities and tools in this project, although elements of M&E are woven throughout the triple A process, including a logical path for information gleaned from the Atlas phase (initial assessment) to feed through into the Agenda (goal setting) and Aturan Main (implementation and ‘institutionalization’) phases. This is not necessarily a criticism. Perhaps, ideally, best practice M&E becomes indistinguishable from day-to-day planning and decision-making. The fact that the Triple A tools are being reengineered to meet new demands is an encouraging sign.

The current round of Triple A development proposes to review and update the Aturan-main elements, including enhancing the mechanisms for ‘monitoring and evaluation of inter-provincial investment programs’ and establishing the City Performance Rating System (CPRS) for benchmarking and rating municipal performance (under the auspices of the USDRP). These efforts are still in their infancy. The USDRP is not yet approved.

#### Measuring the impacts of the CDS

The triple A framework is active and is being renewed. It is not clear whether the Swiss will support a third round, and whether the initiative would continue without external support.

The most important impact is considered to be the development of a ‘locally owned’ model of strategic planning that provides a basis for more comprehensive and integrated regional strategic planning. Interviews indicate that the work to date has had a significant impact in terms of collating existing data in one place (the atlas) and in establishing a vision for the region.

#### Significant Issues which Informed the Development of the Guidance Framework

- Champions for M&E are important. The international consultant clearly plays a key role and acts as a champion for the CDS in the DIY region. Mr. Bambang S. Priyohadi also plays a key role in terms of supporting and promoting the concept. International experience with M&E has frequently noted that ‘champions’ are often required to move the M&E agenda forward. The risk, of course, is that M&E initiatives can lapse if the champions move on to other roles.
- It is clear that the triple A approach has traction and status as a locally-derived response to the challenges of improved Urban Governance. It seems advantageous to translate concepts like ‘initial assessment’, ‘monitoring’ and ‘evaluation’ into terms that are readily understood at the local level (and take prevailing institutional strengths and weaknesses into account).
- The emphasis on improving transparency, accountability and public participation is clearly important in the Indonesian context. In this second phase they are emphasising regional coordination, urban-rural linkages and ‘beefing up’ the institutionalisation component (including more formal M&E). There is arguably a lot to be said for beginning with a relatively simple model (e.g., the three basic steps in the triple A approach) and then adding more ‘bells and whistles’ in subsequent rounds of strategic planning.