

# CITIES WITHOUT SLUMS

2011 ANNUAL REPORT

## A Strengthened Partnership for Inclusive Cities



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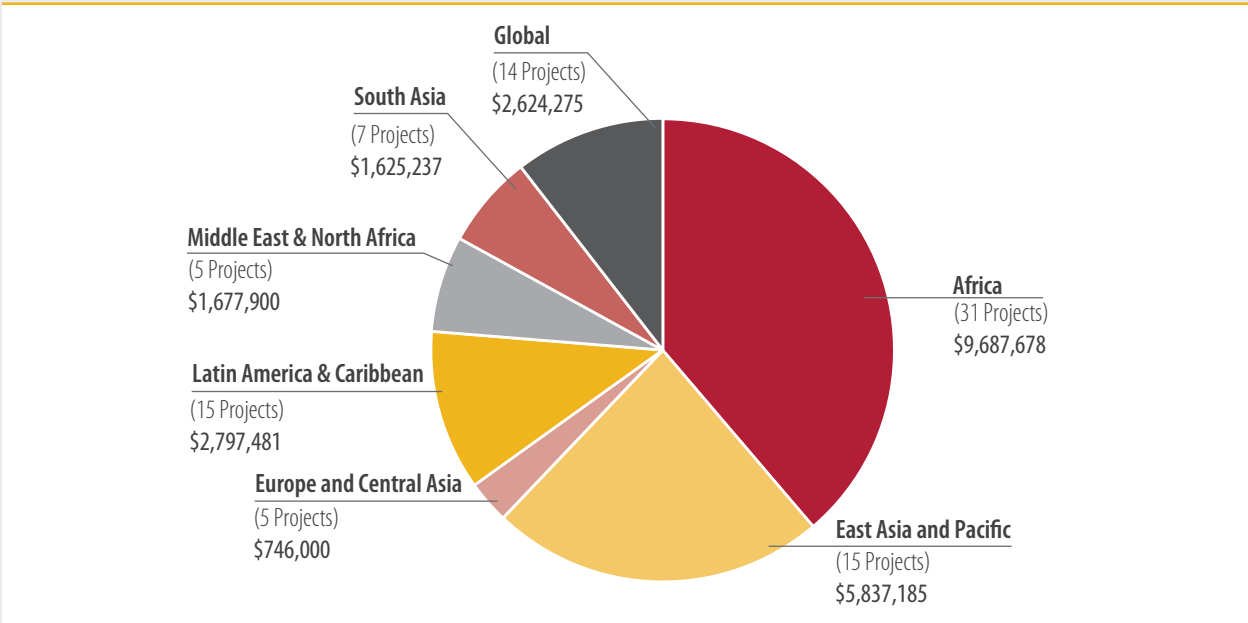
Cover Photo: A busy commercial scene in Kumasi, Ghana, a secondary city. Cities Alliance identifies secondary cities as the *loci* of the much of the rapid urbanisation going in Sub-Saharan Africa, Asia and Latin America. ©Andrea Zeman/Cities Alliance, 2010.

# Highlights of FY'2011 Operations

## FINANCIAL

- > Funding proposals from the old grant facility totalling US\$3.6 million in Core funds were processed and approved for 13 projects.
- > The old open access grant facility was closed in March 2010, and the new Catalytic Fund was launched in January 2011. The first cohort of Catalytic Fund projects, estimated at US\$1.75 million, was approved during the first half of FY'12.
- > The Australian Agency for International Development (AusAID), signed a new three-year agreement with Cities Alliance which will provide US\$2 million in each of the next two years, on top of a \$350,000 contribution for FY'11.
- > Over US\$12.3 million of funding allocations were approved during the year. Most of the approved funding—US\$8.3 million—went to country/regional projects. The remainder was used to fund global knowledge and communication activities and the costs of the Cities Alliance Secretariat.
- > Nearly 44 percent of the country and regional approvals were for Sub-Saharan Africa, reflecting an increased prioritisation of the region as agreed by the Cities Alliance membership at its 2010 annual meeting held in Mexico City.

**FIGURE 1**  
**Overall Geographical Distribution of Projects (FY 2009–2011)**



Notes:  
 A. Projects cancelled during project preparation were not included in the figure, as no grant agreement had been issued.  
 B. Projects in which the grant agreements are underway were included in the figure.  
 C. Catalytic Fund (CATF) Projects were not included in the figure.

## OPERATIONAL

- > November 2010 – New Cities Alliance Charter adopted at its Consultative Group Meeting in Mexico City.
  - > Cities Alliance repositioned as a global partnership for urban poverty reduction and the role of cities in sustainable development.
  - > Cities Alliance support to be channelled through four Business Lines:
    - Country Programmes (CPs)
    - Catalytic Fund
    - Knowledge and Learning Activities
    - Communications and Advocacy.
- > Significant progress and outcomes in (CPs) in Uganda, Vietnam and Ghana.
  - > In Uganda’s Transforming the Settlements of the Urban Poor in Uganda (TSUPU), the framework of national dialogue, local-level good governance and community voice provided the underpinning for a new World Bank capital investment programme of US\$130 million in 13 secondary towns, including the five CP towns.
  - > New CPs were launched in Burkina Faso and Mozambique.
- > January 2011 – First Call for Proposals for Applications to the Cat Fund launched;
  - > 75 Concept Notes were received with 45 of them meeting eligibility criteria.
- > January 2011 – The publication, *Making Room for a Planet of Cities* was launched in Washington DC – by Cities Alliance, Lincoln Institute for Land Policy and the World Bank.
- > March 2011 – Peer-to-peer Learning Workshop on City Development Strategies (CDS) Experiences from the City Perspective in the Mediterranean held in Barcelona.
- > April 2011 – An initial three-year Joint Work Programme (JWP) between Cities Alliance and the World Bank Africa Region’s Urban and Water (AFTUW) unit signed.
- > April 2011 – *Quick Guides for Policy Makers on Housing the Poor in African Cities* launched in Nairobi during UN-Habitat’s 23rd Governing Council Meetings.
- > June 2011 – *Climate Change, Disaster Risk and the Urban Poor* launched at the C40 Summit of Large Cities in São Paulo by World Bank Group President, Robert Zoellick.
- > July 2011 – Special Session of the Ghana Urban Forum on “Shaping Ghana’s Urban Future” held in Accra in collaboration with national, local and community stakeholders and development partners.



*William Cobbett, Manager, Cities Alliance*

## Message from the Programme Manager

It is my pleasure to introduce you to the 2011 Annual Report of the Cities Alliance. This report captures the end of the internal restructuring that has revitalised the Cities Alliance after its first decade. With the adoption of a new Charter and new business model in Mexico City last October, the Secretariat has spent the bulk of the past twelve months implementing these decisions, all of which have proven to be both resilient and strategic. In the same period, we have been solidifying the role of the Cities Alliance within the urban community at the World Bank, and have benefited enormously from a new dynamic and improved alignment.

The Cities Alliance is now poised to move into a new phase in its short history, building upon its existing portfolio and experience. Amongst the most important challenges in the year ahead, I would identify the potential of the Catalytic Fund to dramatically improve the quality and

the strategic impact of relatively small grants; the vital work of realising the very evident investment potential created by the Country Programmes; and the need to increase the impact of the Cities Alliance's advocacy messages. Central to achieving all of these objectives will be the mobilisation of significant resources, the identification of new partners, and the leveraging of public and private sources of investment.

As a global partnership, the Cities Alliance is particularly well placed to point to the gaps in national urban policies and in international development assistance. These include the need to focus on cities as a constituency, the vital importance of a more concerted and differentiated response to the needs of small and secondary cities—where the bulk of urbanisation will take place—as well as on the enormous, long-term and largely negative impacts that a badly managed urbanisation process will have on responding to global priorities, such as climate change. Even today, both national and international responses remain too disconnected.

There are, however, positive developments that need recognition and support, including the dramatic recent movement towards a more meaningful and inclusive future in some of the cities in the Middle East and North Africa. And, in a different sphere, the increasing attention being paid by significant private sector players to the potential of cities of all sizes to provide new markets is an extremely welcome development that also demands our attention.

As Manager, I would first like to thank all the staff of the Cities Alliance Secretariat who have managed to keep our work programme on track whilst also contributing so positively through a very challenging period. For the Cities Alliance as a whole, I would like to appreciate the very active role of the members of the Consultative Group for their active and critical support over a protracted period, and for creating the conditions for new and creative thinking. I would also like to acknowledge the role of the Executive Committee which has—in its new role—played a decisive role in designing a new platform for the Cities Alliance. Finally, I would like to thank Clare Short—Chair of the Cities Alliance Policy Advisory Forum—for her consistent support and unerring strategic vision, and Zoubida Allaoua, Director, Finance Economics and Urban department of the World Bank for her integrity, her support and her leadership.

William Cobbett  
Manager





*Strength in Unity of Purpose: Children in a Nairobi slum*



## A New Charter as a Roadmap to Inclusive Cities

At its annual meeting held in Mexico City 2010, the Consultative Group launched the next stage of the Cities Alliance with the adoption of a new Charter and a new business model. The new Charter was the culmination of a three-year period of introspection and lively debate, which commenced with the production of the first Medium Term Strategy (MTS 2008–2010). As a result of these changes, the Cities Alliance is now well placed to consolidate and build upon its existing portfolio and experience, and move its agenda forward with greater confidence and purpose.

With cities and local governments at the core of urban transformation processes the new Charter defines the Cities Alliance as the vehicle or platform enabling these transformation processes towards inclusive cities. The Alliance is positioned as a “global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development.” It is a partnership which seeks to improve the quality and coherence of support being provided to city and national governments in the developing world, as well as the quality of members’ own urban programmes.

The partnership seeks to achieve three over-arching objectives:

- > To strengthen and promote the role of cities in poverty reduction and in sustainable development;
- > To capture and strengthen the synergies between and among members and partners; and
- > To improve the quality of urban development cooperation and lending.

The Alliance will work through the existing capacity of its members, as well as other partners, to promote the vision of *‘Sustainable Cities without Slums’*. To achieve this vision, the Cities Alliance will promote new partnerships between local and national government, slum dwellers, private foundations, the private sector, NGOs and other partners. Support will be prioritised to favour cities, local authorities, associations of local authorities and/or national governments that are committed to:

- > Improving their cities, and local governance, for all residents;
- > Adopting a long-term, comprehensive and inclusive approach to urban development;
- > Implementing those reforms necessary to effect systemic change and to achieve delivery at scale; and
- > Decentralising resources to empower local government.

Cities Alliance support to these cities and local authorities will fall under three broad categories:

1. Citywide and nationwide slum upgrading programmes;
2. City development strategies; and
3. National policies on urban development and local government.

Support will also be channeled through four main business lines:

1. **Country Programmes** – Longer term programmatic support, at a multiple city and national scale;
2. **Catalytic Funds** – Funding support for shorter terms projects and activities that catalyse urban transformation processes;
3. **Knowledge and Learning Activities** – Activities designed to fill knowledge gaps in urban and to build capacity at local, national, regional and global levels; and
4. **Communications and Advocacy** – Activities designed to improve awareness of relevant policies or activities, influence policies and behaviour and contribute to dynamic local, national, regional and global debates.

## Members of the Partnership

There are two categories of membership both of which are entitled to participate in the Consultative Group meeting of the Cities Alliance:

1. Full Members – Comprising representatives of national governments; multi-lateral organisations; the global organisations of local authorities; United Cities and Local Governments (UCLG) and Metropolis, and international networks of organisations engaged in urban development; and
2. Associate Members – May include representatives of foundations, NGOs, private companies, local authorities and other partners as defined by the Consultative Group (CG). They are entitled to participate in the CG session as non-voting Members.

## New Governance Structure

Under the new Charter the Cities Alliance is structured into:

- > **The Consultative Group (CG)** – Comprising Full and Associate Members of the Alliance, the CG is the primary decision-making body of the organisation. The CG meets at least once a year and is co-chaired by the founding members of the Cities Alliance: the World Bank and UN-Habitat.
- > **The Executive Committee (EXCO)** – The CG appoints the Executive Committee, which in turn is accountable to the Consultative Group in all matters. The Executive Committee comprises representatives from a combination of Permanent Members, Rotating Members, an Ex-Officio Member and a potential Observer. One of the features of the new Charter is the strengthening of the mandate of EXCO.
- > **The Policy Advisory Forum (PAF)** – A platform for public discussion, debate and knowledge sharing of activities that improve awareness of relevant policies or activities, changing policies and behaviour. The Forum promotes dialogue between CG members and invited

partners on key policy and strategic issues of city and urban development, and advises the Cities Alliance on appropriate policies and strategies. The PAF Chairperson, Clare Short, was appointed in 2010 for a three year period. In formulating the work programme and activities of the PAF, the Chairperson will work in close consultation with the Chairperson of the EXCO, the Co-Chairs of the Consultative Group and the Manager of the Secretariat.

- > **The Secretariat** – The Secretariat carries out the Cities Alliance work programme and manages its day-to-day operations. A primary function of the Secretariat is to actively facilitate the participation of members in the activities of the organisation. It also provides appropriate services to its Members, and generally facilitates the work of the partnership. By decision of the CG, the Secretariat is administered by and within the World Bank, and the World Bank serves as trustee of Cities Alliance financial resources. Cities Alliance Secretariat staff are World Bank staff members recruited and managed according to World Bank policies and procedures. A feature of the Secretariat is the practice of Members’ seconding staff, which greatly strengthens both the diversity and the sense of partnership within the organisation.

## BOX 1

### Cities Alliance New and Old Charters: At-a-Glance

Article/Principle	New Charter (2010)	Old Charter – (1999)
<b>About Cities Alliance</b>	The Cities Alliance is “a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development.”	The Cities Alliance is “a multi-donor coalition of cities and their development partners working to improve the efficiency and impact of urban development cooperation.”
<b>Strategic Objectives</b>	<ul style="list-style-type: none"> <li>• To strengthen and promote the role of cities in poverty reduction and in sustainable development;</li> <li>• To capture and strengthen the synergies between and among members and partners; and</li> <li>• To improve the quality of urban development cooperation and lending.</li> </ul>	<ul style="list-style-type: none"> <li>• To improve the quality of urban development cooperation and urban lending;</li> <li>• To strengthen the impact of grant-funded urban development cooperation;</li> <li>• To expand the level of resources reaching the urban poor, by increasing the coherence of effort of existing programs and sharpening the focus on scaling-up successful approaches; and</li> <li>• To provide a structured vehicle for advancing collective know-how.</li> </ul>
<b>Areas of Focus</b>	<ul style="list-style-type: none"> <li>• Citywide and nationwide slum upgrading programmes;</li> <li>• City development strategies; and</li> <li>• National policies on urban development and local government.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Cities Without Slums</i>, through the citywide and nationwide upgrading of low-income settlements to improve the livelihoods of the urban poor; and</li> <li>• <i>City Development Strategies</i>, aimed at formulating a broad consensus on a vision and a set of priorities for city actions;</li> </ul>
<b>Business Lines</b>	<ul style="list-style-type: none"> <li>• Country Programmes</li> <li>• Catalytic Fund</li> <li>• Knowledge &amp; Learning Activities</li> <li>• Communication and Advocacy Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Regional &amp; Global Activities</li> </ul>
<b>Governance Structure</b>	<ul style="list-style-type: none"> <li>• The Consultative Group (CG)</li> <li>• The Executive Committee (ExCo)</li> <li>• The Policy Advisory Forum (PAF)</li> <li>• The Secretariat</li> </ul>	<ul style="list-style-type: none"> <li>• The Consultative Group</li> <li>• The Policy Advisory Board</li> <li>• The Secretariat</li> </ul>



*A Commercial Street Scene in Kumasi, Ghana*

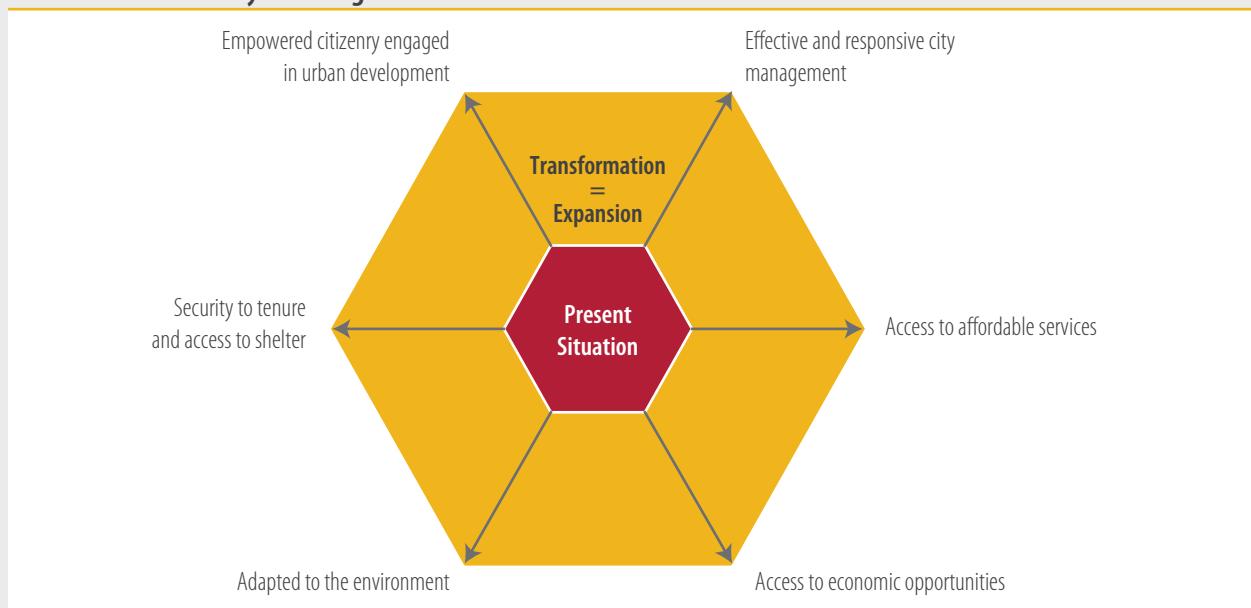
The new Charter constitutes the framework within which the first ever Cities Alliance Business Plan is being developed, outlining the next steps for implementation of the guiding principles and vision, with a view to significantly increasing the Alliance's contribution to urban poverty reduction and the vision of sustainable cities without slums.

Fundamental to the process of developing the new Charter was the exposition of a Theory of Change for the Cities Alliance, reflecting its mandate, comparative advantages of its members and track record. The theory positions cities, local

governments and key stakeholders at the core of operations, all working from the present realities of urban development in a process of transformation towards inclusive cities. The concept of inclusive cities covers the dimensions of sustainable development, and refers to the responsiveness of local governments, the engagement of citizens, accessibility of services, land, housing, and economic opportunities, and the adaptation to the environment through policies designed to promote Green Growth.

**FIGURE 2**

**Cities Alliance Theory of Change: Urban Transformation towards Inclusive Cities**



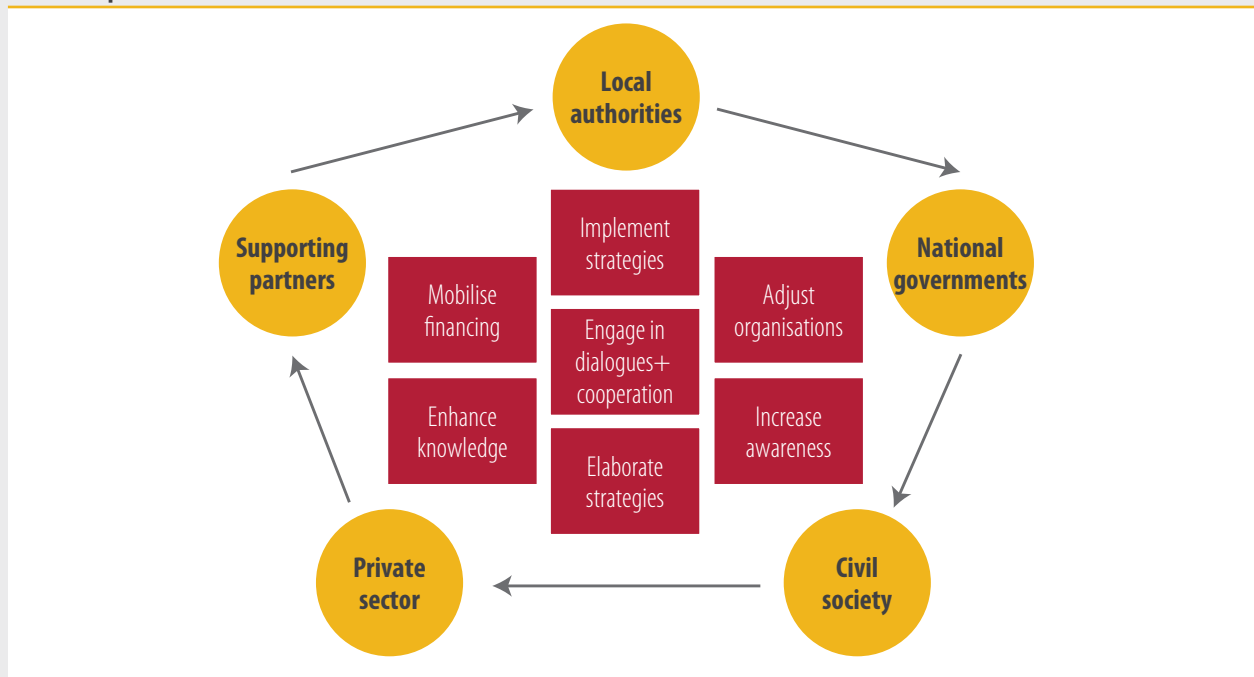


*Slum Scene in Medellín, Colombia, site of a major urban renewal programme*

The Theory of Change identifies seven outputs that contribute to a successful urban transformation process:

- > Engagement in **meaningful dialogue** and cooperation;
- > Increased knowledge and **awareness** of the situation of the urban poor;
- > Enhanced **knowledge** of inclusive urban development;
- > Elaboration of inclusive urban **strategies, policies and plans**;
- > Identification of possible investment partners and development of policies designed to **mobilise finance** in support of inclusive urban development;
- > **Adjustment of their organisations** to support inclusive urban development; and
- > **Implementation** of inclusive urban policies, strategies and plans.

**FIGURE 3**  
**The Shape of Urban Transformation**



Successful transformation processes should comprise all of these outputs, but the importance of each depends on the specific situation, and varies over time.





*The Cities Alliance Partnership at the Special Session of the Ghana Urban Forum, Accra, July 2011*



## Cities Alliance in Action

The period under review was one of consolidation and focused direction for the Cities Alliance, both key *outcomes* of the adoption of the Charter, its repositioning as a global partnership, and the confirmation of its focus on cities and on urban poverty reduction.

Following the closure of the open grant facility, a new business model was launched through the first Call for Proposals for the new Catalytic Fund mechanism. The first call for applications for the Catalytic Fund was issued at the end of January 2011, and resulted in a batch of 74 Concept Notes in response, on a broad range of projects related to economic, environmental and social aspects of urban development across regions—Sub-Saharan Africa, South Asia, Latin America and Central Asia.

Despite staffing constraints, significant progress was made with the Country Programmes, all at a different stage of implementation. By far the most advanced is Uganda, where both national and local government have provided both leadership and momentum, while ActTogether—the local SDI affiliate—performed at an extremely high level in mobilising communities in the five municipalities. Buoyed by the profile of hosting the July ExCo meeting, the Ghana programme has been launched, with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) acting as the lead member.

After some unexpected delays, the Burkina Faso work programme is now being designed, with an active consortium of Cities Alliance members including the United Nations Environment Programme (UNEP), Agence Française de Développement (Afd) and Ministère des affaires étrangères et européennes (MAEE), the World Bank and UN-Habitat, the latter being selected as the lead Member. The country programme team was also able to devote the necessary attention to the Vietnam programme, where funds are now being disbursed. The Cities Alliance has already financed the World Bank's Urbanisation Review for Vietnam, which provides a solid analytical framework to help the Government come to terms with the nature and scope of the urbanisation challenge.

At its Ghana meeting in July, ExCo identified the fifth Country Programme that will be financed using funds from the Bill and Melinda Gates Foundation—Mozambique. Given that Maputo had already been identified as the venue for the 2011 Consultative Group meeting, this is expected to provide all members with a unique opportunity to be involved in discussions at the commencement of the programme. A highlight of the Mozambique Country Programme will be the experience that the governments of Brazil and Italy will bring to Mozambique as part of a tripartite arrangement with the Cities Alliance that builds upon the success of the Bahia programme, one of the Cities Alliance's first and most visible interventions in slum upgrading.

The year also recorded major developments and results in ongoing country programmes in the middle income countries of Brazil, India, the Philippines and South Africa. In June 2011 the Cities Alliance and the government of the Philippines signed a grant agreement with the Cities Alliance to develop a National Slum Upgrading Strategy (NSUS). The NSUS goal is to provide the national government with a frame of reference and to support government efforts to develop "Sustainable Communities"; formulate a "National Government Resettlement Policy" and update the "National Urban Development and Housing Framework (NUDHF)".

In South Africa, Cities Alliance support to the National Upgrading Support Programme (NUSP) played a significant role in catalysing the debate around creating sustainable human settlements in South Africa, most notably through the inclusion of informal settlement upgrade as a core component of the groundbreaking Delivery Agreement between the Presidency and the Minister of Human Settlements. The initial investment of \$600,000 from USAID and CA, with support from World Bank Institute (WBI), was influential in leveraging public investment for human settlement upgrading and municipal services to the amount of ZAR 4.9 billion.

This year also saw the Alliance strengthening its knowledge programme with the initiation of a number of Joint Work Programmes (JWPs). The first was an agreement concluded with the Africa Region of the World Bank, an initiative to leverage the Bank's support across the entire Africa region, support the urban transition in a number of countries, and leverage Cities Alliance members as part of the partnership. Real and tangible results have also been emerging from the highly successful JWP on Cities and Climate Change, which the Secretariat was instrumental in conceptualising and convening. The collaboration between UNEP, UN-Habitat and the World Bank has been extremely productive and successful, and has raised the profile of the issue amongst all organisations, and more generally.

In terms of its Communication and Advocacy mandate, 2011 also saw the Alliance undertake a comprehensive corporate branding exercise with the simplification of messaging and the launch of new graphic templates. Major reports were produced and launched during this period, including *Making Room for a Planet of Cities*, with the Boston-based Lincoln Institute for Land Policy and the World Bank, *Quick Policy Guides on Housing the Poor in African Cities*, commissioned and financed by the Cities Alliance and co-published with UN-Habitat, and *The Case for Incremental Housing*, which was commissioned by the Secretariat itself. During FY 2011 the Cities Alliance published four issues of its e-newsletter, *@Cities Alliance*, with articles, publication announcements, events and recently approved projects highlighting the strength and breadth of the Cities Alliance partnership. The decision was also made to move *@Cities Alliance* from a quarterly publication to a bimonthly one to provide timely news and information on the partnership and its activities.



Life in the Slums: Getting ready for the game in Accra, Ghana

The following sections will explore these significant highlights in each of the new business lines in greater detail.

## Country Programmes

Codified in the new Charter as the key business line for the Cities Alliance Country Programmes (CPs) can be defined as “longer term programmatic support to selected countries, at a multiple city/national scale.” Working with multiple Alliance members, and national institutions, constitutes the foundation for progress and partnership within CPs. Early evidence suggests that the CPs have the potential to provide a new level of coherence amongst Cities Alliance’ members, and ensuring that the focus is not on competing mandates but rather in providing support to local and national partners struggling to cope with rapidly changing demographic trends, and promoting a national growth agenda centred on sustainable, inclusive cities.

Partnerships are brokered at four different levels, with:

1. **National primary partners** – involving the core partnership between three key primary partners—national government, city governments and urban poor communities—and which facilitates national policies designed to create the enabling environment for city governments to better serve their citizens, and empowers urban poor communities to play a full role in the economic and social life of their city;
2. **National support partners** – engaging national and local organisations to bring their own unique contribution to development. These include local government associations, different parts of the private sector, training institutes, academia, service organisations and NGOs;
3. **Cities Alliance members** – engaging with members to ensure that the Cities Alliance presents a united front as a partnership, coherently engaging with the national partners and ensuring high quality support; and
4. **Other international support partners** – creating the necessary space and incentives for a range of additional partners to effectively engage with the national urban agenda. The Cities Alliance will actively seek to engage with any international NGO, private sector company, foundation or academic institution that can strengthen the country programme, and improve the quality of support being provided to national partners.

CPs typically comprise three components:

1. A **Framework** to enhance the cooperation system among national and local governments, urban poor communities, Cities Alliance members and other partners;
2. **Funding** to complement Cities Alliance member and partner activities by filling action or knowledge gaps; and
3. **Facilitating public and private investment** into cities and local communities.

By moving away from shorter-term, *ad hoc* initiatives and adopting a longer-term, programmatic approach, CPs aim to support national partners' attempts to promote more inclusive cities via:

1. Improved governance and accountability through institutional reforms and dialogue;
2. Improved management of urbanisation through inclusive policy and plans, with respect to the situation of the urban poor;
3. Improved service delivery through mobilisation of investment finance and partnership; and
4. Improved household livelihood security through local community planning and mobilisation.



Celebrating the launch of the Uganda National Urban Forum, Kampala, June 2010

During the period under review, the Cities Alliance consolidated its activities in ongoing CPs in Uganda, Ghana and Vietnam, in addition to initiating new ones in Burkina Faso and Mozambique.

In Uganda, the CP is wholly nationally owned and called, "Transforming Settlements of the Urban Poor in Uganda" (TSUPU). This has the overarching objective to create inclusive cities without slums in Uganda and is focused on secondary cities. The focus on secondary cities rather than on Kampala is a recognition of the fact—common to many countries—that it is the secondary cities that will bear the brunt of managing the urban transition, and that early and decisive action in these towns and cities provides the best opportunities for managing rapid urbanisation and ensuring a better urban future for all citizens. The coordinating Ministry

## BOX 2

### Major Results from the Uganda Country Programme

1. The framework of national dialogue, local-level good governance and community voice has provided the underpinning for a World Bank capital investment programme of \$130 million in 13 secondary towns, including the five CP towns. This is a great shift in favour of the urban poor; only recently has the challenge of urbanisation been properly recognised, and is now incorporated into the World Bank and Government of Uganda's Country Assistance Strategy.
2. Slum dweller federations supported by ActTogether, a federation of SDI, and associated networks in Kenya and Tanzania have become the strongest of the SDI-affiliated federations working in the five CP towns. The federations are also continuing to expand in Kampala.
3. While the CP focuses specifically on secondary cities and not on Kampala, it is notable that a similar programme based on the same conceptual pillars as the Uganda CP has now started in the capital, with funding from U.K. Department for International Development (DFID), and the support of Water Aid. Exposure to direct community engagement and dialogue in the secondary towns participating in programme was a major factor.

of Lands, Housing and Urban Development and other stakeholders selected five secondary cities for roll out of the TSUPU: Jinja, Mbarara, Mbale, Kabale, and Arua.

In Ghana the CP is also wholly locally owned and known as the Ghana Land, Services and Citizenship for the Urban Poor programme (LSC). It focuses on the Greater Accra Metropolitan Area and aims to support the Government of Ghana as it develops a national urban agenda premised on inclusive urban development. The LSC programme is being developed through extensive consultations at the national, local and community levels. Key partners include: the Government of Ghana which is implementing the LSC through the Urban Development Unit (UDU) and the Institute of Local Government Studies (ILGS), both under the Ministry of Local Government and Rural Development (MLGRD). Local partners include the Ghana Federation of the Urban Poor, People's Dialogue, and Kwame Nkrumah University of Science and Technology (KNUST).

These partners are in turn supported by international organisations Agence Française de Développement (AFD), GIZ, (the lead CA member), Habitat for Humanity International (HFHI), SDI, UN-HABITAT, and the World Bank. In July this year the Government of Ghana in partnership with Cities Alliance held a special session of the Ghana Urban Forum to debate the issues of rising urbanisation and to raise awareness of the LSC which fundamentally seeks to:

- > Support national and local policy dialogue to promote sustainable urbanisation, ensure the empowerment of local governments and reinforce the importance of active community participation;
- > Strengthen the capacity of local government to inclusively plan and manage urban growth; and
- > Empower organisations of the urban poor to actively engage in local development.



*Cities Alliance in action at the Special Session of the Ghana Urban Forum, Accra, July 2011*

With respect to the Vietnam Country Programme, the first preparatory grant to the Association of Cities in Vietnam (ACVN) was disbursed while the proposal for strengthening the Vietnam Urban Forum (VUF) and operationalising the National Urban Upgrading Programme (NUUP) was approved. The proposed activity will support the development of a detailed strategy to guide the roll out of the Government's urban upgrading programme through 2020. The activity will be implemented by the Ministry of Construction, which was responsible for formulating and preparing of the NUUP. It will also support the revitalisation of the Vietnam Urban Forum as a platform for discussion on urban issues, which will also serve to inform stakeholders by regularly reviewing and reporting on the state of urban development programmes in Vietnam (including the NUUP).

In Burkina Faso, scoping missions were undertaken to kickstart the process of engagement and dialogue with key actors at all levels in the urban debate in the country, while Mozambique was formally selected as a candidate for the CP, which will build upon slum previous upgrading activities undertaken by key Alliance members such as the Governments of Brazil, Italy and UN-Habitat.

## Country Work Programmes

Complementing these CPs focused primarily on low-income countries were progress and tangible results in ongoing work programmes in the middle-income countries of Brazil, India and South Africa. These long standing relationships in the main are focused on identifying and leveraging the knowledge and learning from the country portfolio through formal south-south exchanges. Cities Alliance' partnership with the government of Brazil for example, one of the longest standing in the history of the Alliance was consolidated further by the signing of a grant agreement for trilateral co-operation between the Alliance, Brazil and Italy in sharing slum-upgrading lessons in Mozambique.

In India efforts to converge and consolidate support for the country's activities to address its urbanisation challenges formed the basis for new and comprehensive discussions between the World Bank India Urban team (SASDU), the World Bank Institute (WBI) and Cities Alliance to develop a tripartite multiyear Joint Work Programme (JWP). The JWP would focus on urban reforms, and on slum upgrading, urban poverty alleviation and affordable housing, within the overarching Alliance mantra of "sustainable cities without slums". The partnership would also provide support to the two flagship programs of government of India – JNNURM (Jawaharlal Nehru National Urban Renewal Mission) and RAY (Rajiv Awas Yojana). It will capitalise on the Cities Alliance' partnership approach and engage with other members active in India, such as SDI, AusAid, GIZ, DFID as well as Brazil, South Africa and the Philippines.



*The Mumbai Skyline as evening sets*



*The Cities Alliance team meeting with HE Jejomar Binay, Vice President of the Philippines and Chair of HUDCC*

In the Republic of the Philippines, the Cities Alliance and the national government leveraged the transformational vehicle of the CDS and its impact on the Filipino cities into a Country Work Programme designed to move lessons learned to scale. The launch of the Philippines Urban Consortium in 2010 created the platform for a new policy dialogue, and for national replication. More recently, Cities Alliance support was provided for development of a national slum upgrading strategy, as part of the move towards a more programmatic approach, and the need to deliver at scale.

In South Africa, Cities Alliance-supported National Upgrading Support Programme (NUSP) has led to the setting of new targets and budget for *in-situ* upgrading in South Africa's urban areas. Working with the Cities Alliance, South Africa's cities are becoming increasingly sought-after sources of support and knowledge exchange with cities in neighbouring countries, and know-how for State of Cities reporting is being transferred to other countries in the region.

## **The Catalytic Fund**

The Catalytic Fund (CATF) was developed during 2010 as one of the core elements of the new Cities Alliance business model, replacing the old grant facility with the final design being adopted in January 2011. CATFs aim to catalyse urban transformation by connecting cities and their innovative ideas to Cities Alliance members, attract key follow up investments; as well as to facilitate the sharing of the knowledge and learning distilled from project experiences on global urban challenges. Key characteristics of the CATF include the following:

- > Grants are awarded through a **competitive** process following a public **call** for proposals.
- > Call for proposals are scheduled **at least once a year**, and initial submissions are through a **Concept Note**.

- > Calls for proposal can either cover the core Cities Alliance themes (CDS, slum upgrading national policies on urban development and local government, etc.) or be more **thematic specific**.
- > An **Expert Evaluation Panel** (EEP) assists the Secretariat in assessing the relevance and quality of proposals together with a parallel process of **coordination** with Alliance members.
- > The grant size is limited to between **US\$50,000–US\$250,000**.
- > Sponsorship by CA Members is required.

The first call for applications to the CATF was issued at the end of January 2011, with a March 31, 2011 deadline. The Secretariat received 74 Concept Notes in response, covering economic, environmental and social aspects of urban development across diverse regions—Sub-Saharan Africa, South Asia, Latin America and Central Asia. Generally, the applications focused on the two traditional Cities Alliance themes, slum upgrading and city development strategy.

After initial screening by the Secretariat, 45 of the Concept Notes were adjudged to have met the basic eligibility criteria, with an average of 1.6 members sponsoring each proposal. An analysis of regional distribution of the Concept Notes showed a majority from Sub-Saharan Africa (60 percent) followed, by Latin and Central America (20 percent) and South Asia (7 percent). More evenly distributed were the Concept Notes from across development income groups: low income (28 percent), lower-middle income (36 percent) and upper-middle income (36 percent), with the balance having a regional or global scope (13 percent).

The 45 eligible Concept Notes were evaluated by the Expert Evaluation Panel (EEP), while the Secretariat initiated coordination amongst Cities Alliance members. Assessments from the panel and from Cities Alliance members, together with additional strategic considerations by the Secretariat factored into the selection—in principle—of seven final Concept Notes for funding, totaling more than US \$1.6 million. The Secretariat then invited the seven organisations whose notes were selected to develop them into full proposals within a two-month time frame, incorporating the feedback provided by the



*Community-driven slum upgrading in Bangkok, Thailand*



donor coordination and the EEP processes. Box 3 provides relevant details of these seven:

The Secretariat is currently assessing and undertaking the required due diligence on the full proposals and processing them for final approval.

### **Knowledge and Learning: Closing the Cycle from Knowledge Generation to Action**

Given impetus by the strengthened knowledge mandate of the new Charter, the Alliance undertook a number of significant knowledge-driven activities during the year under review, with the overarching aim of supporting the identification, generation and dissemination of knowledge that can inform policies and catalyse actions towards more inclusive cities.

### **Capturing learning from the Legacy Portfolio**

The active legacy portfolio comprises all projects financed out of the Open Grant Facility, which formed the backbone of the Cities Alliance until the adoption of the new Charter with its CPs and the Catalytic Fund. A total of 257 project activities had been funded under this old facility and approximately 110 of them with a total investment from Cities Alliance funds of \$40 million operationally active as of end of FY 2011.

These projects remain repositories of practical results which can be promoted as well as of valuable knowledge and lessons that can be analysed and shared. This Secretariat has initiated these processes, which includes the review and classification of outputs for projects approved during fiscal years 2006, 2007 and 2008. Outputs from more than 70 projects were reviewed, classified, catalogued and assessed for knowledge potential. The lessons learned from these projects were also documented. This output review process, which remains ongoing, is supplying a wealth of information on the Cities Alliance portfolio. It has also provided a rich

### **BOX 3**

#### **Concept Notes Approved-in-Principle from First CATF Call for Proposals**

1. 'Tenure Security Facility Southern Africa: the provision of technical assistance and advisory services on incrementally securing tenure in slum upgrading'  
**Country:** SSA Multi country.  
**Submitted by:** Urban Land Mark.  
**CA Member Sponsor:** SDI and South Africa Department of Human Settlements
2. 'Promoting Climate Resilient City Development and Settlements Upgrading Strategies for Sri Lankan Cities'  
**Country:** Sri Lanka.  
**Submitted by:** National Chapter of Mayors, Sri Lanka (NCM).  
**CA Member Sponsor:** UN-Habitat, World Bank
3. 'Housing Sector Development: Making Shelter Assets Work.'  
**Country:** Ethiopia.  
**Submitted by:** Ethiopia Ministry of Urban Development and Construction.  
**CA Member Sponsor:** GIZ
4. 'Elaboración, con enfoque territorial y participación ciudadana, del Plan Estratégico de la Asociación de Municipalidades Ciudad Sur de Santiago de Chile'  
**Country:** Chile.  
**Submitted by:** Asociación de Municipalidades Ciudad Sur.  
**CA Member Sponsor:** Ministerio de Vivienda y Urbanismo de Chile, UCLG
5. 'Stratégie de Développement Urbain de Yaoundé et son aire métropolitaine – CDS de Yaoundé'  
**Country:** Cameroon.  
**Submitted by:** Communauté Urbaine de Yaoundé.  
**CA Member Sponsor:** World Bank
6. 'Promoting affordable and sustainable sanitation services in Freetown'  
**Country:** Sierra Leone;  
**Submitted by:** Freetown City Council;  
**CA Member Sponsor:** UN-Habitat
7. 'Historic Cities Sustainable Development Strategy for Bukhara and Samarkand'  
**Country:** Uzbekistan.  
**Submitted by:** Ministry of Economy.  
**CA Member Sponsor:** World Bank

source for knowledge on Cities Alliance activities. This process is serving as the foundation for a new, expanded knowledge section of the Cities Alliance website—[www.citiesalliance.org](http://www.citiesalliance.org)—(currently being redesigned according to new branding guidelines and is expected to go live in FY 2012.)

### Generating knowledge for practitioners: the State of the Cities Reports

Launched in April 2010, the State of Cities in Africa (SOCA) project is designed to respond to the constant demand for information and analyses of urban growth and trends in African cities, most of which lack data and statistical systems for sustainable urban management. Both project implementation and institutional foundation are anchored in centres of higher education with recognised built environment programmes. These are invariably responsible for training the next generation of urban managers and practitioners.

The SOCA Project aims to:

- > Compile and analyse data on contemporary African urban systems on a country-by-country basis;
- > Support capacity building among urban practitioners and postgraduate students in resource-constrained environments by promoting local expertise and ensuring that research outputs are integrated into training curricula at host universities; and
- > Create a knowledge network for urban practitioners and policy makers across the continent in order to promote information dissemination, facilitate knowledge exchange and enhance opportunities for peer learning.



*Approaching Lion's Head Mountain in Cape Town, South Africa*

National State of the Cities Reports are currently underway in Botswana, Ghana, Tanzania and Ethiopia. These initiatives are part of a larger continental programme led by the African Centre for Cities (ACC) and supported by the Cities Alliance, World Bank Institute, UN-Habitat, Urban LandMark and the South African Cities Network, all of which aim to improve knowledge about the urban transition in Africa. Based at the University of Cape Town, the Centre is a multidisciplinary centre that promotes applied and academic research on urbanisation in an African context. It plays a central role in the design and management of the SOCA project.

## BOX 4

### State of Urban Settlements in Botswana Project (SUSB) – Preparation Phase

The project is led by the Ministry of Lands and Housing and the University of Botswana (UB), supported by the African Centre for Cities, and is endorsed by the Botswana Association of Local Authorities. Under the university's leadership a range of preparatory activities have been carried out leading up to the national consultation workshop including: (i) identifying agencies in Botswana that are supportive of urban research and capacity building for improved policy making, (ii) developing an understanding of key issues for local authorities related to urbanisation in Botswana, and (iii) identifying of potential partners and funders for this research to ensure that the project will result in robust outcomes.

While it was determined that an exclusive cities focus may not be appropriate for Botswana, it was agreed that an urban lens on service delivery and reducing poverty is key to reaching national development goals. Preliminary consultations have been held in the 12 largest local authorities to gain a better understanding of what impacts urbanisation is having at the local level and the ways in which systematic data collection may help improve service delivery.

The national consultation, which took place in May 2011, served as a forum to discuss the focus of a State of Urban Settlements in Botswana Report and linkages with capacity building in the urban sector. The event presented stakeholders with the opportunity to learn more about the State of the Cities in Africa (SOCA) Project hosted by the African Centre for Cities (ACC) and to give input as to how the project should be adapted for the local context. The consultation also provided space to discuss how stakeholders can continue beyond the event to actively engage in the development of the research on urbanisation in Botswana and its implications for national development.

Through the process participants reflected on the urban context in Botswana and how it should be managed, what economic contribution urban areas make towards national development and what the best ways are of assessing urban poverty and social exclusion in Botswana. Key outcomes included the selection of cities and towns to be included in the first State of the Cities Report (SOCR) as well deliberations on the creation of a vehicle to institutionalise the report and its outcomes. Participants also provided critical input in the institutional arrangements and required structures to support and manage the process.

## Harnessing Global Urban Knowledge to Inform National Policies: Milestones from the Joint Work Programmes

### *Cities Alliance/AFTUW Joint Work Programme*

In April 2011, Cities Alliance and the World Bank's Africa Region Urban and Water (AFTUW) unit signed an agreement for an initial three-year Joint Work Programme (JWP) to support a range of economy wide and sector urban initiatives in Sub-Saharan Africa. Adopting a programmatic approach to urban development in Africa, the JWP aims to support activities that emphasise the following:

- > Supporting policy analysis and advocacy to raise the profile and importance of urban issues among national policy makers in Africa, catalyse active dialogue on urban policy and financing, and provide targeted assistance at the national and municipal level to promising clients;
- > Facilitating capacity building and peer-to-peer learning for national and municipal leaders, urban local governments and other stakeholders, and for integrating other training and capacity building activities of the World Bank and other Cities Alliance members; and
- > Providing targeted operational assistance for the development, design, financing, implementation, monitoring and evaluation of national and city-level policy and investment programmes to support Sub-Saharan Africa's transition to an urban economic and political system.



*Another Commercial scene in Kumasi, Ghana*

The JWP is being implemented by AFTUW in coordination with the Cities Alliance Secretariat, other Cities Alliance members and development partners. Activities and countries of focus will be based on direct demand from clients.

#### **BOX 5**

#### **The Urban Transition in Africa: World Bank's Africa Region Takes Centre Stage**

Long one of the world's least urbanised regions, Sub-Saharan Africa is urbanising rapidly. Over the next 20 years its urban population is expected to double, and by 2030 a majority of the population in Sub-Saharan Africa will live in cities. Given the sheer speed, scale and magnitude of Africa's urban transition and the challenges plus opportunities it presents for African governments at all levels, the World Bank's Africa Region is leading new thinking on how to support African countries as they respond to the challenges of urbanisation.

The Africa Region's new approach to urban development has its roots in the 2009 *World Development Report (WDR)*, which argued that urbanisation is a crucial part of generating prosperity for nations, in particular through the agglomeration of urban economies. Building on the messages of the 2009 Report, the World Bank developed a new urban strategy that focuses on harnessing the potential of urbanisation to deliver equitable and inclusive growth and poverty alleviation. These principles formed the basis of a strategy for Africa launched in March 2011 that emphasises regional integration, partnership and inclusive growth.

#### ***Facilitating Learning: Peer-to-Peer Event in the Middle East and North Africa.***

In March 2011 the Cities Alliance organised a conference on "Urban Development Strategies in the Mediterranean" in collaboration with the Center for Mediterranean Integration and Medcities in Barcelona. The Marseilles-based Center for Mediterranean Integration (CMI) was an excellent fit as a multi-partner knowledge platform designed to provide technical knowledge on key issues important to the integration between the Arab world, Europe and the broader world. Partners include a group of governments from the South of the Mediterranean—Egypt, Jordan, Lebanon, Morocco and Tunisia—along with France, the European Investment Bank (EIB), and the World Bank. So were Medcities, a network of Mediterranean coastal cities created in Barcelona in November 1991 at the instance of the Mediterranean

Technical Assistance Programme (METAP); the programme, whose objective is environmental improvement in the Mediterranean region, was established in 1990 by the World Bank, the European Investment Bank, the European Commission and the United Nations Development Programme.

The success of the conference hinged on the recognition and harnessing by all three partnerships of the collective will of cities in the region to working together on integrated strategies for urban development to facilitate access to citizenship and promote local governance and ownership. The conference was unique in that it was held against the background of the ongoing socioeconomic and political transformation processes in the region known as the Arab Spring, seen as a unique historical opportunity for sustainable action on behalf of cities and citizens. At the close of the conference the more than 180 participants, comprising mayors from both rims of the Mediterranean and experts from international and financial organisations such as Cities Alliance, French Caisse des Depots, the World Bank Group, UCLG, AfD, GIZ, European Investment Bank and UNDP issued a Barcelona Call to Action (See Box 6). This essentially called for a bottom-up, coordinated approach to bringing concrete solutions to city strategic planning ultimately as a tool to facilitate access to citizenship.

Mediterranean cities that have been developing a CDS under Alliance' support shared their experiences and established contacts for a future peer-to-peer network on which to consolidate their learning. Participants included representatives from Tirana (Albania), Alexandria (Egypt), Zarka (Jordan), Ancona (Italy), Al Faihaa and Saida (Lebanon), Tetouan (Morocco), Malaga (Spain), Sfax and Soussa (Tunisia), Izmir (Turkey), Ramallah (West Bank) and the Philippines (Dipolog).



*A view of Aleppo, Syria*

## BOX 6

### The Barcelona Call to Action

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We, the co-organizers of the 2011 Barcelona Conference on Urban Development Strategies in the Mediterranean, relay the following call:

- **Building on** the conclusions of the Conference and the expression of the needs voiced in Barcelona related to the limited competences and means, it is recognized that urban societies are incubators of economic and social development of the countries of the Mediterranean Region and are instrumental in the transformation processes;
- **Building on** the extraordinary regional context;
- **We commit** to join our efforts and voice the following:

#### To the European Union and the Union for the Mediterranean:

- Create a large program to assist the cities in the Mediterranean States to respond to the demands of their citizens.

#### To Southern and Eastern Mediterranean States:

- Initiate and reinforce the decentralization of its institutional systems with the objective to increase the local and municipal power, the competencies and enhance human and financial resources.
- Develop national policies to give impulse to Strategic Planning systems for urban sustainable development, based on the leadership of the municipalities, support of government and public-private partnerships.

#### To Local Authorities:

- Develop systems to carve the desired future of the town, to be designed and implemented with strong participation of city stakeholders.
- Reinforce national associations of local elected officials and develop the triangular city to city cooperation North-South-South.
- Extend networking at local, national and regional levels among cities and with knowledge institutions and financial partners.

Major issues concerning the CDS process of general concern to them included:

- > The fact that CDS mean different things to different actors and that methodologies need to be adapted to each local (national and city) context, taking especially into account existing political systems.
- > While many cities have been able to develop local expertise, the need for specialised assistance is still required across the board.
- > There is a consensus that a CDS is of no value if it is not implemented and only a few cities have taken steps towards setting up an implementation entity that is correctly structured and financed.

The workshop highlighted two important facts:

1. The ongoing socioeconomic and political changes in the region that CDS practices have unearthed are dramatically confirming, including, most important, a striking quest for governance, transparency and social (more than economic) progress. CDSs could be one (among other) sets of responses to this quest.
2. A number of international partners and networks (Medcities, CMI, GIZ, etc.) have expressed their interest in accompanying the cities of the region through a number of initiatives including direct support to CDS processes, tools and methodologies, shaping exchange networks.

Reporting on the workshop as an insider and first-hand observer, Cities Alliance urban advisor Dr. Farouk Tebbal concludes that the Cities Alliance, given the already long history of its presence in the cities of the region where it has supported pioneer experiences, should remain at the forefront of these learning networks, notwithstanding its current focus on low income countries in Sub-Saharan Africa. While the cities in the Mediterranean Region are obviously generally much better off in terms of access to financing, the rapid social evolution in these countries and the impact of the changes not only domestically but beyond, including in Europe, would motivate a presence of the Cities Alliance, even if in a selected number of countries, the nature and number of which might be decided in a later stage.

### **Joint Work Programmes on Cities and Climate Change**

Initiated in 2009, the JWP on Cities and Climate Change—established between UNEP, UN-Habitat, and the World Bank—aims to leverage the resources and knowledge of the three organisations to more efficiently address the effects of climate change on cities. Since inception the three agencies through the JWP have created a collaborative and coordinated response mechanism, resulting in some major outcomes currently driving interventions in cities and climate change. These include:

**Urban Risk Assessments (URA)** – These provide a framework for assessing disaster and climate risk in cities to enable more informed decision-making, urban planning, and in the design of risk management programmes. The approach seeks to strengthen coherence and consensus within and across cities and partner organisations to facilitate understanding and planning for risk from natural disasters and climate change.

The URA is based on four principal building blocks to improve the understanding of urban risk: (i) historical incidence of hazards, (ii) geospatial data, (iii) institutional mapping, and, (iv) community participation.

It is designed to allow flexibility in how it is applied dependent on a city's needs, available financial resources, available data and institutional capacity. Based on the identified needs and priorities, city governments can select the most appropriate level of risk assessment from fairly simple to more sophisticated and detailed methods of analysis.



*Slum family coping with stagnant flood water in Cebu City, the Philippines*



*Aerial view of Minato Mirai, Yokohama, Kanagawa Prefecture, Honshu, Japan*

Over the past year, the tool was implemented with very positive results in several cities, such as Dar es Salaam, Jakarta, Mexico City, and São Paulo. The risk assessments provide a full picture of hazard risk at the city level, an assessment of vulnerable populations and a mapping of relevant institutions pointing to gaps and duplications in roles and responsibilities. The URA lays the groundwork for the definition of a plan for strategic collaboration across city governments, the private sector and development agencies to begin benchmarking their own progress towards the reduction of urban vulnerability.

**Eco<sup>2</sup> Cities**—The “Eco<sup>2</sup> Cities: Ecological Cities as Economic Cities” initiative was

funded by a \$1.5million grant from the Cities Alliance using non-core funds from the Government of Japan, and was launched by the World Bank in 2010 as an integral part of its Urban and Local Government Strategy. An Eco<sup>2</sup> city builds on the synergy and interdependence of ecological and economic sustainability and their fundamental ability to reinforce each other in the urban context. An integrated approach across sectors has the potential to overcome many barriers to urban sustainability, and offers communities a path towards increased well-being for short and long-terms. In a fast-paced and uncertain global economy, cities that adopt such an integrated approach are more likely to survive shocks, attract businesses, manage costs—and prosper.

In October 2010, Cities Alliance cosponsored a major Eco<sup>2</sup> Cities conference in Yokohama, Japan, in collaboration with the World Bank Urban and Local Government Anchor, the Japan International Cooperation Agency (JICA), the City of Yokohama, Ministry of Land, Infrastructure, Transport and Tourism of Japan (MLIT), Ministry of Economy, Trade and Industry of Japan (METI), New Energy and Industrial Technology Development Organization of Japan (NEDO), CITYNET and Yokohama City University (YCU)/ International Academic Consortium for Sustainable Cities (IACSC).

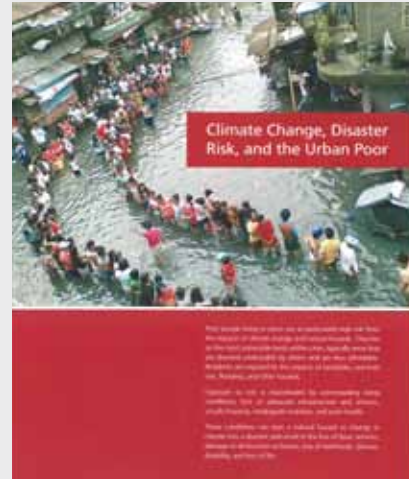
This conference provided a platform for government policy makers, urban managers and planners, researchers and corporate representatives to learn about and discuss the Eco<sup>2</sup> Cities initiative and innovative sustainable urban development practices from around the world. In addition to the pilot Eco<sup>2</sup> cities from Indonesia, the Philippines and Vietnam, Curitiba (Brazil), Singapore, Ahmedabad (India) and Sweden (SymbioCity Programme) presented their good practices of urban planning and management.

**Climate Change, Disaster Risk and the Urban Poor**—Launched by the World Bank Group President, Robert Zoellick during the global C40 Summit of Large Cities in São Paulo in June this year, this major study examines the linkages between urban poverty, climate change, and disaster risk management, and identifies options for cities aimed at addressing urban poverty and reducing vulnerability. One bil-



lion poor people are particularly at risk from the impacts of climate change and natural hazards. Exposure to risk is exacerbated by overcrowded living conditions, lack of adequate infrastructure and services, unsafe housing, inadequate nutrition and poor health.

These conditions can turn a natural hazard or change in climate into a disaster with resulting loss of lives and livelihood, destruction of homes and spread of disease. The study deriving from a work programme under the Mayor’s Task Force on Climate Change, Disaster Risk and the Urban Poor launched by President Zoellick aims to better understand the key issues affecting vulnerability, with evidence from a number of cities in the developing world. The Task Force is comprised of the Mayors of Dar es Salaam, Jakarta, Mexico City and São Paulo all of whom have recognised the importance of these issues in their cities and have demonstrated strong support for taking action.



## Communications and Advocacy

Cities Alliance communications and advocacy activities evolved to a more proactive role designed to “improve awareness of relevant policies or activities, influencing policies and behaviour and contributing to dynamic local, national, regional and global debates.” The main communication challenge that the Alliance faces is that it is a relatively small organisation, with a modest budget. Nevertheless, over the 10 years of operations it has grown to become a significant player in the urbanisation debate, arguably the greatest developmental challenge of this century. The Alliance’s positive global name recognition continues to grow in tandem with the expectations and demands of its members and

### BOX 7

#### The Urbanization Knowledge Platform: Creating, Sharing and Trading Knowledge

In 2011, the World Bank Group’s Knowledge Council selected urbanisation as one of the knowledge platforms eligible for three-year seed funding by the Bank. The resulting Global Urbanization Knowledge Platform (KP) is a collaborative partnership between urban researchers, policymakers and practitioners, and the private-sector, to become the leading “go-to” hub for urban knowledge—a global nexus of urban stakeholders that evolves over time. Topics are demand-driven, requested by participants, within four thematic pillars: **Economic, Social, Environmental and Governance.**

The Urbanization KP acts to:

**Convene** policymakers, urban think tanks, the private sector and researchers across ‘sectors’ to assess constraints and priorities for urbanisation;

**Connect** knowledge centres with development practitioners, to translate ideas into action;

**Create** new evidence to help identify policies and investments that improve urbanisation outcomes;

**Customise** evidence to differentiate urbanisation policy priorities across countries and subnational regions.

**Partners include:** the World Bank, Cities Alliance, McKinsey Global Institute, Indian Institute for Human Settlements (IIHS) Penn Institute for Urban Research; Korean research Institute for Human Settlements; eminent researchers, such as Ed Glaeser of Harvard; Brookings Institution; Harvard Kennedy School; Cisco; African Centre for Cities; Global Development Network; U.S. Department of AID, Housing and Urban Department (HUD).

partners, thanks to tangible results and impacts in addition to a consistent, highly efficient operations and administration processes.

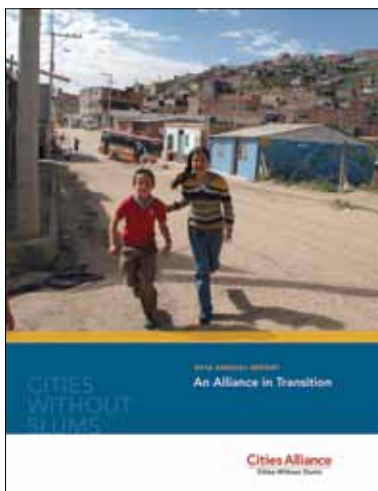
The partnership remains compelled to work to meet and exceed these expectations, particularly in the face of challenging funding constraints occasioned by the new aid architecture prescriptions of the Paris and Accra declarations, new donor aid efficiency assessments and the competing demands for developmental aid. One means of achieving this, of course, is stronger advocacy on behalf of the role of cities in development, and the consistent and systematic capture and dissemination of the results and impacts of all of its activities.

The new Charter mandates the Alliance to strengthen and systematise its advocacy activities. It provides a platform for this in the Policy Advocacy Forum, the forum for debate and awareness raising on urban issues to influence policy and behavior, currently chaired by Clare Short, former UK Secretary for International Development. During the year under review the Alliance provided its support to its members such as the “Know Your City” campaign by Shack/Slum Dwellers International, the Urbanisation Knowledge Platform of the World Bank and the ongoing World Urban Campaign coordinated by UN-Habitat.

The focus in all instances is on the role cities play in sustainable urban development, and the many opportunities that can be captured through positive policy responses to urbanisation. The Alliance also initiated interventions in specific urban policy issues, where necessary, to fashion a framework for members to promote key approaches—such as the urgent need for developing countries to formally include incremental approaches in the development of national housing and slum upgrading policies.

Communications activities increasingly focused on capturing Cities Alliance activities in CPs in Uganda and Ghana, and the active promotion of the Cities Alliance as a partnership in Cities Alliance member countries such as Brazil and South Africa. A preliminary step towards strengthening the communications and advocacy function was the reassignment of this function to the Partnerships Operations Team in the front office and closer alignment with the partnership building, advocacy and outreach activities of the programme manager. The following section however, highlights some of the activities undertaken in the interim.

## Summary of Publications

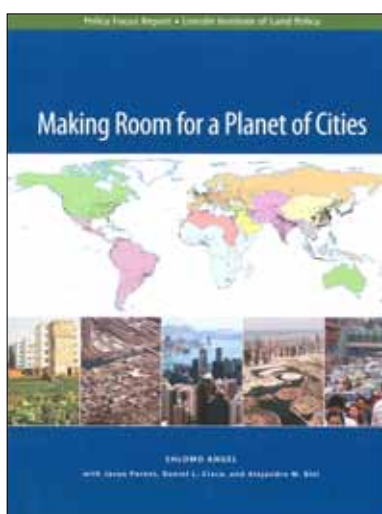


### ***Cities Alliance 2010 Annual Report: Washington D.C., Cities Alliance, December 2010***

*The Cities Alliance 2010 Annual Report* focuses on the process of transition that informed the Alliance's operations during the period under review, culminating in the adoption of a Charter and of business lines better aligned with the Alliance's strategic goal of working as a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development. The transitional process itself was a seamless chain reaction that had been catalysed by a number of factors arising from its operations over the years, including the implementation of its Medium Term Strategy 2008–2010, emerging trends in urbanisation and the urban debate, the new aid architecture and development aid debates fuelled by the Paris Aid Declaration and its Accra refinements.

All these were further framed by the processes of evaluation of strategic goal and objectives occasioned by the 10th anniversary celebrations of the Alliance, marked during the Mumbai Consultative Group meetings. The transitional process notwithstanding the Alliance approved US\$16 million in grants for project activities during the year under review, the highest amount since 2006. A total of 38 projects were approved with increasing numbers of these reflecting the Alliance's shift towards longer term, programmatic commitments that raise the profile of cities and slums and support transformation.

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### ***Making Room for a Planet of Cities: Boston, Lincoln Institute of Land Policy, January 2011***

In January 2011 Cities Alliance and the World Bank, in partnership with the Lincoln Institute of Land Policy launched a groundbreaking new study on urban expansion titled, *Making Room for a Planet of Cities*, prepared by Shlomo Angel, with Jason Parent, Daniel L. Civco, and Alejandro M. Blei and published by the Lincoln Institute of Land Policy.

In face of rapid urbanisation and the fact that half of the humanity now lives in cities, *Making Room for a Planet of Cities* provides both the conceptual framework and the basic empirical data and quantitative dimensions of past, present and future urban expansion in cities around the world that are necessary for

## Summary of Publications

making minimal preparations for the massive urban growth expected in the coming decades. Shlomo Angel's team carefully selected metrics measured in four new data sets with ArcGIS software to provide a comprehensive, consistent global and historical perspective on urban expansion, namely:

- > The built-up areas of a global sample of 120 cities with 100,000 people or more, 1990 and 2000, based on satellite images;
- > Historic population density data in digital images for 20 U. S. cities, from 1910 to 2000, based on census tracts;
- > Built-up areas of a representative global sample of 30 cities, 1800–2000, from the set of 120 cities based on historic maps; and
- > Urban land cover areas of a universe of 3,646 cities that had populations of 100,000 or more in 2000, based on satellite images.

Key findings show that on average, densities in developing countries are double those in Europe and Japan, and densities in Europe and Japan are double those of the United States, Canada and Australia. They also show that on average, the annual growth rate of urban land cover was twice that of the urban population between 1990 and 2000. Most of the cities studied expanded their built-up area more than 16-fold in the 20th century. At present rates of density decline, the world's urban population is expected to double in 43 years, while urban land cover will double in only 19 years. The urban population of the developing countries is expected to double between 2000 and 2030, while the built-up area of their cities can be expected to triple.

The research suggests that preparation for the sustainable growth of cities in rapidly urbanising countries should be grounded in four key components:

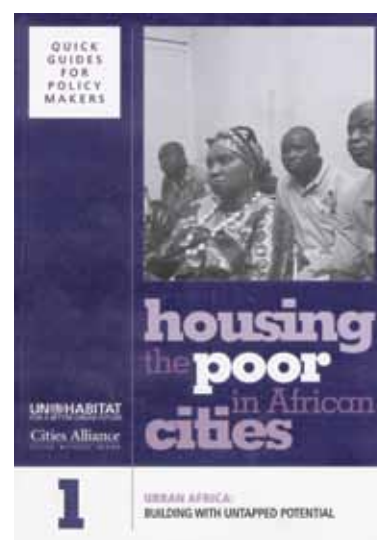
1. The realistic projections of urban land needs;
2. Generous metropolitan limits;
3. Selective protection of open space; and
4. An arterial grid of roads spaced one kilometre apart that can support transit.

### ***Quick Guides for Policy Makers on Housing the Poor in African Cities: Nairobi, UN-Habitat, Cities Alliance, April 2011***

The *Quick Guides for Policy Makers: Housing the Poor in African Cities* series is a set of eight concise, user-friendly guides prepared by UN-Habitat and co-published with the Cities Alliance. They are

## Summary of Publications

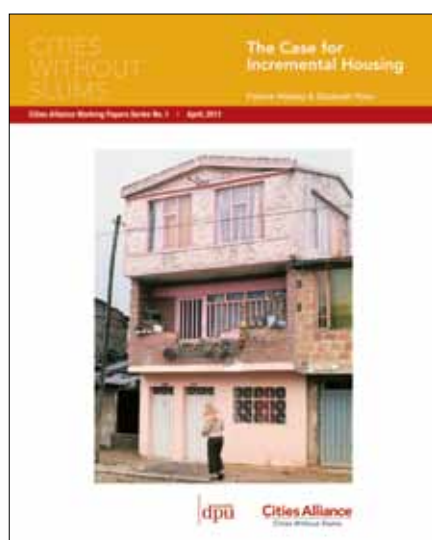
designed to assist national and local officials as well as policy makers in African cities improve their understanding of low-income housing issues to enable them make better informed policy decisions that benefit the poor. Each of the eight *Guides* addresses a different topic related to low-income housing. The Guides are based on the equally successful series on *Housing the Poor in Asian Cities*, published jointly by UN-Habitat and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in 2009. The African version, which was written by a team of experts from the African Centre for Cities, has been adapted to the realities and contexts of Sub-Saharan African countries.



- > **No. 1 – Urban Africa.** Proposes a range of policy and action frameworks that can steer urban development in positive directions, using the resources of knowledge and experience that exist within urban communities across Africa.
- > **No. 2 – Low-income Housing.** Describes several ways of addressing low-income housing in African cities at the programme and project level, and focuses on well-tried methods for improving the housing and living environments of people living in slums and informal settlements.
- > **No. 3 – Land.** Looks at the different forms of land tenure which operate in African cities and examines some of the problems and benefits of these different land tenure systems.
- > **No. 4 – Eviction.** Explores how communities facing eviction have organised themselves and have drawn on the support of community-based networks and institutions in Africa and globally to find alternatives to the destruction of their settlements.
- > **No. 5 – Housing Finance.** Introduces some of the key concepts of housing finance, and provides a quick overview of how a housing finance system works. It also addresses how to integrate formal and informal housing finance systems and offers tips for policy makers to enhance access to affordable housing finance, especially by the urban poor.
- > **No. 6 – Community-Based Organisations.** Considers how governments and policy makers can work together with community-based organisations to address the problems that poor people experience in urban settlements and to find viable long-term solutions to their housing needs.

## Summary of Publications

- > **No. 7 – Rental Housing.** Considers the characteristics of good quality rental housing and sound landlord-tenant rental arrangements, and presents policy options to promote and regulate the expansion of rental housing (especially for the urban poor).
- > **No. 8 – Local Government.** Provides a brief overview of local government in Africa, and the urban challenges (and opportunities) to which local government bodies need to respond. It also shows how physical development, economic development and social development need to go hand-in-hand in order for interventions to be effective and sustainable, presenting some key tools for local governments to use when adopting these approaches.



### ***The Case for Incremental Housing™: Cities Alliance, Development Policy Unit, July 2011***

Published under a new Cities Alliance Policy Research and Working Papers series, this seminal research by Professor Patrick Wakely and Dr. Elizabeth Riley sets out to promote the idea that governments and international development institutions should support informal incremental housing processes as a response to informal housing deficits and to explore how best they can do so. A majority of low-income households gradually erect and change their homes as their needs evolve and their resources allow. Informal, incremental housing processes are household-driven, enabling low-income people to acquire, extend, improve and service their dwellings and neighbourhoods over time.

Informal settlements accommodate more than 50 percent of the population of many cities. They are characterised by flexible, responsive and affordable housing processes that enable families to extend and improve their dwellings over time. At the same time, the legal status of these settlements is usually insecure, they are under-serviced by urban infrastructure, are often unhealthy living environments, and in some cases are physically unsafe. Government efforts to address these problems through the construction of subsidised completed dwellings for low-income groups are seriously limited by cost and management capacity. By comparison, slum-upgrading programmes can provide security of tenure, adequate infrastructure and local management capabilities to households and communities in existing informal settlements, at a fraction of the cost.

In addition, sites and services programmes can redress the growth of new informal settlements and the proliferation of slums by providing secure access to land and services, enabling households to construct their dwellings incrementally, as their resources allow, at a significantly lower cost than

## Summary of Publications

conventional public housing programmes. The authors make a strong case for governments to initiate and support incremental housing strategies as a major component of integrated urban development predicated on:

- > **A numbers case.** By engaging householders in the production and management of their own dwellings and neighbourhoods, far more legal, safe and healthy dwellings affordable to low income groups can be procured than by conventional approaches.
- > **A financial case.** By providing security of tenure and access to services, even poor households are able to invest in housing and neighbourhood development through saving and borrowing, thereby sharing the cost of urban development with the government.
- > **An urban management case.** By recognising the most effective levels of decision-making and delegating the authority that is required for incremental housing development, partnerships that enhance the efficiency of urban management and the administration of urban services can be built.
- > **An urban development case.** By planning areas of legitimate low-income housing development as part of an integrated urban development strategy, governments can set strategic priorities for an entire urban area rather than resorting to *ad hoc* measures.
- > **A governance case.** By engaging households and community leaders in the incremental development of their housing and neighbourhoods, a system of good governance that helps ensure transparency and accountability in decision-making can be created.
- > **A social and economic development case.** By encouraging cooperation through incremental development, local communities are built and strengthened. Furthermore, by creating job opportunities through the provision of training and technical support, household incomes can be increased.



### **CIVIS Notes No. 4: Is there really so little urban poverty in Sub-Saharan Africa?**

Prepared by David Satterthwaite and Diana Mitlin of the International Institute for Environment and Development (IIED), this short study assesses the scale and depth of urban poverty in Sub-Saharan Africa relative to its rural counterpart. Given the dramatic shift from rural to urban currently underway on the continent they argue that a large proportion of this urban population suffers from serious deprivation—in food intakes, incomes, premature mortality, access to services and poor quality housing that is often insecure.

## Summary of Publications

One reason why the scale and depth of urban poverty is often underestimated is the use of inappropriate poverty base determinant. Applying the same income-based poverty baseline to rural and urban areas in any nation will not work if the costs of basic food and non-food needs differ significantly between rural and urban areas. For instance, many low-income urban households have to pay rent for tiny rooms in informal settlements, whereas the vast majority of rural households do not pay for housing. Most urban poverty baselines do not take this into account. Using the same poverty baseline of \$1 or \$1.25 a day per person in all urban areas in a nation will also not work if the costs of needs differ—for instance, with non-food costs particularly high in larger or more successful cities compared to most small market towns or administrative centres.

The \$1 or \$1.25 a day poverty base line was originally set and predicated almost entirely on the cost of food needs in a small sample of low-income nations. Limited consideration was given to the cost of non-food requirements. This line was then applied to all low- and middle-income nations. But two of the defining characteristics of most urban centres are (i) a high proportion of their population lives in informal settlements lacking public services (schools, health care, water, sanitation, etc.); and (ii) they face high costs for accommodation and for meeting non-food needs, which are often exacerbated by the lack of public services.

The authors suggest that if the costs low-income groups face in meeting their non-food needs, even if these are met inadequately are analysed, the costs in cities and many smaller urban centres will be much more than \$1 or \$1.25 per person per day. If the analysis is extended to the income they would need to afford very modest accommodation with pipe-borne water and a toilet in the house, this would push up the dollar amount per person per day even further above the \$1 or \$1.25 line.

They conclude that a commitment to poverty reduction also needs to recognise that it requires strong rural and urban components and an understanding of how rural-urban links influence poverty (or less poverty). Sub-Saharan Africa will continue to urbanise. Estimates for just 15 years into the future suggest that 43 percent of the region's population will be urban in 2025. A failure to develop the methods to assess and reduce urban poverty now means a continuing escalation in the numbers facing poverty.

### *CIVIS Notes No. 5: The urbanisation of displaced people*

Prepared by Hilde Refstie during her tenure with the Cities Alliance Secretariat and Jeff Crisp of the United Nations High Commission for Refugees (UNHCR), the note explores a little known factor in rapid urbanisation, that of persons displaced by conflict and war. As the world becomes increasingly urban, so too are these displaced populations. There may be over ten million refugees in urban areas—and at least twice as many internally displaced persons (IDPs).

This relationship between displacement and urbanisation is one that urban planners, demographers and development specialists have not significantly addressed, even though forced migration—and in



## Summary of Publications

particular internal displacement—has clearly impacted urban transformation. In an effort to address this gap in knowledge and policy response, the Cities Alliance and UNHCR conducted a scoping study in 2010 on urban displacement with the objective of identifying the challenges in responding to forced displacement to urban areas. The study focused on refugees and internally displaced persons living in, or who have returned or relocated to, urban environments in developing countries as a result of or after conflict-induced humanitarian crises. It was based on a desk review of existing and ongoing research on urban displacement and adopted a global approach. Key findings from the study include:

- > People and returnees displaced from conflict constitute a significant proportion of the population in many cities in developing countries and include significant numbers of women, children and older people.
- > Cities can absorb large numbers of people unnoticed, as most of those displaced to urban areas keep a low profile, often avoiding registration, enumeration and profiling exercises.
- > Many of those displaced to urban areas live alongside other urban poor in slums or informal.
- > Settlements where resources and services are already overstretched, social relations are fragile and communal solidarity lacking.
- > Many of the poorly built urban environments in which most urban refugees or IDPs live are in areas that are increasingly vulnerable to natural hazards, such as flood plains, coastal areas and hillsides. However, disaster risk reduction strategies rarely consider displaced populations.
- > The international legal protection available to urban IDPs is often significantly less than that for recognised refugees, although in theory IDPs are protected by their national laws.





*Aerial view of São Paulo, Brazil*

## Cities Alliance Organisation

As indicated earlier the adoption of the new Cities Alliance Charter meant significant changes to the structure and governance of the Cities Alliance. In contrast to the hitherto tripartite arrangement between a Consultative Group, a Policy Advisory Board of eminent urban jurists and a Secretariat the new structure now comprises a Consultative Group (CG), a strengthened Executive Committee (ExCo), a Policy Advisory Forum (PAF) and a Secretariat more in tune with the operational environment of its host, the World Bank Group.

### The Consultative Group

The Consultative Group remains the primary decision-making body of the organisation, with chairmanship jointly shared by the by UN-Habitat and the World Bank. The CG comprises both Full and Associate members of the Cities Alliance, both categories of which are entitled to participate in the Consultative Group meeting of the Cities Alliance:

- > **Full Members** include representatives of national governments; multi-lateral organisations; the global organisations of local authorities; UCLG and Metropolis; and international networks of organisations.
- > **Associate Members** may include representatives of foundations, NGOs, private companies, local authorities and other partners as defined by the CG.

Primary roles and responsibilities of the CG include:

- > Adopt, and amend, the Charter;
- > Approve the long- and medium-term strategic direction of the Cities Alliance;
- > Ratify the annual work plan and budget of the Cities Alliance, including that of the Secretariat and the PAF, following approval by the ExCo;
- > Approve the criteria to be used in evaluating and approving Cities Alliance activities;
- > Review and evaluate the overall performance of the Cities Alliance;
- > Establish the membership fees for different membership categories;
- > Help raise additional resources;
- > Appoint Rotating Members of the ExCo;
- > Appoint the Chair of the PAF; and
- > Approve the applications of new CG members.

Membership of the Consultative Group as of 30 June 2010 is shown below:

## Consultative Group Members as of 30 June 2011

### Umbrella Organisations of Cities and Local Authorities



United Cities and Local Governments



Metropolis

### Organisations of the Urban Poor



Shack/Slum Dwellers International



Habitat for Humanity International

### Multilateral Development Organisations



The European Union



United Nations Environment Programme



United Nations Human Settlements Programme



The World Bank Group

### Governments



Australia



Germany



South Africa



Brazil



Italy



Spain



Chile



Nigeria



Sweden



Ethiopia



Norway



United Kingdom



France



Philippines



United States

- > **Umbrella Organisations of Cities and Local Authorities** – United Cities and Local Governments (UCLG), and Metropolis.
- > **Governments:** Australia, Brazil, Chile, Ethiopia, France, Germany, Italy, the Netherlands, Nigeria, Norway, Philippines, South Africa, Spain, Sweden, United Kingdom, United States of America.
- > **Organisations of the Urban Poor:** Shack/Slum Dwellers International (SDI), Habitat for Humanity International (HFHI).
- > **Multilateral Development Organisations:** European Commission, United Nations Environment Programme (UNEP), United Nations Human Settlements Programme (UN-Habitat), the World Bank Group.

## The Executive Committee

Appointed by the CG and accountable to it in all matters the Executive Committee (ExCo) has been strengthened to provide more targeted guidance to the Secretariat on its work programme. ExCo comprises representatives from a combination of Permanent Members, Rotating Members and an Ex-Officio Member and a potential Observer. The Charter's renewed focus on cities is underscored by the decision to appoint UCLG as the permanent Chairperson of the Executive Committee. Permanent Members are UCLG, UN-Habitat and the World Bank. Rotating members comprise a representative from the national government of a developing country, two national government representatives from industrialised economies and two other full members or associate members.

The one Ex-Officio member is the Programme Manager of the Cities Alliance. Permanent and Rotating members are part of the decision-making process while the Ex-Officio Member and the Observer are not. Rotating Members serve for three-year terms, appointed on a staggered basis.

Primary roles and responsibilities of the ExCo are to:

1. Provide guidance to the Secretariat on matters of policy and strategy;
2. Approve the Business Plan, annual work plan and budget of the Cities Alliance, including that of the Secretariat and the PAF, subject to ratification by the CG;
3. Monitor progress and make recommendations to the CG;
4. Participate in the selection of the Manager of the Secretariat;
5. Approve any operating manuals produced by the Secretariat;
6. Select countries for country programmes;
7. Nominate the Chair of the PAF for CG appointment;
8. Respond to requests from the CG; and
9. Consider applications for membership and makes recommendation to the CG.

## The Policy Advisory Forum

The Policy Advisory Forum (PAF) serves to advance the Alliance's knowledge-sharing and public advocacy goals. It is reconstituted as a platform for public discussion, debate and knowledge sharing of



*Slum Scene in Bogota, Colombia*

activities to sensitise target audiences to relevant urban trends, policies or activities, and to influence change in policies and behaviour. The PAF promotes dialogue between CG members and invited partners on key policy and strategic issues of city and urban development, and advises the Cities Alliance on appropriate policies and strategies. PAF meetings are held in conjunction with the annual meeting of the Consultative Group. In between meetings, the PAF can also be convened, in coordination with the Secretariat and the Chairperson of the PAF, at a country or city level.

In July 2011 the first PAF was held in Accra, Ghana as part of a Special Session of the Ghana Urban Forum. The Forums were set up by the national government to provide permanent space for all urban stakeholders to debate the issues arising from the nearly four per cent growth rate of Ghana's urban population. Estimates are that 51 percent of the population of 24 million lives in cities and towns, up from 23.1 percent in 1960 and 43.8 percent in 2000. Projections are that with an annual growth rate of 3.6 percent, Ghana's urban population will more than double between 2000 and 2025. Forty-five per cent of urban residents live in slums with limited access to urban services.

## The Secretariat

Under the new structure the Secretariat continues to execute the Cities Alliance Work Programme and to manage its day-to-day operations. It is administered by and within the World Bank, which serves



*Clare Short, Chair, PAF and Zoubida Allaoua, Director, FEU with Ghanaian Queen Mothers Nana Afia Benewaa and Nana Dede Afriyie at the Special Session in Accra, July, 2011*

## BOX 8

### Changing Negative Attitudes to Urbanisation: The Ghana Urban Forum

Hosted by the Ministry of Local Government and Rural Development the Special Session of the Ghana Urban Forum held 13 July 2011 was the first such major event devoted to urban development issues. Attendees included senior Ghanaian government officials, local authorities, international development organisations, NGOs and community-based organisations in addition to Cities Alliance officials in Accra for the Executive Committee meetings. In his opening remarks, Minister for Local Government and Rural Development, Samuel Ofose-Ampofo informed that his Ministry is spearheading the development of a comprehensive national urban policy, as well as an action plan to implement the policy. Both have been submitted to Cabinet for approval. He also urged local authorities in Ghana to work together with other urban stakeholders to ensure that the needs of the people are met: "I wish to use this opportunity to call on all [Metropolitan, Municipal and District Assemblies] to use your mandate as planning authorities to ensure proper planning to better the well-being of the people by collaborating with traditional authorities, land owners, civil society groups and the private sector to ensure effective organisation of economic and socio-cultural activities."

His counterpart in the Ministry of Water Resources, Works and Housing, Alban S. K. Bagbin called for the establishment of a new Ministry responsible for Housing and Urban Development. The Forum also provided local government leaders and communities with an opportunity to take the first steps towards establishing a dialogue. Mayors from three cities and representatives from community-based organisations such as People's Dialogue and StreetNet participated in a joint panel discussion moderated by Clare Short, former Secretary for International Development DFID and Chair of the Cities Alliance PAF. Local authorities, including Accra Mayor Alfred Vanderpuije—who has previously been criticised for his administration's efforts to evict slum dwellers in the city—and Cape Coast Mayor Anthony Egyir Aikins as well as Sekondi-Takoradi Mayor Anthony R. Cudjoe engaged positively on alternative solutions and agreed on the benefits of consultation with affected communities.

as trustee of Cities Alliance financial resources. The Cities Alliance Secretariat Manager and staff are part of the Finance, Economics and Urban Development Department of the Sustainable Development Network, Vice Presidency of the World Bank. Under the overall direction of the Manager, the Secretariat has the following roles and responsibilities:

- > Facilitate Member involvement in the activities of the Cities Alliance;
- > Screen and evaluate project proposals, in accordance with criteria approved by the CG;
- > Provide Secretariat services to the CG, ExCo and PAF;
- > Prepare and present medium- and long-term strategies, for consideration by ExCo and the CG;
- > Support the CG and ExCo in fundraising on behalf of the Cities Alliance;
- > Maintain a database of projects of the Cities Alliance;
- > Monitor the implementation of projects and disseminate lessons learned from Cities Alliance and other activities, including an Annual Progress Report;
- > Draft the Work Programme and budget for ExCo approval and CG ratification, and facilitate its implementation; and
- > Prepare and present status reports on progress and results.

For the year under review the Secretariat witnessed some major staff movements as a number of staff on secondment to the Secretariat from different member organizations came to the end of their stay. Professor Günter Meinert of GIZ completed his secondment with the Cities Alliance and returned to GIZ as head of the urban unit. Günter made major contributions to the Cities Alliance work programme beginning with his formulation of the Cities Alliance Results Framework and his Theory of Change. Most recently, he brought added structure and clarity of purpose to the Alliance's work programme through the efficient leadership of the Global Programme Operations team.

Having completed their two-year terms as Research Analysts under a programme funded by the Government of Norway, Alex Ricardo Jimenez Cruz and Hilde Refstie left Cities Alliance for their respective home countries of Colombia and Norway. Both made significant contributions to the Cities Alliance work programme: Hilde as a member of the CPs team and as the Team Lead for Cities Alliance's initial forays into urban youth and gender issues, and Alex Ricardo as the focal point for the knowledge and learning part of the Global Programme Operations team.

In addition, the Secretariat also bid farewell to Celine D' Cruz, who returned to SDI; to Iraj Hettiarachchi of the Communications team and also to Anaclaudia Rossbach Centeno, who had headed the Cities Alliance São Paulo office.

The Secretariat is in the process of rebuilding its staff strength to cope with the predictable demands to be made by the implementation of the new Business Plan. With the departures and consequent reorganisation of the Secretariat, the staff profile as at 30 June 2011 was as follows:



*Youths Parrecurring in São Paulo, Brazil*



Work Unit	Responsibilities	Staff
<b>Partnership Operations Team</b>	<ul style="list-style-type: none"> <li>• Secretariat management</li> <li>• Member relations and resource mobilisation</li> <li>• Governance support, Consultative Group and Executive Committee</li> <li>• Communications and Advocacy</li> <li>• Human resources administration</li> <li>• Office administration</li> </ul>	<ul style="list-style-type: none"> <li>• William Cobbett – <i>Programme Manager, Team Lead</i></li> <li>• Susanna Henderson – <i>Senior Programme Assistant</i></li> <li>• Chii Akporji – <i>Communications Officer</i></li> <li>• Juliet Bunch – <i>Web Editor</i></li> </ul>
<b>Programme Administration Team</b>	<ul style="list-style-type: none"> <li>• Financial administration (financial reporting, budgeting, etc.)</li> <li>• Resource management</li> <li>• Grant administration (Financial management, procurement, grant agreements, etc.)</li> <li>• Information management</li> </ul>	<ul style="list-style-type: none"> <li>• Phyllis Kibui – <i>Programme Coordinator – Team Lead</i></li> <li>• Madhavan Balachandran – <i>Financial Management Specialist</i></li> <li>• Oksana Mushtatenko – <i>Resource Management Analyst</i></li> <li>• Viorica Revutchi – <i>Programme Assistant</i></li> <li>• Regianne Henriette Bertolassi – <i>Programme Assistant</i></li> <li>• Erika Puspa – <i>Information Management Analyst</i></li> <li>• Rodolfo Gaspar – <i>Information Management Assistant</i></li> </ul>
<b>Global Programme Operations</b>	<ul style="list-style-type: none"> <li>• Catalytic Fund</li> <li>• Knowledge and learning</li> <li>• Special projects (e.g., <i>Financing African Cities</i>)</li> <li>• Results reporting</li> <li>• Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Kevin Milroy – <i>Sr. Operations Officer/Deputy Programme Manager – Team Lead</i></li> <li>• Rene Hohmann – <i>Urban Specialist</i></li> <li>• Federico Silva – <i>Junior Professional Officer</i></li> <li>• Adele Hoskens – <i>Regional Advisor, Southern and Eastern Africa</i></li> <li>• Mariana Kara Jose – <i>Regional Advisor, Brazil</i></li> <li>• Phoram Shah – <i>Extended Term Consultant</i></li> <li>• Neelam Tuteja – <i>Program Assistant</i></li> </ul>
<b>Country Programmes Operations</b>	<ul style="list-style-type: none"> <li>• CPs in selected countries</li> <li>• Land, Services, and Citizenship programme</li> <li>• Regional programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Julian Baskin – <i>Senior Urban Specialist – Team Lead</i></li> <li>• Andrea Zeman – <i>Urban Specialist</i></li> <li>• Susanna Henderson – <i>Senior Programme Assistant</i></li> <li>• Dhiraj Ajay Suri – <i>Regional Advisor – South Asia</i></li> <li>• Tewodros Tigabu – <i>Regional Advisor – East and Central Africa</i></li> <li>• Mamadou Diagne – <i>Regional Advisor – West Africa</i></li> <li>• Adele Hosken – <i>Regional Advisor – Southern Africa</i></li> <li>• Mariana Kara Jose – <i>Regional Advisor – Brazil</i></li> </ul>



*The Gateway*

## Cities Alliance Financial Report (FY 2011)

The fiscal year ending 30 June 2011 continued a period of transition for Cities Alliance finances. The final funding proposals from the old grant facility were processed, with \$3.6 million in Core funds approved for 13 projects. The old facility closed in March 2010, and the new Catalytic Fund was launched in January 2011. The first cohort of Catalytic Fund projects, estimated at \$1.75 million, was approved during the first half of FY'12. Programmatic budgeting and business planning processes were also introduced during the year as part of the changes in the Cities Alliance business model adopted by the Cities Alliance Consultative Group at its last two annual meetings.

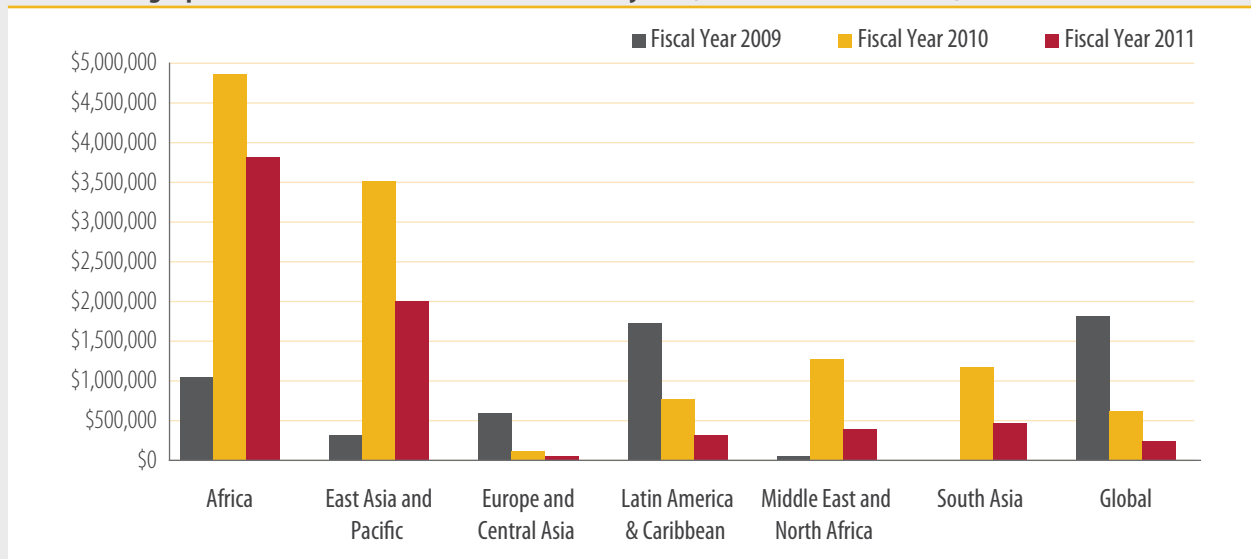
The Cities Alliance Secretariat continued to adapt to changes in grant administration processes within the World Bank, which manages Cities Alliance funds. The evolving World Bank internal control environment for administering global programmes like the Cities Alliance has led to increased transaction and grant overhead costs. The Cities Alliance's ExCo brought this issue to the attention of Bank management at its March 2011 meeting held in Washington. The Bank responded proactively by forming a Small Grants Working Group, which is developing a comprehensive set of recommendations for streamlining grant business processes. First outcomes from the Working Group are expected during FY'12. Once these recommendations are operational, the Secretariat will monitor their effectiveness in reducing the time it takes to execute grants and the overall grant administration costs.

Cities Alliance financial resources were bolstered during the year by the Australian Agency for International Development, which signed a new three-year agreement that will provide \$2 million in each of the next two years, on top of a \$350,000 contribution for FY11. AusAID joins Norway's Ministry of Foreign Affairs and the World Bank's Development Grant Facility as the largest donors of Core funds to the Cities Alliance programme.

Over \$12.3 million of funding allocations were approved during the year. Most of the approved funding, \$8.3 million went to country and regional projects. The remainder was used to fund global knowledge and communication activities and the costs of the Cities Alliance Secretariat. Nearly 44 percent of the country and regional approvals were for Sub-Saharan Africa, reflecting an increased prioritisation on the region agreed by the Cities Alliance membership at its 2010 annual meeting held in Mexico City.

**FIGURE 4**

**Overall Geographical Distribution of Cities Alliance Projects (Fiscal Years 2009–2011)**



Notes:

A. Projects cancelled during project preparation were not included in the figure, because no grant agreement had been issued.

B. Projects in which the grant agreements are underway were included in the figure.

C. Catalytic Fund (CATF) Projects were not included in the figure.

**TABLE 1****Cities Alliance: Sources and Uses of Funds***as of 30 June 2011 (US\$)*

<b>Core Fund</b>			<b>Non-Core Funds</b>	
<b>Cumulative</b>	<b>FY11</b>		<b>FY11</b>	<b>Cumulative</b>
\$75,141,353	\$7,074,623	Contributions Received	\$1,273,516	\$74,655,591
0	0	In-Kind Contributions	516,406	9,126,485
5,732,031	156,272	Investment Income	102,812	841,791
<b>80,875,548</b>	<b>7,230,985</b>	<b>Total Sources of Funds</b>	<b>1,892,734</b>	<b>84,623,867</b>
(64,611,008)	(8,022,886)	Project Disbursements	(2,850,165)	(54,141,032)
0	0	In-Kind Disbursements	(516,406)	(9,126,485)
(1,062,536)	(64,595)	Trust Fund Administration Fees	(20,885)	(1,521,343)
32,001	0	Foreign Exchange Gain (Loss)	115,596	310,229
(65,641,543)	(8,087,481)	<b>Total Uses of Funds</b>	<b>(3,271,860)</b>	<b>(64,478,631)</b>
<b>15,234,005</b>		<b>Fund Balance</b>		<b>20,145,236</b>
(11,491,250)		Less: Undisbursed Allocations		(9,027,131)
<b>\$3,742,755</b>		<b>Funds Available for Allocation</b>		<b>\$11,118,105</b>

**TABLE 2****Financial Contributions***(US\$ as of 30 June 2011)**Paid In (a)*

<b>Donor</b>	<b>Pledges</b>	<b>Duration</b>	<b>FY11</b>	<b>Cumulative</b>
<b>Non-core funding</b>				
ADB	1,250,000	2002–2003, 2005–2007		1,223,317
Australia	5,382,750	2008–2013	371,805	1,121,805
Brazil	750,000	2004–2014	150,000	600,000
Canada	1,500,000	2000–2001, 2003–2006	0	1,585,293
Chile	150,000	2008–2011	50,000	150,000
Ethiopia	250,000	2006–2011	49,967	249,920
European Commission	1,000,000	2009–2011	501,181	1,035,094
France	2,676,023	2000, 2002–2011	578,116	2,681,503
Germany	3,540,000	2000–2011	332,200	3,452,652
Habitat for Humanity Intl.	50,000	2010	0	50,000
Italy	5,320,000	2000–2011	563,400	5,411,465
Japan	1,750,000	2000–2006	0	1,750,000
Netherlands	3,500,000	2000–2004, 2006–2008	0	3,499,940
Nigeria	100,000	2005, 2010	0	50,000
Norway	8,555,000	2000–2011	1,663,914	8,640,269
Philippines	50,000	2008	0	50,000
Shack Dweller Int'l	200,000	2008–2011	50,000	200,000
South Africa	250,000	2006–2010	50,000	250,000
Spain	2,250,000	2008–2010	0	2,321,400
Sweden	6,125,000	2000–2012	0	5,464,985
UNEP	1,200,000	2003–2009	0	1,199,987
UN-HABITAT	800,000	2004–2011	0	400,000
United Kingdom	7,100,000	2000–2007	26,867	7,533,690
United States	3,498,880	2000–2012	250,000	3,498,880
World Bank	25,567,500	2002–2011	2,436,473	22,721,152
<b>Total core</b>	<b>82,815,153</b>		<b>7,074,623</b>	<b>75,141,353</b>
<b>Non-core funding</b>				
Canada	75,000	2004	0	73,608
France	375,000	2008–2009	0	357,209
Gates Foundation	15,000,000	2009–2012	0	14,999,980
Italy	15,798,541	2001–2011	1,343,393	15,798,541
Japan	4,250,000	2000–2006	0	4,250,000
Netherlands	350,000	2003–2004	0	350,000
Norway	3,200,000	2002–2007	0	3,272,992
Sweden	9,134,054	2003–2012	0	9,863,663
UNEP	90,000	2007	0	15,000
United Kingdom	24,620,000	2001–2011	(69,877)	24,130,650
United States	843,947	2003–2008	0	843,947
World Bank	700,000	2001	0	700,000
<b>Total non-core funding</b>	<b>74,436,542</b>		<b>1,343,393</b>	<b>74,655,591</b>

**TABLE 3****Approved FY11 Funding Allocations – Summary***For FY ended 30 June 2011 (US\$)*

	<b>Non-Core</b>	<b>Core</b>
<b>Country and Regional Project Allocations:</b>		
Projects supporting implementation of policies and strategies	1,481,720	249,000
Projects supporting elaboration of policies and strategies	0	1,334,577
Projects providing country-specific data and knowledge	0	1,074,250
Pacific Island Projects	0	936,600
<b>Sub-Total</b>	<b>1,481,720</b>	<b>3,594,427</b>
<b>Catalytic Fund (New Grant Facility)</b>		
Kitty Fund	0	125,000
<b>Sub-Total</b>	<b>0</b>	<b>125,000</b>
<b>Country Programme Allocations</b>		
Land, Services & Citizenship Programme	1,127,000	145,855
Other Country Programming Support	920,000	206,207
Country Programmes	0	574,500
<b>Sub-Total</b>	<b>2,047,000</b>	<b>926,562</b>
<b>Global Knowledge &amp; Advocacy Activities</b>		
City Development Strategies	0	100,000
Environment/ Climate Change/ Disaster Risk Reduction	0	0
Communications & Advocacy	0	250,000
Other Learning & Knowledge Sharing	0	100,000
Slum Upgrading	0	75,000
Finance	0	48,500
Monitoring & Evaluation	0	125,000
<b>Sub-Total</b>	<b>0</b>	<b>698,500</b>
<b>Partnership Allocations</b>		
Management, Finance & Administration	0	1,700,000
Technical, Knowledge, Communications and M&E*	199,152	1,360,000
Governance & Administration	0	200,000
<b>Sub-Total</b>	<b>199,152</b>	<b>3,260,000</b>
<b>Total Approved Funding Allocations</b>	<b>3,727,872</b>	<b>8,604,489</b>

**TABLE 4****Approved FY11 Funding Allocations – Detailed***For FY ended 30 June 2011 (US\$)*

Country	Activity Title	Allocation Amount
<b>Country/Regional Project Allocations (Old Grant Facility)</b>		
<b>Projects Supporting the Implementation of Policies and Strategies</b>		
Brazil	Bahia Integrated Urban Development Program (Italy-Non-Core)	1,481,720
Malawi	Grant for Lilongwe City Development Strategy (Phase 3)	249,000
<b>Projects Supporting the Elaboration of Policies and Strategies</b>		
Central African Republic	Towards Sustainable Urban Management: Improving Bangui City Performance Through Capacity Building and Planning Tools Development	301,750
Colombia	National Low-income Megaprojects: Developing a Policy and Program Framework	215,000
Cote d'Ivoire	National Low-income Megaprojects: Developing a Policy and Program Framework	215,000
Cote d'Ivoire	Restructuring of Slums in the 13 Municipalities of the District of Abidjan	284,927
Malawi	City Development Strategy and Slum Upgrading Programme (CDS/SUP) Framework (Phase I)	175,000
West Bank and Gaza Territories	Cities as Guarantors of Stability: Scaling-Up of Strategic Development and Investment Planning (SDIP) in the Palestinian Territories	357,900
<b>Projects Providing Country-specific Data and Knowledge</b>		
Ethiopia	Strengthen the Institutionalisation and Support the Operation of the Ethiopian Cities Network	74,000
India	India State of the Cities Report	350,250
Kenya	Kenya Baseline State of the City Survey	400,000
Tanzania	Tanzania State of the Cities Report	250,000
<b>Pacific Island Proposals</b>		
Papua New Guinea	Papua New Guinea Settlement Upgrading Programme	350,000
Regional	Regional Institutional Strengthening and Knowledge Management Support to Pacific Island Countries to Strengthen Implementation of the Pacific Urban Agenda under the Pacific Plan	349,600
Samoa	Samoa City Development Strategy Programme	237,000
<b>Catalytic Fund (New Grant Facility)</b>		
<b>Kitty Fund (small grants)</b>		
Bangladesh	Bangladesh's Urban Transformation: Exploring the Demographic and Economic Dimensions	75,000
Ukraine	Supporting Kiev for City Vision and Long-Term Development Strategy	50,000

*(continues on next page)*



**TABLE 4****Approved FY11 Funding Allocations – Detailed***For FY ended 30 June 2011 (US\$)*

Country	Activity Title	Allocation Amount
<b>Global Knowledge &amp; Advocacy Activities</b>		
<b>Theme: Slum Upgrading</b>		
Global	Making the Case for Incremental Housing (increase to FY09 allocation)	75,000
<b>Theme: City Development Strategy</b>		
Global	Global City Indicators Facility	100,000
<b>Theme: Finance</b>		
Global	Capital Investment Planning and Financing	48,500
<b>Other Learning &amp; Knowledge Sharing</b>		
Global	General Learning & Knowledge Sharing (FY11 increase)	<b>100,000</b>
<b>Theme: Communications &amp; Advocacy</b>		
Ghana	Ghana Cities Awareness and Advocacy Framework	200,000
Global	General Communications & Advocacy (FY11 increase)	50,000
<b>Theme: Monitoring &amp; Evaluation</b>		
Global	Cities Alliance Independent Evaluation 2011	125,000
Global	General Learning & Knowledge Sharing (FY11 increase)	<b>100,000</b>
<b>Country &amp; Regional Programming Allocations</b>		
<b>Land, Services &amp; Citizenship Programme</b>		
Global	Improving and Expanding Sanitation in Greater Accra Workshop (Gates Foundation)	52,000
Mozambique	Support for Upgrading the Chamanculo C Neighbourhood in accordance with the Global Strategy for Urbanising and Reordering Informal Settlements in the Maputo Municipality (Gates Foundation)	575,000
Uganda	Addressing the Land Information Requirements of the Urban Poor – Phase I: Piloting of the Social Tenure Domain Model (STDM)	75,000
Vietnam	Consolidating management and implementation of Community Development Fund (CDF) through the Association of Cities of Vietnam (ACVN)	70,855
Vietnam	Strengthening of the Vietnam Urban Forum (VUF) and Operationalising the National Urban Upgrading Program (NUUP) (Gates Foundation)	500,000
<b>Country Programmes</b>		
Brazil	Technical Assistance and Guidance in the Implementation of Brazil's Minha Casa Minha Vida Programme and its integration with the National Housing Plan (PlanHab)	74,500
Philippines	Developing a National Slum Upgrading Strategy for the Philippines	500,000

*(continues on next page)*

**TABLE 4****Approved FY11 Funding Allocations – Detailed***For FY ended 30 June 2011 (US\$)*

<b>Country</b>	<b>Activity Title</b>	<b>Allocation Amount</b>
<b>Other In-Country Programming &amp; Support</b>		
Africa Regional	Supporting Africa's Urban Transition (Joint Work Programme with WB) (Africa Facility)	920,000
Africa Regional	Know Your City – A City of 2030 Without Slums	74,825
Africa Regional	<i>State of African Cities 2012: Urban Vulnerabilities, Adaptation and Resilience</i>	75,000
Africa Regional	UCLG Supervision of Lilongwe and Namibia CDS projects	56,382
<b>Partnership Operations</b>		
<b>Management, Finance and Administrative Operations</b>		
	Secretariat – Management, finance and administrative operations	1,700,000
<b>Technical, Knowledge, Communications and M&amp;E operations</b>		
	Secretariat – Technical, knowledge, communications and M&E operations	1,300,000
Africa region	Regional Advisors, East & Southern Africa – increase (Sweden Non-Core)	199,152
Africa region	South Asia Regional operations	60,000
<b>Governance and Administration</b>		
	Consultative Group/Executive Committee Meetings	200,000

## Abbreviations and Acronyms

ACC	Africa Centre for Cities
ACVN	Association of Cities of Vietnam
AfD	Agence Française de Développement
AFTUW	Africa Region Urban and Water Unit
AusAID	Australia Agency for International Development
CATFund	Catalytic Fund
CDS	City Development Strategies
CG	Consultative Group
CMI	Center for Mediterranean Integration
CPs	Country Programmes
ExCo	Cities Alliance Executive Committee
FEU	Finance, Economics and Urban Department of the World Bank Group
HFHI	Habitat for Humanity International
IDPs	Internally Displaced Persons
IIED	International Institute for Environment and Development
IIHS	Indian Institute for Human Settlements
ILGS	Institute of Local Government Studies, Ghana
JICA	Japan International Cooperation Agency
JNNURM	Jawaharlal Nehru National Urban Renewal Mission, India
JWP	Joint Work Programmes
KNUST	Kwame Nkrumah University of Science and Technology, Ghana
LSC	Land, Services, and Citizenship programme
MAEE	Ministère des affaires étrangères et européennes
MLGRD	Ministry of Local Government and Rural development, Ghana
MLIT	Ministry of Land, Infrastructure, Transport and Tourism, Japan
MoLHUD	Ministry of Lands, Housing, and Urban Development (Uganda)
NUSP	National Upgrading Support Programme (South Africa)
NUUP	National Urban Upgrading Programme, Vietnam
PAF	Policy Advisory Forum (Cities Alliance)
RAY	Rajiv Awas Yojana
SDI	Shack/Slum Dwellers International
TSUPU	Transforming Settlements of the Urban Poor in Uganda
UAAU	Urban Authorities Association of Uganda
UCLG	United Cities and Local Governments
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNHCR	United Nations High Commission for Refugees
URA	Urban Risk Assessments
USAID	United States Agency for International Development
VUF	Vietnam Urban Forum
WUF	World Urban Forum



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