



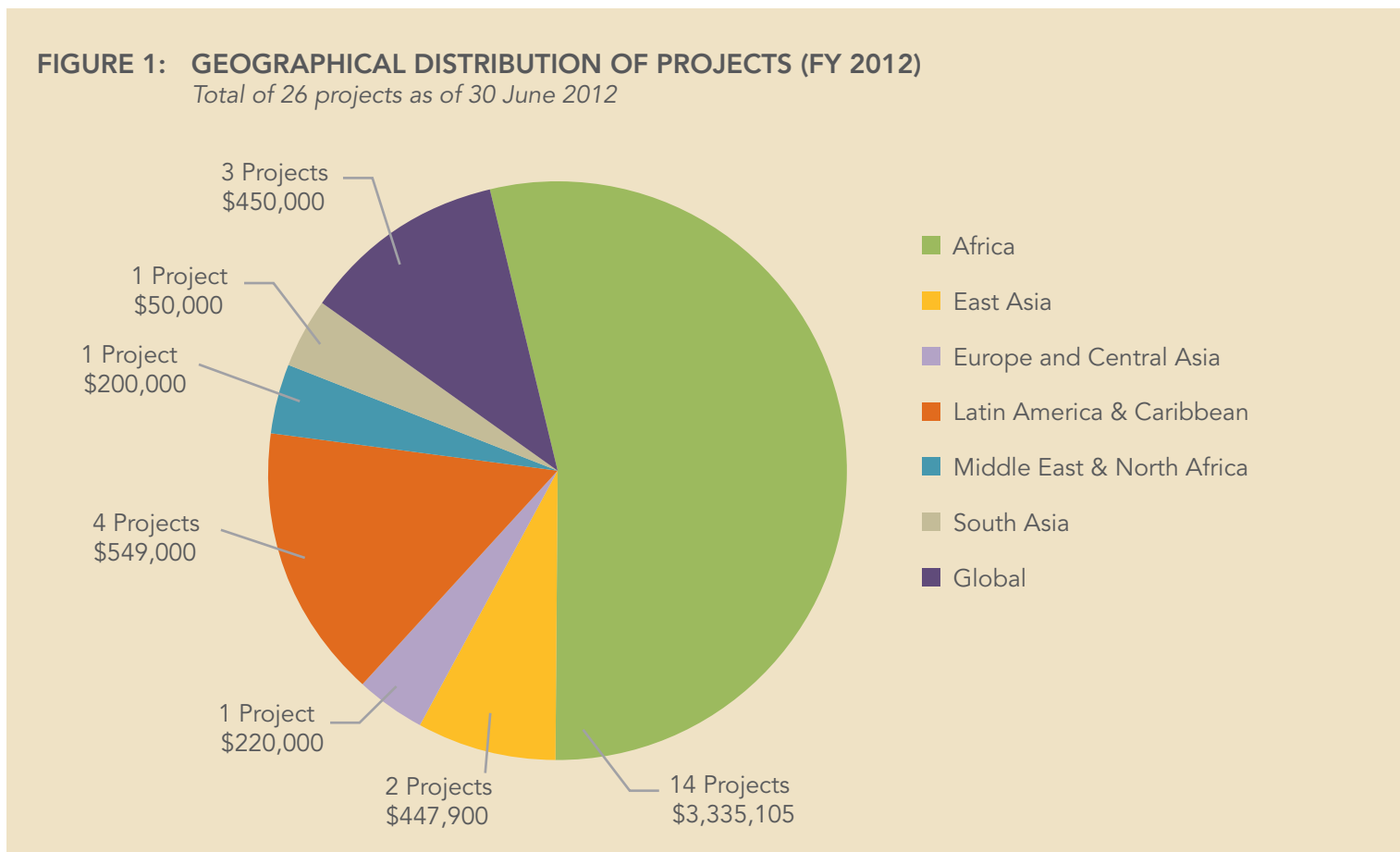
Women making food to sell in Old Fadama, Accra, Ghana.

HIGHLIGHTS

FY2012 was the first year managed under the new Cities Alliance business model, which adopted a strategic, programmatic approach to urban development. Overall, the business model is making a significant and positive impact on the work of the Cities Alliance and offers great promise for the organisation. The year's highlights include:

FINANCIAL

As in previous years, the bulk of the projects approved by the Cities Alliance in FY2012 were in Africa (Figure 1), and US\$1.9 million was approved for the Cities Alliance Country Programme in Ghana alone.



OPERATIONAL

- **Country Programmes** in Uganda, Ghana, Vietnam, Burkina Faso, and Mozambique were strengthened and deepened.
- **Consultative Group** and **Executive Committee** meetings held in Mozambique (November 2011) and Uganda (June 2012) highlighted the strength of the respective Country Programmes and gave Cities Alliance members the opportunity to see the Country Programme approach in action.

- The Policy Advisory Forum on Financing African Cities held in Maputo in November 2011 highlighted one of the key issues facing African cities today.
- The first proposals were approved under the **Catalytic Fund**, following the FY2011 Call for Concept Notes. The second Call for Proposals, issued in February 2012, focused on the theme “Youth and the City.” It generated considerable interest, with more than 200 applications submitted.



Sfax, Tunisia.

- Regional work programme activities were approved for the **Middle East-North Africa (MENA) region**, where Cities Alliance members have formed a partnership with the Center for Mediterranean Integration (CMI) to support cities and national partners in designing and implementing inclusive development strategies.
- **Partnership programmes in Brazil and the Philippines** were deepened, with funding for Brazil’s efforts to formulate a national involuntary resettlement policy with universal relevance, and a knowledge management and exchange system for city managers in the Philippines, arguably the home of the City Development Strategy (CDS) methodology.
- Two major **publications** were produced: *Financing Africa’s Cities* by Dr. Thierry Paulais, the culmination of four years of research and analysis financed jointly by the Agence Française de Développement (AFD) and the Cities Alliance; and a series of *Quick Guides for Policy Makers: Housing the Poor in African Cities*, published in partnership with UN-Habitat.

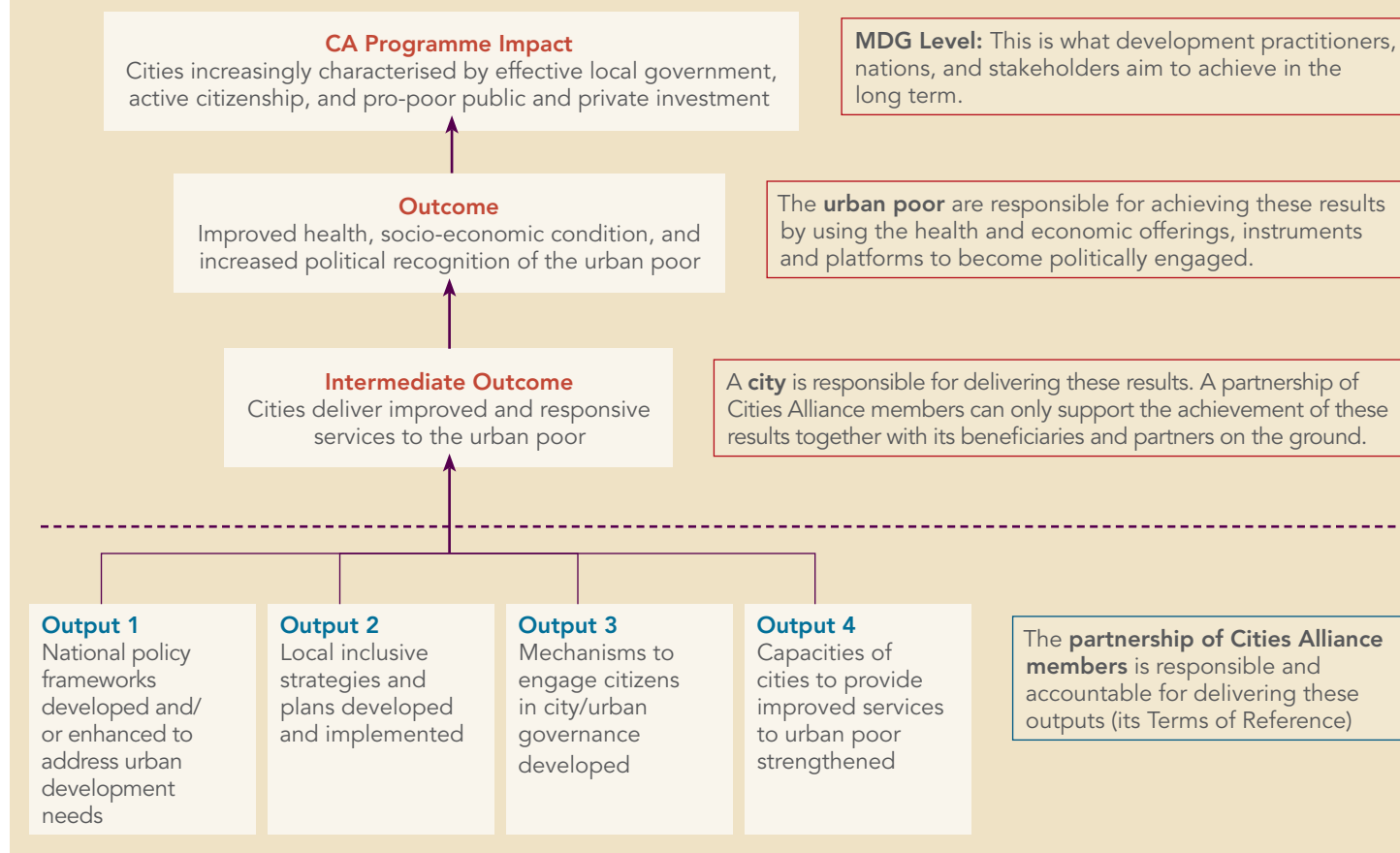
RESULTS MANAGEMENT AND MONITORING

During FY2012, the Cities Alliance also moved quickly to respond to the 2011 Independent Evaluation of the partnership, which recommended developing an appropriate monitoring and evaluation system—starting with a clearer framework that would serve as a sound basis for communicating results.

Over the course of the year, the Cities Alliance Secretariat made significant progress on developing a results-based management system for the Cities Alliance. Under the guidance of a senior consultant, the Secretariat developed two aligned Results Frameworks, one for the Secretariat and one for the Cities Alliance programme as a whole. A draft set of Performance Indicators were developed for both frameworks. These products were presented to the Executive Committee, which offered positive feedback and a commitment to support next steps. Progress is continuing, with the assessment and proposal of a final set of Performance Indicators, the drafting of reporting formats, capacity building in Results Management, and monitoring programmes for results.

The performance monitoring system is being operationalised—capturing data on progress and emerging results from Cities Alliance programmes and projects—and sharing the data and lessons learned with Cities Alliance members, stakeholders, and beneficiaries.

FIGURE 2: CITIES ALLIANCE PROGRAMME RESULTS CHAIN



A Framework for Delivering Change

A key component of the Cities Alliance results management and monitoring system is the organisation's Theory of Change, an outcomes-based approach that aims to help the Cities Alliance determine how best to use its resources to achieve its medium- and long-term development goals.

In order to achieve those goals, the Cities Alliance will deliver outputs in four main areas (see Figure 2), by implementing a number of activities within each of the four Cities Alliance Business Lines (Country Programmes, the Catalytic Fund, Knowledge and Learning, and Communications and Advocacy).

The Results Chain breaks down the Theory of Change and shows how each step builds toward achieving the Cities Alliance's long-term goal: Namely, cities increasingly characterised by effective local government, active citizenship, and pro-poor public and private investment.

The Performance Indicators now under development for each level of the chain will enable the Cities Alliance to effectively monitor and evaluate the programme and form the basis for results-based reporting.