

Cities Alliance in Action

City Development Strategies

Strategic decision-making in managing urban growth is not yet common practice in developing-country cities — many of which are growing at rates unprecedented in human history. The Alliance has sought to promote city development strategies (CDS) as a collaborative decision-making process designed to help reduce urban poverty and provide the basis for sustainable urban development. The Alliance is supporting CDS in all regions, and in cities varying in population from 100,000 to city-regions having more than ten million inhabitants. Over the last three years, virtually all members of the Alliance have directly engaged in supporting this process at the country level.

What have we learned so far? The summaries of six Alliance-supported CDS processes, provided below, illustrate several key lessons. First, to be effective, participants need to see implementation, rather than the development of the CDS, as their primary goal. At the same time, providing it is results-oriented, the CDS process itself can achieve significant impacts on governance, accountability, and transparency.

Another key finding is that implementation should not be limited to new investments — it can be led by the adoption of new policies and by the enhanced capacity of citizens and local authorities to make informed choices and achieve greater equity in sharing costs and benefits. In several cases, city-regions have been considered by the local and national authorities to be the most productive units of analysis. And finally, the sustainability of the CDS process depends to a great measure on the active involvement of national authorities and national associations of local authorities.

While variation in the challenges, priorities, and potential of each city makes each CDS unique, many of them have produced innovative tools and practical approaches which have helped spawn city-to-city learning processes. Nowhere is this more evident than in East Asia where, through the active engagement of national associations of local authorities, more than 60 cities are engaged in this process, and where the Alliance is supporting city-to-city knowledge sharing with national and regional networks of local authorities. This replication process has also produced national guidelines for formulating CDS, which the Alliance's global and regional local authority partners are helping to assemble and disseminate through their networks.

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Johannesburg

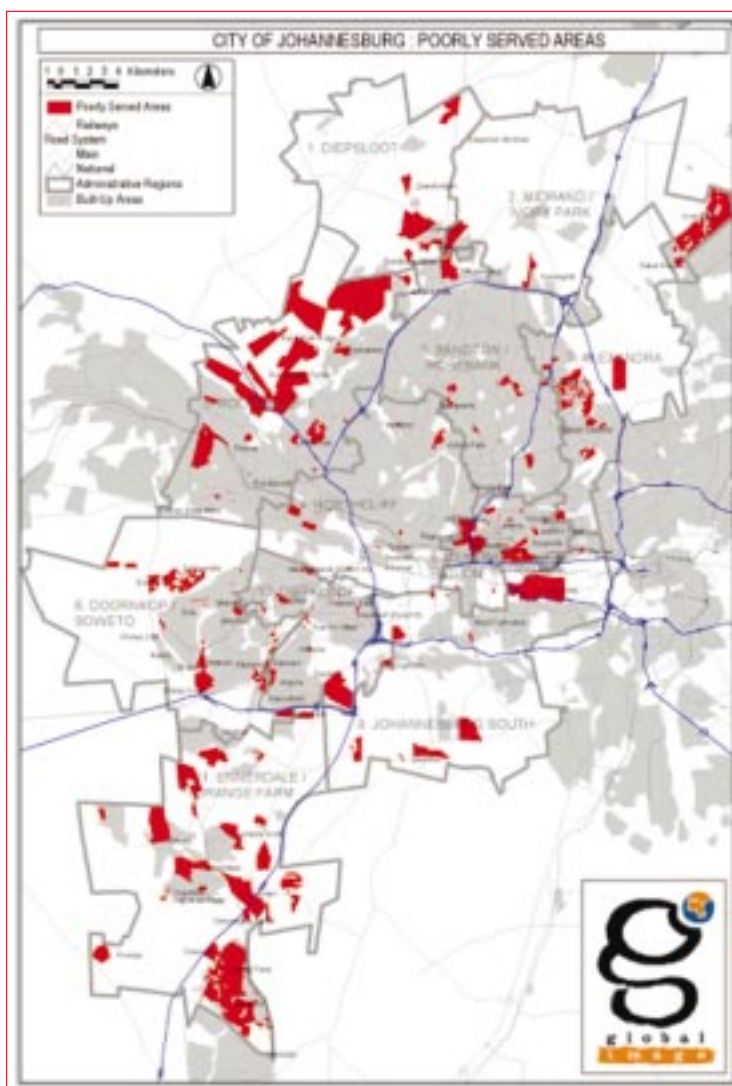
City-Level Comprehensive Development Framework and Slum Upgrading

The metropolitan region of Johannesburg has an enormous influence on the economy of South Africa. With its 2.8 million inhabitants, it produces almost 16 percent of the country's gross domestic product (GDP) and provides employment for 840,000 people. Despite its vast economic potential, in 1998 Johannesburg found itself bankrupt and facing serious institutional and service delivery challenges. The five autonomous municipal governments that then made up the Johannesburg metropolitan region took up the challenge by introducing a radical reform plan, which combined short-term stabilisation measures with medium- and long-term strategic planning approaches.

Through these reform plans, known as iGoli 2002 and iGoli 2010, the Greater Johannesburg Metropolitan Council (GJMC) undertook the following measures:

- A strategic reorganisation of the five autonomous Municipal Councils into a single Metropolitan Council.
- The formation of ten companies to deal with key services, including water and sanitation, public transport, road maintenance, gas, electricity, property, and the zoo. The gas company and the municipal airport were sold outright. The remaining companies are wholly owned utilities of GJMC, and each company has a corporatised management relationship with the private sector and the council, tailored to suit its specific needs.

- Creation of a Contracts Management Unit, functioning as a virtual Public Utilities Commission — the first of its kind at the city level in South Africa.
- Requirement that the key revenue-generating utility companies pay dividends to the council to support social services, including the council-wide informal settlement programme.



Source: South Africa: Monitoring Service Delivery in Johannesburg (draft) World Bank, Southern Africa Department, April 2002.

Service Delivery Monitoring System

To improve decision-making related to service delivery to the urban poor, the City of Johannesburg has established a service delivery monitoring system as an integral part of its city development strategy with the support of the World Bank, the Netherlands and the Cities Alliance.

The underlying idea was to give political representatives and communities access to information to increase accountability. The challenge was to pilot a simple and affordable survey of poorly served areas, and to integrate the generation and use of information with annual budgetary allocation decisions as well as political processes to give voice to the city's poor residents. The monitoring system, based on current information regarding the status of service delivery to poor households, allows better targeting of sectoral expenditures towards poor neighborhoods. By establishing a one-to-one link between sectoral budget allocations and their impact on poor households, the monitoring system should also help keep municipal officials and the citizens of Johannesburg abreast of the city's progress towards Joburg 2030's goal of becoming a world-class city.

Among the criteria for the monitoring mechanism were simplicity, affordability (time and financial costs), user friendliness, and fiscal accountability. Using a geographic information system (GIS), poorly served areas where households received less than basic services were identified and mapped. Hand-held computers (palms), programmed with consistency checks to reduce errors, were used to record information. The data was then transferred to a server every other day and transformed into Excel format for immediate use. The Excel database is available to city officials and other stakeholders in user-friendly formats, and the city is now planning to install the database on its website for public use.

The survey of poorly served areas is an important step towards establishing a system to monitor the delivery of essential services, particularly to the poor. The effectiveness of the monitoring system rests on several important factors, including: the kinds of information collected through surveys; how various stakeholders use the information; how it may contribute to building accountability for improving the delivery of essential services to the poor; and how its results, i.e., changes in the status of service delivery on the ground, may in the future help to improve the city's fiscal efficiency with respect to service delivery.

The city of Durban is now implementing the systems pioneered with Cities Alliance support in Johannesburg; these systems are expected to spread through the Cities Learning and Support Network to the other seven large cities in South Africa. Lagos, Nigeria, Africa's largest city with a population of more than 12 million, has also expressed interest in adopting the Johannesburg service delivery monitoring system.

Source: South Africa: Monitoring Service Delivery (draft); World Bank, Southern Africa Department, April 2002.

Doing More and Doing it Right

Executive Mayor Amos Masondo,

Excerpts from Mayoral Budget Speech, May 2002

Tiyiselani Manganyi was born in Mofolo Village, Soweto, on 11 November 1996. She is six years old and attends a preschool. She will be starting school next year. She stays with her parents in Klipfonteinview (now part of the City of Johannesburg), an area with no schools, no proper sport facilities, no clinic, nor a creche. The area is partially electrified. The majority of the children attend school in one small hall.

...Tiyiselani was just a year old when the Constitution of the Republic of South Africa crafted a vision for local authorities. Chapter 7 of the Constitution wants to see her live in a sustainable social and economic environment, in which her basic service needs will be met and her views will be listened to and respected.... This is a promise the Constitution made to her. This is a promise we in local government are obligated to realise.

...The Joburg 2030 strategy marks an important paradigm shift in our approach to planning. The strategy is data-driven and forward-looking in approach. Joburg 2030 repositions the Council from being perceived simply as an administrative entity and a service utility. Local government should also be seen as an agent for economic growth.

...That brings me to the 2002/03 budget. This budget sets the foundation for Tiyiselani Manganyi. When she turns 36 in 2030, she will be an adult in a city with adequate job opportunities, living in a house that has running water, electricity and an environment where her refuse is being removed regularly. She will live in a street without potholes and will have access to a reliable and efficient public transport system. She will also live in a safer city. Eventually, Tiyiselani will enjoy a quality of life that makes her a proud citizen.

...But a budget on its own cannot get us to our destination. Involvement of the people is a critical ingredient for the city's ultimate success. There are various ways in which this can be done. One way is to be actively involved in government processes, including budget formulation, as has already been demonstrated by the participation of the residents of Johannesburg during this budget process.

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The progress made to date has widely exceeded expectations and enabled the City of Johannesburg to move beyond the stabilisation and restructuring of the city. With a return to operating surpluses, the city is able to offer a social package to the poor that provides them with free access to municipal services. The city's return to creditworthiness that has resulted from the iGoli restructuring has also enabled it to tap hundreds of millions of rands in private financing for urgently needed public investments.

Its new long-term strategy, Joburg 2030, focuses on economic growth, job creation, and poverty alleviation. It is being operationalised through revolving three-year integrated development plans and three-year medium-term budget frameworks. Despite the plan's long-term horizon, the city took early measures to integrate Joburg 2030 into

the next budgeting exercise: more than 2700 participants discussed the budget in 33 sessions over five months; a stakeholder summit was held, and a tariff objections process was institutionalised. According to city officials, the consultation and participation processes in the CDS have helped to develop better strategies and achieve wider support. To ensure that the broader spectrum of community organisations is actively involved in governance issues, the city established ward committees comprising civil society representatives.

China

City-Regional Development Strategies

CDS activities supported by the Cities Alliance in China have been conceived within the framework of China's national policy to promote the growth of small and medium sized cities. This national policy is designed to capture the benefits of the urbanisation process to both economic and social development. City-regional development strategies which complement existing planning mechanisms are seen as particularly useful during this period of rapid urbanisation.

The initial phase of these activities began in October 2000 in the city-region of Changsha - Zhuzhou - Xiangtan in Hunan Province and Guiyang in Guizhou Province. The focus of these activities was to support the development of regional strategies for overcoming the deficiencies of a fragmented governance structure of a large metropolitan area. One of the outputs was a comprehensive, prioritised investment programme to be financed through a mixture of local, national and international sources.

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Subsequently, with co-financing from DFID (UK) and the World Bank, the Cities Alliance and China have moved into a second round of CDS, focused on development strategies in the Chengdu, Zhengzhou, Lanzhou, and Erdos/Dongsheng city-regions. These CDS will highlight the regional urban perspective, as these regions are anchored by one major city, or constitute a corridor, including a few smaller cities and towns. This work will also benefit from the analysis of vulnerable groups and the minimum living standard scheme in these city-regions. With strong urban-rural linkages, these cities can play a prominent role in improving the living standards in their surroundings by facilitating migration and developing peri-urban areas.

Working closely with the Chinese Association of Mayors and Chinese urban experts, the key objective of this second generation of CDS is to assist the cities in western China to develop region-based strategies for economic development; strategies will include labour market, infrastructure and service delivery and regional coordination of environment and social services activities. With China's strong policy orientation to promote urbanisation, both the Ministry of Finance and the State Development Planning Commission are closely following this process. It is anticipated that these CDS will broaden the understanding of the role of city-regions in development, while identifying corresponding institutional reform and strategic policy issues. An excellent outline of the methodological steps in "Formulating City Development Strategies in China" has been produced to guide this process and is available on the Cities Alliance website.

Philippines

Scaling up Poverty-Focused City Development Strategies

Rapid urbanisation and increasing urban poverty pose a special challenge to the Philippine local government units that have principal responsibility for basic service provision.

Drawing on the experience of seven cities which piloted the CDS process in the Philippines, the League of Cities of the Philippines (LCP), is implementing a Cities Alliance grant to take CDS to scale in the Philippines. With implementation support provided by the World Bank and UN-HABITAT, an additional 31 cities in the Philippines are now preparing CDS.

At the heart of the Philippine experience is the Urban Karte, a comprehensive planning tool for understanding present conditions and trends, identifying issues and problems, and measuring performance by the local government to improve the efficiency of urban

League of Cities criteria for scaling up

- ▲ City mayors personally lead their CDS exercise;
- ▲ Cities wishing to undertake a CDS pass a City Council resolution approving funding and other inputs for the CDS;
- ▲ All stakeholders are involved in the development of the CDS;
- ▲ The LCP organises national workshops, and provides tools and guidance through its website (www.cdsea.org), enabling mayors and local government units to exchange their practical knowledge and experience.

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policy and management. It consists of a Baseline Profile and four key criteria: livability, competitiveness, governance, and bankability. Each of the criteria is characterised and measured by a set of indicators which provides the basis for a transparent and accountable local government. The Urban Karte is created with the broad involvement of the city's stakeholders, including central government agencies, the private sector, NGOs, CBOs, leaders, academics, and others.

According to the mayors of participating cities, empowering civil society and institutionalising consultative mechanisms through the CDS process have clearly contributed to the sustainability of government programmes and projects. Such mechanisms have also allowed poverty issues in their cities to be addressed more effectively. Close to 40 percent of the priority projects of the first seven CDS cities have either already been realised or are being implemented. Here is what some of these city managers have said:

Together with more than 250 representatives of the civil society in Naga, we have crafted a holistic vision for our city. This participative visioning process helped crystallize the aspirations of our

people, in the process helping build stakeholder-ship across society. The vision and mission statements define the city's agenda, functioning as anchor of all local development efforts. The CDS has brought focus on attainable targets for the city, considering the city in terms of poverty reduction, local economic development, and good governance.

**Mayor Jesse Robredo,
Naga City**

We didn't have to reinvent the wheel. Experiences of other cities in different programmes are good starting points in conceptualizing programmes and projects. Involvement of stakeholders through a consensus-building process in planning, implementing, monitoring, and evaluation of programmes and projects is a must for sustainable and successful development of the city.

**Mayor Sally Lee,
City Government of Sorsogon**

The entire process gives us a new perspective on how to manage the city properly. . . Through observations, surveys, and constant dialogue with the different sectors we were able to find out new things about the city.

**Gil P. Lentejas, City Planning and
Development Coordinator,
Calbayog City**

Consult the people before making decisions. Validate administrative data with the people concerned.

**Mayor Randolph Ting,
Tuguegarao City**



City-to-City Networking: Knowledge-Sharing among Local Governments

The World Bank's East Asia urban team, supported by the Cities Alliance through a non-core contribution from the Government of Japan, has been assisting local government associations in Asia to set up city-to-city knowledge-sharing networks which allow mayors and local government officials to exchange and pool practical information and experiences.

The League of Cities of the Philippines (LCP) has been spearheading this activity among 40 cities through their own website (www.cdsea.org). **The China Association of Mayors (CAM)** has been developing its own knowledge-sharing platform (www.townsfuture.com) in both Chinese and English, allowing interested parties both inside and outside of China to access vital statistics and information about Chinese cities.

Local knowledge sharing is supplemented with cross-country dialogue, via the Global Distance Learning Network (GDLN) and face-to-face workshops. To date, three GDLN dialogues have been organised. The latest, "Voices of the Poor: Engaging the Urban Poor in CDS", connected more than 100 participants from cities and World Bank offices in six global locations, including Washington, Beijing, Hanoi, Jakarta, Ulaanbataar, and Manila. The latest workshop, "Singapore Urban Poverty Learning Workshop", organised by the World Bank and the Government of Singapore, brought together more than 20 mayors and city officials from China, Vietnam, Philippines, Mongolia, Cambodia, and Indonesia to exchange experiences and ideas on tackling urban poverty.

Key features of this networking include:

- ▲ Connecting cities to the relevant experience faster;
- ▲ Engaging experienced CDS cities as resource cities and building strong communities of practice among city administrators and local governments, as an alternative to continuously relying on external consultants and technical assistance. This allows for the sharing of local knowledge on a peer-to-peer basis with mutual benefits, rather than a one-way communication flow of global lessons and best practices that may not apply to the specific local context;
- ▲ Leveraging knowledge through technology, using a platform of low-cost and highly-flexible technologies to enable cities from across East Asia to learn from each other and share experiences: country websites linked to a regional portal; GDLN videoconferences supported by web-based learning tools; and face-to-face workshops;
- ▲ Creating strong partnerships and ownership in each participating country, currently in China with the CAM and soon the China Country Development Gateway and in the Philippines with the LCP;
- ▲ Facilitating the funding of local projects and investments through online investment marketplaces available to local governments, donors, the private sector and consultants, on each country website as well as on the regional portal page.

Kigali:

Economic Development Strategy

In just over a decade, Kigali has grown from approximately 235,000 people to an estimated 600,000 people today. This growth has been driven by people in search of employment opportunities and a better quality of life, including access to education, health care, security, and social and cultural amenities.

However, this rapid increase in the city's population has come at a significant cost. The unrestrained growth has impacted the city's capacity to deliver adequate basic public services including water, energy, and basic sanitation. At the same time, the urban economy has not grown sufficiently to support the rural-urban influx, resulting in a severe unemployment crisis and an increase in urban poverty.

The Kigali Economic Development Strategy (KEDS) marks a new beginning for local government efforts to sustain economic growth in Rwanda's most important urban region. After surviving many years of economic crisis, Kigali is now at a point where there is the possibility of a more promising future. KEDS provides a vision of this economic future and a plan to lead the way. KEDS provides an opportunity for public and private sector individuals and organizations to work together to achieve and sustain a more prosperous future for all citizens of Kigali.

Mayor Théoneste Mutsindashyaka, City of Kigali, March 2002.

Turning challenges into opportunities, the City of Kigali, with the support of the Cities Alliance and USAID, decided to embark on a long-term strategic planning approach called the Kigali Economic Development Strategy (KEDS). An assessment of the problems and potential of the City of Kigali was conducted as the first step in the city's efforts to achieve sustained economic growth and reduce poverty. City officials decided on an inclusive decision-making process for the planning of Kigali's long-term future. KEDS has embraced public participation from all sectors – businesses, individuals, NGOs, representatives of the poor, women's associations, the central government, and community residents. All of these groups were involved in drawing up the strategies and actions that make up the KEDS.

In order to ensure the implementation of the strategic plan, specific actions were designed and incorporated into the city's budgeting process. These actions called for the commitment of resources from the city administration, including the creation of an Office of Economic Development. This new unit will coordinate policy, advocate long term investment, and work with the central government, the private sector, and relevant NGOs to implement strategic initiatives aimed at improving the business climate.

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The leadership of the City of Kigali is clearly committed to moving forward the implementation of the KEDS in a comprehensive and coherent manner, understanding that to achieve measurable progress, a multi-faceted approach and the cooperation of various

partners and stakeholders are required. The World Bank is considering an important urban development programme which reflects the investment priorities identified by Kigali as well as the needs of some of the country's other municipalities.

Kigali Organises for Economic Growth

In its first year of operation Kigali's new **Office for Economic Development** is to be charged with the following responsibilities:

- ▲ Act as the voice of the economic development community to the City of Kigali and its budgetary process on the issues of economic development support and fiscal stability;
- ▲ Form partnerships with the private sector through local enterprise agencies to assist both new and existing enterprises by providing information, business counseling, technical support, entrepreneurship training, and promotional programs;
- ▲ Oversee the establishment of a Free Port at Kanombe Airport and new Enterprise Zones elsewhere in the city to stimulate business with countries in the neighbouring regions of Africa;
- ▲ Convene a council involving the private sector to review and make recommendations on reforming both the local government tax structure (with regard to business taxes and fees) and the general regulatory framework for business;
- ▲ Convene a council involving the private sector to streamline administrative procedures that delay the securing of land needed for investment;
- ▲ Oversee the establishment of a commercial court to reduce risk to the lenders from the increase of non-performing loans;
- ▲ Work with the Planning Office to ensure that the Master Plan for Kigali exploits every opportunity to plan for the needs of a growing urban economy;
- ▲ Work with the Government of Rwanda to create a more positive international image of the country as a stable and profitable place in which to invest.

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Aden

City Development Strategy for Local Economic Development

Aden is a major port on the Red Sea. Despite Aden's position as the economic and commercial capital of the Republic of Yemen, local authorities are facing difficulties in several key areas: providing quality and adequate basic services to both citizens and investors; attracting investment to expand employment and services; and defining effective and sustained urban poverty reduction policies. Rural-urban migration has contributed significantly to the rise in urban poverty. Yemen's urban population is projected to grow to around 29 percent by 2005, with urban growth rates as high as 8 percent per year in its largest cities.

Until recently, Yemeni local governments were severely limited in addressing the problems their cities faced because of a highly centralised decision-making process.

However, due to the far-reaching Local Authorities Law on decentralisation that was enacted in February 2000, decision-making is being transferred from the central level to popularly elected local councils. These councils are charged with supervising the activities of the newly decentralised line ministries.

The Governorate of Aden intends to transform Aden into a fast-growing, productive, and inclusive port city with the help of the Aden City Development Strategy.

The CDS process has encouraged local council members to engage their communities so as to make informed decisions. Local council members have taken the lead in conducting assessments in these districts to identify the priority needs of citizens. These national- and local-level reforms have opened up new opportunities for understanding local conditions, addressing urban poverty, improving service delivery, and increasing local participation.



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The CDS is also providing input to a World Bank Adaptable Program Loan that will provide funding for key infrastructure investments and capacity-building and will support local administrative reforms. In order for the CDS plan to demonstrate quick results, these investments will initially concentrate on two projects: linking important commercial districts in Aden and upgrading infrastructure in selected

commercial and industrial estate areas. There are plans to extend the World Bank lending programme to other Yemeni port cities, if these cities choose to draw upon Aden's experience to implement their own CDS. A number of additional development agencies, including UNDP, GTZ and FAO, are supporting the CDS through their ongoing programmes.

Sofia

City Development Strategy

Municipal reforms have become the cornerstone of a successful transition from a socialist to a market economy and a priority for central governments in Eastern Europe and Central Asia. The City of Sofia, which represents 14.5 percent of Bulgaria's population and accounts for an estimated 20 percent of the country's GDP, decided to take on the challenge of combating rising poverty and implementing far-sweeping reforms in order to qualify for EU accession. To achieve these goals, Sofia has adopted a long-term City Development Strategy based on sustainable economic growth, equitable

social development, the reduction of poverty, and participatory local governance and decision-making.

Initiating systemic changes at the local level: lessons from Sofia's experience

- ▲ Strong city ownership is a prerequisite for successful public consultations;
- ▲ Extensive consultations for municipal officials on the process and objectives of round table discussions with stakeholders is beneficial;
- ▲ Active citizen participation in strategy formulation and issues related to service delivery and governance is particularly important.

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The city's "strategy for change" relies heavily on broad partnerships between the Municipality of Sofia and representatives of local NGOs and trade unions and professionals from Bulgarian institutions such as the Association of Local Governments, Ministry of Regional Development and Public Works. Other partners involved are the European Commission, GTZ, USAID-Local Government Initiative, and UNDP. The partnerships focus on research, policy advice, public consultation, and capacity-building. Sofia municipality enterprises are also in the process of securing financing for the rehabilitation of district heating and transport services from the World Bank, the European Bank for Reconstruction and Development, the European Commission, and the Japanese government.

The implementation of such a coordinated, strategic planning process marks a radical departure from the socialist, highly centralised style of urban management. In the past, public input into the urban planning and management process was not solicited, nor was there an opportunity to challenge decisions made at the central level. Formal channels for communication between the municipality and local communities had not been established.

It is expected that the Municipal Council will approve the CDS in September or October 2002, thus successfully concluding the first systematic test of the efficiency and appropriateness of a CDS in a transition economy.

Sofia's public participation and consultation processes

Drop-in boxes, questionnaires, exhibition. Drop-in boxes were situated in all city districts and in the Sofia Art Gallery. The gallery hosted an exhibition on the CDS approach and process, which highlighted major trends in the development of Sofia's economy, finance, and spatial development. The exhibition was officially opened by the Mayor of Sofia. The drop-in boxes allowed citizens to comment on the draft CDS and to prioritise the proposed strategic directions.

Information dissemination. Information packets were disseminated to major stakeholders. The city launched a media campaign to inform and involve the broader community. Both the city and the World Bank Resident Office have posted the CDS report on their websites.

Round table discussions. Two round table events were organised to discuss the issues, opportunities, and strategic directions for the development of Sofia. Discussions brought together city officials, central government representatives, NGOs, academics, and citizens.

Surveys. Surveys that explored the views of Sofia's residents and businesses on the quality of municipal public services and the investment climate were conducted.



Sofia's Mayor Stefan Sofiansky takes questions at CDS stakeholder consultations, April 2002.