

LEARNING AND KNOWLEDGE SHARING

In addition to the learning and knowledge sharing that take place within the framework of ongoing Alliance activities, the Cities Alliance has continued to evaluate its completed activities to assess their impacts and garner lessons, both substantive and in terms of the Alliance's own grant procedures.

Lessons from Evaluations

This year's evaluations continued to reinforce the significance of the Alliance's core criteria. In particular, building partnerships and the involvement of investment partners from the earliest stages of proposal development are proving critical to sustainability and to scaling up, and argue for continued and strengthened in-country collaboration and coherence of effort amongst Alliance partners.

Valuable, substantive lessons on scaling up slum upgrading and city development strategies are emerging from Alliance activities, including the following:

- Attracting domestic financing for infrastructure investments is critical to scaling up slum upgrading, especially in extending coverage to outlying peri-urban areas. Bringing the formal and informal private sector into the CDS process can be helpful in this regard;
- The CDS should be seen as a continuous process and be used as a dialogue and dynamic tool for cities to engage all stakeholders. Improved relations between local government and communities can be an important outcome of the CDS;
- Integrating the poor in decision-making processes, and building the social capital in poor communities contributes significantly to sustainability and replication. Established local NGOs are often well placed to facilitate participation, especially of women and marginalised communities;
- Engaging a significant degree of local expertise is important, not only for the local knowledge and cultural insights, but for ensuring ownership and increasing prospects of institutionalisation and replication;
 - A CDS needs a firmly anchored institutional home. The sustainability of the CDS hinges on how well it is institutionalised in the mainstream of city governance and management;
 - Monitoring and evaluation should not be treated separately from the actual CDS exercise, but should inform the CDS preparation process. Clear targets of what the city is trying to achieve should be defined, and a system put in place to monitor and use these to inform decision-making processes.



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Alliance grants are proving to have significant impacts even with modest amounts, in fostering the use of more effective analytical tools, policy options, and standards of practice. In numerous instances, the knowledge generated through local Alliance activities has offered national authorities additional elements to engage in thinking about and planning for the nation's urban future. Likewise, horizontal learning among CDS cities is proving to be a highly valued outcome.

Strengthening City Development Strategies

Cities Alliance learning activities this year also specifically focused on how to strengthen CDS, including this year's Public Policy Forum in eThekweni, as well as a major CDS Conference in Hanoi.

The Cities Alliance has promoted CDSs as a collaborative decision-making process designed to help reduce urban poverty and provide a basis for sustainable urban development. Over the last six years, virtually all Alliance members have been directly engaged in supporting this process at the country level. As spelled out in the Cities Alliance charter, from the beginning the focus was on 'supporting city-based consensus building processes by which stakeholders define their vision for their city and establish city development strategies with clear priorities for action and investments'. CDSs have been used not only to inspire and challenge different stakeholders, but also to build knowledge around such issues as comparative and competitive advantages; residents' values and preferences; cities' relationships with global, domestic, and sub-national economies; and cities' physical characteristics.

The results to date are encouraging. Cities Alliance members are increasingly using the Alliance's participatory approach to CDSs to

improve the quality and strengthen the impact of urban development co-operation and urban lending. Strong demand from cities to learn from their peers' CDS processes, and to increase city-to-city learning exchanges is also apparent. One of the key lessons that has emerged so far is that for CDSs to be effective, participants need to see implementation, rather than development of the CDS, as their primary goal. The sustainability of the CDS process depends to a great extent on active involvement by national governments and by national associations of local authorities.

Another key lesson is that implementation must be grounded on access to capital, whether derived from city budgets, local capital markets or from investments by development banks. CDSs often lead to necessary reforms, such as the adoption of new policies, and in addition, increase the capacity of citizens and local authorities to make informed choices and achieve greater equity in sharing costs and benefits.

The challenges, priorities and potential of individual cities make each CDS unique, resulting in a number of variations in the design of end products. While many of the different designs are due to diverse local conditions, they also vary because of the various actors' differing experiences. The Cities Alliance has listed a number of good practices on its web site, <http://www.citiesalliance.org/activities-output/topics/cds/cds-activities.html>, most of which have emerged from practical processes that the Cities Alliance has supported.

Cities should assess the impact of CDSs in terms of poverty reduction and other broad development goals. They can achieve this by incorporating methods for monitoring and evaluation throughout CDS design and implementa-

tion, to help determine whether a CDS is achieving its objectives and realising its intended outcomes. Accordingly, during fiscal year 2005 the Alliance commissioned a study to look at the monitoring and evaluation dimensions incorporated in CDSs and to begin developing a normative framework for an approach to CDS monitoring and evaluation and for selecting indicators.

Looking ahead, it is clear that a number of issues need to be integrated into the way cities are formulating their visions and strategies. Some of the key challenges include integrating CDSs and citywide slum upgrading, strengthening cities' role in improving their investment climate and supporting local economic development, incorporating the evaluation of cities' ecosystems in efforts to achieve environmental sustainability and mobilising domestic long-term capital for urban infrastructure investments.

In keeping with its objective of fostering new tools, practical approaches and knowledge sharing for CDSs, the Alliance's secretariat is currently preparing a flagship guideline document designed to summarise the lessons learned and make CDSs as useful as possible. This document will draw on the lessons learned to date and will focus on the following:

- Primary **building blocks** of the CDS process, including
 - i. planning and strategising (for example, guidelines for rapid assessment in CDS processes, vision statements and key strategic thrusts),
 - ii. characteristics of a good strategy,
 - iii. implementation;
- Major **themes** to be covered in a CDS, such as poverty reduction and prevention, local economic growth, competitiveness, job creation, environmental programming and impacts and municipal finance and governance;

- **Process**—participation in and ownership of CDSs, including analysis of the design of CDSs' participatory and ownership-building processes, and of the resulting outcomes, such as the legitimacy and sustainability of the CDS process;
- **Monitoring and evaluation**, including appropriate monitoring and evaluation mechanisms and tools for a CDS both during and after implementation.

Communication and Knowledge Sharing Activities

During the year, the Alliance enhanced its visibility by successfully organising major communications and knowledge events in collaboration with Alliance members and other partners. Attendance at these events was high, and they provided invaluable opportunities for interacting with city clients and for sharing key lessons pertaining to slum upgrading and CDS activities in these cities. Events included a highly successful third CDS conference hosted by the government of Vietnam in Hanoi, which the Alliance organised in collaboration with Japan's Ministry of Land, Infrastructure and Transport, the World Bank, Germany's Federal Ministry for Economic Co-operation and Development and DFID; and the Development Policy Dialogue at the eighth Congress of Metropolis in Berlin, hosted in collaboration with the Federal Ministry of Economic Development and Co-operation, GTZ and the Berlin Senate.

The Alliance's communications and knowledge partnership with the Institut des Sciences et des Techniques de l'Équipement et de l'Environnement pour le Développement (ISTED) also strengthened during the course of the year, with the publication of the Arabic and Spanish versions of the Guide to Working with the Cities Alliance.

Other activities included the redesign of the Alliance's web site to enhance its navigability and user friendliness; the publication of the book *Integrating the Poor: Urban Upgrading and Land*

Tenure Regularisation in São Paulo, which captures lessons learned from the technical and financial support the Alliance provided to the city of São Paulo's *Bairro Legal* (Nice Neighbourhood) Programme; and a video on the impact of Johannesburg's upgrading activities on the lives of its citizens, which the Alliance produced in collaboration with UK-based HBL Media.

Second International Conference on Financing Municipalities and Sub-national Governments, International Association of Development Funds, Washington, DC, October 2004

Cities Alliance hosted a panel on "Local Governments: Facilitating Frameworks and Enabling Policies for Accessing Debt Finance" as part of the Second International Conference on Financing Municipalities and Sub-national Governments organised by the International Association of Development Funds in collaboration with the IDB, USAID and the World Bank.

Moderated by Rajivan Krishnaswamy, the Alliance's senior urban finance adviser, the panel looked at the financing opportunities and options available for linking cities' financing needs with domestic capital markets, focusing on city and national level actions to highlight the complementary roles played by city and national governments in fostering the development of a municipal credit market.

Panel members included:

- **Mark Hildebrand**, Manager, Cities Alliance Secretariat, who explained how the Cities Alliance was focusing its work on municipal finance from the perspective of cities, and the strategic role that UCLG would be playing in engaging networks of mayors in the process;
- **Roland Hunter**, Executive Director (Finance), of the city of Johannesburg, who presented Johannesburg's experience with its recent highly successful issuance of municipal bonds;
- **Eleoterio Codato**, Manager, Urban Department, World Bank, whose presentation detailed the role and the successful experience of municipal development funds in enabling cities to access debt finance;

- **Alberto Angulo**, Director (Revenue), of the State Government of Michoacan, Mexico, who described the state's recent efforts to mobilise capital for funding its infrastructure programmes;
- **Brad Johnson** of Resource Mobilization Advisors, Washington DC, who spoke on the enabling legal and regulatory framework that is necessary for the development of a municipal credit market.

Making City Development Strategies Come Alive in South Africa, eThekweni (Durban) Cities Alliance Public Policy Forum, eThekweni, November 2004

eThekweni's experience in implementing its city-wide strategy to improve the living conditions of its residents was the focus of the fifth Cities Alliance Public Policy Forum.

The forum sessions highlighted three key issues in CDSs, namely:

- CDSs and economic development to examine strategies that cities may adopt in response to global economic integration, economic transformation and urban poverty; CDSs and slum upgrading to look at shelter strategies that cities may adopt in response to urbanisation pressures and urban poverty;
- Sustainable finance strategies to examine strategies for funding the implementation of CDSs within a partnership context, focusing on the use of own funds, the gearing of external funds and the mobilisation of community and end-user finance.



Aerial view of Cato Manor, eThekweni

These issues were the drivers of the evolution of eThekweni's 20-year Long-term Development Framework, which included inputs from all city stakeholders from conceptualisation through implementation. The development framework was kick-started with the first of five sets of five-year integrated development plans that were, in essence, CDSs. Translating the strategies into reality involved the creation of the Area-Based Management Programme, an institutional mechanism intended to enable an integrated implementation process, whereby service delivery can be focused within key areas of the city.

Public Policy Forum sessions were held at venues in three of these areas: Warwick Junction, Cato Manor and KwaMashu.

Key lessons from the eThekweni experience include the following:

- Citizen participation is fundamental to improving people's quality of life;
- Good governance is key. In the case of eThekweni it has proved to be an essential tool for moving the city onto a more sustainable development path;
- Continuous review and evaluation of the implementation of the strategy is needed, which can be done by means of a performance management system.

City Development Strategies: From Vision to Growth and Poverty, Third CDS Conference, Hanoi, November 2004

The Hanoi conference followed two earlier conferences on CDS in Tokyo in 1999, and in Fukuo-ka, Japan in 2000. Vietnamese city officials took the opportunity of the conference to showcase their own CDS experiences. The cities of Hanoi, Nam Dinh, Can Tho, Da Nang, Halong, Hue, Haiphong and Ho Chi Minh shared their experiences with poverty reduction efforts, in addition to housing, urban planning, management and preservation of historic sites. In 1999, the government of Vietnam established a national urban development strategy to increase economic growth, alleviate poverty and improve people's quality of life.

According to Vietnamese Deputy Prime Minister, Nguyen Tan Dung in his opening speech: 'The

strategy has effected significant inroads to resuscitating Vietnam's cities. Nearly 80 per cent of urban areas have access to clean water, while residential areas have increased from six square metres per capita to 10 square metres, and the proportion of poor urban households has been reduced from more than 10 per cent of all households to about three per cent'.

At the close of the conference, mayors from more than 100 participating cities signed a joint declaration to work to reduce poverty 'in our own countries, our own cities'.

Founding Congress of the Africa Chapter of United Cities and Local Governments, Tshwane (Pretoria), May 2005

Mayors and elected local leaders representing local government structures, associations, villages, towns and city councils throughout Africa unanimously adopted a charter establishing local government as a distinct sphere of government at the Founding Congress of the Africa chapter of United Cities and Local Governments (UCLGA).

UCLGA was accorded the status of local government organ of the African Union. President of Nigeria and Chair of the African Union, Olusegun Obasanjo, who delivered the keynote address at the congress, acknowledged the developmental role and responsibilities of the 'sphere of government closest to the people and most directly responsible for meeting their needs, particularly in the context of a rapidly urbanising African continent that has yet to be put under effective control and management'.

Cities Alliance Policy Advisory Board member, Akin Mabogunje, delivered an in-depth analysis of the state of local government in Africa, noting it is still far from what it should be. Several challenges requiring attention at both the level of central governments and of local governments persist. He argued that the founding of UCLGA should motivate more systemic appreciation of the enormous



Deputy Prime Minister of Vietnam, Nguyen Tan Dung



Father Smangaliso Mkhathswa, Mayor of Tshwane and UCLGA President

challenges still confronting local governments in many African countries. UCLGA members would have to engage in a ‘second liberation’ struggle, a fight for power-sharing entailed in the devolution of power and resources to local governments. This is a struggle that can be won only if local governments can establish responsible financial management parameters for themselves, promote participatory democracy among all stakeholder groups within their jurisdictions, and involve most of their residents in decision making on matters that affect their day-to-day lives.

The congress also elected the first executive of UCLGA by selecting Smangaliso Mkhathswa, host mayor and president of global UCLG, as the chapter’s first president. Omar Bahraoui (President of the Morocco National Association of Local Governments), Eneas Comiche (Mayor of Maputo and president of the National Association of Local Governments of Mozambique), Baver Dzeremo (President of the Association of Local Government Organisations of Nigeria), Augustin Kampayana (Mayor of Kigali), and Huges Ngouelendele (President of the African National Congress) were all elected vice presidents. Together with the elected executive committee they will form the executive and governing structure of UCLGA.

Jean Pierre Elong Mbassi, Cities Alliance Policy Advisory Board member and chair of the Partenariat pour le Développement Municipal, was elected UCLGA’s Secretary General.

Cities and their Role for the United Nations Millennium Development Goals, Development Policy Dialogue, Eighth Congress of Metropolis, Berlin, May 2005

The Eighth Congress of Metropolis offered a unique opportunity for the Cities Alliance to celebrate the fifth anniversary of its Berlin launch and the Cities without Slums Action Plan. The context was a well-attended development policy dialogue



Development policy dialogue panel at the Metropolis Congress organised in collaboration with the Cities Alliance

on “Cities and their Role for the UN Millennium Development Goals” which BMZ, GTZ and the Berlin Senate organised in collaboration with the Cities Alliance.

In the words of Erich Stather, state secretary of BMZ, the Cities without Slums Action Plan is a success story. He pledged Germany’s continued support to the Cities Alliance ‘through its direct co-operation with its partners in the cities as well as through financial and personal support of the Alliance’s secretariat’.

United Nations Under-Secretary-General and Executive Director of UN-HABITAT, Anna Tibaijuka noted that the Cities without Slums initiative had enhanced the visibility of slum dwellers. She appealed for a broader interpretation of MDG Target 11: Improving the living conditions of 50 per cent of the world’s slum dwellers by 2020. She also stressed that upgrading existing slums is necessary but not sufficient: just as important is preventing new slums.

World Bank Vice President for Europe and Central Asia, Shigeo Katsu, who led the World Bank’s delegation to the congress, pointed to two key lessons for cities as they strive towards achieving the MDGs: (i) good city government does count, as its role in developing and implementing sound policies and financing strategies is crucial; and (ii) improved access to basic infrastructure requires action on a citywide scale, and notes that ‘this is why Cities Alliance came into being’.

The World Bank, he added, ‘is proud of the success of the Cities Alliance to date and believes that a strong foundation has been established for its future growth. Cities Alliance support to city development strategies and citywide slum upgrading has already had a significant impact on the Bank’s urban lending, with the Alliance’s US\$60 million in grants directly linked to close to US\$6 billion in investments, of which more than US\$3.9 billion are World Bank loans and credits’.

Knowledge Products Review

During the course of the year, the Cities Alliance secretariat redesigned its web site to enhance the site’s navigability and user friendliness. To this end, the site’s content was restructured and new features such as a “Financing for Cities and the Poor” section to capture Alliance Municipal Finance activities, and a “Spotlight” section focusing on a Cities Alliance member or an initiative it supports were introduced. The new web site was launched in August 2005 and can be accessed by visiting <http://www.citiesalliance.org>. The Cities Alliance also produced a number of publications and a video.

Making City Strategy Come Alive: Experiences from eThekweni Municipality, Durban, South Africa, eThekweni Municipality, 2004

This publication was developed in response to numerous requests to the municipality of eThekweni to share the lessons it learned from its successful

CDS experience. The book tells the story of the CDS in two phases: Part 1 describes the development of the strategy, beginning with the workshop in the Drakensberg mountains in KwaZulu Natal province where the seeds for the long-term development framework were sown, until 2004, when the strategy was implemented, evaluated and reported on. Part 2 presents key lessons that were learned during the development of the strategy.

Milestones in the implementation of the strategy include:

- The KwaMashu town centre development, an initiative aimed at attracting investment and creating a secure business environment;
- The creation of linkages between black economic empowerment and the export sector;
- The partnership with the Development Bank of Southern Africa and the EU to construct the uShaka Marine Theme Park, the world’s fifth largest theme park;
- The provision of the first six kilolitres of water per month at no cost to every household in the municipality that is connected to the municipal water supply system, with the result that 82 per cent of the population now has access to safe water;
- The implementation of a self-targeted, free, basic electricity service that has led to energy rates 26 per cent below inflation levels;
- The promulgation of an affirmative procurement policy to involve greater numbers of small enterprise suppliers, service providers, contractors and consultants, especially blacks in tenders for city contracts;
- The recruitment and training of volunteers to provide HIV/AIDS education and counselling to communities in the municipality, and the establishment of the AIDS Council;
- The democratisation of local government through communications, the regional centres initiative and ongoing community consultation.

Key lessons learned from the strategy development process are:

- Strategy planning processes need to be local and needs based;
- Stakeholder participation is key, and approaches to involving stakeholders should be tailored to the municipality’s needs. In eThekweni, participation was based on workshops held during critical points of the strategic planning process;
- As part of overall development management, a needs-based, participatory municipal budget needs to be part of the integrated development plan or city strategy;



- Measures of performance should be integrated into the strategic planning, budgeting and implementation machinery.

Integrating the Poor: Urban Upgrading and Land Tenure Regularisation in the City of São Paulo, Cities Alliance, 2004

This book captures the process and outcome of the Cities Alliance's collaboration with the city of São Paulo from 2001 to 2004, during which the municipal administration of São Paulo initiated the *Bairro Legal* Programme to scale up slum upgrading and land tenure regularisation as part of a socially inclusive and pro-poor housing urban development policy.

In 2001, the Housing and Urban Development Department of the then newly-elected São Paulo municipal administration launched the *Bairro Legal* Programme, with the aim of turning slum areas into neighbourhoods through a combination of physical upgrading, land tenure regularisation and social inclusion. The Cities Alliance provided technical and financial support for the design and consolidation of the programme in the context of a comprehensive policy involving land tenure regularisation and systematic integration of precarious settlements into the city.

One line of action refers to land tenure security for families living in precarious settlements, which involved a three-pronged approach. The first was the establishment of a negotiations process to avoid the eviction of families living in illegal settlements. The conflict mediation strategy successfully prevented the eviction of approximately

13,000 such families. Second, was the introduction of legislation to enable land tenure regularisation of some 160 slums occupying public land, which benefitted some 45,000 families. Third, was the regularisation of illegal land subdivisions in existence prior to April 2000 by means of the new legislation.

Assistance by the Cities Alliance to the *Bairro Legal* Programme was also designed to produce integrated local development plans in three low-income districts of the city whose residents face physical, social and economic exclusion. Through the *Bairro Legal* Technical Assistance Project, which was financed by the Cities Alliance and executed in partnership with the World Bank, the municipality's Housing and Urban Development Department developed a methodology for preparing local development strategies known as housing and urban action plans. The effort included development of the plans and of the methodology and institutional capacity for implementing them.

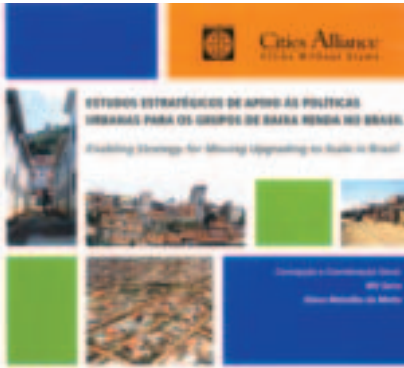
For its innovative *Bairro Legal* Programme, the Geneva-based Centre on Housing Rights and Evictions awarded the city of São Paulo its 2004 Housing Rights Protector Award, an award given each year to a government or other institution that has demonstrated exceptional commitment to the protection and fulfilment of housing rights.

The Millennium Declaration: An Urban Perspective, UN-HABITAT and World Bank, 2005

To set the review of Target 11 of the MDGs in context at the MDGs + 5 meetings in New York in September 2005, UN-HABITAT and the World Bank published a short, user-friendly Note that captures the urban perspective of the United Nations Millennium Declaration. The Note provides a set of 12 structured arguments and declarations that meeting participants could use to contribute effectively to the review.

Copies of the Note are available by emailing: infohabitat@unhabitat.org, or info@citiesalliance.org.





Enabling Strategy for Moving Upgrading to Scale in Brazil, Cities Alliance, 2005 (CD-ROM)

This collection of ground-breaking studies, financed by the Cities Alliance and managed by the World Bank, provides one of the most comprehensive bodies of analytical work on urban

land markets and urban slums in Brazil. The volume includes three CDs and is organised by topic as follows: (i) enabling strategy for moving upgrading to scale; (ii) assessing housing stocks, needs and demand; (iii) carrying out informal housing analysis and evaluating urban upgrading programmes; (iv) assessing urban land markets; and (v) managing land use.

Working with the Cities Alliance Guide, Cities Alliance, 2005 (Arabic and Spanish translations)

The Guide outlines the criteria and basic steps for accessing Cities Alliance grant funding. The new Arabic and Spanish versions of the guide update some of the information already available in the English and French versions published in 2003,

such as the increase in membership of the Alliance's Consultative Group, the addition of Brazil and Nigeria as new developing country members, and the changes in the Alliance's co-financing requirements.

Cities Alliance in Action: Impacts of Johannesburg's Successful City Strategy, Cities Alliance and HBL Media, 2005 (video)

Cities Alliance partnered with UK-based HBL Media on the production of a 10-minute video segment vividly capturing local perspectives on the impact of Johannesburg's successful upgrading strategy. The segment was part of a 30-minute video continuously broadcast to participants to the third Commonwealth Local Government Conference, held in Aberdeen, Scotland, in March 2005, and broadly disseminated thereafter. It tells the story of Johannesburg's upgrading strategy from the perspective of a local resident, Thietse, and his family, whose lives changed for the better with the implementation of the strategy. This is interspersed with comments on the need to share the lessons of the Johannesburg experience with Addis Ababa and other African cities, by Johannesburg's city manager, Pascal Moloji, Director, Brian Shlongwa, and Kubeshni Govender Jones, manager of the city's Innovation and Knowledge Exchange.