



Third Interim Management Board Meeting Report

**6 October 2015
Brussels, BELGIUM**

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I. Decisions

1. The draft meeting Agenda was adopted with the addition of an update on the Gender Equality JWP, Africities 2015 and a standing item AOB for all future agendas.
2. The 2nd IMB Meeting Report was approved with one amendment.
3. The Cities Alliance MTS should be reviewed and updated in the context of the approved SDGs.
4. The draft Risk Management Framework should be updated, listing only the ten highest risks and reporting on the top five risks to the Board in every meeting.
5. The ToR of Cities Alliance audit should be updated to refer to the Cities Alliance SOP, Charter, etc. and shared with the Finance Committee for review and comments within next 30 days.
6. The Finance Committee scheduled a conference call for 16 December 2015 to review and provide a tentative approval for the FY 2016 draft budgets.
7. A letter should be sent to the Norwegian government on behalf of the Management Board regarding Norway's role in the Cities Alliance and its financial support for 2015.
8. The Finance Committee shall start working on medium-term financial planning.
9. The Secretariat will prepare a second draft of the Membership Guide, incorporating the recommendations of the Membership Committee, and then circulate it to the Board for final review.
10. A Memorandum of Understanding for Associate Members is not necessary. A formal welcoming letter from the Chairman of the Board should continue to be sent to all new associate members.
11. Membership applications of ICLEI, IHS, AVSI Foundation and UNDP (associate membership) were endorsed by the Membership Board.
12. The Secretariat will review the proposal to charge staff time working on JWPs to the relevant budgets of the JWPs and present a policy for the Board's approval.
13. A study of the past Cities Alliance portfolio has been proposed to evaluate the extent to which projects led to more equitable growth. The Secretariat will adjust its work programme accordingly and propose a review mechanism.
14. The next Interim Management Board meeting will take place 16-17 February 2016.
15. The first meeting of the Cities Alliance Assembly will take place 5-7 April 2016 in Brussels, Belgium.

II. Meeting Summary

Date: 6 October 2015

Attendance: *(See Annex I for full list of Members in the meeting.)*

Venue: Cities Alliance, Rue Royal 94, 1000 Brussels, Belgium

Item 1: Opening and Welcome

The third meeting of the Cities Alliance Interim Management Board was opened by Mr. Jean Pierre Elong Mbassi, Chairperson. Regrets were received from Minister Mekuria, who was not able to attend due to a Cabinet meeting. The Chair welcomed all members and mentioned that several changes had been made to the agenda to accommodate member requests, and that Brazil would join the meeting in the afternoon session only due to the time difference. Mr. Daniel Gunther from the Federal Ministry for Economic Cooperation and Development was introduced to the Board as well as Raph Tuts from UN-Habitat who represented Alioune Badiane at the meeting. The Chair presented the draft meeting agenda and the draft IMB May Meeting Report for comments and approval. The draft meeting agenda was adopted with the addition of an update on JWP Gender Equality, Africities 2015 and a standing item AOB for all future meetings. As to the draft IMB May Meeting Report, an amendment on page 8 was suggested by UN-Habitat: ‘... *in-kind contributions should not be allowed...*’ to be replaced with ‘...*not encouraged as fee replacement ...*’. Members agreed with the amendment and the second IMB Meeting Report was approved.

DECISIONS

- 1. The draft meeting Agenda was adopted with the addition of an update on JWP Gender Equality, Africities 2015 and a standing item AOB for all future agendas.**
- 2. The second IMB Meeting Report was approved with one amendment.**

Director's Report

The July-August report was circulated to the Assembly in advance of the meeting, highlighting the Secretariat's main activities over the past months. Cities Alliance Director William Cobbett provided verbal updates on several major themes, including very recent events on the international scene.

Firstly, the Director presented updates and impressions from the Sustainable Development Summit that took place in New York on 25-27 September 2015 and deliberated on the impact of both the SDGs overall and Goal 11 on Sustainable Cities. The Secretariat delegation attended a number of side events in New York together with some members who are closely following the process. Indeed, there is a lot of euphoria around the Goal 11 for which the Cities Alliance has advocated extensively in the past year. However, there is a general lack of public awareness about the SDGs and their impact. The experience of the MDGs tells us that it takes several years for national governments to really start working on the implementation of these goals.

Taking a very sober look at the Goal 11, three caveats are increasingly evident: the first is the constitutional, fiscal and legal framework, the second is the practice of the local governments themselves, and the third is the human and financial capacity of local governments to achieve the set goals. In this context, the rhetoric of '*smart cities*' and '*world class cities*' was underlined, by way of creating pretexts for aggressive policies from local governments and cities as witnessed in four countries in Western Africa in the recent months. Cities Alliance members can play a very

critical role in putting forward a measured analysis of the practical steps that need to be taken to implement the Goal 11.

Next, the Director touched upon the preparations for the first Cities Alliance Assembly meeting, which will be the final step in a lengthy governance reform process. The results of the survey indicated members' clear preference for the first week of April 2016 as timing, with Brussels as the venue (as opposed to the suggested new Country Programmes Tunisia and Liberia). Taking into account the survey results, the Secretariat is currently working on the concept for the meeting. In the context of the Assembly meeting and its significance in terms of decisions to be taken, the anticipated impact of new members was discussed in light of four new applications. The additions of UNDP and ICLEI in particular will have a noteworthy impact on the organization both in terms of its visibility, essence of the partnership, and the substance of its work.

The Director informed the Board about several changes in UNOPS senior management, which has led to a new reporting line for the Cities Alliance in Geneva. The overall direction of travel that the new ED has adopted needs to be carefully analysed. Two meetings are planned next week with the UNOPS ED in Copenhagen and Geneva. These meetings are crucial especially since UNOPS has engaged in urban work recently, which creates uncertainty regarding the relation of a host agency with the organization it is hosting.

Moving further into the internal work of the Secretariat, the Director underlined that the grant-making procedures are currently being updated to make them more effective, specifically the small grants. Joint Work Programmes (JWPs) are working very well as mechanisms for engaging members and attracting a large number of non-members and new partners. It is expected that the JWPs will become central pieces of work and knowledge within the Cities Alliance. The JWP model will be tested on the Regional Strategies for Latin America and Asia.

Finally, the Director touched upon the ToR of the Deputy Director, which was not circulated in advance of the meeting due to the increased work load and missions. Overall the profile that is necessary is a combination of a Chief Operations Officer and a Chief Financial Officer, which is the greatest gap that the Secretariat has at the moment. An urban background for this position would be indeed a great advantage but not required. The ToR will be completed within the week and submitted to members for review and approval.

Member Discussion

The Director's Report was warmly received by members, who appreciated greatly the amount of work completed with a small staff. DFID raised concerns about the capacity of the team and called on the Secretariat to concentrate on a few topics – even if it means disappointing the Board or certain members – as the risk is that the weight will be too heavy for the Secretariat to carry. In this context members also raised their concerns about the importance of the Deputy Director's role and its high profile, avoiding creating just another level of hierarchy. It was underlined that an urban background should be a prerequisite for the post. While welcoming the growth of the Cities Alliance, Sida recommended that close attention be paid to the pace of such growth, and that the Secretariat ensure that the Cities Alliance does not allow itself to deviate from its working methodology, SOP and strategy merely for the benefit of getting more members on board. Members highly appreciate the JWP mechanism. As to the SDGs the members largely agreed with the issues raised by the Director and stressed that the SDGs will not be successful if connections are not made within all levels of government. It was underlined that the MTS should be reviewed in the context of the approved SDGs to make adjustments if necessary. Members took note of the discussion on UNOPS, and requested the Director to keep the Board informed.

DECISION

3. The Cities Alliance MTS should be reviewed and updated in the context of the approved SDGs.

Item 2: Report on Standing Committees

a. Finance Committee Report

The Finance Standing Committee held its second meeting on 05 October 2015 immediately prior to the Board meeting. The Committee scrutinised and provided feedback on the 2015 Financial Summary Reports, draft Risk Management Framework and draft ToR for the Cities Alliance Programme Audit. The meeting was attended by the following members: Steve Weir (HFHI, Chair); Mikael Atterhög (Sida); Cecilia Bransen (Sida); Clare Short (Senior Policy Advisor); and Jean-Pierre Elong Mbassi (Chair, Cities Alliance Interim Management Board).

The Chair of the Committee congratulated the Secretariat for its great work acting on the Committee's recommendations and presented several recommendations to the Management Board.¹ Minor amendments were proposed to the first meeting minutes to make the wording more precise. It was underscored that the Committee's main objectives are to review finances, safeguard resources, consider all financial matters within the committee, and present solutions to the Board. While the Finance Committee reviews finances on behalf of the Board, the Board remains the primary reviewing body. It was remarked that the budget format is much more comprehensive, and in the future a forecast will be added to highlight predictions for the next year. The Chair thanked the membership for paying the fees in the beginning of the year instead of making end-of-year contributions as is general practice. It was noted that the contribution from France MFA was below USD 250,000.

Phyllis Kibui, Head of Finance and Operations, presented a summary of FY2015 revenues and expenses and explained the different budget lines (restricted, unrestricted, temporary restricted). It was noted that there is a trend of fewer unrestricted contributions and more in the restricted / earmarked funds / grants. Restricted funds are necessary, but multi-year commitments of unrestricted contributions should also be in place to ensure overall programme

¹ *Draft Minutes of the Finance Committee Meeting are attached in Annex IV.*

continuity. The Finance Committee noted that the budgets in 2014 and 2015 were much higher than actual expenditures. This is explained by the postponement of some budgeted staff positions (e.g. Deputy Director, FM Specialist), as well as a delay in programmatic activities (especially grants). Many grants were finalised and disbursed in July and August 2015 and are not reflected in the presented reports, which cover the period up to June 2015.

The Chair also presented the proposed Risk Management Framework, which is essentially a simple but effective risk management (ERM) system for the Cities Alliance. The framework follows the ISO standard for risk management. The ERM will allow the Board and Cities Alliance management to anticipate and respond to opportunities and threats while prioritising alternatives and mitigation measures. In the initial sample of risk identification, 15 risks were detected. The Finance Committee noted that this is very useful and much needed. The recommendation was to keep the ERM system simple by listing only the ten highest risks and reporting on the top five risks to the Board in every meeting.

Next, the Chair touched upon the draft ToR for the Cities Alliance audit. As part of UNOPS, Cities Alliance has a peculiar nature and the auditing modalities have to be carefully selected. There were discussions on the role of UNOPS Internal Audit in the proposed audit of Cities Alliance. It was clarified that the proposed audit is not internal, and that it would be conducted by an independent auditor recruited through a competitive procurement process or an existing UNOPS Long Term Agreement (LTA). The Finance Committee agreed that as long as the procurement process is competitive and open, it is understandable that UNOPS would be involved. This would be a service requested by Cities Alliance. The TOR can be adjusted to emphasise the fact that the audit would be external and independent, and that the Cities Alliance Board would be involved including reviewing the report. The TOR should mention that the audit report would be presented to the Cities Alliance Management Board. It was recommended that the TOR be updated to refer to the Cities Alliance SOP, Charter etc. and shared with the Finance Committee for review and comments within 30 days.

After a discussion on when the next Interim Management Board meeting would be held, it was noted that there was a need to schedule a meeting to review and provide tentative approval for the FY 2016 draft budgets. It was agreed that the Finance Committee would review the budgets

on 16 December 2015 during a conference call scheduled at 3pm Brussels time.

The Director informed the Board about the interruption of Norwegian support for FY2015, which put tremendous pressure on the Secretariat especially as the decision was communicated in the middle of the year. The issue has been raised with the Ministry, but no feedback has been received so far. The Director requested the Board's support in tackling the issue.

Members underlined the importance of multi-year contribution agreements as well as higher contributions to support the organisation's financial security. Germany suggested that the Finance Committee work on medium-term financial planning, and members requested that the Management Board Chair send a letter to the Norwegian government regarding its role in the Cities Alliance and financial support for 2015.

DECISIONS

- 4. The draft Risk Management Framework should be updated listing only the ten highest risks, and that the top five risks be reported to the Board at every meeting.**
- 5. The ToR for the Cities Alliance audit should be updated to refer to the Cities Alliance SOP, Charter etc. and shared with the Finance Committee for review and comments within 30 days.**
- 6. The Finance Committee scheduled a conference call on 16 December 2015 to review and provide a tentative approval for the FY 2016 draft budgets.**
- 7. A letter should be sent on behalf of the Management Board to the Norwegian government regarding its role in Cities Alliance and its financial support for 2015.**
- 8. The Finance Committee should start working on medium-term financial planning.**

b. Membership Standing Committee Report

The Membership Standing Committee held its second meeting on 5 October 2015. Due to technical difficulties and interpretation needs, it was chaired by Clare Short and followed by Brazil

via video call. The following members were in attendance: Inês Magalhães, Committee Chair, and Junia Santa Rosa (Brazil); Asa Jonsson and Raf Tuts (UN-Habitat); Nico Keijzer (SDI); Clare Short (Sr. Policy Advisor); Jean-Pierre Elong Mbassi (Chair, Cities Alliance Interim Management Board); Steve Weir (HFHI); and Mikael Atterhög and Cecilia Bransen (Sida).

The Committee began by reviewing the minutes of the previous meeting, which were adopted with a few edits. It deliberated at length on the draft Membership Guide and the Membership Planning Tool, reviewed and recommended applications for membership, and discussed the draft Memorandum of Understanding (MOU) for Associate Members.

Clare Short reported highlights back to the Board, noting that the committee had a very productive day and achieved progress on all agenda items². Ms. Short mentioned that three or four new Senior Advisors would be selected at next year's Assembly meeting to raise the political profile of Cities Alliance.

The draft Membership Guide was discussed in depth. Concrete proposals were made to improve all sections, touching on issues including: benefits of membership, roles and responsibilities, fees, potential membership of Country Programmes, and steps to membership in general. It was underlined that some floating membership fees have to be clarified; the principle of OECD countries was brought back and a '*pro-rata*' fee for international NGOs. The Secretariat will prepare a further draft that incorporates the Committee's comments and then circulate it to the Board for final review.

Regarding the draft MOU for Associate Members, the Committee felt the MOU was too heavy an instrument because their status is closer to observers. It recommended that a formal welcoming letter from the Chairman of the Board remains the best way forward.

Next, the Director presented four applications for membership from ICLEI, IHS, AVSI Foundation and UNDP for Associate Membership. Interest had been expressed also from IADB, AFDB and NYU Stern School for Associate Membership, and formal requests are expected soon. All four members were recommended for endorsement by the Membership Committee and were

² *Draft Minutes of the Membership Committee Meeting are attached in Annex III.*

unanimously endorsed by the Management Board.

Finally, the Committee reviewed the Membership Planning Tool and recommended that it be further updated to better reflect the list of prospective members and to include the Country Programme countries.

It was also suggested that an agenda point on enhancing member satisfaction and contribution as well as partnership strategy be added to the Committee's next meetings.

DECISIONS

9. The Secretariat will prepare a second draft of the Membership Guide incorporating the recommendations of the Membership Committee and then circulate it to the Board for final review.

10. An MOU for Associate Members is not necessary. A formal welcoming letter from the Chairman of the Board should continue to be sent to all new associate members.

11. Membership applications from ICLEI, IHS, AVSI Foundation and UNDP (associate membership) were endorsed by the Membership Board.

Item 3: Medium Term Strategy Updates

Substantive updates from four Joint Work Programmes were presented to the Board. In general the JWP process is having a major impact on the workings of the Cities Alliance, and is proving to be a very effective way of engaging existing, new and potential members.

a. JWP on Resilient Cities

Patricia Holly Purcell from UN-Habitat, Chair of the JWP on Resilient Cities, presented an overview of the programme, its activities and results to date. The JWP members will meet in Brussels on 7 October 2015 for their first planning workshop. The members are UN-Habitat (Chair), GIZ, French Alliance for Cities and Territorial Development (PFVT), Shack/Slum Dwellers International (SDI), SECO, UNEP, WIEGO, the World Bank, 100 Resilient Cities, AECOM, C40 Cities Climate Leadership Group, the Global Facility for Disaster Reduction and Recovery, ICLEI, Inter-American Development Bank and the Rockefeller Foundation. The JWP's objective is to operationalise member commitments for integrated support for city-level resilience under the current Medium Term Strategy, with support from partners. Activities will be harmonised with international commitments made during climate and disaster risk reduction summits, as well as through established global platforms such as The Compact of Mayors.

The creation of this new JWP comes at a significant moment; governments are preparing new agreements on sustainable development and climate change that will directly impact urban resilience. The JWP will also complement its members' ongoing work towards the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), taking place in Quito, Ecuador in October 2016. It will also forge partnerships with other relevant urban partnerships and initiatives, including the Medellin Collaboration on Urban Resilience (MCUR), the Making Cities Resilient campaign, UNEP/UN-Habitat Greener Cities Partnership, UNEP's Global Initiative for Resource Efficient Cities, and the UN-Habitat Cities and Climate Change initiative. Within Cities Alliance, the JWP will create linkages with regional strategies and Country Programmes. Recognising the strategic importance of cities in the resilience discourse at both the local and

global levels, it is proposed that the JWP develop across two mutually reinforcing focus areas:

1. Global partnerships to facilitate the flow of knowledge and resources to enhance city resilience, supporting the emerging Post-2015 framework and Habitat III processes; and
2. Promoting local resilience strategies through inclusive, long-term urban planning processes.

Preparations are underway for a one-day workshop in early October 2015 to complete the Framework Document with JWP members (exact date and venue TBD). The full framework document will be launched in December 2015 on the sidelines of COP21 in Paris.

Members were impressed by the ambitious work programme. UN-Habitat announced that it was accredited as a multilateral implementation entity of the Adaptation Fund Board, which would allow the organisation to support cities and regional governments that have programmes on climate change adaptation, but do not have the capacity to meet the UNFCCC standards on accountability for implementation.

b. JWP Equitable Economic Growth

In line with priorities set out in the Medium Term Strategy, the Cities Alliance partnership is in the process of establishing a JWP to focus on fostering equitable economic growth in cities. A concept paper was commissioned and published as part of the Cities Alliance Discussion Paper series. The paper was formally presented at an engagement workshop hosted by DFID in London on 10 July 2015. Following consultations with JWP members, a concept note was developed, endorsed by the Secretariat project review committee, and submitted for member coordination. Rubbina Karruna from DFID, which chairs the JWP, briefed the Board on recent developments and achievements. The Secretariat successfully identified and recruited a senior consultant (and previous Cities Alliance staff member), Mr Rajivan Krishnaswamy, to facilitate the development of a framework document. The framework document is expected to be finalised during the fourth quarter of 2015.

A tendering process was undertaken and successfully identified a firm to carry out the Economic

Growth Diagnostic studies in Cities Alliance Country Programme countries (Burkina Faso, Ethiopia, Ghana, Mozambique, Uganda and Vietnam). The studies will address one of the key priorities of the MTS: identifying practical entry points for cities and local governments to actively promote equitable economic growth. The main objective of this activity will be to produce two analytical documents: *A Rapid Economic Urban Assessment* that will generate City Economic Profiles, and a *City Equitable Growth Appraisal* to highlight future equitable economic growth potential in selected Cities Alliance partner countries. The activity is considered part of the preliminary work towards setting up the JWP and will generate valuable insights for the programme design.

As next steps the discussion paper will be adapted and published as a CIVIS note to better reach a wider readership. An inception meeting will be held with the firm contracted to conduct the City Diagnostics. A sounding board will be established to peer-review the study.

Members welcomed the ambitious programme and underlined its significance to the Cities Alliance portfolio in the post SDG context. Given the current Core Fund realities, it was suggested that staff time for the different JWPs be allocated to their respective funds. The Secretariat suggested reviewing the idea and proposing a clear policy to the Board for approval. UN-Habitat proposed reviewing the Cities Alliance's portfolio over the past 16 years and analysing where the organisation supported urban policies, to what extent they led to more equitable growth, and measure it with socio-economic indicators. Members felt it is a very ambitious and interesting proposal, however, some concerns were raised as to the workload of the team and feasibility of achieving high-level results. It was decided that the Secretariat would adjust its work programme accordingly and propose a review mechanism.

DECISIONS

12. The Secretariat will review the proposal to charge staff time working on JWPs to the relevant JWP's budget and present a policy for the Board's approval.

13. A study of the past Cities Alliance portfolio has been proposed to evaluate the extent to which activities led to more equitable growth. The Secretariat will adjust its work programme accordingly and propose a review mechanism.

c. JWP Gender Equality

Omar Siddique from the Secretariat provided a verbal update on the JWP on Achieving Gender Equality in Cities. The JWP has produced a Concept Note, which was circulated for Member Coordination / No Objection in August 2015 and is now being used as a basis for the Secretariat Gender Team to produce a full Framework Document by the end of the year for member review. The aim is for the Cities Alliance to develop a stronger capacity for integrating gender concerns throughout its programming and policy cycles, building on member approaches – not to develop standalone gender programming

In support of the JWP planning, the Gender Team is currently organising four activities in the final months of 2015:

1. Co-hosting and participating in the UCLG ASPAC Standing Committee on Women in Local Governments through a full day workshop for mainstreaming approaches for Habitat III from Asia and the Pacific, held back-to-back with the 6th Asia Pacific Urban Forum in Jakarta on 18 October
2. Preparing a grant proposal with SKL on gender mainstreaming of Cities Alliance Country Programmes (Output 1 in the JWP Concept Note). The country and regional synthesis report will be available for publication for Habitat III.
3. Reviewing grant proposals from WIEGO and UN-Habitat on regulatory impact assessments in Dakar and Blantyre (Output 2) as well as preparation of policy advocacy proposals from Brazil and Chile (Output 1)
4. A two-day capacity development workshop on gender mainstreaming for all Secretariat staff on 9-10 November in Brussels

It was noted that the JWP has generated great interest in Latin America and Asia. For instance, the government of Chile has offered to host the launch of the JWP in Santiago in early 2016 (TBC). Members underlined that the aspect of women in leadership is missing and should be incorporated as an important component towards policy change. Members queried the actual multiyear budget for the JWP, and the Secretariat responded that it would revert following review of all member proposals in line with the endorsed Framework Document.

d. Liberia Country Programme Update

Omar Siddique provided a detailed presentation on progress with the Liberia Country Programme. The Framework Document emerged from a direct request by the Minister of Internal Affairs to support the sustainable development of the functional city and its population with a focus on reducing urban poverty in line with the country's social and economic recovery from the Ebola Virus Disease. The Mayor of Monrovia, Clara Mvogo, addressed the May 2015 meeting of the Interim Management Board.

The Liberia Country Programme reflects a shift away from *ad-hoc* grants towards a strategic, longer-term engagement with a city. It aims to support Liberia – specifically its development partners and Cities Alliance members in greater Monrovia – to realise its urban agenda through investing in partnerships, building coherence of effort between members and partners, and improving the alignment between national policy, local government capacity and an active citizenry. Following IMB endorsement of the Concept Note, the Secretariat prepared a full framework document in consultation with members and partners active in Liberia for IMB endorsement.

The overarching objective of Liberia Country Programme is as follows: *The Programme will in the immediate term support the resilient social and economic recovery of slum dwellers in greater Monrovia in response to the 2014 Ebola Virus Disease with a long-term goal of improving the living and working conditions of the urban poor within a functioning, accountable and inclusive metropolitan city.*

The Country Programme will initially focus on three main areas that have been identified by national and local stakeholders, including development partners in the country. They are:

1. Strengthened organisation and participation of slum dwellers and the working poor in city governance, inclusive planning and pro-poor service delivery
2. Improved resilient, inclusive urban planning and slum upgrading strategies identifying investment opportunities for providing services and affordable housing.
3. An enhanced enabling environment for resilient and inclusive urbanisation that benefits slum dwellers and the urban poor

Closely aligned with the Liberian government's priorities as set out in the Agenda for Transformation, the Liberia Country Programme will support the resilient social and economic recovery of slum dwellers in greater Monrovia. In the long term, it will also aim to improve the living and working conditions of slum dwellers within a functioning, accountable and inclusive city. The programme will mobilise urban poor communities and youth to actively participate in city governance, bringing stability, safety and prosperity to Monrovia. It will also focus on slum profiling and mobilising slum dweller associations to build consensus on key investment priorities, and develop plans for slum upgrading, affordable housing and livelihood programmes including a community upgrading fund.

It appears that the core funding from Comic Relief will be provided (USD 6 million), and there is a strong possibility of a further USD 2-3 million from DFID. This is likely to be one of the most visible interventions of the Cities Alliance and its business model, and will require close attention and support from the Board. Final discussions with Comic Relief on funding will be concluded in November 2015.

Members congratulated the team for the very remarkable programme and highlighted its significance in the post-conflict context. Concerns were expressed regarding high political risks with elections coming up in 2017 and actual government commitment. A question was raised about Monrovia joining the Cities Alliance as a member as well as co-financing the programme. Additionally, it was requested to augment women's role in the first focus area, considering that women in Liberia suffered the most from Ebola due to their role as care givers.

Item 4: SDGs and JWP Habitat III

The Secretariat circulated an update of the JWP activities and its main highlights. Günter Meinert shared impressions from the SDG summit held in New York 25-27 September 2015 in his capacity as representative of German Cooperation (BMZ and GIZ) and Chair of the JWP.

The JWP was created to deliver a common set of priority messages to better inform and influence the Post-2015/SDG Agenda in the preparation process for Habitat III. For the past two-and-a-half years, it has been actively working with regular conference calls and meetings. Since the last interim Management Board meeting on 29 May 2015, four proposals have been developed and submitted to the Cities Alliance Secretariat by JWP members, implementing key items of the action plan for the year. The proposals are:

- Organising a high-level and a technical panel for JWP members and partners at COP 21 in Paris (submitted by UN-Habitat);
- Undertaking joint advocacy activities on the implementation of SDG11 and organising a policy exchange at the European level (submitted by HFHI);
- Developing multimedia material on JWP member projects that foster partnerships between national governments, local authorities and organised civil society (submitted by SDI); and
- Developing a technical background paper on partnership approaches (GIZ).

At the request of the Management Board, the Secretariat convened a special workshop on 15 July 2015 to elaborate on the content and context of the New Urban Agenda and to discuss the process and mechanisms for its implementation and review. The workshop was attended by members of the Interim Management Board and members and partners of the JWP in support of Habitat III, including Brazil, France, Germany (GIZ and BMZ), UCLG, UN-Habitat, HFHI, DFID, the Sustainable Development Solutions Network (SDSN) and the Secretariat. The workshop helped clarify expectations on the New Urban Agenda and identify key points of action.

Immediately prior to the current Board Meeting the urban community celebrated the approval of Goal 11 for Cities at the Sustainable Development Summit in New York. As expected, following

the formal adoption of the Goal 11, the focus and discourse has shifted to implementation and the role of Habitat III.

A clear precondition is for national governments to create the necessary enabling conditions for cities to deliver the SDGs. It was noted, however, that there is often a strong reluctance for appropriate decentralisation and aligned actions.

In the workshop co-convened by the Cities Alliance and the Global Task Force in New York, an analysis was presented which showed that up to 65 per cent of all SDGs would be dependent, to some degree, on effective roles performed by local governments and cities. Accordingly, Habitat III needs to add value to the SDGs with a focus on enabling conditions for cities to deliver the goals.

Emilia Saiz from UCLG also shared her impressions from the events in New York from the point of view of local governments. She noted that Habitat III is the place where the SDGs need to be turned into concrete implementation milestones.

The next important milestone in the development agenda is the COP21 Climate Conference in Paris, which will have a city focus, on 7- 8 December 2015. In terms of the process towards the Habitat III conference in 2016, members shared information on the establishment of the Policy Units which need to deliver their draft reports by the end of December 2015. The Policy Units are being briefed this week and a framework document will be produced within the next weeks. The Cities Alliance should discuss the possibilities and disposition to support these Policy Units; members have proposed experts for the Policy Units, and many of them have been accepted.

Mr. Meinert suggested sharing an annotated table of contents for the Policy Units focusing on policy recommendations for further deliberation. Experts have been requested to indicate their availability for interviews. The Task Forces that drafted the Issue Papers will continue to support the Policy Units. An additional proposal will be made by the Bureau to create Working Groups on municipal finance, monitoring, role of local authorities and governance. The Secretariat will start the drafting process in January 2016 together with the informal consultations with the Member States. The Second Committee is meeting in New York, which will be an important gathering and it would be very useful to reach concrete outcomes of working modalities.

Member Discussion

It was remarked that the papers prepared and circulated for the July workshop in Brussels and the New York event, both sets of which had been commissioned by German Cooperation as a contribution to the JWP, received a lot of interest. A suggestion was made to rename these input papers and circulate them to a broader audience. A proposal was also made to develop a position paper as a substantive input in the writing of the New Urban Agenda. Members agreed that it would be very useful to analyse the Habitat II process to understand to what extent we can learn from it in providing an enabling environment for cities. What did Habitat II achieve and what can Habitat III do better? Monitoring and review mechanisms of the Habitat agenda were also discussed at the New York event and there was a general feeling that this is a very important aspect to keep the political momentum.

Brazil shared the general view that there is a complete absence of political leadership of national governments and alignment of actions from the local government authorities. Concrete and simple suggestions can be made to the Policy Units to orient their work. Brazil is concerned about creating an enabling environment for next steps and concrete actions to support local governments to implement Goal 11.

The government of Brazil will host two strategic events, and Cities Alliance members are invited to participate actively. The first will take place in London on 18 November 2015, and it will address a sectorial dialogue with the European Commission. The second is a more regional event that will be held 29 February to 1 March 2016 in São Paulo, Brazil. These events are based on the four thematic focuses of the Goal 11: resilience, participatory governance, mobility and housing. Overall there was a general feeling that the sequence of SDGs, COP21 and Habitat III is exceptional and full advantage should be taken of these significant priority setting events. It is crucial to avoid fragmentation. Likewise, it will be too ambitious to try and reply to 110 targets, and members decided to concentrate on the Goal 11 and the top 20 targets.

In conclusion, it was agreed that German Co-operation and the Secretariat would meet at the end of this meeting to clarify next steps and JWP activities.

The outcomes of these two meetings are:

1. The Cities Alliance will commission an assessment of Habitat II.

2. The study by Philipp Misselwitz should be extended to identify the top 20 links of SDG 11 with other targets ("SDG 11 + 20").
3. A two-pager with key messages for national governments to implement the SDGs on local level is necessary.
4. GIZ will commission a framework study on the monitoring and review mechanism.
5. Cities Alliance needs to work on indicators for the New Urban Agenda. Eventually a paper with key messages for the agenda should be prepared.
6. The input papers and the moderator's conclusions of the Cities Alliance events in Brussels and New York should be named as Cities Alliance discussion papers and circulated to a wide audience. This package should also include the handout of Philipp Misselwitz' presentation.
7. GIZ has drafted some first ideas on how to structure the work of the policy units ("annotated agenda"). This was already circulated to the Cities Alliance Management Board.
8. A planning workshop for the JWP action plan for 2016 is planned for January 14, 2016 in Bonn (tbc).

Further Discussion

The government of Brazil, supported by UCLG, asked for any information or clarification of the proposed Urban SDG Alliance, which had been mooted by UNSDSN.

The Cities Alliance Director provided a detailed narrative of his understanding of the process. There has been much discussion before and after the meetings in New York regarding the UNSDSN, which is represented as a network for the United Nations and not of the United Nations. However, it was established in response to a request from the current Secretary General. Although UNSDSN covers the whole development agenda, the Cities Alliance was involved in

supporting the campaign for an urban goal which resulted in SDG 11. In this, the Cities Alliance aligned with UCLG, ICLEI and UN-Habitat in a very effective campaign.

However, as the SDG Summit approached some concerns arose about the role of the SDSN, especially as it started to consider life after the Summit, with some suggestions of an implementing role.

In September, the Cities Alliance Director received an invitation to attend a conference at the Vatican, which included an audience with the Pope as part of a high-level and very effective attempt to raise the profile of the role of cities. Secretary General Roig from UCLG and UN-Habitat Executive Director Clos participated in the event. However, there was significant unhappiness with the manner in which a proposed Urban SDG Alliance was proposed by Prof Sachs at the meeting, which had neither been pre-discussed nor indicated. ICLEI (a prospective new member of the Cities Alliance) directly raised a number of concerns and procedural issues.

Subsequently, the Director of the Cities Alliance wrote to UNSDSN, with copy to the Management Board, formally requesting to avoid using the term Alliance, which could lead to real confusion with the Cities Alliance.

The issue arose again in New York, where once again concerns were raised about the creation of another organisation or network, particularly when there was no clarity about its purpose, structure, membership and mandate. However, it appears that this initiative has been proceeding, with national representatives and offices established in a number of countries. The Ministry of Cities cited an example from Brazil, where Rio de Janeiro has been leading in the establishment of such an office. Members were unclear about the sources of funding that are supporting the UNSDSN, although they were equally aware of the high-level contacts of the UNSDSN leadership.

Brazil informed that the organisation has been seeking financing from the private sector in Brazil. The main donors of SDSN are Norway, Sweden, Germany and the private sector, which means the donors overlap with Cities Alliance and members such as UN-Habitat, SDI and UCLG.

UN-Habitat indicated that they had directly raised many of these issues in a recent bilateral meeting with UNSDSN personnel and requested clarification.

In summary, at this time there is no clarity regarding this partnership or coalition. However, the Cities Alliance Director has agreed to organise an initial meeting between UNSDSN, UCLG, ICLEI and Cities Alliance in Brussels in early January 2016 to further discuss both substantive and organisational issues. For its part, Cities Alliance continues to operate within the spirit of the Paris Agenda and its Charter, which calls for coherence of effort.

A concept note will be prepared for the January event that will serve as the basis for further consultation with the Management Board.

Item 5: Future Cities Africa

Future Cities Africa is a project that aims to make cities work for the poor, with a focus on resilience and economic growth. Project manager Jamie Simpson gave an in-depth presentation and replied to members' questions.

Future Cities Africa supports selected cities in four African countries to anticipate and minimise future challenges in terms of climate, environment and natural resources – essentially giving them the tools to “future proof” themselves so that they will be inclusive, resilient and have growing economies. The project is supported by DFID, which has allocated some USD 7.5 million (GBP 4.81 million), and implemented by the Cities Alliance. The project involves collecting research and evidence that will give African cities the information and tools they need to undertake more focused action plans. It will enable them to carry out investments now and in the future to address local market barriers and target areas of need for maximum results – so cities get the best returns on their investments.

It is designed to be an inclusive process, involving in-depth consultation with local authorities, other donors and development actors, research institutions, and the private sector. Replicability for broader use is also an important factor with the idea that the tools and knowledge generated by the Future Cities Africa project can then be adapted for use in other African cities.

Future Cities Africa will achieve its goals through the following four main outputs:

- Output 1 - A feasibility study outlining the four countries and eight cities that are the focus of the project, and detailing institutional and financial arrangements needed as well as relevant stakeholders to inform a business case for future programming.
- Output 2 – Four research studies and eight city studies that will improve the evidence base to enable African cities to fulfil their potential as centres of growth and job creation in the face of climate, environment and resource challenges.
- Output 3 - A knowledge sharing platform designed to share results, data, and establish peer-to-peer contact between cities. Developed by Gaiasoft, the platform will use off-the-shelf software that can be reconfigured and improved based on specific needs.
- Output 3 - A decision-making model prototype (resilience.io) developed and piloted in one sector in the Greater Accra Metropolitan Area in Ghana, for potential use in future urban programming in Africa. The model, developed by The Ecological Sequestration Trust (TEST), is designed to enable decision makers and key stakeholders to make better citywide policies, plans and interventions, once it is available and ready for deployment in African cities.
- Output 4 – Four innovative studies focused on a particular thematic issue, or a specific city/country challenge, that explore new ideas and innovative thinking to building resilience in African cities.

Results to date:

1. Country Level Project Set-Up:
 - a. High-level political engagement with the relevant national ministry (and supporting ministries as appropriate) and endorsement of the project in Ethiopia, Ghana, Uganda and Mozambique;
 - b. Twenty-one cities selected through a consultative process with the national ministries and relevant stakeholders in the four countries: two in Ethiopia, two in Ghana, 14 in Uganda, and three in Mozambique;

- c. Establishment of a Cities Alliance presence in each country including recruitment of a national Country Team Leader, Country Urban Specialist and Programme Assistant in Ethiopia, Ghana, Uganda, and Mozambique;
 - d. Induction of city-level political and administrative staff in Ethiopia, Ghana, Uganda and Mozambique; and
 - e. Establishment of a Cities Alliance-FCA advisory board (or similar) initiated in Ethiopia, Ghana, Uganda and Mozambique, with Cities Alliance members.
2. A Global Knowledge Sharing Workshop was held in Brussels from 11-12 June 2015 that brought together, for the first time, all the project's key partners from the four countries and participating cities, with the goal of strengthening the Future Cities Africa project implementation process as inclusive and participatory.
3. Output 1: Feasibility Study – Draft Rapid City Resilience Assessments (RCRAs) completed in Ethiopia, Ghana, Uganda and Mozambique. Review of RCRA progress and quality assessment are currently being undertaken. The RCRAs provide an initial diagnostic assessment of resilience that will form the basis of the preliminary prioritisation of issues for the Feasibility Study.
4. Output 2: Research Studies – Output 2 will be partly delivered through four independent research projects that will engage or collaborate with national research professionals and institutes/universities in the respective country(ies) as well as engagement with regional academic networks. Through the Future Cities Africa Global Knowledge Sharing Workshop, four themes were selected for the research projects: 1) Cities and land expansion; 2) Cities, energy and climate change; 3) Urban Governance; and 4) Informality and Growth. A Request for Proposal for the four independent research projects was issued for public tender and proposals will be accepted until 16 September 2015.
5. Output 3: Knowledge Platform – System platform configured and initial data populated. Training for Cities Alliance Future Cities Africa project staff completed in Ethiopia, Ghana and Uganda.

6. Output 3: An Innovative Decision-Making Model – At a workshop held in Accra in March 2015, the Water, Sanitation and Hygiene (WASH) sector was selected as the focus for prototype development. A WASH sector scoping study has been completed. The platform is functional, and data, technical and design specification reports have been delivered. Data collection and funding leverage strategies have been defined. A sector working group has been established, and two meetings were held in June and August to move the WASH sector focus forward.
7. Output 4: Innovative Studies – Three themes emerged from the Global Knowledge Sharing Workshop discussions: 1) Cities and Data; 2) Cities and Resilient Strategic Planning; and 3) Cities and Water. ToRs for innovative studies are currently under development.

Next steps:

- Output 1: Completion of Final Rapid City Resilience Assessments Reports and a Feasibility Study report by end of September 2015. Initialisation of deeper Capacity Assessments of the selected cities to inform the business case for future intervention.
- Output 2: Completion of the procurement process for Research Studies and initialisation of *'Future Proofing Cities'* studies.
- Output 3: Implementation and monitoring of work plan, according to established milestones.
- Output 4: Completion of Innovative Studies procurement process.

Members raised again the issue of tight timeframes and quality of deliveries, being cautious about raising too many expectations. UN-Habitat offered the services of its country office in Ethiopia. A major critique was made that national associations of local governments were not involved in the project, which the Secretariat team confirmed would be addressed.

Item 6: AOB

At the request of members an Any Other Business section was added to this and all future

meetings.

- Cities Alliance Chair Mr. Elong Mbassi reminded all Members about Africities 2015. The 7th edition of the Local Governments Pan-African Days will be held in Johannesburg, South Africa from 29 November to 3 December 2015. Its central theme is “Shaping the future of Africa with the people: the contribution of African local authorities to agenda 2063 of the African Union”.
- Tony Burdon from DFID announced that this was the last time he would represent DFID at Board Meetings as he had moved to a new position. Mr. Burdon will be replaced by Melinda Bohannon. Members thanked Mr. Burdon for his constructive participation and valuable inputs and noted that DFID re-joined the Cities Alliance during his leadership that.
- Members requested to add a private executive session with the Director of the Secretariat at the end of all future Board meetings.

DECISIONS

14. The next meeting of the Interim Management Board will take place on 16-17 February 2016.

15. The 1st meeting of the Cities Alliance Assembly will take place on 5-7 April 2016 in Brussels, Belgium.

ANNEXES

Annex I: List of Attendees

IMB MEMBERS	PARTICIPANT	AFFILIATION
<i>Chairperson</i>	<i>Jean Pierre Elong Mbassi</i>	-
Senior Policy Advisor	Clare Short	Cities Alliance Senior Policy Advisor
BRAZIL	Ines Magalhães	Ministry of Cities
BRAZIL	Junia Santa Rosa	Ministry of Cities
GERMANY	Daniel Günter	BMZ
GERMANY	Günter Meinert	GIZ
GERMANY	Franz Marré	BMZ
HFHI	Steve Weir	Habitat for Humanity International
SIDA	Mikael Atterhög	SIDA
SIDA	Cecilia Brannen	SIDA
UCLG	Emilia Saiz	United Cities and Local Government
UN-HABITAT	Asa Jonsson	UN-Habitat
UN-HABITAT	Raf Tuts	UN-Habitat
UN-HABITAT	Patricia Holly Purcell	UN-Habitat
UK	Tony Burdon	DFID
UK	Rubbina Karraya	DFID
Secretariat	Ana Claudia Rossbach	LAC Regional Advisor
Secretariat	Nune Karakhanyan	Executive Associate
Secretariat	Phyllis Kibui	Head, Finance and Operations
Secretariat	Susanna Henderson	Partnership Officer
Secretariat	William Cobbett	Director
Secretariat	Jamie Simpson	FCA Project Manager
Secretariat	Omar Siddique	Senior Urban Specialist

Annex II: 3rd IMB Meeting Agenda

**III Interim Management Board Meeting
6 October 2015
AGENDA**

Venue: Rue Royale 94, 1000 Brussels		
09:00 – 09:45	<u>Opening and welcome</u> a) Adoption of meeting Agenda b) Approval of 2nd IMB Meeting Report c) Director's Report	<i>Handouts:</i> -Agenda; -IMB Meeting Report 29 May 2015; -Director's Report -Updated SOP;
09:45 – 10:30	<u>Report from Standing Committees</u> a) <i>Finance Committee Report</i>	<i>Handouts:</i> -Draft FSC Meeting Agenda, 5Oct15; -Outcomes and Recommendations; -Budget vs. Actuals: Jan-Jun 2015; -CA Risk Matrix; -CA Programme Audit TOR
10:30 – 10:45	Coffee Break	
10:45 – 11:30	<u>Report from Standing Committees</u> b) <i>Membership Committee Report</i>	<i>Handouts:</i> -Draft MSC Meeting Agenda, 5Oct15; -MSC Meeting Minutes, 28May15; -Draft Membership Guide; -Draft MOU for Associate Members; -Proposals for Membership; -Membership Planning Tool
11:30 – 12:30	<u>Medium Term Strategy Updates</u> a) JWP Equitable Economic Growth b) JWP Resilience c) Liberia Country Programme	<i>Handouts:</i> -JWP EEG Update; -JWP Resilience Update; -Liberia Country Programme Update
12:30 – 13:30	Lunch	

13:30 – 15:00	<u>SDGs and JWP Habitat III</u>	<i>Handouts:</i> <i>-JWP Habitat III Update</i>
15:00 – 16:00	<u>Future Cities Africa</u>	<i>Handouts:</i> <i>-FCA Update</i>
16:00	Summary of Recommendations and Closing Remarks	

Annex III: DRAFT Membership Standing Committee Meeting Minutes

Membership Standing Committee Meeting

5 October 2015

Members: Inês Magalhães (Brazil) (Chair) and Junia Santa Rosa (Brazil); Asa Jonsson, Raf Tuts (UN-Habitat); Nico Keijzer (SDI);

Clare Short (Sr. Policy Advisor); Jean-Pierre Elong Mbassi (Chair, Cities Alliance Interim Management Board); Steve Weir (HFHI); Mikael Atterhog and Cecilia Branzén (Sida);

Secretariat: William Cobbett; Sid Henderson; Priscilla Ofori-Amanfo; Anaclaudia Rossbach

Agenda Items

Item 1: Opening and Welcome

Meeting Agenda Approved (see Annex I)

Item 2: Review of Standing Committee Minutes, 28 May 2015

Item 3: Presentation of Draft Membership Guide

Item 4: Presentation of Draft Memorandum of Understanding (MOU) for Associate Members

Item 5: Presentation of Proposals for Membership

Item 6: Review of Membership Planning Tool

Meeting Outcomes/Recommendations

Recommendations to the interim Management Board:

1. Meeting Agenda

- a. Brazil requested for someone from Brussels to Chair due to technical difficulties with the video and the distance being too difficult to chair
- b. Clare Short took over as Chair

2. Meeting Minutes from 28 May 2015

- a. Page 5, bullet 5
 - i. Short discussion around what was meant by “Raise the political will/profile of the Cities Alliance”
 1. Clarified to mean that the process of recruiting 3 to 4 Sr. Policy Advisors and the respective Chairs of the Assembly and the Management Board needs to begin and a discussion around the type and seniority of representatives the Cities Alliance is aiming for should be included in this discussion
- b. The 28 May 2015 minutes were cleared

3. Draft Membership Guide

a. 1.0 Introduction

- i. Section 1.1 – include intergovernmental agencies
- ii. Section 1.9 – rephrase first sentence to shift the decision making from the Prospective Member to the Cities Alliance Assembly (for e.g. proposing candidateship for Full Membership)

b. Section 2.0 Benefits of Membership

i. Change to Benefits and Duties of Membership

ii. 2.0 first sentence -

1. Rephrase the description of the Membership – it's the Cities Alliance, not the individual members that are proactive, committed, long-term and visionary
2. Remove the word "typical"

iii. Discussion around Table 1 – Roles and Responsibilities of Members

1. Associate Members should not have as much access as the draft suggests:
 - a. They should be thought of as possible new members, but they are non-decision making
 - b. They are in between Observers Status; Full members in Transit
 - c. They can join in discussion and participate in Working Groups; they should be part of the consensus building
2. Revise Associate Member responsibilities/involvement:
 - a. **Corporate Benefits** – non-decision making
 - b. **Country Programmes** – remove "Initiate a Discussion around the selection of a Country Programme"
 - c. **Joint Work Programme** – remove "Initiate a Discussion around the selection of a theme for a Joint Work Programme"
 - d. **Catalytic Fund** – remove "Initiate a Discussion around the selection of a theme for a Catalytic Fund"

3. Add a Responsibilities Section

c. Section 3.0 Current Membership

- i. We are losing the LDCs
- ii. Members agreed for Country Programme countries to be invited to become Full Members for the duration of the programme at the previous Interim Management Board Meeting in May
 1. Ethiopia is a Member; the Secret has written to the Gov'ts of Ghana and Liberia;

2. The Secretariat will follow-up with Burkina Faso; Vietnam; Mozambique; Uganda; and Tunisia
3. Documentation will be updated to reflect this
4. Country Programme countries will be not required to pay any membership fees
5. Country Programme countries will be invited to be members for the duration of the Programme
6. Country Programme country membership will throw up policy issues for the Cities Alliance such as the current wave of forced evictions occurring in West Africa
 - a. The Secretariat is currently drafting a policy paper around this issue and members feel that as this matter goes to the heart of the Cities Alliance mandate (Cities Without Slums), it is appropriate to do so.
- iii. The Private Sector continues to be missing from the Membership
- iv. Suggested to include a few of Cities Alliance's achievements in the Guide

d. Section 4.0 Membership Fees

- i. Bi-lateral Governments
 1. Separate into OECD and Non-OECD
 - a. Reset the fees of the OECD Bi-lateral Donor Agencies to \$250,000 minimum
- ii. UN-Agencies
 1. Set fees at \$50k/year
- iii. INGO fees
 1. Cannot justify to pay \$50k when others are paying \$10k
- iv. In-kind contributions are welcome, but not as replacement for FEES

e. Section 5.0 Steps to Membership

- i. Clarify any differences for Full and Associate Members
- f. **Next Steps:** the Membership Guide will be redrafted in Tracked Changes and circulated to the Standing Committee for comments **by X**
- g.

4. Draft MOU for Associate Members

- a. Drop the MOU and use a formal letter
 - i. Because of the status of Associate Members – closer to Observers, it was felt the MOU was too heavy an instrument
 - ii. Use a formal letter from the Chairman of the Board and include in the letter use of logos and confidentiality
 - iii. Recommend to the Board

5. **Consider applications for membership**, on the recommendation of the Membership Committee;

- a. **Four Tabled with the following recommendations to the iMB:**
 - i. **UNDP**
 - 1. Recommended for Associate Membership
 - 2. Supported by UNEP, SDI and HFHI (HFHI needs to send support in writing)
 - ii. **ICLEI**
 - 1. Recommended for Full Membership
 - 2. Supported by UN-Habitat; UCLGA (need to send in writing) and need one more for support
 - iii. **Institute for Housing and Urban Development Studies (I.H.S)**
 - 1. Recommended for Full Membership
 - 2. UCLGA (need to send in writing) and need two more for support
 - iv. **AVSI Foundation**
 - 1. Recommended for Full Membership
 - 2. Supported by Brazil, HFHI (to be confirmed), Ministry of Foreign Affairs – Italy (no longer a member); need one more for support
 - b. **Three Prospective Members**
 - i. **IADB**
 - 1. Associate Membership – no formal request yet; fully intend to join – another 4 – 6 weeks;
 - 2. Supported by Brazil, Chile and HFHI
 - ii. **AFDB**
 - 1. UCLGA informed the group there is a new head and we should push for membership now
 - iii. **NYU Stern School**
 - 1. Intend to Join
- 6. Review of Membership Planning Tool**
- a. The list of prospective member will be update to reflect the Country Programme countries; and IIED
 - b. China
 - i. Suggested to approach a Chinese University for possible membership
 - c. Civil Society –keep it at an international level
 - d. Update the tool to reflect three categories:
 - i. Members
 - ii. Membership under discussion
 - iii. Proposed Members
 - e. Keep a balance between the MICs and the LDCs; ensure outreach is to both and also keep a regional balance in mind
 - f. Membership Guiding Principles:

- i. Paragraph 2, last sentence, update because the Charter does not stipulate that all six categories need to be filled in order to call a meeting of the Assembly
- g. The tool was found to be useful, will be updated and tabled at each meeting

Other Recommendations:

- **France - issue from Finance Committee – has consistently been underpaying its membership fee**
 - Members recommended to re-instate the \$250k for donor bi-lateral aid agencies/ governments (OECD and non – OECD countries)
 - A letter from the Chair on behalf of the Board will be sent to France and other members in areas
 - Will recommend to the Board
 - Have a procedure to apply to all members
- **AOB**
 - Agenda item for next meeting
 - A discussion around Enhancing the satisfaction and Contribution of Members
 - Would like to discuss the coordination of all the new members
 - A Member satisfaction survey
 - The Partnership Pillar of the MTS
 - Included the “value added” of new members, in terms of content and contribution to the Cities Alliance, especially the importance of looking at the content of the partnership, rather than only to financial contribution and membership status.
 - The Secretariat will have a draft Partnership Strategy ready for presentation and discussion before the Assembly
 - Next meeting – dates in February – TBC 16-17;

Annex IV: DRAFT Finance Standing Committee Meeting Minutes

Finance Standing Committee Meeting

5 October 2015

Members: Steve Weir (HFHI, Chair); Mikael Atterhög (Sida); Cecilia Bransen (Sida); Clare Short (Senior Policy Advisor); Jean-Pierre Elong Mbassi (Chair, Cities Alliance Interim Management Board)

Secretariat: William Cobbett; Phyllis Kibui; Federico Silva; Magdalena Balocova

Agenda Items

Item 1: Adoption of Meeting Agenda

Item 2: Approval of Outcomes and Recommendations of 1st Finance Committee Meeting on 28 May 2015

Item 3: Presentation of Budget vs. Actuals for the period of January – June 2015

Item 4: Presentation and Review of proposed Cities Alliance Risk Management Framework

Item 5: Presentation and Review of Terms of Reference (TOR) for Cities Alliance Programme Audit

Item 6: AOB

Summary of Recommendations and Closing Remarks

Meeting Minutes

1. Adoption of Meeting Agenda

- a. An item of “Any Other Business” (AOB) was added to the Meeting Agenda and should be maintained for any future meeting of the Finance Committee.
- b. The quorum of two members plus the Chair was confirmed and the updated Meeting Agenda was adopted.

2. Approval of Outcomes and Recommendations of 1st Finance Committee Meeting on 28 May 2015

- a. Some editorial changes were proposed including that the term “ensure” and “monitor” should be replaced by “review” to emphasize that the Finance Committee provides an oversight function.
- b. The Finance Committee is the reviewing body on behalf of the Board but the Board remains the primary reviewing body.
- c. The Outcomes and Recommendations of 1st Finance Committee Meeting held on 28 May 2015 were approved subject to changes outlined above.

3. Presentation of Budget vs. Actuals for the period of January – June 2015

- a. The Head of Finance and Operations, Phyllis W. Kibui, walked the Finance Committee through the Revenue and Expense Summary YTD 30 June 2015, the Statement of Position YTD 30 June 2015 and FY 2015 Summary of Funds Available for Programming.
- b. It was suggested that a few more information be included in the Revenue and Expense Summary: (i) the percentage of budget vs. expenditures; (ii) the forecast for the year and (iii) the footnotes on the Programme Grants and Other Activities. The Finance Committee noted that the budget in 2014 and 2015 was much higher than the actual expenditures. This can partially be explained by the fact that some staff positions budgeted for were postponed (e.g. Deputy Director, FM Specialist), as well as the delay in the programmatic activities (especially grants). Many grants were finalized and disbursed in July and August 2015 and as such are not reflected in the presented reports that cover the period up to June 2015.
- c. Overall, the Revenue and Expense Summary format is clear, useful and a big step forward in improving the reporting templates.
- d. The Statement of Position YTD 30 June 2015 which is the Cities Alliance cash position for funds held by UNOPS and managed by UNDP as treasurer. The Finance Committee proposed to include footnotes to provide more details on the amounts of cash being held.
- e. In the FY 2015 Summary of Funds Available for Programming, the “temporary restricted” funds should be reviewed to the “unassigned restricted”. The FY 2016 overview will be prepared to reflect future contributions where members have made multi-year commitments.

- f. It was noted that there is a trend of reduction in the unrestricted contributions and increase in the restricted / ear-marked funds / grants.
- g. A question arose on what the accounting standards to reflect the multi-year contribution agreements are (e.g. receivables vs. pledges; GAP vs. IPSAS). The team will investigate and inform the Finance Committee.
- h. Parallel to the restricted funds, the multi-year commitments of unrestricted contributions should be in place to ensure the overall programme continuity. This will be discussed in the Membership Committee and Board meetings, together with the importance of the partnership / members' role in the negotiation process.
- i. The overview of cash position is very helpful. The Chair proposed that a similar summary for the actual expenditures for the Programme Grants & Other Activities such as Country Programmes, CATF, JPWs and Regional Strategies, be prepared and reviewed by the Finance Committee at the next meeting.
- j. It was noted that France FMFA contribution was below that of USD 250,000.

4. Presentation and Review of proposed Cities Alliance Risk Management Framework

- a. The Senior Programme Officer, Federico Silva, walked the Finance Committee through the draft of the Risk Management Framework which is a tentative longlist of risks extracted from the Staff Retreat and previous internal discussions. The framework follows the ISO standard for risk management.
- b. The Finance Committee noted that this is very useful and much needed. The recommendation was to keep it simpler rather than complex by listing 10 highest risks and reporting on the top 5 risks to the Board. The top 5 risks would then be reported on in every Board Meeting.
- c. It is important to list both internal and external risks and to include their risk owner. Each risk is owned by the risk owner who also recommends the mitigation measures. The purpose is to establish an intentional thought process resulting in concrete and actionable mitigations measures.
- d. The Risk Management Framework will be presented to the Board through the Finance Committee at the next Board meeting on 10 February 2016.

5. Presentation and Review of Terms of Reference (TOR) for Cities Alliance Programme Audit

- a. There were discussions on the role of UNOPS Internal Audit in the proposed audit of Cities Alliance Programme. It was unclear as to whether the audit would be carried out by UNOPS Internal Audit and Investigation Group (IAIG) or external auditor. The Director Billy Cobbett clarified the position of Cities Alliance within UNOPS structure and raised few concerns:
 - (i) The way that UNOPS position itself within UN and the mandate for providing project services to other UN organization vs. policy organization on its own. This is the major concern as it creates competition with the hosted entities (e.g. Monrovia) and will be raised with UNOPS Executive Director on 9 October 2015.
 - (ii) The position of Cities Alliance within UNOPS and its senior management meetings (GMM) and its accountability against targets (delivery, business acquisition, net revenue etc.).
 - (iii) UNOPS internal restructuring resulted in moving Cities Alliance Cluster from GPSO to Europe Regional Office in Geneva, led by Moin Karim who initially negotiated the hosting arrangements for Cities Alliance.
- b. The Chair questioned the reason that UNOPS IAIG should audit Cities Alliance as a project / programme and was not in favour of the TOR.
- c. The Head of Finance and Operations provided background information on the TOR which is a very standard TOR for any project audit. She noted that the most important action needed is to review which areas need to be covered (Annex A). The proposed audit is not internal as it would be conducted by an independent auditor recruited through competitive procurement process or through existing UNOPS Long Term Agreement (LTA). The IAIG will not do the audit, only manage the process ensuring that it is in line with the UN audit principles and rules.
- d. The Finance Committee agreed that as long as the procurement process is competitive and open, it is understandable that UNOPS would be involved. This would be a service requested by Cities Alliance and it should not be seen as problematic. The TOR can be

adjusted to emphasize the fact that the audit would be external and independent and that Cities Alliance Board would be involved including reviewing the report. The TOR should mention that the audit report would be presented to Cities Alliance Management Board.

- e. The programme audit would review if Cities Alliance operations are consistent with the SOP as well as the financial aspects including procurement, HR, recording transactions etc.
- f. UNOPS entity audit includes Cities Alliance, and all other UNOPS managed projects, but only on a global level, similar to the World Bank audit based on single audit principle. Some members would require audit of Cities Alliance as programme (e.g. Sida). The level of audit detail can be discussed.
- g. Timing for this audit is excellent as it could show what is working and not working on the new hosting platform after the initial 2 years, and what improvements should be made. It could give us a good sense of how we are implementing Cities Alliance SOP, but also all other internal processes, segregation of duties, HR and procurement etc.
- h. In addition, the audit report could also be instrumental when reviewing the efficiency of grant making processes in Cities Alliance.
- i. It was recommended that the TOR be updated to refer to the Cities Alliance SOP, Charter etc. and share it with the Finance Committee for review and comments within next 30 days.

6. AOB

- a. Following a quick review of the membership of the Finance Committee, it was agreed that the Chair would raise the issue of the membership of the Finance Committee with the Board in order to encourage more members to join.
- b. It was also suggested that at the meeting of the Finance Committee on 8 February 2016, the grant making processes be presented by the Secretariat and reviewed by the Finance Committee with the objective of improving the process and systems for a fast and reliable system of disbursement of grants. One possible way to ensure this would be achieved is

to segment the grants by their amount and tailor the required appraisal and fiduciary assessments accordingly. The grant making in the SOP will be revised in the near future to fit the small grants processing. The Secretariat has also critically reviewed the grant making during the Staff Retreat held on 3-8 August 2015 through the SWOT analysis exercise.

- c. After a discussion as to when the next Interim Management Board meeting would be held, it was noted that there was a need to schedule a meeting to review and provide a tentative approval for the FY 2016 draft budgets. It was agreed that this will be reviewed by the Finance Committee on 16 December 2015 during a conference call scheduled at 3pm Brussels time.