

**Cities Alliance
Steering Committee Meeting
10 June 2001, New York**

The Steering Committee held its second meeting on 10 June at Habitat's New York office, just after the General Assembly's special session on Istanbul+5. In attendance were: Alan Lloyd, Margarita Obiols, Michel Bescond, Jeremy Smith (WACLAC); Daniel Biau, Michael Parkes (Habitat); Michael Mutter, Sudipto Mukerjee (DFID); John Flora (World Bank); and Mark Hildebrand and Kevin Milroy (Cities Alliance Secretariat). Bas Van Noordeene (Netherlands) sent his regrets. The agenda is attached.

1. Personnel Matters

- a) The Committee was advised that the review of applicants for the Program Analyst position would be completed and a candidate recommended by the end of July.
- b) The Committee was informed that GTZ had confirmed that they would apply their procedures to identify and propose a candidate for secondment for the City Strategy Adviser position, using the terms of reference approved by the Steering Committee at its first meeting (see paragraph 3 of the Report of the Steering Committee's meeting of 12 March 2001). The Steering Committee recommended that since the Secretariat would be funded from Core Funds beginning 1 July 2002 (as per the decision reached by the Consultative Group at its Rome meeting), Secretariat posts should in the future be advertised internationally. Accordingly, taking into account this transition period, the Committee proposed that this secondment could be processed between GTZ and the World Bank, which agreed to make the adviser available to the Cities Alliance.

2. Financial Planning

- a) The Committee reviewed the Alliance's current financial status and projections (as of 31 May 2001) for the Cities Alliance Trust Fund, as well as the estimated FY01 actuals and proposed FY02 budget allocations for the Secretariat's budget and centrally-managed trust fund allocations.
- b) The total estimated core pledges to the Trust Fund for the period FY00-FY02 are \$13.9 million. If the proposals listed on the agenda were all approved, the Alliance's grant commitments would reach \$10.4 million, leaving an unallocated balance of \$3.5 million available for programming at the Consultative Group's next meeting in December.
- c) While noting that the total of core plus non-core pledges was likely to reach \$21.5 million by the end of 2001, and that the Asian Development Bank was likely to join by the end of this year, the Committee stressed the need to raise more core resources and to encourage new members to join the Alliance. The Committee recommended follow-up with Finland, Belgium, Spain, Portugal, Denmark, Australia, the European Commission and the regional development banks. Habitat agreed to help by encouraging Finland and Belgium to join, and WACLA agreed to follow-up with Spain.

- d) The Committee endorsed the Secretariat's strategy of over-programming in order to minimize the gap between contributions and disbursements.
- e) The Committee endorsed the Secretariat's proposed timeline for preparing the FY02 work program and for extending the duration of the Trust Fund, both of which will be considered for approval by the Consultative Group at its meeting in December.
- f) The Committee requested the Secretariat to present a table showing disbursements for each approved grant at its next meeting.

3. **Funding Proposals**

- a) The Committee recommended approval of the City Networking proposal (which would be funded by a non-core funding from Japan), and also provided comments on several of the proposals listed under paragraphs 3 b and c of the agenda which are now being processed for approval (in accordance with the Secretariat's email message of 1 June to the Consultative Group). The Committee noted that the proposals listed under paragraph 3 d are now being evaluated.
- b) Habitat indicated that they would explore if the EC could provide investment follow-up to the Ethiopia CDS proposal, and DFID indicated that they would make a non-core contribution to help fund the China proposal for City Regional Development Strategies.

4. **Policy Advisory Board** The Committee endorsed the Secretariat's proposal to engage the Policy Advisory Board as well as all CG members in developing the framework for the independent evaluation of the Cities Alliance (as per the attached draft framework). The Committee suggested that the Secretariat present a revised draft incorporating the PAB's advice and inputs from CG members for the Committee's review at its next meeting.

5. **Other Business**

- a) There was consensus to hold the next meeting of the CG in Calcutta (rather than in Bombay as was discussed at the Committee's March meeting), and that the Policy Advisory Board should also meet in Calcutta. The Public Policy Forum on 10 December would focus on urban poverty reduction in India. The Committee felt that holding these meetings in Calcutta would facilitate the engagement of a number of key partners (including DFID and the Asian Development Bank).
- b) DFID briefed the Committee on the rationale of the proposed Municipal Infrastructure Finance Facility (MIFF) and noted that this is being prepared as a multi-donor non-core funding proposal (US \$12 million). The Steering Committee favorably considered the idea of processing this proposal (through the normal procedures) to be administered within the framework of the Cities Alliance.

6. **Next Steering Committee Meeting** The Committee agreed to hold its next meeting at the occasion of the International Forum on Urban Poverty which will be held in Marrakech from 16-19 October.