



**Cities Alliance**  
Cities Without Slums



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### Morocco Embarks on a National Slum Upgrading Programme

The Kingdom of Morocco has formulated an ambitious *Villes sans Bidonvilles* Programme within the context of the Millennium Development Goals and, in particular, Target 11, which calls for significant improvements in the lives of at least 100 million slum dwellers by the year 2020, and preventing the growth of new slums. King Mohammed IV provided the national political imperative in August 2001 and in July 2003, identifying the need for a national programme to address poor living conditions, and for improved urban management.

The Programme envisages upgrading all slums by 2008, and facilitating the economic integration of the urban poor, as well as social cohesion and cultural diversity and growth. The *Villes sans Bidonvilles* programme, which will reach over 200,000 households in 67 towns and cities, is designed to be facilitated by the decentralisation of responsibility to local governments, and the widespread release of urban land for development.

The *Villes sans Bidonvilles* Programme is one of many reforms and initiatives being promoted in Morocco, as it sets about opening up its economy, achieving dramatic increases in revenue from tourism, as well as bidding for the chance to host the 2010 World Cup.

### Bahia Launches Statewide Slum Upgrading Programme

The State of Bahia in Brazil is illustrating how strong local leadership, strategic vision and a coherence of effort with multiple NGOs, CBOs and donors can lead to scaled-up actions for urban poverty reduction.

In March 2004, Bahia state officials unveiled their plans for the Viver Melhor II statewide slum upgrading programme, which aims to improve the quality of life and asset base of the poorest and most vulnerable sections of society in the major urban areas of the State. This continues a move to scale begun in 1999 when the state began working with the Cities Alliance to scale up the Novos Alagados project in Salvador, Bahia, which is based on an integrated and participatory methodology that seeks to address the many dimensions of poverty and enhance the asset base of the poor.

Begun in 1992, the Novos Alagados Urban Upgrading and Social Promotion Project has been implemented in the northernmost part of the area known as Ribeira Azul. Supported by Italian cooperation, the project provided physical and social improvements benefiting 15,000 slum dwellers.

In 1999, the Government of Bahia launched the Ribeira Azul Programme, aiming to replicate the methodology of Novos Alagados in the remaining parts of Ribeira Azul, improving the lives of 150,000 slum dwellers in 40,000 households. The Ribeira Azul Programme is characterised by an integrated social and physical methodology that has been developed by the Bahia government and the Italian NGO, AVSI. The programme provides not only improved basic infrastructure (roads, drainage, water & sanitation, solid waste), housing improvements and land tenure regularisation, but also a package of social services including health, education, day care, nutrition support, assistance to children and youth at risk, job training and income generation.

Much of the social and technical assistance for the programme is being provided by AVSI through a \$5 million grant made in 2001 by the Cities Alliance, using funds contributed by Italian cooperation for the programme. Part of the technical assistance activities funded by the Cities Alliance were studies to be used to prepare a citywide slum upgrading programme in Salvador. Because of the success of the Ribeira Azul programme and the leadership of the state government, the programme is now being extended to other major slum areas across the city and throughout the state. Italian cooperation has pledged a new, EURO 5 million grant to support this integrated social and physical upgrading methodology.

To scale up the upgrading programme to the whole Ribeira Azul area, the Government of Bahia, working through CONDER (the State urban development agency), mobilised investment funding from a variety of sources, supplemented by the Italian/Cities Alliance grant funds, and a further \$2 million in grants provided by AVSI from private sponsors. Working with these funding sources, each with its own administrative and technical requirements, posed the challenge of ensuring consistency in methodology across the various separate interventions. But from the start, CONDER moved to ensure that the projects in the various communities formed a coherent whole, understanding that scaling up slum upgrading requires a long-term vision and a programme framework.

The technical and coordination challenge was addressed by the Ribeira Azul Technical and Social Assistance Project (PATS), which included financing for a series of studies to support the preparation of a new, much wider, slum upgrading programme for Salvador and other key cities in the State of Bahia. The technical

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#### We Welcome Your Articles

We invite Cities Alliance members and partners to submit stories on their activities with focus on lessons and impacts and best practices to be derived from such. For further details on providing such submissions send an email to: [Cakporji@worldbank.org](mailto:Cakporji@worldbank.org)

assistance provided under PATS has underpinned the discussions between the Government of Bahia and the World Bank regarding the new \$160 million state wide slum upgrading programme, Viver Melhor II (Bahia Integrated Urban Development Programme), which is currently being prepared. Viver Melhor II will also be based on the participatory, integrated and area-based methodology of Novos Alagados and Ribeira Azul.

These efforts demonstrate that political commitment, strong local and international partnerships, an integrated approach and strong financial partners can lead to improved impacts and scales of action.

For more details on the Ribeira Azul programme, contact Ivo Imparato at: [limparato@worldbank.org](mailto:limparato@worldbank.org)

### **Johannesburg Pioneers Municipal Bond Issue**

The [City of Johannesburg](#) in March this year became the first South African, and African city to issue Municipal Bonds to tackle the financial challenges facing the city and raising much needed capital. Municipal bonds are debt obligations issued by government entities to members of the public to generate income to meet their capital expenditure. The issuer of a bond guarantees to pay interest (coupons) annually and to repay the principal debt on a specified date. The interest paid on a bond is tax-deductible. Issuing bonds is standard practice for cities in much of the developed world.

Pegged at R1 billion, the issue was oversubscribed by 50 percent by the end of bidding. The bond was not guaranteed by the government nor secured by City assets. "Bid volumes in excess of the authorised R1 billion were received, resulting in an over-subscription of 1.5 times," confirmed Parks Tau, Councillor responsible for finance, strategy and economic development. The six-year bond was issued at a rate of 230 basis points above the benchmark, which in this case is government stock.

"It is encouraging to note that corporate South Africa, in particular the capital markets, has shown such confidence in the City," says Tau. Proceeds from the bond would go towards refinancing the City's debts and funding capital expenditure. Mayor of Johannesburg, Amos Masondo, adds that the bond will also be used to finance the development of infrastructure in the city, "In line with our government objective to improve the quality of life for citizens and to ensure a better life for all, this bond issue will greatly enhance our capacity to deliver services."

Johannesburg's ability to launch this successful bond issue derives in part from the ambitious reform programs which the city has undertaken within the framework of their iGoli 2002 and iGoli 2010 city development strategies. The Cities Alliance provided support to this CDS process.

For more information on the Johannesburg Bond issue please click here [www.joburg.org.za](http://www.joburg.org.za)

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### **>> Partnership News**

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### **Brazil Joins Cities Alliance**

Paying tribute to the candid dialogue and spirit of learning and partnership fostered by the Cities Alliance, the Government of Brazil has become the first developing country to join the Cities Alliance Consultative Group.

"It is common for international organisations to come and tell us how to do things," Ms. Erminia Maricato (Deputy Minister of the Ministry of Cities) told the Cities Alliance Consultative Group during its October 2003 meetings in São Paulo. "But we don't feel this way with this Group," she said. "We feel we can be part of the dialogue."

As one of the most urbanised of developing countries, with a long history of slum upgrading, Brazil is well positioned to contribute to the knowledge exchange and policy dialogue of the Consultative Group (CG). And the Cities Alliance, as Ms. Maricato noted, will provide Brazil an opportunity for strategic thinking on issues such as preventing the growth of new slums, creating economic opportunity, and options for sustainable financing of infrastructure investments.

Brazil has joined the other bilateral governments on the CG (all of the G-7, plus Netherlands, Norway and Sweden), plus four multi laterals (UN-Habitat, World Bank, Asian Development Bank and UNEP) and the heads of the major international associations of local authorities.

Brazil will be represented on the CG by the Ministry of Cities and by Caixa Econômica Federal, which is providing financial support for Brazil's membership. During its October meetings, the CG had lowered the minimum annual contribution required for membership by developing country governments, from US\$250,000 per year to US\$50,000 (or the equivalent in local currency). Brazil is expected to sign a three-year membership agreement later this month.

### **Strong Political Support in Norway for Cities Without Slums Action Plan and MDG Target 11**

Norwegian Minister of Environment and Chairman of the UN Commission on Sustainable Development (CSD), Børge Brende, convened a seminar on "The Challenges of Urban Poverty and Slum Eradication" in Oslo, Norway on 11 February 2004, in advance of the 12th Session of the CSD being held in New York from 14-30 April, 2004. Joining Minister Brende were Erna Solberg, Minister of Local Government and Regional Development, Hilde Frafjord Johnson, Minister of International Development, Olav Kjørven, State Secretary of the Ministry of International Development, and Tove Strand, Director General of the Norwegian Agency for Development Cooperation (NORAD) during which the ministers stressed the priority they attached to the Cities Without Slums MDG Target and the Alliance's strategic role in that process.

South Africa's Minister of Housing, Brigitte Mabandla, also participated at the Conference. She shared the lessons of South Africa's housing development and financing experience, stressing the critical role of the Cities Without Slums MDG Target in helping her government achieve poverty reduction targets. The Manager of the Cities Alliance Secretariat, Mark Hildebrand, made a presentation to the seminar on the [Status and Challenges of the "Cities Without Slums" Millennium Development Target \(Target 11\)](#).

Norway is producing a White Paper on International Development, which will reflect new priorities for development and urban poverty reduction.

For more on Mr. Børge Brende's initiatives, see the Norwegian Ministry of Environment's web page "Norway Chairs CSD" at: <http://www.dep.no/md/engelsk/csd12/>; including "The Commission on Sustainable Development: Focusing on Urban Slums", Habitat Debate, September 2003, Vol. 9, No.3.

Cities Alliance members' initiatives also available through Cities Alliance website at: <http://www.citiesalliance.org>

### **Governments of Sweden and Norway Increase Funding to the Cities Alliance**

The Governments of Sweden and Norway announced major new contributions to the Cities Alliance subsequent to the October 2003 meeting of the Cities Alliance Consultative Group in São Paulo.

The Swedish International Development Corporation Agency (SIDA) recently signed five-year agreements for Core funding and for the *Cities Without Slums* Facility for Sub-Saharan Africa (the "Africa Facility"). SIDA will greatly increase its Core contribution well above the US\$250,000 annual minimum, committing 15 million Swedish Kroner (SEK 15 million) for the first three years, through 2005 (approximately US\$650,000 per year equivalent at today's rates), with the option for an additional SEK 5 million for each of the subsequent two years, depending on the results of the next independent evaluation of the Alliance.

SIDA has similarly committed SEK 13 million to the Africa Facility through 2005 (approximately US\$550,000 per year), with an option for an additional SEK 5 million for each of the subsequent two years. SIDA joins Norway and USAID as contributors to the Africa Facility.

The Government of Norway recently increased its original US\$675,000 contribution to the Africa Facility, made in 2002, committing an additional 6 million Norwegian kroner (NOK 6 million) (approximately US\$875,000). Norway also provided a supplemental Core contribution for 2003 of NOK 1.8 million (US\$250,000), bringing its total Core contribution for 2003 to US\$500,000.

The *Cities Without Slums* Facility for Africa, initiated by the Norwegian Ministry of Foreign Affairs in October 2002, aims to address the underlying conditions for scaling up the attack on urban poverty in Sub-Saharan Africa, by supporting the efforts of national and local authorities and civil society in the region to design and implement programmes of action, in accordance with the [Cities Without Slums action plan](#). The Facility supports the efforts of organisations of urban poor and local authorities to build their capacities to be full partners in this development process. (Click here for more on the [Cities Without Slums Facility for Africa](#)).

### **Italy Continues to Support Scaling Up in Latin America**

The Italian Ministry of Foreign Affairs has indicated it intends to make an estimated US\$660,000 Non-Core contribution for an initiative titled, "Cities Alliance: Scaling up Successful Methodologies in the Latin America and the Caribbean region." This initiative would provide technical assistance to cities/states/countries in the region to help design and support sustainable and scaled up programmes following the methodological approach promoted by Italian cooperation and the Cities Alliance, most notably in the slum upgrading programmes in the State of Bahia, Brazil (described elsewhere in this newsletter).

The initiative will be implemented by prospective grant recipients and supported by the World Bank's Latin America and Caribbean region through arrangements with its staff based at the Cities Alliance offices at the University of São Paulo.

This funding would build on a previous, US\$475,000 Italian Non-Core contribution to support the Alliance's activities in the LAC region during 2001-2004.

Italian cooperation had previously announced its intention to make a new, EURO 5 million Non-Core contribution to the Alliance to support the scaling up of the Ribeira Azul slum upgrading programme (Salvador, Brazil) to other areas of the city and throughout the state of Bahia. The scaling-up process from community, to area development, to citywide and now statewide scales of action, has been made possible by the coherent efforts of the broad range of development partners who are directly contributing to these efforts.

### **Canada Launches "New Deal for Cities"**

During the recent GLOBE Conference in Vancouver, John Godfrey, Parliamentary Secretary in the Prime Minister's office with specific responsibility for cities, spoke of Canada's New Deal for Cities, which is about improving the quality of life for the 80 percent of Canadians who live in cities. Says Godfrey, "Canada's quality of life today and tomorrow is defined by the communities we call home, and all jurisdictions have a role to play to ensure that our municipalities are vibrant, healthy, dynamic places to live."

The new deal for municipalities has three components: reliable, predictable, long-term funding for cities; a new relationship among orders of government; and looking at federal programmes through an urban lens. This means a new relationship respecting provincial jurisdiction and bringing cities and communities to the

table.

This initiative is being run directly out of Canadian Prime Minister Paul Martin's office by John Godfrey and Michael Harcourt, former Mayor of Vancouver and Premier of British Columbia. The Prime Minister, Paul Martin, as well as several other ministers and some of Canada's most experienced mayors and urban managers attended the Conference.

The City of Vancouver itself is incorporating sustainability as a central element of its competitive advantage into every aspect of its planning and development, and is also focusing on developing related expertise with its academic and business communities positioning itself to be a center of excellence in this field. Vancouver will host the World Urban Forum in 2006 (and the Winter Olympics in 2010).

Mark Hildebrand, Manager, Cities Alliance Secretariat, participated in the Conference at the invitation of the Canadian government and presented [a paper](#). For more on the New Deal for Canadian Cities, go to <http://www.johngodfrey.on.ca/pages/cities-speeches.htm#NewDeal>

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## >> Upcoming Events

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### **Paris to host Founding Congress of United Cities and Local Governments, May 2–5, 2004. Cities Alliance City Development Strategies Workshop, Tuesday, May 4, 2004.**

The Founding Congress of **United Cities and Local Governments** will take place in Paris from 2nd to 5th May 2004, with the theme: "Cities, Local governments: The Future for Development." Since the Congress organisers, the International Union of Local Authorities (IULA), the World Federation of United Cities (FMCU), and Metropolis, the world association of major metropolises are members of Cities Alliance, the creation of **United Cities and Local Governments** will greatly strengthen the voice of local authority in the Cities Alliance.

At the request of Congress organisers Cities Alliance will host a session on City Development Strategies on Tuesday 4 May from 10.30am-12.30pm, focusing on how CDS are helping cities both in planning for their future growth and in strengthening their decision-making processes to balance economic, social and environmental progress. During its five years of existence, the Cities Alliance has supported a wide range of City Development Strategies in more than 90 cities and over 25 countries. Considerable progress has been made in collating the CDS experience, lessons learned, and tools from cities in all regions.

Four CDS processes, supported by the Alliance will be presented at the session:

**Sun Ping**, Deputy Mayor of Chengdu, China

**Rachid Talbi**, Minister of Trade, Industry and Telecommunications, Mayor of Tetouan, Morocco

**Mohammed Al-Shaibi**, Governor of Aden CDS, Yemen

**Andrew Boraine**, Chairman of the South African Cities Network, South Africa

The presentations will illustrate how comprehensive and well-executed processes can result in improved urban governance and pro-poor policies, as well as increased investment. They will also underline the importance of the involvement of national Local Government Associations, and the essential leadership role of city officials in actively involving the urban poor and local business leaders in a wider participatory process.

**Thierry Paulais**, of the French Development Agency, will act as Respondent at the session, while World Bank Director of Transport and Urban Development, **Maryvonne Plessis-Fraissard**, will Facilitate this session.

For more information on the United Cities and Local Governments and 2004 Founding Congress Programme go to: <http://www.cities-localgovernments.org/uclg/>

### **Shanghai to host Scaling Up Poverty Reduction Global Learning Process and Conference, May 25-27, 2004 -**

The city of Shanghai is gearing up to host the **Scaling Up Poverty Reduction: A Global Learning Process and Conference**, which will bring more than 600 participants, including five heads of state together, to discuss approaches that have been successful in reducing poverty. The event is being held as part of a global effort to accelerate poverty reduction by assessing practices and sharing valuable knowledge among developing countries. Seventy case studies, including the Cities Alliance's Ribera Azul Slum Upgrading program in Bahia, Brazil, will be analyzed, exemplifying successful, and not-so-successful, approaches to poverty reduction.

The activities are being sponsored by the World Bank, in cooperation with other multilateral and bilateral donors, the Chinese government and the city of Shanghai. According to Frannie Léautier, Vice President, World Bank Institute (WBI), "the World Bank, along with its partners, is sponsoring the conference because it is critical to share knowledge in order to expand, or 'scale up' results across regions and countries." The conference marks the first time that developing country practitioners and policymakers from around the world will share their expertise about what works, what doesn't, and why, she added.

For Liu Jian, director of the Chinese State Council Leading Group Office of Poverty Alleviation and Development, "Large-scale reduction of poverty in China has major implications for the progress of poverty reduction worldwide. International financial assistance and experience in poverty reduction has contributed to the development of poor areas in China. I hope that this cooperation and exchange will continue and play a

greater role in China's efforts to eradicate poverty."

The Shanghai municipal government is committed to providing full support to ensure success of the conference. For more on the Shanghai Conference go to:

<http://www.worldbank.org/wbi/reducingpoverty/index.html>

### **Barcelona to host Second World Urban Forum, September 13 – 17, 2004**

Some 3,000 delegates representing governments, local authorities, non-governmental organisations and other experts on urban issues from around the world are expected to converge on Barcelona, Spain from September 13 to 17, 2004 for the Second UN-HABITAT World Urban Forum. Held every two years, the World Urban Forum is a major international conference on the key challenges cities face today. It is estimated that over half of the world's population lives in urban centres. The World Urban Forum was created to analyse and respond to the challenges and opportunities associated with this growing urbanisation process - projections are that in the next 50 years two thirds of humanity will be living in towns and cities. The theme of the forum this year comes in the form of a question: "Cities: Crossroads of cultures, inclusiveness and integration?"

The Cities Alliance is organising a special event on Nationwide Slum Upgrading to be held on Wednesday 15th September, from 9:30 am to 12: 30 pm. This will feature presentations of national slum upgrading programmes by Thailand and Morocco.

For more on the World Urban Forum go to: [www.unhabitat.org/wuf/2004/documents/wuf\\_brochure.pdf](http://www.unhabitat.org/wuf/2004/documents/wuf_brochure.pdf)

### **eThekwini to Host Cities Alliance Annual Meeting, November 1–5, 2004**

The city of eThekwini (Durban) South Africa will host the annual Consultative Group Meeting and Public Policy Forum of the [Cities Alliance](#) in November this year. The Public Policy Forum (PPF), a pre cursor to the Cities Alliance's annual two day meeting of the Consultative Group, provides a platform for debating key international policy issues affecting city governance.

The Meeting will focus on the theme, "Making City Development Strategies Come Alive in South Africa," and will aim at unpacking issues arising out of and linked to the Implementation of City Development Strategies, as experienced by the nine member cities of the South African Cities Network. This will entail the consideration of two distinct but inter related physical contexts - the provision of shelter and the promotion of economic development - and will consider means to finance city strategies. Through this process, the opportunities and the challenges in implementing city development strategies will be highlighted.

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### **>> Cities Alliance Secretariat Update**

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A Senior Urban Advisor, an Urban Economist and a Communications Officer recently joined the Cities Alliance team.

**Dr. Rajivan Krishnaswamy**, the former CEO of the Tamil Nadu Urban Development Fund joins the Cities Alliance Secretariat as a Senior Urban Finance Advisor. He will be working with Alliance members and partners over the coming months, focusing on how cities mobilise domestic capital for infrastructure investments. The Alliance hopes to develop a process guidance framework to enable states/cities to access commercial debt. In the long run, domestic savings through capital markets is likely to become the predominant source of credit supply for developing country cities.

**Ms. Pascale Chabrilat** joins the Secretariat as Urban Economist on secondment from France's Caisse des dépôts et consignations (CDC). In addition to supporting the Alliance's activities in urban finance, she will assist Alliance members and their clients in integrating local economic development (LED) into CDS and slum upgrading programmes. Prior to her secondment, Pascale was the CDC's Territorial Development Manager in charge of implementing economic and urban support programs over a portfolio of 22 local communities in the region of Ile de France.

As Communications Officer **Dr. Chii Akporji** will work with Alliance members and partners to implement the Alliance's communications and dissemination strategy. Chii is keen to establish contact with her communications counterparts in member/partner organisations with a view to creating synergies with their ongoing efforts and communications support to city development strategies and citywide slum upgrading. Please contact her directly at [Cakporji@worldbank.org](mailto:Cakporji@worldbank.org) or give her a call at +1 202 473 1935.

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