

## Briefing Note to the Consultative Group:

Date: 22 10 2010

### 1. Progress of the ongoing “Evaluation of Project Implementation Modalities of the Cities Alliance” - **update**

This evaluation was requested by CG in 2009 to analyze and evaluate the different modes of project implementation, namely the ‘client execution’ and the ‘member execution’. For details and work progress please refer to the attached Briefing Note prepared by GHK. The draft final report is expected to be presented to CG in November 2010, but is not available yet at the date of this briefing note.

### 2. Draft TOR for the Independent External Evaluation of the Cities Alliance envisaged for 2011 – **CG endorsement requested**

The Cities Alliance has a long history of periodic evaluations, among them the evaluations required by the World Bank’s Development Grant Facility (DGF). A requirement for DGF funding is an independently-conducted evaluation each 3-5 years. The next independent evaluation is scheduled to be conducted starting early in 2011, with findings to be presented to 2011 meeting of the Cities Alliance Consultative Group (CG). **CG review and comment on the draft Terms of Reference (presented below) is requested, as well as CG participation in the evaluation process.**

The first independent evaluation was conducted in 2002 by the Development Planning Unit of University College London, with finding presented to the Consultative Group in October 2002 (Brussels). The 2006 evaluation was conducted Universalialia, with findings presented at the November 2006 CG meeting in Washington. Several other evaluations of the partnership have been conducted, including the Global Program Review by the World Bank’s Independent Evaluation Group in June 2007.

There is also the above mentioned *Evaluation of Project Implementation Modalities* of the Cities Alliance, for which draft final report will be presented at the Mexico City meeting of the CG. This evaluation focuses primarily on efficiency and efficacy questions, the scope of which has been taken into consideration in drafting the terms of reference for the 2011 evaluation.

Procurement of the evaluation contract is planned to commence immediately following the Mexico City meeting. The CG is expected to participate in the evaluation process, including making time available to cooperate with evaluation team, facilitate contacts, and provide project documentation and other project related information, as appropriate. The participation of CG members is also requested for the procurement process and during implementation of the evaluation (i.e., for review of interim and draft final reports).



# Evaluation of Project Implementation Modalities of the Cities Alliance

## Briefing Note

For the Cities Alliance

A report submitted by GHK

*Date: 22 10 2010*



[www.ghkint.com](http://www.ghkint.com)



**Document Control**

<i>Document Title</i>	Briefing Note
<i>Job No.</i>	J40252307
<i>Prepared by</i>	JAS
<i>Checked by</i>	
<i>Date</i>	21 October 2010

# CONTENTS

<b>1</b>	<b>OBJECTIVES AND SCOPE OF THE EVALUATION</b> .....	<b>5</b>
1.1	Objectives.....	5
1.2	Scope .....	6
1.3	Progress to Date .....	6
<b>2</b>	<b>INITIAL FINDINGS</b> .....	<b>7</b>
2.1	The Grant Facility Administration Process .....	7
2.1.1	A Review of the Grant Administration Process: Client vs Member Execution .....	7
2.2	Initial Observations from Data Review / Field Visits by key themes .....	9

# 1 OBJECTIVES AND SCOPE OF THE EVALUATION

## 1.1 Objectives

GHK Consulting Ltd was selected to undertake the Evaluation of Project Implementation Modalities of the Cities Alliance. The Terms of Reference define the objectives of the assignment as follows: “The evaluation of client and of non-client grant implementation for city development and slum upgrading projects in cities or at national level should provide evidence to assess the applicability and effects of [client and member] implementation modalities”. The evidence base emerging from the analysis will be used to provide guidance to the Alliance and its partners on improving ownership, ease of administration and the quality of projects and their results. The findings and recommendations will inform both strategic as well as managerial-level decision-making and business processes, and in particular will support the implementation of the Cities Alliance Medium Term Strategy, and the corresponding new CA business model.

The strategic goal of the Medium Term Strategy (MTS) is “for the Cities Alliance to increase its contribution to systemic change, and to scale.”<sup>1</sup> The specific meaning of “contribution to systemic change” and is “to scale” is currently being further elaborated through the CA ‘*Theory of change*’ and ‘*results framework*’. Both are important if these key goals are to be tracked.

Given that the MTS is yet to be fully implemented, this evaluation does not directly evaluate the Four Pillars of the Cities Alliance Work Programme:

- The Catalytic Fund;
- In-country Programming
- Knowledge and Learning; and
- Communication and Advocacy.

However, seeing the transition towards the MTS as part evolutionary this evaluation can have formative aspects in terms of the conceptual and operational refining of the MTS and the business model. Indeed, to varying degrees these “new” objectives are already partly captured in the existing assessment framework the CA Secretariat uses, for example around government commitment and approval, participation, scaling up, coherence of effort and linkage to follow-on investment.

In terms of client focus there is an intended shift in relative emphasis towards low income countries. Within this context, an important element of the Alliance’s core objectives, as articulated in its Medium Term Strategy, to ‘systematically increase ownership and leadership of cities and countries’. It is consistent with wider strategic agendas for increasing aid effectiveness through increased ownership- note in particular, *The Paris Declaration on Aid Effectiveness* (2005) and *Accra Agenda for Action* (2008).

This evaluation is intended to contribute to the implementation of the CA MTS. Throughout the study process GHK has maintained a regular dialogue with CA to ensure that MTS matters are fully considered.

---

<sup>1</sup> Cities Alliance: Medium Term Strategy 2008-10, 06 May 2008. Medium Term Strategy (MTS) Update to Executive Committee (EXCO) July 2010, MTS Update to CG October 2010.

## 1.2 Scope

The scope of the study was changed during the inception period and ratified in July 2010 at the CA meetings. Specifically, the following were agreed:

- Extending the desk reviews to include a further 7 projects in Mozambique;
- Extending the target field work to 6 case studies with a relative emphasis on Africa – Syria (1 project), Philippines (3 projects), Mozambique (8 projects), Senegal (1 project), Cameroon (1 project) and Malawi (1 project);
- Placing relatively more emphasis on the lessons going forward and the integration into the MTS.

## 1.3 Progress to Date

The further refinement of the conceptual framework, benchmarks and integration with the MTS has been on-going and with extensive engagement with the CA Secretariat. Desk reviews of the 34 projects have been substantially completed – with detailed analysis of the Grant Administration process and an assessment of the relative performance of the projects in terms of securing ownership and promoting participatory pro-poor approaches to urban poverty reduction. A further iteration of this process is underway.

The evidence base of the project files is mixed in terms of completeness and quality of reporting but did provide some clues to key issues and performance. Overall, the existing CA business processes provide only limited scope for capturing the benefits and results of the activities funded through the grants. It is not clear what monitoring systems and mechanisms are actually in place at *project level* that can be accessed to get longitudinal evidence on implementation progress and/or results. Hence the emphasis on field visits.

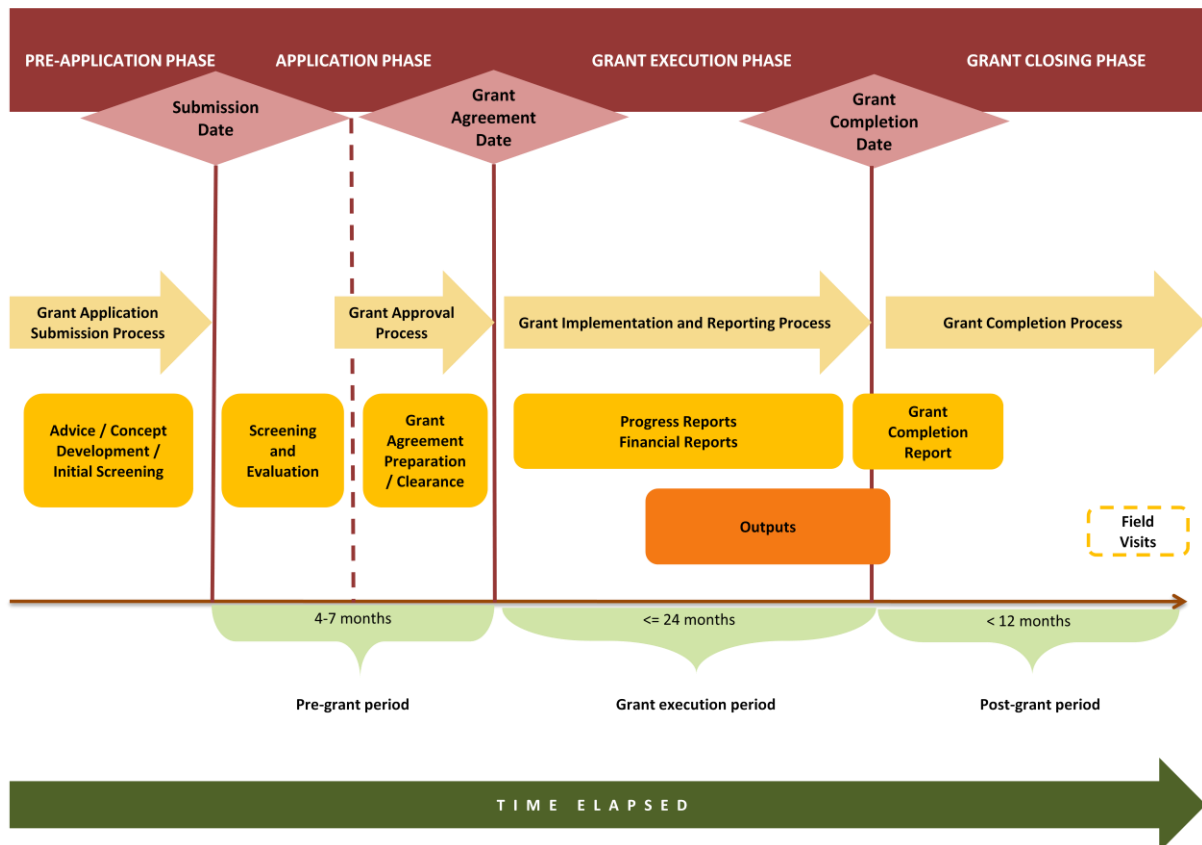
The field visit case studies are in progress. Field visits to Senegal, Cameroon, Malawi and Philippines have been undertaken and the data collection and analysis are well advanced – with cross-checking underway. The Mozambique case study is underway at the time of writing – week 18 – 22 October 2010. The Syria field visit is scheduled for week commencing 25 October 2010.

## 2 INITIAL FINDINGS

### 2.1 The Grant Facility Administration Process

The core focus of the Cities Alliance business model is Grant Facility Administration. The Grant Administration process is summarised in Figure 2.1

**Figure 2.1: The Grant Facility Administration Process**



#### 2.1.1 A Review of the Grant Administration Process: Client vs Member Execution

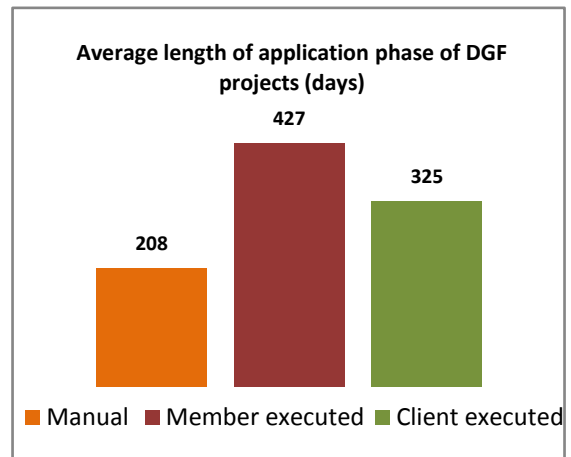
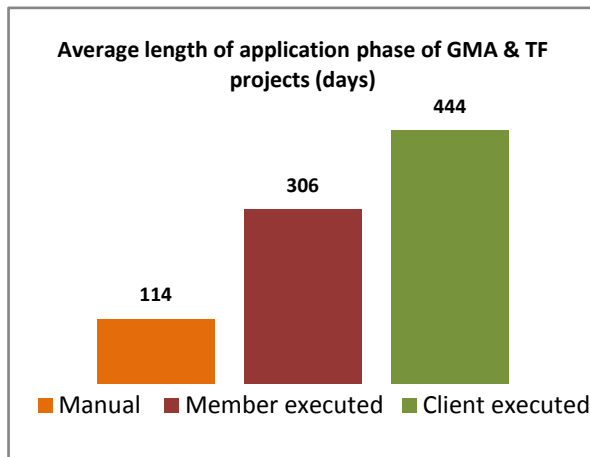
Depending on the source of funding, 3 types of grants are in use by the Cities Alliance. The preparation of each type of grant agreement requires different procedure and timing. The sources of funding are as follows:

- Development Grant Facility (DGF)
- Trust Funds (TF)
- Grant Manager Agreement (GMA)

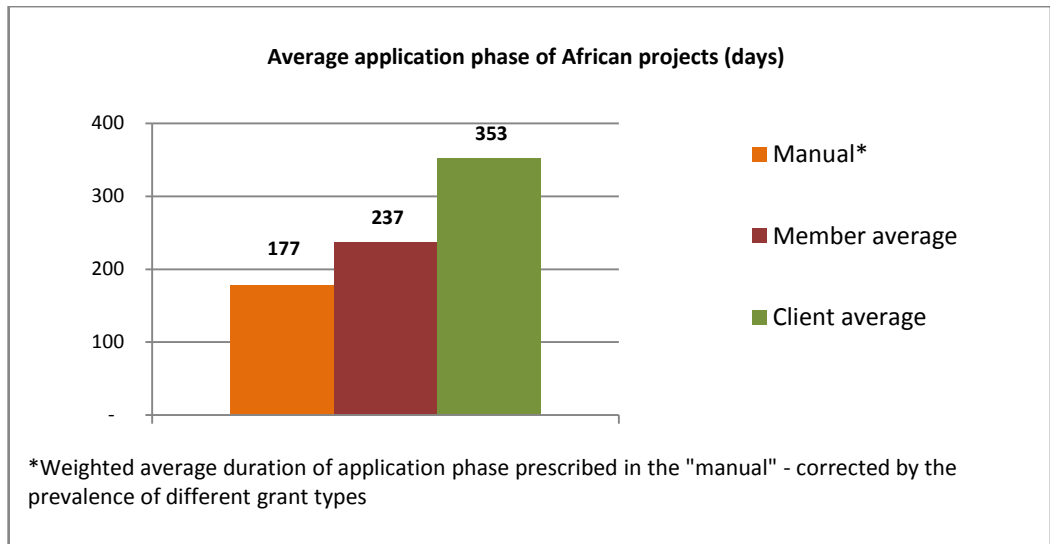
A detailed review of the 34 project data files reveals the following:

- The duration of the **application phases** of 32 projects (for which grant agreements were signed) were examined indicated that in 25 cases the duration exceeds the timing indicated in the CA procedure manual – the pattern is mixed in terms of Client vs Member execution for a range of reasons;

**Average length of application phase: Member versus client executed grants, all projects evaluated**



**Average length of application phase: Member versus client executed grants (African projects)**





- In the case of the **Grant Execution Phase**, there is a common tendency to over-run the initial Grant Expiry date – it is not uncommon for multiple extensions to occur. In the African context, there are again a range of factors, of varying degrees of control by CA / Members, that have contributed to project execution delays:

Problems delaying grant implementation	Member-Implemented Grants	Client-Implemented Grants	Total
Delay in disbursement of own contribution	3	2	5
Delay in disbursement of member contribution	1	1	2
Unfamiliarity with lengthy procurement procedures	0	2	2
Bureaucracy, slow decision-making processes at ministerial, local governmental level	3	1	4
Lengthy mobilization of local stakeholders or other administrative/ technical disruptions	1	4	5
Lack of experience in project planning and design - technical/financial	2	1	3
Unforeseen causes, eg. natural disasters, political instability, currency rate fluctuations, etc.	3	4	7

This section has briefly highlighted some of the challenges and problems experienced in the Grant Administration Process: also supported by direct Client and Member feedback. The Grant Administration Process has proved to be rather lengthy, at times administratively burdensome and less flexible than desirable given the relatively modest scale of the grants: these issues can impose considerable transaction and opportunity costs on already stretched local capacities. What has also been observed is that while demanding, the process of assembling background and contextual information was often deemed to be a worthy effort, improving knowledge and understanding of cities; a point emphasized in our African field visits in particular. This is important to project design and to the likelihood of CA support contributing towards pro-poor results given that primary controls are ex ante in terms of project quality and direct and close monitoring of Grant Execution is very limited.

## 2.2 Initial Observations from Data Review / Field Visits by key themes

The work completed thus far, while not yet complete, does provide some clues to key issues going forward in terms of key issues and potential recommendations to improve CA support.

- **Coherence of effort:** This is focused on the objective of achieving harmonization among CA Members – in line with Paris Declaration principles. Performance is mixed across the portfolio and even within particular countries: The *Metro Manila “Cities Without Slums” Strategy in Support of the Metro Manila Urban Services for the Poor Investment Program (MMUSP)* witnessed significant differences between ADB and UN-H post Grant Agreement signing where as the *City Development Strategies (CDS) in the Philippines: An Enabling Platform for Good Governance and Improving Service Delivery* seemed to bring a number of Members together at Application and Execution. In the case of Lilongwe, Malawi, UCLG worked collaboratively with JICA, and GTZ also contributed. This provided a good platform to build on, including getting the City of Johannesburg, backed by the SA Local Government Association, to assist in enabling the process to carry forward). Where Members jointly work together, if with different weight of effort, the likelihood of positive results may be enhanced. In the Douala / Cameroon case, where the

World Bank and AFD collaborated, there seemed to be a good complementarity that both improved the overall quality of the project and provided potential linkages to follow-on support (via AFD). ***Going forward, it is reasonable to place greater up front effort on defining roles and responsibilities of partners throughout the CA Grant Process (this includes not just in the Grant pre / application stage but also during Grant Execution). Extending this, consideration also should be given ensuring closer and more hands-on engagement of members (and the CA Secretariat as appropriate and practical): the cases of Cameroon, Senegal and to some extent Malawi emphasize the clients desire for greater on the ground support (reference to CA on the ground support was also directly mentioned in Senegal and Cameroon).***

- **Alignment:** This is focused on the objective of seeking to get alignment among national, local and other stakeholders around common direction and joined up working. This is a key challenge and one that deserves further attention. CDS / CWS projects can achieve strong local ownership and commitment to recommendations but may find it difficult to gain traction owing to wider national political factors and policy frameworks – the implication here is that success at the local level while crucial is not sufficient to achieve wider and much needed change to secure urban poverty reduction. In Cameroon and the Philippines, national and local level policy frameworks and priorities did not fully coincide. In the case of the former, the CDS was well received among a wide spectrum of stakeholders (the Mayor, CUD, Chamber of Commerce, NGO, AFD and World Bank) and adopted by the Mayor but future implementation hangs in the balance as Douala’s future investment priorities are not shared at national level where key investment decisions reside. More broadly, the Philippines, Cameroon, Senegal and Malawi all benefitted from improved knowledge (evidence base around poverty and services) and collaboration to better articulate and advocate for improve policy at all levels – this has been a strength of CDS initiatives (less so in the case of CWS initiatives in the Philippines). ***Going forward, it seems prudent for the CA to pursue multi-level support and engagement strategies aiming to better align national, regional and local level. National (urban) policy frameworks are important, indeed, critical to the likely success of CDS/SU type of initiatives and the core target of urban poverty reduction.***
- **Ownership and Execution Mode:** On the issue of depth of ownership and mode of execution there is no definitive pattern and making it a binary choice perhaps misses some subtle interactions of effective partnership working. There are cases where Members have been seen to diverge from the client / local stakeholder preferred direction of travel and thus risks securing ownership and commitment to institutionalization / follow-on implementation. The critical issue seems to be the nature of the relationship between the Member and the Client, the extent to which the Client is engaged in the Grant Application and Execution process and the “ways of working” whereby the Client has relative control over key decisions. In the case of Cameroon, the local executing agency, Communaute Urbaine de Douala (CUD), demonstrated strong ownership and critically secured wider local stakeholder ownership. The depth of ownership was likely enhanced by some valuable Member contributions in terms of guiding and providing important knowledge inputs into the CDS process at both Application and Execution phases. The Malawi case also reveals the importance of partnership working between Clients and Members, and indeed extending this more through engagement of the City of Johannesburg.

- Knowledge and Innovation:** One key value-added of the CDS / CWS projects supported in the African context was assisting Clients (the cities, civil society, urban poor representatives and to some extent national level partners) to better understand and acquire the evidence base on urban poverty and its drivers. From the early days of preparing Grants through (participatory) diagnostic exercises the case of Malawi, Cameroon and Senegal all benefited from CA / CA Member knowledge contributions: all stated the knowledge benefits of Member participation supported by CA Grant funding. Where urbanization and urban poverty issues have had limited purchase at national policy levels and where local capacities are weak, this is a very valuable contribution – and was recognized by Clients and their partners. The Philippines experience demonstrated some positive learning and knowledge sharing across projects and among participating stakeholders over time: this is a positive learning and capacity building outcome. In the case of Cameroon, the stated intention is to leverage the knowledge and experienced gained and try to replicate the work in other cities – again a good case of a Client gaining capacity through CA Members support on CA Grant supported activities. ***Going forward, this role needs strengthening and should be linked to wider strategies on national policy support and advocacy to improve enabling frameworks for urban poverty reduction.***
- Grant Execution Efficiency:** The previous section indicated that the Grant Administration Process has proved to be rather lengthy, at times administratively burdensome and less flexible than desirable given the relatively modest scale of the grants: these issues can impose considerable transaction and opportunity costs on already stretched local capacities. ***Going forward, it is necessary to continue to streamline and rationalize the financial and administrative processes to ensure they do not detract from client execution on the one hand and equally important do not remove a potential advantage of small grant type of facilities: flexible and response to client needs.***

## Terms of reference for an independent external

# Evaluation of the Relevance, Significance and Effectiveness of the Cities Alliance

Draft as of October 22, 2010

## BACKGROUND

The Cities Alliance is a global partnership established to promote the role of cities in poverty reduction, and sustainable development, established in 1999. In a technical sense, the Cities Alliance is a Global Programme and Multi Donor Trust Fund, hosted by the World Bank in Washington. Additional Information on the Cities Alliance (including its Charter, annual reports, evaluations, and list of activities financed) can be obtained from its website: [www.citiesalliance.org](http://www.citiesalliance.org).

Ten years after its foundation, the Cities Alliance is undergoing a reform process which reflects many of the changes in international cooperation in general, and the adjustments resulting from the experiences gained during one decade of operations.

The external and the internal changes of the conditions framing the work of the Cities Alliance include, but are not limited to

- The increasing role of Cities and Local governments for broader development goals much beyond their jurisdiction and specific legal mandate,
- The request to CA from members and partners to engage in a broad range of topics, and in policies and strategies at the local and the national level,
- The paradigm shift in international aid cooperation to more partnership-oriented forms of cooperation,
- The modified World Bank Policy on Trust Funds and Global Programmes, with its corresponding implications for the Cities Alliance, i.e. on substantive alignment and administrative mainstreaming,
- Adjustments in the implementation modalities of the CA, also in response to the Paris Declaration and Accra Agenda,
- The changing architecture of international cooperation, with the raise of new actors such as foundations and other international NGOs, as well as the increasing importance of networks and other less institutionalized forms of cooperation,
- Changes in the membership of the CA, and in its governance structures and processes,
- The increased recognition of urban development as a long term transformation process, and of its support correspondingly based on a multi-level and multi-stakeholder approach.

The reform process of the Cities Alliance has been incremental and is still ongoing, with modifications in structures and processes over an extended period of time,. Significant milestones have been achieved:

- The Charta from 1999 was substantially modified, and a new Charter adopted (tbd) by the Consultative Group of the CA in November 2010,
- The Medium Term Strategy of the CA reflects a new business model, broadening the range of instruments of operation of the CA,

- The implementation of various new instruments has begun with different speeds and progress, but which nevertheless permit initial assessments,
- Adaptation of Cities Alliance' work flows and procedures to World Bank requirements have been initiated

## OBJECTIVES OF THE EVALUATION

Based on a consolidated and comprehensive view of the Cities Alliance with the above mentioned modifications in structures and processes, and of the context the CA is operating in, the evaluation will assess the relevance, significance and effectiveness<sup>2</sup> of the Cities Alliance within the World Bank and within the global architecture of international cooperation in urban development.

Recommendations shall provide guidance to the Cities Alliance referring to its strategic orientation in terms of topics, approaches, instruments and operating modalities, in order to further refine and conclude its reform process.

## EXPECTED RESULTS

The evaluation should elaborate in depth on the following analyses and generate corresponding findings and recommendations:

- What are the relevant trends and conditions of international cooperation in urban development, which shape the context for the Cities Alliance?  
The evaluation will refer to the substantive topics of urban development, but will focus mainly on the international policies and institutional arrangements. The trends mentioned above are intended to give initial guidance to the evaluation and are not meant to be limiting its scope.
- What are the significant changes in the Cities Alliance, and what are their results for the Cities Alliance?  
The analyses should consider formal as well as informal arrangements and processes, structural and procedural aspects, facts and generalized perceptions. Special attention should be given to the redefined role of the Cities Alliance within the World Bank. The resulting synthesis should provide a comprehensive and consolidated view of the organization with its strength and weaknesses in the global architecture of international cooperation in urban development.
- Placing the Cities Alliance in both, the context of the World Bank and of the international urban development cooperation, as analyzed above, what adjustments and refinements are

---

<sup>2</sup> Based on the definitions by OECD DAC, to be further developed by the consultant to fully reflect the context relevant for CA

suggested to the Cities Alliance to further increase its relevance, significance and effectiveness?

The findings and recommendations can cover a broad range of substantive, structural, procedural, instrumental or managerial issues. The recommendations should be prioritized, synthesized and presented in a way to give effective guidance to the CG, ExCo and the Secretariat to successfully conclude the reform process.

## **METHODOLOGY**

The methodology should include, but is not be limited to:

- Analysis of the medium and long term trends in international urban development cooperation, through literature review, media analysis, interviews or other;
- Review of the CG and ExCo deliberations 2008-2010, especially on the MTS, Charter, business model and work programme, including the “working group on governance”, and including a review of the various versions of the Cities Alliance Charter, also its modifications before 2010,
- Review of previous evaluations of the CA, especially the recent “Evaluation of the project implementation modalities of the Cities Alliance”,
- Capture of the motivations for and the perceptions of the changes in the Cities Alliance from different constituencies, namely CA members; past, present and potential partner cities and national governments; and the CA secretariat. Appropriate emphasis will be given to capture the policies, motivations and perceptions of the World Bank, i.e. the urban sector board; SDN management; DGF/partnerships unit; and IEG.
- The analysis should be based on desk studies and interviews (i.e. of CA members, project partners such as local or national government, task managers, sponsors and other stakeholders, CA secretariat staff). Such interviews may include telephone, email, video conference communications and personal interviews.

The consultants will be requested to present the basic methodology in their proposals for the selection process. The quality of the methodology will be object of a significant part of the selection criteria. After selecting the consultancy, the methodology will be further developed by the consultant in cooperation with the CA secretariat and presented in the Inception Report. The consultant will prepare an inception report in English to be approved by the CA secretariat. The consultant may sub-contract certain tasks or topics, to be specified in the proposal and the inception report. Upon approval of the inception report, the consultant will proceed with the evaluation.

The written final report should be in English, digital format, and not exceed 50 pages, excluding appendixes. It should include an executive summary and a comprehensive narrative of evidence, findings and recommendations. The appendix should provide an adequate level of documentation to sustain the findings and recommendations.

The consultant should be in a position to present and discuss the recommendations with the Cities Alliance Consultative Group, Executive Committee and the CA secretariat in Washington or other locations.

## INDICATIVE TIME SCHEDULE

November 2010	Approval of TOR by CG, start of procurement process
May 2011	Targeted start of contract.
June 2011	Inception report from selected consultancy, including the detailed work plan, to be approved by the Secretariat in consultation with ExCo
September 2011	First draft final report from the consultancy.
October 2011	Final report to CA , Consultancy presents findings and recommendations

### CONTRIBUTIONS FROM CA MEMBERS AND FROM PROJECT PARTNERS

- Make time available to cooperate with evaluation team.
- Facilitate contacts with others within partners' organizations, and with external stakeholders, as appropriate.
- Provide project documentation and other project related information, as appropriate.

### OBLIGATIONS OF THE CA SECRETARIAT

- Provide key documents
- Facilitate contacts with Alliance constituents.
- Facilitate access to World Bank video conference facilities.
- Ensure independence of the evaluation.

### OBLIGATIONS OF THE CONSULTANT

- Inform the CA Secretariat in timely fashion of all contacts made with Alliance constituents.
- Treat documents in confidential manner.
- Not publish evaluation results or output without permission from the Secretariat.
- Return all Cities Alliance documents used in the evaluation.
- Report on a timely basis any possible conflicts of interest.