

Cities Alliance

Cities Without Slums

2018-2021

STRATEGIC PLAN

Implementing the SDGs





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Contents

Introduction.....	2
Executive Summary.....	3
A Operating Context.....	6
B Mission, Vision and Strategic Objective ..	10
C Focus and Strengths	12
D Business Model	14
E Points of Departure and Thematic Areas for 2018-2021	18
F Organisational Enablers	24
Annex 1. Country Programmes Theory of Change and indicators.....	27
Annex 2: The evolution of the Cities Alliance 1999-2017.....	30
Annex 3: List of Cities Alliance Members	31



Introduction

This Strategic Plan 2018-2021 builds upon and consolidates the main themes of the Medium-Term Strategy 2014-2017, which focused on the challenge of **Promoting Equity in Cities**. At the same time, it proposes significant refinements to the Cities Alliance's international profile and parts of its business model. In so doing, the Strategic Plan demonstrates one of the defining features of the Cities Alliance: Its ability to make significant changes to the structure and operations of the organisation, while still retaining a clear, consistent focus on its core values and mission, the reduction of urban poverty summarised through its vision, and signature tagline Cities Without Slums.

This Strategic Plan was drafted over the course of 2017 under the guidance of the Management Board and the Ad Hoc Strategic Committee, which comprises members of the Cities Alliance. [The document was adopted by the Cities Alliance Assembly at its annual meeting in Jinja, Uganda in December 2017]. The drafting of this Strategic Plan was informed by three developments, one global in nature and two directly related to the Cities Alliance:

- **New Global Agenda.** The adoption of the 2030 Agenda for Sustainable Development provided the most comprehensive and visionary global agenda to date. For the first time, the role and importance of cities was acknowledged by member states, impacting a significant number of the 17 Goals and 169 targets. The Paris Agreement on Climate Change clearly identified the existential nature of the threat posed by our current growth model and recognised the role of cities in providing solutions. Finally, the New Urban Agenda provides guidance to national and sub-national governments in implementing the 2030 Agenda in urban areas.
- **Consolidating a unique multilateral platform.** The United Nations Office for Project Services (UNOPS) has acted as Trustee and hosting platform for the Cities Alliance since 2013, during which period both Cities Alliance and UNOPS have made the necessary adjustments to ensure that the forthcoming years will allow for the most effective leveraging of our respective mandates and roles.

- **Evidence from two Independent Evaluations.** In preparation for this Strategy, the Cities Alliance competitively procured two independent evaluations. The first, undertaken by Accenture, provided an in-depth investigation of the Country Programme model. The second by McKinsey Company involved a detailed examination of the Cities Alliance's organisational health and relevance. These evaluations confirmed the overall relevance and reputation of the organisation and the significant developmental impact of its programmes on the ground.

Amongst the most important institutional messages contained in this document, this Strategic Plan clearly locates the partnership of the Cities Alliance within the UN system, providing a unique multi-lateral platform for a diverse and committed membership and an effective vehicle for the implementation of the Sustainable Development Goals (SDG) at the city level. Using the extensive reach and expertise of our host and Trustee UNOPS, the Cities Alliance multi-donor fund is a flexible instrument able to receive core and earmarked funds, and turn these into innovative, effective long-term operational programmes designed to have a lasting and transformative impact.

The successful delivery of the 2018-21 Strategic Plan will require the Cities Alliance to operate at new levels of efficiency and flexibility. Throughout its history, and particularly in the last few years, the Cities Alliance has been able to respond to changes in the international aid architecture, a more crowded city space and the evolution in funding patterns and priorities. Through this Strategic Plan the Cities Alliance will further demonstrate its ability to operate a transparent, and cost-effective business model, which leverages its operating environment, communicates effectively, and provides excellence in delivery and results - for the urban poor, women and, through them, for the whole city, and for all citizens.



Executive Summary

In the past two years, the international community has made unprecedented progress in formally recognising the role of cities in the international development agenda, not just as places of concern but, increasingly, as agents of progress and transformative change themselves. For the Cities Alliance, our primary focus remains the reduction of urban poverty particularly in the small and medium-sized cities that are instrumental to economic and social progress in almost all countries. However, more needs to be done to change current approaches to urban development, particularly in rapidly urbanising developing countries, where urban growth is too often characterised by inefficient growth patterns, environmental degradation, social exclusion and increasing economic, social and gender inequality.

This Strategic Plan is explicitly designed to align with and accelerate the implementation of the Sustainable Development Goals with a clear vision, ambitious objective, refined business model, and expanded focus areas. It also outlines some organisational targets for enhanced efficiency and flexibility.

CORPORATE VISION AND STRATEGIC OBJECTIVES 2018-21

Mission: We improve the lives of urban populations by delivering integrated, citywide and innovative solutions to urban poverty in cities where it matters the most.

Vision: We provide technical support and grants to local and national actors to deliver policies and programmes that directly address urban poverty and gender inequality

in cities. We are a leading agent for urban change with a clear focus on secondary cities in rapidly urbanising economies, working in those countries where it matters most. We also leverage the collective expertise of our partnership to catalyse new urban thinking and solutions at a global level.

Strategic Objective 2018-21: By 2021, as part of the global joint efforts to implement the Sustainable Development Goals, we seek to improve the lives of 20 million of the world's urban poor and empower women in more than 60 cities across seven or more countries.

Cities Alliance's ultimate objective is the improvement of the living conditions of the urban poor. While this is achieved through investments in low income settlements that address the symptoms of slums - most obviously the lack of services, poorly-located settlements, insecure tenure and poor housing - tackling the root causes of social exclusion and urban poverty requires a more comprehensive, citywide approach that include financial, governance and policy issues. In the long term, it is well run and resourced cities that will allow citizens to exercise their rights and responsibilities as part of a shared vision for their city. To facilitate this process and achieve tangible development results, the Cities Alliance supports three main approaches:

- The first and most direct approach is through facilitating the financing of physical interventions, typically managed through community development/upgrading funds, which directly affect livelihood and access to services for low income households;

¹ Typically, a minimum five years.

- The second method promotes larger-scale infrastructure investments directly linked and leveraged by the technical assistance activities - diagnostic, planning and project preparation - supported and provided through the Cities Alliance;
- The third component focuses on the legal and policy frameworks and the associated strengthening of local and national institutions. This implies encouraging significant changes in the ways cities are managed, their capacity and financial resources, including increased fiscal transfers from higher tiers of government and/or the better management of local revenue sources. These legal and policy changes will have significant direct and indirect long-term impacts on the way cities are run and develop.

Further information on Cities Alliance intervention logic, targets and indicators is included into Annex 1 to this document and the Cities Alliance Results Framework.

A REFINED BUSINESS MODEL

To more effectively deliver its mission and strategic objective, the Cities Alliance will refine its business model. From 2018, the Cities Alliance will manage and deliver its work programme through two distinct funding windows: an operational country/city window, and a normative global window. The country/city window is designed to become the conduit to most of the Cities Alliance's financing, providing technical assistance at city and national level across multiple countries.

The Country/City Window: Country Programmes and Innovation Fund

This window is centred around the established Country Programme model: longer-term¹ programmes tailored to the country's context and government's needs, delivered through financing a series of key urban sustainability initiatives in a coherent, sustained manner to achieve impact at scale. Country Programmes are implemented in partnership with national and sub-national government, and operationalised through Cities Alliance members and partner organisations active in the country. The Secretariat is generally responsible for ensuring the convening of members and partners that characterises Cities Alliance in-country activities, as well as technical coordination, financial support and fiduciary control.

The operational window also includes an Innovation Fund² that provides small grants to local authorities, non-governmental organisations and communities to support innovative approaches to urban transformation, promoting both new ideas and organisations.

The Innovation Fund will have additional flexibility in grant size, also allowing it to be used as a targeted instrument in support of Country Programmes.

The Global Window: Joint and Regional Work Programmes

Through member-driven Joint Work Programmes (JWPs), this window generates new knowledge and promotes analytical and collaborative approaches to tackle key policy issue. JWPs are multi-year programmes, facilitated and serviced by the Secretariat, which focus on policy challenges identified by the Management Board. JWPs serve as a coordination platform, knowledge hub and think tank for advocating new thinking on key urban issues. They also absorb, analyse and disseminate key lessons from Cities Alliance's operational activities.

The global window includes Regional Work Programmes, which operate as JWPs focusing on regional issues, opportunities and partnerships. They will help bridge the normative global window with the discrete country programming.

FOUR THEMATIC FOCUS AREAS

Building upon our track record on land, services and citizenship, we have identified four interrelated thematic areas to guide our work across the two windows: equitable economic growth, resilience, gender and migration.

1. **Equitable Economic Growth.** Technical assistance in countries will support more equitable, gender-responsive access to services, as well as collaboration between local authorities and formal and informal businesses to improve investment opportunities. Areas of technical intervention and normative work also include strategic local economic development, informality and its interfaces, municipal capacity to improve financial and asset management, resource leveraging and service delivery.
2. **Resilience, Cities and Climate Change.** The Cities Alliance will support activities that reduce the vulnerability of cities and communities by restoring and rehabilitating urban ecosystems, supporting resilience planning and developing local capacities to understand risks, and plan, finance and implement actions. The normative work will advocate the importance of an integrated and coherent approach to mitigation, adaptation and disaster risk management, and will promote the urban poor as custodians of the urban environment and agents of resilience.

² Previously known as the Catalytic Fund (CatFund)

3. **Gender Equality and Women's Empowerment.** Technical assistance will incorporate gender into local and national development planning and budgeting, including women's participation in decision-making processes, training city staff in gender mainstreaming, and supporting women's engagement with government. Global operations will focus on promoting the link between Gender Equality and development and the narrative to disrupt gender-neutral policies through research, knowledge, and advocacy.
4. **Cities and Migration.** The Cities Alliance will support partner cities, local governments, and communities to respond to, manage, and capitalise on the opportunities and contributions arising from migration, working on social cohesion and integration, secondary cities' capacity to plan for urbanisation and rural-urban transition spaces. The global window will deepen the understanding of the link between migration, urbanisation and development, fill crucial data gaps around the less visible but preeminent internal flows and attempt to change the persistent negative narrative on the subject.

CORPORATE ENABLERS

Successfully delivering our mission and the 2018-21 Strategic Plan requires a business model that leverages the opportunities within our institutional operating environment. It also requires communicating effectively

and providing excellence in delivery and results. We are optimizing the flexibility and efficiency of the Cities Alliance by:

Leveraging UNOPS. Positioned within the UN system through its hosting arrangement with UNOPS, Cities Alliance is able to draw on a solid infrastructure to fulfil its mandate and implement its operations. In the future, this infrastructure will be leveraged more strategically through strengthening the institutional and operational opportunities presented by UNOPS.

Strengthening communications. The Cities Alliance will implement a new communication plan to clearly articulate the unique value propositions for donors, members, implementing partners and beneficiaries. It will highlight the Cities Alliance's institutional grounding within the UN system and the complementarity and synergies we can leverage, both through the hosting arrangement with UNOPS, as well as through Members and partners. The plan will also help Cities Alliance communicate and disseminate its work more strategically using a range of channels and materials.

Increasing flexibility and efficiency. Increasing the organisational efficiency and flexibility of Cities Alliance will enable the organisation to respond to the challenges that characterise its operational environment and successfully deliver the 2018-21 Strategic Plan objectives. Three drivers will guide organisational efficiency and flexibility improvements: the mobilisation of resources; the costing of programmes and projects; and the means of implementation, including the effectiveness and competitiveness of its grant system.



OPERATING CONTEXT



The past two years have seen the emergence of a new, comprehensive global development agenda, with the 2030 Agenda for Sustainable Development at the centre. The 17 Goals and 169 targets set a clear framework for action. They explicitly recognise the importance of cities and substantially rely on the capacity of sub-national governments to meet international commitments, for which the New Urban Agenda provides guidance. The Paris Agreement sets out a clear framework and action plan to tackle Climate Change and the role of cities in addressing these commitments is increasingly being recognised.

These agreements are extremely timely as the actions taken over the next 5 to 20 years will largely determine whether most of the world's cities can adopt a lower carbon, more equitable, regenerative and redistributive economic model. This scenario creates urgency to find the new institutional catalysts and to support national and sub-national governments, corporate and private citizens to find new ways of working together to deliver a common future.

The adoption of a global agenda for cities occurs at a time of great fluidity and uncertainty, influenced by several cyclical and structural trends affecting the international context:

- At the **global level**, there are growing levels of inequality, with ever-widening income disparities in developed and developing countries, further deepening gender inequality in particular. Vulnerability to rapidly changing climate is increasing, as is resource scarcity and competition. The effects of uneven demographic changes – characterised by declining fertility rates and aging in developed countries, and a youth bulge of unprecedented size seeking meaningful employment in developing countries – are now being felt on labour markets and welfare systems worldwide. Finally, over the past decade, a surge in refugee numbers combined with the persistent growth of international migration within and across continents is placing new strains on the policies and resources of sending and recipient countries alike.
- At the **country, city and sub-national level**, a combination of inadequate resources, ineffective policy choices, and poorly-managed rapid urbanisation has long replaced the capacity of planning to guide urban growth. As a result, the bulk of urban growth in developing cities is unplanned, informal and incremental. While the overall benefits of agglomeration and economies of scale are clear, the divergence of social and economic outcomes between and within cities is growing; rapidly urbanising cities find themselves unempowered and under-resourced to meet both current and future demands, deepening the existing infrastructure backlogs and straining natural resources, particularly the urban environment.

In addition to the above trends, there are other recent changes to the framework of urban development and international assistance:

- The diversion of significant development resources towards short-term humanitarian crises;
- The increasing requirement that foreign assistance be used to promote national economic interests, especially via trade;
- The demand for comprehensive reform of the UN system, driven by changes in major funding and objective needs for rationalisation;
- A growing interest and number of players joining the cities space, improving capacity but also fuelling fragmentation and competition;
- An increasingly complex funding environment with more opportunities and resources, but also non-traditional donors and new financing mechanisms;
- A greater tendency for sub-national governments to combine forces and provide leadership, especially in the absence of clear or bold national leadership; and
- The increased interest of large corporates to engage in the urban sector in developing markets.



Against this background, the terrain for global urban development is unsettled, with many organisations exploring how to respond to these international shifts and new agendas. For its part, the Cities Alliance has already undertaken important steps to re-evaluate and reposition itself: changing its institutional platform, strengthening its governance, diversifying its membership, evaluating its impact, and revising its business model. As such, the Cities Alliance is extremely well placed to provide the global platform for new and existing organisations wishing to engage in sustainable urban development.

With its organisational base in UNOPS, the Cities Alliance is a tested operational platform with a clearly defined focus, supported by a truly global perspective coupled with solid analysis of local needs. It has an established track record of working with partners to combine complementary strengths and specialisations to respond to local and national needs. The Cities Alliance has a strong reputation for convening members and partners to operationalise integrated approaches to city development, combining different sectors and organisations alike in strategies that assist cities of all sizes.

TREND	IMPLICATIONS FOR THE CITIES ALLIANCE
<p>Cities increasingly recognised as important sites of sustainable development action addressing migration, climate change and economic inequality</p>	<p>City-wide, long-term and programmatic responses are appropriate, but stronger attention needs to be paid to local government capacity, and non-state resource mobilisation working more directly with local governments. An active role for national associations of local governments is essential.</p>
<p>Persistent structural challenges at city level in terms of infrastructure and service backlogs, poor planning, weak municipal capacity and revenues, unemployment</p>	<p>Keep promoting an integrated approach through the themes of the Joint Work Programmes and the multi-sectoral Technical Assistance (TA) in Country Programmes. Membership and partners' composition should combine implementation capacity and expertise in these areas.</p>
<p>Infrastructure backlog in cities and increased private sector interest in cities</p>	<p>Review Country Programme methods to engage the domestic private sector and international financial institutions (IFIs) from the early stages of development, closing the gap between the upstream TA and project preparation. Reorient TA to business environment initiatives and attract the necessary specialised expertise.</p>
<p>Increased number of players and growing fragmentation in the city space</p>	<p>Leverage our more than 17-year track record and experience. Reinforce our reputation as a neutral, diverse, multilateral UN-based partnership with a multi-donor fund and global grant-making expertise while consolidating our niche, specialities, and the unique value delivered to stakeholders and beneficiaries.</p>
<p>New modalities of aid provision with more complex systems</p>	<p>Provide cutting-edge support to national and local partners, delivering value for money to donors and creating a sustainable funding base. Refine the financial aspirations in line with ambitious programmatic objectives. Outline a comprehensive business development strategy backed by targeted outreach and research for innovative forms of financing to complement traditional bilateral funding. Reinforce the brand and overall external communications.</p>
<p>Diversion towards humanitarian crises, increased earmarking, bilateral aid and UN uncertainty</p>	<p>Consolidate relationship with UNOPS, recognised as a model UN agency. Keep promoting multilateralism and the spirit of the 2005 Paris Agenda while demonstrating organisational capacity to deliver complex programmes with real impact. Advocate that current global crises - such as migration - have strong development roots which need long-term perspective and comprehensive solutions.</p>

B

MISSION,
VISION AND
STRATEGIC
OBJECTIVE



The Cities Alliance is the global partnership supporting cities to deliver sustainable development. To manage its activities, the Cities Alliance operates a multi-donor fund with UNOPS as host and Trustee.³ The Cities Alliance is therefore governed by the values, rules and procedures of the United Nations and located therein. The Cities Alliance has a unique and diverse membership of over 30 members that provide strategic direction, contribute to the financing of the Fund, and engage in normative and operational activities. This strategic plan is centred on an ambitious vision, mission, and objective contributing to the Sustainable Development Goals.



Mission

We improve the lives of urban populations by delivering innovative, citywide and integrated solutions to urban poverty in cities where it matters the most.



Vision

We provide technical support and grants to local and national actors to deliver policies and programmes that directly address urban poverty and gender inequality in cities. We are a leading agent for urban change with a clear focus on secondary cities in rapidly urbanising economies, working in those countries where it matters most. We also leverage the collective expertise of our partnership to catalyse new urban thinking and solutions at a global level.



Strategic Objective 2018-21

By 2021, as part of the global joint efforts to implement the Sustainable Development Goals, we seek to improve the lives of 20 million of the world's urban poor and empower women in more than 60 cities across seven or more countries.

³ The Cities Alliance was hosted by the World Bank from 1999-2013.



FOCUS AND STRENGTHS



The Cities Alliance both actively contributed to, and benefits from, the recent international recognition of the importance of cities. As the global partnership supporting the role of cities, the Cities Alliance provides:

- Direct operational support to urban programmes aimed at reducing urban poverty and gender inequality. It does so in countries grappling with rapid urban growth, particularly in secondary cities where the needs are greatest and resources the least; and
- The international platform which convenes countries and diverse organisations seeking to engage, learn and to share their specialised knowledge, expertise and resources in support of a common vision and advocacy.

PRIMARY FOCI



Urban poverty has always been at the heart of the mission of the Cities Alliance, which is emphasised by the Cities Without Slums tagline.

The ultimate beneficiaries of Cities Alliance activities are the urban poor and **women**. Despite the progress inspired by the Millennium Development Goals (MDGs), too many national governments have not put in place either the policies or institutions needed to manage rapid urban growth. For these and other reasons, income and gender inequalities continue to widen while the urban environment is further degraded. Current patterns of urbanisation are unsustainable, and the current model of growth is not within planetary limits.⁴



The **geographic footprint** of the Cities Alliance has always been informed by two drivers:

(i) a focus on those countries and cities where the concentration of poverty is deepest; and (ii) prioritising support to those governments demonstrating political leadership. Within this approach, the Cities Alliance pays particular attention to the needs of *secondary cities*, where the bulk of population growth is to be found, where backlogs and needs are greatest, and where resources are weakest. It is precisely within small and medium-sized cities that national economies will be built, prosperity shared, and successive generations educated and employed. Finally, the Cities Alliance will include more **fragile and transition** countries where its programmes are both needed and effective.⁵

Key Strengths

WHO WE ARE	WHAT WE DO (AND WHERE)	HOW WE DO IT
<ul style="list-style-type: none"> • Multilateral partnership, hosted by a UN agency • Multi-donor trust fund focused on urban poverty and gender inequality • Experienced, with a strong track record • Credible both on the field level as well as on the international development stage • Internationally recognised platform on which a broad constituency of organizations focused on urban topics can convene 	<ul style="list-style-type: none"> • Adopts an integrated multi-sectoral approach to urban poverty alleviation by conducting targeted, innovative, context-specific interventions at the core of urban poverty • Elevates its evidence-based learnings from its fields experience to catylyse urban development change at a global level • Principled, i.e. takes a clear, uncompromising stance on key issues and is not hesitant to advocate for such • Channels state and non-state investments to the sub-national grassroots level of cities • Operates in secondary, under-served cities in developing countries where poverty is pervasive 	<ul style="list-style-type: none"> • Delivered through its partnership, comprising a broad range of the most relevant constituencies in the cities space, at the national, regional and local levels • With strong country-level oversight, resulting from a local presence to coordinate programmatic activities • Flexibility, with a light governance structure that enables us to efficiently handle earmarked funds • Efficiently and reliably, with strong safeguards to ensure prudent management of funds • Sustainably, with potential for follow-up investments*

* E.g. in infrastructure via IFI's members and UNOPS

⁴ German Advisory Council on Global Change (2016). Humanity on the move: Unlocking the transformative power of cities. Flagship Report.

⁵ In country programmes, the general focus on secondary cities will often include some interventions in mega and primary cities / capitals because of the economic, political and spatial interdependence within a national system of cities.

D

BUSINESS MODEL

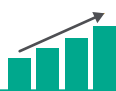


To more effectively deliver its mission and strategic objective, the Cities Alliance will refine its business model to make it more effective, holistic and easier to understand. From 2018, the Cities Alliance will manage and deliver its work programme through two distinct funding windows: an operational country/city window, and a normative global window.

Thematic guiding lenses

Thematic lenses anchored to Joint Work Programmes

GROWTH



GENDER



RESILIENCE

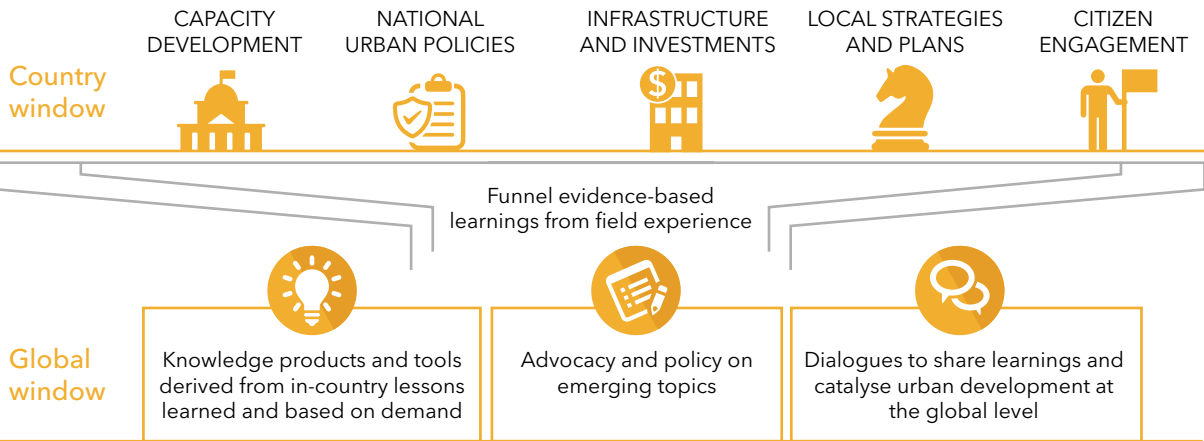


MIGRATION

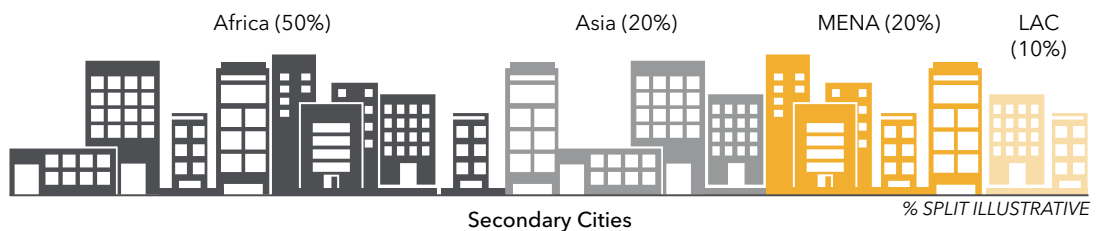


What we do

Technical assistance delivered through grants to partners, catalysing state and non-state investments, and supported by a coordinating presence on-the-ground



Where we work



The **Country/City Window** is centred around the established **Country Programme** model. These are longer-term⁶ programmes tailored to the country's context and needs, delivered through financing a series of key urban initiatives in a coherent, sustained manner to achieve impact at scale. Country Programmes are implemented in cooperation with the national government through members and partner organisations active in the country, particularly those representing the urban poor and women. The Cities Alliance Secretariat provides the convening and collaborative design, technical coordination, financial support and fiduciary control.

The country window also includes an **Innovation Fund**⁷ that provides small grants to local authorities and communities to support innovative approaches to urban transformation, promoting both new ideas and organisations. The Innovation Fund provides for a wide geographic spread.

The **Global Window** promotes new analytical and collaborative approaches to tackle key policy issues, managed through member-driven **Joint Work Programmes (JWPs)**. These are multi-year programmes, facilitated and serviced by the Cities Alliance Secretariat and focus on themes identified by the Management

Board. The themes are significant policy challenges that require new collective responses. JWPs perform a variety of roles – coordination platform, knowledge hub and think tank – and are able to advocate new thinking on key urban issues. Finally, JWPs absorb, analyse and disseminate key lessons from Cities Alliance's operational activities. The global window also includes **Regional Work Programmes**, which operate as JWPs and focus specifically on regional issues, opportunities and partnerships. Regional Work Programmes will help bridge the normative global window with the discrete country programming.

To deliver its vision and strategic objective, the business model is primarily centred on the country operations window with technical assistance and implementation⁸ delivered through grants to partners and explicitly focused on catalysing follow-up investments (see Annex 1 for more details). Relevant field experience is funnelled to the global window and its Joint Work Programmes, which address the four thematic focus areas of this plan, and where appropriate to the Joint Work Programme on 'Coherence of effort for the Global Agendas'.⁹ In return, knowledge products, advocacy and dialogues of the global window find practical application into the country operations.

The 2018-21 business model in figures¹⁰:



⁶ Typically, a minimum five years.

⁷ Previously known as the Catalytic Fund (CatFund), but with additional flexibility in the size of grants.

⁸ Technical assistance support at country/city level typically consists of diagnostics, planning, policy advice and development. Cities Alliance also supports long-term institutional strengthening, capacity development, community engagement as well as infrastructure developments delivered through dedicated funds.

⁹ This JWP is a second phase of the Habitat III JWP (2014-2016), which supported the successful global advocacy movement to include SDG11 in the 2030 Agenda and guided members through the process to Quito (October 2016).



























¹⁰ Poverty figure calculated on rate averages across ten secondary cities and one primary cities per country.

The countries where Country Programmes will be conducted are identified from a larger pool of priority countries. In those priority countries, the Cities Alliance Secretariat will scope out initial forms of cooperation, establish field presence, and pursue partnership and resource mobilisation activities. The selection of priority countries is the responsibility of the Management Board and is based on a set of predefined criteria related to:

(i) potential impact vis-à-vis the strategic priorities (e.g. degree of urban poverty, density of migrant populations, gender inequality, population of secondary cities); and (ii) feasibility (e.g. political will, existing country knowledge, experience, networks on the ground, partnership presence, and potential for investment).

The table below shows an *illustrative* list of priority countries for Country Programmes:

ILLUSTRATIVE

	Burkina Faso				
	Ethiopia				
	Ghana				
	Liberia				
	Mozambique				
	Nigeria				
	Senegal				
	Sierra Leone				
	Uganda				
	Zimbabwe				
	SSA Africa		Bangladesh		Algeria
			Cambodia		Lebanon
			Laos		Tunisia
			Vietnam		Middle East & North Africa
			Asia		Guatemala
					Haiti
					Jamaica
					Nicaragua
					Paraguay
					Latin America & Caribbean



POINTS OF DEPARTURE AND THEMATIC AREAS FOR 2018-2021



The cities where the Cities Alliance works typically face several challenges. These include a significant mismatch between the local government's jurisdiction and the functional city, outdated and overstretched infrastructure, unreliable transfers from the national fiscus, weak institutional capacity, incomplete and outdated data, restricted authority to generate revenue, and wholly inadequate administrative capacity.

The result of these constraints is evident in most developing countries - the bulk of urban growth is informal, unplanned and incremental, often accompanied by significant sprawl and urban degradation. Whether through official indifference or lack of capacity, new citizens are obliged to find their own solutions for land, services and economic opportunity, often exacerbating social tensions and inequalities.

The Three Points of Departure



Governance

Fragile National
Enabling
Environment
and Local
Government
Capacity

The starting point for any successful city is effective governance, including the impartial application of the rule of law, transparency, accountability to all citizens and meaningful civic participation. In our experience, most governance issues for cities revolve around two conditions:

1. **Any city needs clearly defined autonomy, authority and resources**, provided within a national policy environment that codifies institutional, legal and fiscal arrangements. While decentralisation policies have long accompanied more representative forms of governance, the agenda and reforms often remain incomplete. However, these conditions are also essential for effective technical assistance, particularly at the local level, which is the primary focus of the Cities Alliance.
2. In most of the countries in which the Cities Alliance operates, **local government is often regarded as little more than an administrative function**. Secondary cities are particularly dependent on decisions and resources from higher tiers of government. Few have either the authority or adequate human resources to properly manage and grow the city, or to serve all citizens. In our experience, often the cities that most need support and technical assistance are least able to engage it.



Markets

Unlinked
Informal
Economy and
Land Markets

In developing cities, informal producers and traders are responsible for a significant part of the local economy, contributing to both job creation and the national gross domestic product (GDP). However, in the minds of too many politicians and officials, informality is more likely to be associated with illegality than with entrepreneurship, human resilience and innovation. As a result, **informality frequently becomes vulnerable employment and, due to the low and insecure incomes and livelihoods, informal employment also often overlaps with lack of legal protection, slum residency and poverty**. Despite the official and negative views, embracing a hybrid economy offers a tested, pragmatic route to transformational change that benefits both the city and the working poor. Our experience consistently shows that cities that integrate informal activities into value chains are far more likely to be successful than those which demonise, harass and punish informal workers and traders.

Properly functioning, transparent and efficient land markets are a basic precondition for a city's economic growth and social and shelter stability. Most urban land markets in developing countries are opaque, distorted and inefficient. In Africa, the coexistence of customary land ownership and common law property rights is still one of the most critical (yet resolvable) challenges, impeding the ability of city governments to plan for development and finance their investments. Unclear land ownership and tenure security directly impact the urban poor, undermining their rights to land, services and housing, boosting price inflation, and leaving them more vulnerable to external shocks. In the absence of regulatory frameworks, many of these land markets will be vulnerable to the emergence of parallel and corrupt land markets.



Rights

Unrecognised Citizenship

Because it is hosted on a United Nations platform and is informed by extensive experience of exclusion and discrimination carried out in the name of development, **the Cities Alliance is guided by an overarching human rights framework** which provides the moral, developmental and legal basis of our activities. The work of the Cities Alliance is guided by the relevant established international protocols and instruments, such as those dealing with the rights of women and girls, as well as more recent rights-based approaches, such as **the emerging consensus on the Right to the City**.

Given the Cities Alliance's close and historical association with the interests of the urban poor in general, and slum upgrading in particular, there is **one constant human right issue of most direct relevance - that of involuntary resettlement or, more accurately, forced evictions**. For a variety of reasons, there has been a marked increase in the use of large-scale mass evictions, undertaken with extreme violence, sometimes directly ignoring court rulings. Based on its experience and that of its members, the Cities Alliance is uniquely well-positioned to provide proven, pragmatic alternatives.

Future cities are best planned by starting from where they are. This is where the Cities Alliance and its members begin, guided by the multi-sectoral, integrated approach to city development that is the hallmark of Cities Alliance operations. It is against the reality of this context that we have identified four thematic areas - equitable economic growth, resilience, gender and migration - to guide our work. These themes are addressed by the Joint Work Programmes in the global window, but they also provide new angles to the technical assistance at the country level.

The Four Thematic Focus Areas

EQUITABLE ECONOMIC GROWTH



RESILIENCE, CITIES AND CLIMATE CHANGE



GENDER EQUALITY AND WOMEN'S EMPOWERMENT



CITIES AND MIGRATION



Aware of the points of departure and in support of its mission and the overall objective of the Strategic Plan, the work of the Cities Alliance is guided by four thematic focus areas. These focus areas provide important lenses to help organise, analyse, design and strategically programme our work across the two windows.

The thematic focus areas of the Cities Alliance are strongly interconnected in many ways. Responding to climate change requires clean and reliable energy sources as well as completely new approaches to production and consumption. Induced climate shocks or economic crises are key push factors of migration, and the population flows in cities have always been linked to labour force and social integration. The urban economy has strong ties to livelihood, but it cannot be the only indicator of just societies. Local governments have moral and ethical obligations towards their citizens, and especially towards women who carry the greatest burden, often with little recognition or reward. Through their interlinkages, the four themes are expected to be operational in all Cities Alliance interventions, although in different combinations depending on context, needs and demand.

The work on these four thematic areas will be managed through their respective Joint Work Programmes, which are driven by interested members and partners and coordinated by the Secretariat. Their outputs will also be supported by the Joint Work Programme on 'Coherence of effort for the Global Agendas', which will inform the work of the Cities Alliance across the two windows and support the individual work of Cities Alliance members. This Joint Work Programme is intended to make a significant contribution to increased coherence of effort towards the implementation of the Global Agendas in, and with, cities.¹¹

FOCUS AREA 1 EQUITABLE ECONOMIC GROWTH IN A SYSTEM OF CITIES

Context: Historically, there is a strong relationship between the economic growth of cities, national economic growth and both urban and rural poverty reduction. Well-run cities are centres for opportunity, investment and innovation. However, the distribution of these gains has been far from

¹¹ Particularly the 2030 Agenda for Sustainable Development, the Paris Agreement, and the New Urban Agenda.

Our Thematic Objective

The Cities Alliance will assist cities in its partner countries to develop equitable and sustainable growth trajectories that prioritise local capacity and resources.

inclusive. Levels of inequality within cities of all sizes are increasing, and visible through the erosion of welfare, declining wages and growing poverty. Moreover, there are stark unemployment challenges for an entire generation, with 43 per cent of the global youth labour force either unemployed or working yet living in poverty.¹²

Well-run cities can reduce and redress these imbalances. Well-targeted local policies and investments in public services can safeguard equity by facilitating access, particularly when targeted towards women in the informal economy. They can also provide economic gains by improving the enabling environment for formal and informal businesses and productivity. However, it is essential that these policies are supported by national frameworks that empower local governments to design, finance and pay for public goods.

Arguably the single most important component of sustainable paths to growth is the challenge of public and private investment in cities, facilitated by development assistance where appropriate. The infrastructure and service backlog can be eased by resources mobilised through decentralisation and revenue collection programmes, but this will not be sufficient without a complementary injection of private sector investments. Understanding the needs and enablers which can stimulate private sector investments as well as how to improve public-private cooperation and coordination are common developmental themes yet to be unravelled.

A less investigated aspect concerns the unequal settlement growth across a country, which limits the leveraging of economic opportunities resulting from the mobility of goods, services and people across rural-urban territories and between cities. Improving connectivity between cities, building up supply chains to support local investment and jobs, and developing new markets based on rural-urban trade opportunities will all have important benefits in a national system of cities.

Building on Past Success. The Cities Alliance has a unique track record in interventions to provide equal access to basic services, including through the provision of small-scale community infrastructure in informal areas. Historically the Cities Alliance has focused more on services that support basic needs (land, essential services, shelter) rather than services that support production, trade and investment. The Cities Alliance has also supported cities with technical assistance on municipal finance, local economic development, vocational training and, at the national level, promoting institutional reform (notably fiscal systems and borrowing frameworks). The Equitable Economic Growth Joint Work Programme is leading normative and diagnostic work to promote common understanding of the link between public services and

equitable economic growth, and the role of local policies and interventions. At the core of this challenge is unlocking the relationship between access to public services, increased productivity, and public-private cooperation.

Country and City Window. Country and City Programmes will support national reforms that empower the economic choices of cities such as: Rationalising fiscal transfers and identifying new as well as improving existing local revenue sources to allow for city medium-term planning; providing diagnostic work to inform national and development assistance programmes for cities; enhancing linkages, services and collaboration between cities to support economic and rural-urban trade development corridors and clusters; and reducing functional and geographic fragmentation in service provision, thereby improving supply, quality, and accountability.

At the city level, technical assistance will help to ensure more equitable and gender-responsive access to services, as well as collaboration between local authorities and formal and informal businesses to map basic gaps and improve the dialogue, data generation and investment opportunities for infrastructure and services. Finally, the Cities Alliance will help cities with strategic local economic development, capacity development to improve financial and asset management, resource leveraging and service delivery.

Global window. Building on the strength of the multi-stakeholder platform with major development actors provided by the JWP, the Cities Alliance will lead the preparation of high-level policy dialogues, innovation exchanges and knowledge products to address policy gaps in institutional reforms and research gaps in urban economy. Emphasis will be placed on collaboration with multilateral development partners to stimulate policy actions at both the national and local level to improve public-private cooperation.

FOCUS AREA 2

RESILIENCE, CITIES AND CLIMATE CHANGE

Context. While cities are centres of opportunity, innovation and economic growth, pressures such as climate change, environmental degradation, economic crises and political insecurity too often dictate the fortunes of residents. Slum dwellers, informal traders and all residents of vulnerable settlements bear the brunt of risks that result in premature death, serious illness and injury. Evidence shows that the essence of urban resilience-building is to nurture city

Our Thematic Objective

The Cities Alliance will support local governments and urban communities to build resilient cities that reduce both risk and vulnerability by restoring and rehabilitating urban ecosystems, promoting investment in local resilience efforts, and advocating for people-centred resilience.

¹² ILO. Global Employment Trends for Youth 2015: Scaling up investments in decent jobs for youth Agreement, and the New Urban Agenda.

environmental, social, and economic systems that can withstand these shocks and stresses and support inclusive and sustainable prosperity.

Internationally, the linkages between cities and a sustainable and resilient planet, where climate change is adequately addressed, is increasingly being recognised. The 2030 Agenda for Sustainable Development and the New Urban Agenda both emphasise the centrality of slum and informality challenges to achieve inclusive development and enhanced implementation outcomes. The Paris Agreement on Climate Change recognises the role of sub-nationals, with many city leaders exceeding the commitments made at the national level. With negotiations over and agreements reached¹³, attention now shifts to implementation and the international development architecture to support cities and countries. The 2018-2021 Strategic Plan will promote international and local partnerships, especially partnerships with urban poor communities, to advance this transformation.

Building on Past Success. The Joint Work Programme on Resilient Cities fills a critical gap by taking action through national urban policies, citywide strategy development and neighbourhood data assessments, thus connecting global finance and expertise to help cities and communities respond to the impacts of climate change. The Future Cities Africa (FCA) programme provided a city-level normative framework for resilience supported by research and diagnoses on critical land use and urban administration issues.

Country and City Window. Degradation of the urban environment and surrounding ecosystems has serious impacts on the health and well-being of residents, especially the urban poor. Through this Strategic Plan, the Cities Alliance will work with members to demonstrate that the urban poor should be engaged as custodians of the urban environment: empowering women, girls, boys and men in slum and informal worker communities to work systematically with local government to be environmental champions. Restoring and conserving ecosystems would generate livelihoods, improve basic services and health, and reduce vulnerability to disasters and climate change throughout the city and its most exposed communities.

Community Upgrading Funds could support local climate change adaptation through urban environmental profiling data of informal settlements. New partnerships between international climate funds and Cities Alliance members will strengthen the capacities of government institutions to partner with climate-affected poor communities in environmentally-focused city development strategies.

Global window. The Joint Work Programme on Resilient Cities combines global and regional discourse with coherent, innovative city-level actions and uses research and technical cooperation to promote people-centred resilience strategies. The JWP strengthens global partnerships and local initiatives to mainstream resilience in long-term urban planning and investments, especially to protect vulnerable communities and promote poverty alleviation. Finally, the Programme will explore more innovative efforts to channel global climate finance to the local level. It will also promote the positive role of cities and the urban poor in addressing environmental issues and building resilient cities with the

objective that cities, and especially the urban poor, are enabled to cope with current and future shocks and stresses and pursue more sustainable development paths.

FOCUS AREA 3 GENDER EQUALITY AND WOMEN'S EMPOWERMENT

Context. In its preamble, the 2030 Agenda for Sustainable Development states that the main goal of the SDGs and targets is to 'realize the human rights of all and to achieve gender equality and the empowerment of all women and girls'. This Agenda also asserts gender equality not only as a fundamental human right, but as a necessary foundation for a peaceful, prosperous and sustainable world. The New Urban Agenda, in its role of guiding the localisation of the SDGs, follows suit by strategically supporting the mainstreaming of gender equality and women's empowerment across all SDGs.

In 2017, this new global agenda provides the springboard for a fundamental revalidation of the central importance of gender equality and the empowerment of women and girls in international development, placing them at the centre of all development actions. Of all the issues addressed by the SDGs, social, economic and political differentiation based on gender is the most entrenched and universal. And women, who often carry the greatest burdens in development, are generally the last to benefit from its dividends.

Building on past success. To concretise its commitments to gender equality, the Cities Alliance developed a Gender Equality Strategy in 2015 and subsequently established a Joint Work Programme with members. Its first steps have included: Building an initial portfolio around women's empowerment through the various Catalytic Fund calls; analysing the Country Programme model to determine how to integrate gender-mainstreaming mechanisms and processes; and creating baselines on gender-responsiveness throughout the work of the Secretariat.

The Cities Alliance intends to push forward its Gender Equality Strategy through three areas of intervention: (i) Working through a Gender Equality Team, the Secretariat will continue to examine and reform its own policies, practices and procedures; (ii) Cities Alliance members will be encouraged to systematically review and report on their own approaches and practices to gender equality and women's empowerment; and (iii) Gender equality and women's empowerment will be fully incorporated and mainstreamed throughout the Cities Alliance work programme so that it ultimately becomes as common

Our Thematic Objective

The Cities Alliance will support partner cities, local governments, and communities to reduce gender inequalities and inequities by driving initiatives that promote gender equality and empower the poorest and most marginalised women.

¹³ Of relevance is also the Sendai Framework for Disaster Risk Reduction (DRR), which recognises that responsibility for DRR should be shared with local government and calls for developing local DRR strategies and strengthening the resilience of local services.

and natural a focus as urban poverty - with which it is comprehensively associated.

Country and City Window. Cities Alliance will support national governments, local authorities and communities to understand and then incorporate gender into national and local development planning and budgeting, and make cities more responsive to women's needs. Cities Alliance will help cities to include women's participation in decision-making processes, strengthen groups of elected women to advocate for gender-responsive policy and participatory processes, train city staff in gender-mainstreaming, and support groups of community women and their engagement with local and national governments.

Global Window. Our global operations will focus on further expanding our Joint Work Programme on Gender to promote the link between Gender Equality and development through evidence-based research, knowledge generation, and advocacy. Cities Alliance will jointly develop advocacy campaigns, data-driven tools for urban planners and policy makers, and evidence-based city diagnostics that address such issues as women's security and violence, gender equality in participation, livelihoods, services and active citizenship and by leveraging strategic partnerships.

FOCUS AREA 4 MIGRATION AND CITIES

Context. Around the world, an estimated one billion people are on the move. Reasons for migrating are as varied as the migrants themselves, but almost always predicated on the search for a better future. However diverse their motives and backgrounds, migration invariably ends in a city. In their host communities of transit or arrival, especially in regions receiving large numbers of migrants, tensions between new migrants and the existing, settled population can occur over access to services as well as social and economic opportunities.

While migration is generally addressed from a humanitarian perspective and through national policies, it is becoming increasingly obvious that this requires developmental approaches, and that cities are most directly involved in the management of migrants. Contrary to much of the current discourse, a significant proportion of migration - and migrants - occurs within the Global South, often settling in cities already struggling to properly service their existing citizens. The resulting competition for resources and employment can create tension, conflict and regional instability. Additionally, given that half of the world's migrants are women, migrants experience significant and very specific gender discrimination in accessing the labour market, social protection systems and pathways to integration. Existing research, policies and legal frameworks on migration are often neither gender-responsive nor supportive of the most marginalised, vulnerable and exploited men, women, and children migrants.

The 2030 Agenda for Sustainable Development is the first global development framework to officially recognise migration as a key issue contributing to sustainable development. Following the 2030 Agenda,

Our Thematic Objective

The Cities Alliance will support partner cities, local governments, and communities to respond to, manage, and capitalise on the opportunities and contributions arising from migration.

193 governments unanimously adopted the New York Declaration for Refugees and Migrants and agreed to develop a Global Compact on Migration for safe, orderly and regular migration. Taken together, it is clear that more nuanced and informed policies on migration need to emerge and that the interlink between urbanisation, cities and human mobility in developing countries is a key part of these dynamics.

Building on Past Success. Cities Alliance has a long track record supporting cities in strategic planning and slum upgrading with an emphasis on bringing all citizens into the planning and decision-making process. Cities Alliance has also successfully supported marginalised urban communities around the world by advocating for their rights, supporting their organisation, and mediating conflicts. The strategic choice of intervening in geographic areas where migration flows are particularly accentuated will make these experiences highly relevant for addressing socio-economic key drivers of migration at the city-level and stabilise at-risk communities. The Cities Alliance will also leverage its experience and results from the 2015 Catalytic Fund call on 'Migration and the Inclusive City' - which invested in 11 innovative city-level projects - to foster spatial, social and economic inclusion by extending to migrants the rights to the city. These rights include access to land, services, opportunity, and urban citizenship.

Country and City Window. Cities Alliance will support cities, local governments and communities to become key players in migration response, tackling the challenge of unemployed young men and women in informal settlements through the financing of urban infrastructure and basic services to promote jobs and economic growth. Geographic locations of future interventions will be chosen in a way that makes the Cities Alliance Country Programme approach highly relevant to alleviate pressures from migration and to make cities and local communities key players in responses to migration that promote stability and growth.

Global Window. Mobility patterns around the world vary widely and are subject to specific contexts - physical, social, economic and political - in the places of origin, transit and destination. Migrants are also diverse in terms of their trajectories, reasons for migrating, skills, existing networks, and exclusion based on gender, race, religion and class. At the request of many members, the Cities Alliance will convene a Joint Work Programme on migration predicated on a positive view that links migration to development and cities. In the first instance, the JWP will play a harmonising role amongst members, focused on city responses to migration. It will also seek to strengthen the existing links and collaboration opportunities between development and humanitarian interventions. considering that It is estimated that the majority of refugees and internally displaced persons (IDPs)¹⁴ end up living in cities as economic migrants do.

¹⁴ According to UNHCR over thirteen million refugees (60% of world's total) and at least twice as many internally displaced persons (IDPs) live in formal urban areas rather than in isolated, separate camps.

F

ORGANISATIONAL ENABLERS



Successfully delivering our mission and the 2018-21 Strategic Plan requires constant organisational changes aimed at optimising the efficiency and flexibility of the Cities Alliance. Changes in the international aid architecture, a more crowded city space, and evolution in funding patterns with more complex funding modalities require a more attractive, transparent, and cost-effective business model – one that leverages the best of its institutional operating environment, communicates effectively, and provides excellence in delivery and results.

CORPORATE ENABLER 1 LEVERAGE INSTITUTIONAL RELATIONS WITH UNOPS

Cities Alliance is an agile and flexible institution. Positioned within the UN system through UNOPS, Cities Alliance draws on a solid infrastructure to fulfil its mandate and implement its operations. In the future, this infrastructure will be leveraged more strategically through strengthening the institutional and operational opportunities presented by UNOPS.

As an operational arm of the UN, UNOPS supports implementation of peacebuilding, humanitarian and development projects around the world. Backed by 30 years of experience and expertise acquired in infrastructure, procurement and project management, and implementing over 1,000 projects across 80 countries, UNOPS is a strong results-focused organisation. Committed to innovation, high industry standards, cost-effectiveness, sustainability, and self-financed, UNOPS strives to deliver excellence and value for money to partners at every level.

Since 2013, when Cities Alliance moved from the World Bank to UNOPS, its role and institutional relationship as a hosted entity within UNOPS have been clarified and consolidated. Two factors made this possible. First, the Cities Alliance Secretariat has integrated fully within UNOPS and understands how it functions as well as its values, culture, policies and practices. Among these shared principles and values, mainstreaming gender in

the programmatic work as well as improving impact on Gender Equality and Women’s Empowerment is key for both UNOPS and the Cities Alliance.

As trustee, UNOPS is now an ex-officio member of the Cities Alliance Management Board and its standing Committees and participates in the annual meetings of the Assembly. This Strategic Plan will explore new forms of collaboration to reinforce the Cities Alliance’s country presence and identifying complementary and follow-on projects to the country window operations.

Second, UNOPS has welcomed several other partnerships onto its platform, enabling it to better understand hosted entities with distinct mandates, governance arrangements, funding mechanisms and operating models. Cities Alliance aims to build on this enriched experience by openly engaging with, and learning from, other hosted entities. Exploring potential avenues of mutual interest and collaboration, understanding new and different ways of working, and harnessing knowledge, solutions and expertise will be leveraged throughout 2018-2021 to enable Cities Alliance to achieve stronger development results and impact on the ground.

CORPORATE ENABLER 2 STRENGTHEN COMMUNICATIONS

The Strategic Plan for 2018-2021 requires a completely fresh approach to communicating about Cities Alliance. Who we are, what we do and where, and how we do it, our values and priorities will be made clear to members and

Corporate Enablers

LEVERAGE UNOPS



STRENGTHEN COMMUNICATIONS



INCREASE FLEXIBILITY AND EFFICIENCY



partners alike. Clarity around Cities Alliance identity and positioning in an increasingly crowded and fragmented cities aid landscape is necessary. It will offer a range of donors the opportunity to make strategic, smart investments in an organisation that has a track record of turning funds into well-designed and well-managed programmes, and that achieves visible and verifiable results.

The Cities Alliance will implement a new communication plan to clearly articulate the unique value propositions for donors, members, implementing partners and beneficiaries. In so doing, it will highlight the Cities Alliance's institutional grounding within the UN system and the complementarity and synergies it can leverage through its hosting arrangement with UNOPS. The plan will also complete an upstream gap in the Cities Alliance supply chain, namely ability to communicate and disseminate its work more strategically using a range of channels and materials. Developing concise messaging tailored to different audiences will enable the Cities Alliance to effectively engage a diverse audience with different perspectives, motivations and needs. It will also enable Cities Alliance to advocate for strengthening support for Gender Equality and Women's Empowerment among donors, members, implementing partners and beneficiaries.

As part of this plan, strengthening the Cities Alliance international profile through strategic initiatives will be a major priority over the next four years. Every communication opportunity will be seized through business development, partnership building, and presence at international events where Cities Alliance seeks to advocate and influence policy and practice on urban development. As part of its commitment to Gender Equality and Women's Empowerment, Cities Alliance will mainstream gender throughout all its communications activities, flagship publications and knowledge products. Managing and leveraging the work of Cities Alliance captured in flagship publications and knowledge products and tools will be prioritised, as will the safeguarding of Cities Alliance's intellectual property.

CORPORATE ENABLER 3 INCREASE ORGANISATIONAL EFFICIENCY AND FLEXIBILITY

Increasing the organisational efficiency and flexibility of Cities Alliance will enable the organisation to respond to the challenges that characterise its operational environment and successfully deliver the 2018-21 Strategic Plan objectives. Going forward, three drivers will guide organisational efficiency and flexibility improvements. These drivers relate to how Cities Alliance mobilises resources, how it costs its programmes and projects, and its means of implementation.

Mobilising resources. How Cities Alliance mobilises, allocates, and manages the resources dedicated to the development of marginalised urban populations, entrusted by its donors and members, will determine the effectiveness and efficiency of the organisation and the sustainability of its operations to deliver relevant and impactful development results. As part of its priority

areas, gender-mainstreaming will be considered an influential factor on the effectiveness and efficiency of the organisation.

The Cities Alliance multi-donor fund is a flexible instrument to manage funds and award grants to different entities across the globe, from international institutions to grassroots community organisations. This instrument is attractive to donors because it can accommodate multiple windows with a capacity to manage the range of unearmarked and earmarked funds that characterise international aid and development cooperation. These multiple funding windows are aligned with the recalibrated business model for 2018-2021 (Global and Country) so that it can be communicated more easily and offer clearer modalities and purposes for funding, implementation and impact.

As the 2018-2021 Strategic Plan foresees a scaling-up of operations, the structure of the Secretariat needs to align with the strategy and have built-in flexibility to cope with the peaks and troughs that characterise multi-year programming. Based on the outcome of the independent evaluation conducted by McKinsey, the Secretariat needs to strengthen its capacity to build long-term donor relations – including at the regional and country level – and its fundraising systems and skills. Two objectives are key: Attracting larger contributions with long-term stability from traditional donors, and exploring systematically the variety of novel funding sources which are emerging.

Costing programmes and projects. Based on changes in donor funding modalities and practices, the earmarking of funds is increasingly common. Responding to this reality requires comprehensive cost allocation mechanisms. In practice, this means that all programmes and projects will be fully costed, and the full range of financial and human resource inputs required to deliver the expected results will be factored in from the very outset. Standard unit costs to deliver Joint Work Programmes and Country/City programmes will be developed to facilitate the communication and realisation of all new business development opportunities. More transparent, realistic and appropriate costing and cost recovery mechanisms will ensure sound fiduciary management and financing sustainability of Cities Alliance operations.

Means of implementation. The means with which Cities Alliance delivers its operations depends on a well-functioning Secretariat and high standards of grant making and management as well as procurement. Cities Alliance leverages a combination of grants and procurement to carry technical assistance. Based on experience and findings from the independent evaluation by McKinsey, measures will be undertaken to introduce a healthier and more competitive process to identify potential grantees and assess their performance across multiple portfolios. Procurement is already highly competitive and based on the highest international standards. Efforts to gain further efficiencies and gender-responsiveness on sourcing of services that can be easily outsourced will be strengthened and pursued, as will the hiring of individual contractors and retainers used to provide expert technical advice to inform and review the quality of Cities Alliance proposals, projects and products.

Annex 1. Country Programmes Theory of Change and indicators

Country Programmes are the flagship of the Cities Alliance. They are designed as longer-term¹⁵ programmes tailored to a country's context and needs, delivered through financing a series of key urban initiatives in a coherent, sustained manner to achieve impact at scale. Country Programmes are designed in partnership with the national government and operationalised through coordinated grants to members and partner organisations active in the country. The Cities Alliance Secretariat provides the convening and collaborative design, programme oversight, technical coordination, financial support and fiduciary control.

Approach. Country Programme activities target three levels of governance and spatial territory (national, city and community). This comprehensive approach - both horizontally across development partners such as civil society, private sectors, bi-/multi-laterals, and vertically between national governments, municipal governments and communities - allows the Country Programmes to offer multi-sectoral approaches to integrated city development. Through its diverse membership, the Cities Alliance

delivers coherence of effort and partnership at different levels to align with national and local government priorities.

Activities and Outputs. Within the Country Programmes, Cities Alliance provides technical assistance support for upstream diagnostics, planning, and policy advice and development. It also supports long-term institutional strengthening and capacity development by engaging and investing in national, regional, local and community institutional structures, including universities. Cities Alliance contributes to infrastructure development in slums, typically delivered through community engagement and dedicated funds. Specific attention is paid downstream to project preparation, aligning the Cities Alliance support to maximise the mobilisation of domestic and international financial resources.

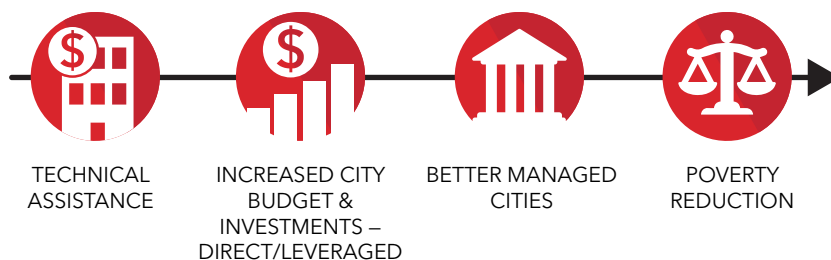
Theory of Change. Cities Alliance's ultimate objective is the improvement of the living conditions of the urban poor. While this is achieved through investment in low income settlement, a citywide approach is also necessary as well run and resourced cities will better cater to their citizenry. There are three intervention modalities which

	National Governance	<ul style="list-style-type: none"> • Advocacy and Dialogue on Urban Policy • Institutional Strengthening of Ministries • Analytical activities on urbanization and cities • National urban policies and frameworks
	Local Strategies and Plans	<ul style="list-style-type: none"> • City-level diagnostic • City Development Strategies (CDS), Municipal plans, Slum upgrading plans, Local economic Development Strategies and Investments Plans
	Investments and Infrastructure	<ul style="list-style-type: none"> • Mobilisation of follow-up investments. • Small scale slum development infrastructure • Community Development Funds • Downstream TA (e.g. Prefeasibility studies)
	Capacity Development	<ul style="list-style-type: none"> • Organisational development of local authorities, urban institutions and city associations • Training of local authorities, communities and SMEs • Practitioner Materials
	Citizen's Engagement	<ul style="list-style-type: none"> • National, City and Settlement level Forums • Establishment and Strengthening of urban poor organisations • Civil Society and Community Engagement and Mobilisation



¹⁵ Typically, a minimum five years.



Cities Alliance provides for developmental results with different degree of proximity and attribution/contribution. The most direct modality is through the financing of physical interventions, typically funded by community development/upgrading funds which directly affect livelihood and access to services for low income households. The second modality are larger-scale infrastructure investments directly linked and leveraged by the technical assistance activities provided through

the Cities Alliance. Third, by the establishment of legal and policy frameworks and the strengthening of local and national institutions on urban issues as well as the attention that the programme generates on urban issues, we expect to draw corrective actions to the ways cities are managed, their capacity and financial resources, including increased fiscal transfers or local revenues. These legal and policy changes will have significant direct and indirect impacts over time.



Examples of indicators as they apply to Country Programmes and relate to SDGs
(Illustrative - to be agreed with project and country partners during programme development).

	MACRO DEVELOPMENT CONTEXT	SDG REF.
 <p>TIER I This tier is primarily contextual and reports on the long-term development goals that countries are achieving. The universe of measurement will be the countries where Cities Alliance has a long-term programmatic engagement.</p>	% city population living in slums	11.1.1
	% city population below the poverty line	1.1.1
	% households in urban areas that exist without secure tenure	1.4.2, 5.a.2
	Under 5 mortality rate in urban areas	3.9.2
 <p>TIER II This Tier describes the impact that Cities Alliance’s funded technical assistance aims to have on cities as well as the impact of its infrastructure interventions directly financed in slums. At scale results within this Tier assume that the technical assistance activities and the physical interventions are able to leverage and translate into larger effective follow-up investments by development partners and/or additional fiscal transfers and revenues. Investments to strengthen local authorities and develop pro-poor infrastructure allow cities to better cater to their citizens, especially the most marginalised.</p>	MUNICIPAL CAPACITY	
	AVG municipal expenditures	1.a.2
	# Municipal employee (breakdown gender)	5.5.1
	# Technical Staff (breakdown gender)	N/A
	\$ Operating Revenues	N/A
	CITIZENSHIP/INCLUSIVENESS	
	% Voters (gender breakdown)	N/A
	Institutionalised inclusive decision-making structures/systems	16.7.2, 11.3.2
	Civil society	11.3.2
	SERVICES	
	Household access to services in slums	1.4.1, 16.6.2
	Energy	7.1.1, 7.1.2
	Solid waste	11.6.1.
	WASH	6.1.1, 6.2.1
	Kilometres of roads	N/A
	Open space for public use	11.7.1.
ECONOMY		
Business environment	N/A	
Saving schemes	N/A	
# Job Creation/Unemployment (gender breakdown)	8.5.2	

 <p>TIER III This tier covers the results of the programme activities financed the Cities Alliance and typically implemented by Members and Partners.</p>	FUNDING AND INFRASTRUCTURE	SDG REF.
	Funding leveraged through TA for follow up investments	N/A
	# Beneficiary of project infrastructure (CUF)	N/A
	# Private-public partnerships established	17.17.1
	POLICIES AND STRATEGIES	
	# Countries with national urban policy(-ies)	N/A
	# Cities with local pro-poor climate resilient strategies/plans developed	11.a1/b2, 1.5.4
	Degree of implementability of strategies/plans	
	Degree of gender responsiveness	
	CAPACITY DEVELOPMENT	
	# of urban institutions with capacity strengthened	N/A
	# Personnel trained (gender breakdown)	N/A
	Degree of strengthened capacity of urban poor organisations	N/A
# Cities using the tools and information developed by the programme	N/A	
CITIZEN'S ENGAGEMENT		
Established mechanisms for citizens engagement (e.g. fora)	16.7.2, 11.3.2	
 <p>TIER IV This Tier provides metrics for the performance of the programme, moving beyond the basic standards 'on-time/on budget' to set out KPIs able to capture more complex programme aspects such as the quality of the work delivered as well as its gender responsiveness.</p>	PROGRAMME KEY PERFORMANCE INDICATORS	N/A
	TA volume, products and value	
	AVG days for grants and procurement	
	AVG and breakdown degree of completion	
	Difference in time planned/actual schedule	
	Adherence to products quality standards	
	Stakeholder Satisfaction	
	Dissemination	
	Gender balance	
	CO2 emissions	

Annex 2: The evolution of the Cities Alliance 1999-2017

The Cities Alliance was originally the creation of the World Bank and UN-Habitat, and a coalition of donors, which came together to address, *inter alia*, the lack of a consistent international response to the growth and depth of urban poverty, uncoordinated action between the major development actors (including within the UN system itself), and the need to scale up national and international responses.

The first act of the Cities Alliance after its establishment in 1999 was to produce the Cities Without Slums Action Plan, which created a target of improving the lives of 100 million slum dwellers by the year 2020 – the first time such a measurable target had been set in the international development arena. South African President Nelson Mandela agreed to serve as patron of the Action Plan, which was subsequently incorporated into the United Nations Millennium Declaration in 2000 as Target 11 of the Millennium Development Goals.

From its base at the World Bank, the Cities Alliance initially operated as an open grant facility, with most grants being routed through its founding members. Significant progress was made in promoting citywide and nationwide approaches to slum upgrading in countries like Brazil, South Africa and Vietnam, while city development strategies were successfully promoted in China, the Philippines and South Africa. Through its location at the World Bank, the Cities Alliance often operated as a preparatory facility for both IBRD investments and IDA credits.

With its first Medium-Term Strategy in 2007, the Cities Alliance called for a decisive move towards longer-term programmatic approaches set within priority countries. Articulated under the framework of Country Programmes, this approach began implementation in 2009 with the assistance of a large and flexible grant from the Gates Foundation, the first major foundation to grasp the potential of the Alliance model to achieve meaningful,

coordinated, long-term impact on the ground. While the Open Grant Facility of the Cities Alliance was repositioned as an innovative, competitive call for proposals, the balance of operational gravity adjusted from middle-income countries in LAC, Africa and Asia to include more lower-income countries in Africa.

In 2012, with the support of the World Bank and UN-Habitat, the Board of the Cities Alliance decided that it would be in the best interests of the organisation to seek a new home and organisational platform, which resulted in the move to Brussels and the United Nations Office for Project Services (UNOPS) in 2013. UNOPS hosts the Cities Alliance, acts as Trustee, and provides the Secretariat. From its new home, the Cities Alliance immediately became involved in supporting members and partners in the international advocacy campaign for an urban goal in the post-2015 Agenda, which resulted in the adoption of Goal 11 in the 2030 Agenda for Sustainable Development.

The flexibility of its new institutional location was used to make further significant changes to its organisational model. In anticipation of a universal development agenda, the Cities Alliance restructured its membership and governance to actively create space for stronger engagement with the private sector, foundations and knowledge institutions, all critical constituencies to deliver a global mandate. To encourage more autonomy, independent Chairpersons of both the Assembly and the Management Board were elected¹⁶. Operationally, the Cities Alliance systematically rolled out the Joint Work Programmes as a vehicle to initiate and support the active involvement of members in tackling major policy challenges affecting cities. Meanwhile, the Country Programmes demonstrated their effectiveness and value for money not only through attracting follow-on investments, but also by marshalling effective partnerships and technical assistance activities at the community, city and national level.

¹⁶ The Mayor of Dakar, Khalifa Sall, and former UK Secretary for International Development, Clare Short, respectively.

Annex 3: List of Cities Alliance Members

Includes date of joining or re-joining.

LOCAL AUTHORITIES

- Commonwealth Local Government Forum (CLGF) (2015)
- ICLEI - Local Governments for Sustainability (2015)
- Metropolis (1999)
- United Cities and Local Governments (UCLG) (1999, current denomination since 2004)

GOVERNMENTS & BILATERAL AGENCIES

- Brazil (2003)
- Chile (2008)
- Ethiopia (2006)
- France (1999)
- Germany (1999)
- Ghana (2016)
- Philippines (2007)
- South Africa (2006)
- Sweden (1999)
- Switzerland: SECO (2014), SDC (2017)
- United Kingdom (1999/2014)
- United States (1999/2017)

NON-GOVERNMENTAL ORGANISATIONS

- AVSI Foundation (2015)
- Habitat for Humanity International (2010)
- Slum Dwellers International (SDI) (2007)
- Women In Employment: Globalising and Organising (WIEGO) (2015)

MULTI-LATERAL ORGANISATIONS

- The World Bank (founding member- 1999)
- UN Environment (2003)
- UN-Habitat (founding member - 1999)

PRIVATE SECTOR/FOUNDATIONS

- Omidyar Network (2016)
- Ford Foundation (2014)

UNIVERSITIES, RESEARCH CENTRES AND KNOWLEDGE NETWORKS

- The Institute for Housing and Urban Development Studies (IHS) of Erasmus University, Rotterdam (2015)
- International Institute for Environment and Development (2017)
- New York University: The Marron Institute of Urban Management (2016)
- Sustainable Development Solutions Network (SDSN) (2016)

ASSOCIATE MEMBERS

- Avina Foundation (2016)
- Inter-American Development Bank (IADB) (2016)
- United Nations Capital Development Fund (UNCDF) (2015)
- United Nations Development Programme (UNDP) (2015)
- United Nations Office for Disaster Risk Reduction (UNISDR) (2016)

Cities Alliance

Cities Without Slums