

City Development Strategies (CDSs) Taking Stock and Signposting the Way Forward

A Discussion Report for DFID (UK) and the World Bank

July 2000



GHK Group of Companies

526 Fulham Road

London SW6 5NR

Tel: +44 (0)207 736 8212

Fax: +44 (0)207 736 0784



CONTENTS

ACKNOWLEDGEMENTS	IV
FOREWORD	V
1. INTRODUCTION.....	1
1.1 OBJECTIVES	1
1.2 BACKGROUND	1
1.3 METHOD, SCOPE AND LIMITATIONS	1
1.4 ORGANISATION OF THE REPORT	2
2. THEORY : SETTING THE SCENE	4
2.1 INTRODUCTION.....	4
2.2 CITIES AS ECONOMIC DRIVERS	5
2.3 TRENDS IN DEVELOPMENT THINKING.....	7
2.4 THE CDS INITIATIVE : A PROPOSED NORMATIVE FRAMEWORK.....	9
2.5 THE CDS INITIATIVE : ITS INCREASING RELEVANCE?	12
3. PRACTICE : TAKING STOCK.....	13
3.1 INTRODUCTION.....	13
3.2 CDSS IN DEVELOPED COUNTRIES : EXPERIENCE TO BUILD ON?.....	13
3.2 A GROWING PORTFOLIO IN DEVELOPING COUNTRIES	14
3.3 CDS “PROCESS” ASSESSMENT	14
3.4 CDS “PRODUCT” ASSESSMENT	19
3.5 CDS CASE STUDY PROGRESS TO DATE – A SUMMARY	25
3.6 THE WORLD BANK AND THE CASE STUDY CDSS	35
4. SIGNPOSTS FOR CITY STAKEHOLDERS.....	39
4.1 INTRODUCTION.....	39
4.2 WHAT HAVE WE LEARNED SO FAR?	39
4.3 CDS “CHECKLIST” FOR CITY STAKEHOLDERS	45
5. SIGNPOSTS FOR THE WORLD BANK.....	49
5.1 THE WORLD BANK AS A CDS PARTNER	49
5.2 BANK PROCESS ISSUES	49
5.2 CDS PROCESS ISSUES	51
5.3 CDS PRODUCT ISSUES	51
5.4 CDS “CHECKLIST” FOR THE BANK.....	52
5.5 PUTTING IT ALL TOGETHER	53
5.6 MONITORING AND EVALUATION FOR CDS SUCCESS	55
5.7 CDS AND OTHER URBAN DEVELOPMENT PROGRAMMES	58

- Annex A List of CDS initiatives in Asia, Africa and Asia
- Annex B; The learning framework used by GHK
- Annex C; Review of selected CDS initiatives in developed countries.
- Annex D; The life cycle of a CDS.
- Annex E; Questionnaire sent to Bank officials

Selected Bibliography

List of Tables

Table 2.1: A Summary of the Proposed Defining Outputs of a CDS	12
Table 3.1: The Stakeholders Participation Process in the Case Study CDSs	15
Table 3.2: A Bangalore City-Region CDS?	22
Table 3.3 Problem Identification and Prioritisation in the CDS	29
Table 3.4 An Assessment of Progress to Date for the Case Study CDSs	33
Table 5.1: Making a CDS “Work” (for the Bank)	54

List of Figures

Figure 1: The Growing Importance of Cities	5
Figure 3.1: Formulating and Implementing a CDS	37
Figure 4.1: Managing the CDS Process, Coordinating Stakeholders	41
Figure 4.2: Role of the Stakeholders Formulating a CDS-Type Economic Development Strategy	42
Figure 4.3: The Cape Town CDS	48
Figure 5.1: Setting a Results Focused Framework for the CDS	57
Figure 5.2: The Pivotal Role of the CDS	59

List of Boxes

Box 2.1: Participation, Accountability and Poverty Reduction: APUSP and CDS	8
Box 3.1: Fostering Participation in Cali, Columbia – Using “Groupware”	16
Box 3.2: The Importance of Leadership – The Mayor of Columbo	17
Box 3.3: Haiphong CDS – Finding a New Economic Role for the City	19

Box 3.4:	A New Role for a New City: The Johannesburg CDS	21
Box 3.5:	Building Trust and Consensus in Cali	23
Box 3.6:	Delhi: In Search of a Coordinated Administration...and a CDS?	24
Box 3.7:	Public Private Partnerships – Aligning Shareholder and Societal Value Creation	26
Box 3.8:	Seeking a CDS in Lapu Lapu and San Fernando. A Tale of Two Cities.	27
Box 3.9:	The Bank as a Facilitator for the Johannesburg CDS	36
Box 4.1:	Shareholder Ownership in the Cali CDS Process	40
Box 4.2:	From Pre-CDS Participation Exercises to a Comprehensive CDS?	44
Box 4.4:	Lessons From the Johannesburg CDS Experience	45
Box 4.5:	Making the Colombo CDS “Work”	46

Acknowledgements

This report has been written by members of GHK International of the United Kingdom:

- Dr. Nicholas Miles; and
- Mr. Jamie Simpson; with
- Mr. John Bowers;
- Mr. John Gladki;
- Dr Andy Rowe;
- Ms. Fiona McCluney; and
- Mr Jelle van Gijn.

The writing of the report has been funded by DFID (UK Government), and has been undertaken in consultation with Dr. Tim Campbell of the World Bank (subsequently referred to as the “Bank”), who we wish to thank for his support.

GHK would like to thank the representatives of the stakeholders in the cities that we visited who graciously gave their time to us in order to discuss the CDS initiative and how best to further the development process through such initiatives. We would also like to thank all those in the Bank who discussed the CDS initiative with us, those who eased our path through the Bank, including Mr. Piers Merrick, DFID for financially supporting the project, and those representatives of other development agencies and donor organisations with whom we discussed the CDS initiative. In particular we wish to thank the representatives of JICA, UNDP and UNCHS who we met in connection with this project.

The views expressed in the report are those of GHK International and cannot be attributed to any other party. The usual disclaimers apply.



London, July 2000

Foreword

The focus of this report is an assessment of City Development Strategies (CDSs). More specifically, the report contains suggestions as to how institutions such as the World Bank can enhance their support for CDS initiatives. CDSs can be regarded as a representation of the Bank's Comprehensive Development Framework (CDF) at the level of cities.

"A City Development Strategy...focuses on the city as the unit of analysis with the understanding that cities contribute to national welfare, are an integral and often major part of the national economy, and with assistance in reforms, adjustments and investments, can be made to increase both local and national output" (Source : World Bank Memo "City Development Strategies. Purpose and Guidelines. General Terms of Reference. Undated,)

Like the CDF, CDSs are part of a recent re-positioning of development policies, programs and projects. Approaches to development increasingly emphasize the importance of taking a many-sided approach giving equal weight to economic, political, institutional, social, and cultural factors. The complementarity between these many sides has been recognised. Concentrate on one side of development and successes thereby generated can be easily compromised by obstacles resulting from the neglect of another side. We are in the throes of discarding a compartmentalised view of the process of development.

Paralleling the many sided approach to development is the view that democracy is a vital component of development, not an outcome of the process of development. Furthermore, participation, inclusion, ownership and accountability and transparency in government are seen as vital processes to ensure democracy and, hence, development. Thus, local stakeholder ownership of the CDF and CDS is seen as critical for the success of these two major initiatives. This is directly reflected in the definition of a CDS as given by the Bank:

"City development strategies...originate with and are wholly owned by local counterparts. These exercises ...outline the stakeholders' vision for the city, analyse the city's prospects for economic development, and identify priorities for assistance...to implement the strategy. City strategies...focus on the issues of greatest local concern for liveability, and the implied requirements in terms of enhancing city productivity, management and financing". (Source : A Strategic View of Urban and Local Government Issues : Implications for the Bank. Internal World Bank Report, June 1999)

This position on development raises many challenges for the development community. As many development institutions adopt a partnership position with client societies the role of the various partners in the development process is being vigorously discussed. This report was commissioned to provide the Bank with ideas as to the most appropriate way to support the CDS initiative which furthers that Bank's "CDF philosophy of development". This report is a small but hopefully focused contribution to the debate concerning the role of cities in development and the role of development institutions such as the Bank.

1. INTRODUCTION

1.1 Objectives

The fundamental objective of this report is to signpost and suggest actions that can be taken by the World Bank in order to improve the design and implementation of City Development Strategies (CDSs). More specific objectives of the report are to:

- describe the background to the World Bank's support for CDSs;
- assess the success or otherwise to date of a sample of CDSs; and
- signpost and suggest actions that can be taken by City Stakeholders in order to improve the design and implementation of CDSs.

1.2 Background

City Development Strategies are a major and recent initiative within the World Bank, and reflect the increasing importance of urban regions as centres of population and motors of economic development. The world's population is urbanising, and wealth creation is increasingly clustered in urban regions. Furthermore, the processes of democratisation and social welfare development often find most intense expressions in urban regions. Cities matter for national development, and increasingly so.

The response of the Bank to the importance of cities includes the design of a strategic approach to urban issues (1), participation in the operations of the Cities Alliance, and, more specifically, the promotion of the CDS initiative. The various ways whereby the effectiveness of CDSs can be enhanced appears to be of increasing concern to many development organisations; a concern to which this report is a response.

1.3 Method, Scope and Limitations

The report is based on information obtained from a review of official Bank and Country documents, background knowledge of city development work in developed and developing countries, and, more importantly, from semi-structured interviews with World Bank staff involved with the CDS initiative, and semi-structured interviews with representatives of key stakeholder groups in selected cities in the process of formulating and implementing a CDS. In discussion with Bank officials, the following cities were chosen by GHK to be "case studies":

- Bandung, Indonesia;
- Cali, Colombia;
- Colombo, Sri Lanka;
- Coimbatore, India;
- Haiphong, Vietnam;
- Johannesburg, South Africa;
- Kampala, Uganda;
- Lapu Lapu, Philippines;
- Olongapo, Philippines; and
- San Fernando, Philippines.

1 World Bank. 1999 (June), "Strategic View of Urban and Local Government Issues : Implications for the Bank". Draft.

All, but Kampala, were visited by members of GHK between June 1999 and March 2000. Each visit was of some three to five days, and involved discussions with a range of representatives of stakeholder groups (primarily government, NGO groups, the private sector, and the donor community). A “Learning Framework” was developed whereby the information collected from the cities visited could be summarised and analysed (presented as Annex B).

As well as information obtained from the case study cities, material generated through GHK’s work on strategic urban planning was also used in the assessment of the CDS initiative. In particular reference is made to GHK’s recent work in the Bangalore, Delhi and Hyderabad city-regions of India, and Cape Town in the Republic of South Africa.

The study cannot claim to be comprehensive, as the assessment was based on:

- visits to a limited number of cities (ten cities in total), the CDSs of which were in the initial stages of formulation and implementation; and
- a restricted number of interviews with Bank staff (meetings were held with task managers, country economists and a few country directors).

Nevertheless, the selected case study CDSs demonstrated a wide range of approaches to strategic urban development planning, and, as such, proved to be excellent resource material with which to frame suggestions and signpost improvements in the formulation and implementation of a CDS. The assessment of the CDSs is, thus, necessarily of a formative nature, offering suggestions for improvements as the global CDS initiative unfolds and gathers pace.

1.4 Organisation of The Report

Following this introductory section, the report is divided into four further sections:

- **Section Two, *Theory : Setting the Scene***, sets the scene by providing the background to the World Bank’s support for CDS initiatives. More specifically, we ask; “what exactly should a CDS look like?”. It is necessary to establish a normative framework for the CDS initiative in order to be able to undertake an assessment of the initiative and of the associated hoped-for outputs and outcomes.
- **Section Three, *Practice : Taking Stock***, is a description and assessment of the selected CDS “case study” initiatives currently supported by the World Bank. We ask; “is the design and implementation of the CDS and the observable outputs and outcomes those that we would theoretically expect?” Furthermore, the nature of the Bank’s involvement in the CDS initiative is discussed.
- **Section Four, *Signposts for City Stakeholders***; suggested improvements that could be made to the formulation and implementation of CDS initiatives are presented. This section concentrates on guiding principles of practice for city stakeholders. We ask; “what can city stakeholders, such as city mayors, do to maximise the effectiveness of a CDS initiative?”

- **Section Five, *Signposts for the World Bank***, focuses on the role of the Bank as a partner in the process of CDS design and implementation. We ask; “what actions should the Bank take in order to improve the effectiveness of a CDS initiative?”

Five annexes are also presented as part of the report:

- *Annex A*; consists of a list of CDS initiatives proposed for or undertaken to date in Asia, Africa and Latin America.
- *Annex B* contains a copy of the learning framework used by GHK in order to collect and analyse information relating to the selected CDSs.
- *Annex C* presents a brief review of selected CDS initiatives that are on-going or completed in developed countries.
- *Annex D* is a simplified description of the life cycle of a CDS.
- *Annex E* is a copy of a questionnaire sent to Bank officials to elicit their views on the nature of the CDS initiative

The target audience for the report primarily includes development practitioners at the World Bank and DFID, and the many city stakeholders struggling to formulate and implement with their particular CDS initiative. It is hoped that the suggestions and signposts presented in the report will enable city stakeholders to improve the effectiveness of their efforts, or, at least, think about a CDS in a manner which ultimately can lead to practical and effective action.

Given the hoped-for practical orientation of the report, Section Two, “Theory : Setting the Scene” is intentionally short in length and a simplification in nature (2). In line with the terms of reference for the study, the focus of the report is the suggestions for improvements that can be made to the CDS initiative – as supported by the Bank. It is, however, recommended that the paragraphs in Section Two on the normative framework for the CDS initiative are reviewed. Without a common understanding of the nature of a CDS, any assessment and associated suggestions for improvement are likely to be partial at best.

It should also be noted that our assessment of the CDS initiative did not unearth a comprehensive statement as what a CDS ought to be (embodied in, for example, a LOGFRAME or similar type of programme logic and evaluation framework). Hence, we have proposed a normative framework, based on a review of the economic potential of cities and the Bank’s Comprehensive Development Framework and Urban Strategy. Indeed, we believe that this lack of an agreed programme logic is, indeed, one of that main factors hindering the further development of the CDS initiative.

2 A CDS is frequently conceptualised as a mechanism to be used to build consensual relations required for the type of collaborative economies that best respond to the opportunities presented through globalisation and economic liberalisation. The literature analysing the CDS initiative is increasingly dense. Key references are given at the end of the report. A useful summary can be found in F. Khan “*Global Competitiveness and the Cape Metropolitan Area.*” Unpublished paper prepared for the Unicity Transformation Committee, 2000.

2. THEORY : SETTING THE SCENE

2.1 Introduction

Cities and towns matter;

- firstly, because of the sheer and increasing weight of people located in urban areas⁽³⁾;
- secondly, because of the economic, social and cultural activities that continue to cluster in cities and which increasingly drive national development processes; and
- thirdly, because of the apparent intractability of urban poverty, which threatens national development. Urban poverty is a most degrading and pernicious problem, and one that is not diminishing; quite the opposite in many countries.

Cities face the future Janus-like; infused with much promise (as drivers of development) but often deeply tainted with despair (as a locus of poverty). Ensuring that the promise is fulfilled for all urban citizens is becoming ever more strenuous as the velocity of economic change increases. Globalisation, economic liberalisation, rapid technological change and the volatility of markets have led to the compressed transformation of many urban economies. For example, over a recent ten year period 50% of the jobs in Buenos Aires changed from one sector to another. Coping with rapid change, social and economic stress, and the urgent call for welfare improvements, places great demands on the capacities and capabilities of many cities.

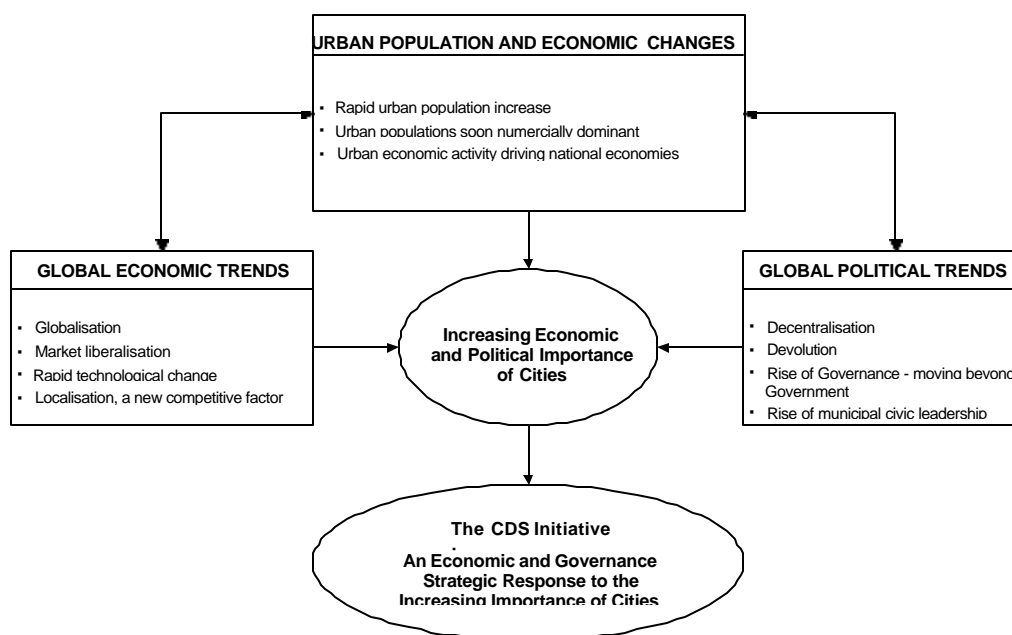
This “urban challenge” is much talked about and very real. Fortunately, during recent years political power and fiscal responsibilities have been devolved from central to urban governments. Furthermore, participatory democracy has deepened in many nations. Given these circumstances, many have argued that city managers, stakeholders and citizens are being empowered to meet the urban challenge in a manner rarely experienced during many of the past decades.

One outcome of this empowerment has been the efforts on behalf of those working for and living in urban areas to devise effective strategic development initiatives in order to meet their particular “urban challenge”. The City Development Strategy (CDS) initiative is a recent example of this effort. A number of CDSs have arisen precisely because such an initiative could be implemented through devolved power, and with the expected increased fiscal capacities of the city. It was hoped that cities could take charge of their destiny and in so doing drive the national, if not the global economy (see Figure 1 which is a simplified representation of the growing importance of cities, and of the nature of the CDS initiative as a response to this growing importance).

3 “Within a generation, the majority of the developing world’s population will live in urban areas....The scale of this urbanisation is unprecedented”. World Bank. 1999, “Strategic View of Urban and Local Government Issues : Implications for the Bank”. June 1999 Draft.

This section continues by briefly reviewing current thought on, firstly, cities as national economic drivers and, secondly, on the nature of the development process. Based on this review, the section concludes with a proposed normative framework for the CDS initiative, and thereby establishes a set of criteria (or attributes) against which the success or otherwise of the initiative can be gauged.

FIGURE 1 : The Growing Importance of Cities



2.2 Cities as Economic Drivers

Urban economies increasingly drive national economies. Urban based economic activity accounts for between 50% and 90% of GDP in the majority of nations. The economic prosperity of many nations is often directly related to the economic prosperity of that nation's cities. A city is more likely to be successful if its businesses are successful. Businesses are successful if they can secure advantage in regional, national and global markets. As such many cities are attempting to strengthen the comparative advantages of their city in a way that directly supports the competitive advantages of their businesses or productive sector (4).

4 Scott et al write that city-regions can be seen as the "fundamental spatial units of the global economy, and as political actors on the world stage" See; Scott, A et al. 1999, "Global City-Regions" Theme paper prepared for the conference on Global City-Regions, UCLA, 21-23 October, 1999.

In order to know how to strengthen the comparative advantages of a city it is necessary to understand the underpinnings of competitiveness.

- Firstly, markets are increasingly open and non-local; businesses must be connected into regional, national and even global local markets.
- Secondly, the velocity of economic change has intensified; businesses must be able to adapt and respond. This is especially the case for businesses operating in markets characterised by rapid technological change driving numerous product and process shifts.

Leading businesses, whether in Colombo, Calcutta, Bangalore, Johannesburg or Santiago, are increasingly flexible, knowledge based, and connected to regional, national and global markets. This means that such businesses value creativity, talent, expertise, and effective and speedy commercial connections. For a city administration to respond to the requirements of business means that increasing attention is paid to social capital formation and economic infrastructure. As no two cities are alike social capital formation invariably finds a differential spatial expression. Local differences increasingly matter⁵. Localisation, it is argued, is vital in order to successfully compete nationally, regionally and globally.

But given the increasing velocity of economic change local differences often have to be rebuilt. The city's comparative advantages have to be re-constructed in line with the specific attributes required by business at any given time period. Building and rebuilding comparative advantages that promote resilience, flexibility, productivity and competitiveness in business is difficult and demands agreement on the actions to be taken by all members of society. Hence, building and rebuilding comparative advantages often entails forging relations of mutual benefit and trust amongst the city stakeholders (6). This is more likely to occur and be sustainable if society is inclusive and consensual in nature. Stakeholder inclusion and consensual relations, it is argued are vital in order to continue to be successful in national, regional and global markets.

Indeed, the argument is that constructing and reconstructing a city's comparative advantages demands the construction of a form of social contract based on trust, partnership, inclusion and relations of mutual benefit. The weight and velocity of economic change demands stakeholder buy-in, otherwise divisions and disputes in the face of economic change are likely to compromise if not paralyse economic progress. All stakeholder groups in the city must be integrated into the economic development process for that process to work most effectively.

To date, however, only a few stakeholder groups are fully integrated into the process of economic development, and the poor are more likely to be demonstrably excluded. Indeed, urban poverty is growing. The World Bank estimates that, for example, in Latin America by 2025 two-thirds of those classified as poor will reside in cities and towns.

5 As discussed by Porter, the factors that are required to successfully compete into today's global markets are, ironically, increasingly local in origin, and productivity gains are grounded in micro-economic improvements; Porter, M, Clusters and the New Economics of Competition. Harvard Business Review, Nov-Dec, 1998 pp 77-90.

6 See; Weiss, L. 1998, "The Myth of the Powerless State". Polity Press.

Poverty and economic and social marginalisation are an affront to humanity and, more specifically, place significant brakes on urban and national development. They represent, for example, threats to social cohesion, constraints on the growth of purchasing power (both pre-requisites for the efficient operation of free markets) and the curtailment of the freedoms and capabilities that are necessary for development. Poverty is antithetical to the consensual relations and social contract required to build prosperous cities.

In summary, many have argued that cities can become economic drivers of nations. This is to be achieved through a focus on social capital and economic infrastructure that enhances the competitive edge of productive enterprises. More fundamentally this achievement is to be realised through a form of social contract that allows an economy a high degree of flexibility and adaptability. For such an effective social contract to be built poverty must be addressed. *Ipsa facto*, successful cities are increasingly characterised by inclusive communities and stakeholder “buy-in” in support of an agreed economic development strategy.

2.3 Trends in Development Thinking

The accent on social inclusion and stakeholder participation finds resonance with current thinking on development, which emphasises the importance of, firstly, taking a holistic approach giving equal weight to economic, political, institutional, social, and cultural factors (7), and secondly, democracy, which is seen as a vital component of development, not merely an outcome of the process of economic and social advancement⁸.

For democracy to be nurtured, stakeholder participation, and transparency and accountability in government and society are seen as important. These attributes are required to forge relations of trust and mutual benefit within society, relations that allow the flexibility and resilience required for cities to be the engines of economic development. Participation and accountability are also increasingly seen as underpinning poverty reduction efforts (see Box 2.1).

The impact of the evolution of development thinking on the operations of the Bank is reflected in the Comprehensive Development Framework (CDF) (9). The key components of the CDF approach are the promotion of a multi-facet approach to development, nurturing stakeholders’ participation and inclusion, constructing an institutional architecture that promotes a workable market economy, and ensuring good governance. The mission statement of the Bank clearly defines the main focus of the CDF, namely, alleviating poverty, and building capacities and capabilities in the poorer countries and poor communities.

7 See; Wolfensohn, J, 1999 “A Proposal for a Comprehensive Development Framework”, World Bank.

8 See; Stiglitz, J. 1999, “Participation and Development : Perspectives from the Comprehensive Development Paradigm”. Conference paper present on February 27, 1999, Seoul, Korea (World Bank).

9 See; World Bank, 1999, “Entering the 21st Century : World Development Report, 1999/2000”. Oxford University Press. Wolfensohn, J, 1999 “A Proposal for a Comprehensive Development Framework”, World Bank.

Box 2.1 : Participation, Accountability and Poverty Reduction : APUSP and CDS

The goal of the Andhra Pradesh Urban Services for the Poor (APUSP) programme is to support sustained reduction in vulnerability and poverty of the urban poor in 32 class One cities in the state Andhra Pradesh India. The challenge is considerable not only because of the scale of the effort required but also because achieving the goal will require a transformation in urban governance and management in the State of AP. At the heart of the programme is *change management* – getting state and local government to think and act differently about how to govern and manage cities.

The strategic focus is on facilitating broad based reform aimed at improving the performance of municipalities in the planning, finance and management of their resources while at the same time assisting them in acquiring systems and working methods that enable them better to identify poor people's needs and to incorporate these into a planning mechanism that links needs assessments to the capacity to deliver. Two themes stand out, firstly, improving governance and municipal efficiency and effectiveness as an *enabler* of poverty reduction; and, secondly, getting municipalities to work *with* the urban poor to better *target* their needs and requirements.

Convergence with CDSs – Reflecting the CDF Approach to Development

The APUSP shares many themes with the CDS approach: a strong emphasis on participation and partnership (rather than simply consultation) to secure ownership, building municipal capacity as a means to sustain improvements, and a focus on poverty reduction. Moreover, the APUSP programme design directly emerges out of the weaknesses of earlier approaches to urban management – technocratic, supply driven and a focus on inputs and outputs rather than results and outcomes. One of the principal “products” of APUSP is the Municipal Action Plan for Poverty Reduction (MAPP) – in a sense a narrower form of CDS.

Like a CDS, the MAPP is a vehicle, to provide the urban poor with an effective way to express their needs and for municipalities to incorporate these needs into planning and budgeting; to structure problem identification and prioritisation in municipalities with the aim of developing simple and achievable strategies and actions plans to address priority problems; and to provide a foundation for longer term strategic planning.

The APUSP is evidence that the analytical foundations and framework of the CDS approach are being increasingly viewed within the international development community as a positive way forward as regards urban poverty reduction.

Source: APUSP is a UK DFID Funded Project being Implemented by the Government of Andhra Pradesh with support from GHK International .

In specifically urban terms the CDF finds expression in the Bank's new urban assistance program, which aims to improve a city's liveability, so ensuring “that the poor achieve a healthful and dignified living standard” (10); competitiveness, so ensuring “buoyant, broad-based growth of employment, incomes and investment”; good governance based on “the inclusion and representation of all groups in the urban society, as well as accountability, integrity, and transparency of local government”; and bankability based on the sound financial management of local government.

10 See; World Bank (Transportation, Water and Urban Development Department; Urban Development Division) 1999 (June) “Strategic View of Urban and Local Government Issues : Implications for the Bank”. Draft.

2.4 The CDS Initiative : A Proposed Normative Framework

In order to assess the success or otherwise of the CDS initiative it is necessary to clarify the expected outcomes of the initiative. In other words, a normative framework for the CDS must be established. Based on the above review of the economic potential of cities and current thinking on development, particularly as expressed in the Bank's CDF, it is appropriate that the outputs of a CDS should focus on :

- the city as an engine of economic growth;
- the city as the locus of good governance; and
- the city as an arena of social inclusion and poverty reduction.

More specific to the Bank's agenda, the output of a CDS should be a CDF-type plan which directly addresses the four aims of the Bank's urban assistance program (namely, liveability, competitiveness, good governance and bankability). The ultimate outcome of a CDS initiative for the Bank should be the realisation of the CDF in a city context and the transformation of urban society (11).

The transformation of urban society is presaged by and based on building appropriate civic capacities and capabilities (12). A CDS should aim to build such capacities and capabilities by focusing on stakeholder participation and empowerment. A CDS is to be defined by the process whereby its outputs are formulated and implemented.

The process leading to hoped-for outputs (or products) is important. Indeed, it was argued above that given current economic trends, development demands stakeholder participation. Furthermore, it was also argued that given the increased velocity of economic change, development demands a form of social contract based on trust, partnership, inclusion, and empowerment. Such a contract is required in order to construct an effective and flexible response to economic change. A CDS should be grounded in the process of building this form of social contract.

Through the construction of a new form of social contract a CDS can contribute towards the generation of the "substantive freedoms and capabilities" which are likely to lead to sustained poverty alleviation (13). When we talk about a CDS, product and process cannot be dissociated for process is itself a key product and, most importantly, should enable the realisation of products that past development strategies have consistently failed to realise.

Forming the social contract and generating substantive freedoms and capabilities should lead to sustained poverty reduction and the transformation of society, the ultimate aims of the Bank. A CDS is an instrument of empowerment and should be used to create capacity and capabilities; to create and ensure the "freedoms of development" as discussed by Professor Sen.

11 Ibid. footnote 8.

12 Ibid. footnotes 7, 8 and 9.

13 Sen, A. 1999, "Development as Freedom". Alfred A. Knopf, Inc.

The key expected process characteristics and outputs of a CDS are as follows:

- **Stakeholder Participation:** A CDS is to be seen as an instrument whereby trust and relations of mutual benefit between stakeholder groups are built, managed and nurtured. A CDS is a mechanism of social inclusion. In addressing issues involved in the (re)creation of civil society through inclusion a CDS is often a political process.
- **Building Civic Capacities and Capabilities.** Most importantly, a CDS should be a process through which the capacities and capabilities of the stakeholder group are considerably improved. For government a CDS should be an instrument to be used to build and ensure good governance, to change institutional behaviour, and thereby to build the internal institutional ability to direct the economy and manage civil society and. For the community a CDS should be an instrument to build “freedoms of development”.
- **Changing the Nature of Thinking about Development.** A CDS involves people thinking about the development of their city in a different way than that which characterised the past. “Getting a critical mass of people thinking strategically should be one of the defining successes of a CDS” as one World Bank task manager stated.
- **Addressing the Complexity of Development.** Experience demonstrates the complex development agenda associated with the new economic realities demands a co-ordinated strategic approach by all the main stakeholders in the public, private, and community sectors. A CDS should be seen as an instrument which can be used to achieve a co-ordinated strategic approach.

As well as being defined by the process of participation and ownership, we would also expect a CDS to be defined by the specific outputs or product that it delivers. We believe the most important product to be a strategy that turns cities into engines of equitable economic development. Other important products associated with a CDS can be summarised as follows:

- **A Collective Vision and Strategy.** A CDS should generate a collective vision, lay the foundation for a more collaborative economy, and bring both strategic intent and realism to city development planning. Indeed, development experience clearly demonstrates that strategies are more likely to fail when they are not grounded in a collective vision to which the stakeholders are committed, and a consensus which the stakeholders are committed to maintain.
- **Defined Priorities and Action Plans.** A CDS should focus on the fundamental drivers of economic change and assists stakeholders determine development priorities, sort out specific inter-sectoral priorities and investment sequencing, and thereby formulate and implement practical actions plans.

- **Defined Roles and Responsibilities for Stakeholders.** Role definition (including the provision of enabling resources) is part of the process of empowerment. Assigning responsibilities to various stakeholders enhances performance. Both processes are related to the building of civic consciousness. “People expect someone else to be responsible and take action”, stated a representative of a Colombo based NGO (14). A CDS should involve, engender and empower reciprocal responsibilities amongst stakeholder groups, and precipitate a change in dependency attitudes and behaviour.
- **Poverty Alleviation Focus.** Stakeholder participation and participatory democracy are more than likely to place poverty firmly on the agenda. A CDS initiative should focus on formulating development strategies that address poverty reduction (15).
- **Reduced Lending Risks, and Improved Investment Climate.** A clear and achievable strategy, and associated action plans, backed with the commitment and participation of key stakeholder groups reduces investment risks, demonstrates progress and sends a very positive message to investors, small and large. The very process of the CDS, furthermore, should demonstrate the confluence of societal and shareholder added value and draw the private sector into a constructive partnership role in the development of the city.

We maintain that the CDS initiative is defined by the package of process and product outputs as described above. A number of these outputs characterise past development plans. For example, many such plans attempt to prioritise and sequence policy adjustments and programmes, projects and investment interventions. Such a sole attribute does not define a CDS.

But in the context of stakeholder participation and a focus on pro-poor policies the CDS takes on a guise that is very different from that projected by past development initiatives. Table 2.1 is a summary of the package of process and product outputs and associated attributes that, we believe, define a CDS, particularly from the point of view of the Bank, and differentiate the CDS initiative from past development plans (16).

14 Source : GHK interview data, Colombo, Sri Lanka, July 1999

15 Through a CDS, poverty can be addressed by involving all stakeholders in examining and intervening in how wealth is and can be generated, used and distributed in the city, including an analysis of the inter-connected and mutual reinforcing role played by enterprise development, settlement upgrading, crime abatement and skill development.

16 It should be noted that at the time of writing we had not come across any cases of a CDS which had been based on a LOGFRAME or similar form of structured performance and evaluation framework. Such a framework would, of course, constitute a normative framework for the specific CDS in question.

TABLE 2.1 : A Summary of the Proposed Defining Outputs of a CDS

	CDS PROCESS FOCUS	CDS PRODUCT FOCUS
Defining Outputs	<ul style="list-style-type: none"> • <i>Stakeholder (civic society; business; municipality) Participation and Ownership</i> 	<ul style="list-style-type: none"> • <i>City Economic Development Strategy</i> • <i>City Governance Strategy</i>
Associated Attributes	<ul style="list-style-type: none"> • Building Trust and Relations of Mutual Benefit amongst Stakeholders • Building a Collective Vision and a New "Social Contract" • Building Capacity and Capabilities in the stakeholder groups – Government, the Private Sector and the Community • Making Connections between Policies and Investments, and Outcomes • Changing the Nature of Thinking about Development • Changing Institutional Behaviour 	<ul style="list-style-type: none"> • Prioritised and Sequenced Policy and Investment Interventions • Annual Development Plans • Action Plans and Budgets • Assigned Responsibilities to Stakeholders • Partnerships (public-private; private – private; public / private – community) • Pro-Poor Approaches to Policy and Investment Interventions • Reduction in Borrowing and Lending Risks

2.5 The CDS Initiative : Its Increasing Relevance?

Given new economic realities and the current thinking on development a CDS is, perhaps, the most appropriate way to address the pressing problems of development. In an era of globalisation and decentralisation, successful cities need to foster economic resilience and adaptability, stakeholder participation and partnerships, reciprocal relations of trust and benefit, and social and economic inclusion. Furthermore such an approach seems to be the most appropriate way to address urban poverty alleviation (17).

The global community has learnt much about managing macro economic issues and promoting the efficiency of markets. But it has been unable to effectively focus such knowledge on solving issues of social injustice and inequality, poverty, and sustainable development. The CDS, a priori appear to be a toolkit or instrument that is appropriate for addressing such issues, and particularly appropriate given current globalisation and locationalisation trends (18).

Furthermore, the CDS, with its emphasis on the city as an engine of (inclusive) development can sit well with the way in which macro-economic issues are being addressed. A CDS can be used to implement a CDF. The CDS does appear to be a very useful tool. Why hasn't it been used before? CDS type initiatives, indeed, have been undertaken in developed countries many years prior to the Bank's proposals for CDS type interventions. The following section begins with a brief assessment of what can be learnt from this experience.

17 Evidence indicates that good governance and capability building are the most important tools to use to reduce poverty See; Moore, M.; Putzel, J, 1999, "Politics and Poverty; A Background Paper for the World Development Report, 2000/1", Institute of Development Studies, Sussex.

18 See; World Bank, 1999, "Entering the 21st Century : World Development Report, 1999/2000". Oxford University Press

3. PRACTICE : TAKING STOCK

3.1 Introduction

An assessment of the CDS initiative is presented in this section. The section begins with a brief description of CDSs in developed countries. Following this description is a brief review of the CDS portfolio in developing countries. The assessment of the CDS initiative in developing countries focuses on the success or otherwise of the process and product attributes of our sample of CDSs. Based on the assessment we present a typology of CDS. The section concludes with our reflections on the Bank's involvement with and support for the CDS initiative.

3.2 CDSs in Developed Countries : Experience to Build on?

The value of CDSs has been demonstrated for many cities in developed countries over a number of years. A CDS has been used by many of the world's leading cities in their attempt to respond to a threat to the city economy. Chattanooga, for example, was, in the 1970s, the most polluted city in the United States and the site of significant industrial decline. The vision and strategy embodied in "Chattanooga 2000" (designed in 1984) appears to have led the dramatic revitalisation of the city. (See Annex C for a description of representative CDSs in six cities in developed countries).

Lessons from the review of the case study CDSs in developed countries include:

- **Leadership** : successful cities adopt a civic leadership role (which is often expressed through committed civic leaders. Leadership, operating within a democratic framework, is important).
- **Participation**: these cities formulated a vision in a participatory way and ensured that the key stakeholders remained committed to the CDS process (often there is an outreach program designed to maintain the involvement of the wider community).
- **Governance** : commitment to transparent and open local government appears to be most important in order to achieve buy-in from stakeholders.
- **Attitudes**: CDSs changed the way the stakeholders thought about the development and management of their city. The CDS process was also an instrument furthering the democratisation of society.
- **Holistic** : CDSs focused on service delivery and, importantly, economic and social development (but were implemented through a variety of "themes" ranging from culture, to environmental improvements, to support for specific economic activities).
- **Funding**: identifying sources of funding for CDS programs and projects was vital. Without funds the process stalled.

- **Early Successes:** a CDS takes time to implement; a 10 to 15 year time horizon is not uncommon. As such early visible “successes” (such improved service delivery or developmental projects) appeared to be important and encourage further efforts.
- **Continuity:** a critical issue that many CDS appeared to have faced is the need to ensure continuity in the event of a political change in the city administration.

3.2 A Growing Portfolio in Developing Countries

The Bank is currently directly or indirectly involved in over 20 CDS type initiatives (see Annex A). Furthermore, at the time of writing the Bank planned to support further CDSs, particularly in Asia. It should be stressed, however, that virtually all of the ongoing CDS initiatives are at a very early stage of development. Thus, the review of CDS initiatives is about taking stock in terms of examining:

- why and how the CDS was being formulated and implemented;
- the range of issues being addressed by the CDS; and
- the extent to which the CDS exemplifies the process and product outputs that we have posited as defining the normative framework.

For the purposes of this report the focus of the review is on the ten “case studies” CDS cities. As stated in the report introduction, the extent to which lessons can be learned from the experience to date is necessarily limited. Notwithstanding this caveat it is possible to distil some of the salient features of the approaches, scope and analytical foundations of the CDS work to date, juxtapose these features against the normative framework and accordingly to signpost some of the ways that the Bank could consider in order to improve the formulation and implementation of CDSs.

3.3 CDS “Process” Assessment

The assessment of the ten case study cities indicates that a salient feature of the CDS initiatives was, indeed, a strong intention to foster participatory approaches to strategic economic development and planning; a focus well established in CDS initiatives generally. It is noticeable, however, that a committed leader (often the mayor) appears to be key to initiating the process. Furthermore, participation seemed limited to established stakeholder groups; perhaps to be expected given the initial stages of the CDS initiative (see Table 3.1).

In part the stimulus for encouraging wide stakeholder involvement in the planning process was the growing need to mobilise private sector and community resources to support city development in times of growing budgetary constraints. Many of those interviewed discussed stakeholder involvement as driven by the necessity to tackle ever mounting urban service delivery problems – rather than build community wide capacities and capabilities.

Table 3.1: The Stakeholders Participation Process in the Case Study CDSs

CDS	Key CDS Initiator(s)	Primary Stakeholders	Key Participation Techniques
Bandung	<ul style="list-style-type: none"> Mayor Walikota (Bandung City) Governor Bupati (district) 	<ul style="list-style-type: none"> Councillors; Municipal officials, BAPPEDA, line agencies; CoC; Community leaders; NGO Coordination Forum; University, press 	<ul style="list-style-type: none"> Workshops with Group discussions; Still seeking methodologies for reaching consensus, and coming to workable conclusions towards greater common good.
Cali	<ul style="list-style-type: none"> Mayor WB team 	<ul style="list-style-type: none"> Mayor and city administration, Chamber of Commerce, PROCALI (group of NGOs), Foro Columbia, Universidad de Valle. 	<ul style="list-style-type: none"> Community visioning using Group ware software Working Group Meetings Community Research
Colombo	<ul style="list-style-type: none"> Mayor Councillors (spurred on / based on much of the work undertaken in City via UNCHS sustainable cities programme) 	<ul style="list-style-type: none"> Mayor and Councillors NGOs - lead by the NGO Sevantha (urban research centre) Private sector advisory committee to the Municipal Council 	<ul style="list-style-type: none"> Mayor's "manifesto" and vision Mayor driven meetings with councillors and private sector Establishment of cross-party committees, city watch committee and private sector advisory groups. Meetings with key NGOs Involvement of Citizens – the 100 day programme / Open days Community Development Councils
Coimbatore	<ul style="list-style-type: none"> City Commissioner City Mayor (keen support from Chamber of Commerce) Support from City Council 	<ul style="list-style-type: none"> Council Members and Local Body Officials Representatives of Major Organisations and Government Departments. The City's Community Partners, including, Voluntary Organisations, NGO's, Citizen's Interest Groups, Academics, and Private sector through Chamber of Commerce and Industry. 	<ul style="list-style-type: none"> Corporate Plan developed through a consultation and participation Council debates. Media dissemination including radio, television and the press. City interactive Municipal web page City awareness learning packages through centres of education. Internally, the Corporation's role was critically examined and departments consolidated.
Kampala	<ul style="list-style-type: none"> Municipal officials - Principal Town Clerk WBank team - build on previous work 	<ul style="list-style-type: none"> Initial focus on securing Government commitment General consultation with community. 	<ul style="list-style-type: none"> Various consultation exercises - workshops, one-to-one meetings, etc.
Lapu- Lapu	<ul style="list-style-type: none"> Mayor Ernest Weigel, supported by consultants 	<ul style="list-style-type: none"> Politicians from ruling party; Municipal professional staff; representing "the poor"; Rotary; 	<ul style="list-style-type: none"> Series of workshops.
Haiphong	<ul style="list-style-type: none"> Chairman of People's Committee / City Managers as part of Masterplan Review WB team 	<ul style="list-style-type: none"> Some involvement of other sectors on society - growing recognition of need to involve wider range of stakeholders Government Departments 	<ul style="list-style-type: none"> Meetings / internal government discussion
Olongapo	<ul style="list-style-type: none"> Mayor Kate Gordon, supported by City Administrators 	<ul style="list-style-type: none"> Mayor and Municipal Officials Barangue Captains Community Leaders 	<ul style="list-style-type: none"> Sub-groups formulating "problem trees" and "objective trees", leading long list of possible projects. Seat on Technical Committee which prepared selection criteria and list
Jo'burg	<ul style="list-style-type: none"> City Political Leaders Initially (1997) leaders of Greater Jo'Burg Metro, Local Councils Later (1998/99) - Transformation Lekgotla (Council) & Transformation Managers Metro and Local Council to become "UniCITY" single municipal (2001) 	<ul style="list-style-type: none"> Greater Johannesburg Metropolitan Council [two tier ; 5 Metro Councils and 4 Local Councils - to be transformed into one tier - "UniCity" single municipality concept (2001)] Involvement of Provincial and national ANC, Labour Unions, NGOs and private sector forums 	<ul style="list-style-type: none"> Stakeholder consultations ("it cannot be business as usual"). City Summit Workshops - with provincial and national ANC, Labour Unions, NGOs and private sector. City Council pro-active marketing and consensus building the - "iGOLI vision" One to one with key financial groups Analysis of urban economy as baseline for CDS
San Fernando	<ul style="list-style-type: none"> Mayor Mary Jane Ortega 	<ul style="list-style-type: none"> Politicians; municipal heads of departments. Captains of Barangays, community leaders; CoC; Transport and Women Assocs. 	<ul style="list-style-type: none"> A series of consensus seeking workshops;

A number of important issues emerged from the review related to the nature of the participation process:

- **Participation not Consultation.** Unlike many previous approaches to strategic urban planning was the commitment to getting primary and secondary stakeholders directly participating in problem identification, prioritisation and visioning exercises (and subsequently seeking commitments concerning implementation). This approach contrasted with more conventional practices of consulting various stakeholder on proposed priorities and plans - for example, seeking comments on and objections to draft plans. In general, stakeholder participation was the goal of the many of the ten case study CDSs, though the early stages of the CDS design were (perhaps necessarily) characterised by stakeholder consultation and consultation with established groups (Government, NGO and private sector representatives)
- **Making Participation Work in Practice.** Given a commitment to participation there automatically arises the issue on how best to make the CDS process work in practice. A range of techniques were employed ranging from simple meetings and workshops through to more sophisticated use of computerised tools (see Box 3.1, the case study of Cali, Colombia).

Box 3.1 : Fostering Participation in Cali, Columbia- Using “Groupware”

In April of 1999 a team from the World Bank office in Columbia travelled to Cali to facilitate a community based visioning exercise. One hundred and forty seven people participated in the session, more than were anticipated, and it was widely felt that each person walked away from the session with a sense that he or she had positively contributed to defining the vision and identifying themes for future work. The visioning methodology involved a priority setting exercise with 20 participants at a time, each with access to a computer terminal connected to a central server using Groupware, a software specifically designed for this purpose. The advantage of using the software was that it allowed for anonymity of inputs, equal value for all inputs, and the immediate calculation of results. Given the climate of distrust between some of the stakeholders representing Cali (for example, distrust of many of the formal institutions of government) the anonymity provided by Groupware was seen to be a vital aspect of the visioning exercise, and, indeed, a mechanism to begin to overcome distrust.

At each session the participants identified two challenges facing Cali for the years to come which were organised into themes at a plenary. For each theme participants assessed its importance, suggested how the theme should be addressed, and recommended the respective the roles of government, the private sector and civil society in tackling the theme. Each participant ranked the themes in order of importance and each participant was asked to make a final recommendation as to how to proceed in addressing the theme. The themes that emerged from these sessions included: 1. Economic revitalisation and employment generation; 2. Social development (including poverty alleviation); 3 Community security and co-existence; 4. Improved educational opportunities; 5. Improved local governance (including modernising the municipal administration and combating corruption); and 6. Creating an up to date urban / spatial planning framework.

Source : Interview data (September 1999)

- **Determining which Stakeholders are to be Involved and When** The case study evidence was varied on how this was managed. The initial emphasis seems to be on securing involvement and commitment first within the municipal. This was not necessarily to the exclusion of private sector and community stakeholders but more one of degree of initial involvement and the appropriate phasing in of other key stakeholders. There are, of course, potential process risks associated with this phasing if key stakeholders feel excluded. Consensus, of course, can be manufactured by those who control the process of participation.
- **Finding Leaders.** It is clear that champions or leaders are needed to “kick-start” the process. Our interview data indicate that the key initiators (and initial stakeholders) tend to be the city mayor and/or key politicians (although in some Latin American cities private sector representatives have pushed for city strategies). They tend to focus initially on crises of municipal management and service delivery - and draw in the private sector, NGOs and other relevant key stakeholders. Leadership to commence the CDS process appears vital and, as demonstrated in our brief review of CDSs in DCs, leadership is often embodied and expressed through a few key individuals. The issue is for this leadership to generate a groundswell of commitment so that further progress of the CDS is not dependent on the initiators but becomes a product of the whole community. Institutionalising the process of participation must be addressed (see Box 3.2).

BOX 3.2 : The Importance of Leadership - The Mayor of Colombo

In May 1997 a new mayor was elected to lead the Colombo Municipal Council (CMC). He was a former Ambassador to Germany and experienced in the private sector (as an owner of several factories). His aim was to change the way the Council operated and significantly improve the delivery of urban services. He felt that CMC was overtly politicised, bureaucratic, inefficient and often ineffective. He drove through the commercialisation of some of the CMC operations, such as solid waste collection, produced a corporate plan (“Towards a Better and Liveable City, 2002”), defined a longer-term vision (2010) and improved the customer orientation of the Council.

“Democratic Systems” were established. Fifteen advisory committees were established to parallel and support the 15 standing committees - and included a city watch committee of citizens, a committee of representatives of the private sector and NGO involvement. Cross-party committee membership reduced the level of conflictual politics. Powers were delegated to officials (empowerment); sanctions were introduced for non-performance. At first the reaction from councillor and official alike was resentment. As successes began to be generated, resentment was replaced by enthusiasm and commitment. The Colombo case study demonstrates that leadership makes a difference - is key. Furthermore, for widespread community ownership and commitment to work, committed leadership operating within a democratic framework seems to be vital.

Source : Interview data (Colombo, July 1999)

Once the CDS process was initiated in the case study cities, it was common for a wide range of problems and issues to be discussed. A critical set of steps involved moving from initial high profile issues or crises, to strategic problem identification and prioritisation. Indeed, one of the most important impacts of the CDS process to date has been to facilitate a better understanding among city managers of the underlying causes of problems and of the linkages between interventions, and outputs and outcomes. For example:

- **From a Financial Crisis to Urban Development in Johannesburg;** a municipal finance crisis promoted city councillors to make draconian budget cuts. However, it became increasingly clear that the sustainability of municipal finances was intrinsically related to economic growth in the city. Draconian budget cuts were a one-off and limited solution. The closure of existing business combined with a dearth of new investment highlighted the need to take a wholesale review of the workings of the urban economy. This review stimulated city managers to investigate how policies, plans and services could be aligned in order to encourage new economic activity. A review of a financial crisis led to an appreciation of the importance of and a deeper understating of how to promote broad based development in the city.
- **From a Metro to Building Trust in Cali;** civic trust and the economic base of the city had collapsed. The city mayor wanted to build a new metro to stimulate urban development. What became clear through the CDS process was that the stakeholders wanted a more direct focus on urban economic regeneration, employment generation, poverty alleviation and social inclusion. It wasn't a metro that would assist many of the stakeholders but a more direct focus on broader and underlying issues of development.

The CDS process can lead to the participants changing their attitudes (mindset) about the nature of development, and can lead to a hitherto neglected focus on the linkage between investments and outcomes, and the nature of the underlying causes of economic problems. However, a number of the case study CDS cities appeared to experience difficulties progressing beyond a focus on the priority issues. Colombo, for example, remains focused on urban services delivery. A number of observations can be made as to the identification of problems through the CDS "process":

- **Moving on from the Priority Issue is Important;** the initial focus on a priority issue should give way to a more broad based set of development concerns, but can be a difficult transition for some CDS cities.
- **Importance of Economic Development;** the importance of fostering economic development to support overall development tends often emerges as a key strategic planning issue and objective.
- **Understanding "Development";** through this shift in focus from a specific to broader issues, there seems to be a greater appreciation of how development processes are working on the ground, as discussions proceed concerning the underlying causes of problems.

3.4 CDS “Product” Assessment

The CDS product is neither a master-plan nor blue-print. The CDS product focuses on the processes of change, highlights economic dynamics and opportunities, and adopts a flexible strategy to respond to the new economic realities and sources of competition. The CDS product builds stakeholder capacity and capabilities so collectively they can efficiently managed the city and effectively positioned the city’s private sector in national and global markets (19). Furthermore, the CDS process affects the product and vice versa; thinking about a new economic future within a CDS framework can change the very way the city is managed and planned (see Box 3.3).

BOX 3.3 : Haiphong CDS – Finding a New Economic Role for the City

Many strategies of city development are not appropriate to the emerging agenda of liberalisation and globalisation. The case of Haiphong provides an example of how the CDS process can begin to open up the planning agenda and guide future development towards more sustainable pathways. Haiphong is positioned to play an important regional gateway role in the development of North Vietnam. However, there are “tensions” between the established national economic and spatial planning framework, the creative role of civil society and the emerging economy. City managers felt compelled to follow a fairly conventional master planning approach; this approach was the accepted way of doing “business”. This approach, however, became “locked” into a rigid supply driven view of future investment priorities; namely, an emphasis on large scale industry, the provision of large scale industrial estates and related physical infrastructure, and budget dependence on established sources.

Against this inertia there were obvious signs that business as usual was not likely to be sustainable: the Asian crisis highlighted the vulnerability of dependence on inward investment, the economic base of the economy was shifting towards services and light (smaller scale) manufacturing, and traditional funding mechanisms were unlikely to meet requirements. The city managers recognised the need for a change and began opening up the master planning approach to a more far-reaching review of where Haiphong was going – the initial foundations of a CDS were being laid. With the support of the World Bank, the CDS process focused on a number of questions that began reshaping Haiphong’s development agenda:

What sectors, clusters and/or industries are developing and which ones are in decline – how is the economic structure and workings of the Haiphong changing?

- What are Haiphong’s comparative advantages and how can they be strengthened?
- Are current plans and regulations appropriate to the emerging trajectory of development?
- Given the Doi Moi reforms, what are the roles of the public and private sector respectively?

It is still early days in the development of Haiphong’s CDS and much needs to be done to take it forward. There remain tensions between the established national planning frameworks shaping city development and allowing creative responses at the local level to capitalise on new opportunities. What is clear is that the CDS process can provide the “opening” through which new visions and approaches to development can enter the debate, and can lead to new and inclusive futures for the citizens of the city.

Source : Interviews (Haiphong, July 1999)

19 A CDS concentrates on and should be measured against improvements in liveability, competitiveness, governance, and bankability; See; World Bank (Transportation, Water and Urban Development Department; Urban Development Division) 1999 (June) “Strategic View of Urban and Local Government Issues : Implications for the Bank”. Draft.

A concentration on the role of the city as an engine of growth is a defining feature of a CDS. However, the assessment of the case study cities indicated that the CDS “product” varied, and quite markedly. Furthermore, whereas many stakeholders interviewed in the case study cities were confident and assured about the process defining the CDS, few were so certain about the product characterising a CDS. There was not a clear consensus about how a CDS product was to be defined, and what it would “look” like in practice. The specific outputs that would emerge out of the CDS process were also not firmly defined in the case study cities, though this was in part a function of the early stage of development of these initiatives. In summary, our assessment has shown that the CDSs were, in general :

- **Driven by a Priority Need or a Sector Specific Issue.** In a number of cases the CDS was being driven by the perceived most pressing need (e.g. poverty or municipal service delivery; Kampala is an example of the former and Colombo an example of the latter. The Colombo Municipal Corporate plan is an example of a development strategy focusing on municipal service delivery, and an example of what we have called a proto-CDS. Another example of a sector specific issue driven CDS is the analysis of the risk of major flooding for Buenos Aires, which became a lens through which more far-reaching issues and concerns were highlighted and subsequently addressed).
- **Linked to Existing City Plans.** In some cases the CDS was “piggy - backed” onto more conventional master planning and budgeting exercises (such as for Haiphong, and described in Box 3.3) - in this sense the CDS extended beyond infrastructure and services planning.
- **Lacked an Effective Economic Development Strategy.** Whilst recognising its importance, most case study cities had not been able to evolve the CDS into a broad strategy of economic development and governance; Haiphong being a partial exception. Indeed, many felt unsure as to how to formulate the CDS as a broad strategy of development, and many believed that further work was required in order to clarify the CDS concept for themselves and/or ensure effective stakeholder participation and commitment.

There has been a tendency for a CDS to be all things to all people. As one World Bank Task Manager stated to us; - “It changes its spots according to the need”. “It is a strategy to sort our inter-sectoral priorities and improve lending efficiencies” stated another; whilst a third was clear; - “it is a strategy to promote the city as an engine of national growth”.

As regards the latter objective, trying to find a new role for a city was, indeed, a driving force behind a CDS. Haiphong is a representative case from our selected case study cities as the city that is attempting to find a new role in the transitional economy of Vietnam - albeit through the centrally mandated master planning process.

Johannesburg is another example, and one which demonstrates the value of marshalling the community around a vision for that addresses key threats and opportunities; in this case the need to move to a post-apartheid city (See Box 3.4). In both cases civic leaders have sought to facilitate a new role for their cities.

BOX 3.4 : A New Role for A New City : The Johannesburg CDS

The stakeholders of the City wanted to develop a spatial and economic development plan through an intensive process of consultation structured around the formation of:

- City committees
- City business coalitions
- Inner City Community Forum
- City Consultation Summits

The socio-economic and spatial complexity that characterises the nature of the Inner City and the Metro City meant that a blueprint or an ideal end-state masterplan was neither realistic nor feasible, and thus the CDS approach adopted is one that enables selective and directed interventions focused on the dynamics of change that characterise the City. This approach resulted in the setting of a series of cross-cutting 'Parallel Strategies' and 'Big Ideas' cast in:

Metro City – Firstly: a Vision for the transformation of the cities management from a bureaucratic style to a business style centred in the first instance around a financial transformation strategy for the management of the city's utilities and service delivery – iGoli 2002 – Making the City Work – Three year plan "Getting the basics right". Secondly: a bigger Vision that will seek to define and create a world-class city by 2010. The development of the 10 year plan will draw on international experts experienced in transforming major cities around the world into world class, globally competitive cities. This plan will broadly be based on the overall vision for the City. On August 12/13 this year the formal launch of this initiative will be presented at the Jo'Burg Partnership 2010 'Summit'. This will present the larger vehicle for the co-ordination of donor funding and hopefully the rationale for the creation of a 'Common Donor Trust Fund' that is client demand based.

For the Inner City – a parallel set of strategies cast in a Inner City Vision as well as an Inner City Development Strategy has been formulated within the ambit of the objectives of an existing (1993) Inner City Renewal Strategy. The frameworking process and principles here are the same as for the iGoli and are nested within it – a Mini CDS.

For the Metro Region - of the RSA it is proposal that an Association of Metropolitan Councils will act as the vehicle for the formulation and integration of a network of Metro Strategies that will benefit from the Jo'Burg lead and learning experience. Within this 'bigger picture' it is recognised that the historical, political and socio-economic legacy of each Metro will distinguish 'visions' that are appropriate for each City – for example for Cape Town the CDS will be conditioned by the greater political fragmentation and division between the local authorities with varying levels of support for the Metro concept. This political rivalry does not pertain for Johannesburg where the ANC are a unifying force. Cape Town's Metropolitan Local Councils are not as strong. More importantly, Jo' Burg is lead by a highly articulate City Manager who has a Plan – iGoli 2002 - which has strong support and a highly motivated team leading its implementation.

Source : interview (Jo'burg, July 1999)

Another example, outside the set of case study cities, of a city-region seeking a way to respond to the new forms of competition, is that of the Bangalore city-region. Here local government is seeking to respond to the new realities of the 74th amendment, economic liberalisation of India and increasing globalisation of markets. The "new approach" being debated is, in effect, a CDS (See Table 3.2).

Table 3.2 : A Bangalore City-Region CDS?

“ Old Economy”	“ New Economy”
<ul style="list-style-type: none"> • Government involvement in, or ownership of the means of production (e.g. PSUs) • Planning by administrative fiat - control over location decisions through provision of land, infrastructure, and licences. • Heavy Industrial Dominance • Industry (particularly PSUs) locating where so instructed or where influenced to by access to government controlled factors of production. • Use of the protection and licensing system - industries “regulated”. • Relatively isolation from global markets • Domestic competition structure by access to traditional factors of production (e.g. land, incentives etc.), which were often government controlled or influenced • Environmental management seen as relatively unimportant • Focus on Industry - fewer resources devoted to agriculture in proportional terms 	<ul style="list-style-type: none"> • Government as regulator and enabler. • Market based system of private sector resource allocation • Increasingly “High-Tec” in key industries • Economic liberalisation and deregulation • Relative integration into global markets • Industry locating according to the strictures of the “market” - where rate of return highest and risks lowest. • Domestic and international competition structured by “competitive advantage” of enterprise (including e.g. channels to markets / access to finance / skills - knowledge basis of enterprise) • Sound environmental management (pollution control and prevention) - seen as an important aspect of competitive positioning of an enterprise (e.g. need for ISO 1400 to trade in many global markets). • Agricultural and rural development - seen as important poverty alleviation process. Complements industrial growth and “high-tec” future of Bangalore.
<p>“Old” Development Strategy Principles - Business as Usual</p>	<p>“New” Development Strategy Principles - Positively Responding to the Market</p>
<ul style="list-style-type: none"> • Provide Physical Infrastructure (in particular, land and layouts - roads and railways) • Determine where investment (particularly PSUs) will locate - through the use of, e.g., licenses (and other controls), incentives, and political patronage • Attract Investment to the Region (“bidding” against other areas to attract footloose industry was, and remains, common) • Provide Incentives and Subsidies (to support local business and attract external investment - but in an era of globalisation often merely protects inefficiencies in industries and pass the costs of these inefficiencies to government [and taxes]) • Establish Educational and Training Centres as Separate Institutions (e.g. ITIs). Few linked directly with business. • Top-Down Planning - blueprints with long time horizons. Increasingly unrealistic in fast changing world of globalisation and economic liberalisation. 	<ul style="list-style-type: none"> • Strategic Visioning - the “inclusive” approach; stakeholder involvement and ownership • Public-Private Partnerships - Gov. support the economy via e.g. establish (i) “focus groups”, (ii) business development centres; (iii) SME networking. • Public Sector Partnerships - local government and other agencies working together to develop the region. • Flexible Planning - given volatility of markets and velocity of globalisation flexibility in planning and public and private sector quick response capabilities required. • Focus on Policies to Assist Enterprise “Build Competitive Advantage” - e.g. skill development, enterprise networking to reap scale and scope advantages, appropriate physical infrastructure. • Build Local Business Networks e.g. the “umbrella” strategy whereby anchor firms co-ordinate the actions of many SSI suppliers; creating “industrial clusters”. • Building Local Industrial (adaptation / learning) Capacity - creating local industrial clusters. Business support via business based organisations.

Source : Bangalore Sub-Regional Plan. June 1998. Government of Karnataka. ADB. GHK International Ltd.

From our interview data it appears that variations in the CDS product related to :

- **The Stage of Development of the City.** A CDS for the City of London will be different from that for a city characterised by poverty, under- and unemployment, and obsolete and uncompetitive economic activities. Obviously the nature of a CDS will also be function of the specific nature of the economic bases, opportunities and threats characterising a city.
- **The Stage of Development of the CDS.** Many CDSs start off as a strategy to address a particular sectoral issue or improve city service delivery (which is not really a CDS, but what can be called a proto-CDS), and progress to broader governance and economic issues (which is a CDS). Sector specific strategies can be used (and are in effect so used) to “pilot” the participatory process and allow a city to confidently engage broader and more fundamental developmental issues.
- **The Scale of the Problem or Size of the City.** What is possible in a small city or town may not be attainable in a mega-city where there are many conflicting interests and a range of problematic issues.
- **Variations in the Driving “Needs” of Development.** CDSs for East Asian cities may be focused primarily on economic development and positioning in global markets, whereas many CDSs in Africa and South Asia may focus firstly on poverty alleviation and municipal service delivery. At other times the need is to build consensus and participation through a sector and municipal management specific issue (see Box 3.5) or focus on government co-ordination and efficiency (see Box 3.6). The “entry point” to the CDS is often a function of the most pressing need (or threat) as perceived by the city stakeholders.

BOX 3.5 : Building Trust and Consensus in Cali

One of the major issues that emerged during discussions with stakeholders involved in Cali City Development Strategy was the lack of trust between citizens and the municipal administration. Many of the employees work for political representatives rather than constituents. In addition, further complicating matters is a high level of indebtedness of the municipal government. After reviewing these problems during the diagnostic portion of the CDS process the following proposals were suggested:

- Design an information system to allow citizens better access to municipal government.
- Municipal administration efficiency improvements.
- Create an incentive based system of career advancement for municipal staff.
- Establish regular lines of communication with the central government on finance issues.
- Reduce levels of indebtedness by following steps outlined in agreement with creditors.

The point that was driven home quite strongly during the early stages of the Cali CDS was that the successful implementation of the CDS relies on an efficient and transparent local administration. If the municipal government is going to be involved in partnerships with other sectors of society they will have to strive to establish an atmosphere of trust and reliability with civil society and the private sector.

Source : Interview data (Cali, September 1999)

BOX 3.6 : Delhi: In Search of a Co-ordinated Administration.....and a CDS?

The strategic development and efficient management of Delhi is high upon the current agenda of the policy makers of Delhi. Significant and positive efforts are being made to improve the management of India's capital city. A number of development plans are being prepared:

- the NCR Planning Board is in the process of formulating its Delhi 2020 Plan.
- the Delhi Development Authority (DDA) is preparing a "Vision 21 Masterplan"; and
- the Government of the National Capital Territory of Delhi (GNCTD) is formulating a Delhi 21 document which, hopefully, will guide development for the next 20 years.

Co-ordination is required. For example, the effectiveness of the DDA Plan may be compromised if it is not aligned with the NCR Plan. Furthermore, the DDA, though holding a near monopoly position on the developable land of the National Capital Territory, needs the compliance of the New Delhi Municipal Council, and the Delhi Cantonment, as well as the Municipalities of the seven ring towns, in order to ensure the success of the plan.

Reciprocally, the NCR requires the co-operation of the contiguous States of Haryana, Rajasthan and Uttar Pradesh. Each institutions appears to focus on their own 'turf; a cross-cutting forum for policy integration does not yet exist, though informal contacts between institutions are of course useful. Furthermore, Delhi has, in effect, one municipality whose scale and complexity often denies effective outreach to the urban communities within its remit.

Moreover Delhi, unlike other cities in India, is not a declared State. As such, the elected Delhi City representative, in the guise of the Chief Minister, is on many levels over-ruled by the Lieutenant Governor as the representative of Central Government. This semi-statehood is also reflected at the political level with the opposition being represented through the Chief Minister, and the Government of India through the Lieutenant Governor. Furthermore, Delhi is heavily subsidised from central government budgets, receiving considerable benefits as the Capital. Delhi is not short of funds. Other State capitals and cities are not so privileged. This can distort and underplay the relatively poor economic performance of the city, and can disguise the adverse effects of problematic management and governance.

Nevertheless, Delhi is still seen as a place of opportunity attracting ever more people; a symbol of the significant progress achieved by India; and a centre of political power where ideas and decisions take shape and transform the lives of its citizens. For this perception to be truly realised it appears that the city does require a common vision and appropriately co-ordinated city administration in order to deliver the quality of civic governance that the Capital needs:-

In 1998 an outbreak of cholera claimed 1,500 lives. The epidemic spread to 625 slum clusters and 44 settlement colonies. The outbreak was as a result of abysmal sanitary conditions. A media commentary on this tragedy stated:

"do such tragedies need to occur to jolt our policy makers from their complacency? Why cannot our policy makers pre-empt such situations by taking corrective measures right at the outset, rather than take evasive rearguard action later?"

Source: GHK Interview Data (Delhi February 2000)

3.5 CDS Case Study Progress to Date – A Summary

As indicated in Table 3.3, most of the case studies areas are in the process of moving towards problem prioritisation. Few had prepared detailed action plans or financial strategies to support implementation. What is clear is that the process of building participatory approaches and consensus requires time, especially where there is no culture or tradition of this among stakeholders. From the time frames suggested in the review, the processes of moving from formulation to implementation are likely to take a year or two rather than a few months. Although most of the CDSs are in the early stages of formulation (let alone implementation), our discussions indicate that the following implementation issues have been recognised:

- **Securing Stakeholder Ownership** - particularly for a relatively complex agenda as embodied in a CDS, and especially in large cities, where, as has been stated, the probability of encountering a number of conflicting interests increases (the potential role of the Bank as facilitating consensus comes readily to mind). Firm stakeholder commitment and ownership are required when a CDS is designed to address broader issues of economic and social development
- **Obtaining Funding** - the ability to implement a CDS is linked, in the minds of many city stakeholders, to the necessity of obtaining programme and project based funding. It should be noted that for a proto-type CDS based on improving municipal management, little money may be needed (such efficiency reforms often being a function of change attitudes and behaviour). Perhaps this is why proto-type CDSs appear to dominate the CDS portfolio at present. Investment funds are required when a CDS is designed to address broader issues of economic and social development;
- **National Policy Frameworks** - two important issues here are: firstly, in the case study cities reviewed there are clear and direct links between successful development of cities and macro-economic objectives; and secondly, the scope and success of CDSs was likely to be structured by the nature of national policies. The CDS can provide a framework for enabling city managers to discuss and negotiate with national authorities on local economic development requirements and to sharpen national development strategies.
- **The Problem of Prioritisation** - in a number of cases the way in which problems are to be prioritised has not been completed. In the case of Haiphong, city managers were struggling with how to take forward their planning exercises against the uncertainties of change and competing interests. The issue here is not a case of lack of ownership per se, but rather building municipal capacity to respond to a more liberalised environment. In Johannesburg, the pace of CDS implementation could similarly be enhanced through support to city managers grappling with a reform process few had much experience of. This leads to another issue, the role of external agencies.
- **Involvement of the Private Sector**:- – the involvement of the private sector was seen to be vital by many local government stakeholders who we met. In part, as we stated above, this reflected a growing need to mobilise private sector resources

to support city development in times of growing budgetary constraints. This certainly appeared to be a reason for the mayor of Colombo involving the private sector in the City's new municipal services delivery strategy. However, it appears that some are not clear as to how to proceed beyond involving the private sector in the provision of infrastructure and utilities (from the altruistic provision of toilets to BOT type schemes for city water and sewage treatment systems); – or attempting responding to the supply side needs of the private sector (see Box 3.7).

Box 3.7 : Public Private Partnerships - Aligning Shareholder and Societal Value Creation

A number of CDS-type strategies for cities in developed countries (DCs) have concentrated on building knowledge-based economic clusters that are designed to allow the constituent firms individually and collectively to successfully compete in national and global markets. Aligning actions taken by the public sector as regards education, an individual's responsibility for "learning", and the nurturing of human capital by a firm, have characterised a number of these CDSs, and are based on public-private partnerships. The form of public-private partnership which has evolved in many DCs lies well beyond meetings whereby the private sector requests supply-side physical infrastructure and tax breaks. Furthermore, the techniques used to analyse the economic contours of and possibilities for a city matter. Descriptive statistics related to changes in, for example, the product composition of output tell only a very partial story in the absence of an understanding of sectoral dynamics and the drivers of economic change. Indeed, the majority of economic This is well known. The issue here relates to the appropriateness of methodologies and techniques to be used. When to do use shift share analysis, when cluster and value-chain analysis? What methodologies are most appropriate to build the foundations of effective private-public partnerships for CDSs? (see Nelson, J. 1998, "Building Competitiveness and Communities". The Price of Wales Business Leaders Forum; for a discussion of ways to align shareholder and societal value creation).

- **Support from Development Organisations and Donors** - the evidence from the case studies indicates that donor support can be very important in helping city managers take the CDS process forward. The issue is partnership and what it means. There is some concern at how well equipped external agencies are to provide timely and appropriate technical and financial support to city managers and other stakeholders.
- **Structured Approach to the CDS** – Perhaps the most important, though seemingly mundane observation is that few of the case study CDSs had agreed upon a structured programme focusing on the design and implementation of a CDS. Not one case study CDS was associated with a LOGFRAME or similar to be used to clarify the goals, outputs and hoped-for outcomes of the CDS. Few case study CDS had proceeded from an analysis of the economy of the city to a strategic vision and action plans which were associated with clarified funding mechanisms. Perhaps worse, a few appeared as masterplans in new clothing (see Box 3.8)

Box 3.8 : Seeking a CDS in Lapu Lapu and San Fernando. A Tale of Two Cities.

The final report of the *Lapu Lapu* Strategic Programme provides a detailed description of the city's long term ambition. The report, however, appears to be relatively weak on an analysis of the current development problems and opportunities, and lacks a clear prioritisation of concerns and possible interventions. In the introductory sections the report states that the strategic plan draws heavily on the Master Plan prepared earlier by consultants. There is little evidence of the philosophy of a "CDS approach" to strategic planning. An "objective tree" and "problem tree" are presented in an annex to the report and presented as tools to generate stakeholder participation.

During the meeting to discuss the strategic plan there appeared to be little evidence of ownership of the plan by the councillors or by the city officials, nor an understanding of the process of participatory strategic plan formulation. Only the Mayor spoke at meetings. The GHK interviewer was told that the plan was "prepared by the consultants, with assistance from the City". In response to enquires as to whether this should not have been the other way round, we were informed that it was the consultants' responsibility to produce the plan. Certain conditions may have led to this action. The present Planning Officer has not been in place for long, and the capacity of his department was denuded as a number of staff had unfortunately recently died. There are, furthermore, clear indications that the department handed the entire plan formulation process to the consultants. Concerns were expressed from those present at the meeting regarding the lack of stakeholder participation. One participant, the de-facto representation for the tourist industry, complained that he was invited to a "workshop" only a day before this meeting, and was without any "background knowledge". Consultation, he claimed, was no more than presenting a fait-accompli for acceptance.

In summary, it appears that some of the underlying concepts and premises of CDS have by-passed this city. The dominant involvement of consultants – instead of the city's technical departments – has kept an important part of the learning experience beyond the LGU's establishment and the city stakeholders. The "participatory" principle of CDS seems to have received only limited attention. Awareness of the *need* for a participatory approach is apparent from the rhetoric of the report, but has not really seen the light of day. It is perhaps correct to state that the one year CDS process has not led to improved consensus amongst the parties involved. Further, the priority actions or programmes emerging from the process appear to be limited to infrastructure engineering (sewerage, drainage), despite the clear need and opportunities for the provision of improved services to the informal housing areas, employment generation for villagers as a spin-off from the tourism industry, institutional strengthening and capacity building, and a participatory approach to identify and subsequently improve the conditions for squatters.

San Fernando was a different experience. The Mayor assembled her team to discuss the CDS process. Clearly a dominating strong presence, with a style that combined effective management with compromise and an infectious enthusiasm. The meeting was lively. One by one I was introduced to twenty or thirty members of the executive and the legislative, with representation from all parties. Throughout the meeting emphasis was placed on consensus, on their common vision, on what they had learned and achieved during the process of formulating the CDS. A great deal of enthusiasm and pride was displayed about their city, and confidence in its future important role in the northern region, as a "gateway to the north", and as the "Botanical Garden City". The Mayor invited everybody in turn to explain their role in the CDS process, what they had contributed and what they had learned. When we came to the political side of the circle of participants, all were at pains to emphasise that they did not see the party divisions here, opposition councillors were also appointed as Committee Chairman where appropriate, and they were all in support of the Vision of their Mayor. There were representations from ruling party, from opposition and from independents; all voiced the consensus nature of the process which had led to the formulation of the CDS. There was a freshness about the meeting and none of the usual complaints about lack of money. The CDS process was clearly an important issue; it had united local government staff and representatives from business and community organisations, and appears to have generated debate and action concerning the city's future.

Source: GHK interviews and investigations (February 2000)

Initial successes have been made. This is particularly so related to the process of stakeholder participation. Participation is undoubtedly an important success of nearly all the case study CDSs. Often participation has “opened the can of worms”; perhaps not a bad thing; indeed, often opening this can of worms generates discussion about the underlying causes of economic and social distress and exclusion, and involves making connections between policy and investments actions and outcomes in ways not previously realised).

However, moving from a single sector agenda, and/or building on the participation process appears to be somewhat difficult. How does Colombo move beyond its (apparently effective) new municipal service delivery strategy and programme? How does financially severely stressed Johannesburg implement its vision? How does Haiphong city support its private sector and implement its (embryonic) economic vision? These are very real issues with which the stakeholders of the case study cities are currently grappling.

The initial definition of what defines a CDS as indicated in section two implied a number of characteristics or attributes that can serve as crude criteria against to assess the progress of the development of the CDSs to date. Table 3.4 is an attempt to summarise the “assessment”. It should be stressed that the all case study CDSs are in the very early stages of design and implementation and, hence, the assessment is correspondingly limited.

TABLE 3.3 : Problem Identification and Prioritisation in the CDS

	Problem Identification			Objectives		
	Strategic Context	Initial Key Issues Identification	CDS Problem Identification	Initial CDS Process Impact	Prioritisation	CDS Objectives
Bandung	<ul style="list-style-type: none"> Re-positioning of city and region in new political climate; decentralisation. Recent focus on a strategy for industrial development 	<ul style="list-style-type: none"> Tendency to focus on single sector issues: in particular transport and kampung improvement. Awareness of need to decide on the location of (new) industries which is consistent with spatial development plans. 	<ul style="list-style-type: none"> CDS process had not yet led to conclusions on development directions 	<ul style="list-style-type: none"> Democratisation process for broad group of stakeholders; First instance of direct involvement in discussions on the future of urban areas which goes beyond traditional political decision makers. 	<ul style="list-style-type: none"> Discussions focused on process, and role for stakeholders groups vs. traditional elected political leaders (councillors) 	<ul style="list-style-type: none"> On process: How to maintain manageable group of participants; How to combine views of formal representatives; Integration with formally accepted spatial planning processes
Cali	<ul style="list-style-type: none"> Economic decline; loss of economic base leading to significant increase in unemployment Breakdown of civic trust and institutions; lack of public trust in municipal institutions Law of decentralisation 	<ul style="list-style-type: none"> Initial focus on building a Metro / Subway. Economic revitalisation "Security and co-existence"; reduce violence Social development Administrative and fiscal reform; re-building trust in municipality. 	<ul style="list-style-type: none"> Shift from industrial to service economy Unemployment and poverty Social Exclusion Urban violence Lack of trust in municipal institutions; need to modernise local administration & promote anti-corruption, spatial planning - land management 	<ul style="list-style-type: none"> Shift to more strategic view of development - identify economic development issues Introduced idea of broad but focused CDS Emphasised importance of broadening stakeholders Focus on issues of sustainability of development 	<ul style="list-style-type: none"> Working groups in five issue areas identified priority areas for analysis and action build up analytical work to support decision-making 	<ul style="list-style-type: none"> Build trust; between people and in civic administration Ensure peace and security Promote economic regeneration and employment Improve educational opportunities

	Problem Identification				Objectives	
	Strategic Context	Initial Key Issues Identification	CDS Problem Identification	Initial CDS Process Impact	Prioritisation	CDS Objectives
Colombo	<ul style="list-style-type: none"> Decentralisation Urban poverty Crisis in the delivery of municipal services 	<ul style="list-style-type: none"> Poor municipal service delivery Planning "ad hoc" and plagued by political interference Extensive underserved settlements 	<ul style="list-style-type: none"> poor service delivery economic development economic inclusion 	<ul style="list-style-type: none"> CDS is initial design stages Lead NGO identified. Some private sector involvement with the municipal service delivery strategy 	<ul style="list-style-type: none"> Efficient delivery of municipal services Efficient and effective municipal management / operations serving the low income / under-served areas 	<ul style="list-style-type: none"> Implement "Towards a Better and Liveable City - The New Approach" Emphasis to date on services and utilities
Coimbatore	<ul style="list-style-type: none"> Following the enactment of the 74th Constitutional Amendment, the Gov. of Tamil Nadu sought support from the World Bank for a strategic and decentralised development initiative; the Tamil Nadu Urban Development Programme (TNUDP). This programme involves: <ul style="list-style-type: none"> Long-term commitment; Scaling-up to State-wide operations; Demand driving participatory approach; Market orientated urban financial intermediary (GoTN owned fund - public-private partnership), Grant fund for poverty reduction; T.A's 	<ul style="list-style-type: none"> Sub optimal infrastructure Unco-ordinated approach to service provision - Traditional practice meant that local bodies / utility agencies prepared detailed plans for the various components of urban facilities during different time periods and without reference to one another 	<ul style="list-style-type: none"> Political power and investment bias that favours the rural constituencies. Uncoordinated utility planning set within the framework of a prescriptive 'end state' Master Plan for which the economic development inputs are carried out by the State. An aspect the City Planner has no control over 	<ul style="list-style-type: none"> The TNUDP (CDS) 'umbrella' programme is a powerful instrument for decentralisation The CDS being mainstreamed to more than 50 ULBs Via stakeholder consultation, Coimbatore's Corporate Plan derived a set of 'Core Values' e.g. sound environmental management socio-economic development through community participation. City's strategic planning process initiated by eliciting citizen's views of what they wanted the City to look like. 	<ul style="list-style-type: none"> Financing basic infrastructure; Supporting the implementation of urban reforms by strengthening the capacity of ULBs; Securing sustainable funding sources for urban infrastructure investment 	<ul style="list-style-type: none"> Participatory approach in delivery of services to the people of the city and uplift the economic, social and environmental quality of life.

	Problem Identification			Objectives		
	Strategic Context	Initial Key Issues Identification	CDS Problem Identification	Initial CDS Process Impact	Prioritisation	CDS Objectives
Kampala	<ul style="list-style-type: none"> Decentralisation Urban poverty 	<ul style="list-style-type: none"> Participatory / consultation process - list of issues poverty component 	<ul style="list-style-type: none"> National Poverty Eradication Plan 	<ul style="list-style-type: none"> No Data at time of writing 	<ul style="list-style-type: none"> to be completed build up analytical base to support decision-making 	<ul style="list-style-type: none"> Pilot process aims to maximize growth potential with poverty reduction Extend Nat Poverty Eradication Plan consultative process
Haiphong	<ul style="list-style-type: none"> Political, social and economic transition from central planned economy (Doi Moi) Structural change of economic base 	<ul style="list-style-type: none"> Strong emphasis on national policy issues - develop heavy industry Bias towards large scale infrastructure 	<ul style="list-style-type: none"> Changing balance between heavy and light industry and between large scale and small scale infrastructure investment Important linkages between rural and urban areas 	<ul style="list-style-type: none"> More informed perspective on economic drivers of change Recognition of need to widen stakeholder involvement Recognition of problems of national framework 	<ul style="list-style-type: none"> to be completed build up analytical base to support decision-making 	<ul style="list-style-type: none"> promote economic development - modernisation and industrialisation promote Doi Moi at local level
Jo'burg	<ul style="list-style-type: none"> Urbanisation and decentralisation Need to reverse Apartheid City City in Crisis - facing a severe financial and institutional crisis. Dysfunctional urban economy Unsustainable municipal system Civil insecurity Private sector disinvestment - hollowing out of CBD 	<ul style="list-style-type: none"> Need for : <ul style="list-style-type: none"> New system of Metro Gov. Municipal fiscal and financial reform Restructuring of public utilities Reverse municipal finance crisis 	<ul style="list-style-type: none"> Local economic development and inward investment Public security a major barrier to investor confidence 	<ul style="list-style-type: none"> Shift to more strategic view of development - identify economic development issues which will be the foundation of future growth and inclusion 	<ul style="list-style-type: none"> Urban economic analysis underpins CDS Sustain transformation process and move to implementation phase Support institutional, fiscal and financial restructuring. Support local economic development Build urban safety net Deliver basic services for the poor HRD programme to improve urban management capacity 	<ul style="list-style-type: none"> Metropolitanisation Implement UniCity iGoli 2002 "vision" Sustain political support and national focus on metro governments Build partnership with labour Broaden stakeholder constituency Realise competitive advantages of City Establish Jo'Burg as the UniMetro / CDS model for the RSA

Problem Identification			Objectives		
Strategic Context	Initial Key Issues Identification	CDS Problem Identification	Initial CDS Process Impact	Prioritisation	CDS Objectives
Lapu-Lapu <ul style="list-style-type: none"> To position LL as centre for tourism industry, serving a "paradise island" tourist destination 	<ul style="list-style-type: none"> Poor condition of overall infrastructure, in particular sewerage and drainage; Living conditions in under-served areas occupied by migrants looking for job opportunities created by export processing zone. 	<ul style="list-style-type: none"> Not really developed beyond sector focus approach; 	<ul style="list-style-type: none"> Consultative process not fully embraced: consultants hired to do the planning and manage the process; City planning department considered this a consultants responsibility 	<ul style="list-style-type: none"> Island-wide sewerage and drainage system 	<ul style="list-style-type: none"> General objectives of improving infrastructure efficiency and environment of city and island to attract investors and tourists
Olongapo <ul style="list-style-type: none"> To develop a freeport, to revitalise economic activities, move from resource base to technology base 	<ul style="list-style-type: none"> Identifying geographical areas for priority investment 	<ul style="list-style-type: none"> Improve investment climate; 	<ul style="list-style-type: none"> Not major: already operating strong planning function involving public and private sector organisations, regular forum of consultation 	<ul style="list-style-type: none"> Scoring 	<ul style="list-style-type: none"> N/A
San-Fernando <ul style="list-style-type: none"> To position SF as a "gateway to the north", as "botanical garden city" 	<ul style="list-style-type: none"> Servicing isolated rural communities within its boundaries with socio-economic services 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Provided impetus to new city administration to develop planning skills 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A

TABLE 3.4 : An Assessment of Progress to Date for the Case Study CDSs.

	A CDF type Vision Defined?	Stakeholder Ownership Secured?	Capacity and Capabilities Built?	Economic Development / Poverty Alleviation Addressed?	Priorities for Assistance Defined?	Urban Programme Assistance Aims Addressed? *	Type of CDS
Bandung	<ul style="list-style-type: none"> No – though stakeholder participation “new” 	<ul style="list-style-type: none"> In progress Concept of stakeholder participation introduced 	<ul style="list-style-type: none"> In Progress. Restricted technical capacity characterising local government staff 	<ul style="list-style-type: none"> No - Recognised, but not yet translated into programmes 	<ul style="list-style-type: none"> In Progress 	<ul style="list-style-type: none"> In Progress 	<ul style="list-style-type: none"> Initial Stages
Cali	<ul style="list-style-type: none"> Partial Vision via community “groupwise” exercise. Focuses on building trust 	<ul style="list-style-type: none"> Too early to assess Municipality encouraged to expand steering committee to key stakeholders 	<ul style="list-style-type: none"> Too early to assess 	<ul style="list-style-type: none"> Partial - In progress - including poverty reduction component 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Too early to assess Currently addressing good governance 	<ul style="list-style-type: none"> Initial Stages
Colombo	<ul style="list-style-type: none"> No Focus remains on Municipal service delivery 	<ul style="list-style-type: none"> Partial – Lead NGO identified and involved, but need to deepen participation 	<ul style="list-style-type: none"> Too early to assess – but improve municipal service delivery 	<ul style="list-style-type: none"> No, though importance recognised 	<ul style="list-style-type: none"> Partial Focus on municipal service delivery strategy 	<ul style="list-style-type: none"> Too early to assess; but currently addressing liveability and good governance 	<ul style="list-style-type: none"> Initial Stages Focus on Municipal service delivery strategy
Coimbatore	<ul style="list-style-type: none"> Yes-City’s Corporate Plan (CCP), Citizens Charter, MIS and People’s Website 	<ul style="list-style-type: none"> Yes - in respect of CCP as a catalyst for a CDS 	<ul style="list-style-type: none"> Yes - Political Will and Leadership 	<ul style="list-style-type: none"> Yes – Target Objectives and Aims of CCP & Citizen’s Charter 	<ul style="list-style-type: none"> Yes – Through the World Bank’s TNUDP 	<ul style="list-style-type: none"> Partially – the TNUDP is a platform for Change 	<ul style="list-style-type: none"> Initial Stages- TNUDP an entry strategy for further support
Kampala	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Too early to assess 	<ul style="list-style-type: none"> Too early to assess 	<ul style="list-style-type: none"> In progress - including poverty component 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Too early to assess but currently addressing good governance 	<ul style="list-style-type: none"> Initial Stages
Haiphong	<ul style="list-style-type: none"> Partial vision (economic development) Vision 	<ul style="list-style-type: none"> Too early to assess 	<ul style="list-style-type: none"> Too early to assess 	<ul style="list-style-type: none"> Yes – Initially focused on “small bricks” economic strategy; including environment and municipal finance 	<ul style="list-style-type: none"> Partial 	<ul style="list-style-type: none"> Too early to assess but currently addressing competitiveness and liveability 	<ul style="list-style-type: none"> Initial Stages Focus on Economic Development Strategy to complement masterplan

Lapu Lapu	<ul style="list-style-type: none"> Partial vision Ambitious but non-specific visions re improved environmental quality of town, as basis for L-L as regional tourism destination 	<ul style="list-style-type: none"> No – CDS process driven by Mayor, executed by hired consultants 	<ul style="list-style-type: none"> No - No indication of capacities developed within government departments – plan prepared by consultants 	<ul style="list-style-type: none"> Partial- Economic development addressed by aiming for major sewerage programme. Poverty alleviation not recognised as major focus 	<ul style="list-style-type: none"> Yes - Sector priorities identified : drainage and sewerage 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Initial Stages only- Has not yet embraced or understood the broader CDS idea
Olongapo	<ul style="list-style-type: none"> Partial vision Public-private consensus building under Mayor, supported by professional department staff and existing consultative group 	<ul style="list-style-type: none"> Yes – although not necessarily all groups 	<ul style="list-style-type: none"> Yes - Process already ongoing prior to CDS – given more focus through CDS Professional presentation prepared with little external assistance 	<ul style="list-style-type: none"> In Progress 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Not Fully 	<ul style="list-style-type: none"> Initial stages of moving from infrastructure + services towards broader economic vision
San Fernando	<ul style="list-style-type: none"> Yes Mayor has clear inspired vision, which she transmits to those around her 	<ul style="list-style-type: none"> Yes – possibly more sounding board of ideas by Mayor, seeking consensus and support, than true full participation 	<ul style="list-style-type: none"> Yes - Process of preparing CDS documentation has strengthened technical skills esp. amongst government departments 	<ul style="list-style-type: none"> Partially, focusing on providing socio-economic facilities throughout the “town” including the large rural hinterland within its boundaries 	<ul style="list-style-type: none"> Not Fully 	<ul style="list-style-type: none"> Not Fully 	<ul style="list-style-type: none"> Initial stages of moving from infrastructure + services towards broader economic vision
Jo'Burg	<ul style="list-style-type: none"> Yes - iGoli 2002 	<ul style="list-style-type: none"> Partial - Strong within Gov't but need for wider stakeholder commitment 	<ul style="list-style-type: none"> Too early to assess – buy yes in relation to understanding of city economic develop issues 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Too early to assess; but addressing liveability, competitiveness and governance 	<ul style="list-style-type: none"> Moving towards a fully fledged CDS

Note * : Livability, competitiveness, good governance and banakability

3.6 The World Bank and the Case Study CDSs

Key Bank objectives are to reduce and alleviate poverty, build capacities and capabilities in communities, and facilitate economic development in borrowing countries. The Bank recognises (20):

- **The importance of Cities** - the GDP of cities can be much larger than that of countries (cf. Rio de Janeiro and Sao Paulo to the smaller Andean nations).
- **The Relationship Between Urban and National Development** - urban areas are often the engines of development.
- **CDSs as a Response to Changing Urban Economic and Governance Conditions** - City managers and their private sector and civil society partners are increasingly seeking to improve the “liveability, competitiveness, good governance and bankability” of their cities.

The World Bank’s support for nascent CDSs initiatives and the Cities Alliance is evidence of a renewed Bank assistance strategy in support of creating sustainable cities with a clear focus on poverty reduction. How has the Bank acted to date in relation to the case study CDS cities? The answer is that the Bank has generally acted as a facilitator (see Box 3.9).

For each one of the case study cities the Bank has provided technical assistance, often under the direction of the client where value added from the Bank had been identified and considered to be required. In Colombo and Johannesburg this assistance has been of a relatively low key nature; in Cali, Kampala and Haiphong, Bank assistance appears to have been of a higher profile in the sense of the Bank being the catalyst that shifted the terms of reference for strategic planning.

In the case of Haiphong, the work of the Bank has proved to be influential in getting city managers to appreciate the nature of economic development in their city and the implications of this for future planning.

A number of clients are attempting to co-ordinate donor assistance for the CDS; in Colombo, for example, the sustainable cities programme of the UNCHS and the UK Government DFID’s capacity building programmes for the CMC can be seen as foundations for the proposed Colombo CDS. In Vietnam there is an MOU on donor co-ordination to support Ho Chi Minh’s future development. In all the case study areas there seemed to be view that client cities would like greater co-ordination of efforts. CDSs could provide a framework to facilitate this, and organisations such as the Bank can facilitate the CDS

20 As discussed in World Bank, 1999, “Entering the 21st Century : World Development Report, 1999/2000”. Oxford University Press; and World Bank (Transportation, Water and Urban Development Department; Urban Development Division) 1999 (June) “Strategic View of Urban and Local Government Issues : Implications for the Bank”. Draft.

BOX 3.9: The Bank as a Facilitator for the Johannesburg CDS

The Bank has given technical assistance to the city as requested by the client. It was considered important that the client (the city), and not the Bank, controlled the process of defining and delivering the technical assistance. The Bank, however, has been an active participant in the evolving policy debate at central, provincial and local government levels and has acted as a “knowledge bank” - bringing to bear assistance to build local capacity and capability to enable the client to address the complex problems associated with the CDS. The Bank has assisted in bringing in other donors and has supported the co-ordination of the donors through, for example, leading the formulation of a MoU defining how the donors can assist the city client. The Bank has occasionally acted as a broker between the city and the central government.

Is this a model for donor / development institution support for CDSs? What can we learn from the Bank’s experience attempting to stay close and support ‘the client’ in both the policy and strategic debates that gave birth to the city corporate development strategy (the iGoli initiative) and then the Johannesburg CDS. Should this ‘support’ be scaled up through a process of donor co-ordination that can lock in to the dynamics of the emerging client programme needs through the creation of a ‘Common Trust Fund’ to provide the ‘Knowledge Bank’ support - managed and co-ordinated by a focal manager for the donor participating community?

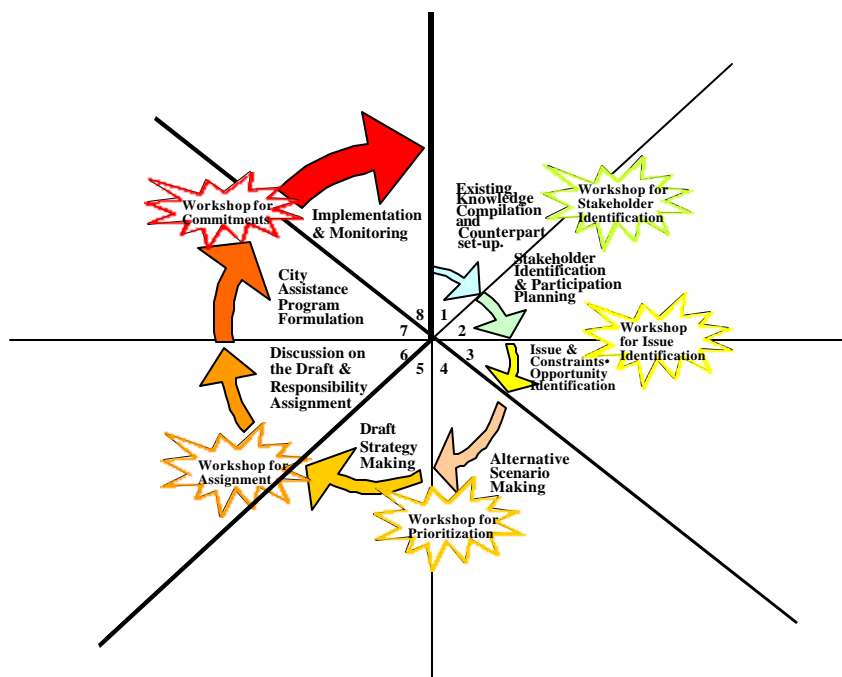
Source : Interviews, (Jo’burg, July 1999)

In other CDS cities the Bank (often acting in concert with other donors) has facilitated a more structured approach to the formulation and implementation of a CDS. Figure 3.1, overleaf, illustrates the steps the comprise this approach. These steps include:

- *A Preparatory Phase* – during which key partners are identified, base-line information sought and consensus-building around a common understanding of city’s problems and priorities is undertaken.
- *A Consultative Phase* – during which are held stakeholder group meetings in order to arrive at a formal political commitment, agreed vision and a strategic framework;
- *Strategy Formulation* – involving evaluating options, analysing strengths and weaknesses, identifying of stakeholder roles, and developing action plans within a realistic financing framework.
- *Implementation* – involving the implementation of demonstration projects, resource mobilisation by stakeholders, agreed investment plans and donor negotiations concerning possible external support for the CDS.

A structured approach to the CDS initiative can be extremely useful; aims and outputs can be clearly defined. The value of such an approach is heightened if the CDS is based on an agreed programme logic, and involves a performance management and evaluation system. Furthermore, a structured approach can allow CDS initiators to avoid the excesses of political lobbying, and damaging rent seeking behaviour by those in powerful positions.

FIGURE 3.1 : Formulating and Implementing a CDS



Source : Draft City Development Strategies (CDS) Action Plan. Meeting of the Consultative Group, Montreal, Canada, June 12-13, 2000

A structured approach to the formulation and implementation of a CDS is not, however, without its dangers. Such an approach, based on formal workshops and formal reporting as indicated in Figure 3.1 above, can be used to impose on stakeholder participants standardised and potentially constraining procedures.

Furthermore, such a structured approach can be captured by those in charge of procedures. This is potentially a pernicious situation. Our brief review of the CDS initiative indicates that the Bank has, in effect, supported CDSs that are not too distance from traditional forms of planning and loan based interventions.

We posited that, to date, there are four types of CDS supported by the Bank, namely:

- **Lending Priorities** – a CDS can be used to sort out the lending priorities of the Bank (and other donors). An example would be the Lapu Lapu CDS. For such cases the CDS is driven more by external agents and the outputs often focus on reports and loan based projects.
- **Donor-Cordination** – A CDS can be used to co-ordinate the programme and lending activities of a wide range of donors. Perhaps Haiphong is an example. As for the “lending Priority” type of CDS, for such cases the CDS is driven more by external agents and the outputs often focus on reports and loan based projects.

- **Governance and Capacity Building** - A CDS is used to develop capacity and capabilities at the level of city government. An example CDS would be that for Cali or, perhaps, Johannesburg. Such a CDS is more likely to be client driven. However, such appear to be devoid of clear intermediate outputs (e.g. Cali). The Bank is more likely to be involved as a partner, though lending opportunities are not readily apparent.
- **Societal Transformation** – This CDS would make direct reference to the CDF approach to development, focus on building capacities and capabilities through society and targeted at economic development and governance. The CDS would be driven by the stakeholders and be based on a clear programme logic. To date, there are few if any of such CDSs., though the Bank’s literature indicates that the organisation aim to become a development institution, partnering with client countries, and ensuing a first recourse to lending. As such the societal transformation CDS is perhaps the type of CDS to which the Bank aspires

In the absence of a clear programme logic it appears that a variety of CDSs have been created and supported by a range of organisations, including the Bank (21). Furthermore, it is, of course, the case that the types of CDSs described above are not mutually exclusive over time. Expedience may demand a structured approach to the formulation of implementation of the CDS, and associated donor lending based support, before the stakeholders can generate sufficient confidence and capability to fully manage the process themselves, and subsequently move to a trajectory associated with societal transformation. Such a move would, most likely, entail the Bank acting in a different manner that it does at present; moving towards a development institution and away from a focus on lending. Such issues are discussed in Section Five.

21 Results of a survey of Bank officials undertaken by GHK in early 2000 indicated that some 5% thought a CDS to be used to prioritise issues and potential investments; 15% thought a CDS should be used to co-ordinate aid; 20% to build city capacity; and 60% to encourage stakeholder participation. Further, the minority, some 20%, thought that the Bank should support only those CDSs that prioritise poverty reduction. The majority considered that the most important constraint experienced by the Bank supporting the CDS initiative was a lack of financial resources, and in order to improve the effectiveness of a CDS from the point of view of the Bank, the majority mentioned increased finance resources. Although only a very few officials respond to the questionnaire (under 25), the value of a Bank programme logic and LOGFRAME for the CDS does appear to be clear. At present some CDS are being used to implement agenda that do not neatly lie with the CDF approach and philosophy.

4. SIGNPOSTS FOR CITY STAKEHOLDERS

4.1 Introduction

This section begins with a summary of the lessons that we believe can be unearthed from an assessment of the case study cities. This summary includes a discussion of those issues that should be addressed in order for the development and implementation of the CDS initiative to be improved. The section continues with a brief review of guiding principles of practice. The section concludes with a discussion of possible ways for development organisations, such as the Bank, to work in partnership with CDS clients.

4.2 What Have We Learned So Far?

An important question is whether CDSs are making a difference. The initial response on this is straightforward - although some positive initial outcomes do characterise many of our case study cities - it is really too early to tell based on the evidence. CDSs are in the early stages of development and implementation. However, evidence from other experience, including CDSs implemented in developed countries, provides some comfort that CDS-type initiatives are very useful and that the “do nothing” or “business as usual” approach is unlikely to have led to better outcomes.

Indeed, theoretically we believe that we are on strong grounds for arguing that the business as usual approach is most likely to be associated with a failure to positively respond to the new economic realities of today. We argued in Section Two that the CDS initiative is suited to both the type of development that is currently advocated by many development organisations (such as the Bank) and is suited to the process of achieving that form of development. The CDS initiative appears to be a tool for today’s development agenda.

From our limited review of CDSs we summarise the key “lessons” as follows:

- **Client Receptivity.** It goes without saying that the client (city) must want a CDS. The very nature of a CDS is antithetical to any form of imposition; and yet it should be realised that a CDS is more likely to succeed if the client is focusing on governance issues and is prepared to amass finance to support the key elements of the CDS implementation plan.
- **Stakeholder Participation.** Stakeholder participation is a defining feature of a CDS. The process should be empowering for all participants and led to new ways of think about and promoting development. Finding and supporting a CDS champion (such as a civic leader / mayor) appears to be very important. The issue for that champion is how to generate a groundswell of support for the CDS process, and institutionalise the CDS and ensure stakeholder commitment.
- **Stakeholder Ownership** Successfully determining and agreeing upon which stakeholder groups are to be involved, how they are involved and who runs or co-ordinates the CDS agenda is also vital. Effort is required to ensure that the process and management of involvement is empowering and not disruptive, or, indeed, counter-productive. The possible pitfalls to be avoided during this process are

illustrated through the history of stakeholder ownership in Cali (See Box 4.1). Another example is the on-going debate in Colombo, Sri Lanka, as to which NGOs are to be involved in the CDS initiative, which one should led a proposed NGO consortium, and how the city municipality and private sector interacts with this consortium.

BOX 4.1 : Stakeholder Ownership in the Cali CDS Process

The City Development Strategy in Cali was initiated by the mayor in conversations with World Bank officials. The mayor was seeking Bank assistance for building a subway line for the city. Following discussions with the Bank the mayor accepted the need to conduct a strategic planning exercise in order to identify priorities for the city and in order to generate “buy in” from potential stakeholders and partners. The CDS process was initiated on the understanding that it would be conducted through a partnership involving the municipality, the Chamber of Commerce, civil society through an umbrella organisation of NGOs, and the University. However this understanding was not formalised and subsequent events have demonstrated that municipal officials understood the agreement differently from World Bank officials. In fact, there was no formal steering committee set up to oversee the CDS process.

As the process unfolded, a number of working teams were created with participation from many community stakeholders based on themes developed through a community visioning exercise. These committees began to assemble information and conduct preliminary analysis on each of the themes. However, it appears that municipal officials began to dominate the deliberations and assume increasing responsibility in a number of the committees, while, in effect, excluding full participation from other stakeholders.

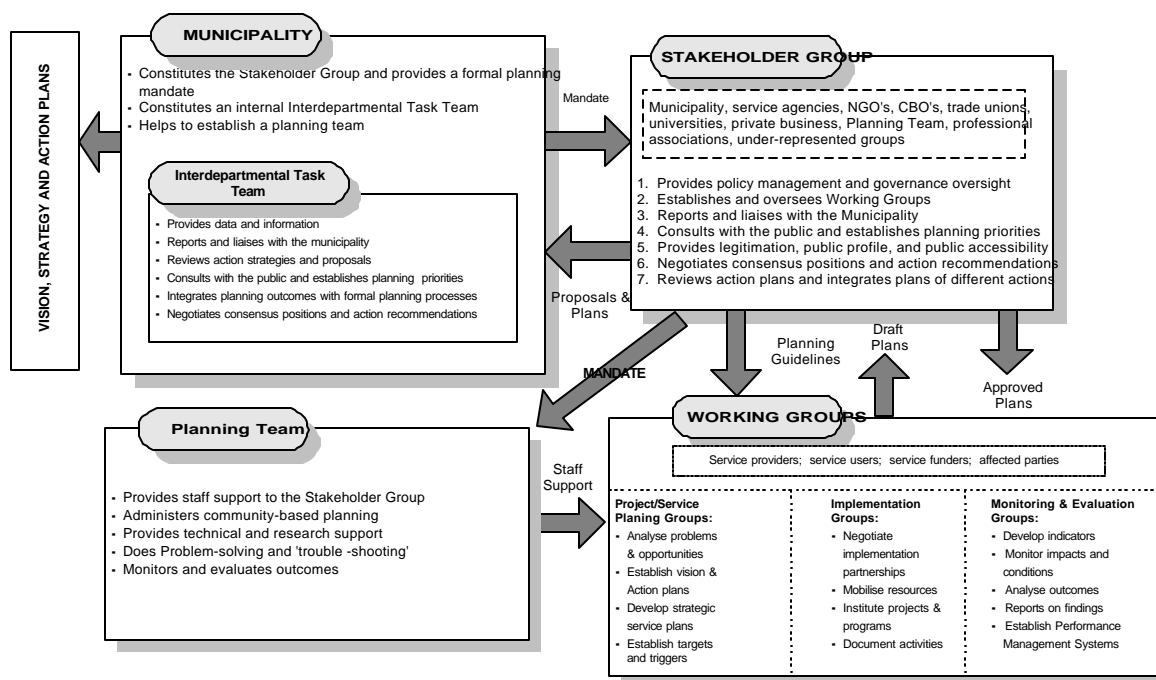
The issue was brought to a head during a subsequent visit by Bank officials who insisted that the process needed to fully involve the major stakeholders in the community, and that the process needed to be as open as possible. The original arrangement involving the municipality, the private sector, NGOs and the university was reconstituted and a formal agreement on how to proceed is now in the process of being negotiated. The CDS is, perhaps, back on track. *The lesson here is that it is important to reach agreement right from the outset, on the nature of decision making during the process, so that stakeholder involvement is not compromised as the process unfolds.*

Source : Interview data : (Cali, September 1999).

- **Stakeholder Co-ordination** : Managing the various stakeholders, generating background research, and preparing material that will enable the stakeholders to make strategic judgements is a difficult process. A common response to this difficult is to impose some form of structure on the process. There are various administrative and procedural models that can be used to structure this co-ordination. Figure 4.1, overleaf, is one such model (22).

22 This model has been adopted for the formulation of the Cape Town CDS. One of the authors of the Model, E Pieterse, is in charge of the strategic development plan (CDS) for the UniCity Commission of Cape Town

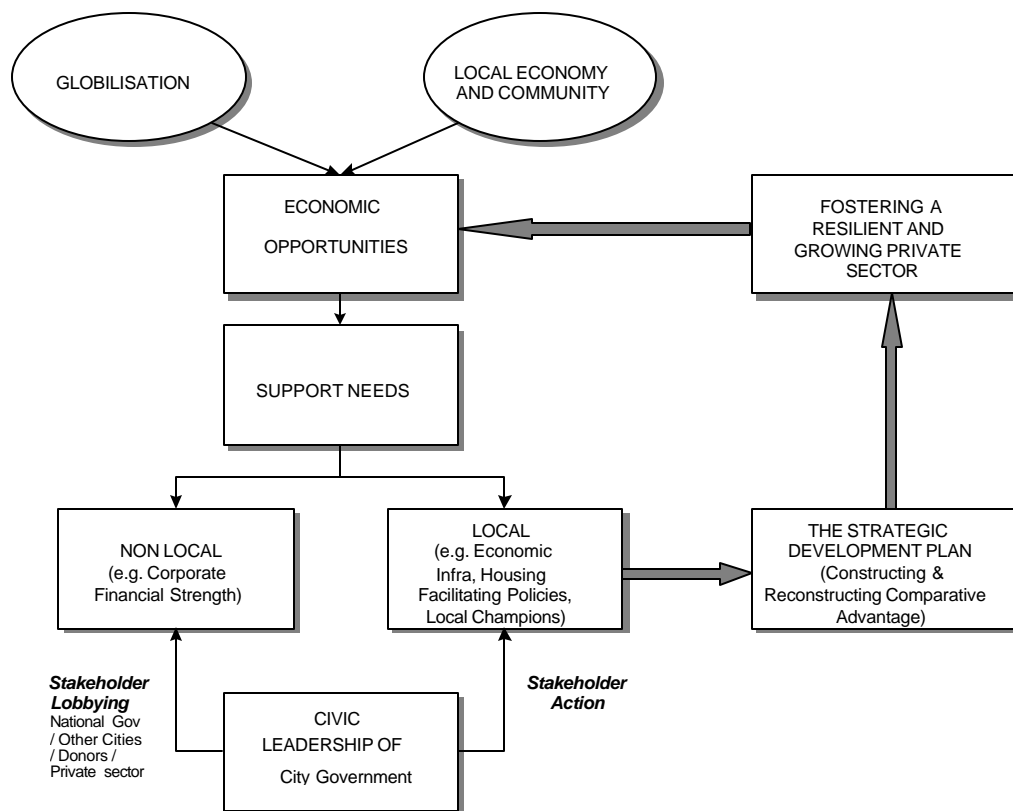
FIGURE 4.1 : Managing the CDS Process, Co-ordinating Stakeholders



Source: Pieterse, E. with Juslin, J "Policy Framework to Realise Participatory Urban Governance" Discussion Paper UMP April 2000

- The Economic Foundations of a CDS.** Nearly all the city stakeholders who we met agreed that ultimately a CDS must address the issue of economic development and focus on the key sub-issue of poverty reduction. However, many CDS cities have not yet formulated a broad development strategy. A number of the case study CDSs appear to have reached “plateaux”. A single issue (such as municipal service delivery) has greatly benefited from the CDS process treatment. But where do we go from here? For example, in Colombo, the mayor that drove the CDS process approach to municipal management and service delivery is no longer in office. A new mayor was elected in May 1999. Questions appear to have arisen as to whether the CDS will remain as an enhanced service delivery strategy. Has a process begun that can be driven towards a comprehensive CDS? Will the CDS evolve into a strategy for Colombo as an engine of economic growth? Can funding be obtained to support the comprehensive CDS vision? What do the city stakeholders do with Central Government (Urban Development Authority) recent masterplan for Colombo? These issues were raised by representatives of government and NGOs when the city was visited.
- Civic Leadership** An important goal is for a city to create the internal institutional (and political) capacity to innovate and respond to be the economic realities of today. More specifically, the mayor should focus on the civic leadership role of the city government (See Figure 4.2).

FIGURE 4.2 : Role of the Stakeholders Formulating a CDS-Type Economic Development Strategy



- **Objectives, Outputs and Outcomes.** Being realistic about objectives is important and, perhaps, should be in accordance with the stage in the evolution of the CDS. It pays to be specific about short-term objectives, which once attainable will be the foundation to define long-term outcomes. Early successes often greatly facilitate stakeholder “buy-in”. Furthermore, outputs and outcomes are not end-states, and are, perhaps, consistently intermediate outcomes. For example, it might have been true that a focus on large industry in Haiphong was misplaced and that, given prevailing circumstances, a “small bricks” strategy focusing on small scale neighbourhood improvements for the CDS was more appropriate, but city officials report that demand for light industrial goods is falling and the need to attract investment is seen as increasingly important.
- **Prioritisation and Sequencing.** This appears to be a key issue. Once the broad nature of the problem has been investigated it is crucial to identify the sequence in which issues are to be addressed and investments made.
- **Analytical Tools.** These tools that have been used vary; understandably so in the early stages of a CDS as different issues have been the focus of the CDS.

However, there is a need to bring more rigour into the decision-making processes;

- good technical information is important in order to make informed choices and understanding trade-offs. In a number of the case study areas key problems related to identifying and focusing on what matters, and then prioritising problems and action areas. Employing appropriate analytical tools and focusing on rigour in analysis is perhaps one way to move from the plateau position characterising some CDS cities, though, of course, movement from such a position ultimately involves the political process of constructive engagement amongst the stakeholders. This issue is important, the tools that are used to have a direct impact on the process of participation and highlight varying possibilities for actions. Rapid economic appraisal methods are required.

- **National - City Links** A conducive national policy framework is important. For example, it appears that central planning and the masterplan for the city may affect (and possibly constrain) the Haiphong CDS. In Sri Lanka the Colombo regional structure plan and the Colombo development plan similarly present a (master) planning vision that could be at variance with the spirit and intended outcome of the CDS. With the increasing importance of cities in national and global economies it has become important to ensure that there are links between national and local (city) policy agendas. National policy frameworks must allow the development of competitive and liveable cities, and city development strategies are often engines of national growth.
- **Finance**. Many of those interviewed in the case study cities clearly thought that without allocated funds (which could be self-generated and/or delivered via the private sector and/or donors) it is difficult to maintain the momentum of a CDS; “all talk and no (project) action” may lead to a disillusioned stakeholder community
- **Long-Term Assistance** - external agencies potentially have a major role to play in helping the city stakeholders to design and implement their CDS; but must realise that this assistance is likely to be a long haul and that flexible assistance instruments are required. CDSs take time;- experience shows from 5-15 years. (For development institutions, such as the Bank, a key issue maybe be the uncertainty of a lending programme following support for a CDS; the issue is, quite simply, if the development institution supports the CDS is a lending programme to be one of the outcomes? Discussions with government representatives in the case study cities indicates that this issue is, indeed, on the agenda). Most importantly assistance should be encourage from other CDS cities; learning from those engaged in the process, transferring experiences of what works and what doesn't is most important. Instruments to use including city twinning, officer secondments, private and public sector missions, inter-city trade promotion – and the like. Indeed, the CDS should promote a dynamic form for knowledge sharing within and between cities.
- **CDS Evolutionary Stages**. The assessment has shown that the CDS product varies. This variation, which can range from an issue specific focus to broad strategy, is often a reflection of differing needs, different the stages of

development of a city and its CDS, and the size the city in question. The CDS initiative could be viewed as evolving through stages. For some cities, jumping in at the deep end of a comprehensive economic development and governance agenda may not be advisable. Perhaps beginning with the pre-CDS participation exercise focused on a single issue or is the way forward? (See Box 4.2). It might also be an idea to graft the CDS onto an existing plan and so transform that plan.

Box 4.2 From Pre-CDS Participation Exercises to a Comprehensive CDS?

It may be easier to commence a CDS through a “simple” product (e.g. a single sector or municipal service delivery strategy). Once the processes of stakeholder ownership and commitment are established the stakeholders can scale up to a broad governance and economic agenda. The message is “Get the process right - generate initial successes (reinforcing stakeholder buy-in) - pilot CDS projects - and then scale up to the broader economic development vision” We have discovered that some cities find this scaling up difficult. The reasons include (a) confusion over the nature of a CDS and the need to scale up, (b) the lack of funds allocated to implement the CDS, (c) the desire not to raise expectations which cannot be met, and (d) scaling up often entails commitment from an increasing number of stakeholder groups, which can be inherently more difficult to co-ordinate and manage.

Will there be different types of assistance required at different stages in the evolution of a CDS initiative? Should assistance be focused on scaling up? Although Bank support can be present from the very beginning of a CDS, should such support concentrate on the broader economic development agenda? Are there complementary roles for the various donors? For example, the UNCHS sustainable cities programme supporting early capacity building measures and the Bank’s support building on this foundation and focussing on the poverty reduction and economic development component of the CDS? Most importantly, should significant attempts be made to shift the onus concerning decision on these issues onto the cities?

- **City Experience.** Assistance should be sought from other CDS cities; learning from those engaged in the process, transferring experiences of what works and what doesn’t, is most important. Instruments to use including city twinning, officer secondments, private and public sector missions, and inter-city trade promotion Mayors could promote a dynamic forum for knowledge sharing within and between cities.
- **Monitoring and Evaluation.** Set up dissemination, monitoring and evaluation procedures (from reports on the CDS as a city annual report, to community meeting up-dates, to the use of evaluation frameworks and tools such as LOGFRAMEs and monitorable benchmarks). These are important to chart the progress of the CDS as a product and process, and alter the CDS implementation plans, programmes and projects as required (23).

23 A Monitoring and Evaluation Framework for the CDS Initiative is described in Section Five.

Making a CDS work, quite clearly, requires that many if not all the issues discussed above are addressed. We have looked at one case study CDS, Colombo, in greater depth (See Box 4.3) : The existing municipal service delivery (proto) CDS has clearly generated a range of benefits that have directly improved the lives of many living in the city. However, the current debate concerns the actions that need to be taken to move to “the next level”, and devise and implement a comprehensive CDS focused on Colombo as an engine of economic growth. It appears that the key issues are sustaining and deepening stakeholder participation and commitment, and determining what exactly is to be done to devise this economic development CDS. A useful summary of lessons learned to date has been provided by those involved in the Johannesburg CDS (see Box 4.4 below)

Box 4.4 : Lessons From the Johannesburg CDS Experience

- Be Comprehensive (legislation, politics, decentralisation, financial reform, economic strategy, regeneration)
- Move from Policy to Strategy (make informed choices and trade-offs)
- Design Appropriate Institutions (promote good governance)
- Change Management (political will, champions, delegation and communication are all important)
- Learn from Best Practice (other cities)
- Get Good Advice (from more than once source)

Source : Johannesburg City Manager – From Presentation to World Bank Urban Forum, April 2000

4.3 CDS “Checklist” for City Stakeholders

Our assessment is based on a very restricted number of cities, and it has raised a number of issues and questions that cannot be fully addressed within this limited report. Nevertheless our review indicates that the following issues should be addressed by city stakeholders as part of CDS “best practice”(See Annex D, which is a simplified description of the stages associated with the formulation and implementation of a CDS):

Establish Effective Processes

- The process of stakeholder participation is vital; and is not the same as consultation. Securing their ongoing ownership is vital; assign responsibilities to stakeholders. Managing the participation and ownership process can be difficult, but is critical (define at the beginning of the CDS process the procedures and rules of participation and decision making. Participation is a political process that can be captured by interest groups; defining rules and decision-making processes ensures transparency).
- Build partnerships (e.g.; public-private / private / CBO) is important; it is not just about stakeholders participating in a local government lead CDS programme
- Use appropriate analytical tools is important; and can lead to new insights concerning the drivers of change and possible ways in which the city stakeholders can intervene. Ensure stakeholder buy-in to the various stages of a CDS
- Building capacity, capability and competencies is a key outcome of a CDS.

Box 4.5 : Making the Colombo CDS “Work”.

Various suggestions are being discussed in Sri Lanka concerning how best to develop the CDS initiative:

- *Councillor and Community Leader Awareness Programme* - The debate focuses on the perceived need to inform and educate “the politicians” - the vast majority of whom support the current municipal service delivery strategy - but many appear unsure how and whether to proceed to a broader economic development agenda for the CDS.
- *NGO Involvement* - Sri Lankan experience is that the most successful projects tended to be those closest to the people and with NGO involvement and ownership. The NGO Sevantha (Urban Research Centre) is playing a leading role in the CDS. Should Sevantha be tasked with leading a NGO consortium for the CDS? How should other NGOs/CBOs be involved in the process?
- *Citizen Involvement* - Many believe that it is vital that the people of the city are directly informed of and integrated into the CDS vision and process. The suggestions include citizen involvement via NGOs and directly via TV, newspaper, focus group and community meetings.
- *Provisional Council and National Government Commitment* - Many considered that the political and policy environment must be conducive for the success of the CDS. Discussion includes requesting the Provisional Government to clearly state their commitment to the CDS (Colombo is situated within Western Province) and lobbying to ensure support at the national level. Many regard the growth of Colombo as vital for the development of the nation as a whole. A key issue is whether commitment can be generated as the CDS is designed and implemented, and, indeed, through the very process of design and implementation, or whether this commitment must be present before any moves are taken to define and implement the CDS. There does seem to be a real difference of opinion in Sri Lanka on this issue.
- *Private Sector Involvement* - is limited at present to, for example, paying for road signs and using the backs as advertising space, running a limited range of service (the contracting out of solid waste collection), and funding an important but limited range of community infrastructure facilities (e.g. toilets and health centres). The private sector is not really involved in the planning and financing of the City. The private sector advisory group of the Municipal Council played an active role in the municipal service delivery strategy and many maintain that this council should play a key role in the evolution of the CDS, especially if the CDS focuses on economic development. A key issue appears to be how in addressing equity issues economic growth is not constrained.
- *The CDS Product* - Discussions concern the nature of the proposed economic development strategy. Is one needed for the city as a whole (concentrating on the formal sector - the main economic drivers of the city)? Should the city focus on district level / local economic development plans (and concentrate on the SME, micro, and informal sector)? How does it make a choice? Can the city integrate the two strategies? Much of Colombo's economy competes with lower order factors of production. Is this sustainable? How can we recognise and realise new/ viable economic opportunities? How do the stakeholders analyse the economy and chart a path towards growth for all? How do they prepare a realistic and supportable economic vision? Whereas a municipal service delivery strategy was readily understood it appears that a broader economic development and governance strategy is seen as less tangible. The need for to employ appropriate analytical tools and focus on rigour in analysis is clear.
- *Development Organisation / Donor Support* - The debate is how can the city stakeholders can further and build upon the UNCHS sustainable cities programme for Colombo, the Metropolitan Environmental Improvement Programme (MEIP) for the city, and co-ordinate donors within a coherent CDS framework. Issues include support for continuing capacity building and assistance with the CDS product - the latter is considered to be urgently needed.

. Source : GHK interviews – July 199

Focus on Appropriate Products and Implementation Mechanisms

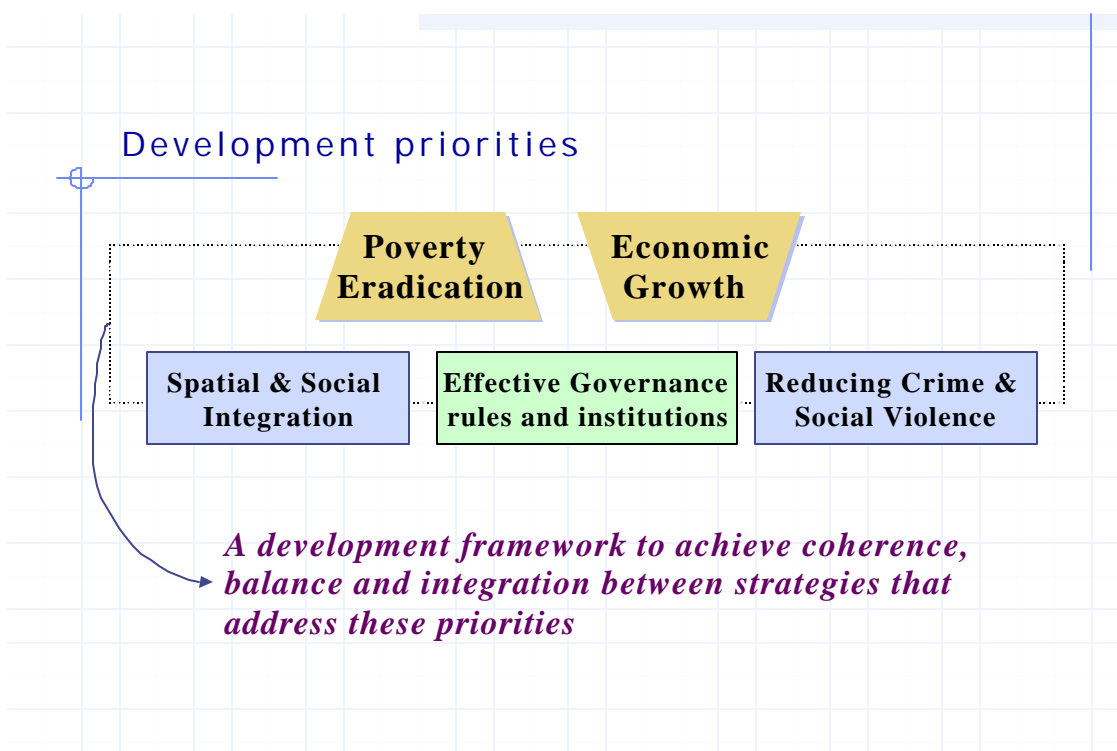
- Differentiate between outputs and outcomes
- A CDS should lead to better strategy design and contain action plans: agency-specific, time-bound; initial successes are required to secure commitment
- Investment plans and a financing strategy are necessary
- Perhaps start with a single sector issue (pre or proto-CDS) but don't remain there. A fully fledged CDS focuses on the city as an engine of growth and development and addresses the complexity of development; through the CDS connections can be made.
- National - city links are important. Ensure that better linkages are made between city and national policies and economic development (leading to more efficient cities); the issue is about aligning policies
- Share experience (from the use of the Internet to seconding staff from one CDS city to another; this is important – the CDS is owned by the cities and hence it should be the cities that disseminate information, experience and lessons.)
- Set up dissemination, monitoring and evaluation procedures (from reports on the CDS as a city annual report, to community meeting up-dates, to the use of evaluation frameworks and tools such as LOGFRAMEs and monitorable benchmarks). These are important to chart the progress of the CDS as a product and process (how effective is stakeholder participation is a question that should be repeatedly asked)
- Chart out when and how long-term assistance (from e.g. the Bank) may be needed to support / facilitate the CDS

Don't Lose Sight of Key Outcomes :

- Improve the city's capacity and capability - making better decisions (indeed, an ultimate goal is for the city to create the internal institutional [and political] capacity to innovate and respond to be the economic realities of today)
- Focus on local government's civic leadership role, which should enable the private sector and civic society to lead economic growth and development
- Focus the CDS on economic development and governance issue - the city as an engine of national economic development and a mechanisms for poverty alleviation.
- Identify any "deal-breakers" – there will be issues that may prevent key stakeholders from exhibiting the required commitment (for example, as regards the Cape Town CDS, the deal-breaker was the integration of those living in the Cape Flats area into the economy and society of the city. Without this integration, the CDS, even as a successful urban service delivery strategy, seemed ultimately to be doomed. From this position lead a strategy of supporting potentially globally

competitive economic activity through programmes that directly involve those of the Cape Flats. The strategy is based on addressing economic growth and poverty reduction as a single issue. (See the discussion on approached to development presented in Section Two; also see Figure 4.3, below) { 24 }

FIGURE 4.3 : The Cape Town CDS



Source : Cape Town CDS presentation, Unicity Commission, June 2000

24 Integrating the local (informal) and formal sectors in a combined poverty reduction and economic development strategy is the subject of numerous current research papers. See Benjamin. S, "Governance, economic settings and Poverty in Bangalore" Environment & Urbanization, Vol12, No 1 April 2000; pp 35-56. Benjamin concludes; "Local Economies and Local Politics are significant for a more accurate conceptualisation of the relationship between urban poverty and governance in a metro setting subject to the forces of globalization".

5. Signposts for the World Bank

5.1 The World Bank as a CDS Partner

Stated goals of the Bank include poverty reduction and the facilitation of economic growth. Importantly, there is an increasing recognition that improving the economic performance of cities directly contributes to the achievement of national economic performance and poverty reduction. Reciprocally, translating national policy objectives, for example decentralisation, into workable and effective plans and activities also requires strengthening city management and financial capacities.

The upshot is that the World Bank is well positioned to provide technical assistance (knowledge) and financial support to cities - indeed, the World Bank has extensive urban and economic development experience, and cross regional and cultural experience to build on. Moreover, as posited in Section Two, there seems to be a good fit between the new “Comprehensive Development Framework” (CDF) being promulgated within the World Bank, and City Development Strategies - both take an holistic and integrated perspective. Indeed, a CDS may be regarded as an urban expression or reflection of the CDF.

Crucially the CDS work thus far has highlighted the importance of improving economic performance - the enabler of change - and the need to anchor economic development strategy on solid analytical foundations. The case study work has confirmed that there is a growing need for technical support related to urban economic development strategy formulation and implementation, as well as general support for municipal management and improved governance. Notwithstanding the above, the evidence from our analysis of Bank procedures and the case studies to date suggest there is a number of challenges for the World Bank to address in relation to CDS initiatives:

5.2 Bank Process Issues

CDS Lending.

The links between the CDS and Bank lending often appears to be ambiguous, and seems to confuse some clients (and worry some Bank officials, 25). As stated above, whilst lending is not directly tied to the completion of a CDS, quite obviously the CDS should thrown up a range of investment and, hence, lending possibilities, and, importantly, because the CDS should have thoroughly addressed inter-sectoral priorities and be based on firm stakeholder commitments the risks associated with those lending possibilities should be correspondingly reduced (26).

25 A number of Bank officials with whom we met raised the “fear” that a concentration of a CDS would generate work but few lending opportunities, and it was the latter that was their *raison d’être*.

26 The output of a CDS may be regard as a City business plan. Such a plan is required in order to raise finance. Finance will be generated internally (through innovate ways of involving the private sector as well as through usual revenue raising activities), and often from one or more investing institutions (which could include commercial bank and development organisations such as the bank). CDS clients should (and indeed often do) see the CDS product as a means of improving the creditworthiness (bankability) of their city not as a direct mechanism to access Bank funds.

Internalisation of CDS Product

There appears to be a clear gap within the Bank between the policy and operational internationalisation of the CDS initiative. Whilst the CDS sits well with the prevailing CDF policy focus, a number of task managers interviewed could find only marginal relevance of the CDS to their (present) lending activities. Indeed, some felt that the CDS approach could divert their attention from lending activities. Nevertheless the strength of a CDS to identify priority investment possibilities with firm stakeholder commitment should ultimately ensure improved lending efficiency and effectiveness.

City Selection Criteria.

To date the selection criteria appears to be less than coherent. Perhaps it is best to concentrate support on a smaller portfolio of cities, and then scale-up. Indeed, the bank can focus on developing the CDS as an instrument of development (refined through the initial portfolio) and encourage scaling up by other development agencies, donors or by the cities themselves (using twinned cities as reference points and knowledge banks – building inter and intra-city capacity and capability).

Knowledge Bank or Lending Institution

This is the fundamental issue.

At one level, the debate concerns whether the offer of independent policy advice through a CDS compromises the role of the Bank as a lender. “In offering both advice and lending to cities are technical and business objectives conflicting?”; was a question posed by one Bank Staff member²⁷. We believe that the Bank is operating well within its terms of reference to link lending to appropriate policy reforms, given that the aims and implications of those reforms are clearly communicated to and fully discussed with the client. The issue is for Bank management to address, but the apparent tension between the Bank as a Knowledge Bank and as a Lender seems to be false. A CDS reform package and lending can (and should) go together.

At another level the debate is about the future role of the Bank. The CDF and CDS package, if aimed at a transformation of society as expressed in the Bank documents reviewed (28), should entail a new form of dialogue between the Bank and client countries. This dialogue should be one of greater partnership than has characterised much of the lending activity of the past; one in which the Bank operates as a knowledge institution facilitating development; and one in which client countries are active participants in constructing the dialogue with the Bank. It seems clear from our review of the CDS initiative and the results of the questionnaire sent to Bank officials that there is a debate about the future of the Bank and, in practice, and at the time of conducting the interviews (1999 to spring 2000), the lending and policy conditionality framework of operation had not given way to any new way of operating which found expression “on the ground”.

²⁷ GHK Interviews, November 1999.

²⁸ Ibid, footnotes, 7,8 and 9.

5.2 CDS Process Issues

Comprehensive Technical Assistance, Meaningful Partnership and New Lending Instruments.

There is a need to appropriately fit the timing of technical assistance to meet client requirements (the larger issue is how the Bank works in partnership with client countries, as discussed above). In more specific terms, there is a need to secure regular on-going technical assistance to parallel the CDS formulation and implementation process. A problem with many of the case studies cities appears to be the staccato nature of mission and technical support offer by the Bank; perhaps longer term more in-depth hands-on assistance is required.

Furthermore, given the strong process nature of CDSs and their long term time frame there is a need to ensure a commitment to partnership. There is also a need to ensure that external assistance is better co-ordinated (the CDS itself is, perhaps, a most valuable mechanism of co-ordination), and devise and be ready to use more appropriate lending instruments such as APLs.

Scaling Up and Wholesaling.

There remains an issue of how well positioned is the Bank in terms of scaling up support to urban areas to match potential demand (the issue of wholesaling). Should this support be scaled up through a process of donor co-ordination that can lock in to the dynamics of the emerging client programme needs through the creation of a “Common Trust Fund” to provide the ‘Knowledge Bank’ support - managed and co-ordinated by a focal manager for the donor participating community? (See Box 3.9).

5.3 CDS Product Issues

Economic Development or Poverty Alleviation

There appears to be a tension between the Bank’s mission to fight poverty and a CDS focus which may not directly related to poverty alleviation because of the priorities (and/or politics) of the client. The arguments concerning the constraints on development imposed by the immiserisation of large sections of society are theoretically known. The issue is whether such a CDS is to be seen as “WB bankable”. Again this issue is for Bank management to address and not us, but it would appear reasonable to assume, that given the Bank’s over-arching mission, if argument is not persuasive then a non-poverty focused CDS is not to be a Bank supported CDS.

Open Approach or Structured Framework.

As reflected in the varying definitions of a CDS to be found in Bank documentation, a CDS has been all things to all peoples (29). At the same time a more structured approach is required. The rub is the definition of the CDS and its relation to the aims of the Bank. Once a clear

29 “CDSs can be completed in many ways and adjusted to the scope of interest and concerns of the city, nation and the Bank” “Strategic View of Urban and Local Government Issues : Implications for the Bank”. World Bank (Transportation, Water and Urban Development Department; Urban Development Division) 1999 (June) Draft. What can’t we do through a CDS?!

operational definition of a CDS has been agreed, panoply of Bank tools, instruments and capabilities can be more sharply and effectively focused on supporting CDS initiatives.

Methodologies and Tool Kits.

Are required to enable city stakeholders to undertake a rapid assessment of the economic processes and dynamics at work, and, subsequently, devise the ways and means whereby they can collectively overcome problems and realise opportunities. Analytical tools are important; choice of tool determine the scope of actions.

5.4 CDS “Checklist” for the Bank

Whilst a CDS approach fits well with the Bank as a “Knowledge Bank” it implies a different way in which the Bank will interact with borrowing countries than has characterised much of the past city lending activities. This is discussed within a range of Bank documents (30). A CDS is certainly a way of overcoming the short-comings of a project focus, but because it is based on what is, in effect, a political (and uncertain) process, namely envisioning through participation and ownership, it is certainly not as controllable as project based lending in the initial stages. Indeed, experience indicates that participation can as volatile as markets and often leads to unexpected outcomes.

Nevertheless, we have argued that in the longer-term a CDS framework will improve the effectiveness of Bank lending. In the more immediate term there are strategies, or procedures, that can be adopted that should both improve the effectiveness of the Bank’s support for CDS initiatives and increase the value of the CDS framework for existing and prospective CDS cities. They can be summarise as follows :

- Agree on a CDS definition, which will lead to coherent city selection criteria
- Agree on a programme logic and LOGFRAME for the CDS city, with city stakeholders.
- Focus support on selected cities; support the right “clients”. The “client” must want a CDS (the Bank, any development organisations for that matter, can demonstrate the value of and facilitate a CDS, but the onus is on the city).
- The client city should either exhibit good governance or should be receptive to establishing an appropriate governance. A commitment to reform, and an associated receptivity to a CDS, is important (31).The client should be able to amass finance to support at least key elements of a CDS (whilst lending is not

30 See; World Bank (Transportation, Water and Urban Development Department; Urban Development Division) 1999 (June) “Strategic View of Urban and Local Government Issues : Implications for the Bank”. Draft.

31 Other suggestions offered by Bank staff for maximising the potential and success of a CDS included (a) choosing cities which located in countries / states where the Bank is preparing urban development projects which can support the CDS initiative, (b) grafting the CDS onto existing planning initiatives [e.g. the IUIDP of Indonesia], and (c) ensuring that potential CDS leaders and participants receiving CDS training before the CDS process commences.

directly tied to the completion of a CDS, quite obviously the CDS should throw up a range of lending possibilities, and importantly, because the CDS will be based on firm stakeholder commitments the risks associated with those lending possibilities should be correspondingly reduced).

- Develop and use appropriate tool kits and methodologies
- Be prepared for relatively intensive technical assistance (involving Bank and other partners e.g. twinned cities / other CDS cities)
- Ensure that the CDS strategy is off the ground within 18-24 months (support stakeholder buy-in; avoid stakeholder commitment decay)
- Focus on involving the private sector in any CDS scoping exercise or mission (support public-private partnerships that go beyond supply side assistance debates)
- Focus on building institutionalised capacity and capability, and competencies
- Once the strategy and associated actions plans are agreed bring into play appropriate lending instruments (including e.g. APLs).
- Don't forget "enabling" policy reforms over which city has direct influence (focus on factor markets; utilities; good governance)
- Encourage use CDS to establish dialogue with National Stakeholders (CDS's positive effect on the development of the Nation's CDF. Examine enabling macro policy reforms over which national government has direct influence)
- Focus on poverty.
- Investigate how the City can support productivity enhancing egalitarian economic development and drive the equitable development of the city-region.
- Use CDS cities to assist aspiring CDS cities
- Build knowledge sharing avenues between cities.

5.5 Putting it all Together

Table 5.1 is a summary of our assessment of the CDS initiative and the role of the Bank. From our understanding of what defines a CDS and how a CDS is to be undertaken, flows the identification of the critical success factors that are required in order to develop and implement the CDS, and suggestions concerning the role of the Bank in this process, and the corresponding implications for Bank Procedures.

In order to "put it all together" we believe that it is crucial for the Bank to devise a clear programme logic for the type (or types?) of CDSs that it wishes to support. The following section describes in some detail our suggestions for a monitoring and evaluation framework, based on a clear programme logic, for the CDS initiative.

Table 5.1 : Making a CDS “Work (for the Bank)”

	CDS PROCESS FOCUS	CDS ANALYTICAL FOCUS	CDS PRODUCT FOCUS
Defining Characteristic and Outputs	<ul style="list-style-type: none"> Stakeholder (civic society business; municipality) Participation and Ownership 	<ul style="list-style-type: none"> Analysis of City Economy as Engine of Regional and National Development 	<ul style="list-style-type: none"> City Economic Development Strategy City Governance Strategy
Key Attributes	<ul style="list-style-type: none"> Build Trust and Relations of Mutual Benefit amongst Stakeholders Build a Collective Vision Make Connections between Policies and Investments, and Development Outcomes Build Capacity, Capabilities and Competencies – internal institutional ability to innovate and manage economy & society. Change the Nature of Thinking about Development Changing Institutional Behaviour 	<ul style="list-style-type: none"> Focus on the Processes of Economic Change Relate Policy Approaches and Sector Dynamics to these Processes 	<ul style="list-style-type: none"> Prioritised and Sequenced Policy and Investment Interventions Annual Development Plans Action Plans and Budgets Assigned Responsibilities to Stakeholders Partnerships (public-private; private-private; public / private – community) Pro-Poor Approaches to Policy and Investment Interventions
Critical Success Factors	<ul style="list-style-type: none"> Receptivity of Stakeholders to Consensus Building and Reform Agenda Agreed Procedures of Stakeholder Participation and Decision-Making Effective Civic Leadership (e.g. often focused on a Mayor) But Subsequent Institutionalisation of CDS and CDS process 	<ul style="list-style-type: none"> Appropriate Data and Analytical Tools (including rapid economic development appraisal techniques) Analytical Capacity and Capabilities 	<ul style="list-style-type: none"> Favourable Macro-economic Environment Conducive National Policy Framework Good City Governance Finance Available Effective Monitoring, Eval, and Feedback Procedures Long-Term Partnership Assistance with e.g. Bank / “fellow” CDS cities
Possible World Bank Role	<ul style="list-style-type: none"> Facilitator Establish Partnering with City (but selected according to poverty focus) More Intensive Technical Assistance (discard staccato missions as appropriate) Donor Co-ordination within CDF / CDS frameworks Facilitator of inter CDS city Learning Exchanges 	<ul style="list-style-type: none"> Dissemination and Experimentation with Tools and Methodologies for City / City-Region Economic Analysis (poverty focus / city as driver of development for region - important) 	<ul style="list-style-type: none"> Policy Reform Suggestions WB Lending Programme embedded in CDS Strategy and Action Plans (and effective due to embedding) Use of New Lending Instruments and Procedures Establish City “Common Fund” Facilitate City-National Dialogue (CDS assisting define and operationalise the CDF)
Implications for World Bank Procedures	<ul style="list-style-type: none"> Change Nature of Missions Extend (but concentrate) Technical Assistance Discuss Co-ordination and Learning Exchanges with other Organisations, Donors and Cities (participation locally, participation globally) 	<ul style="list-style-type: none"> Gear-up on Tools and Methodologies Pilot in Selected Cities and then Scale-Up 	<ul style="list-style-type: none"> Policy Reforms and Lending to be Driven by CDS Process Graft CDS onto existing Programmes as Appropriate Gear-up on New Lending Instruments Discuss with Cities and other Organisations and Donors - Common Fund

5.6 Monitoring and Evaluation for CDS Success

The CDS is scheduled to be on the evaluation agenda of the Operations Evaluation Department (OED) of the Bank in about five years. At this time there will be an effort to establish the incremental contribution of the CDS to achieving the Bank's goals (poverty reduction, and economic development). This will be a challenging task to accomplish because the results of transformative programmes such as the CDS are rarely visible through broad economic and social indicators. Even with a longer time frame, it is not clear that the incremental contribution of efforts from the CDS can be separated from other donor, private, governmental, and non-governmental efforts. Initiatives such as a CDS are perhaps best viewed as investments in the structures essential for the successful transformation of cities into economic growth centres. CDSs provide a means of co-ordinating the efforts of all stakeholders into a comprehensive and strategic development strategy.

This means that the OED unit is unlikely to be able to directly assess the results of the CDS. Consequently they are likely to attempt to assess if the CDS has articulated and achieved a logical and comprehensive set of intermediate outcomes that, according to contemporary good and relevant practice and theory, are likely to lead to the results being pursued by the Bank. A statement by the OED that these results are likely to occur is a professional assessment of considerable weight and confirms that the essential underlying conditions to the achievement of the desired results are important and have been attained.

The OED Approach to Monitoring and Evaluation

The general approach of the OED is articulated in the recent 1999 Annual Review of Development Effectiveness. There the OED addressed the critical role that monitoring and evaluation play in learning and adaptation at all levels:-

An extensive evaluation literature provides evidence of the crucial role of monitoring for development effectiveness. Results orientation connected to a learning process requires mechanisms to generate and share knowledge, both within a country and among partners. (p.3)

OED lessons indicated that adaptive experimentation and sustainable learning through multiple initiatives yield better results than a one-size-fits-all best practice blueprint. A learning process means starting small, building in a bias for action, avoiding new bureaucracies and supporting multidisciplinary teams. It emphasises flexible, evolutionary, participatory, goals-orientated, and client-driven processes. It calls for thinking thematically and managing across sectors, without undercutting professional rigor and accountability. Building capacity to learn and act strategically is as important as preparing plans. (p.23)

The OED also indicates in the 1999 report that "tracking the development impact of projects, the Bank has been weak, almost across the board" and notes that this is much more challenging for infrastructure, social and thematic lending compared to structural lending (p.14). They expect that approaches such as the CDS will require additional consideration and investment in monitoring and evaluation.

CDF would have significant implications for Bank appraisal and supervision. Upstream activities are the entry point for several key principles of the framework. Project appraisal would include consideration of beneficiary participation and local capacity to ensure ownership. And it must build in a focus on results from the beginning. Equally important, if not more so, is Bank supervision, which would assist the borrower in ensuring the flexibility to adapt to changes in the implementation environment and in working with and benefiting from partners. This process role is critical in developing a learning environment while maintaining a focus on development impact. (p.9)

These positions of the OED, confirmed through discussion with an OED representative (32), provide a framework for monitoring and evaluation of the CDS.

The CDS Assessment

In Section Three we highlighted the likelihood that some of the early CDSs appear to be falling short of the vision of the Cities Development Strategy as a new way of doing business in cities. Many of the key outcomes of the Strategy were not easily found in our sample CDS cities. Like many new programmes, the articulation of the underlying and detailed logical framework of the programme including the outcomes being pursued, and for which the programme is accountable, has lagged behind the initial burst of support for the CDS initiative. This is understandable given the pressures on city organisations and the Bank, and the urgency of many of the challenges faced by applicant cities. These early funded CDS initiatives provide valuable information about the likely consequences of operating without a sufficiently articulated programme logic and LOGFRAME-type structure.

The typology of early CDSs was discussed in Section Two. It appears that at least two out of the four types of CDS (Lending Priority and the Donor Co-ordination types) are, in effect, a continuation of existing approaches to funding development interventions, though somewhat more broadly based (in terms of stakeholders or approach) urban development efforts. The evidence to date is that many CDSs may not achieve the vision and aspirations of the Bank – as represented in documents describing the CDF, and as supported by senior programme managers of the Bank.

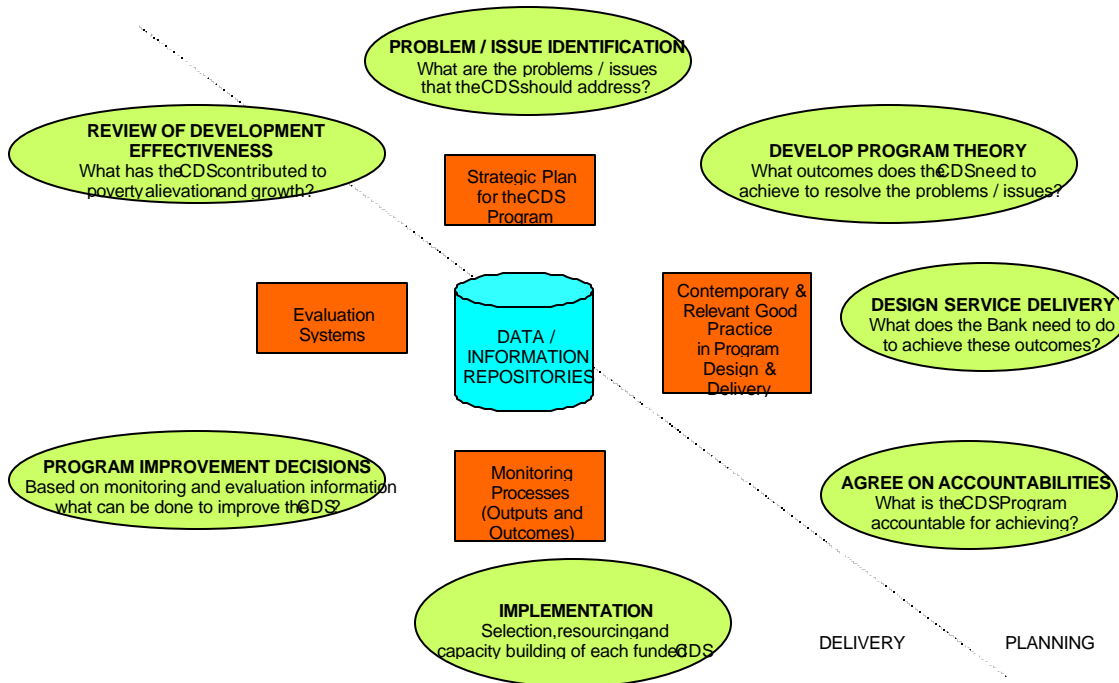
Moreover, since there is not an articulated program logic or LOGFRAME for the CDS, the OED are unlikely to find much evidence that could be used to support a positive assessment of the CDS initiative. This knowledge is a tremendous advantage for the CDS. In essence what the CDS can be used to do is to change the way that the Bank approaches urban development conceptually, organisationally, culturally, and substantively. This is a very significant challenge, and one that is as likely to encounter resistance as much as enthusiasm and support.

The challenge is to increase the number of CDSs that start out as strategic of capacity building and aimed at societal transformation, and ensure that their resources and capacity are sufficient for them to be successful in attaining their outcomes. Monitoring and evaluation, and the broader practice of performance management offer the necessary tools and structures for this.

Performance Management for the CDS initiative

Performance management is designed to help people within organisations determine where they are going, analyse links between activities, outputs, outcomes, and results, and think strategically about ways to improve the organisation’s ability to achieve those results. Performance management is a composite term for many key elements already in current Bank practice – it is results-focused, is designed to support accountability, emphasises strategic thinking and planning, and utilises LOGFRAMES. Within the CDS there are two main levels which could usefully use performance management approaches – the Bank, at a central level, and CDS partnership, at the city level. The general approach is outlined in the figure 5.1 would apply to both levels. At the Bank level, the first step would be to clearly articulate the underlying theory of the CDS initiative. The programme theory is often articulated through a set of outcomes such as a LOGFRAME. The key to moving from a general to an operational theory of a programme is drilling down through outcomes until each outcome is observable, and, hence, able to be monitored. The CDS fits neatly within the CDF structure. There is, however, the need to clearly articulate this association in terms of the outcomes that a CDS is directed to achieving and the contribution of these outcomes to the primary Bank goals of reducing poverty and enhancing economic development. This articulation needs to be at a level that progress in attaining the CDS outcomes can be monitored, providing information for CDS management including further improvements in the CDS itself, development practice in general, and facilitating the downstream evaluation of the initiative.

FIGURE 5.1 : Setting a Results Focused Framework for the CDS



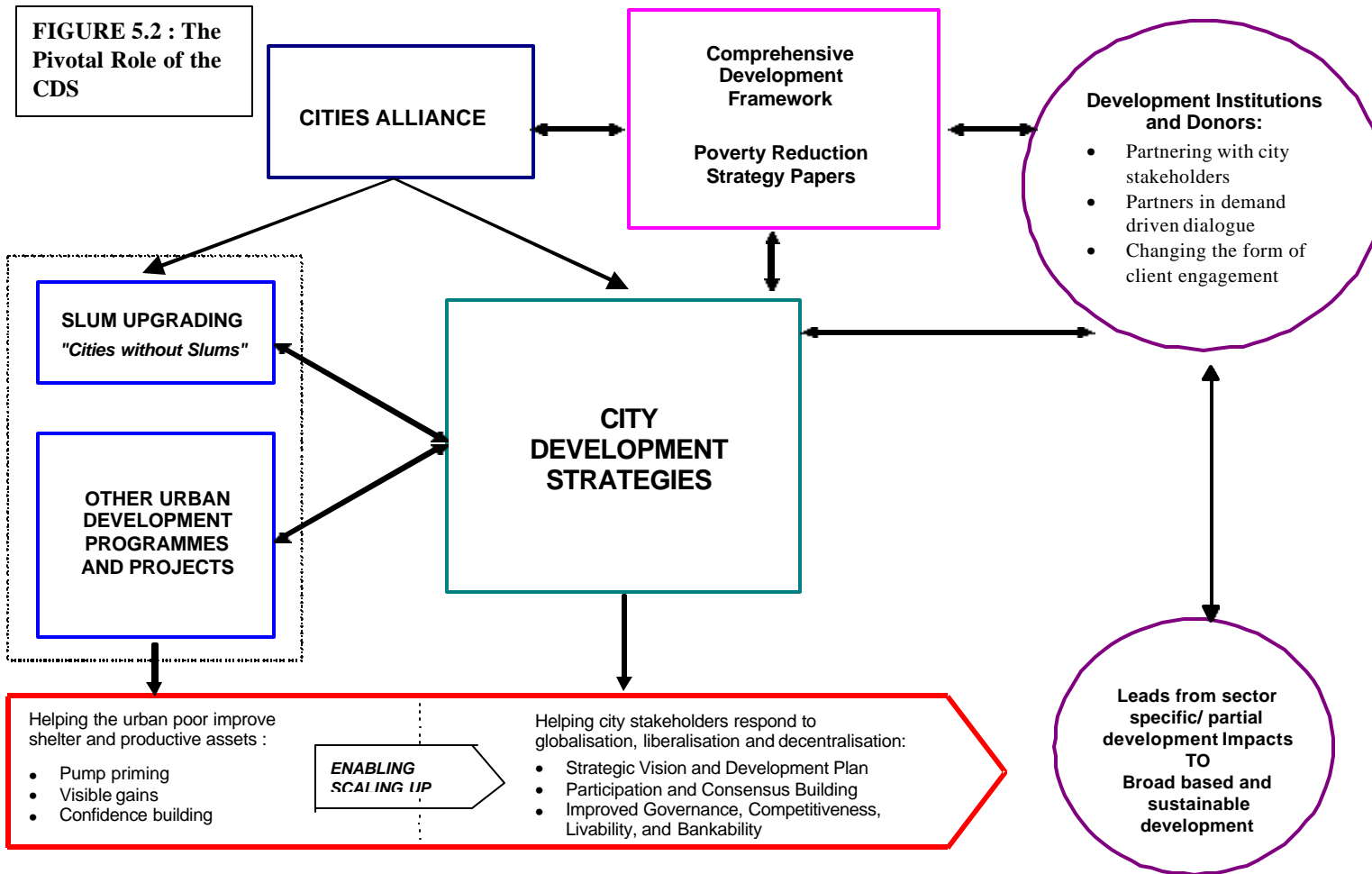
5.7 CDS and other Urban Development Programmes

We believe that the CDS could be a pivotal mechanism allowing organisations such as the Bank to move from sector specific interventions (which experience demonstrates have been partially successful at best) to more effective broad-based and sustainable development. Indeed, we believe that the use of the CDS significantly increases the beneficial impact of specific interventions (see Figure 5.2 overleaf)

Although the Bank advocates the holistic CDF and CDS frameworks for development, there is a tendency in practice to concentrate on programme and project actions which are visible in the short-term (and associated with defined lending programmes and modalities). So, for example, the “cities without slums” programme assumes a significant importance. Such programmes are vital; not just because of their intrinsic worth, but (and this is the crucial point) as mechanisms to build confidence, construct early gains and successes, and promote the wide-spread buy-in to the CDS process.

The CDS then allows the scaling up of specific actions and interventions on the broader development canvass. Programmes such as “cities without slums” and the CDS initiative work together to ensure the continuing success of the former and to realise the promise of the latter. Together such programmes could lead to the sustained transformation and development of societies. Used separately this outcome may be much more difficult to achieve.

Our assessment of the case study CDS cities has demonstrated the value of the CDS initiative, and indicated that for the initiative to be successful it is necessary to clearly defined the associated programme logic and LOGFRAME, and to position the CDS so that the initiative works in conjunction with a range of specific interventions. Perhaps creating a new dialogue between the Bank and client countries will lead to the rise of a knowledge Bank – with a lending arm, the latter focus through and subordinate to capacity building and transformative programmes such as the CDS.



ANNEX A : Global Active and Planned CDS Locations

EAsia			
<i>City</i>	<i>Country</i>	<i>Status</i>	<i>Donor Coordination</i>
Hiaphong	Vietnam	Completed	WB
Ho Chi Minh	Vietnam	Active	Japanese Govt/WB Partnership
Phitsanulok	Thailand	Active	Japanese Govt/WB Partnership
San Fernando City	Philippines	Active	Japanese Govt/WB Partnership
Olongapo	Philippines	Active	Japanese Govt/WB Partnership
Roxas City	Philippines	Active	Japanese Govt/WB Partnership
Sagay	Philippines	Active	Japanese Govt/WB Partnership
Lap lap	Philippines	Active	Japanese Govt/WB Partnership
Dipolog	Philippines	Active	Japanese Govt/WB Partnership
Dapitan	Philippines	Active	Japanese Govt/WB Partnership
Manila	Philippines	Proposed	Cities Initiative
Bandung	Indonesia	Active	Japanese Govt/WB Partnership
Fulling	China	Proposed	Japanese Govt/WB Partnership
SAsia			
<i>City</i>	<i>Country</i>	<i>Status</i>	<i>Donor Coordination</i>
Dhaka	Bangladesh	Active	Japanese Govt/WB Partnership
Khulna	Bangladesh	Active	Japanese Govt/WB Partnership
Colombo	Sri Lanka	Active	UMP initiative
LAC			
<i>City</i>	<i>Country</i>	<i>Status</i>	<i>Donor Coordination</i>
Cali	Colombia	Active	Region/Cities Initiative
Buenos Aires	Argentina	Active	CD/Cities Initiative
La Paz	Bolivia	Active	CD/PHRD
Santo Andre	Brazil	Proposed	UMP
MENA			
<i>City</i>	<i>Country</i>	<i>Status</i>	<i>Donor Coordination</i>
Sana'a	Yemen	Proposed	Cities Initiative/PHRD
Taiz	Yemen	Proposed	Cities Initiative/PHRD
ECA			
<i>City-Candidates</i>	<i>Country</i>	<i>Status</i>	<i>Donor Coordination</i>
Split	Croatia	Proposed	
Vilnius	Latvia	Proposed	
Budapest	Hungary	Proposed	
Krakow	Poland	Proposed	
Sofia	Bulgaria	Active	Cities Initiative
AFRICA			
<i>City</i>	<i>Country</i>	<i>Status</i>	<i>Donor Coordination</i>
Maputo	Mozambique	Active	Cities Initiative
Copperbelt	Zambia	Active	Cities Initiative
Johannesburg	South Africa	Active	UMP Initiative/Cities Initiative
Kampala	Uganda	Active	Cities Initiative

ANNEX B: The Learning Framework

Name of City	Name and position of respondent	Nature of involvement with the CDS
--------------	---------------------------------	------------------------------------

City:	Stakeholder Interviewed	
	Documentation	Comments
General		
Size of City (population)		
Start of CDS process		
Expected/Target end date		
Key Milestones List key outputs of the process as well as products		
Objectives		
What are the objectives of the CDS?		
What have been the outputs to date?		
What will be the final set of <i>outputs</i> ?		
What are the intended <i>outcomes</i> of the CDS?		
Logic		
How was the CDS defined?		
How is the CDS expected to help achieve the intended outcomes?		

Approach		
Who initiated the CDS?		
Why was the CDS initiated?		
How was the CDS initiated?		
What stakeholders were involved? <ul style="list-style-type: none"> • Politicians • Municipal officials • Private sector • Community leaders • NGOs • CBOs • other 		
Who identified what stakeholders would be involved in the process?		
What forms of participation were developed? Techniques used?		
When was each stakeholder group involved?		
What forms of institutionalisation has the CDS taken?		
What sources of funding have supported the CDS? <ul style="list-style-type: none"> • national • local gov't • private sector • community • international • other 		
What local resources have been allocated to the CDS?		
Who has provided resources to the CDS? <ul style="list-style-type: none"> • Public • Private • Community (NGOs, CBOs, etc.) • Others? 		

Scope		
What issues are being addressed - discussed?		
How were they identified?		
How were problems and/or action areas prioritised?		
What methodologies, tools of analysis were used as part of the problem/issue identification and prioritisation process?		
Economic analysis of the city? <ul style="list-style-type: none"> • clusters • sectors • employment profile 		
What type of decision-making frameworks were/are being established?		
What types of actions have been recommended?		
What responsibilities are being allocated to: <ul style="list-style-type: none"> • city/municipality • private sector • community 		
Constraints and opportunities		
What problems have emerged during the CDS process?		
Why have the problems emerged?		
What could be done to improve the CDS process?		
World Bank Issues		
What role has the Bank played in the CDS process?		
Why was the City selected for WB support/interest?		
How does the CDS relate to the CDF?		
Does the CAS have an urban strategy component? <ul style="list-style-type: none"> • Yes • No 		
How does the CDS relate to the CAS?		
Is the CDS linked to on-going WB projects?		
Has the WB committed to support the future implementation of the CDS and/or specific components within it?		

Should the CDS be linked to future lending?		
Is the WB able support the current initiative effectively?		
Is the WB able to scale-up to support replication of CDS initiatives?		
What constraints may act as a barrier to WB support for CDSs?		
Are CDSs a useful concept? If yes, what are the benefits of CDSs?		
What could be done to improve the role of the WB in supporting CDS initiatives?		
External Agencies		
Were other donors brought into the CDS formulation process? If yes, how?		
How does the CDS relate to other donor activities?		
What types of linkages have been formed with other donors?		
Have any funding commitments been made by other donors/agencies?		
Has co-ordination among donors improved through the CDS? Likely to improve in the future?		
What could be done to improve the role of external agencies in the CDS process?		
Comments		

ANNEX C : Outline Case Studies of City Development Strategies in Developed Countries

The following table summarises the experience of a selection of cities in the preparation and implementation of strategies for the improvement of their cities. The summary focuses on the following aspects: The nature of the problem or prompt for action; the process of strategy development and regeneration initiatives; the outcomes of this process; and the key success factors.

	Prompts/Problems	Actors	Process	Product/Outcomes	Key success factors
Wellington, New Zealand	<ul style="list-style-type: none"> New Zealand Agenda 21 signatory 	<ul style="list-style-type: none"> City Government Led Public, private, community involvement 	<ul style="list-style-type: none"> Define city vision and goals through community planning exercise¹ (6 Year) Nominate Public /private/community Steering Group to oversee Prepare Council Strategic Plan (3 Year) Define Council's role and priorities through consultation Establish 'core service and outcome' tests to ensure council activities are 'strategic fit' Set time bound Council objectives Prepare Annual Plans 		
Toronto, Canada	<ul style="list-style-type: none"> Need to update official Plan Concerns about environment and excessive development pressures 	<ul style="list-style-type: none"> City Government Led Board range of stakeholders including - private sector, Board of trade, community groups, heritage and arts groups, resident associations, 	<ul style="list-style-type: none"> Establish vision, principles and strategic directions for a new plan through a community and private sector based task force. Develop implementation strategies for City Council approval. Support the work of a number of task 	<ul style="list-style-type: none"> Strong environmental policy adopted by council to guide all municipal initiatives Flexible land use policies in areas adjacent to downtown led to 	<ul style="list-style-type: none"> Strong leadership Early partnerships established during visioning stage

¹ Including Public Meetings, Vision Workshops, Community Forums, Specialist Working Groups, Open Houses, Advisory Peer Review Group comment on draft strategy, Consultation period (displays/advertising) on draft strategy, Feedback Workshops, Amendments and preparation of Implementation Plan (time scale 18 months)

	Prompts/Problems	Actors	Process	Product/Outcomes	Key success factors
		tenant groups, labour council and environmental groups	<p>forces and committees of Council consisting of private sector and community based representatives including: biotechnology committee, fashion committee, public art committee, task force to bring back the Don River, City cycling committee, committee for people with disabilities etc.</p> <ul style="list-style-type: none"> • Set up targets and monitoring program to determine if plan is being implemented according objectives • Set up requirement for a five year review of the plan. 	<p>significant new business formation in high tech related industries as well as large residential development downtown</p> <ul style="list-style-type: none"> • Major new open spaces created in the city core • New affordable housing development across the city • Major new streetscape improvements introduced in areas of the city with co-funding with multiple partners • Toronto consistently cited as one of the top ten cities for living and business (Geneva survey of city livability, Fortune magazine, etc.) 	<ul style="list-style-type: none"> • Implementation through committees with partners from municipality, business and civil society
<p>Chattanooga, USA</p> <p>Chattanooga http://www.rivervalleypartnership.org</p>	<p>Notorious industrial pollution/environmental neglect</p> <p>Downtown / riverfront industrial</p>	<ul style="list-style-type: none"> • City Government Led with institutional and non-profit making body support in implementation 	<ul style="list-style-type: none"> • Adopted US environmental legislation and targets • In 1984 established Vision 2000 programme with city residents² : Economic Vision for Sustainable Growth • Implement high profile signpost or 	<ul style="list-style-type: none"> • 1992 assessment of Vision 2000 found \$793m investment in over 2000 projects, with over 1300 permanent and 7000 temporary construct jobs. 	<ul style="list-style-type: none"> • Mobilisation of private, public and community resources around a city vision • Early visible

² Community wide brainstorming or ‘visioning’ meetings , established community goals in ‘Community Portfolio with shared public, private, community responsibility

³ Community wide ‘visual preference survey’ obtain consensus on location/character of future development, preparation of comprehensive plan based on survey, revision of regulations (e.g. zoning codes) to guide future development.

	Prompts/Problems	Actors	Process	Product/Outcomes	Key success factors
rs.com/cstory/future/futurea.htm	recession		anchor projects – Riverwalk, Aquarium, Electric Transit Vehicle Institute, Greenways <ul style="list-style-type: none"> • Downtown rehabilitation focus on housing Neighbourhood Enterprise organisation and non polluting transport • Focus on support for start up firms – Business Incubator • Establish <i>Futurescape</i> an ongoing Community Planning Process³ 	<ul style="list-style-type: none"> • Introduction of ‘state of art’ electric shuttle bus services to ease downtown congestion/parking • Business incubator, development centre to support start ups • Community Planning process feeds into regulations for city 	demonstration projects landmark initiatives <ul style="list-style-type: none"> • Strong leadership

	Prompts/Problems	Actors	Process	Product/Outcomes	Key success factors
IBA-Emscher Park project in Ruhr area, Germany	<ul style="list-style-type: none"> Decline traditional coal and steel industry. Extreme environmental degradation 	<ul style="list-style-type: none"> Internationale Bauausstellung Emscher Park (IBA) (1989 – 1999) successor of 19th century world fairs. Gateway organisation- a small dynamic body with advisory board, link people , “multipliers” or project champions. Agency acts as branding device and quality benchmark. Private company owned by regional government sits outside traditional employer/trade union partnerships. 	<ul style="list-style-type: none"> Adoption of 1980’s environmental legislation and associated new market/ technology development Ecologically driven renewal of Emscher Park environmental improvement as economic driver IBA’s models for future: 100 projects around 5 themes. Ecological regeneration Chain of science and technology centres Housing construction and integrated district development New uses for old industrial buildings Landscape park, green corridors. Develop landmark, lighthouse projects Tourism strategy and masterplan and post industrial culture park 	<ul style="list-style-type: none"> Network of 20 industrial estates and over 20 technology and innovation centres eg Solar panel factory jobs created estimated 8,500 new billion central government investment in construction and related sectors. 30,000 employed. Is the change process sustainable? IBA outside local politics,; did little to initiated change and build grass roots support. 	<ul style="list-style-type: none"> Strength of IBA as external catalyst led by strong personality Long term view Quality benchmark/ branding
Barcelona, Spain	<ul style="list-style-type: none"> Industrial decline waterfront port area and obsolescent rail infrastructure 	<ul style="list-style-type: none"> Regional and city government Barceona Activa, city hall funded agency to promote regeneration of north city ‘Barcelona model’ partnership banks, industries, city agencies and community groups 	<ul style="list-style-type: none"> Landmark based initiative –1992 \$8billion investment in Olympic Village, World Trade Centre, built on private – public partnerships Venture capital firm supports city based small businesses Quality branding to support the Barcelona trademark ventures – Medical Centre, Mediterranean Food Business start up nursery Port development, double in size to become Mediterranean leader International development firms undertake major (\$800m) urban redevelopment 	<ul style="list-style-type: none"> City gained 4km urban beach Tourism doubled since 1989 rose 37 percent 1998 to 7.5m – hotels 80 percent occupancy DFI Pta 906bn up 43.7 percent on 1997 Survey of 500 top executives by Healey and Baker put Barcelona top quality of life for employees and 6th place to locate business 	<ul style="list-style-type: none"> Regional government reinforcing city social policy and regeneration initiatives Regeneration on the back of major events - Olympics

	Prompts/Problems	Actors	Process	Product/Outcomes	Key success factors
Glasgow, UK http://www.glasgow.gov.uk	<ul style="list-style-type: none"> Decline of traditional industrial base, public finance squeeze, obsolescence and derelict land. Inappropriate infrastructure. High levels of social deprivation and unemployment 	<ul style="list-style-type: none"> City and Regional Government with Scottish Development Agency and some private sector involvement 	<ul style="list-style-type: none"> Corporate Strategy and Economic Development Plan Strategy new service sector around creativity/culture Decade of Programme Events (Garden festival, European City Culture, Festival for Visual Arts, Conventions, Music festivals, Festival for Design, UK City of Architecture and Design 1999) Showcase Infrastructure (Concert Hall, Art Galleries, Conference Facility, Charles Rennie Mackintosh Museum) Destination for UK tourism, film location, arts and culture products. 	<ul style="list-style-type: none"> Short and long term tourist visit and expenditure increased Boom in investment in retail development and construction of hotel bed spaces Employment creation 	<ul style="list-style-type: none"> Leadership Consistent long term policy objectives Public funding to sustain momentum of events and improvements to infrastructure
Brisbane, Australia	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> City Government Led and implemented 	<ul style="list-style-type: none"> Define city vision & strategic planning cycle Strategy Development Environment scanning⁴ Strategic direction setting⁵ through corporate plan Program/business planning Strategy Implementation Action planning for business units Individual performance planning 	<ul style="list-style-type: none"> Brisbane City Corporate Plan sets performance goals for the city council in annual performance. 	<ul style="list-style-type: none"> City Council customer re-orientation

⁴ Environment scanning includes community surveys and focus groups, research on relevant trends, organisational performance

⁵ Council mission statement and corporate scorecard detailing outcomes

ANNEX D : SIMPLIFIED STAGES and LIFE CYCLE OF A CDS

Stage of CDS formulation process	Tasks	Possible Techniques	Responsibility
1. A Plan for the Strategic Plan	<ul style="list-style-type: none"> Define objectives Determine management structure Set up Steering Committee (partnership between municipality, private sector representatives, non government organisations, learning institutions, service providers, etc.) Identify steps in planning process Prepare a communication plan Identify stakeholders Assign responsibilities Prepare timeline 	<ul style="list-style-type: none"> Flow diagrams describing various stages of the process Organisational chart GANT charts or other project management techniques 	<ul style="list-style-type: none"> Municipality (usually leads – adopting a civic leadership role) NGOs / CBOs Private sector World Bank as facilitator
2. State of the City Report	<ul style="list-style-type: none"> Assess current state of the city based on available data Include economic, demographic, social, historical and physical planning information Demonstrate how key sectors and policy approaches relate to the <i>processes driving change</i> 	<ul style="list-style-type: none"> Often called a “state of the environment / economy” report Uses available sources of data to identify where the city is at this point in time 	<ul style="list-style-type: none"> Usually municipal staff with assistance from other stakeholders (Chambers of Commerce, NGO’s, Research Institutions, Universities, etc.)
3. Strengths, Weaknesses, Opportunities and Threats Analysis	<ul style="list-style-type: none"> Prepare a SWOT analysis of the city region with full participation of stakeholders (municipality, private sector groups, NGO’s, service providers etc.) 	<ul style="list-style-type: none"> Economic base analysis Economic cluster analysis Competitor analysis and benchmarking Regional input/output modelling Shift/Share Analysis Labour market change analysis “Scenario building” Interviews and surveys – (e.g. of representatives of key economic sectors) Household surveys to update census Household perception of local services Spatial analysis of income distribution Housing and environmental conditions Service delivery assessment 	<ul style="list-style-type: none"> Steering Committee with broad cross section of stakeholders (private sector representatives, NGO’s, private and public institutions, academic institutions) Facilitated by WB and/or municipal staff

Stage of CDS formulation process	Tasks	Possible techniques	Responsibility
4. Vision	<ul style="list-style-type: none"> • Prepare a vision for the future evolution of the city • Identify main themes for the elaboration of the vision 	<ul style="list-style-type: none"> • Visioning workshops • Scenario building workshops • Focus groups with representatives of change drivers (e.g. industrial sector or cluster / social movement) • Use of “Groupware” • Outreach work with the community 	<ul style="list-style-type: none"> • Steering committee and a broad cross section of stakeholders • Needs to be verified by the community though some form of public information dissemination • Usually prepared as part of a facilitated workshop
5. Strategic Directions	<ul style="list-style-type: none"> • Identify strategic directions for each of the themes identified during the visioning exercise 	<ul style="list-style-type: none"> • Group discussion based on inputs from previous studies • Analysis of sources of funding for each of the strategic directions identified 	<ul style="list-style-type: none"> • Working teams established by the steering committee and including stakeholders who have direct knowledge of the subject area
6. Action Plans	<ul style="list-style-type: none"> • Prepare action plans for each of the strategic directions • Prepare sequencing / timelines of policy and investment (programme and project) actions • Identify required resources, budgets and next “immediate” steps for each action • Allocate responsibilities among stakeholders (who does what and when) • Identify lead partner responsibility for each action 	<ul style="list-style-type: none"> • GANT charts • Costed / time-bound Action Plan documents 	<ul style="list-style-type: none"> • Steering Committee and working teams
7. Implementation, monitoring and evaluation – and feedback (closing the loop)	<ul style="list-style-type: none"> • Set up an implementation committee to chart progress • Set up system for evaluating whether and how the vision and strategic directions are being achieved • Define feedback mechanisms 	<ul style="list-style-type: none"> • Evaluation framework (e.g. LOGFRAME) • Performance measures • Benchmarks 	<ul style="list-style-type: none"> • Steering Committee to hand off responsibility to the newly formed implementation committee

ANNEX E : City Development Strategies (CDSs) - Taking Stock and Signposting the Way Forward

QUESTIONNAIRE

Objective : Following the presentations of November the 10th and December the 2nd 1999 on the CDS Initiative it was decided to elicit views of Bank staff on a (restricted) range of issues. Your replies are important. Please send replies by EMAIL to milesn@ghkint.com or FAX (44-171-736-0784). **THANK YOU.**

1. Are you familiar with the reference made to CDS within the following Bank document: “Strategic View of Urban and Local Government Issues : Implications for the Bank” (Transportation, Water and Urban Development Department; Urban Development Division) 1999.

Yes

No

2. Have you been involved with the formulation / implementation of a CDS?

Yes

No

3. Which definition of a CDS most conforms to your view of a CDS? (pls. tick appropriate box)

1) **Lending Efficiency** : A CDS is an instrument for sorting out Bank lending at a city level.

2) **Assistance Co-ordination** . : A CDS is a means to organize multilateral and bilateral aid agencies and development organizations in a common city improvement effort.

3) **Capacity Building** : A CDS focuses on building institutional capacity at the level of a city.

4) **Prioritizing Stakeholder Participation** : A CDS is a mechanism to involve and institutionalize stakeholder involvement (government, business and civil society) in efforts to manage and develop a city.

No 1

No 2

No 3

No 4

4. If you don't like any of the above definitions, please briefly state what you think is a CDS.

5. What are the benefits of a CDS from the City's point of view?

1.
2.
3.
4.

6. What are the benefits a CDS from the Bank's point of view?

1.
2.
3.
4.

7. On a scale of 1 (not at all) to 5 (very) with 6 as 'not applicable', how important to a City are the advantages of the Bank's involvement in a CDS (*please circle / clearly highlight and underline where appropriate*):

Bank comes with money (can link the CDS to project lending)	1	2	3	4	5	6
Bank comes with knowledge (understanding of development)	1	2	3	4	5	6
Bank can lever other donors / sources of funds into the city			1	2	3	4 5
6						
Bank presence is a catalyst for stakeholder involvement			1	2	3	4 5
6						
Bank presence boosts confidence of stakeholders			1	2	3	4 5
6						

8. Should the Bank only support those CDSs which explicitly focus on poverty reduction / elimination?

Yes

No

9. From the point of view of the Bank, what are the constraints on supporting CDSs? (pls tick appropriate box)

- 1) Lack of appropriate technical skills (e.g. urban economic analysis)
- 2) Lack of operational guidance on what they are and how to do them

Major Constrain t
<input type="checkbox"/>
<input type="checkbox"/>

Minor Constrain t
<input type="checkbox"/>
<input type="checkbox"/>

Not a Constrain t
<input type="checkbox"/>
<input type="checkbox"/>

- 3) Lack of financial resources to support CDSs
- 4) Lack of human resources resources to support CDSs
- 5) Other (Specify)

7. On a scale of 1 (not at all) to 5 (very) with 6 as 'not applicable', how important are the following to improving the effectiveness of CDS formulation and implementation (*please circle / clearly highlight and underline where appropriate*):

A CDS manual for City Mangers is required	1	2	3	4	5	6	
A CDS manual for Bank Staff is required	1	2	3	4	5	6	
More money is require to fund the design of CDSs	1	2	3	4	5	6	
More money is require to fund the implementation of CDSs	1	2	3	4	5	6	
We need to scale-up and dissemination best practice ASAP			1	2	3	4	5
6							
We need to evaluate the first round CDSs before scaling up			1	2	3	4	5
6							

Your Bank Designation

Thank You. Your assistance is appreciated.

SELECTED REFERENCES :

- Benjamin, S. 2000, "Governance, Economic Settings and Poverty in Bangalore" *Environment & Urbanization*, Vol 12 No 1, April, pp35-56
- Evans, P. 1995 "*Embedded Autonomy : States and Industrial Transformation*". Princeton University Press.
- Giddens, A. 1998, "*The Third Way: The Renewal of Social Democracy*". Polity Press
- Held, D. et al 1999, "*Global Transformations*". Stanford University Press.
- Hirst, P. Thompson, G. 1996, "*Globalization in Question*" Polity Press.
- Kanbur, R.; Sandler, T.; with Morrison, M; 1999, "A Radial Approach to Development Assistance" *Development Outreach* Vol 1; Number Two; pp 15-17
- Korten, D. 1998, "*The Post-Corporate World*". Berrett-Koehler Publishers, Inc.
- Moore, M.; Putzel, J, 1999, "*Politics and Poverty; A Background Paper for the World Development Report, 2000/1*", Institute of Development Studies, Sussex.
- Nelson, J. 1996, "*Business as Partners in Development*". The Prince of Wales Business Leaders Forum.
- _____. 1998, "*Building Competitiveness and Communities*". The Prince of Wales Business Leaders Forum.
- Scott, A, 2000, *Industrial Revitalization in the ABC municipalities, São Paulo. Diagnostic Analysis and Strategic Recommendations for a New Economy and a New Regionalism*. Unpublished report presented to the Agência Desenvolvimento Econômico.
- Scott, A et al. 1999, "*Global City-Regions*" Theme paper prepared for the conference on Global City-Regions, UCLA, 21-23 October, 1999.
- Sen, A. 1999, "*Development as Freedom*". Alfred A. Knopf, Inc.
- _____. 1999, "The Value of Democracy". *Development Outreach*. Vol 1, No1 pp5-9
- Stiglitz, J. 1999, "*Participation and Development : Perspectives from the Comprehensive Development Paradigm*". Conference paper present on February 27, 1999, Seoul, Korea (World Bank).
- _____. 1999, "The Role of Participation in Development". *Development Outreach*. Vol 1, No1 pp10-13

Unger, D. 1998, "Building Social Capital in Thailand". Cambridge University Press.

Weiss, L. 1998, "*The Myth of the Powerless State*". Polity Press.

Wolfensohn, J, 1999 "A *Proposal for a Comprehensive Development Framework*", World Bank.

World Bank Publications and Documents

World Bank, 1999, "*Entering the 21st Century : World Development Report, 1999/2000*". Oxford University Press.

World Bank, 1999 (June), (Transportation, Water and Urban Development Department; Urban Development Division) "*Strategic View of Urban and Local Government Issues : Implications for the Bank*". Draft.

World Bank, 2000, "*Cities in Transition : Executive Summary. A strategic View of Urban and Local Government Issues*". The World Bank Infrastructure Group. Urban Development.

World Bank, 2000, "*1999 Annual Review of Development Effectiveness*"