



# Cities Alliance and City Development Strategy

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# *What is the Cities Alliance?*

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- The Cities Alliance is a global alliance of cities and their development partners committed to improve the living conditions of the urban poor.
- The Alliance was created to work in partnership with cities that are attempting, in an inclusive manner, to improve opportunities for all the citizens, particularly the urban poor and women. Cities alliance supports action in two key areas: first the formulation of city development strategies, and secondly citywide urban upgrading to scale.



# *What Is City Development Strategy (CDS)?*

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- CDS is an action plan for equitable growth in cities, developed and sustained through participation, to improve the quality of life for all citizens.
  
- The goals of a CDS include a collective city vision and action plan aimed at:
  - A) improving urban governance and management,
  - B) local economic development, and
  - C) systematic and sustained reductions in urban poverty.



## *How to Set the CDS Focus?*

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- CDS recognises that while there are common issues, each city has its own characteristics and that it is for civic leaders and citizens to determine their city's own future.
- CDS supports local assessments and solutions, and provides ways and means in which these can be considered from a wider perspective.
- CA places great emphasis on the lead being taken by the city itself, with the urban poor and local business leaders actively engaged within a wider participatory process – in short, local ownership of the process is vital.
- All support is managed within the regional/national context, with support and involvement of the national government.



# A) Improving Urban Governance and Management

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- Urban governance is a broad concept that describes the method through which priorities are set, decisions are taken and people and institutions interact.
- Good urban governance is characterised by transparent decision making, sound financial management, public accountability, equitable resource allocation and probity, and should lead to sustainable improvements in most urban indicators.
- Good urban governance is enhanced when decentralising resources and responsibilities to the lowest effective level.



## A) Improving Urban Governance and Management

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- **The budgeting process:**

Local government budget, how priorities are selected, how allocations and appropriations are made, how revenue growth is promoted and how the poor are assisted.

City governments which have introduced participatory budgeting processes are amongst the most successful in building consensus and meeting the needs of the poor.



# A) Improving Urban Governance and Management

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- **Institutional frameworks:**

- Ensure the most effective institutional arrangements within city scope and jurisdiction.

- Clear determination of roles, rights and responsibilities.

- Incorporating public institutions, the private sector, civil society and citizens within its scope.

- Municipal capacity building to establishment effective institutional performance.



## A) Improving Urban Governance and Management

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- **Participatory decision-making and management:**

Stakeholders participation in formal decision-making structures can help build consensus on development priorities, improve the equity and efficiency of resource allocation, ensure the transparency and accountability of local authorities and the sustainability of interventions.

The manner in which decisions are taken is central to the building of consensus, and the demonstration of accountability – participation, not just information sharing.





# ***What is Local Economic Development ?***

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- Local economic development is:

about local communities working to achieve sustainable economic growth that ensures increases in employment, prosperity and quality of life for their community



## B) Local Economic Development

increasing investment to expand employment and services

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- identifying ways of improving the city's overall economic performance and efficiency;
- promoting competitiveness of the city in national and international contexts;
- promoting broad-based employment generation that includes the informal sector; and
- involving micro-enterprises as well as the private sector in conceiving the development strategy, and securing their increased involvement and investment, and defining the supportive role of government.



## B) Local Economic Development

increasing investment to expand employment and services

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Building on each city's competitive advantages, LED strategy aims at:

- providing a competitive local business environment;
- stimulating growth of local firms;
- further developing workforce;
- making whole business environments favorable;
- facilitating an economically-linked business clusters;
- leveraging private sector investments for public good; and
- enhancing public/private partnerships and 'soft' infrastructure investments (e.g. human resource development, regulatory rationalization).



## B) Local Economic Development

increasing investment to expand employment and services

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Sequencing of preparing LED Action Plan:

1. Review local government budget, obstacles to growth and investment, how priorities are selected, how allocations and appropriations are made, how revenue growth is promoted and the poor are assisted.

2. Carry out city competitive assessment:

Strengths/local assets (university, competitive wage rates, skilled workforce, strong transportation network, safe locality);

Weaknesses/obstacles to growth (worsening poverty, complex regulatory procedures, inadequate infrastructure, limited access to credit);

Opportunities/favorable exogenous (technological change, opening new local competitive advantages, new international trade arrangements, expanding markets); and

Threats/unfavorable exogenous (downsizing of global business resulting in local plant closure, demographic changes).

3. Prepare action-plan for equitable growth and employment generation, developed and sustained through participation.



## C) Systematic and Sustained Reductions in Urban Poverty

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### **Improved access to services:**

A city development strategy will need to examine options for efficient service delivery and equitable pricing policies.

Provision of essential services, particularly water and sanitation, energy and urban transport affects the daily lives of the urban poor.

Formulating a CDS will focus on the most effective methods of service provision, include delivery mechanisms, cost recovery and the regulatory framework.



## C) Systematic and Sustained Reductions in Urban Poverty

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A CDS also includes less visible elements, such as:

Public access to information,

defining and protecting the right to facilities and opportunities, i.e  
a pro-poor policy environment.

It is also critical to remove legal obstacles that might hinder  
granting all citizens, especially the women, equal access to basic  
services, land tenure, credit and employment.



# Process of Preparing a CDS

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CDS team needs to define stakeholders, how to bring them in, establish and maintain a dynamic participatory entrepreneurial culture.

A CDS methodology might consist of five phase:

- - **Vision:** stakeholders' consensus-building on the preferred economic future of the community.
- - **Goals:** based on the overall vision and specify desired outcomes of the economic planning process.
- - **Objectives:** set the performance standards and target activities for development.
- - **Programs:** set out approaches to achieving realistic economic development goals.
- - **Action Plans:** define achievable program components, prioritized activities, establish costs and responsibilities.