

APRIL 2012  
CITIES ALLIANCE

# INDEPENDENT EVALUATION OF THE CITIES ALLIANCE

FINAL REPORT



**COWI**

COWI A/S

Parallelvej 2  
DK-2800 Kongens Lyngby  
Denmark

Tel +45 45 97 22 11  
Fax +45 45 97 22 12  
[www.cowi.com](http://www.cowi.com)

Cities Alliance

## **Independent evaluation of the Cities Alliance**

Final Report

April 2012

Project No. P-75726-A-1  
Document no. 6  
Version a  
Date of issue 11 April 2012

Prepared Anders Richelsen; Birgitte Martens; Gottfried Roelcke, Michael Davidsen  
Checked Niels Eilshøj Olesen  
Approved Anders Richelsen

## Table of Contents

	<b>List of Abbreviations and Acronyms</b>	<b>3</b>
<b>1</b>	<b>Introduction</b>	<b>4</b>
1.1	Objectives and scope of the evaluation	4
1.2	Methodology	5
1.3	Overview of this report	6
<b>2</b>	<b>Executive summary</b>	<b>7</b>
<b>3</b>	<b>Context and background</b>	<b>10</b>
3.1	Urbanisation in developing countries	10
3.2	The Cities Alliance	11
<b>4</b>	<b>Relevance</b>	<b>16</b>
4.1	Demand side relevance	16
4.2	Supply-side relevance	18
4.3	Relevance of the design of the programme	20
<b>5</b>	<b>Efficacy</b>	<b>25</b>
5.1	Overall findings on programming, M&E and reporting	25
5.2	Achievement of objectives	26
5.3	Progress of activities, outputs and outcomes	33
<b>6</b>	<b>Efficiency</b>	<b>46</b>
6.1	Overhead costs	46
6.2	Efficiency in grant making	47
<b>7</b>	<b>Governance and management</b>	<b>50</b>
7.1	Compliance with principles of good governance	50
7.2	World Bank hosting of the Cities Alliance	57

<b>8</b>	<b>Resource mobilisation and sustainability</b>	<b>59</b>
8.1	Influence of resource mobilisation on governance and management	62
<b>9</b>	<b>Conclusions and recommendations</b>	<b>64</b>
9.1	Conclusions	64
9.2	Recommendations	68

## **Table of Appendices**

**Appendix A: Terms of Reference**

**Appendix B: Judgement criteria and data sources**

**Appendix C: List of documents reviewed**

**Appendix D: List of persons interviewed**

**Appendix E: Interview guide**

## List of Abbreviations and Acronyms

BP	Business Plan
CA	Cities Alliance
CDS	City Development Strategies
CG	Consultative Group
CPA	Country Partnership Agreement
CPP	Country Partnership Programmes
ExCo	Executive Committee
FEU	Finance Economics and Urban Department
FY	Financial Year
GRPP	Global and Regional Partnerships Programmes
IEG	Independent Evaluation Group, WB Group
IFI	International Financial Institution
JWP	Joint Work Programmes
K&L	Knowledge and Learning
M&E	Monitoring and Evaluation
MTS	Mid-Term Strategy
NGO	Non Governmental Organization
PAF	Policy Advocacy Forum
SU	Slum Upgrading
ToR	Terms of Reference
UCLG	United Cities and Local Governments
WB	World Bank

## 1 Introduction

The World Bank has appointed COWI A/S to conduct an independent evaluation on the effectiveness of the Cities Alliance (CA).

The contract was signed in June 2011. Following a three day inception mission at the CA secretariat, a draft inception report was presented to the CA Executive Committee (ExCo) at its meeting in Accra, Ghana in July. The final inception report was subsequently submitted. The main findings and recommendations were presented to the CA Executive Committee (ExCo) and the Consultative Group (CG) in Maputo, Mozambique in November.

### 1.1 Objectives and scope of the evaluation

The overall objectives of the evaluation is outlined in Box 1.1

*Box 1.1: Objectives of the evaluation*

Based on a consolidated and comprehensive view of the Cities Alliance... the evaluation will assess the overall relevance and effectiveness of the Cities Alliance and the extent to which it has achieved program objectives.

Recommendations shall provide guidance to the Cities Alliance, referring to its strategic orientation in terms of topics, approaches, instruments (i.e. country programmes, Catalytic Fund, knowledge and learning, communication and advocacy) and operating modalities, in order to further refine its on-going reform process.

#### 1.1.1 Evaluation criteria and questions

The evaluation elaborates, in depth, on a number of guiding questions presented in the ToR and generates corresponding findings and recommendations. The ToR are enclosed in appendix 1.

As part of the contract negotiations, it was agreed that the evaluation should emphasize the position, role and justification of the CA.

In accordance with the ToR, the evaluation assesses the CA in relation to the following evaluation criteria:

- Relevance
- Efficacy
- Efficiency
- Governance and management
- Resource mobilization
- Sustainability

For each of these evaluation criteria, the ToR provides a number of specific evaluation questions.

In the tender/inception report, the evaluation team has elaborated on the judgment criteria for each of these evaluation questions. These judgment criteria are enclosed in appendix 2.

## 1.2 Methodology

The evaluation builds on a comprehensive desk research and interviews with key stakeholders.

The desk research has included<sup>1</sup>:

- All CA strategic documents (previous and current charters, the mid term strategy, business model etc.)
- The CA web-site (<http://www.citiesalliance.org>). The web-site has been used as an important source of information and analysed to assess the it from a communication perspective
- Annual CA reports
- CG and ExCo deliberations
- Previous evaluations of the CA
- All field evaluation reports from the period from 2007 to 2011
- 10 project completion reports

As the quantitative data on the results of projects is limited, and as the budget for the evaluation has not allow for the generation of primary data on project results, the assessment of the aggregated outputs and outcomes of the CA relies on previous evaluations and existing reports supplemented by the review of 12 project completion reports. The project completion reports were chosen randomly from the list of projects approved in the FY 2005-2011, however, with a strategy to have a fairly representative share of projects in terms of region and type of project<sup>2</sup>.

The following stakeholders have been interviewed<sup>3</sup>:

- All members except three<sup>4</sup>

---

<sup>1</sup> All documents reviewed are listed in Annex D

<sup>2</sup> A small excel programme was created to ensure a random but representative selection

<sup>3</sup> A complete list of interviews are enclosed in Annex E

<sup>4</sup> The remaining three interviewees were approached several times without success.

- Four former members
- Four other donors working within urban development cooperation
- Three Cities and national city associations<sup>5</sup>
- Management and staff of the CA secretariat
- World Bank staff
- Key stakeholders in the Uganda CPP

Valuable information was also obtained through the participation of the evaluation team leaders in the ExCo meeting in Agra, Ghana, July 2011 and the ExCo and CG meetings in Maputo, Mozambique, November 2011.

### **1.3 Overview of this report**

Chapter 2 of this report provides a summary of our main findings and conclusions.

Chapter 3 presents the context and background of the evaluation. Some main trends, in relation to urbanisations in development countries, are briefly presented as they shape the context of the CA<sup>6</sup>. This is followed by a description of the CA, including its objectives and areas of activities, and the membership and governance structure.

In chapters 4 to 7, our analyses and findings are presented in relation to each of the evaluation criteria (relevance, efficacy, efficiency, governance and management, and resource mobilisation and sustainability).

Finally, chapter 8 provides the conclusions and recommendations resulting from the evaluation.

---

<sup>5</sup> The aim was to interview 10 representatives from cities and city associations who were involved in completed projects. Significant efforts were made to contact these, unfortunately, to little effect. It was only possible to arrange three interviews.

<sup>6</sup> This is further elaborated on in Annex C.

## 2 Executive summary

The Cities Alliance (CA) was formed in 1999 in a joint effort between the World Bank, UN-HABITAT, United Cities and Local Governments (UCLG), Metropolis and 10 donor governments, as a partnership with the aim of focusing on two key issues: The growth of slums and the management of cities where slum growth is taking place.

Today the CA stands at the end of a transformation period, which began with the adoption of a Mid-Term Strategy (MTS) in 2008, culminating in the adoption of a new charter in 2010 and a business plan in November 2011. This transformation has led to a substantial redesign of the CA changing from, mainly, supporting the development of City Development Strategies (CDS) and slum upgrading activities through ad-hoc support to individual projects, to a more systemic and catalytic approach.

Objectives of the CA	<p>The objectives of the CA, as formulated in the new charter, are:</p> <ul style="list-style-type: none"> <li>• To strengthen and promote the role of the cities in poverty reduction, and in sustainable development</li> <li>• To capture and strengthen the synergies between and among members and partners</li> <li>• To improve the quality of urban development and operation in lending.</li> </ul>
The new business model	<p>The new business model operates with four business lines: Country Partnership Programmes (CPP), catalytic projects, knowledge activities and advocacy.</p> <p>The cornerstone of the new business model is the development of CPPs which aim at mobilizing CA members and partners to assist governments manage urban growth, provide service to all and create conditions conducive towards improving quality of life and generating economic opportunities.</p>
Objective of the evaluation	<p>The objective of this evaluation is to assess the overall relevance and effectiveness of the CA, and the extent to which it has achieved program objectives. It also provides guidance in relation to CA's strategic orientation in terms of topics, approaches, instruments and operating modalities, in order to further refine its on-going reform process.</p>

The evaluation elaborates, in depth, on a number of guiding questions presented in the ToR relating to the following evaluation criteria:

- Relevance
- Efficacy
- Efficiency
- Governance and management
- Resource mobilization and sustainability

The Evaluation builds on a comprehensive desk study and interviews with key stakeholders, including members, former members, cities and national city associations management and staff of the CA secretariat, World Bank staff and key stakeholders in the Uganda Country Partnership Programme.

#### Overall conclusion

Our overall conclusion is that the CA was established and has developed in line with the international development agenda, focusing on aid effectiveness through donor coordination and an increasing focus on client execution.

The CA is a unique platform for international urban development cooperation bringing together key actors, including bilateral donors, multilateral organizations, associations and NGOs.

Although the new business model has only been operational for a short period of time, and therefore only produced a limited number of specific results, we find that the reform process has strengthened both the CAs work and the organization considerably through:

- Improving the coherence of effort between members and other partners
- Defining the concepts on which most partners agree. There is not necessarily a mutual normative understanding on what the 'good city' is, but the concepts facilitate processes where partners and beneficiaries define the end goals/strategies for city development in the specific countries and cities where CA is working.
- The introduction of the CPP concept. As the cornerstone in the new business model, this concept has promising potential in establishing new ways of organizing urban development cooperation by:
  - increasing ownership and leadership of cities and countries
  - multi-donor/partner programming
  - involving slum dwellers and urban poor
  - focusing on long term support
  - leveraging investments

- A clearer governance structure
- A more focused and innovative knowledge production through JWP and potentially through the catalytic fund.

Thus, we find that the new business model has improved or is expected to improve the set-up and work of the CA in relation to all the evaluation criteria analyzed. However, we also find potentials for improvements as reflected in our strategic and operational recommendations.

**The specific strategic recommendations include:**

- Recommendation 1: Continue according to agreed strategy and consider how to attract additional members and resources
- Recommendation 2: Elaborate clear and concise strategic results framework
- Recommendation 3: Develop a monitoring and evaluation framework

**The specific operational recommendations include:**

- Recommendation 4: Reconsider monitoring and reporting arrangements for the CPPs
- Recommendation 5: Further enhance cooperation with members on knowledge & learning and advocacy & communications
- Recommendation 6: Make more information available to non-members to increase transparency and enhance communication
- Recommendation 7: Put in place the necessary operational guidelines

### **3 Context and background**

This chapter provides a brief overview of the CA and the context which in it operates thereby setting the stage for the next chapters which present the findings of the evaluation.

#### **3.1 Urbanisation in developing countries**

Urbanisation, especially in developing countries, is a great opportunity to provide an ever growing population with the prospect of a decent life but urban development is also at a precarious crossroads and requires intensive and well-thought-out international efforts if a lingering disaster is to be avoided. Some key facts are well known<sup>7</sup>:

- The world's population has roughly trebled in the last eight decades, and most of this growth has occurred in developing countries,
- From this decade onward, more people will live in urban centres than in rural areas, contrary to human history up until now,
- Nearly one third of the world's urban dwellers, or roughly one billion people, currently live in slums. An increasing number of countries are recognising the need for addressing the needs of the urban poor through more inclusive approaches to city development,
- Injustice and insecurity in various forms have a potential of upsetting urban life and development,
- In the context of the wasteful consumption of natural resources, cities have the potential to play a leading role in introducing more sustainable forms of development,

---

<sup>7</sup> The issues mentioned below are further explored in Appendix 3, which provides an overview of trends and conditions in urban development cooperation

- The anticipated effects on future climate change may very seriously disrupt urban environments,
- The ever expanding regional impact of cities requires innovative patterns of governance,
- Planning the future development of cities will require substantially different approaches and substantially improved techniques,
- Modernising cities and providing them with adequate infrastructure and other facilities will require investments far beyond the means currently available to governments of developing countries and funds donated by international organisations.

These facts and factors set the stage for international cooperation efforts towards improving urban development worldwide in the decades to come and, thus, also constitute the framework within which the CA operates.

### 3.2 The Cities Alliance

A coalition targeting slum growth

The CA was formed in 1999 in a joint effort between the World Bank, UN-HABITAT, UCLG, Metropolis and 10 donor governments as a partnership aimed at focusing on two key issues: The growth of slums and the management of cities where slum growth was taking place.

The newly created CA produced the Cities without Slums Action Plan, which created a proposed target of improving the lives of 100 million slum dwellers by the year 2020. The target was subsequently incorporated into the United Nations Millennium Declaration in 2000 as a target under the Millennium Development Goals.

An evolving organisation

Independent evaluations of the CA were carried out in 2002 and in 2006. The 2006 evaluation<sup>8</sup> spurred the initiation of a comprehensive reform process, which involved the development of a Mid-Term Strategy (MTS) for the period 2008-2010 and culminated in the adoption of a new charter in November 2010, followed by a new business model and a business plan for the period 2011 - 2014.

The CA has also been subject to other evaluations, which have also provided information to this evaluation, notably the "Scandinavian evaluation" in 2007<sup>9</sup> and the GHK evaluation of project implementation modalities submitted in March 2011<sup>10</sup>

<sup>8</sup> Independent Evaluation of the Cities Alliance, Universalia, October, 2006

<sup>9</sup> Evaluation of the CA, Scanteam, 2007. This evaluation was carried out on the initiative of Sweden and Norway and focused on what extent the contributions of CA made a difference in the livelihoods of poor people living in urban slums in Sub-Saharan Africa

<sup>10</sup> Evaluation of project implementation modalities of the CA, GHK, 2011

### 3.2.1 Objectives and areas of activity

While the overall objectives and focus areas of slum reduction and improvement of living conditions in slums have remained constant, the delivery mechanisms and modalities of the CA changed considerably in the course of the reform process. This is illustrated in the table below, which presents the main aspects of the new charter and business model of the CA and compares these to the previous charter

Table 3.1 *New and previous charter*

New charter / Business plan	Previous charter
<b>Vision</b>	
Cities without slums <sup>11</sup>	Cities without slums
<b>Objectives</b>	
<p>To strengthen and promote the role of the cities in poverty reduction, and in sustainable development</p> <p>To capture and strengthen the synergies between and among members and partners</p> <p>To improve the quality of urban development and operation in lending.</p>	<p>Improve the quality of urban development cooperation and urban lending;</p> <p>Strengthen the impact of grant-funded urban development cooperation;</p> <p>Expand the level of resources reaching the urban poor, by increasing the coherence of effort of existing programs and sharpening the focus on scaling-up successful approaches; and</p> <p>Provide a structured vehicle for advancing collective know-how.</p>
<b>Focus areas</b>	
<p>Citywide and nationwide slum upgrading programmes (SU)</p> <p>City development strategies (CDS)</p> <p>National policies on urban development and local government</p>	<p>SU</p> <p>CDS</p> <p>(municipal finance)</p>
<b>Modality/business lines</b>	
<p>Country programmes</p> <p>Catalytic projects</p> <p>Knowledge activities</p> <p>Communication support and advocacy</p>	<p>Open grant facility for individual projects</p> <p>Small budget for Secretariat knowledge work</p> <p>(Joint work programmes (JWPs)<sup>12</sup>)</p>

As a result of the reform process which produced the new charter, the CA is changing from being a demand-led project granting mechanism for (typically) stand-alone projects towards being a partner in a programmatic effort in a

<sup>11</sup> The new charter does not specifically mention a vision. The vision of cities without slums is reiterated in the Business Plan, (Business Plan approved at Maputo CG meeting, 2001, p. 11.)

<sup>12</sup> JWPs were implemented after the adoption of the mid term strategy

longer term perspective in specific countries and for global knowledge and advocacy. However, the new charter maintains the role of the CA as a vehicle for partnership, which does not have its own implementation capacity, but works through the capacity of its members.

The essence of the new business model is captured in the following statement put forward in the new business plan:

*"The new Cities Alliance Charter and Business model are predicated on the belief that the role of development assistance is designed to be catalytic in nature, and that the key to sustainable urban development in the long-term lies in mobilizing domestic resources, both public and private. To maximize its impact, the Cities Alliance has decided to be far more strategic in leveraging additional resources to supplement its own modest resources. At the core of this approach, lies the philosophy of partnership".<sup>13</sup>*

Under the previous charter, the activities of the CA, for the most part, consisted of grants given in support of individual CDS and SU projects under the open grant facility. However, in 2010 there was a shift towards a more programmatic, country-focused approach.

The first change that occurred in financing activities, as a result of the reform process, was a new focus on joint work programmes (JWPs), which is a modality used by the CA since the mid term strategy (2008) in order to support knowledge and learning development in cooperation with members.

The new charter adopted November 2010 effectively marked the transition from the open grant facility to a partnership programme approach involving the four business lines of country programmes, catalytic projects, knowledge activities and communication support and advocacy.

The country partnership programme approach was made possible through a large contribution made from the Bill and Melinda Gates Foundation, specifically for this purpose. This approach is based on a comprehensive, longer term programme for a specific country, which sets the frame for cooperation between a number of partners, including cities, national administration, NGOs, donors and IFIs.

Table 3.2 provides a brief description of the main types of activities funded through the CA during the period evaluated.

---

<sup>13</sup> Cities Alliance Business Plan, July 2011 - June 2014, draft for the ExCo, Accra, Ghana.

Table 3.2 Main types of activities supported by the CA

Type of activity/grant	Brief description
Project grants - mainly CDS and SU - but also some other activities	<p><b>SU - Slum upgrading</b></p> <p>Slum upgrading is a process through which informal areas are gradually improved, formalised and incorporated into the city itself, through extending land, services and citizenship to slum dwellers. It involves providing slum dwellers with the economic, social, institutional and community services available to other citizens.</p> <p><b>CDS - City Development Strategies</b></p> <p>A city development strategy is defined as an action-oriented process, developed and sustained through participation, to promote equitable growth in cities and their surrounding regions to improve the quality of life for all citizens. A CDS helps cities integrate a strategic development approach and a long-term perspective into their urban planning.</p>
Joint work programme (JWP) grants, which include: - JWP grants under a country partnership agreement (CPA) - JWP grants for knowledge programmes	<p><b>JWP grants under a country partnership agreement (CPA)</b></p> <p>For two member countries (Brazil and the Philippines), who were also significant recipients of CA project grants, country partnership agreements were made. These agreements included a joint work programme, which set the framework for the kinds of grants, which could be approved. Individual grants subsequently approved were all referred to as JWPs.</p> <p><b>JWP grants for knowledge programmes</b></p> <p>A number of joint work programmes with one or more members of the CA were agreed in the years 2009-2011. These focused on gathering lessons learned based on past experience with SU/CDS as well as new emerging issues in relation to urban development, e.g. climate change.</p>
Country Partnership Programme (CPP) grants	<p>CPPs are under implementation or development in five countries: Uganda, Ghana, Burkina Faso, Mozambique and Vietnam. The CPPs take their point of departure in the core areas of expertise of the CA: CDS and SU.</p>

According to the list provided by the CA of projects approved in 2005-2011 (financial years), 202 grants were approved during the period at a total grant amount of USD 68.1 million. Out of these grants, 14 were later dropped (grant amount USD 3.2 million).

### 3.2.2 Membership and governance

The CA is a member organization. Membership is open to global organizations of local governments, national governments (including both donor and non-donor countries), NGO's and regional and multilateral organizations. The current members are shown in Box 3.1.

*Box 3.1 Members of the Cities Alliance (2011)*

- Local authorities organizations: United Cities and Local Governments and Metropolis
- Governments: Australia, Brazil, Chile, Ethiopia, France, Germany, Italy, Netherlands, Nigeria, Norway, Philippines, South Africa, Spain, Sweden and the USA
- Non-governmental organizations: Slum Dwellers International (SDI) and Habitat for Humanity International
- Regional organization: European Union
- Multi-lateral organizations: UNEP, UN-HABITAT and the World Bank

The governance and organizational structure of the CA comprises the following bodies:

- The **Consultative Group (CG)** is the Alliance's board of directors and consists of the members of the CA.
- **The Executive Committee (EXCO)** provides policy guidance to the Secretariat between CG meetings and is appointed by the CG.
- **The Policy Advocacy Forum (PAF)**<sup>14</sup> is the platform for public discussion, debate and knowledge sharing. The PAF has a chairperson for a period of three years appointed by the CG.
- The **Secretariat** carries out the Alliance's mandates and manages its operations. The Secretariat is headed by a manager and currently employs a staff of 16 professionals in Washington, as well as a Brazil office with two staff and three regional advisors (Abidjan, Pretoria and New Delhi).

The CA Secretariat is hosted by the World Bank and the CA comes under the group of programmes known as Global and Regional Partnerships Programmes (GRPPs) as one among the almost 120 GRPPs, which the World Bank has helped establish<sup>15</sup>.

The CA is financed through membership fees, other contributions from members and contributions from non-members. Membership fee payments go into a core fund, which finances the core CA activities, including the operation of the CA Secretariat. Other contributions may also go into the core fund or can be given as non-core funding, i.e. earmarked for specific purposes. Members have also provided contributions in the form of staff secondment for the Secretariat.

<sup>14</sup> In the Business Plan referred to as Policy Advocacy Forum

<sup>15</sup> The World Bank's Involvement in Global and Regional Partnership Programmes, IEG, 2011

## 4 Relevance

The relevance of the CA is analyzed in relation to demand-side relevance, supply-side relevance and relevance of programme design.

### 4.1 Demand side relevance

Demand-side relevance concerns the consistency of CA objectives with the needs, priorities and strategies of the beneficiary cities and countries, and global trends in urbanization and urban development. Furthermore, the demand-side relevance is assessed in relation to the extent to which the voices of developing and transition countries have been heard within the international consensus underlying the CA

**Key finding: The objectives of the CA have been relevant from the outset. Relevance has further increased with the new charter**

Consistency of objectives

As outlined in the previous chapter, urbanization as well as the number of slum dwellers is rapidly increasing, so that today around 1 billion people live in slums, corresponding to one third of the world's urban dwellers<sup>16</sup>.

This calls for improved urban planning approaches and techniques, as well as enormous investments to provide slum dwellers with adequate infrastructure and other facilities. Modernized governance models are required to ensure the integration of an increasing number of urban dwellers from diverse backgrounds, the reconciliation of diverging or even conflicting interests of various groups, and the increasingly complex requirements to guarantee the sustainability of the urban socio-economic fabric, urban life, and the environment. New and better mechanisms for information, consultation, and participation, decision-making will need to be developed and systematically applied.

Improving the quality of urban development, which has been among the core objectives since the inauguration of the CA, is highly relevant seen in the light of these trends in urbanization and urban development.

<sup>16</sup> UN-HABITAT: Global Report on Human Settlements 2009

The CA objectives are also relevant in relation to a number of other international trends:

- The world wide financial crisis intensifies the need to focus on the expanding requirements for investments in urban development.
- Donor coordination has been an important CA issue from the start, but is emphasized in the objective of the new charter<sup>17</sup>. Thus, the CA has been, and is increasingly, relevant in relation to the growing focus in international development cooperation on aid effectiveness. The CA partner approach and especially the CPP concept is very much in line with the main purposes of donor coordination, namely to align the contents and approaches as well as the preparation and implementation procedures of programmes and projects.
- The focus on sustainable development in the new charter increases its relevance. It has, over the years, become ever more evident that the management of cities is closely interlinked with the phenomenon of climate change, as cities, at the same time, contribute to global warming and, in many cases, will be severely affected by climate change.

The demand-side relevance is confirmed by the members. Almost all members find CA objectives consistent with the needs of the beneficiary countries and cities. Also the activities, especially CDS' are found to be consistent with the needs.

The demand-side relevance was also confirmed by the independent evaluation from 2006<sup>18</sup>. This evaluation found CA activities relevant to the needs of the cities, especially in relation to enhancing the capacities of municipal authorities.

Expression of the voices of the beneficiaries

The CA membership of governments from development countries, city representations and slum dweller organizations ensures to some extent that the voices of the beneficiaries are expressed.

However, some members argue that a more direct representation from cities would enhance the demand side relevance. City representation in the CA governing bodies is further discussed in Section 7.1.1.

Most members find that the new business model, especially the CPP's, will enhance the demand-side relevance by entering into more extensive strategic partnerships with local and national governments and urban poor communities.

The experiences from the CCP's in Uganda shows that, although the programme is still in an early stage, they succeed developing collaborative programme designs by engaging and mobilizing the different partners, including the urban poor communities.

<sup>17</sup> See the comparison of the objectives in the old and new charter in Section 3.2.1

<sup>18</sup> Independent Evaluation of the Cities Alliance, Universalia, October, 2006

These activities have, among others, included the successful establishment of municipal development forums where organized urban poor, local governments, service providers, private sector and other stakeholders meet on a regular basis to exchange views, debate priorities and agree on common actions.

*"Through the programme we can articulate that we are slum dwellers, but not just poor. We should be involved in decision-making - if we are not, development will not take place and programmes will not work. The programme is effective regarding involvement, and this is very important".*

Representative of slum dwellers in Uganda

## 4.2 Supply-side relevance

Supply-side relevance is about the comparative advantage, value added and core competency of the CA relative to other multi and bilateral development programmes.

### Key findings:

- **The CA is a unique international development platform, focused exclusively on urban issues**
- **CA is complementary to other programmes, with no major overlaps**

Virtually all stakeholders interviewed<sup>19</sup> agree that the CA is a unique international development platform, focusing exclusively on urban issues, which brings donors, ministries and international organizations together. Among the benefits stated by CG members are:

- It actively involves donors to a greater extent than other multi-donor trust funds. However, some members find that there is too little interaction between the partners.
- It is a good platform for discussing and analyzing urban issues.
- It has a good professional reputation
- The secretariat staff is experienced and highly qualified
- It is very flexible.

<sup>19</sup> Including CA members, former members and other stakeholders

Furthermore, most of the members interviewed are positive towards CA's ability to harmonize the effort of the development partners. A few members find, however, that more programmes could be prepared jointly by several members, instead of by a single agency subsequently asking other members to participate.

However, it is important to note that the CA set-up provides the opportunity for projects to be prepared jointly by the members and these opportunities are supported and facilitated by the Secretariat. Thus, it is also up to the members themselves to utilize these opportunities.

There are big expectations to the CPP concept ensuring an even better harmonizing of the efforts among the members, by involving several members in the long term planning of the medium and long term support to the partner country.

Where the majority of international cooperation projects in urban development address specific problems, such as traffic congestion, water supply bottlenecks, or substandard living conditions in low income areas, the evaluation team finds that the CA also adds value by focusing on the strategic dimension of urban development and by encouraging urban policy dialogues. This is especially emphasized with the introduction of CPPs.

#### No major overlaps

Most members and other stakeholders interviewed do not find any undesirable overlaps between CA activities and the activities of other multi- and bilateral development programmes. It is the general attitude that the CA plays an important role in harmonizing the efforts of its members and that CA activities are complementary to the activities of the members and other players in urban development. However, a few members find that the CA knowledge activities to some extent overlap with the knowledge activities carried out by the WB and the UN-Habitat. Based on a review of the knowledge products accessible at the two organizations web-sites, we do not find major specific overlaps, but the organizations are of course working with similar issues, also in relation to knowledge activities. It is therefore recommended that the possibilities for a closer collaboration in relation to knowledge generation, management, and dissemination are explored. Ideally, this could result in better and more comprehensive knowledge products and a single entry point for accessing knowledge about urban development issues. The WB has recently launched an "Urbanization Knowledge Platform", and it will of course be important to scrutinise how to best create synergies between CA's knowledge activities and this new initiative.

### 4.3 Relevance of the design of the programme

The assessment of the relevance of the design of the programme relates to the extent to which the strategies and activities are appropriate for achieving the CA's objectives.

**Key finding: The design of the programme is relevant, especially after the adoption of the new business model.**

The previous model, based on the open grant facility had only a limited strategic orientation, and was characterized by ad-hoc support to individual and short term projects.

The goal of the MTS was "*...for the Cities Alliance to increase its contribution to systemic change and to scale<sup>20</sup>*", by developing criteria to identify those countries where CA activities have the potential to achieve greatest impact and to support activities that can achieve scale.

One of the important result of this new approach was the introduction of country partnership agreements (CPA) aiming at entering into stable, long-term partnerships between a city or a country and CA members.

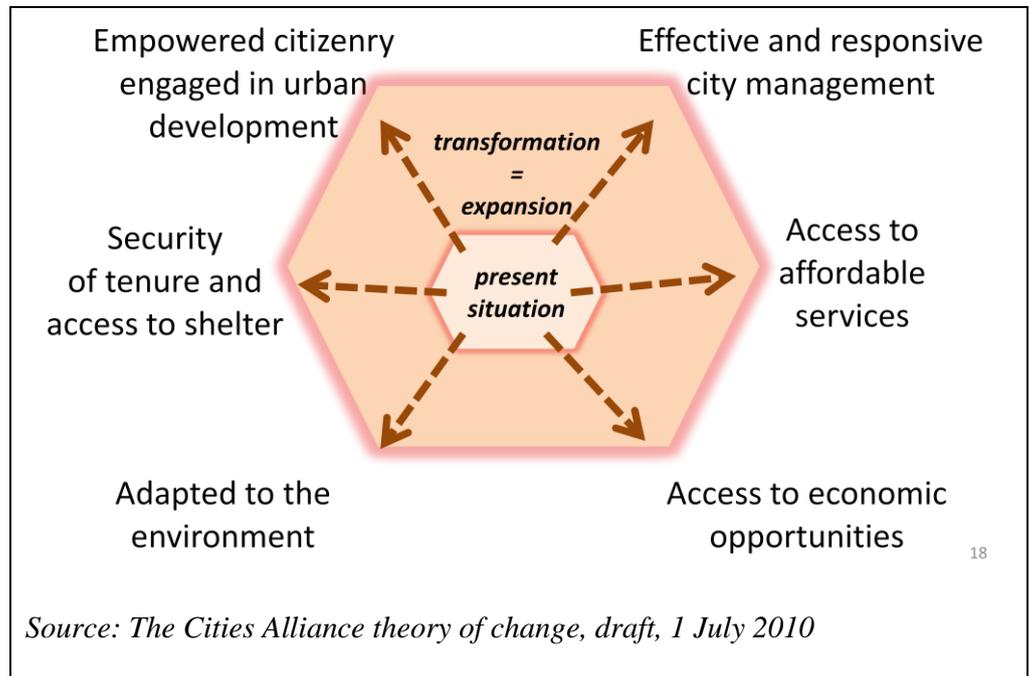
This strategic orientation towards activities aiming at systemic changes has been further developed through the development of a theory of change and by the adoption of the new charter and the development of the draft business plan, with the four service lines, CPP's, catalytic projects, knowledge and learning, and advocacy and communication.

The theory of change constitutes the conceptual basis for the new business model, and clarifies how the CA sees the systemic changes leading to urban transformation towards inclusive cities, as illustrated in Figure 4.1.

---

<sup>20</sup> CA Midterm Strategy, 2008-2010, p.6

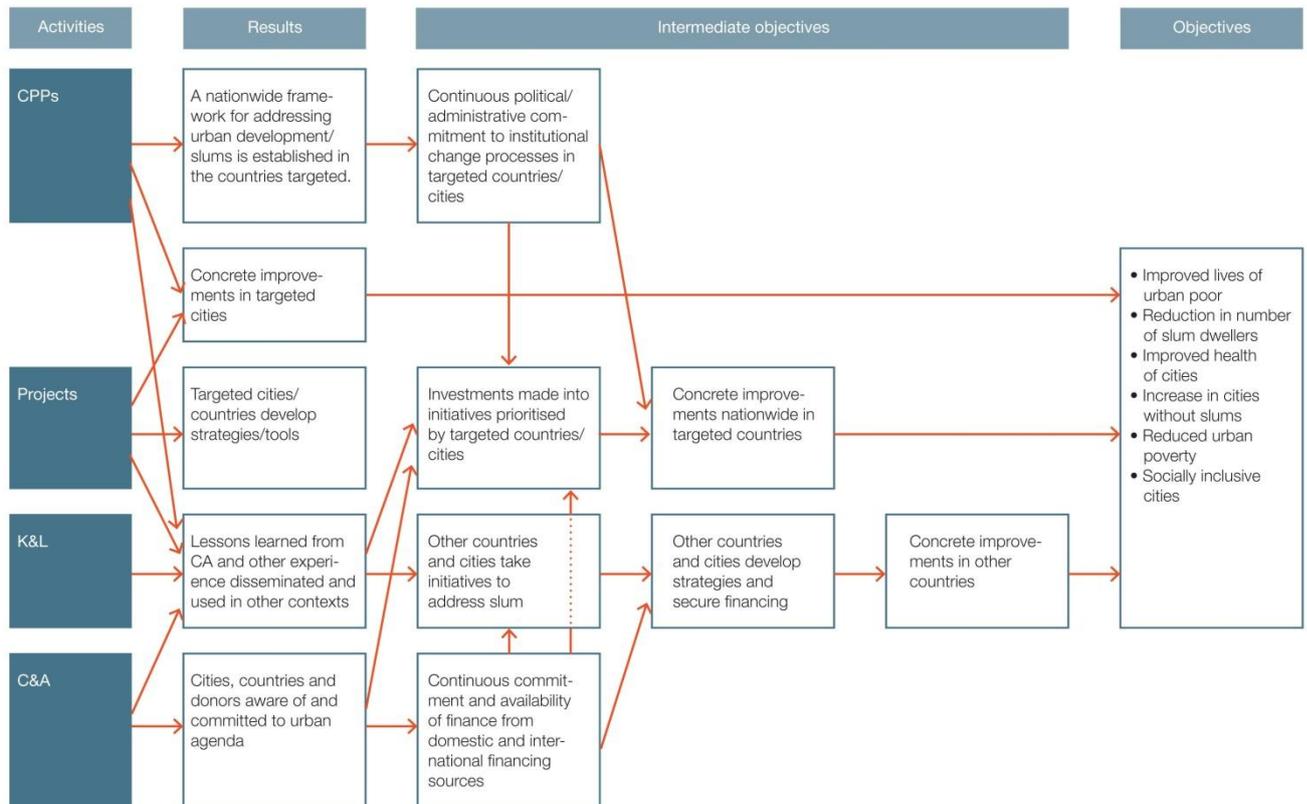
Figure 4.1: Urban transformation towards inclusive cities



We find that this theory of change an important tool in understanding and illustrating the necessary change process in the partner cities. However, it does not fully capture the theory of change for the CA as such. We have illustrated this change logic in

Figure 4.2. This figure shows that, although there is a high degree of complexity in the change process, the CA activities work to mutually support each other.

Figure 4.2 Change logic



The figure shows that the CA, with the adoption of the new business model has established a clear internal logic of the programme.

For each of the four service lines defined in the new charter, specific activities are identified in the business plan aiming at defined outputs and impacts, which are ultimately expected to achieve the overall CA objectives.

Relevance of the four business lines

There are very high expectations to the **CPP's** which by most members are seen as the core of the new business model.

*"The strategic approach makes Country Partnership Programmes more relevant than any previous activities".*

Member of the Consultative Group

The evaluation team agrees that the CPP's are very relevant for achieving the objectives of the CA. The design of the CPP's calls for close collaboration between national and local development actors as well as CA partners on proactive urban development frameworks, and on the mobilization of national and international investments.

-The attitude among the members in relation to the **Catalytic projects** differs. A majority find that this activity is relevant in the outset and an improvement in comparison with the previous *modus operandi*.

The **knowledge and learning** activities are found highly relevant or relevant by far the majority members. The knowledge and learning strategy has improved with the draft business plan.

The 2006 independent evaluation found that: "The Alliance lacks an overall strategy for ensuring that its influencing and knowledge-sharing role helps it to achieve its objectives"<sup>21</sup>.

In the Mid term strategy, there was a number of broadly formulated statements like: "*..the Cities Alliance will retain its existing focus of activities while significantly overhauling and upgrading its knowledge management capabilities..*"<sup>22</sup>, but no specific strategy for how this should be done was developed.

In the business plan the following key objectives are formulated:

- Identify, systematise and repackage existing knowledge and learning materials based on CA's field-tested knowledge from its portfolio, targeted at urban practitioners and policy makers.
- Foster learning opportunities for urban professionals and stakeholder representatives using the full potential of available learning methods, such as communities of practices, peer-to-peer learning, etc, to inform policy dialogues at the local, national, regional and global level.

To reach these objectives, a number of key deliverables are formulated for each of the years 2012 to 2014.

The evaluation team finds that the design of the CA is well suited towards incorporating new issues within urban development cooperation, especially through JWPs. This is e.g. the case in relation to the development of new knowledge on how CDS may respond to climate change challenges, both in relation to mitigation and adaptation.

Also, the **communication and advocacy activities** are seen as highly relevant by most members, although several members call for a more thorough and robust communication and advocacy strategy. It is foreseen, in the draft business plan, that the communication strategy should be revised and updated upon adoption of the plan. However, the evaluation team finds that the strategy should be an integral part of the business plan. Defining the specific communication and advocacy activities in the business plan should be done based on an elaborated and comprehensive strategy.

---

<sup>21</sup> Independent Evaluation of the Cities Alliance, Universalia, October, 2006

<sup>22</sup> Mid Term Strategy 2008-2010, p. 6

According to the draft business plan the aim of the CA communication and advocacy is to "*promote the role of cities in poverty reduction and in sustainable development and the Cities Alliance as a partnership*".<sup>23</sup>

As discussed in section 5.3.3, the previous communication and advocacy activities have not been particularly effective in reaching the objectives of the CA, mainly due to the strategic orientation as well as the lack of effectiveness in executing the activities.

Thus, the new communication and advocacy strategy should be very specific in relation to defining:

- The key target groups
- The messages to be communicated to each of the target groups
- The media to be used for the specific communication to each of the target groups.

Furthermore, it is important to highlight that effective advocacy is also dependent on the CA members advocacy activities and their political involvement

Another issue, raised by several European members, which is important in relation to relevance of advocacy activities, is the need for an European representation of the CA. This has previously been discussed by the CG, but no clear conclusion was reached. The evaluation team finds that the CG should take note of this wish from the European members and we suggest that this issue should be included in the resource mobilization strategy proposed in chapter 8, in order to assess the potential for raising additional resources to cover the costs of establishing permanent European representation.

---

<sup>23</sup> CA Business Plan July 2011-June 2014, draft 7 October 2011, p.35.

## 5 Efficacy

Referring to the Tor for this evaluation, the evaluation questions on efficacy deal with two main areas: 1) the achievement of objectives; and 2) the progress of activities, outputs and outcomes. This chapter is structured accordingly. However, before presenting the findings related to the two main areas, we present some overall findings related to the CA's programming, M&E and reporting, which impact on the ability of the evaluation team to draw findings and conclusions on main outputs, outcomes and objectives achieved.

Our evaluation on efficacy focuses on the period 2007-2011, and in particular, the period after the adoption of the mid-term strategy. It takes the new charter, the mid-term strategy and the business plan as the main benchmarks against which performance is assessed. However, where relevant, we also refer to previous evaluations covering the period 2000-2006, as well as experience from projects completed under the previous open grant facility<sup>24</sup>.

### 5.1 Overall findings on programming, M&E and reporting

#### Overall findings:

- **Intended outcomes and objectives of the CA are unclear and not directly measurable, although important improvements are found with the results framework of the business plan.**
- **There is no consolidated capturing of progress achieved or outcomes in relation to the CA's overall objectives or objectives stated at business line or country programme level. The development of an appropriate M&E system is a key area of concern for the CA.**

Unclear and unmeasurable objectives

The issues associated with unclear and unmeasurable objectives have been pointed out in previous evaluations<sup>25</sup>. The mid-term strategy did not seek to provide a set of measurable objectives/outcomes and neither did the new charter. The business plan provides a results framework, which sets up measurable targets at outcome/immediate objectives levels and also

<sup>24</sup> A review of 12 projects completion reports was carried out as part of the evaluation

<sup>25</sup> E.g. IEG, Global Program Review, Cities Alliance, June 2007

incorporates a "theory of change" line of thought. This is an important step forward. The CA would benefit from a more comprehensive indicator framework developed on the basis of the theory of change or intervention logic underlying the CA. The intervention logics 'constructed' by the evaluation team could possibly serve as an inspiration to this work<sup>26</sup>. The advantage of working with intervention logics is that they provide a clear overview of the strategic intentions and directions underpinning a programme and clarify the linkages between the activities, intended outputs, objectives and effects.

## M&E system

The current M&E system of the CA is based on progress and completion reporting on the individual grants combined with desk reviews (mid-term or ex-post) and ex-post evaluations of selected grants. Although the M&E concept presented in the 2009 annual report adds another two levels (project portfolio and institutional performance), this has not been implemented in practise.

The CA's annual reporting has not been particularly specific in regard to activities carried out and results achieved. The annual reports have generally been thematic and have highlighted interesting examples of CA activities, but have not provided an overview of activities implemented during the year or the results achieved. The reports have not responded to the objectives set for the CA (e.g. objectives in charter or in the mid-term strategy).

As development assistance budgets grow tighter and donors tend to become more and more results focused, there is an increasing need for the CA (and others) to be able to demonstrate their value and impact - not only in relation to specific projects - but fundamentally, in the light of their *raison d'être* -the rationales underlying their establishment and operations. The evaluation team therefore considers the further development of the M&E system a key area of concern for the CA.

In relation to providing an overall evaluation, such as this one, the lack of consolidated reporting makes it very difficult to establish what has been done and which outputs and outcomes have been produced without reviewing in detail every single activity supported (which is beyond the scope of this evaluation).

## 5.2 Achievement of objectives

In order to evaluate achievement of objectives, the objectives must, firstly, be clearly understood and measurable and, secondly, there must be data on the contribution of activities implemented towards reaching objectives. With reference to the preceding section, both of these preconditions are associated with difficulties.

---

<sup>26</sup> See chapter on demand-side relevance

### 5.2.1 Achievement of overall objectives

#### Key findings:

- Some progress in relation to achieving the overall objectives has been made - in particular in middle-income countries - but it is not possible to provide an assessment of the extent of this progress (e.g. in terms of number of urban poor experiencing improved lives, reduced number of slum dwellers, reduced slum areas, etc.)
- The CPP approach is promising in terms of achieving greater impact, but it is too early to determine the actual effects. M&E in respect to the CPPs will be important to keep them on track.

The ultimate objectives of the CA have remained fairly stable throughout its lifetime. The following statements are from the mid-term strategy, but the evaluation team regard these as generally valid<sup>27</sup>:

- Improved lives of urban poor
- Reduction in number of slum dwellers
- Improved health of cities
- Increase in cities without slums
- Reduced urban poverty
- Socially inclusive cities

No quantified evidence exists on the impacts achieved through the CA supported grants in relation to these overall objectives. None of the previous evaluations have sought to provide a consolidated and cumulative overview of the extent to which these objectives have been addressed. None of the annual reports of the CA have attempted this either. It is not possible to draw any quantifiable evidence at the individual project level, because projects are not required to report in this relation and evaluations of projects have not focused on a quantified, aggregative assessment of these aspects.

Many good examples of individual project that have been successful

The previous evaluations of the CA as well as annual reports and other CA material provides a wealth of examples of successful projects and as formulated in the 2007 Global Program Review of the Cities Alliance:

*"there are many concrete examples of the impact of Alliance grant-funded TA for both CDS and Slum Upgrading TA"*

*"there is anecdotal evidence of the good quality work done through Alliance grants"<sup>28</sup>*

<sup>27</sup> Mid-term strategy pages 4 and 10

<sup>28</sup> IEG Global Program Review, 2007, pages 11 and 9

Good potentials at local level, but lack of project specific data

The review of project completion reports and evaluation reports also indicates that a fair share of the projects have had good potential for achieving a long term impact within their local setting, however, most projects placed little focus on dissemination and replication. It therefore appears that the potentials for achieving a catalytic effect - and thus greater impact - has not been fully exploited. It should be noted that these findings are tentative as there is virtually no data on sustainability/longer-term impacts of the projects as evaluations were typically carried out immediately after project closure.

Impact higher in middle-income countries

In an internal review of the implementation of the mid-term strategy, the Secretariat assessed that the current Cities Alliance business model was not yielding sufficient results, particularly in low-income countries. The results of the review were:

- Middle income countries (and cities in these countries) have been successful in gaining access to the grant facility, and in achieving significant results with CA funds (eg, Brazil, Philippines, South Africa, Egypt);
- Across the portfolio, there has been insufficient impact in low income countries;<sup>29</sup>
- The impacts of the grant facility are scattered across many countries, cities and types of activities, making the monitoring and evaluation of results hard to achieve.

There is thus data<sup>30</sup> to suggest that the cities/countries where the CA has been most successful are the ones where a longer lasting effort has been made (Brazil, Philippines, India, South Africa) and at the same time the majority of these are middle-income countries with a longer tradition in urban planning and with a greater capacity for responding to urban planning concepts associated with CDS/SU. However, there are also examples of successful 'stand-alone' projects in other (low income) countries.

On this basis, it is assessed that some progress in relation to achieving the objectives has been made - in particular in middle-income countries - but it is not possible to provide an assessment of the extent of this progress (e.g. in terms of number of urban poor experiencing improved lives, reduced number of slum dwellers, reduced slum areas, etc.).

CPP approach promising in terms of achieving greater impact

The CPP approach is the centrepiece of the new business model and much is expected from the members. This evaluation finds that the implementation of the Uganda CPP is promising in terms of delivery of outputs and outcomes so far<sup>31</sup>. With focus on a programmatic effort in selected countries instead of single projects spread across a number of countries, the intention is to create a better basis for achieving a more pronounced impact in these countries. The evaluation finds that working on a long term basis with a range of partners and

<sup>29</sup> The findings on impacts in middle-income vs. low-income countries were also put forward in the 2007 Scandinavian evaluation

<sup>30</sup> 2007 evaluation and MTS review by CA Sec

<sup>31</sup> See section on progress in activities, outputs and outcomes

addressing all administrative layers within a country certainly increases the chances of making a lasting impression. However, there is also an increased risk in the sense that should one country programme go wrong (which may be accounted to factors beyond the control of the CA) it could mean a substantial part of the funding pooled for this country would have little effect. This points to the need for close supervision by the CA and national partners on the progress in the CPPs and their ability to take action if needed. Seen in this context, the evaluation team is concerned that the reporting arrangements in the CPPs focus on individual grants and not on the programmes as a whole. Also, the lack of CA presence in CPP countries is seen as an issue for consideration - especially in view of the GHK evaluation, which also argued for stronger CA presence in countries of operation.

### 5.2.2 Achievement of intermediate objectives of the CA

The intermediate objectives focusing on the kinds of changes that the CA should be facilitating in order to reach the above overall objectives are not so clear-cut. Firstly, because objectives are not formulated in a clear and measurable way, and secondly, because objectives have changed over time in the course of the reform process.

In the review of the strategic documents, the evaluation team has found that the mid-term strategy and the business plan did provide more substance to the understanding of the intermediate objectives as they were presented in the charter. At the same time it is evident that the mid-term strategy and the Business Plan were not written in a style, which is in conformity with an intervention logic format. There is no clear hierarchy of objectives and thus little emphasis on assumed linkages between the links in the change processes. The evaluation team has produced a 'simplified' constructed intervention logic<sup>32</sup> and the findings on achievement of intermediate objectives presented here are structured according to the four key areas highlighted in this intervention logic.

#### Political and administrative change processes in targeted countries

##### Key finding:

- **There are many positive examples of successful projects, but no systematic recording. The data indicates that projects have generally been successful in facilitating a greater degree of awareness and capacity among key stakeholders, but this has not always transformed into concrete political actions and changes. Projects focusing exclusively on the city level have run into barriers relating to national policy and planning frameworks.**

<sup>32</sup> See chapter on relevance

The previous evaluations and the CA annual reports provide many concrete examples of successful projects, but there is no systematic recording of the extent to which political and administrative change processes have been instigated by the CA projects. The 2006 independent evaluation assessed that the CA grants have strengthened local capacity but this is not institutionalised. Similar trends are found in the project completion reports reviewed. The projects have led to a greater degree of awareness about urban and slum issues and CDS/SU as methods to address these and they have also built capacity among stakeholders to use these methods. However, success was more limited when it came to actually taking action. Especially projects focusing only at the city level have run into barriers relating to national policy and planning frameworks.

The GHK evaluation assessed that support for CDS probably leads to better results than SU which run into wider problems of national / urban policy frameworks not being conducive to implementation.

The evaluation team considers that the new CPP approach is better positioned to bring about political and administrative change processes as it is a more comprehensive, national and longer term framework.

### **Leveraging investments and thus providing the basis for improvements nationwide**

#### **Key finding:**

- **There is anecdotal evidence that some projects succeed in leveraging investments, but no aggregated, quantified data. The evidence suggests that the potential for leveraging investments was not fully exploited with the projects under the open grant facility. There are good prospects for the CPP to have a more pronounced impact but this remains to be seen.**

The 2006 independent evaluation found that CA grants of USD 80 million had leveraged investment of USD 8.2 billion. However, this was not substantiated with evidence and as stated in the 2007 Global Program Review, only example evidence is available. The 2007 Scandinavian evaluation assessed that one third of the reviewed projects had achieved satisfactory linkages to further investments, however this was not quantified. The GHK evaluation stated that:

*"The tests of scaling up, replication and sustainability are only partially evident and indeed addressed in the cases reviewed. On the upside, the CDS initiatives seemed to have potential catalytic effects and as in the case of the Philippines achieved a degree of mainstreaming in urban planning."<sup>33</sup>*

<sup>33</sup> GHK, Evaluation of Project Implementation Modalities of the Cities Alliance, p. 61

During interviews for this evaluation, some CA members voiced concerns over the CDS projects and their ability to mobilise financing for investments. An internal review of the CDS projects conducted by the CA<sup>34</sup> concluded that the CDS projects do not often establish priorities, nor effectively mobilise financing for investments.

The review of completion reports done in connection with this evaluation does not give rise to any conclusive assessment. There is insufficient information in the reports concerning leverage of investments, but some of the projects had promising potentials.

The CPP approach with its comprehensive scope and close involvement of partners, including financing institutions, seems promising for achieving leveraging of investments. In the review of the Uganda CPP conducted by this evaluation it emerges that there is a potential for scaling up through a WB investment programme for which the WB is currently in the process of getting support. The plan, according to the stakeholders involved, is to build on the CA programme experiences and roll out to other municipalities than the five included in the CPP. However, the linkages to domestic financing and thus the basis for the longer-term sustainability of the actions are less evident in the CPP.

#### **Other cities / countries take initiatives and develop strategies**

##### **Key finding:**

- **The CA is in a unique position to facilitate knowledge and learning to other cities and countries based on the experience gained in CA supported activities. This has not been fully utilised and should be emphasised with targeted strategies under the new business plan.**

The evidence from previous evaluations suggests that the CA has had some success in facilitating a replication of their approaches based on the experience gained from the projects supported. The 2006 independent evaluation assessed that scaling up remains a challenge but CA activities have contributed to replication. The 2007 Scandinavian evaluation concluded that whereas the scaling up process is happening among the largest cities, the CA has so far not addressed the need for support to the intermediary and smaller cities.

The review of project completion reports indicates that dissemination and replication seem to have occurred only to a rather limited extent, or at least is not very thoroughly reported.

Based on the information available in annual reports and other CA material, it seems that the focus has been very much on the individual projects and less on extracting and disseminating knowledge and learning and bringing this to the

<sup>34</sup> 2009 annual report, p. 33

attention of other cities and countries. As is also emphasised by previous evaluations, the CA is in a unique position to do this and has much to offer.

In recent years, some important steps in this direction have been taken. The JWPs implemented as well as internal reviews conducted by the CA Secretariat have drawn lessons learned and have helped drive the change in the CA business model.

With the new charter and business plan there is an increased focus on the CA's knowledge and advocacy activities as these now represent two business lines to be addressed. The evaluation team considers that this provides a good basis for increasing the impact in respect to replication through knowledge and advocacy, but that this requires focused strategies for knowledge and learning and advocacy and communication.

### **Commitment to and financing for urban development challenges in developing countries**

#### **Key finding:**

- **The CA has an important role to play but has not fully released its potential in relation to facilitating commitment to the urban development agenda. There is a need to devise a strategy for the advocacy work.**

There is very little evidence of the achievements made by the CA in respect to retaining donors' and developing countries' commitment to and continued financing of urban development and slum upgrading. According to the 2007 Global Program Review, the CA has helped retain a high profile of urban issues among donors. Interviews with members also indicate that the CA plays an important role in this respect, but still at the same time many members emphasise that advocacy efforts made by the CA have not been sufficient.

According to the CA's own analysis of the situation in the 2009 annual report, there is still a rhetoric in the international development community to plan against urbanisation and development agencies are inclined to focus on rural areas and neglect consistently the importance of secondary and tertiary cities. At the same time, the situation in developing countries is that mistakes made in middle-income countries are now being repeated in developing countries experiencing rapid urbanization.

It thus appears that there is much to do for the CA in this area. Previous evaluations have consistently pointed to the need for a strategy for the advocacy work carried out by the CA. Considering the advocacy and communication is now a distinct business line of the CA, the need for a strategy to guide the activities is even more pertinent.

### 5.3 Progress of activities, outputs and outcomes

This section presents an assessment of progress using the mid-term strategy, the new charter and, to some extent, the business plan as the main benchmarks.

The presentation of findings below is structured according to the four business lines of the CA: Country partnership programmes, catalytic fund (and project grants - previous open grant facility), knowledge and learning and advocacy and networking<sup>35</sup>.

#### 5.3.1 Country programmes

##### Overall findings:

- CPAs have been established in accordance with MTS although not in all countries planned
- Projects have been implemented in line with the CPAs but, due to lack of consolidated data, it is not possible to determine outcomes at programme level.
- The CA has made good progress in establishing and implementing CPPs

#### CPAs

Work programmes / partnership agreements were established with Brazil<sup>36</sup> and the Philippines<sup>37</sup>. There has been some degree of cooperation with India and South Africa but this did not materialise into CPA/WPs although this was planned according to the mid-term strategy.

For the two CPAs, there has been no monitoring at the programme level - only at the level of the individual financed activities. It is beyond the scope of this evaluation to review all individual projects financed under the CPA. The limited data available indicates a successful implementation of the CPAs, however, this cannot be established with certainty and it is not possible to make a thorough assessment of the outputs and outcomes achieved at country programme level.

#### Implementation of CPA Brazil

From the list of financed projects 2005-2011 it can be seen that nine projects were financed in Brazil in the period 2009-2011. Judging from titles and short descriptions they are in concurrence with the themes and activities in the CPA/WP. Positive statements have been made about the progress made,

<sup>35</sup> These were only firmly established in connection with the new Charter, but activities in the past five years can still meaningfully be divided according to this structure.

<sup>36</sup> agreement entered 2009, WP covers 2009-2011

<sup>37</sup> agreement entered 2010, WP covers 2010-2012

	<p>however, these statements did not "report" directly in relation to the themes and activities mentioned in the CPA/WP<sup>38</sup>.</p>
<p>Implementation of CPA Philippines</p>	<p>From the list of financed projects 2005-2011 it can be seen that two projects were financed in the Philippines in the period 2010-2011. Judging from titles and short descriptions they are in concurrence with the themes and activities in the CPA. The interviews with Philippine members indicate a high level of satisfaction with the cooperation with the Cities Alliance and that progress is being achieved in relation to the objectives of the CPA.<sup>39</sup></p> <p>According to the CA Secretariat, the CPA/WPs helped to put a strategic direction to the activities financed in the two countries. In Brazil the focus was on extracting and disseminating knowledge generated through concrete projects and in the Philippines the CPA/WP gave a stronger focus on poverty orientation.</p>
<p>CPP concept and program development</p>	<p>Concerning the CPP, the CA has come quite far considering the relatively short span of time available since the CPP concept was decided. The CA has developed and described the CPP concept in the business plan and has embarked on the development of CPPs in Uganda, Ghana, Burkina Faso, Mozambique, and Vietnam. Currently, CPPs are in some stage of development in these countries, with Uganda being the most advanced.</p> <p>The CPPs are very recently established or still under development and generally the CA members agree that it is a very promising framework, but it is too early to determine the degree of success.</p>
<p>Review of Uganda CPP</p>	<p>As part of the evaluation, a review of the Uganda CPP was carried out. This involved a desk review of programme document and progress reports and a teleconference with key stakeholders. The main findings from the review are:</p> <ul style="list-style-type: none"> <li>• <b>Important achievements already made despite delays.</b> The programme has already generated important outcomes and the partners involved are satisfied with progress made and have confidence that planned outputs and outcomes will be achieved. Key achievements so far include: <ul style="list-style-type: none"> <li>- Increased political awareness at national/local level about urban problems/recognition of the needs of the urban poor.</li> <li>- Developed strategies/direction for urban development.</li> <li>- Created new working relationships between the national government/municipalities and local communities.</li> </ul> </li> </ul>

<sup>38</sup> In the 2009 AR (p. 60) the Brazilian CA member made very positive statements about the cooperation with the CA and the results achieved and in the 2010 AR (p. 7) the partnership is also described in very positive terms underlining the close engagement facilitated with city, state and national policy makers. The response from the Brazilian members to the questions posed under this evaluation (ref. Appendix E) also indicate a high degree of satisfaction in relation to the implementation of the CPA.

<sup>39</sup> Although the GHK report does include an analysis of CA projects in the Philippines, this analysis only concerned a selection of projects approved prior to the CPA/JWP and thus the findings are not relevant in this regard.

- Established better data on real situation in the five municipalities.
  - Created forums enabling public participation.
  - Created saving schemes in the five municipalities.
- **Challenges due to complexity of programme.** The CPP is complex with the involvement of many actors and stakeholders. This poses challenges to the management of the programme. In fact the programme consists of three grant agreements and each grant recipient<sup>40</sup> must report separately on the implementation of each agreement to the CA. From studying the progress reports, it is clear that they relate to the specific grant agreement and not to the programme as a whole. In the Programme Document, it is stated that Ministry of Lands, Housing and Urban Development will be *"fully responsible using existing structures for the overall coordination, oversight, monitoring and evaluation of the TSUPU programme"*<sup>41</sup>.. However, it could prove difficult for the ministry to provide this overall management, when two of the grants are implemented beyond the monitoring control of the ministry. On the other hand, it may also prove difficult for the CA to have a meaningful discussion on progress on the grants when not being present in Uganda and having a hands-on experience in regard to implementation of the programme. None of the progress reports reviewed by the evaluation team provide a full comprehensive overview of current state of implementation of the programme, despite the programme having been under implementation for more than a year.

### 5.3.2 Projects

The shift to a new business model of the CA meant the closing down the open grant facility. The catalytic fund is now in operation. During the period of the evaluation, no catalytic fund projects have been implemented. This section therefore looks at projects approved under the open grant facility.

---

<sup>40</sup> MoLHUD, SDI, and ICMA

<sup>41</sup> The TSUPU programme is the official title of the CPP, ref. section C on implementation and institutional arrangements for the Programme

**Key findings:**

- Due to lack of an M&E system systematically collecting data on achieved outputs and outcomes across projects, it is not possible to quantify outputs/outcomes and present an aggregated picture.
- Data from reviews of samples of projects shows that, in general, projects were successfully generating planned outputs and outcomes in their local setting, which led to improved political awareness (often both at local and national levels) of urban development issues and methods for CDS/SU, capacity building of stakeholders involved, and sometimes to actual changes in institutional and legal frameworks.
- There was limited success in terms of creating coherence of effort
- While local government associations were involved and benefitted from some of the projects, there is no data reflecting a 'systematic engagement' as was planned in the mid-term strategy.
- The MTS focused on increased client execution as a means to achieve increased ownership of cities and partners to the projects. In the meantime, the CA has learned the client execution is not necessarily the means to this end. The CPP approach opens up new possibilities for increasing ownership, and builds on these lessons learned.

**No aggregated data on outputs/outcomes but projects generally successfully implemented**

Referring to the above overall findings in respect to the M&E system, the available data does not facilitate the presentation of aggregated quantified outputs/outcomes e.g. CDSs produced, number of cities targeted by CDS/SU initiatives, number of cities administrations where capacity has been built, no of local government associations addressed and achieved capacity building, etc. However, there is a lot of anecdotal evidence and individual examples (as was also pointed out by previous evaluations), which point to a high degree of success in implementing the projects. Reviews of samples of projects in this and previous evaluations support this general picture.

**Review of selected projects**

This evaluation comprised a desk review of 12 completion reports and six evaluation reports and interviews with a few involved associations of cities/cities<sup>42</sup>. This review shows that the individual projects generally implement the planned activities and achieve the intended outputs and outcomes at the individual project level. There are also positive outcomes in terms of creating political awareness and building capacity among the

<sup>42</sup> The evaluation team attempted to carry out interviews with selected cities/city organisations involved in the projects reviewed, however, this was only successful in three cases as it proved impossible to reach relevant contact persons.

stakeholders directly involved in the project, also, some progress in respect to influencing strategic decisions and planning at national and local levels.

The GHK evaluation conducted in-depth reviews of 15 projects in 6 countries (Cameroon, Malawi, Senegal, Mozambique, Philippines and Syria) and gave an overall positive view on the effectiveness of the CA in delivering projects, which coincides with the above finding from this evaluation that the majority of the projects individually were well implemented and with good results in their local setting. The GHK evaluation did not attempt to provide a global, aggregated assessment of the outputs and outcomes achieved. Main findings of the GHK evaluation in respect to outputs and outcomes were:

- The two main products CDS and SU have merit and are recognised by clients as innovative and encouraging new and better ways of planning.
- CA knowledge leverage via structured approaches to CDS/SU formulation was critical to success and highly valued by clients.
- The CA Grant supported activities, when working well, are able to achieve successful participatory partnerships among clients, local stakeholders and the CA (and in particular members).
- The interventions supported through the grants are relevant and effective – they are focused on processes that increase the likelihood of urban poverty reduction.

#### **Coherence of efforts**

The project review indicated that many projects have limited focus on coherence of efforts among donors/partners (many single-donor projects). This is concurrent with the internal review of the implementation of the mid-term strategy, where the Secretariat assessed that very limited coherence of effort is evident in many CA projects. However, there are also cases of positive experience as is also noted by the GHK evaluation. Both the 2007 evaluation and the GHK evaluation focus on the need for clearer roles of members, clients and the CA Sec. as a means to better facilitate coherence of efforts.

The CPP approach marks a significant change in this regard and many members have praised the approach for the partnership spirit and the efforts made to ensure a broad involvement of stakeholders (national and international) in a coherent way.

#### **Support to and systematic engagement with local government associations**

The MTS focused on increased support to and systematic engagement with local government associations, especially in Africa. However, there is very little mention of activities, outputs or outcomes related to this in the CA documents. An initiative was originally planned for support to UCLG-Africa, however, according to the work programme update report 2009, this initiative was suspended due to 'on-going issues'. Funds were reprogrammed to JWP on national State of Cities Reports in Africa and study on assessing housing deficit in Africa.

The indications from the project review conducted by this evaluation and the few interviews conducted with associations of local authorities involved is that the organisations clearly benefitted from the projects and they are positive towards the CA and establishing wider cooperation. On the other hand, there has been little attempt from the CA to engage systematically with these organisations and the projects have not led to an institutionalisation of the relationship between the CA and the cities/city organisations involved.

The new charter marks a change in mindset putting the cities at the forefront. This also contains prospects for increasing collaboration and networking with national associations of local government. The CPPs offer a more appropriate framework for a long term engagement with the associations of local authorities in the countries concerned and, according to the CA Secretariat, this is an integrated part of the CPP programming process. The evaluation team considers that national associations of local government are central actors in respect to reaching out to secondary and tertiary cities and therefore should be well integrated in the knowledge and learning business line of the CA when the strategy for this business line is unfolded.

#### **Client execution**

The mid-term strategy included the target to increase client execution as a means to achieve greater ownership by clients to the projects. Subsequent annual reports reported on the share of client execution, but it was not until the GHK evaluation in 2011 that an analysis of the links between client execution and ownership was made. The results of the analysis suggested that:

- There is no simple relationship – high degrees of ownership can be attained by member and client execution: the issue was the quality of the relationship between clients and members.
- There does seem to be a positive relationship with stronger member roles and higher quality projects.
- It is essential that local stakeholders take a leadership role in the planning processes and “own” the decisions and results

The CA Secretariat has explained that these lessons learned are being integrated into the CPP framework, which focuses on client involvement, but also on a coordination role for relevant members, where needed.

### 5.3.3 Knowledge and learning

#### Overall findings

- Increasing focus on K&L after MTS but not all planned outputs achieved. Knowledge management system/strategy prioritised in MTS has not materialized
- A number of JWPs implemented: Appreciated by members and contribute to knowledge generation and coherence of efforts.
- Limited partner/member involvement in JWPs and the focus is on generation of knowledge rather than on dissemination and learning
- No major changes in knowledge products despite MTS priority to expand programme of knowledge products
- M&E strategy based on impact chains (as prioritized in MTS) not materialized, but results-based management indicators established in BP
- A library is maintained but it is questionable whether it is making any significant contribution to K&L

#### Increased focus on knowledge and learning

The mid-term strategy marked a shift towards a more programmatic approach to knowledge and learning. After the mid-term strategy there has been good progress in particular in regard to the implementation of joint work programmes (JWPs) with members. However, as is seen in the more detailed presentation below, the CA has not delivered on all planned activities/outputs of the MTS.

The on-going development of a knowledge management system/strategy is mentioned in several annual reports, but there is no account of the system actually being finalised and approved. The Business Plan also mentions "moving towards a programmatic approach to knowledge management" but does not present a strategic framework as such.

As also pointed out in the business plan, the CA has a unique knowledge base from the experience generated through the CDS/SU projects supported. At the same time, the CA as a partnership involving key stakeholders in the urban development community is in a very favourable position to facilitate the dissemination and sharing of knowledge - a position, which until now seems not fully exploited. With the new charter and the business plan there is an enhanced focus on K&L as a main business line of the CA. In this light, a formal strategy for K&L would provide a basis for building on the strengths of partners and making the most of the possibilities offered.

### Joint work programmes with members

The mid-term strategy called for the development and facilitation of JWPs with members<sup>43</sup>. Accordingly a number of JWPs have been and are implemented. The financial years 2009 and 2010 saw the largest numbers of JWPs approved. In terms of subjects covered and objectives targeted, there are wide differences between the JWPs. Some of them are very focused on knowledge and learning, whereas others seem to be of a more operational character and are quite similar to the conventional projects under the open grant facility/CatFund.

The JWPs focused on knowledge and learning can broadly be divided in two groups: 1) Those reflecting on past experiences (of the Cities Alliance but also urban development in low/middle income countries in general) and seeking to draw out the main lessons learned and pointing to ways forward; and 2) Those dealing with particular emerging agendas and issues and seeking to explore them and integrating them into the mainstream urban agenda (such as environment, climate change).

The desk review of the information at the CA website, application documents and progress/completion reports for the K&L focused JWPs further shows that the JWPs are generally successful in achieving planned activities and outputs and the members appreciate the JWPs and they are often seen as important in filling knowledge gaps which the members themselves are not able to fill.

Compared to the situation before the mid-term strategy, where knowledge activities were typically confined to the CA Secretariat, the JWPs mark an important step forward. However, the vast majority of the JWPs are implemented by one member and a few by two or three<sup>44</sup>. In addition, the JWPs are mostly focused on knowledge generation and to a lesser extent on knowledge dissemination and learning. Very few JWPs have elaborated strategies for how knowledge generated is to be shared, who the key target groups are and how knowledge can be of value to these target groups. Dissemination is most often limited to the publishing of a report. There is also a limited focus on south-south learning/exchange although a few of the JWPs have had very positive experiences with this, notably some of the Brazil JWPs.

Other strong indicators of the lack of focus on dissemination include that the CA web-site (open section) contains no information on the JWPs<sup>45</sup> and interviews with members indicate that their knowledge of JWPs in which they have not participated directly is very limited.

This implies a risk that knowledge created is not reaching all relevant parties and thus not fully realising the potential of benefiting from the knowledge. A

---

<sup>43</sup> UCLG/metropolis, UN-H, WB, and others, MTS, p. 15

<sup>44</sup> Although the CA Sec. sees two variations of JWPs - the first with CA Sec. working with a member and the newer with two or more CA members working together, this pattern is not completely evident from the data. However, several of the more recent JWPs have involved more members than those who applied for the grant.

<sup>45</sup> but most of the reports resulting from JWPs are available under publications

K&L strategy focusing on knowledge and learning needs of key target groups would provide a useful framework for setting the scope and direction for future JWPs and other knowledge activities.

### **Expanded and structured programme of knowledge products**

The mid-term strategy called for an expanded and structured programme of knowledge products<sup>46</sup> and a publications programme<sup>47</sup>. The CA knowledge products include the annual report, the CIVIS notes series (where very little has been produced since 2002) and the newsletter (typically 3 to 4 times annually). The evaluation team has not found a documented programme of knowledge products and has not found that much has changed in respect to the types of products offered since the mid-term strategy.

The evaluation team has found that many projects have produced, what it regarded by the projects themselves as, very useful tools/guidelines or other knowledge products. However, these are not always posted on the CA web-site and there is no strategy for how they may be disseminated to other relevant target groups. The GHK evaluation made similar points in several of the country/project studies, for example in relation to Mozambique: *"Several projects have produced innovative reports/methodologies - this learning could be better captured and distributed."*<sup>48</sup>.

The CA web-site has a page on publications and knowledge resources, which links to CA publications and non-CA publications. The evaluation team has reviewed this and finds that it contains key CA publications and other relevant publications and seems to be updated regularly. However, there is scope for improvement in content and usability:

- There is no information on the CA's own JWPs
- It is not clear how reports get admitted to the library and which subjects are in focus
- There are no links to members' knowledge resources (web-sites, etc.)
- The publications are merely listed in alphabetical order by title. It is not an easily searchable library.
- The newsletters contain a lot of relevant and interesting information, however, you need to enter a specific newsletter to find it

The CA Secretariat has informed the evaluation team that a major upgrade to CA website is nearly ready to go and that this addresses many of the above points. For example, the new website upgrade will have fully searchable knowledge database.

The evaluation team suggests that both the publications programme and the library/web-based knowledge services offered should be subject to a critical

---

<sup>46</sup> (p. 15)

<sup>47</sup> (p. 27)

<sup>48</sup> (p. 49)

review in the light of the knowledge and learning strategy focusing in particular on the needs of the target groups involved in knowledge and learning activities.

### **Monitoring and evaluation strategy**

The mid-term strategy focused on the development of M&E strategy based on impact chains<sup>49</sup>. This was based on previous evaluations, which called for the elaboration of such a system. Some initial steps in this direction have been taken. An M&E conceptual approach was presented in the Annual Report 2009 focusing on three levels of assessment: Project, project portfolio and Institutional performance of the CA. However, this approach has not been made operational by actually determining measurable targets and indicators and defining the initiatives and actions required in order to make M&E happen.

In the business plan, indicators for results based management are included. Indicators are presented for the business plan as a whole at the results/outcome level and for each of the four business lines at the output/deliverable level. The linkages between these two levels are not obvious. The business plan does not contain a section on how its implementation will be monitored and evaluated.

Members' views on the effectiveness of the CA in conducting M&E differ considerably. Of those who felt able to comment (2/3) about half were satisfied and half were not satisfied. Some members consider this critical to future membership. The dissatisfied half refer to the lack of M&E system and comment on the fact that the CA has not implemented an M&E system despite that this has been on the agenda for more than five years. The elaboration of a M&E system should be a high priority in the view of the evaluation team. The business plan and results indicators provide a starting point.

The evaluation team recognises the challenges associated with measuring outcomes and impacts of multi-sectoral and integrated interventions as those supported by the CA. M&E systems contain an element of simplification and reduce reality to a set of indicators. This implies that not all complexities and details of the individual intervention are captured by the data collected. In this situation it is tempting to develop complex systems of indicators, however, this renders the M&E system very difficult to implement in practise. The evaluation team suggests that the CA develops the system on the basis of a few selected key indicators applicable to all interventions, which are manageable and realistic to implement. This can then be complemented by selected case studies/evaluations to provide in-depth understanding and learning.

Another challenge is the attribution of impacts to CA interventions considering the complex environment of CA interventions often with a multitude of projects/measures supporting various elements of urban development in a particular city. This relates not to the M&E indicators themselves but to the assessment of performance of a given CA intervention according to the indicators. The M&E system developed could address this by:

---

<sup>49</sup> MTS, p. 6, 30 ++

- Providing directions for how the assessment should be done ensuring harmonisation of the assessment across interventions
- Allowing for an assessment of the degree of certainty in relation to ascribing changes in specific indicators to the CA intervention as part of the M&E exercise

### 5.3.4 Advocacy and communication

#### Overall findings:

- Although a communications and advocacy strategy was to be prepared according to MTS, such a strategy has not been put in place
- Limited extent of advocacy activities at forums and events outside the CA/urban development community i.e. less focus on non-members and high-level political decision-makers
- The website improved as planned in MTS, but it does not tell the full CA story

#### Communications and advocacy strategy

The mid-term strategy marked a shift towards a more programmatic approach to advocacy and communication and focused on the preparation of a communications strategy<sup>50</sup> and a concerted communications and advocacy approach<sup>51</sup>. This was a reaction to the previous evaluations which called for strategic directions for the advocacy work.

The advocacy/communication strategy is mentioned in several CA documents<sup>52</sup>, however, the evaluation team has learned that there is no formal documented strategy. The CA Sec is working on the basis of informal principles and shared visions among the staff. Also, in regard to the policy advocacy forum, terms of reference have not been developed and there is no mention in any annual report of activities implemented. It is unclear what kind of outputs/outcomes this panel is supposed to have generated and to which extent this been achieved. Being "the advocacy vehicle for CA"<sup>53</sup> it would be

<sup>50</sup> MTS, p. 6 + 15

<sup>51</sup> MTS, p. 27

<sup>52</sup> According to the annual report 2008 the communications strategy was revised during the year. According to the annual report 2010 the first critical steps to prepare an advocacy strategy were taken during the year and the advocacy panel (with one member - to be expanded) was established. The draft BP from July mentioned the need to revise the communication strategy.

<sup>53</sup> BP, p. 31

expected that its role is described in an advocacy strategy and in relation to the A&C business line plans as laid out in the business plan, however, this is not the case.

The interviews with CA members indicate that most members regard advocacy as a most important task of the CA, but their level of satisfaction with CA advocacy varies considerably (a third of the members are highly dissatisfied). Generally, the European donor agencies are among the most critical members and they feel strongly that advocacy in Europe needs to be stepped up. However, it appears that it has not been possible to arrive at a consensus on this point since funds set aside for this purpose were unspent<sup>54</sup>.

Compared to the previous charter, which did not clearly reflect the advocacy role of the CA, the new charter places advocacy as one of four business lines of the CA. Seen in this light, the development of proper strategic directions to guide the implementation of this business line seems highly appropriate.

Advocacy is an area where the role and identity of the CA becomes a key point of discussion. How much should the CA be doing in its own right and to which extent should it be working through the capacities of its members? The evaluation team suggests that this essentially depends on two key factors:

- 1) A thorough analysis of the target groups and the best means and mechanisms to address these, and
- 2) The resources and capacities of the CA and its members which can be utilised for this purpose and the buy-in of the members to the CA advocacy framework

The CA cannot succeed with advocacy without the active involvement of and cooperation with members but in order for this to become a reality, the CA Secretariat also needs to play its role and put forward convincing and reasoned suggestions for the strategic direction to be taken.

### **Utilising members' communications capacities**

The mid-term strategy called for the utilisation of members' communications capacities and advocacy tools and noted different actions to be taken in this regard<sup>55</sup>.

The annual report 2008 mentions that the CA participated in more meetings and events organised by members and partners than before. It worked with members to organise knowledge-sharing events and a youth essay competition.

---

<sup>54</sup> The Financial and Budget Report FY11-FY12 (Oct 7, 2011) stated that most of the communications and advocacy budget went unutilised because of lack of consensus around plans for advocacy in Europe.

<sup>55</sup> MTS p. 15, Use advocacy tools (WUF, State of the World's Cities, GUO) in cooperation with members (MTS, p. 18), JWP with UN-H for advocacy (MTS, p. 18)

The annual reports 2009 and 2010 also mention several activities implemented including the WUF. A JWP with the UN-HABITAT focused on supporting the world urban campaign.

The activities mentioned in the annual report and the events in which the CA has participated are no doubt important and the presence of the CA a natural part of an urban advocacy initiative. These are key events in the 'urban community', where scholars, practitioners, financiers, etc. come together and the CA should be visible there. However, many participants are already 'convinced' of the qualities of urban planning/management, CDS and SU. In order to make a difference, advocacy initiatives need also to go beyond this target group and address decision makers at higher levels.

### **Website and publicity material**

The mid-term strategy included several actions to promote the CA, including web-site improvement and preparation of publicity material<sup>56</sup>. The CA has taken action to address both priorities.

#### Website

A major restructuring of the web-site was carried out during 2008-2009. This included the establishment of the project database, reorganisation of content and development of content management system<sup>57</sup>.

The information on what the CA does in the open section seems incomplete and in need of an update - in particular considering the new charter and business plan.

Publicity material A Cities Alliance corporate video and branding activities were implemented during the year 2009 and a CA 10th anniversary annual report was issued<sup>58</sup>. The CA web-site contains a section with CA material. It is not clear to which extent and by whom the material is being used. The material has not been reviewed as part of the evaluation.

---

<sup>56</sup> More effective use of internet (MTS, p. 15), ramp up web-site (MTS, p. 24), Prepare range of informative and simple publicity material on the CA (MTS, p. 23).

<sup>57</sup> According to the Work programme update report (Jan 2009) and the annual report 2008

<sup>58</sup> According to the annual report 2009

## 6 Efficiency

The evaluation of efficiency deals with the extent to which the outcome and impacts achieved have been generated at a reasonable cost. Ultimately, such an assessment should calculate the unit costs of CDSs and SUs produced by the CA and compare these to unit costs of other CDSs and SUs. The assessment should consider whether or not the CA projects are run efficiently. This has, however, not been attempted by any previous evaluation and is not within the scope of this evaluation. It is a difficult exercise as the CA approach is unique, making good comparators difficult to identify. This evaluation has employed a number of other indicators, such as the level of overhead costs, assessments of grant making procedures and qualitative assessments of the CA's efficiency.

### 6.1 Overhead costs

Overhead costs refer to the administrative costs of managing and implementing the mandate of the CA - i.e. the expenditures of the CA Secretariat.

**Key finding: Overhead costs are kept at reasonable levels**

Previous evaluations:  
overhead costs are  
reasonable

The previous evaluations of the CA found that overhead costs of governing and managing the CA have been reasonable. More specifically, the 2006 Independent Evaluation reported that overhead costs were about 16% (cost of Secretariat in relation to allocations), and that this was acceptable to the members. The 2007 Global Program Review cites overhead costs to be 12% of the total value of grants approved, and that this was similar to comparable World Bank programs. Moreover, the 2006 evaluation found that the CA Secretariat was a small core group with significant *esprit de corps*, which had enabled it to facilitate the work of the CA in an efficient fashion. Apart from the above, the 2006 and 2007 evaluations provided limited assessments on the cost-effectiveness of the CA.

Based on the latest (2009) CA Annual Report, we can make a direct comparison with the overhead costs to the value of total approved grants. According to this (p. 129), the cumulative CA Secretariat Expenditures over the entire period (FY00-FY09) amounted to USD 21,262,829 and the cumulative total approved grants amounted to USD 125,380,013 as of June 2009. This gives an overhead margin of 17% of the *approved grants*, which is similar to the figures reported in the previous evaluations.

The 2011 IEG Assessment provided a comparative table of administrative costs of the Global and Regional Partnership Programs and their share of expenditures<sup>59</sup>. The levels differ considerably and there are many good arguments for not making direct comparisons between the programs. The CA share of administrative costs is stated as 11%, which is in the low end compared to the other programs, but higher than the two other technical assistance programs<sup>60</sup>. Only a detailed benchmarking exercise can reveal whether the overhead costs are high or not. That is beyond the scope of the present evaluation.

Members find that the CA operates efficiently

It can be observed that the CA Secretariat has included all details on secretariat expenditure in the annual reports and on the web-site every year. And, as one of the previous evaluations has pointed out, the members of the CA appear to accept the level of overhead costs. This was confirmed in interviews with the members, who expressed a high degree of confidence in the efficiency of the CA. Most members rate efficiency as very high. In the meetings observed (ExCo in Ghana, July 2011) the members also acknowledged the secretariat for budget efficiency.

## 6.2 Efficiency in grant making

Grant administration has been a major feature of the CA since it was established. It is relevant, therefore, to assess the efficiency of the grant administration process.

### Key findings:

- There is scope for improvement in efficiency of grant making procedures
- There is a need to update operational guidelines

GHK: Prolonged grant making is mission critical

The 2011 evaluation by GHK explored how the CA Grant Facility Administration process has worked from a primarily procedural point of view.<sup>61</sup> This was done based on a sample of 31 projects weighted to a challenging set of projects in Africa<sup>62</sup>. The GHK evaluation concluded that the grant administration process can be lengthy and result in high transaction costs for both the Cities Alliance (Secretariat and Members) and clients, and that this is a critical problem which needs to be solved.<sup>63</sup> In addition, GHK found that in

<sup>59</sup> *An Independent Assessment, The World Bank's Involvement in Global and Regional Partnership Programs*, Independent Evaluation Group, WB Group, 2011. P. 41.

<sup>60</sup> Population and Reproductive Health Capacity Building Program (PRHCBP) and Multi-donor trust fund for the extractive industries (MDTF-EITI)

<sup>61</sup> *Evaluation of Project Implementation Modalities of the Cities Alliance*. Final Report, March 2011. GHK.

<sup>62</sup> *Ibid*, p. 24.

<sup>63</sup> *Ibid*, p.24 and p.59.

<p>The CA has taken important steps, but prolonged grant making is caused by changed WB procedures</p>	<p>78% of the cases the actual application phase in the projects covered by their analysis was longer than the duration prescribed in the CA Procedures Manual.</p> <p>The importance of streamlining and reducing the costs and processing time of grant formulation and agreements is well understood by the CA. In connection with the transition from the open grant facility to the Catalytic fund, the CA has made comprehensive changes in its proposal evaluation and approval procedures to reduce processing time and increase efficiency. Under the open grant facility the application process was open and often involved lengthy processes of negotiations over the contents of the proposal. Under the present catalytic fund the application process is organized according to a systematic call for proposals and with set evaluation criteria leading to approval or rejection of the application with no negotiation process.</p>
<p>Willingness to address shortcomings, but no result yet</p>	<p>Nevertheless, a review by the CA Secretariat on proposal approval and grant set up processing time<sup>64</sup> showed, among other things, that the overall average processing time, from proposal submission to countersigned grant agreement, <i>increased</i> from 170 days in Fiscal Year 2010 to 261 days in FY 2011. The review also found that all of the issues cited as contributing to delays in the grant set up can be attributed to strengthened procedural requirements of the WB. They include the following issues.</p> <ul style="list-style-type: none"> <li>• Enforcement of World Bank Country Director concurrence for all country specific projects</li> <li>• Mandatory review by World Bank country Legal Teams of all grant agreements for country specific projects</li> <li>• Introduction of safeguards screening according to WB standards for all grants regardless of size</li> <li>• Requirement that all grants to government ministries must be signed by Minister of Finance or equivalent</li> <li>• Strengthened procurement procedures according to WB standards regardless of grant size.</li> </ul>
<p>This is still a mission critical issue</p>	<p>In short, although the CA comprises only a "small grant unit", its grant administration has gradually mainstreamed into comprehensive, standard WB operations, designed for large-scale lending programmes. This is bound to result in disproportionate transaction costs considering the limited size of the grants. Recognising the existence of the problem, the WB established a "small grants working group" a few weeks after the ExCo meeting in March 2011 to explore the consequences and to see what can be done to address the situation. The evaluation team has been told that, based on an analysis from consultants, the working group is about to present some wide reaching recommendations which could reduce the problem. This is expected to lead to recommendations from the WB management group.</p> <p>We would like to make an observation here that, if protracted grant formulation, approval and agreement processes were lengthy in the past, it is</p>

<sup>64</sup> *Proposal Approval and Grant Set-Up Processing Time*, presentation at ExCo meetings 10 March 2011, Washington D.C.

unlikely that it will be less so in the future considering the recent replacement of the open grant fund with the Catalytic Fund and additional with the focus on CPPs. As the name of the "Catalytic fund" implies, it is to serve as a catalyst, i.e. to stimulate change. Moreover, the Catalytic Fund and CPPs are to promote collaboration among the multitude of stakeholders usually involved in slum upgrading and city development strategies. In collaborative change processes such as these, factors such as flexibility and timing are crucial and therefore the need to reduce grant administration time is essential in order to optimise both efficiency and effectiveness of the CA operations.

Operational  
guidelines need  
updating

The CA Secretariat informed the evaluation team that the operational guidelines for the catalytic fund have been established and are in use. However, for the other three business sectors, operational guidelines are still to be established. Currently, the CA is operating on the basis of the old operational guidelines. Having clear, useful and applicable guidelines will work in favour of efficiency. It is therefore strongly suggested that the CA Secretariat develop the necessary operational guidelines soon.

## 7 Governance and management

Governance concerns the structures, functions, processes and organizational culture that have been put in place by the organisation's governing body. Management concerns the day-to-day operation within the context of the strategies, policies, processes and procedures put in place by the governing body.<sup>65</sup>

Assessment of the CA governance and management focuses on whether or not the new structures established in 2010 reflect good governance principles and address the shortcomings highlighted in previous evaluations,. Furthermore, pros and cons related to World Bank hosting of the CA will be discussed.

**Overall finding: The government and management structures and processes established in the new charter are well articulated and work well towards bringing about legitimate and effective governance and management.**

### 7.1 Compliance with principles of good governance

Governance and management has, in accordance with the TOR, been assessed based on compliance with the following seven principles of good governance, as defined in the IEG sourcebook for evaluation of global and regional partnership programmes: Legitimacy, accountability, responsibility, fairness, transparency, efficiency and probity.

#### 7.1.1 Legitimacy

Legitimacy concerns the extent to which the governance and management structures permit and facilitate the effective participation, and voice the opinions of the various stakeholder categories within decision making process, taking into account the respective roles and importance.

**Key finding: The programme has a high degree of legitimacy**

---

<sup>65</sup> IEG, Sourcebook for Evaluating Global and Regional Partnership Programmes., 2007 (The Independent Evaluation Group (IEG) is an independent unit within the World Bank)

Table 7.1 shows the various partner categories and other stakeholders relevant to the CA.

*Table 7.1: CA partners and stakeholders*

Members of the CA	Beneficiaries	Other partners	Other donors
<ul style="list-style-type: none"> <li>National governments</li> <li>Multi-lateral organisations</li> <li>Global organisations of local authorities (UCLG and Metropolis)</li> <li>International organisations engaged in urban development.</li> </ul>	<ul style="list-style-type: none"> <li>Cities</li> <li>Local authorities</li> <li>National Governments</li> <li>Associations of local authorities</li> </ul>	<ul style="list-style-type: none"> <li>NGO's</li> <li>Civil society organisations</li> <li>Associations of local authorities</li> </ul>	<ul style="list-style-type: none"> <li>National governments</li> <li>Financing institutions</li> <li>Bill and Melinda Gates Foundation</li> </ul>

The broad composition of the CG ensures, in itself, a high degree of legitimacy.

The independent 2006 evaluation highlights the fact that several municipalities indicate that one of the CA's most relevant dimensions is its principle of inclusiveness, referring to the approach put in place by the CA to bring the voices of the poor into various decision-making fora<sup>66</sup>.

However, the Global Programme Review of the CA, performed by the IEG in 2007, criticises the CA for not including cities in the governance of the Alliance, and asks rhetorically: "How can a Cities Alliance which calls itself a "Coalition of Cities" and which claims to understand local needs for urban assistance continue without city representation on its governing body". The new charter does not refer to the CA as a "Coalition of Cities" but as "a global partnership for urban poverty reduction and the promotion of the role of cities in sustainable development".

This criticism was discussed by the CG and ExCo as part of the discussion on the amendment of the Charter, but no specific decisions were taken in relation to extended representation of cities.

The CA secretariat manager has explained to the evaluation team, that the CA is not an alliance of cities but an alliance for cities.

None of the members interviewed explicitly mention a need for city representation. However, a few members called for more local government organisations.

<sup>66</sup> Independent evaluation of the CA, Universalia, 2006, p. 50

The UCLG also highlights the importance of their effort to involve cities and associations in CA activities by organizing and hosting seminars and public policy forums

The evaluation team finds that cities could be better represented, without opening the CG for membership of individual cities. One option could be to attract more national city associations. Another option could be to allow individual cities in, as associated members, without the responsibilities associated with a full membership of the CG. The charter allows for the invitation of other parties to attend CG meetings as observers.

However, even more important than the representation of cities and city associations is the involvement of cities at national level in projects and country programmes.

### **7.1.2 Accountability**

The accountability of the CA is assessed in relation to the clarity and effectiveness in the distribution of roles and responsibilities between the CG the ExCo and the secretariat.

#### **Key findings:**

- **With the new charter, the roles and responsibilities of the various governing bodies are more clearly defined**
- **There is a lack of "ownership" to the CA among (some) members**
- **The lack of an effective M&E system is a problem for the accountability of the programme**

The distribution of tasks and responsibilities are defined in the new charter as outlined in Table 7.2

Table 7.2 *Distribution of tasks and responsibilities*

<b>Consultative group</b>	<b>ExCo</b>	<b>Secretariat</b>
<ul style="list-style-type: none"> <li>• Adopt, and amend, the Charter</li> <li>• Approve the long- and medium-term strategic direction of the Cities Alliance;</li> <li>• Ratify the annual work plan and budget of the Cities Alliance, including that of the Secretariat and the Policy Advisory Forum, following approval by the Executive Committee;</li> <li>• Approve the criteria to be used in evaluating and approving Cities Alliance activities;</li> <li>• Review and evaluate the overall performance of the Cities Alliance;</li> <li>• Establish the membership fees for different membership categories;</li> <li>• Help raise additional resources;</li> <li>• Appoint Rotating Members of the Executive Committee;</li> <li>• Appoint the Chairperson of the Policy Advisory Forum;</li> <li>• Approve the applications of new CG members; and</li> <li>• Decide on the physical location of the Secretariat</li> </ul>	<ul style="list-style-type: none"> <li>• Provide guidance to the Secretariat on matters of policy and strategy;</li> <li>• Approve the Business Plan, annual work plan and budget of the Cities Alliance, including that of the Secretariat and the Policy Advisory Forum, subject to ratification by the CG;</li> <li>• Monitor progress and make recommendations to the CG;</li> <li>• Participate in the selection of the Manager of the Secretariat;</li> <li>• Approve any operating manuals produced by the Secretariat;</li> <li>• Select countries for country programmes;</li> <li>• Nominate the Chairperson of the Policy Advisory Forum for CG appointment;</li> <li>• Respond to requests from the CG; and</li> <li>• Consider applications for membership and makes recommendation to the CG.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate Member involvement in the activities of the Cities Alliance;</li> <li>• Screen and evaluate project proposals, in accordance with criteria approved by the CG;</li> <li>• Provide Secretariat services to the CG, EXCO and PAF;</li> <li>• Prepare and present medium- and long-term strategies, for consideration by EXCO and the CG;</li> <li>• Support the CG and EXCO in fundraising on behalf of the Cities Alliance;</li> <li>• Maintain a database of projects of the Cities Alliance;</li> <li>• Monitor the implementation of projects and disseminate lessons learned from CA and other activities, including an Annual Progress Report;</li> <li>• Draft the Work Programme and budget for EXCO approval and CG ratification, and facilitate its implementation; and</li> <li>• Prepare and present status reports on progress and results.</li> </ul>

As it appears there is a quite clear distribution of tasks and responsibilities among the governing bodies. Overall, strategic decisions are taken by the CG. ExCo makes more specific and operational decisions while the Secretariat carries out the specific activities.

The 2006 independent evaluation found that there was some uncertainty about the responsibilities for strategic planning and agenda setting, as these were divided between the CG, the steering committee<sup>67</sup> and the secretariat. As can be seen from the table, strategic planning and agenda setting is still divided, but with clearly defined roles relegated to each body.

Several members feel that the secretariat plays a too dominant role as driver in the development of the CA. There may be different explanations as to why the secretariat has too dominant a role, even though roles and responsibilities are clearly defined on paper, including:

- Lack of clearly elaborated strategies in relation to some of the business lines, e.g communication and advocacy, and knowledge management, as discussed in sections 5.3.3 and 5.3.4. If the strategies do not clearly define the objectives, expected outcomes and specific activities, it leaves the secretariat a wide margin when defining its role.
- Lack of ownership by the members. The members have the possibility to take the lead. Thus, ExCo has the possibility, through e.g. establishment of working groups, to set the strategic agenda and instruct the secretariat accordingly. Thus, it is up to the members to take more responsibility for the strategic development of the Alliance.

Another issue which compromises accountability is the lack of a well developed M&E system. The donors are held accountable by the political system, and ultimately the citizens, in their respective countries. Thus, they have a need to document the results of their financial support.

### 7.1.3 Responsibility and Fairness

Responsibility relates to the acceptance and exercising of social responsibility by adhering to accepted global norms regarding human rights, poverty reduction, environmental sustainability and gender inclusion.

Fairness concerns the extent to which partners and participants, similarly situated, have equal opportunity to influence the programme and to receive benefits from the programme

**Key finding: The CA set-up adheres to the principles of responsibility and fairness**

Poverty reduction is a core element of CA's objectives, and all the above mentioned norms are included in the MTS and the BP as well as in the criteria for evaluation proposals for the Catalytic Fund.

<sup>67</sup> The ExCo was named Steering Committee in the old charter

Almost all members find that they have sufficient influence on decisions of the programme. Two members find that "the decisions follow the money" meaning that it at the end of the day is the main donors that take the important decisions. One member thinks that the important decisions are not taken in the open forums at the CG and ExCo meetings, but in the "corridors". It is not possible for the evaluation team to document whether this is true or not. However, we recommend that the CG takes it seriously and takes an open minded debate about it.

#### 7.1.4 Transparency

Transparency concerns the extent to which the programme's decision making, reporting, and evaluation processes are open and freely available to the general public.

**Key finding: The overall transparency of the CA is somewhat undermined by the lack of free access to key strategic documents on the organizations website.**

The main tool providing information on the CA is the web-site ([www.citiesalliance.org](http://www.citiesalliance.org)).

The website consists of an open area and a member's area with restricted access. The open area contains general information about the alliance (general description, annual reports, information about the members etc), a project database, publications and knowledge resources and a media section with press releases, news etc.

The restricted members area contains strategic documents (charter, mid term strategy etc.), meeting reports, news from the secretariat manager and the previous independent evaluations.

Restricted access to documents in the members area hampers the transparency. There is no obvious reason why partners, potential members and the general public should not have access to the important information in the members' area.

There might be a need to restrict access to draft documents and work in progress but everything else should be freely accessible.

Most of the former members interviewed had clearly negative views of the CA's performance on information dissemination. None of the current members complained about this. They have, however, also full access to all documents.

### 7.1.5 Efficiency

Efficiency concerns the extent to which the government and management structures enhance efficiency in the allocation and use of the programmes resources.

#### Key finding:

- The governance structure ensures efficiency
- The mix of competencies in the secretariat covers the needs and ensures an effective management.

As discussed in section 7.1.2, there is a clear distribution of tasks and responsibilities among the governing bodies. This, together with effectively executed annual CG meetings and biannual ExCo meetings, ensures an efficient governance of the programme.

The secretariat staffs in the head quarter consist of:

- The manager and the deputy manager
- A senior urban specialists and two urban specialists
- A financial management specialist and a resource management analyst
- A communication officer, a web editor and an information analyst
- Two consultants
- A research analyst
- Three assistants

Three of these staff members are on secondment from member organisations the other are permanent staff.

In addition to the HQ staff there are three regional advisors and an office in Sao Paulo in Brazil staffed with a research analyst and an assistant.

As outlined in section 6.1, the secretariat operates efficiently, which is also acknowledged by the members.

As discussed in section 6.2, the new business plan enhances efficiency by providing grants through the Catalytic Fund and CPP's instead of the open grant facility. However, as also discussed, the WB's administrative procedures are limiting the efficiency.

### 7.1.6 Probity.

Probity refers to the adherence, by all persons in leadership positions, to high standards of ethics and professional conduct.

The evaluation has not revealed anything that could compromise the ethics and professional standards if the CA management.

Several members explicitly highlight the professional skills, dedication and enthusiasm of the secretariat manager and staff.

## 7.2 World Bank hosting of the Cities Alliance

According to the ToR it should be assessed to what extent the location of the CA Secretariat in the WB is affecting the prioritisation of activities, governance, management, or other aspects of the CA, and to what extent the role of the bank in the programme affects the incentives for other partners to participate effectively.

### Key finding:

- Although both positive and negative implications, the location of the CA Secretariat in the WB is an asset
- There is no obvious alternatives to WB hosting of the CA

The CA Secretariat has been located at the headquarters of the WB in Washington DC, since its inception in 1999. The role of the WB is multifaceted including: Founder, co-chair of the CG, host organization, donor and implementing agency of some of the Alliance's activities.

Over the years the WB's involvement in global or regional partnerships programs (GPP) has expanded and today the Bank participates in nearly 120 programs. Because of the bank's substantive involvement in GPP such as the CA, there have been numerous evaluations and assessments on how the Bank and the programs collaborate together.

The great majority of the members find it overall positive that the WB hosts the CA, although most see both pros and cons. A few members find that the WB is too dominant.

One of the benefits, which seem to be overlooked by many, is that members of the CA have a unique opportunity to exert influence on the WB and its operations within the area of slum upgrading and city development strategies. Under the new business model the CA will have leverage force over WB programs and it will be a part of the WB's sector boards. Furthermore, the WB has taken the first step to engage programmatically with the CA in Africa through the creation of a JWP. The Africa Region of the Bank has indicated its intention to move away from *ad hoc* projects and to embrace a national-system-of-cities approach in order to empower cities and towns as centers of governance, in order for them to be able to manage the urbanization process. The Bank is looking to invest in the capacities in cities and towns and link the leadership of cities to their citizens. The JWP is an invitation to the CA to partner with the Bank programmatically and use its resources in a demand-driven way for policy advocacy, city-to-city exchanges, and operational support.

At the operational level, it is mainly the Bank's task team leaders working in the country operations who interact with the work of CA. The task team leaders who were interviewed in connection with this evaluation were all very informed about the CA work and activities. There was a general consensus that the CA work provided value added to the task team leaders' own programs and activities. The CA activities were able to bring in additional stakeholders e.g. representatives of the slum dwellers. There was some evidence that the task team leaders were less familiar with the new CA business model and the country program approach. Considering that this approach is new and only preliminary lessons are emerging this may not come as a surprise, however as the approach matures it is important that outcomes and lessons learned are shared with the Bank's task team leaders.

On the one hand, the CA benefits from the professional reputation, credibility and clout that is associated with the WB. On the other hand it might blur CA's own profile.

As is the case for similar programs hosted by the bank, there is a well known potential for conflict of interest, in the sense that the Manager of the Secretariat has a direct reporting relationship to the Bank's director of the Finance Economics and Urban Department (FEU). Furthermore, staff is World Bank Staff members recruited and managed according to Bank policies and procedures. However, in theory the Secretariat should receive instructions and guidance from the CG.

This was already pointed out in previous evaluations and IEG has made various recommendations to the Bank on how to address these issues that is equally valid for other GRP, however these guidelines still need to be implemented at the Bank. This includes Bank wide guidelines and TOR for Bank staff serving on the governing boards of global programs including the CA and clear and well-planned exit processes.

As discussed in section 6.2, the procedural requirements of the WB have been one of the main reasons for the increase in the overall average processing time from proposal submission to countersigned grant agreements.

The role of the WB, including pros and cons of WB hosting, has been continuously discussed in the CA governing bodies over the years. However, no real alternatives have ever been presented.

## 8 Resource mobilisation and sustainability

The CA's activities are funded through membership fees, other core funding contributions from members, and non-core funding from members or other donors. Non-core funding means that the money is earmarked for a specific facility, region or activity.

**Key finding: CA is vulnerable in relation to resource mobilization, which is threatening the medium to long term sustainability**

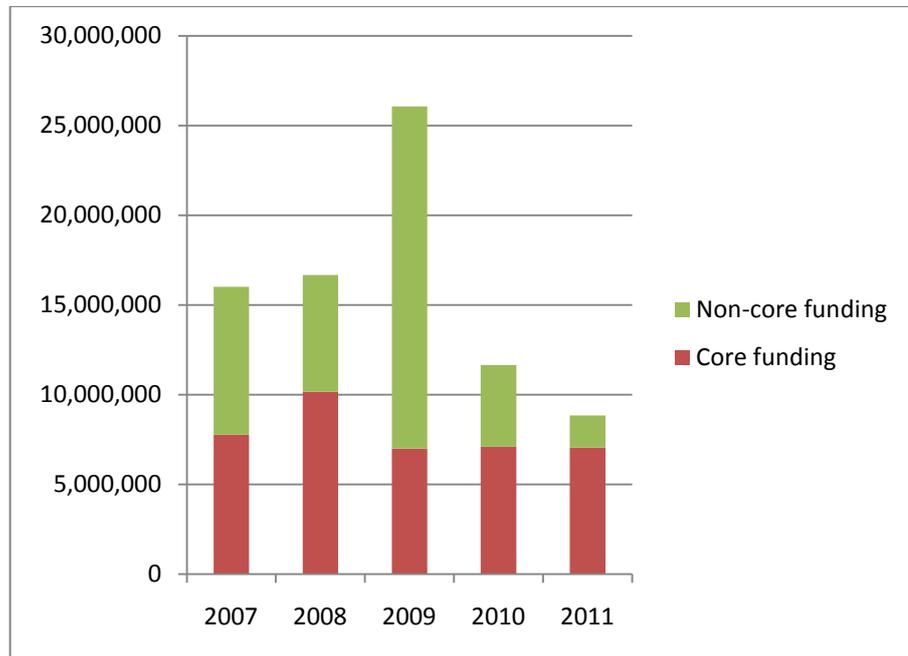
As can be seen in Figure 8.1, the core funding has been relatively stable over the last five years.

The substantial increase in the non-core funding in 2009 is a result of a \$ 15 million donation from the Bill and Belinda Gates Foundation earmarked to the development of CPP's.

If this donation is counted out, the non-core funding shows a quite significant decrease since 2008.

It should however be noted, that new non core funding will draw on the secretariat resources and thereby divert staff time from other important tasks. It must thus be carefully considered how possible new non-core funding support the overall strategic goals of the CA.

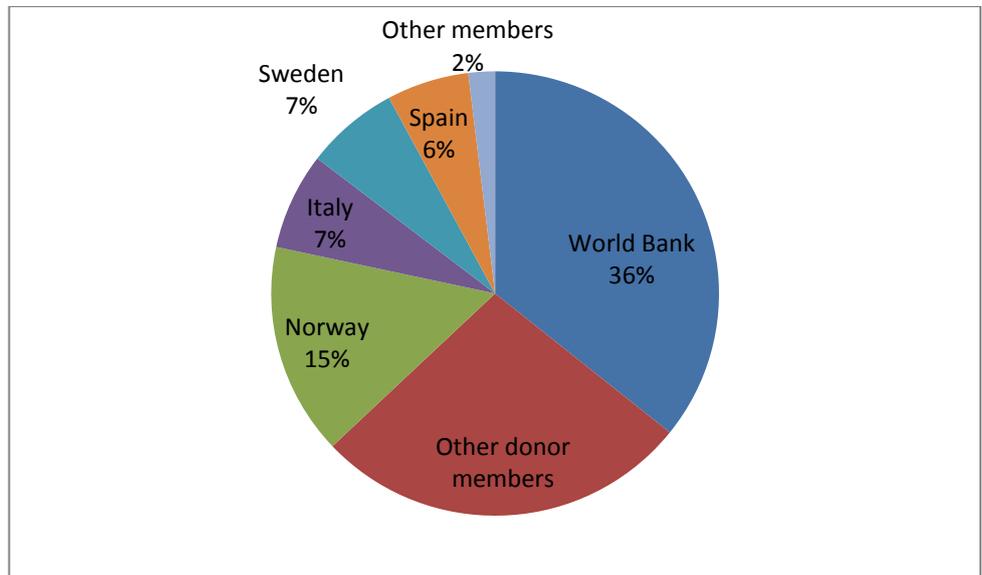
Figure 8.1: Development in core and non-core funding USD, FY07-11



As it appears from Figure 8.2, 71% of the core funding comes from 5 donors with the WB as far the largest, accounting for not less than 36%. However, WB funding will decrease to regular membership status by FY2013, so from then on WB will only contribute 250,000 USD per year<sup>68</sup>. This is a consequence of the changes to the Bank’s Development Grant Facility (DGF) that essentially dictates an exit from partnerships after a certain period.

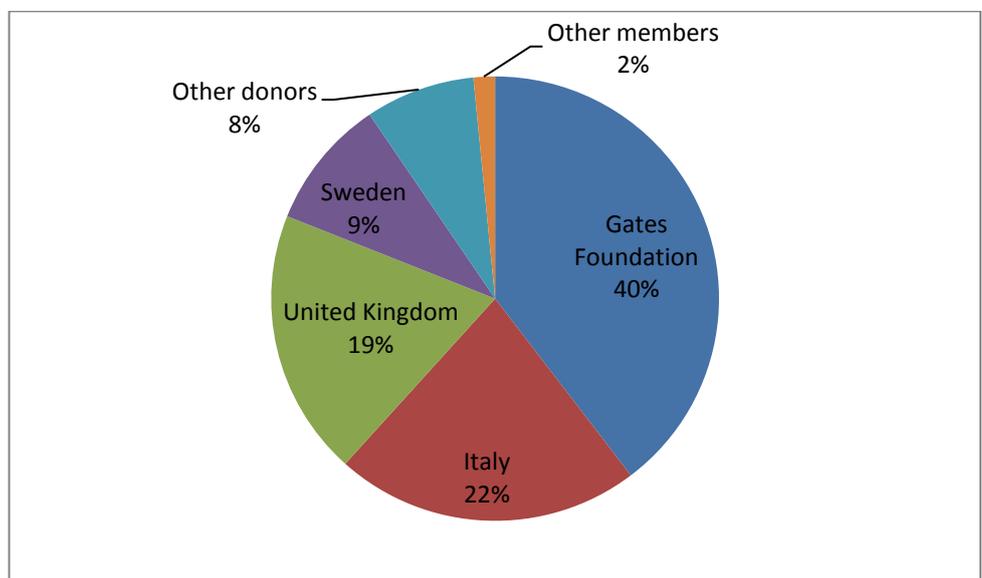
<sup>68</sup> Interview with Director of the WB’s Finance, Economics and Urban Development Department, Mrs Zoubida Allaoua, 2 11.2011

Figure 8.2 Share in core funding contributions, USD, FY07-11



The non-core funding is coming from even fewer members. The donation from the Melinda and Bill Gates foundation in 2009 accounts for 40% of all non-core funding in the period from 2007 to 2011 and 50% comes from Italy, UK and Sweden.

Figure 8.3: Share in non-core funding contributions, USD, FY07-11



The reliance on relatively few donors for as well core and non-core funding, and the decrease in non-core funding contributions from CA members makes the CA financial vulnerable and threaten the medium to long term sustainability.

The baseline budget outlined in the business plan seems to be realistic. However, the plan is silent on how to sustain the longer time funding.

CA's ability to mobilise resources depends to a large extent on the perception among the current and potential donors of the need for CA's services, and the effectiveness and efficiency of the operations.

Another important factor is the extent to which urban issues is high on the development agenda in the donor countries and among the international organisations.

As discussed in section 4.2, most members find that there is a need for the services provided by the CA (Supply-side relevance).

Several members specifically stress the need for CA to show and document results.

Thus, it is very important to develop the M&E system further, as the donors have a need to document effect and impact of their contributions.

It will in the coming years be especially important to document positive results from the CPP's, as most members have very high expectations to this concept.

*"We need to see results, in particular outcomes from the country programmes....we will give the new business model two to three years, then we need to see concrete results."*

Quote from interview with one of the main donors.

The main reason mentioned by previous members for ceasing their membership, is that urban issues are not high on the development agenda anymore, and that development activities have been focused in fewer areas. The perception of the importance of urban issues in the future is also mentioned by some current members as decisive for their continued membership.

The donor's perception of the importance of urban issues in comparison with other development issues highlights the importance of CA's advocacy activities and the importance of developing a comprehensive advocacy strategy.

We suggest including a resource mobilisation strategy in the business plan, addressing the above mentioned issues as well as an analysis of potential donors and how they should be approached. The resource mobilisation plan should also include an analysis of the costs and potential benefits of a permanent CA representation in Europe as well as a strategy for attracting private sector funding.

## **8.1 Influence of resource mobilisation on governance and management**

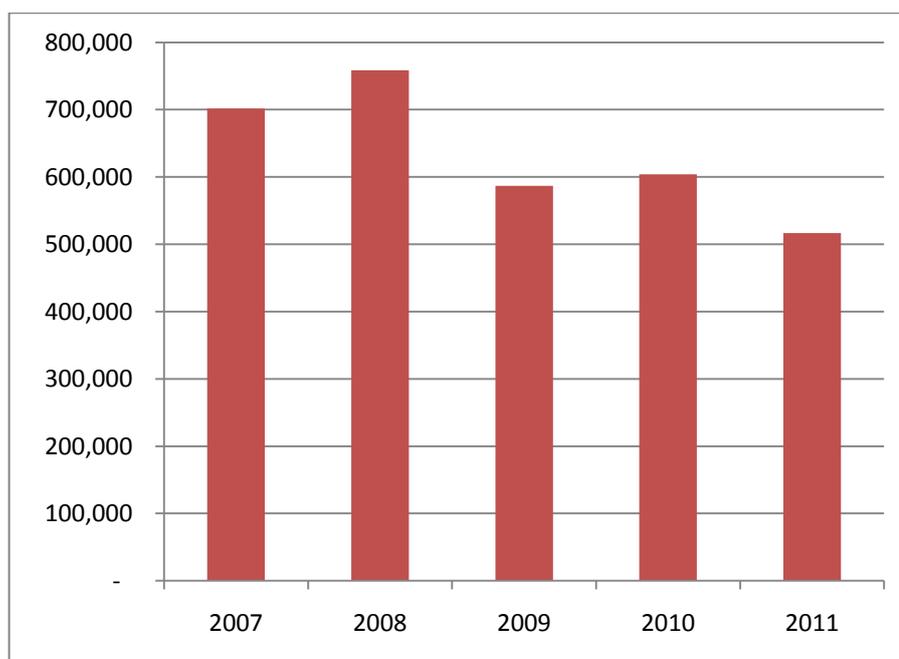
The resources mobilisation influences government and management in a number of ways.

A few members find that the relatively high share of non-core funding tied to specific regions or activities limits the flexibility of the CA. One member argues that it is difficult to give untied funding as it is then difficult to show concrete results of their specific funding.

The relatively limited share of core funding makes the secretariat dependent on staff secondments from the donors. This may have both positive and negative effects. On the one hand, it makes it difficult for the secretariat management to plan the long term secretariat activities, as the number and professional skills of the future seconded staff is unknown. On the other hand it is an effective way of sharing experiences and information with the members from where the secondments come.

As can be seen in Figure 8.4, there has been a slight decrease in the non-core secretariat funding since 2008.

Figure 8.4: Non-core secretariat funding, USD, FY07-11.



The biggest non-core donation in the history of the CA, the \$15 mio donation from the Bill and Melinda Gates foundation has had substantial influence on the strategic direction of the CA. The donation is earmarked to the Land, Services and Citizenship Programme, and has been decisive for the development of the Country Partnerships programmes, which is the corner stone in the new business model.

## 9 Conclusions and recommendations

### 9.1 Conclusions

Our overall conclusion is that the CA has succeeded in establishing a unique platform for international urban development cooperation, bringing together key actors including bilateral donors, multilateral organizations, associations and NGOs.

Although the new business model has only been operational for a short period of time, and therefore only produced a limited number of specific results, we find that the reform process has strengthened the CAs work and the organization considerably through:

- Improved coherence of effort among members and other partners
- Defining the concepts on which most partners agree. There is not necessarily a mutual normative understanding on what the 'good city' is, but the concepts facilitate processes where partners and beneficiaries define the end goals/strategies for city development in the specific countries and cities where CA is working.
- The introduction of the CPP concept. As the cornerstone in the new business model, this concept has very promising potential in establishing new ways of organizing urban development cooperation by:
  - increasing ownership and leadership of cities and countries
  - multi-donor/partner programming
  - involving slum dwellers and urban poor
  - focusing on longer term support

- leveraging investments
- A clearer governance structure
- A more focused and innovative knowledge production through JWP and potentially through the catalytic fund.

Thus, we find that the new business model has improved, or is expected to improve, the set-up and work of the CA in relation to all the evaluation criteria analyzed. However, we also find potential for further improvement, particularly in relation to the development of more comprehensive strategies for advocacy, communication and knowledge and learning as well as in relation to the organization of the work.

Our overall and specific findings relating to each of the evaluation criteria is outlined in the following

### 9.1.1 Relevance

The objectives of the CA and the design of the programme are relevant. The reform process has enhanced this relevance. Furthermore, we find that the core competency of the CA is relevant and provides added value in relation to other multi and bilateral development programmes.

The CA objectives and activities are consistent with the needs of the beneficiary countries and cities. The voices of the beneficiaries are, to a large extent, reflected in the CA objectives and in the design of the programme. The introduction of CPPs is expected to further improve the consistency with the beneficiaries' needs as well as increase their influence on programme activities.

Clear focus on improving the quality of urban development as well as on ensuring that it is high on the development agenda, as well as CAs unique partnership approach, is relevant in relation to a number of international trends and conditions in urban development, especially:

- The rapid increase in urbanization and in the number of slum dwellers
- The world-wide financial crisis, which intensifies the competition for development assistance between different development issues
- The continuously increasing demand for improved aid effectiveness.

The main comparative advantage of the CA, in relation to other multi and bilateral development programmes, is that it has succeeded in creating an international platform, focused exclusively on urban issues, bringing donors, ministries and international organizations together. This facilitates the discussions and analysis of urban issues, as well as harmonizing members work in relation to urban development.

The CA's work is complementary to other programmes, with no major overlaps. However, in relation to knowledge activities there might be room for a more intensified collaboration, particularly in relation to the WB and UN-Habitat.

### 9.1.2 Efficacy

Efficacy has been assessed in relation the achievements of overall objectives and in relation to the four business lines established under the new business model, focusing on the period from 2007-2011.

The new business plan has provided a results framework which sets up measurable targets at outcomes/immediate objectives level. This is an important step forward. However, we find that the CA would benefit from developing an even more comprehensive indicator framework. This is important in order to document results and impacts and to demonstrate the value added of the CA to current and potential donors.

Achievements of overall objectives

The overall objectives, as formulated in the MTS<sup>69</sup>, are:

- Improved lives of urban poor
- Reduction in number of slum dwellers
- Improved health of cities
- Increase in cities without slums
- Reduced urban poverty
- Socially inclusive cities

Some progress in relation to achieving these objectives has been made. However, it is not possible to provide an assessment on the extent of this progress (e.g. in terms of number of urban poor experiencing improved lives, reduced number of slum dwellers, reduced slum areas, etc.) due to the lack of quantified evidence on impacts achieved through the CA supported grants.

Country programmes

The limited data available indicates that country programmes have been successfully implemented since the introduction in the MTS. The concept has now developed into Country Partnership Programmes which, appear to provide a very promising framework, as outlined above. Although it is too early to determine the degree of success, there are already positive results.

Projects

In general, projects have been successful in generating planned outputs and outcomes, leading to improved political awareness of urban development issues and methods for CDS/CU. Projects seem to have had limited effect in terms of creating coherence of effort.

Knowledge and learning

The MTS introduced an increased focus on knowledge and learning, including the need for a knowledge management strategy. Also, the MTS has prioritized an M&E strategy based on impact chains. None of these strategies have fully

---

<sup>69</sup> The evaluation team regards these general valid

materialized and not all the output planned in the MTS have been achieved. However, the result-based management indicators established in the business plan, as mentioned above, provide an important step in the development of an M&E strategy

A number of JWPs have been successfully implemented, contributing to knowledge generation and coherence of effort among the partners. However, we find that the JWPs could focus more on dissemination and learning.

#### Advocacy and communication

The MTS also called for a communication and advocacy strategy, which has not been developed.

Furthermore, the MTS included several actions to improve the communication about the CA, most important, improvement of the web-site. A major restructuring of the web-site was successfully carried out during 2008-2009, including the establishment of a project database, reorganizing of the content and development of a content management system. However, today most of the information about the CA is contained in a closed section for members only. This information might be valuable for potential members and other parties interested in the CA, and there seems to be no rationale to secluding it.

CA carries out advocacy activities within different kinds of fora, and events, however, we find that these activities should focus more towards on high-level decision makers.

### 9.1.3 Efficiency

The CA's overhead costs are reasonable compared to other Global and regional partnership programmes.

Although important steps have been taken to increase effectiveness in grant making procedures, the overall grant processing time has increased during recent years, mainly due to increased procedural requirements from the WB. Although the CA comprises only a small grant making unit, its grant administration has gradually become fully mainstreamed into normal World Bank procedures. The steps taken to reduce the costs and processing time include a change in the evaluation and approval procedures for applications to the Catalytic fund, compared to the procedures for applications to the previous Open Grant Facility.

### 9.1.4 Governance and management

The governance and management structures and processes established in the new charter are well articulated and work well to bring about a legitimate and effective governance and management.

Legitimacy is ensured by the broad composition of the CG and by CA's ability to bring the voices of the poor into various decision making fora. However, we find that cities could be better represented. Not necessarily by full membership

of the CG for individual cities, but through either attracting more national city associations or by allowing individual cities to participate as associated members.

The new charter clearly defines the roles and responsibilities, ensuring a high degree of accountability. However, this accountability is somehow compromised by the lack of an efficient M&E system.

The transparency of the programme is somewhat undermined by the lack of free access to key strategic documents on the organizations website

The location of the CA secretariat in the WB gives the CA a number of benefits including:

- It gives CA an opportunity to exert influence on the WB and its operations within the area of slum upgrading and city development strategies.
- The professional reputation of the WB gives credibility to the CA

However there are also a number of challenges:

- The WB is able to influence the CA more than other members
- The above mentioned evaluation and approval procedures, which increase the overall processing time from proposal submissions to counter signed grant agreements.
- The strong profile of the WB may blur CAs own profile.

All told, the evaluation team finds that the CA gains more than it loses by being hosted by the WB. The WB hosting has been discussed several times in the CG, but no real alternatives have ever been presented.

### **9.1.5 Resource mobilization and sustainability**

The CA is vulnerable in relation to resource mobilization which is a threat to medium and long term sustainability.

Both the core and non core funding come from a small number of donors which makes the CA vulnerable. In the period from 2007 to 2011 the WB has accounted for 36% of the core funding. However, WB funding will decrease to the regular \$ 250,000 membership fee as from FY 2013 which increases the pressure on the CA to raise additional funding.

## **9.2 Recommendations**

The evaluation gives rise to a number of recommendations, which are presented below. We have divided the recommendations into strategic recommendations and operational recommendations.

### 9.2.1 Strategic recommendations

#### **Recommendation 1: Continue according to agreed strategy and consider how to attract additional members and resources**

The evaluation shows the continued relevance of the CA and that, with focus on a programmatic approach and the four business lines, the CA has increased its relevance. At the moment, the CA is working on the basis of a 'consolidation strategy', i.e. getting planned CPPs underway and getting the four business lines to operate. This is a sensible strategy in the short term considering the significant changes that have been implemented. Also, it is reasonable to await more concrete results and experience with the CPP concept before venturing into additional CPPs.

Nevertheless, this should not prevent the CA from thinking about the long term perspectives and planning ahead for resource mobilization for future activities. Membership base and options for resource mobilization are therefore natural ingredients of the long term strategy of the CA.

The fact that the CA unites many of the key global players in relation to urban development cooperation is a key to its continued relevance and value added. In order to further enhance legitimacy and increase client focus the evaluation suggests that the CA seeks to attract national associations of local government. This would be well in line with the CPP approach and also a support of the knowledge and learning business line, where these associations would be among the key partners.

#### **Recommendation 2: Elaborate clear and concise strategic results framework**

The evaluation shows that the CA is moving from a demand-led project funding mechanism towards a partnership program with four business lines guided by agreed objectives and priorities. These priorities are currently established by the business plan, which has a fairly short perspective, is focused on results and does not specify objectives to be achieved and how to measure this. A clearer strategic results framework agreed among the members would enhance focus on the internal logic in the program, provide a more specific mandate for the secretariat and be a good basis for communicating about the CA.

The evaluation therefore recommends that the CA, building on the business plan, should work towards a strategic results framework consisting of three layers:

- Overall strategy (5-10 year scope)
  - Overall objectives for each business line
  - Placing the business lines within the context of overall trends and conditions and the strategies and actions of partners/key actors
  - Requirements and options for resource mobilization

- Directions for selection of countries (CPP) and themes (K&L)
- Medium-term strategy / business plan (2-3 year scope)
  - Operational objectives (results) for each business line as well as means to achieve these
  - For knowledge and advocacy business lines, conduct in-depth analysis of target groups to devise specific strategies encompassing target groups to be addressed, themes and messages to be disseminated and channels and means of communication to be utilized.\*
- Annual work programs to guide the key actions to be taken within the coming year within each business line

We suggest that the CA use the intervention logic approach as an inspiration and starting point to the development of the strategic framework.

\*As the current business plan approved in November 2011 does not contain fully-fledged strategies for the knowledge and advocacy business lines, we suggest that strategies are developed as soon as possible, in separate documents, which can then be annexed to the business plan. The analysis should consider the need for regional (including European) representation as an instrument in the advocacy work.

### **Recommendation 3: Develop a monitoring and evaluation framework**

The evaluation finds that the current monitoring and evaluation framework is insufficient. Despite recommendations made in previous evaluations, progress has been slow in this area. The need to revise the framework is even more evident now in light of the considerable changes that have taken place as a result of the reform process. Inclusion of the results framework in the business plan is an important first step.

The evaluation therefore recommends that the CA develop a monitoring and evaluation framework, which reflects the overall strategic framework and thus seeks to measure performance in relation to overall objectives, operational objectives and activities/outputs.

The first step in this process is to develop a set of indicators corresponding to the objectives defined in the strategic documents.

The monitoring and evaluation at the levels of CPPs and individual grants should be an integrated part of the system and therefore, key indicators should be incorporated into CPPs and grant application and reporting requirements.

The evaluation suggests the following fundamentals for the future monitoring and evaluation system:

- Key indicators and performance targets corresponding to strategic objectives, operational objectives and outputs
- Performance review corresponding to business cycle (2-3 years) where performance in respect to all objectives is assessed
- Annual progress reports providing assessment of progress in respect to targets set for the specific year (annual work program), implications for performance in relation to operational and overall objectives and corrective measures where relevant
- Progress and completion reporting for CPPs and individual grants, which report on key performance indicators as well as specific indicators decided for the individual CPP/grant.
- Impact assessment / ex-post evaluation of CPPs and individual grants 2-3 years after closure.

## 9.2.2 Operational recommendations

### **Recommendation 4: Reconsider monitoring and reporting arrangements for the CPPs**

Currently, the monitoring and reporting of the CPPs refers to the individual grants. e.g. for the Uganda CPP there are three grants involved and progress reporting is done respect to each of these. There is no consolidated monitoring and reporting of progress for the CPP as a whole. This is unfortunate as the program encompasses elements, which are not directly supported by the CA grants, and because it is against the holistic approach associated with the CPPs. It implies a risk of not detecting key issues, which impede the implementation of the CPP.

A related issue in this regard, is the question of CA presence in countries where CPPs are implemented. The CA has regional advisors but is not directly present in the CPP countries for monitoring and back-stopping to the CPPs. Given the size and complexities of the CPPs, the role of the CA in providing supervision and support could prove quite important and difficult to fulfill for the member(s) involved.

The evaluation recommends that:

- The CA secretariat initiates a discussion with the partners involved in the CPPs on how to set up monitoring and reporting in a way which reflects the holistic programmatic approach and implements and documents the agreed approach in existing and future CPPs

- The CA secretariat considers how it can organize most effectively and efficiently to meet the needs for monitoring and follow-up of the CPP. The following solutions could be considered: Adding regional advisors who are devoted to one or several CPPs in their region, devoting staff members and travel budget to CPPs, and relying more on outsourcing through e.g. hiring consultants on a monitoring contract for CPPs. In respect to the latter option, it should be carefully considered whether the volume of the program is large enough to justify outsourcing, considering that the outsourcing in itself carries quite substantial transaction costs.

**Recommendation 5: Further enhance cooperation with members on knowledge & learning and advocacy & communications**

Since the adoption of the mid-term strategy, the CA took important steps in developing joint work programs for knowledge generation and learning between the secretariat and the members. Also, advocacy activities were stepped up. These two business lines represent areas where the members are generally also very active. This means that the CA should be very attentive about the role it is playing and about its added value to what members are already doing and the potentials for creating synergies.

The evaluation recommends that:

- The CA secretariat should take a more active role in linking members' knowledge resources and learning capabilities where there are obvious possibilities for achieving synergies and should inform and involve the members in on-going knowledge and advocacy activities
- The CA increases its focus on the learning and dissemination aspect in relation considering how it can reach target audiences using members' dissemination tools and channels and also reconsidering the design of its own web-site
- National associations of local governments, as central actors in respect to reaching out to secondary cities, are integrated in the knowledge and learning business line when the strategy for this business line is unfolded

**Recommendation 6: Make more information available to non-members to increase transparency and enhance communication**

The CA web-site currently consists of a closed section and an open section. Most of the information on CA is contained in the closed section for members only. This includes the charter, reports from meetings, evaluations, etc. This information is valuable for potential members and other parties interested in the CA and there seems to be no rationale for withholding it. A greater degree of openness would generally be supportive of the CA as an advocacy initiative. Most of documents in the closed section are organized according to CG or Exco

meeting. This does not help the user to easily retrieve specific documents or get an overview of a specific theme.

On the open section of CA's website, information on the CA current activities seems incomplete and in need of an update - in particular considering the adoption of the new charter and business plan.

The evaluation recommends that the main content from the websites closed section be made available to all and structured so that key information is easy to find, e.g. organized thematically according to the four business lines, with relevant sub-themes. The specific organization of the web-site should be considered in the light of the strategies for knowledge & learning and advocacy & communication.

**Recommendation 7: Put in place the necessary operational guidelines**

The CA has developed operational guidelines for the new catalytic fund, however, grants for the CPPs are still issued according to old guidelines because new ones have yet to be finalized. There is a need to establish the operational framework for the CA operations within the four business lines to make the shift from the previous modality to the new one complete. The evaluation recommends that the CA secretariat prioritize this task in the near future.

## Appendix A: Terms of Reference



*Providing an Independent Opinion on  
the Effectiveness of the Cities Alliance*

### **Terms of Reference for an Independent External Evaluation**

**March 22, 2011**

## A. Background

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

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

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

- The global urban transition and other global challenges, namely finance, food, energy and climate change;
- The increasing role of cities and local governments for broader development goals;
- The request to CA from members and partners to engage in a broad range of topics, and in policies and strategies at the local and the national level;
- The paradigm shift in international aid cooperation to more partnership-oriented forms of cooperation, with emphasis on ownership by partner countries and cities;
- The modified World Bank Policy on Trust Funds and Global Programmes, with its corresponding implications for the Cities Alliance, i.e. on substantive alignment and administrative mainstreaming;
- The changing architecture of international cooperation, with the rise of new actors such as foundations and other international NGOs, as well as the increasing importance of networks and city-to-city cooperation;
- The continuous changes in the membership of the CA, and in its governance structures as well as processes; and
- The increased recognition of urban development as a progressive transformation process, and of its support correspondingly based on a multi-level and multi-stakeholder approach.

The reform process of the Cities Alliance had been incremental over an extended period of time, with substantial modifications in approaches, structures and processes.

Significant milestones have been achieved:

- The Charter of 1999 was replaced by a new Charter, adopted by the Consultative Group (CG) of the CA in November 2010;
- The Medium-Term Strategy of the CA reflects a new business model, broadening the range of instruments of operation of the CA;
- The implementation of various new instruments has begun with different speeds and progress, but which nevertheless permit initial assessments; and
- Adaptation of Cities Alliance's work flows and procedures to World Bank requirements have been made.

Programmes receiving DGF funding by the World Bank of US\$300,000 or more over the life of the programme must undertake an external evaluation every three to five years that is independent of the programme's management. The DGF encourages programmes to follow the *IEG/DAC Sourcebook of Indicative Principles and Standards for Evaluating Global and Regional Partnership Programs* in terms of both process and substance. The governing bodies of the programmes should commission the evaluation, approve the evaluation terms of reference, select the evaluation team (ideally using competitive methods), comment upon the draft report and receive the final evaluation report—or establish an oversight subcommittee for these purposes. The World Bank typically provides feedback and comments on the draft terms of reference for upcoming evaluations.

## **B. Objectives of the evaluation**

Based on a consolidated and comprehensive view of the Cities Alliance with the above-mentioned modifications in structures and processes, and of the context in which the CA is operating, the evaluation will assess the overall relevance and effectiveness of the Cities Alliance and the extent it has achieved program objectives.

Recommendations shall provide guidance to the Cities Alliance, referring to its strategic orientation in terms of topics, approaches, instruments (i.e. country programmes, Catalytic Fund, knowledge and learning, communication and advocacy) and operating modalities, in order to further refine its on-going reform process.

The evaluation should elaborate in depth on the guiding questions presented below and generate corresponding findings and recommendations:

- On an aggregated level, what were the main outputs and outcomes of the CA in the past five years? How was the performance with respect to the agreed objectives? To what extent are the new Charter, the new business model, the modified governance structure and modified administrative processes expected to affect the intended outputs and outcomes of the partnership in the future?

- What are the relevant trends and conditions of international cooperation in urban development which shape the context for the Cities Alliance? Special attention should be given the role of traditional development agencies, as well as local governments, the civil society and the corporate sector.

The evaluation will refer to the substantive topics of urban development, but will focus mainly on the international policies and institutional arrangements. The trends mentioned above are intended to give initial guidance to the evaluation and are not meant to be limiting its scope.

- What are the most relevant changes in approaches, instruments, structures and processes of the Cities Alliance, and what are their consequences for the relevance, efficacy, efficiency, governance, and management of the Cities Alliance and the competency mix of the Secretariat staff? What were the main achievements and the main constraints of the Alliance in the past, and how will they be affected, positively or negatively, by these changes?

The analyses should consider formal as well as informal arrangements and processes, structural and procedural aspects, facts and generalised perceptions. Special attention should be given to the evolving new policies for Global Programmes and other organisational changes by the host of the Cities Alliance, the World Bank, which might affect the Cities Alliance, as well as the role of other key members, such as UN-Habitat and UCLG. The resulting synthesis should provide a comprehensive and consolidated view of the Cities Alliance with its strength and weaknesses in the global architecture of international cooperation in urban development. The comparative advantage of the CA and the possible duplication with other multilateral programmes should be specifically investigated.

- Placing the Cities Alliance in the changing organisational context of its host, the World Bank, the diverse Cities Alliance membership, and in the changing context of the international urban development cooperation, as analysed above, what is the relevant niche for now and within the foreseeable future for the Cities Alliance? What adjustments and refinements are suggested to the Cities Alliance to further increase its relevance, efficacy, and efficiency as a partnership for cities and local governments?

The findings and recommendations can cover a broad range of substantive, structural, procedural, instrumental or managerial issues. The recommendations should be prioritised, synthesised and presented in a way to give effective guidance to the Consultative Group (CG), Executive Committee (ExCo) and the Secretariat to successfully conclude the current reform process and to tackle the organisation's weaknesses.

## C. Evaluation Criteria and Guiding Questions

### Relevance

#### 1. Demand-side relevance: Alignment with beneficiary needs, priorities, and strategies

To what extent are the objectives and activities of the Cities Alliance consistent with the needs, priorities, and strategies of beneficiary cities and countries and global trends in urbanisation and urban development?

To what extent has the voice of developing and transition countries been expressed in the international consensus underlying the Cities Alliance?

#### 2. Supply-side relevance

What is the comparative advantage, value added, and core competency of the CA relative to other multi- and bilateral development programmes? What are the recommendations to the Cities Alliance to minimise duplications?

#### 3. Relevance of the design of the programme

To what extent are the strategies, including its results chain (“Approach to Change”) and the activities of the programme, primarily as expressed in the Medium-Term Strategy and the Work Plan, appropriate for achieving its objectives?

### Efficacy

#### 4. Achievement of objectives

To what extent have the stated objectives of the Alliance been achieved, or has satisfactory progress been made towards achieving these objectives?

#### 5. Progress of activities, outputs, and outcomes

On an aggregated level, what were the main outputs and outcomes of the CA in the past five years? To what extent are the new Charter, the new business model, the modified governance structure and modified administrative processes expected to affect the outputs and outcomes of the partnership in the future?

How did, and how should the Cities Alliance in the future, aggregate its outputs and outcomes at all levels—global, regional, national, and local—to provide an overall summary reports of its results and to address the risk of fragmentation?

## **Cost-effectiveness**

### **6. Cost-effectiveness**

Are the overhead costs of governing and managing the Cities Alliance reasonable and appropriate in relation to the objectives, activities and services? The analysis should take the current efforts of streamlining of processes into account.

For beneficiary countries, has receiving the development assistance through the CA caused additional or reduced transactions costs compared with traditional development assistance programmes? If so, how and why?

For CA members, has delivering the development assistance through the CA reduced costs by harmonising efforts among development partners or by reducing overlapping work (such as through joint supervision, monitoring and evaluation)? On the other hand, how do CA transaction costs compare to members' transaction costs?

## **Governance and management**

### **7. Compliance with generally accepted principles of good governance**

To what extent are the governance and management structures (Consultative Group, Executive Committee and Secretariat) and processes well articulated and working well to bring about legitimate and effective governance and management?

To what extent do governance and management practices comply with the principles of good governance, such as Legitimacy, Accountability, Responsibility, Fairness, Transparency, Efficiency, and Probity?

### **8. Programmes located in host organisations**

To what extent is the location of the CA Secretariat in the Bank affecting the prioritisation of activities, governance, management, or other aspects of the CA?

To what extent does the role of the Bank in the programme affect the incentives of other partners to participate effectively?

## **Resource mobilisation**

### **9. Resource mobilisation**

To what extent are the sources and conditions of funding for the Cities Alliance affecting, positively or negatively, its governance, management or sustainability?

## Sustainability

### 10. Prospects for continuation

In what areas could the CA improve in order to enhance its sustainability?

What should be considered to sustain the CA's results more cost-effectively, in light of the findings of previous evaluations?

### D. Scope of Work

The consultant activities should include, but not be limited to:

- Analysis of the medium- and long-term trends in international urban development cooperation, through literature review, media analysis, interviews or other.
- Review of the CG and ExCo deliberations 2008-2010, especially on the MTS, the Charters of 1999 and 2010, business model and work programme, including the “working group on governance”.
- Review of previous evaluations of the CA, including the 2002 and 2006 independent evaluations, the 2007 Global Program Review of the Cities Alliance by the Bank's Independent Evaluation Group, and the “Evaluation of the project implementation modalities of the Cities Alliance”, conducted on behalf of the CA by GHK international in 2010. Review of final project evaluations available in the Secretariat, including reports on field evaluations.
- Capture of the motivations for and the perceptions of the changes in the Cities Alliance from different constituencies, namely the CA members (including organisations that left the Alliance recently); past, present and potential partner cities and national governments; and the CA secretariat. Emphasis will be given to capture the policies, motivations and perceptions of the World Bank, (i.e. the urban sector board; SDN management; DGF/partnerships unit; IEG), UN-Habitat, UCLG and the other members of the ExCo.
- The analysis should be based on desk studies and interviews (i.e. of all current and past CA members, including Japan, Canada and ADB; project partners such as local or national government; task managers; sponsors and other stakeholders; and CA secretariat staff). Such interviews may include telephone, e-mail, video conference communications and personal interviews.
- Field visits may be undertaken, but are not deemed essential.

The consultants will be requested to present the basic methodology in their proposals for the selection process. The quality of the methodology will be object of a significant part of the selection criteria. After selecting the consultancy, the methodology will be further developed by the consultant and presented in an Inception Report. The Inception Report shall be in English and

submitted to ExCo for approval. Upon approval of the inception report by ExCo, the consultant will proceed with the evaluation.

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

The consultant will present and discuss the recommendations with the Cities Alliance Consultative Group, Executive Committee (EXCO) and the CA secretariat in Washington or other locations.

#### **E. Indicative time schedule**

June 6, 2011	Targeted start of contract
July 11-12, 2011	Inception report from selected consultancy, including the detailed work plan, to be reviewed by ExCo
September 2011	Discussion with ExCo about trends and conditions of international cooperation
October 2011	Draft final report from the consultancy submitted to ExCo, and, upon decision by ExCo, to CG
November/December 2011	Final report to CG; consultancy presents findings and recommendations

#### **F. Contributions from CA members and from project partners**

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

#### **G. Obligations of the CA Secretariat**

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

#### **H. Obligations of the consultant**

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

## **Appendix B: Judgement criteria and data sources**

The tables below show how we have answered each of the evaluation questions of the Terms of Reference (TOR), which are organized according to the evaluation criteria: Relevance, efficacy, cost effectiveness, governance and management, resource mobilisation and sustainability. In other words, the tables include - as direct quotations – all the questions from the TOR (see the table's first column).

## 1 Relevance

Evaluation questions from TOR	Judgement criteria	Data sources
<p><b>Demand-side relevance</b></p> <p>To what extent are the objectives and activities of the Cities Alliance consistent with the needs, priorities, and strategies of beneficiary cities and countries and global trends in urbanisation and urban development?</p>	<p>CA objectives and activities (new charter, three pillars of intervention as well as new business lines) are consistent with needs in beneficiary cities and countries.</p> <p>Urban slums are considered a problem in developing countries</p> <p>City Development Strategies (CDS) are considered necessary/potentially beneficial by cities in developing countries</p> <p>Slum upgrading as advocated by CA is considered (potentially) suitable by cities in developing countries</p>	<p>Interviews with all CA members and selected project partners.</p> <p>Interviews with selected national city associations</p> <p>Interviews with other institutional actors in urban international development</p> <p>Previous evaluations of the CA.</p> <p>Literature review.</p>
<p>To what extent has the voice of developing and transition countries been expressed in the international consensus underlying the Cities Alliance?</p>	<p>Developing and transition countries have influenced Consultative Group (CG) and Executive Committee (ExCo) as well as the reform process</p> <p>CA members consider the voice of developing and transition countries is sufficiently represented.</p>	<p>Analysis of CG and ExCo deliberations</p> <p>Interviews with all CA members</p>
<p><b>Supply-side relevance</b></p> <p>What is the comparative advantage, value added, and core competency of the CA relative to other multi- and bilateral development programmes? What are the recommendations to the Cities Alliance to minimise duplications?</p>	<p>A high degree of coherence and complementarity exists between CA objectives and activities and objectives/activities of multilateral and bilateral actors</p> <p>Stakeholders find that activities of the CA work well together with, and do not duplicate, efforts of other donors/members.</p>	<p>Interviews with all CA members (including past members) and selected project partners.</p> <p>Interviews with selected national city associations.</p> <p>Interviews with other institutional actors in urban international development</p> <p>Previous evaluations of the CA.</p>
<p><b>Relevance of the design of the programme</b></p> <p>To what extent are the strategies and the activities of the programme, primarily as they are now expressed in the <i>new Business Model and the Business Plan</i> (rev TOR), appropriate for achieving its objectives?</p>	<p>A high degree of consistency in the "change logic" of the CA - the internal logic linking overall objectives with activities on the ground and the underlying assumptions</p>	<p>Interviews with all CA members and selected project partners.</p> <p>Desk study of Charter, Business Model and Business Plan</p>

## 2 Efficacy

Evaluation questions from TOR	Judgement criteria	Data sources
<p><b>Achievement of objectives</b></p> <p>To what extent have the stated objectives of the Alliance been achieved, or has satisfactory progress been made towards achieving these objectives?</p>	<p>Results fulfil the targets set for the CA as a whole</p> <p>CA contributes to creating synergies and leveraging of resources CA contributes to harmonisation of efforts</p> <p>CA members consider progress to be satisfactory</p>	<p>Previous evaluations of the CA (systematic review of reported results)</p> <p>Review and analysis of a sample of ten CA project completion reports</p> <p>Interviews with a sample of sponsoring CA members and some project partners.</p> <p>Review of all field evaluation reports from 2007-2011</p>
<p><b>Progress of activities, outputs, and outcomes</b></p> <p>On an aggregated level, what were the main outputs and outcomes of the CA in the past five years?</p>	<p>Aggregated results which can be attributed to CA activities. Results of each of the three pillars of intervention + advocacy + knowledge sharing.</p>	<p>Review of results as summarised in CA reports (e.g. annual reports)</p>
<p>To what extent are the new Charter, the new business model, the modified governance structure and modified administrative processes expected to affect the outputs and outcomes of the partnership in the future?</p> <p>How did, and how should the Cities Alliance in the future, aggregate its outputs and outcomes at all levels—global, regional, national, and local—to provide an overall summary reports of its results and to address the risk of fragmentation?</p>	<p>Perception of changes in the CA and expectations for the future of CA members, partner cities/governments and the Secretariat.</p> <p>Usefulness of M&amp;E system and indicators for aggregating results</p> <p>Communicative value of previous reports</p>	<p>Interviews with all CA members and the CA Secretariat.</p> <p>Assessment of previous efforts to establish an M&amp;E system</p> <p>Previous evaluations of the CA</p>

### 3 Cost-effectiveness

Evaluation questions from TOR	Judgement criteria	Data sources
<p><b>Cost-effectiveness</b></p> <p>Are the overhead costs of governing and managing the Cities Alliance reasonable and appropriate in relation to the objectives, activities and services? The analysis should take the current efforts of streamlining of processes into account.</p>	<p>Overhead costs stable or decreasing compared to previous years or increase can be explained by additional tasks</p> <p>Overhead costs similar to or lower than other similar partnerships/funding mechanisms</p> <p>Overhead costs considered reasonable by CA members</p> <p>CA SEC consider that possibilities for lowering costs have been captured</p>	<p>Comparison of annual administrative overhead costs (administration cost in % of grant budget) to overhead costs in previous years and overhead costs in the WB and in other global partnership programmes</p> <p>Interviews with all CA members and the CA Secretariat.</p>
<p>For beneficiary countries, has receiving the development assistance through the CA caused additional or reduced transactions costs compared with traditional development assistance programmes? If so, how and why?</p> <p>For CA members, has delivering the development assistance through the CA reduced costs by harmonising efforts among development partners or by reducing overlapping work (such as through joint supervision, monitoring and evaluation)? On the other hand, how do CA transaction costs compare to members' transaction costs?</p>	<p>CA members' and project partners' consider level of transaction costs and degree to which these have been reduced through harmonisation of efforts/reduction of overlapping work to be satisfactory</p>	<p>Interviews with a sample of sponsoring CA members and some project partners Interviews with all CA members.</p> <p>Previous evaluations of the CA</p>

## 4 Governance and management

Evaluation questions from TOR	Judgement criteria	Data sources
<p><b>Compliance with generally accepted principles of good governance</b></p> <p>To what extent are the governance and management structures (Consultative Group, Executive Committee and Secretariat) and processes well articulated and working well to bring about legitimate and effective governance and management?</p> <p>To what extent do governance and management practices comply with the principles of good governance, such as Legitimacy, Accountability, Responsibility, Fairness, Transparency, Efficiency, and Probity?</p>	<p>Governance and management structures permit and facilitate the effective participation and voice of the different categories of stakeholders in the major governance and management decisions, taking into account their respective roles and relative importance.</p> <p>Roles and responsibilities are clear</p> <p>Acceptance and exercising of social responsibility</p> <p>Equal opportunities for partners and participants</p> <p>Decision-making, reporting and evaluation processes open and freely available</p> <p>Efficiency in use of resources and possible trade-offs with legitimacy</p> <p>High standards of ethics</p> <p>Governance is effective in comparison to other similar international programmes</p>	<p>Review of previous and present charter</p> <p>Review of previous evaluations.</p> <p>Review of CG and ExCo deliberations</p> <p>Review of procedures for evaluating project proposals</p> <p>Review of annual reports</p> <p>Interviews with all CA members and the CA Secretariat</p>
<p><b>Programmes located in host organisations</b></p> <p>To what extent is the location of the CA Secretariat in the Bank affecting the prioritisation of activities, governance, management, or other aspects of the CA?</p> <p>To what extent does the role of the Bank in the programme affect the incentives of other partners to participate effectively?</p>	<p>The location of the CA in the Bank affects positively on activities through synergy, etc.</p> <p>The location of the CA in the Bank does not compromise performance, transparency, or fairness</p>	<p>Interviews with all CA members and the CA Secretariat.</p> <p>Review of minutes and reports from CG and ExCo meetings</p> <p>Annual data on the time it takes to process an application through the funding cycle in accordance with the established (WB) procedures</p>

## 5 Resource mobilisation

Evaluation questions from TOR	Judgement criteria	Data sources
To what extent are the sources and conditions of funding for the Cities Alliance affecting, positively or negatively, its governance, management or sustainability?	<p>The link between governance and financing is suitable and does not prevent potential stakeholders from participating</p> <p>The CG is exercising its role in an appropriate manner providing guidance, setting rules and staying open to new possibilities</p> <p>Financial reporting and auditing are satisfactory to all contributors</p> <p>There is a reasonable trade-off between the disadvantages associated with tied funding (constraints to prioritization) and the benefits achieved.</p>	<p>Interviews with all CA members (including previous ones)</p> <p>Data on level of annual contribution</p>

## 6 Sustainability

Evaluation questions from TOR	Judgement criteria	Data sources
<p>Prospects for continuation</p> <p>In what areas could the CA improve in order to enhance its sustainability?</p> <p>What should be considered to sustain the CA's results more cost-effectively, in light of the findings of previous evaluations?</p>	<p>The range and depth of political commitment, support and financing for the CA and its objectives are sustainable.</p> <p>Continuing demand for the CA - in the light of the new charter and the new business model.</p> <p>The CA has a unique role and comparative advantage in urban development architecture, which is likely to continue in the future given the new charter/business model</p> <p>Identification of areas for improvement based on analysis of relevance, efficacy, governance and management (see above), in particular legitimacy.</p> <p>Identification of areas for improvement based on analysis of cost-effectiveness and comparison with previous evaluations</p>	<p>New charter/business model</p> <p>Interviews with all CA members</p> <p>Number of project applications processed / approved</p> <p>Previous evaluations</p>

## Appendix C: List of documents reviewed

- CA strategic documents:
  - Current and previous charter
  - Mid-term strategy 2008-2010
  - Review of the mid-term strategy, 2010
  - Business plan (draft and final versions from 2011)
- All CA annual reports
- ECON Analysis and Centre for Local Government, UTS, The Impacts of City Development Strategies, 2007
- Working Group on Governance and Structures of Cities Alliance, Report on Recommendations to the ExCo on Specific Governance and Structural Issues of the CA, July 2009
- CA Country Partnership Programme Progress Report
- CG and ExCo (steering committee) reports and documentation
- Previous evaluations of the CA
  - DPU, Independent Evaluation of the Cities Alliance, November 2002
  - Nasser Munjee, Development Grant Facility, 2005
  - Universalialia, Independent Evaluation of the Cities Alliance, October 2006
  - IEG World Bank, Global Programme Review Cities Alliance, June 2007
  - Evaluation of the Cities Alliance, Scanteam, October 2007
  - IEG World Bank, An Independent Assessment of the WB's Involvement in Global and Regional partnership programmes, 2010
  - GHK, Evaluation of Project Implementation Modalities of the Cities Alliance, March 2011
  - IEG World Bank, An Evaluation of the WB's Trust Fund Portfolio, 2011

- "Transforming Settlements of the Urban Poor Uganda, a secondary cities support programme (TSUPU)", Programme document, 2010
- TSUPU progress reports
- Ghana Land, Service and Citizenship for the Urban Poor, draft in-country support programme, August 2010
- Spreadsheet with key information about projects FY2005-2011.
- All field evaluation reports from the period from 2007 to 2011 (seven evaluation reports and three rapid desk review reports).
- 12 project completion reports
  - Ghana Municipal Finance and Management Initiative (p98387)
  - Municipal Finance / UCLG Committee on Local Finance and Development (p96739)
  - Formulation of Bhutan National Urbanisation Strategy, Thimphu City Development Strategy and Thimphu State of the Environment (p96685)
  - Guatemala Program for Slum Upgrading Through Financing from the private banking sector - phase 1 (p98170)
  - Chuvasia Regional Development Strategy - Financial Assessment and Investment Review (p98178)
  - Colombia: Housing and Land for the Urban Poor (p94822)
  - Alexandria City Development Strategy for Sustainable Development - Phase II (p99290)
  - Kigali Financial Modernization and Development Strategy (p100699)
  - Mongolia, Citywide Pro-poor "Ger-area Upgrading Strategy and Investment Plan" (GUSIP) for Ulaanbaatar (p98471)
  - Preparation of a proposal for city development strategies and state of the cities report programme for Kenyan urban local authorities (p106503)
  - DCS and C (w/o Support to Pacific Island Countries to Strengthen Implementation of the Pacific Urban Agenda under the Pacific Plan (p116677)
  - Preparation grant for an upgrading strategy of informal settlements in Rief Damascus (p116508)
- CA Communication Strategy, slide show, 2005
- WEB-sites
  - CA web-site
  - CA members web-sites
  - Previous members of the CAs web-sites
- Other documents:

- IEG Sourcebook for evaluation of global and regional partnership programmes, indicative principles and standards. IEG-World Bank, 2007
- UN-HABITAT: Global Report on Human Settlements 2009
- The World Bank in Vietnam: Urban Development Strategy, 2006
- Urban Development & Local Government Program (WB brochure)
- The International Bank for Reconstruction and Development/The World Bank, Private Sector Initiatives in Slum Upgrading, 2009

## Appendix D: List of persons interviewed

Institution	Person
<b>CA secretariat</b>	William Cobbett, Manager
	Kevin Millroy
	Gunter Meinert
	Phyllis Kibui
	Madhavan Balachandran
	Oksana Mushtatenko
	Erika Puspa
	Rodolfo Gaspar
	Juliet Bunch
	Rene Hohmann
	Federico Silva
	Chii Akporji
	Andrea Zeman
Susanna Henderson	
<b>Members of the CA</b>	
United Cities and Local Governments (UCLG)	Emilia Saiz
AusAID (Australia)	Craig Gilbert
Ministerio de Vivienda y Urbanismo (MINVU) (Chile)	David Silva Johnson
Ministério Das Cidades (Brazil)	Ines Magalhaes
CAIXA Econômica Federal (Brazil)	Jorge Hereda
Ministry of Foreign and European Affairs (France)	Emilie Maehara
Agence Française de Développement (AfD)	Samuel Lefevre

Federal Ministry for Economic Cooperation and Development (BMZ) (Germany)	Franz Marré
Ministry of Foreign Affairs (Italy)	Alessandro Gaudiano
Utenriksdepartement (Norway)	Erik Berg
Housing and Urban Development Coordinating Council (HUDCC) (Philippines)	Celia Alba
League of Cities of the Philippines (LCP) (Philippines)	Jeremy Philippe Nishimori
National Department of Human Settlements (South Africa)	Neville Chainee
SIDA (Sweden)	Mikael Atterhog
DFID (UK)	Stephen Young
USAID (USA)	Jessica E Rosen & Nancy Leahy
DG DEV (EU)	Christophe Fleureau-Dauloudet
Habitat for Humanity International	Steve Weir
Slum Dwellers International (SDI)	Joel Bolnick
UN-Habitat	Alioune Badiane
UNEP	Soraya Smaoun
The World Bank	
	Judy Baker
	Andre Hezog
	Rumana Huque
	John Morton
	Madhu Raghunath,
	Bernice K Van Bronkhorst,

	Junaid Ahmad
<b>Past Members</b>	
ADB	Michael Lindfield
Canada	Jeea Saraswati & Wassala Nimaga
Ministry of Land, Infrastructure & Transport (Japan)	Etsuo Okuda
Ministerie van Buitenlandse Zaken (Netherlands)	Frits van der Wal
<b>Associations of Cities</b>	
Mongolian Association of Urban Centres,	Mr. Tserendulam
National Association of Local Authorities in Ghana (NALAG)	Mr. Baffour,
<b>Cities</b>	
Nairobi	John Ntoiti
<b>Other stakeholders</b>	
Bill and Melinda Gates Foundation	Melani Walker
East Asia Regional Organisation of Planning and Housing	Khairiah binti Talha
International Institute for Environment and Development (IIED)	Diana Mitlin & Gordon McGranahan
Inter American Development Bank (IDB)	Jose Brakarz
African Development Bank (AfDB)	Thomas Roberts

## Appendix E: Interview guide

	Question	Rating
1	<p>What is your view on the CA seen in relation to other development programmes and partners?</p> <ul style="list-style-type: none"> <li>- key strengths / value added</li> <li>- any overlaps?</li> </ul>	Rate level of "strategic fit" of the CA from 1-5 where 1 is low and 5 is high
2	<p>Do you find that delivering development assistance through the CA harmonises efforts of the development partners?</p> <ul style="list-style-type: none"> <li>- if yes, does this contribute to reducing costs?</li> <li>- are there any particular effects of the CA being located within the WB?</li> </ul>	
3	<p>Are CA activities consistent with needs of beneficiary countries/cities?</p> <ul style="list-style-type: none"> <li>- Any differences in level of consistency between CDS and SU?</li> </ul>	<p>Rate level of consistency from 1-5 where 1 is low and 5 is high -</p> <ul style="list-style-type: none"> <li>- Rate CDS</li> <li>- Rate SU</li> </ul>
4	<p>Are the resources available to the CA commensurate to the needs and absorption capacity in beneficiary countries/cities?</p> <ul style="list-style-type: none"> <li>- is the level of tied funding appropriate</li> </ul>	Rate: Too much, too little, adequate
5	Is the membership fee level reasonable?	Rate: too low, yes, too high
6	What was the main rationale for your organisation to become a member of the CA and what will be decisive for you to continue the membership?	

	Question	Rating
7	<p>Are the activities defined in the new charter the relevant ones to meet CA objectives?</p> <ul style="list-style-type: none"> <li>- country partnership programmes</li> <li>- catalytic projects</li> <li>- knowledge activities</li> <li>- communication support and advocacy</li> </ul>	<p>Rate level of relevance of activities in new charter from 1-5 where 1 is low and 5 is high</p> <ul style="list-style-type: none"> <li>- rate country programmes</li> <li>- rate catalytic projects</li> <li>- rate knowledge activities</li> <li>- rate comm and advocacy</li> </ul>
8	<p>How do you expect the results of the reform process to affect the performance of the CA?</p> <ul style="list-style-type: none"> <li>- Which elements of the reform process are important in this respect (new charter, new business model, modified governance structure, modified administrative processes)</li> </ul>	<p>(Rate your expectation to change in performance from 1-5 where 1 is worse and 5 is better.)</p>
9	<p>Are the roles and responsibilities of the different CA bodies clear (ExCo, C.G., PAF and Secretariat)?</p> <p>If scored 3 or below: what are the main problems?</p> <p>Who is/should be the main driver in the development of the CA: The secretariat, the ExCO or the Consultative group?</p>	<p>Rate clarity from 1 to 5 where 1 is unclear and 5 is clear.</p>
10	<p>Do you have sufficient possibility to influence major CA decisions?</p> <p>If scored 3 or below: what are the main problems?</p>	<p>Rate level of satisfaction from 1-5 where 1 is low and 5 is high</p>
11	<p>Are the right stakeholders represented in the CA? If no, what should be changed?</p>	

	Question	Rating
12	<p>What is your view on the general performance of the CA?</p> <ul style="list-style-type: none"> <li>- delivering results on the ground, including leveraging other financial resources and scaling up results</li> <li>- advocacy and networking</li> <li>- monitoring and evaluation</li> <li>- communication of results</li> <li>- financial reporting and auditing</li> </ul> <p>Where the scored is 3 or below: what are the main problems?</p>	<p>Rate from 1- 5 where 1 is poor and 5 is good</p> <ul style="list-style-type: none"> <li>- rate results</li> <li>- rate advocacy/networking</li> <li>- rate M&amp;E</li> <li>- rate communication</li> <li>- rate FRA</li> </ul>
13	<p>Does the CA in your view operate in an efficient manner? (why? what could be done to improve?)</p> <ul style="list-style-type: none"> <li>- is the level of overhead costs reasonable?</li> </ul>	<p>Rate efficiency from 1-5 where 1 is low and 5 is high</p>

