Cities Alliance
Cities Without Slums

Joint Work Programme – Activity Implementation Plan

DATE: 24 March 2011

1. **NAME OF ACTIVITY:** <u>Supporting Africa's Urban Transition</u>

2. **JOINT IMPLEMENTATION PARTNERS:**

The proposed work program is to be implemented by AFTUW, in coordination with Cities Alliance, and on a demand driven basis with other global programs based at the World Bank, such as the Global Facility for Disaster Risk Reduction (GFDRR), Water and Sanitation Program (WSP), and PPIAF, and with CA members and other development partners..

3. **RECIPIENT ORGANISATION: –** *World Bank, Africa Region, Urban & Water Division (AFTUW):*

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4. **TYPE OF ACTIVITY** (check all that apply)

	Primary	Secondary
Knowledge Generation (research, analysis)	X	
Knowledge Product Creation (Production)	X	
Knowledge Dissemination	X	
Communications and Advocacy	X	

5. **THEMATIC FOCUS:**

	Primary	Secondary
Strategic City Development / CDS	X	
Slum Upgrading and the urban poor	X	
Data / Urban Indicators		
Environment / Climate Change	X	
Employment / Local Economic Development	X	
Finance	X	
Other (Describe): *	X	
Other (Describe):	x	

*Other: Supporting institutional reform in urban service delivery
Other: Secondary cities as an integral part of a systems of cities approach

6. Geographic scope of activity *(specify)*:

Country: The choice of countries will be demand driven. However, we expect to focus on a mix representing middle income, fragile and conflict, and IDA countries representing federal and unitary characteristics across Francophone,

Lusophone, and Anglophone clusters. Policy makers in the following countries are already in discussion with AFTUW to expand or start an urban program: Mauritania, Mali, Burkina Faso, Benin, South Africa, Tanzania, Uganda, Kenya, Ethiopia, Angola, Mozambique, Cameroon, Ghana, Nigeria, and Sierra Leone. Except for Angola, this list of countries corresponds well with the current CA portfolio in Sub- Saharan Africa and enables the synergies of multiple CA grants in places such as South Africa, Tanzania, Uganda, Mozambique and Ghana to be leveraged and transformed into investment programs resulting in measurable impact. The World Bank program would start with a small portfolio of countries including those where the CA has already launched country programs, and would incrementally and strategically build up over time.There will be constant feedback on progress to the CA, through the secretariat, as well as to EXCO and the CG.

The timing of this Joint Work Program is also very appropriate, as it allows the World Bank – and other members – to immediately capitalize on the new business model of the Cities Alliance, and the strategic focus outlined in the Charter adopted in November 2010 in Mexico City. This Joint Work program will also form an important component of the overall Cities Alliance Work Program for Africa, which will also comprise similar Joint Work Programs with other/multiple CA members, and their partners.

Regional: Sub-Saharan Africa (SSA) and network of cities in the continent.

Global / Multi-regional: Exchanges between network of Cities in SSA and other Regions (primary LAC and EAP)

7.   TARGET AUDIENCE(S):

	Primary	Secondary
Developing country national government(s)	X	
Developing country sub-national government(s)	X	
Developing country civil society or public	X	
OECD country government(s)		
OECD country civil society or public		
Other (Describe):	X	
Other (Describe):	x	

*Other: Regional associations of cities (UCLGA) and national associations of local governments in Africa
Other: CA members and other supporting agencies such as donors and foundations.

8. Expected duration: 3 Year program; this application is for the first year – January 2011-January 2012

BUDGET ESTIMATE SUMMARY:

9. Budget to be provided from Cities Alliance funding: US Dollars $1,000,000
        (Additional $1,000,000 requests for the program are planned for 2012 and 2013.)

The total funding requested in FY 11 is: US$920,000.

10. Co-financing amount of total budget, including local partners: US Dollars $7,000,000 counterpart funding from AFTUW (including US$1,300,000 in FY11).

11. Total activity budget cost: US Dollars $8,000,000

ACTIVITY DESCRIPTION:

12. Activity Objective:

In the context of Africa's historic urban transition, the objectives of the proposed program are to (i) catalyze and strengthen the focus on urban development and city management in particular in *national* policy making across countries in Sub-Saharan Africa (SSA); (ii) support countries in SSA to develop and implement policies and investments that will ensure a successful *transition* towards an urban system of economic and political governance; and (iii) capture and strengthen synergies between African governments and their local and international development partners to improve the quality of urban development cooperation and urban operations.

The proposed program is part of a broader action plan of the Cities Alliance and its members for scaling up support for the urban sector in SSA, as endorsed at the November 2010 meeting of the CA Consultative Group. As a member of the CA, the AFTUW program would leverage CA Secretariat to engage with CA members ensuring that CA members/partners are included in the knowledge and information exchange, and that members active in priority and other countries both inform and are informed by the process. As part of this process the proposed program will actively link to an annual knowledge event organized by the CA to ensure that CA members and partners are meaningfully engaged in the emerging policy discussions.

The action plan recognizes that SSA is urbanizing at a very fast pace and the traditional approach of supporting urban activities on a project basis needs to be replaced with a far more economy and sector wide approach and builds upon the CA funded - Enhancing Urban Development in National Policy Dialogues, which was undertaken by the Urban Anchor, through the regions, promoting the importance of urban within the Poverty Reduction Strategy (PRS) process of several SSA countries (eg, Kenya, Mozambique and Tanzania)..

The proposal therefore adopts a *programmatic* approach to support urban development in SSA. It does not propose to fund specific projects or studies but a series of activities that will strategically support countries adopt an *economy* and *sector-wide* approach to urban development in Sub-Saharan Africa. The activities and the focus countries will emerge on the basis of *direct demand* from clients. In the process, the proposal seeks to leverage the major urban programs of the World Bank and other Cities Alliance members targeted for SSA, and make a major contribution to the decision of the Consultative Group to improve the CA's focus on and impact in sub-Saharan Africa..

Background – SSA: An Urban Continent in the Making

Africa is urbanizing. With the fastest urbanization rate in the world –at approximately 4.5 percent per annum – the demographic, economic, social and governance face of Africa is changing.

Demographic transition: Over the next twenty to twenty-five years, Africa's urban areas are expected to see an *extra* 300-400 million residents, bringing the total number of urban residents to about 600 million plus – implying close to a doubling or more of the urban population. Importantly, during this period, the urban population will become the majority as it is already in the case of some African countries such as Gabon (85% urbanized), South Africa (60%), and Angola (55%+).

Economic Transition: Even before the completion of the demographic transition, Africa has already advanced its urban-based economic transition. Today, the urban sector, where industry and services are concentrated, represents over 50% of the continent's economic base and accounts for over 70% of GDP growth. What is striking is that the economic contribution of the urban sector to the national economy is already at play even before countries such as Uganda, Ghana and others have completed their trajectory to middle income status. In addition, the emergence of urban centers is changing the nature of the linkages between cities *across* different countries and in the process is creating new *regional* economic corridors. Social Transition: While urbanization is correlated with economic growth – as Jane Jacobs said, cities create the middle class -- it is also correlated with the concentration of poverty in urban centers. Cities house a large and increasing proprtion of **Africa's poverty**: it is estimated that 40 percent of urban residents are poor using a $1/day poverty line; and 70 percent are poor using a $2/day line. Those living in informal settlements account for an estimated 72 percent of the urban population – an estimated 200 million people. Indeed, Africa's cities and towns have already started confronting poverty, inequality and other social issues of national import.

Governance Transition: Urbanization also brings with it a demand for changes in the governance of the public sector and accountability of service delivery. As cities and towns grow in terms of their demographic, economic and social importance, policy makers will need to rethink systems of *local* governance and how to make urban *local governments* and their municipal system of service delivery accountable to citizens and beneficiaries.

In this overall context of *urban-led transitions*, cities and towns in Africa have now become central in the continent's efforts to fight poverty, sustain economic growth, and transform its governance. There is therefore an urgent need to support the ability of Africa's urban centers to address the challenges of urbanization as it happens rather than act after the event. This proposal seeks to do so by adopting a programmatic approach to the Bank's support for urban development in SSA.

Since its inception the CA has supported South Africa through multiple grants to develop policies to enable its cities to manage the post Apartheid transition. After 15 years of Post-apartheid planning the country is mobilizing its

partners to gear up service delivery through efficient and effective empowerment of cities. The recognition that South Africa gives to the importance of the urban space in national economic development and the mandate of local governments in managing this space provides an important opportunity to help develop efficient systems for effective service delivery and social accountability. As the strongest regional economy facing many of the issues that are also confronting SSA as a whole, and as a long term member of the CA, the policy influence of South Africa must be harnessed in the form of South-South exchange in the interests of the greater region. Working closely with the CA this work programme will endeavour to maximize the lessons and experience from South Africa to the benefit of the region as a whole. The Cities Alliance already has a good track record in this approach, both globally – with successful learning from Brazil and the Philippines, and locally, with the ongoing replication of both the concept of city networks (South African Cities Network; Tanzania Cities Network; Ethiopia Cities Network), as well as the State of Cities reports throughout many countries in the region (Ghana, Botswana, Mozambique) and globally (Brazil, India) .

13. Activity Summary:

Designed with a three year focus -- including about US$1 Million per year from the CA – the program will emphasize the following main components in its first year:

A. **Policy Analysis & Advocacy** – (i) Raise the profile and importance of urbanization and city/urban development issues among national policy-makers in the region (ii) catalyze an active policy dialogue between urban-municipal and national policy leaders on urban policy and financing and (iii) provide targeted analytic and advisory assistance on specific urban issues at both the national and municipal level.

B. **Capacity Building / Peer-Peer Learning –** (i) Facilitating peer-peer learning for national and municipal leaders and other client stakeholders on strategic, policy and other matters; (ii) Develop and design different approaches to capacity building for urban local governments; (iii) Harmonizing & integrating training and other capacity building activities of World Bank Institute and other Bank units and CA member organizations, focused around on-going policy and investment programs of IDA and other development partners**;**

C. **Targeted Operational Assistance** – Support the development, design, financing and implementation of national and city level policy and investment programs to support SSA's transition to an urban economic and political system.

Each of these components will be implemented in direct support of the following seven key pillars.

1. Urbanization and decentralization: Strengthening the intergovernmental regulatory and fiscal systems The rapid pace of urbanization in SSA and the increased pressure on existing services and infrastructure requires us to radically shift strategy in the urban sector, moving away from the classic *project* approach to a *sector* approach and placing urban in the context of the *national* economy. Experience suggests that this approach is perhaps best implemented by strengthening the inter-governmental system which links cities to the *national* fiscal and regulatory system and investing significantly in the capacity of cities to deliver services and economic growth as *local governments.* In this framework, the policies that shape urbanization and decentralization are intrinsically linked.

The Bank's Urban Unit (AFTUW) is working with national governments in many African countries (Tanzania, Ethiopia, South Africa, Mozambique, Uganda, Ghana, and Mali) to help them analyze the pace and impact of urbanization and the policy and fiscal impacts of decentralization. These analyses, some of them made possible thanks to Cities Alliance, have led to better and more strategic investments in urban infrastructure, and to policy reforms that ensure that these investments are sustainable and responsive to actual needs on the ground. **In this context, strengthening the capacity of cities and towns as local governments to manage urban development and provision of urban services in a sustainable manner is at the core of the Bank's interventions in SSA**. The recent urban operations financed in **Ethiopia, Tanzania, Mozambique, and Uganda** are good examples of focus on urban centers in an intergovernmental context, which will be supported under the proposed programs. Similarly, in Western African countries such as **Burkina Faso, Mauritania and Senegal** are on the threshold of a historic development opportunity in the urban sector and are also countries for which decentralization is a top Governmental priority. These three countries, which will be among the focus countries of the proposed activities, have already set up intergovernmental fiscal transfer systems and future urban funded operations will build upon these national systems to directly strengthen cities and towns.

2. Urbanization and Climate Change: With the advent of COP17 in Johannseburg in 2011, the issue of climate change and cities will figure prominently in the policy discussion in Africa this year. While the discussion will focus on both mitigation and adaptation, from a global perspective, relative to Latin America and Asia, for example, Africa will most probably focus on *adaptation* and *climate resilience* for its urban communities. This latter focus is particularly

prominent for coastal cities in Africa which are increasingly accounting for a major portion of national and regional economies (e.g. the port of Dar es Salam, and the West African Metropolitan Corridor between Lagos and Abidjan)

Cities and towns face increasing risks from water scarcity and floods, and in coastal areas, from sea level rise. For example, 40 percent of new rural immigrants entering Dakar, Senegal crowd into zones with relatively high flood potential.
Many of the largest cities in SSA are directly subjected to the impacts of a rising sea levels. The cost of the year 2000 floods in Mozambique was an estimated US$ 550 million, lowering the country's GDP by 1.5%. Climate variability is expected to especially affect coastal areas in countries such as Benin (recently impacted by floods and where it is estimated that about 5% of Benin's GDP would be impacted by a 1 m SLR), Côte d'Ivoire, Gambia, Guinea-Bissau, Mauritania, Liberia, Senegal, Guinea, Mozambique, Nigeria, and Togo (also recently impacted by floods). Disaster risk reduction faces major challenges including the lack of effective institutionalization and integration of measures in national and urban development plans; inadequate information management and communication systems, limited citizen involvement; and lack of mainstreaming hazard risk management into land use planning.

Increasingly, as states confront natural disasters, mayors and urban communities are in the frontline as the first responders in any emergency. Activities proposed to be funded under the proposed approach will contribute directly to strengthen the decentralization process, enabling local governments to better deal with the impact of climate variability. As an example, in Mozambique the activities from this proposed program will contribute to the design of a climate resilience approach for a proposed US$85 Million urban project under preparation which aims at reducing risks and vulnerabilities for coastal cities.

3. Promoting City and Utility Networks across SSA Region as an important tool for catalyzing change. More than nation states, cities and towns have a natural propensity to exchange and share experiences. Essentially urbanization is strengthening this dialogue between 'local states' rather than 'nation states'; so a core strength of this proposal is to build on the foundations of this *existing* global exchange. What this means in practice is that learning and reforms are most likely to occur via peer-to-peer learning. Frankly, the traditional plethora of written reports and international conferences on urban issues is not being translated into real change at the speed, or the level, demanded by the world's urban problems. There is an urgent need for knowledge sharing that is more flexible, more responsive, and knowledge which is *co-created* through collaborative work and peer-to-peer exchanges. Interestingly, for cities and municipalities **peer groups are formed according to common policy challenges, thus moving beyond a paradigm of grouping according to just income levels: for example, coastal cities discussing the challenges of environmental adaptation, or post-conflict cities discussing the urbanization of IDPs.** Experience suggests that this method of peer-to-peer learning has generated solutions better than the sum of their parts.

The Bank is increasingly leveraging networks of cities and urban utilities (especially water) to support policy reforms and to provide capacity support across the Region. As an example, the urban water utilities of Senegal (SNDE) and of Burkina Faso (ONEA) which have been separately supported by the Bank over the past few years are now supporting other African utilities such as SODECA, the national water utility of RCA, REGIDESO, the national water utility in DRC, and SNDE, the national water utility of the Republic of Congo. The Bank has been playing a major role in this peer-to-peer learning, promoting and facilitating these exchanges. The Bank will use its partnership with the CA to expand this approach, drawing on the knowledge and capacities of the UCLG-A and Local Government Associations and city networks in the Alliance, new forms of South-South cooperation (eg, Brazil-Mozambique, SALGA-Malawi), and other resources and support available.

Activities proposed for funding under this proposal will include the promotion of South-South Exchanges, and Africa wide exchanges – across both cities and utilities both directly and by leveraging Cities Alliance and its members. For example, during the first year, the proposed activities will include the financing of exchanges between Brazil and Mozambique and Angola on the issues of fiscal decentralization and climate change. Similarly, activities proposed for funding will also promote exchanges between India, Brazil, Kenya on the issue of slum upgrading. Working closely with UCLG and UCLGA, the CA Secretariat will facilitate the active involvement of associations of local government, as well as other members and partners.

4. **Addressing informality:** Informal settlements are home to a majority of the inhabitants in many African cities. In SSA urban and peri-urban areas, slum dwellers represent 72% of the total urban population (vs. about 50% worldwide). On current trends, the rate of slum growth substantially exceeds the impact of any attempts at urban upgrading. The World Bank is financing important slum upgrading projects and community infrastructure upgrading projects, which provide basic services to informal settlements. However, dealing with slum dwellers is not only a question of investment. It requires enabling cities to engage slum dwellers as citizens seeking economic security and rights. This, for example, is the approach undertaken in the Dar es Salaam Community Infrastructure Upgrading Projects but also in the Bank's new urban operation in Kenya, in full co-ordination with development partners,

including the Agence Francaise de Development (AFD). This is also the central theme of the Cities Alliance funded Land, Services & Citizenship program which has started implementation in Uganda, is currently under development in Ghana and in preparation in Burkina Faso. Engaging with organized slum dwellers as key partners, helping link slum communities with access to housing and small scale finance is particularly important. The approach taken will be one of shifting the problem of urban poverty from a ring-fenced approach towards integrating it into the broader framework of urban management. **Central to this issue is strengthening the engagement and the relationship between organizations representing the urban poor, and the local authorities. The CA Secretariat will play an active role in facilitating the engagement of CA members such as SDI, also in partnership with HFHI.**

5. Cities and employment : Urban centers are critical for productivity, entrepreneurship, and economic modernization. About 70% of GDP is generated in urban centers. Most employment growth in Africa is happening in Africa's urban informal sector. In this context, it is important that urban policies strengthen cities as economic platforms. The proposed program will help the Bank and key local officials understand how cities can act as incubators of economic and employment growth by supporting the informal sectors. Moreover, Mayors and local authorities in SSA are very much interested in addressing youth issues. Consequently, the proposed program will finance activities aimed at supporting local governments in the design of programs enhancing the participation and integration of youth in urban activities. Importantly, the focus on youth is not only an economic issue but also an important political issue in several countries.

6. Supporting Post-conflict and fragile states: Fragile States (about 20 countries in SSA) represent a priority for the Africa Region. Developing rapid and responsive interventions in post conflict situations is critical to enable cities to rebuild destroyed economic and social infrastructure assets and resume the path to growth and poverty reduction. A key is labor-intensive urban projects which bring quick and visible improvement to the urban environment while injecting cash into the economy. Rapid project preparation is essential and achievable, even in these difficult environments. As examples, the Bank has been recently supporting urban programs in such environment in the DRC, Cote d'Ivoire, or Central African Republic.

But, the linkage between cities and fragility is even deeper. First, during conflict displaced population move quickly to urban centers to seek livelihood, and rarely go back to their region of origin. Supporting cities and towns is an important post-conflict agenda. Second, strengthening cities as local governments actually provides a platform for building a nation state from below. Strong cities and towns as efficient, effective and inclusive local governments may well provide citizens with the credibility that their fragile nation state is worth supporting. Cities and towns may therefore be a channel for addressing fragility by being the link between the citizens and national governments.

7. Promotion of Information and Communication Technologies (ICT) at the local government level On-going decentralization process in SSA provides an opportunity to assess how local governments can adopt ICT for bridging deficiencies in resource capabilities to achieve good urban governance and city management. There is growing recognition that good governance requires tools to enable the inclusion and representation of urban stakeholders, as well as ensure accountability and integrity of local government actions. Simultaneously, local government agencies are facing increasing pressures of youth unemployment, crime and poverty, due to a rapidly growing urban population. Thus, in view of the strong linkages between economic growth, job creation and enhanced governability, creating ICT strategies for improved urban governance will also entail formulation of wealth-creation measures by fostering economic development in cities. To build economic competitiveness, the city should be able to respond to market opportunities efficiently through its factor markets (i.e., labor, capital, etc.) and infrastructure provision. It should also be able to attract investments and industrial development that relates to its specific competitive advantages. Further, the local administration and regulatory environment should be business-friendly and responsive to market needs.

With the Africa Region experiencing the fastest urbanization rate in the world at, its local governments are facing increased demands on urban governance and management to improve the livability and competitiveness of cities. At the same time, an Information and Communication Technologies (ICT) revolution has swept across the continent. Successful e-initiatives in S. Asia, LAC and other Regions have demonstrated that ICT can enable a range of activities when integrated into the urban development agenda, such as strengthened financial management systems, social accountability initiatives capturing citizens' feedback and so forth. In this context, the activities proposed for funding will seek to explore strategies for transforming capabilities of urban agencies in the Africa Region through the harnessing of ICT. Activities proposed under this Pillar will be needed towards:

1] **Development of Business Cases(s) for ICT:** Develop solid business case(s) that highlight the economic benefits (such as cost savings, efficiency, citizen convenience, etc) and feasibility for adoption of ICT solutions for municipalities in the Africa Region.

2] **Development of a Feasibility Study:** The feasibility study will be used as a project preparation activity to (i) identify possible ICT solutions for integration into new projects (ii) identify opportunities for replication and/or scale-up in WB projects across the Urban portfolio. This will signify readiness for scaling-up ICT inclusiveness in Bank projects related to urban development.

3] **Targeted Dissemination of findings**: Once other opportunities for replication and/or scale-up in WB projects across the Urban portfolio have been identified, conduct sessions to raise ICT solutions awareness amongst targeted municipalities and WB task team leaders   (for example, exploring the use/implementation of ICT for automating Kampala City Council's campaigns for enhanced tax collection and citizen engagement)

Focus on the poor is at the core of the approach. In SSA, Cities house a large and increasing proportion **of Africa's poverty**: it is estimated that 40 percent of urban residents are poor using a $1/day poverty line; and 70 percent are poor using a $2/day line. Throughout its focus on unemployment, climate change (with the poorest populations being today the most vulnerable), and informality in cities (informal settlements account for an estimated 72 percent of SSA urban population – an estimated 200 million people), the proposal has a direct focus on the urban poor in the cities and countries that will be targeted. Additionally, promoting the long-term sustainability of cities - which is at the core of the Program - is a necessary condition for ensuring reliable service provision and the creation of economic opportunities for all*, including the poor.*

SUMMARY of IMPLEMENTATION ARRANGEMENTS

This Proposal will be implemented as part of AFTUW's formal operational program in Sub-Saharan Africa.

Focus of the work program: The overall work program will be divided between the three components described earlier: **policy analysis & advocacy, capacity building / peer-peer learning and targeted operational assistance.** The amount of resources spent in each of these components will be determined by the needs of the individual countries, and will be programmed following the procedures noted in #16 below. For example, in Zambia where we intend to start an urban engagement, the focus will primarily be on policy analysis and advocacy. In South Africa, where AFTUW has been asked to develop one of the biggest urban programs in the Bank's history, the focus will be across all three components. In addition in some countries, we will expect sequencing in activities with the focus shifting over time, for example, from policy analysis to operational assistance. This is very much in line with the programmatic nature of the proposal. The Sector Manager or staff member designated by the Sector Manager will be accountable for the allocation of resources between countries and between different components as per the Country Assistance Strategy and formal work program agreed with the Country Management Unit.

Thematic works Addressing coastal cities (in Western and East Africa), supporting urban centers in fragile states (DRC, CAR,…), will be carried out leading to a number of workshops held in the SSA region. This will also be opportunity for the network of CA members active in SSA to meet and provide inputs into the proposed AFTUW-CA program. The involvement of CA members and partners in these thematic discussions will be facilitated by the CA Secretariat.

Linkage to Bank Country Assistance Strategy: Whatever the focus and sequencing, the Cities Alliance funded program will be part of the Country Assistance Strategy of that specific country and it will *formally* be part of the country work program for any given fiscal year. It will have an assigned Bank activity code and a counterpart funding from the country budget. There are several important advantages of being formally part of the Bank country program: (i) Cities Alliance will be able to ensure that the activity has the endorsement of key Ministries within the national government – since the work programs are approved by the Ministry of Finance and the concerned line Ministry -- as well as the approval of the Country Director; (ii) CA will be able to ensure that, at a minimum, its funds leverage both client and Bank resources; (iii) CA will be able to leverage formally the Bank quality control processes as well as monitoring and evaluation systems and (iv) CA will now be a partner of the Bank's SSA program as a whole and not just be part of a few individual country engagement while retaining the flexibility to also engage in more depth in a specific set of countries.

Linkage to Development Partners: As part of this program and in concurrence with clients, implementation will be undertaken in full coordination with CA Members and other key partners in the urban sector, including the Agence Francaise de Developpement, the Swiss Development Cooperation, KfW and GIZ, UNDP and others, as is currently being done in the urban sector (i.e. partnerships with KfW and GIZ in Togo, Ethiopia, Ghana, Mauritania, and Tanzania, partnership with SIDA in Kenya , partnership with AFD in Kenya, Benin, Cameroon, Senegal, South Africa). Importantly, however, all these partnerships will be formally linked into the Country Assistance Program and thus be able to leverage the Bank resources directly. By being part of AFTUW's program, the CA Secretariat will be able to facilitate and deepen the linkage with CA members, and other development partners.

<u>Monitoring and Evaluation</u>: In addition to using the formal Bank processes and mechanisms for monitoring and evaluation embedded in the country programs, the proposal is to introduce a six-monthly formal meeting with the CA/CA-Secretariat to assess the progress achieved and review the direction of the overall program. Based on the findings and discussions changes can be introduced into work program as deemed necessary jointly by CA and AFTUW. This type of pro-active and regular exchanges will allow CA to participate and contribute directly into the implementation process. In addition, as the program evolves on a demand basis, AFTUW will provide an implementation and monitoring plan on a rolling basis which will be discussed with the CA Secretariat during the bi-annual meetings. *AFTUW and CA will each appoint a nodal person to facilitate the implementation and coordination of the program.*

14. Main Tasks for each Implementing Partner

The tasks and funding for any implementing partner will depend on the individual country work program and the agreements with different implementing partners.

15. Budget for each Implementing Partner

Funding by implementing partners will be determined on case-by-case basis, and is not programmed at this time.

IMPLEMENTING PARTNER:	CA Funding	Partner Cofin.
TOTALS		

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16. IMPLEMENTATION PLAN (*Please provide the implementation timeline table here*)

The proposed program will be implemented over the next three years and will require US$1 Million per year. The work program for FY11 funding of $920,000 (March-June 2011) is summarized below. The plans for subsequent periods will be submitted to the CA as part of the regular work programming and reporting processes.

Many activities supported by the program will focus on specific themes, such as coastal cities and climate change, Fragile States, cities and employment, and therefore be relevant to, and benefit multiple countries. Other activities supported by the program will be in support of specific operational assistance provided by the Bank and its development partners in the Region. In this later case, countries are determined by the Country Assistance Strategies and the formal annual country work programs

Key activities:

a. **Policy analysis and advocacy (US$160,000)**

- **Analysis of intergovernmental fiscal transfers in a set of SSA countries (Benin, Mali, South Africa, Burkina Faso,)**. This analysis will be carried out between March and June 2010. The total proposed amount is US$100,000.

- **Assessment on the ways local governments can adopt ICT** for bridging deficiencies in resource capabilities to achieve good urban governance and city management in a selected number of SSA countries Estimated cost: US$60,000

b. **Capacity Building – Peer-Peer Learning (US$270,000)**

Promotion of City and Utility Networks across SSA Region as an important tool for catalyzing change. This activity will consist of the organization of workshops as well as thematic analysis across the region on a selected number of themes, including climate change, fiscal decentralization, cities'; role in Fragile States. Estimated Cost: US$100,000

- **SSA Cities and Climate Change.** Review of : (i) national and local authorities' plans to better adapt and mitigate to Climate Change (preparation of disaster management plans, …); and (ii) cities' initiative to mitigate GHG impact with a special focus on urban planning, urban transportation strategy, energy reduction in SWM in a limited number of countries . Estimated cost: US$70,000.

- **Capacity needs assessment for the 8 major municipalities of South Africa** to better understand the central needs of staff to carry out their responsibilities in the cities per GoSA regulations and on how best to apply new funds being channeled to the cities. Estimated cost: US$100,000.

c. **Targeted Operational Assistance (US$370,000)**

- **Review of cities' integrated development plans,** with a focus on integrated urban planning in a selected number of countries (South Africa): Estimated cost: US$120,000

- R**eview and preparation of employment focused urban programs** enhancing the participation and integration of youth in urban activities in a selected number of countries (Mauritania). Estimated cost: US$50,000

- **Technical Assistance to the 8 major cities of South Africa** to enable them strengthen their capacity in particular to develop and present their Built Environment Plans, a key part of the submissions the cities need to make to the National Treasury in order for them to qualify for the <u>Urban Settlement Development Grant</u> that the GoSA has mainstreamed to support further decentralization of the SA cities. Estimated cost: US$200,000.

17. Methodology and sequencing of activities

The country-specific activities will depend on each country program as outlined formally in the work program with each Country Director, and timelines reflected in the annual/ semi-annual work programming process.

The regional/thematic activities will be organized along the Climate Change and Employment Themes, leveraging background studies to be funded under the proposed program.

AFTUW will leverage Cities Alliance Secretariat to consult and engage with CA/members as appropriate through the communication platforms that will be put in place by the CA as part of the SSA Action Plan, so as to ensure good coherence of effort and maximize impacts of the proposed Program.

18. Deliverables

The deliverables will depend on the nature of support in a particular country and the cross regional themes. These may include (i) policy reports (ii) sector analysis (iii) policy advisory services including access to policy experts and peer to peer exchanges (iv) capacity support to ministries and cities programs; (vi) urban operational loans; (vii) support on monitoring and evaluation systems amongst other activities. These will be delivered in coordination with Government by national and international consultants, staff of implementing partners, and Bank staff. AFTUW will endeavor to report back to the CA on deliverable and outcomes in a manner that is consistent with the results frameworks of the Bank and the CA.

Reports resulting from this work program will be shared by the CA Secretariat with all Members and workshops will be key to mobilize CA members on a selected number of topics include in the work program, such as cities and climate change, cities and employment, and the role of cities in Fragile States. Those activities have the potential to be shared leveraging the new Global Urbanization Knowledge Platform which participants would include policymakers and practitioners, academics and think tanks, private sector and knowledge brokers.

19. Expected outcomes and related monitoring indicators and plans

The deliverables listed above will be designed to achieve the following outcomes and outputs:

- **Policy and legislative changes**
  - E.g. introduction of urban white papers; national policy on urban announced; legislation introduced and implemented on municipal government and city governments; strengthening of the policy framework and legislative systems for decentralization and local governments; city government legislation;
- **Public finance reforms in fiscal transfers to the urban sector and in local revenue systems**
  - E.g. introduction or strengthening of the conditional, unconditional and performance based fiscal transfers that are transparent, predictable and formula driven and which strengthen the autonomy and accountability of municipalities and city governments; reform of local taxation; introduction and strengthening of user charges;
- **Shifts in national budgetary allocations to the urban sector**
  - E.g. increases in the level of funding into the fiscal transfer system or for specific urban services but through municipalities
- **Changes in the institutions of urban governance and service delivery**
  - E.g. shift in water and sanitation from a national agency to a city based system; shift from a line department delivery system at the city level to a utility based system; formal separation between policy maker and provider in service delivery arrangements;; strengthening systems of participation of citizens in policy making and monitoring of public systems such as local procurement
- **Introduction and strengthening of mechanisms for protecting the urban poor**
  - E.g. land titling and tenure protection; urban safety nets – conditional grants and targeted service delivery; universalization of service delivery with particular emphasis on increasing access by the urban poor;
- **Policies, institutional change and investments to support adaptation and mitigation to climate change**
  - Institute exchanges between coastal cities; undertake sector analysis to understand the parameters of adaptation and mitigation in different countries ; develop pilot operations in support of adaptation and mitigation; have the policy framework of "green cities" reflected in national policy statements;
- **Increased Bank and donor support to the urban sector**
  - E.g. amount of lending being leveraged; coordination of donor funding into operations; shift to programmatic loans
- **Monitoring and evaluation systems introduced and strengthened**

20. Project schedule and delivery targets

This will be determined by the Country Assistance Strategy and the formal annual country work programs, and will be reflected in the annual/ semi-annual CA WP.

21. Financing plan

The financing plan will be driven by the nature of the programs in each country. It will be shared with CA Secretariat on a rolling basis by country as described in the implementation section. The attached table is therefore not applicable at this time.

A. CITIES ALIANCE GRANT REQUEST.

Components / Main Activities	Total (US$)	Type of Expenditure				Co Financing	
		Consulting Services (US$)	Training/ Capacity Building (US$)	Dissemi-nation Costs (US$)	Other (US$)	Amount Co funded	Partner Name
PROJECT ACTIVITIES:							
Policy Analysis & Advocacy	160,000	140,000		20,000		200,000	Bank budget
Capacity Building / Peer-Peer Learning	270,000	130,000	130,000	10,000		100,000	Bank budget
Targeted Operational Assistance	370,000	170,000	200,000			1,000,000	Bank budget

Sub-Total – Project Activities (A)							
PROJECT ADMININISTRATION & SUPERVISION:							
Independent Audit (1):							
Supervision Costs (2): a) fees/labour/wages b) travel costs c) office running cost	120,000				**120,000**		
Sub-Total – Project Administration & Supervision (B)							
TOTALC= A+B	**920,000**	*440,000*	*330,000*	*30,000*	*120,000*	**1,300,000**	

See Guidelines for more information.
   (1) An external audit is required in certain cases upon completion or termination of project activities.
   (2) Other - Please provide details of expenses provided under this expenditure category. Categorise this type of expenditure as "other."
(2) Incremental costs associated with the management of the project, up to a maximum of 15 percent of the Cities Alliance grant request. Categorise this type of expenditure as "other."

22. Expected currency of expenditures

Expenditures will be in both dollars and local currencies of the country program. We will use exchange rates determined by the Bank Administration.

23. Co-financing arrangements

Co-financing Source	Description of Co-Financing
1. World Bank budget	BB allocation given by Country Budget; expected to be around US$ 7 million for use to fund staff time and consultants in FY 11, around the key pillars articulated in the proposed program. The figures estimated above are for the March-June 2011 period.

Is all co-financing confirmed/committed? Yes