Cities Alliance
Cities Without Slums

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2008 ANNUAL REPORT

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—Minister Kwadwo Baah-Wiredu

A TRIBUTE

to Honourable Minister Kwadwo Baah-Wiredu

Consistent with Goal 8 under the Millennium Development Goals (MDGs), Ghana has integrated her development efforts into the broader nexus of the development partners' programs. There are predictable gains from such integration. Like many other countries in sub-Saharan Africa, the Government of Ghana has to come to terms with a number of unprecedented developmental challenges. These include the prevalence of poverty, the unknown consequences of climate change, asymmetrical terms of trade and the need to continually strengthen our democracy. At the same time, the continent of Africa is slowly being transformed from its historically rural roots, based on the village and subsistence agriculture, to an increasingly urban economy, based on manufacturing and commerce in towns and cities of all sizes.

The Government of Ghana sees this urbanization process as inevitable. Properly managed, we believe it has the potential to positively transform our political economy, bring women into the mainstream of our society, and consolidate our democratic institutions. However, in order to respond to the challenge of a sustainable urbanization process, the Government of Ghana has identified the need for a long-term vision, with policies geared to the needs of our grandchildren.

The Government of Ghana welcomes the decision of the Cities Alliance itself to adopt a longer-term, programmatic approach. The basis now exists for us to enter into a partnership, with the Government and people of Ghana providing the vision and the leadership, and the Cities Alliance and its members providing support and advice.

On behalf of the Cities Alliance, I am honoured to present the 2008 Annual Report. I hope that future editions will honestly record real progress in our partnership.

KWADWO BAAH-WIREDU, MP
Minister of Finance and Economic Planning

Honourable Minister Kwadwo Baah-Wiredu was elected to Ghana's parliament in 1997. He first joined President John Agyekum Kuffour's government as Minister of Local Government and Rural Development in 2001. In 2003, he moved to become the Minister for Education, Youth and Sports in 2003 before he was appointed Minister of Finance and Economic Planning in 2005, where his vision, competence and determination soon earned him widespread acclaim. He was adjudged the best minister of Finance and Economic Planning for Africa in 2007 by *Emerging Markets* and received his award in Washington, D.C. The Cities Alliance was privileged to work with Minister Baah-Wiredu, and was inspired by his desire to improve the lives of all Ghanaians. He wrote this Foreword shortly before his untimely death.

Minister Kwadwo Baah-Wiredu
1951–2008

Courtesy: Government of Ghana

INTRODUCTION

Redefining Cities Alliance' Terms of Engagement

Since its launch in 1999, the members of the Cities Alliance have been remarkably constant in retaining the organisation's focus on the issues of slums, and cities. In this period, the Cities Alliance has supported a range of city and national governments in their attempts to undertake citywide and nationwide slum upgrading, reduce urban poverty, and improve the long-term sustainability of their cities, large and small. Some have been very successful, while many will need ongoing, and consistent, support. These are long-term, difficult development challenges, requiring sustained interventions, as well as tenacity and innovation, over time.

The past year provides an excellent example of just how rapidly new developmental challenges can emerge, capturing the headlines and attention of international development agencies, providing us with yet another reminder how short-term crises and long-term solutions continue to collide. There is, for example, an increasing appreciation of the role of cities, not just as egregious polluters but, as recognised in the Jeju Declaration issued at the end of United Cities and Local Governments's (UCLG) 2007 World Congress, also as essential agents for responding to the challenges of climate change. More recently, cities in many developing countries have become the *loci* of protests by the urban poor who are struggling to cope with the consequences of very sharp rises in the price of staple foods. Rapidly increasing energy costs are beginning to encourage planners to question some of the orthodoxies of city form.

In this increasingly fluid global context, the value of the Cities Alliance as a stable, focused partnership has become increasingly clear. Although the resources at its disposal remain modest, the relevance of its mandate and the value of the knowledge it is able to generate are becoming increasingly valuable to its members and partners, alike. Despite the tendency for many development partners to constantly refocus their priorities, there is a growing realisation that the issues that the Cities Alliance was created to address—slums, and the unsustainable development of cities—are longer-term, developmental challenges that, in the absence of concentrated effort and policy changes, will not only remain, but continue to grow.

In order to constantly test the quality of its work and measure its impact, the Cities Alliance submits itself to regular evaluation. An independent evaluation of the organisation in 2006 not only reaffirmed its relevance but also identified the increasingly important role that the Cities Alliance should play in sharing knowledge, and underscored the importance of the organisation becoming a Learning Alliance.

To respond to this challenge, the secretariat produced a Medium Term Strategy (MTS), covering the period 2008–2010, which was approved by the Consultative Group earlier this year. Reaffirming its original mandate to address urban poverty reduction by
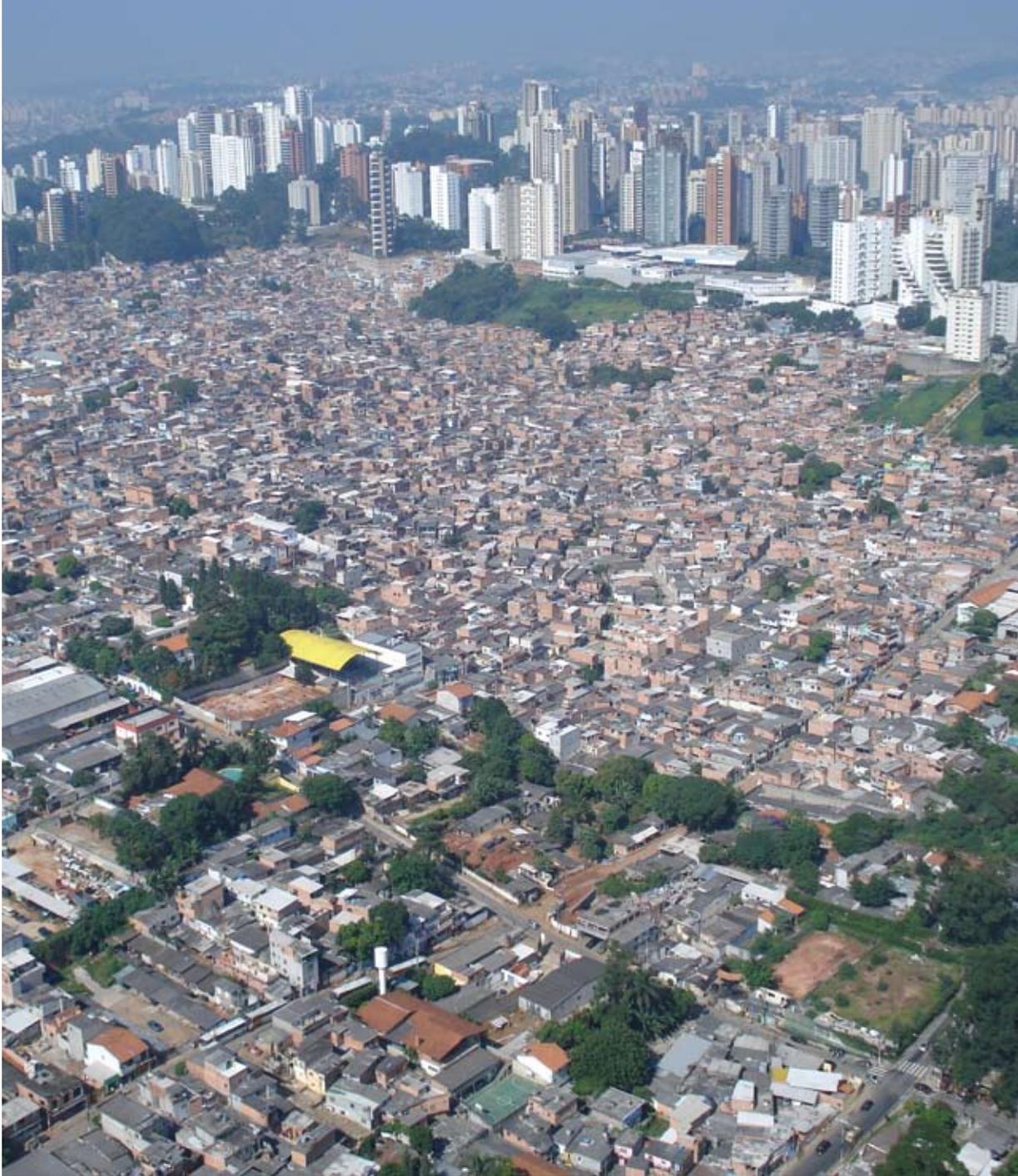
Paraisópolis—one of the largest slums in São Paulo with the city skyline in the background

supporting citywide and nationwide slum upgrading programmes, and by promoting city development strategies, the Consultative Group decided that: *"the Goal of the Medium Term Strategy is for the Cities Alliance to increase its contribution to systemic change, and to scale"*[1]

The strategy is underpinned by a number of essential points of departure. The **first** is to reconfirm the Cities Alliance as a coalition, created as a vehicle to

focus on specific issues, and to improve the coherence of its members' efforts. The **second** acknowledges the modesty of the resources of the Cities Alliance, especially when considered against the scale of the issues to which it responds. The **third** point of departure is consequential—a belief that the Cities Alliance's major impacts will be achieved through the sharpness of its focus, the quality of its portfolio, and the quality and relevance of the learning that it shares.

The MTS emphasises that the Cities Alliance is much more than a funding mechanism, or a clearing

1 Cities Alliance Medium Term Strategy—2008–2010, p. 4

Representatives of new Cities Alliance members at the Manila Public Policy Forum, November 2007

house for a range of projects. It is better understood as a catalytic mechanism, increasingly able to identify and fill important knowledge gaps, influence and take forward the international debate on urban poverty reduction and improve the quality of support delivered to developing countries and cities through increased collaboration between its members. Indeed, the Cities Alliance is uniquely positioned to provide incentives to enhance coherence of effort and local ownership, both of which are fundamental to achieving the aims of the Paris Declaration on Aid Effectiveness.

The implementation of the strategy will, of necessity, introduce some important changes to the workings of the organisation, not least through improved monitoring and evaluation to maximise the impact of its interventions.

Consequently, the first premise of the MTS is that the Cities Alliance should prioritise working with those governments already committed to promoting change and reform over time—for three main reasons: (1) the Cities Alliance support will have a far greater impact; (2) the opportunities for learning and knowledge sharing will be greatly enhanced, and (3), the model or example to other cities or countries will be more emphatic.

This approach addresses one of the founding tenets of the Cities Alliance Charter, that of meeting the challenge of scale. *In the MTS, it is argued that the issue of scale is not addressed by merely finding the greatest concentrations of poverty, but rather in working* *with those governments which hold the greatest promise for improving the living conditions of the greatest numbers of the urban poor.* In effect, the Cities Alliance's natural partners are those that are taking—or have already taken—decisive actions to address the needs of their urban poor through citywide or nationwide reforms. At the same time, the Cities Alliance will ensure that least developed countries continue to be well represented in its work programme, and that the organisation does not unduly privilege middle-income countries.

The challenge of building a consensus while fundamentally rethinking the priorities and processes within a city, or of introducing a comprehensive strategy to upgrade a city's slums, are difficult tasks, generally well beyond a Mayor's single term. Such challenges require bold political leadership, clear strategies, multi-sectoral reforms, and the reallocation of priorities and resources. Above all, they require consistent effort, over time.

To help city Mayors and national governments achieve such goals, the Cities Alliance will itself offer more dedicated and comprehensive support, over time. The Cities Alliance will increasingly move beyond a portfolio of unconnected projects, especially as it is increasingly clear is that individual projects of two or three years in duration are very unlikely to have the kind of impact necessary to support systemic changes, nor are they likely to achieve scale.

Breaking new ground for slum upgrading in Paraisópolis in Brazil

Over the next few years, the Cities Alliance will develop a more programmatic approach to the support that it provides to cities and countries. Such support should combine activities at both the city and national level, designed to influence and guide national policy formulation, such as:

- Analysing the city's or country's slum situation;
- Producing a State of the Cities Report;
- Strengthening the national association of local governments;
- Assessing the intergovernmental fiscal system;
- Designing a course on slum upgrading;
- Promoting advocacy events to influence public opinion.

To achieve real change the leadership of the city or the country is indispensable. Development assistance sometimes obscures the fact that the ultimate responsibility for the success of the city or national reforms and programmes lies with the recognised representatives of that city or country. Given this fact, the task of the Cities Alliance and its members is to offer support, to mobilise the best possible expertise, and to be candid and objective in the technical advice offered.

A successful and sustainable citywide upgrading programme, city development strategy or national urban strategy can, ultimately, only be the political responsibility of the local partners. They should therefore, be the ones to take the lead in identifying their needs, formulating their vision and, indeed, in selecting which of the Cities Alliance partners with whom they would like to work. As a matter of policy, the Cities Alliance prefers the city or local partners to implement the activities, wherever practical.

Beyond the gradual restructuring of its approach to cities and countries, the strategy also requires a deepening and strengthening of the Cities Alliance as a coalition. This will involve, in part, the active engagement of more members of the Cities Alliance which is currently reliant on the extensive involvement of a few members. The Alliance will actively promote communities of practice amongst, and beyond, its members, to increase involvement and the sharing of

Looking to the future of cities: Slum scene in Manila with skyline in background

knowledge and learning. Specifically, the Alliance will also utilise local government officials as a rich resource to other cities grappling with problems that, while daunting, are seldom unique.

In addition, the Cities Alliance will adopt a bolder approach to the generation of knowledge products that are known to be in demand. Working through its members, the Cities Alliance will make available tools based on the experience of cities and countries that have already tackled similar developmental challenges, and which can help identify those policies and practices that have had the greatest impact.

The final, broad area where the MTS encourages new thinking is in the role of the Cities Alliance in promoting specific policies or approaches that individual members are either reluctant, or unable, to address. Even without the projections of future challenges, the scale of the existing challenges facing cities in developing countries requires practitioners to move beyond their caution, and spell out the need for urgent policy changes that will affect the lives of hundreds of millions of very poor people.

Key challenges for the Cities Alliance, as a coalition of the most influential international partners addressing the urban, city and slum challenges, include the need to:

➤ **Recognise** urban growth as an inevitable and positive reality;

➤ **Introduce** bold policies to capture the benefits of urbanisation;

➤ **Treat** slum-dwellers as citizens, with full rights and responsibilities;

➤ **Stress** the importance of small and medium cities;

➤ **Reject** the false tension between urban and rural poverty;

➤ **Highlight** the potential of urbanisation for reducing environmental problems; and,

➤ **Actively** promote the developmental role of women.

Some of the messages may run counter to the some pockets of developmental orthodoxy, as well as to the prevailing views of many national and local government leaders. The Cities Alliance has both the capacity and the ability to provoke open debates on these and other issues and, indeed, to call for fresh thinking in a number of critical areas.

Squatters in a former market area of Saigon, Vietnam

CITIES ALLIANCE IN ACTION

This year's Annual Report marks the beginning of a period of transition for the Cities Alliance, as it begins to shift towards longer-term, programmatic support to cities and national governments. This is a process that will take some time, and a number of adjustments through the process. The Cities Alliance will also continue to service its traditional line of business—accepting proposals for support to cities and countries grappling with the challenge of slum upgrading, and the economic, social and environmental sustainability of cities.

At the same time, the Cities Alliance is applying lessons from its portfolio over the past years, and is thus increasing better positioned to guide partner cities and countries towards some of the more tested, successful approaches to development. By paying more attention to monitoring and evaluation of activities, and developing a more systematic approach to the management and dissemination of knowledge arising therefrom, the Cities Alliance is becoming more adept at identifying and sharing not only the most significant lessons but, also, the largest and most persistent knowledge gaps.

However, the support that the Cities Alliance and its members provides to developing countries and cities will continue to provide the most direct and effective vehicle of engagement, for the foreseeable future. As is well-reflected in the following sections, the quality and variety of these activities vividly demonstrate the value of this support, and the catalytic impact that it can achieve.

TRANSFORMING APPROACHES TO SLUM UPGRADING

A half-century of experience in slum upgrading has demonstrated many ways to upgrade slum communities—some successful, others less so. There certainly have been inspiring responses to urban shelter and service deprivation—public, private, joint partnerships, and, of course, those emanating from the urban poor themselves—but they remain the exceptions. With slums in developing-country cities growing by an estimated 120,000 people a day, the exceptions are not enough. Approaches to slum upgrading that provide for impacts at scale are critical.[1]

In line with the Alliance's Medium-Term Strategy, the need for delivery at scale and systemic change is guiding the Cities Alliance's slum upgrading programme with increasing vigour. As a starting point for analysis and a central criterion for its portfolio, the Alliance is working to identify and support approaches

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1. Gordon McGranahan, Diana Mitlin and David Satterthwaite, "Land and Services for the Urban Poor in Rapidly Urbanizing Countries" in *The New Global Frontier: Urbanization, Poverty and Environment in the 21st Century*, ed. George Martine, Gordon McGranahan, Mark Montgomery, and Rogelio Fernández-Castila, Earthscan, London, p. 77.

. . . taking a more positive attitude to urbanization is clearly not enough. Conventional approaches to improving informal settlements do not need to be expanded, they need to be transformed.[1]

to citywide and nationwide slum upgrading that hold the greatest promise of scale and sustainability. These approaches include

- City and national governments **moving beyond short-term projects to long-term activities,** tackling the systemic causes of slum formation. For their international partners, this approach argues for **long-term programmatic engagement.**

- **Pursuing a citywide, multisectoral approach.** Slums are not the result of shortcomings in just one sector; rather they result from policy and resource deficiencies across a broad spectrum of sectors. A comprehensive approach allows the shack to become the house, the slum to become the suburb, and the slum dweller to become the citizen.

- Recognising urban upgrading as a lengthy process that requires **continuity of effort:** continuity of political and financial support from local and national authorities; and long-term, consistent, and reliable support from development partners.

- Paying attention not only to upgrading existing slums but also to **anticipating and planning for future urban growth.**

- Meeting the basic infrastructure and service needs of growing urban populations with **long-term, sustainable financing.** Among other actions, mobilising private sector investments in informal settlements is critical to achieving impacts at scale.

Box 1: A Comprehensive Approach

In 2008, UN-HABITAT and the United Nations Economic and Social Commission for Asia and the Pacific published a set of seven *Quick Guides* for policy makers addressing central issues related to housing the urban poor in Asian cities. The significance of a comprehensive approach is highlighted as follows in the first volume of the series:

Solving problems on many fronts: Instead of depending on a single solution, it's better to think comprehensively.

- **It is important to aim to solve all the city's housing problems, not just a few projects.** Housing policies should benefit the larger population living in slums and squatter settlements in a city, not just a few [residents] here and there.

- **Remember to plan for the urban poor households who have just arrived in the city.** In addition to improving existing settlements, there is a need to develop programmes for housing newly formed urban poor households.

- **Remember that rental housing is a viable option for many poor households.** Policy makers tend to pay little attention to rental housing as an important part of the housing stock that is affordable to the poor.

- **Make housing for the poor a key part of the larger urban planning process.** If there can be close links between low-income housing and urban planning, it will be good news for the poor and good news for the whole city.

Note: The seven volumes of *Housing the Poor in Asian Cities: Quick Guides for Policy Makers* are available at http://www.housing-the-urban-poor.net.

Box 2: Private Sector Participation in Slum Upgrading

Although much has been learned about the dynamics of slums, the private sector's role has not figured prominently in many discussions. A forthcoming World Bank report on private sector involvement in slum upgrading examines the challenges and opportunities for scaling up private sector participation in urban upgrading and highlights some innovative approaches to upgrading that rely on the private sector and offer potential for scaling up.

Poor people's purchasing power, estimated at more than $5 trillion, represents an uncaptured market for the formal private sector. Although the fact that the poor regularly pay a price premium demonstrates that there is real demand and ability and willingness to pay, a cautious private sector may require further evidence to assuage the perceived risks of servicing slum dwellers. A number of promising approaches to attract the private sector to urban slums are emerging, including the following mechanisms to build trust and facilitate payment:

- **Project trust funds:** Community members make deposits in a trust fund toward payment of the installation costs of a new utility that a private company may plan to invest in, such as a water main, sewage line, or street lighting. If sufficient funds are not deposited, refunds to community members can be made from the trust and the project cancelled; if the deposits demonstrate sufficient demand, then the company has already collected all or part of the cost of installation and can proceed with greater confidence.

- **Client grouping:** Because the income of the poor can be quite volatile, collective incomes of groups offer greater stability, enabling individuals within groups to cover the payments of others if necessary in the short run. A community-based organisation or the community leadership can take responsibility for collecting payment from individuals, lowering both the administrative cost and the risk assumed by the private company.

- **Prepayment and auto-pay technology:** This approach can be used to adjust to the poor's payment abilities and preferences, accommodating inconsistent income flows. Prepayment and pay-per-use for services can offer the poor greater control over their budgets. Technologies, such as the Aquacard, that allow for auto-

Partnering with the city in waste management

payment for services lower the risk of late payment or nonpayment to both businesses and poor clients.

Cement Producer Makes Progressive Housing for the Poor More Affordable

Historically, the progressive housing market in Mexico has consumed 30–40 percent of the country's cement production. Mexico's leading cement producer, Cemex, has capitalised on the lack of credit for construction available to low- and middle-income families (whose daily incomes range from $10 to $15) who are building their homes one room at a time. Cemex offers an alternative to the traditionally expensive, long, and chaotic process of housing construction that the families face. Under Cemex's *Patrimonio Hoy* programme, households can sign on to a 70-week programme in which they make weekly payments in return for scheduled deliveries of cement at key intervals in the construction process. The price is locked in the day the household signs up, and technical assistance is available as part of the club fee charged to all programme members. The credit provided for the purchase of cement and the technical assistance and storage provided to decrease loss of materials have enabled families to add an additional room in 60 percent less time, with 35 percent less cost, and at a higher technical quality. *Patrimonio Hoy* has been an entirely commercial venture and has gained a strong foothold in the lower- to middle-income construction market. More than $92 million in loans has been provided under the programme, with close to a 100 percent repayment rate. Its success has led Cemex to extend it to the other countries where the company has operations.

Source: Judy Baker and Kim McClain, forthcoming, "Private Sector Involvement in Slum Upgrading," Working Paper, World Bank, Washington, DC.

Rebuilding in Novoprimavera, Mozambique

Tackling the Core Issues

Cities Alliance members are partnering with local and national authorities who have taken the decision to tackle the issues, policies, and city- or nationwide reforms that could bring about lasting improvements in the living conditions of urban poor people. Alliance members also have welcomed the spotlight on the rule of law as it relates to exclusion and poverty through such initiatives as the Commission on Legal Empowerment of the Poor, which has been supported by a number of Alliance members (Canada, Norway, South Africa, Sweden, and the United Kingdom) among others, including eminent policy makers and practitioners around the world. [2]

Recognising the fact that the majority of the world's poor are systematically excluded because they live in an informal economy, the Commission examined how poverty could be reduced by expanding legal protec-

tion and economic opportunities to all citizens. Often criticised for having too narrow a focus on freehold property titling, the Commission nonetheless contributed to a global debate about the causal role of social exclusion in fostering poverty.

In fiscal year 2008, the overwhelming majority of the Alliance's financial support for slum upgrading focused on fundamentals for sustainable upgrading at scale, including institutional frameworks, legal and regulatory environments, housing subsidy policies, resource mobilisation, national urban upgrading strategies, and prevention of new slum formation. The following are some of the initiatives that Cities Alliance members are supporting.

South Africa's New Policy Approach to Nationwide Slum Upgrading

Having committed to reduce the number of slum dwellers in the country to zero by 2014, the South African government is in the process of developing a detailed rollout strategy and programme for informal settlement upgrading across the country. Roughly 2.3

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2. Cochaired by former U.S. Secretary of State Madeleine Albright and Peruvian economist Hernando de Soto, the Commission on Legal Empowerment of the Poor's final report, "Making the Law Work for Everyone," was launched in June 2008 and is available at http://www.undp.org/legalempowerment.

million households in South Africa currently live in shacks—a number increasing at an annual rate of 8 percent. The National Upgrading Support Programme aims to introduce more flexible approaches to subsidising and financing informal settlement upgrading, with new approaches to location, density, and urban efficiency; more flexible credit for the poor; and increased private sector investment in upgrading. An additional focus will be the design of appropriate institutional frameworks for implementing the new programme, including coordination between national and provincial departments and effective systems for managing the funding flows.

New housing for the urban poor in São Paulo

Partners: Department of Housing, Government of South Africa; World Bank; United States Agency for International Development (USAID)

Liberia Prioritises Slum Upgrading and Prevention

Following 16 years of war, Liberia's reconstruction needs are enormous. Among the priorities identified in its Poverty Reduction Strategy Paper (PRSP) for 2008–11 are improving the living conditions, infrastructure, and service delivery in the country's urban centres. The PRSP specifically recognises slums as areas of particular concern for the capital Monrovia; and it identifies the need to develop a national housing policy for low-income housing, including options for upgrading housing in slum areas and preventing the formation of new slums. Against this background, the city of Monrovia asked the Cities Alliance to support its efforts to bring key stakeholders together to identify the causes of slums and the obstacles to their upgrading as the first step in preparing a large-scale, citywide slum upgrading initiative.

Partners: Mayor, Monrovia City Corporation; World Bank; the United Nations Human Settlements Programme (UN-HABITAT)

Brazil Addresses Its Housing Challenges

In recent years, a series of measures have been taken to initiate a significant policy reform agenda for Brazil's housing sector, including the adoption of a constitutional amendment guaranteeing the right to adequate housing for all Brazilians (2001); the creation of a Ministry of Cities (2003); the formation of an Inter-Ministerial Working Group to discuss issues and policy actions related to the housing sector (2005); and the launch of the Programme for the Acceleration of Growth (PAC) (2007), which designates housing as one of five priority sectors for investment. Significant housing challenges remain, however. Urban informal settlements in Brazil are growing four times faster than average urban growth. Around 3.2 million households—12.4 million people—live in slums. An estimated 65 percent of new households formed annually cannot afford the most basic house produced in the formal market. With support from the Cities Alliance, the country's Ministry of Cities is developing a national housing plan and subsidy policy designed to increase the poor's access to adequate housing through development of the institutional

Housing for the poor in Muntinlupa, Manila, the Philippines

and legal framework for housing, the housing finance market, and a system of subsidies for the poor.

Partners: Brazil's Ministry of Cities, World Bank, and Italy

Upgrading at Scale

The scale of some of the more recent national upgrading programmes around the globe is unprecedented. India's $22 billion Jawaharlal Nehru National Urban Renewal Mission (JNNURM) aims to accommodate the 9 million additional urban residents the country anticipates annually. The programme is designed to encourage urban reforms at state and city levels, greater efficiency in urban infrastructure and service delivery mechanisms, community participation, and accountability of Urban Local Bodies and parastatals toward citizens.

Among the municipal-level reforms mandated by JNNURM is the provision of tenure security at af-fordable prices for the urban poor. Legal title to land and/or houses is provided under slum improvement schemes—be it *in situ* upgrading, construction of new dwellings and infrastructure facilities, or relocation—to which households contribute a minimum of 12 percent of the costs. The reform applies not only to upgrading schemes funded under the JN-NURM but to all schemes implemented in cities seeking central government assistance under the JNNURM. It marks a change from the former discretionary provision of security of tenure across projects.

Within the scope of Brazil's multibillion-dollar Programme for the Acceleration of Growth, the federal government has launched a large investment programme to upgrade slums countrywide. As of March 2008, around $6.7 billion had been committed by the Ministry of Cities for 544 slum upgrading projects, involving 282 municipalities and 723 million families.

Paraisópolis, with the São Paulo city skyline in the background

Box 3: Building Institutional Capacity for Slum Upgrading

The scale of resources committed for slum upgrading and integration under Brazil's Programme for the Acceleration of Growth is unprecedented. The size and reach of the programme, however, present new challenges for those responsible for managing it. Strengthening the institutional and implementation capacity of the local authorities charged with undertaking the slum upgrading interventions will be central to the programme's success.

In that regard, Brazil's Ministry of Cities and the University of São Paulo, partnering with Caixa Econômica Federal, the World Bank Institute, and Italy, and with support from the Cities Alliance, have developed a distance learning course for the professional municipal and state practitioners who will undertake the integrated interventions in areas of upgrading, land regularisation, application of housing policy legislation, and promotion of social development and community participation.

The course aims to foster discussion of problems that may be faced and the means to address them, and it encourages the exchange of experiences. It has also been designed with a view to its potential for replication, for future use elsewhere in Brazil and internationally in countries facing similar challenges.

Improving the lives of slum dwellers is one of the best ways to reduce urban poverty.

—"Plan for Accelerated and Sustained Development to End Poverty 2005/06–2009/10," Ministry of Works and Urban Development, Ethiopia

Perhaps of greater importance than the amounts pledged is the very principle of national and local governments making slum upgrading core business with budgetary commitments and the valuable signals of political resolve that this sends. In that respect, the upgrading initiatives of a growing number of Least Developed Countries (LDCs) are no less impressive. The Cities Alliance's portfolio alone points to significant slum upgrading initiatives under way in a host of LDCs, including Cambodia, Liberia, Mali, Mozambique, Nepal, Senegal, Sierra Leone, and Tanzania.

Partnerships for Systemic Change

In response to the need for systemic change and in line with the longer-term programmatic approach that the Cities Alliance is advocating, a number of countries are developing strategic slum upgrading initiatives within the framework of a partnership agreement with the Cities Alliance.

In Nigeria, for instance, the Ministry of Environment, Housing and Urban Development plans to hold a National Slum Summit as a first step to raising a national debate and as a contribution to the development of a national strategy on slum upgrading.

Within the partnership programme that Ghana has been shaping with the Cities Alliance are plans to address housing, sanitation, and slum upgrading, as set out in its national Growth and Poverty Reduction Strategy (GPRS II) for 2006–09. In the first of a three-phase work programme, focus will be on assisting municipalities to mobilise much-needed capital for infrastructure development and service delivery, such as water and sanitation facilities. To this end, private sector partnerships with global financing institutions, such as Evensen Dodge International, will also be promoted.

As recognised in the Alliance's MTS, long-term partnership arrangements with Cities Alliance members hold their greatest potential where governments are demonstrating the political commitment to address the needs of their urban poor. The comment of Ghana's Deputy Minister for Local Government, Rural Development and Environment on signing the country's agreement with the Cities Alliance reflects such resolve:

We may have to admit that as a country we have not anticipated urbanization rightly….The urban development situation in Ghana involves a mixture of stand-alone policies….Under the Ministry of Local Government, Rural Development and Environment, a National Urban Development and Growth Policy is anticipated and it is expected to promote the right synergy, necessary for ensuring that urban development is pursued in a more coordinated and effective way so as to achieve a more positive impact.

Ethiopia's Ministry of Works and Urban Development is equally clear in describing the context for its urban development plan, which includes

Achieving Millennium Development Goal 7, Target 11—improving the quality of lives of slum dwellers—is a major challenge….Inadequate shelter, combined with poor sanitation; overcrowding and a high proportion of vulnerable women, youth, children,

There is [a] need for long-term planning in order to realize sustainable settlements where all have secure tenure, decent housing and adequate access to the basic infrastructural services. There is [a] need to put in place the necessary policy framework to ensure sustainable human settlements development.

—"State of Uganda Population Report 2007," United Nations Population Fund

The growing incidence of slum development in Ghana has been the result of rural-urban migration, limited supply of land, and regulatory frameworks that are, at best, indifferent and hostile to the needs of the poor.

—Ghana's GPRS II

elderly and destitute with very low incomes, results in a high risk of disease and a poverty trap for many urban residents. [3]

Colombia Plans for Its Urban Poor

Like most Latin American countries, Colombia has experienced rapid urban growth: its urban population almost doubling in 50 years, with a further 30 percent growth expected between 2004 and 2020. The result has been a dramatically escalating demand for shelter and urban services, particularly for the lower-income population, and both public and private sectors unable to respond. In 2006, the housing deficit was estimated at 2.2 million houses, most of

Upgrading in Medellin's Santo Domingo neighborhood provides space for children to learn about the environment (Colombia)

them for low-income groups. Housing production in 2007 totalled around 163,000 units, with only 81,000 of those for low-income people.

Recognising that the country's formal housing and land markets have not been responding to almost half of the population of its cities, the Colombian government, in partnership with the World Bank and with support from the Cities Alliance, undertook to devel-

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3. Ministry of Works and Urban Development, Federal Democratic Republic of Ethiopia, December 2007, "Plan for Urban Development and Urban Good Governance," *Plan for Accelerated and Sustained Development to End Poverty (2005/06–2009/10)*, Addis Ababa, p. 2.

Box 4: The Cities Alliance and Vietnam: The Course of a Sustained Partnership

Urban upgrading is now accepted as an appropriate approach for addressing infrastructure and service deficiencies in the densely populated, low-income areas of Vietnam's cities. Cities Alliance members, particularly the World Bank have been party to this very significant policy shift.

The Alliance support for Vietnam's urban practice dates from 2000. Over the course of the Alliance's engagement with Vietnam, the country's focus on urban poverty has sharpened noticeably. A national urban upgrading programme is now being developed. Underpinning this initiative are a number of substantive studies funded by the Cities Alliance, which also helped the government to develop a national policy on the provision of shelter and access to basic infrastructure services for the urban poor. At the same time, a growing number of Vietnamese cities have been turning to CDSs as a strategic tool to identify ways to meet the challenges of urbanisation and decentralisation.

With sustained support from its donor community, Vietnam has been moving from pilot upgrading projects to broader upgrading programmes. The interest being shown in the preparation of the national urban upgrading programme, which will develop a national upgrading strategy as well as a National Upgrading Investment Plan to 2020, bodes well for the institutionalisation and continued scaling up of urban upgrading in Vietnam.

Box 5: Facilitating Private Sector Participation in Mumbai's Slum Upgrading

Facing the daunting challenge of housing the poor in Mumbai, the government of Maharashtra launched the Slum Rehabilitation Scheme in 1995, using encroached land as a resource to facilitate the construction of housing units for 800,000 households living in the city's slums. Under the scheme, slum dwellers are being provided, free of cost, single-room housing units of 225 sq. ft. in multistorey complexes, constructed largely by private developers, along with NGOs, and slum dwellers' societies. The scheme is not funded by the state but by the private sector developers. To recover the costs of constructing slum rehabilitation tenements, the developers are provided an incentive Floor Space Index that facilitates construction of tenements for sale in the open market. The area allowed for sale in the open market is equal to the area of tenements constructed for rehabilitating slum dwellers.

The state government has established an independent and autonomous Slum Rehabilitation Authority as a corporate entity to provide single-window clearance of slum rehabilitation proposals. Development Control Regulations have been amended to include clear and transparent regulations for facilitating the rehabilitation of slum dwellers. The scheme is now being replicated in

Slum scene in Mumbai, India

other towns in Maharashtra, such as Pune and Nagpur, and the potential for replication in other cities in India is being assessed.

Note: For more information, visit http://www.sra.gov.in.

op a new national urban policy on land and housing for the poor.

The new policy is now enshrined in an urban chapter, *Ciudades Amables* (Liveable Cities), of the country's National Development Plan (2006–10). It marks one of the few national policy statements in Latin America that endorses slum upgrading and specifically articulates the need to massively open land and housing markets to the urban poor as a way to prevent the formation of new slums. Some extracts from *Ciudades Amables* demonstrate the tenor and commitment behind the policy:

> ...The National Government and the regional entities shall promote a functional network of cities, provided with efficient infrastructure that will mobilise the economy and strengthen the productive, environmental, and cultural complementarities among cities. Likewise the urban poor should be provided with services and benefits that improve their living conditions and increase their social and physical capital, as well as improving their capacity to generate income. Avoiding that the largest cities continue growing without appropriate planning, achieving a consolidated network of social services in intermediate-size cities, and improving the living conditions in the smaller cities becomes a fundamental strategy to support the governance of cities.

To accomplish these objectives it is important to design an integrated strategy that will press forward to achieve a more equitable society with shared aims, linked to making cities adequate places in which to live and socialise. In this way, building *Ciudades Amables* is based on a model of planned urban development and the efficient use of land...to accomplish sustainable urban development.

The *Ciudades Amables* strategy, developed by the country's Ministry of Environment, Housing and Territorial Planning and the National Department of Planning, focuses on poor people's access to formal housing and land markets, identifying policy and legislative actions to remove bottlenecks from the production of land and low-cost housing.

The national government is committing major resources to demonstrate this can and should be done via a national programme of *Macroproyectos*—ambitious, large land development projects in cities designed to jump-start the production of houses for the poor. The objective is to use central government authority to assemble land in partnerships and joint ventures with private developers, landowners, and others, thereby bolstering municipal capacity to take on vast development programmes.

In 2008, the Cities Alliance undertook an evaluation in Colombia to gain a deeper understanding of this national urban policy initiative, its implementation dynamics, and the lessons that can be drawn from the experience, both substantive and in terms of the Alliance's own grant procedures. Among the findings:

- National policies become an important point of reference and indicators of national development goals for cities to follow. A national strategy focused on land and low-income housing for the poor can help focus efforts toward this issue.

- However appropriate the policy framework, implementation of the policy needs to be carefully planned and supported. In this regard:
  - Municipalities have pivotal implementation roles in national programmes for which local political will and leadership are critical.
  - An integral part of a national housing strategy for the poor is helping municipalities commit to the task and strengthen their ability to respond at the requisite scale.
  - Early involvement of municipalities in the policy formulation process is important, not least to ensure that municipal concerns are voiced and considered.

## SCALING UP CITY DEVELOPMENT STRATEGIES

Focus on Africa

At the 2003 Consultative Group meeting of the Cities Alliance in Brussels, sub-Saharan Africa was identified as a priority. The region is experiencing extremely rapid urbanisation amid some of the world's greatest developmental challenges. The vast majority of the world's LDCs—almost 70 percent—is found in Africa. In fact, every one of the 22 countries classified by the United Nations Development Programme (UNDP) as having achieved low human development (Human Development Index [HDI] < 0.5) is found in Africa, and only one African country ranks among those nations with high human development (HDI > 0.8).

The upcoming *World Development Report 2009: Reshaping Economic Geography*—recognises the policy challenges arising from spatial disparities in sub-Saharan Africa and the growing gaps between Africa and the rest of the world. The report addresses what governments can do to facilitate the spatial transformations needed to sustain economic development and to efficiently address the social and environmental challenges that arise during this process, threatening its sustainability.

Since 2003, the number of Cities Alliance supported city development strategy initiatives in the region has more than tripled, comprising one-third of the CDS portfolio in fiscal 2008. During last year alone, the Cities Alliance approved CDS grants in Benin, Ethiopia, Malawi, Nigeria, and Swaziland.

Guided by its MTS, Cities Alliance members increasingly will be able to contribute support to African governments by engaging with individual countries and cities on a longer-term basis. For example, during the fiscal, the government of Nigeria proposed a Memorandum of Understanding (MOU) with the Cities Alliance for long-term, programmatic support from the Alliance and its members to advance the country's urban development agenda. The MOU is oriented around Nigeria's National Economic Empowerment and Development Strategy (NEEDS - 2) for 2008–11, which emphasizes urban renewal and slum upgrading as a key strategy for development and growth.

Figure 1: Regional Distribution of Active CDS Projects by Fiscal Year

Legend:
- Asia
- Sub-Sahara Africa
- Latin America & Caribbean
- Eastern Europe & Central Asia
- Middle East & North Africa
- Global
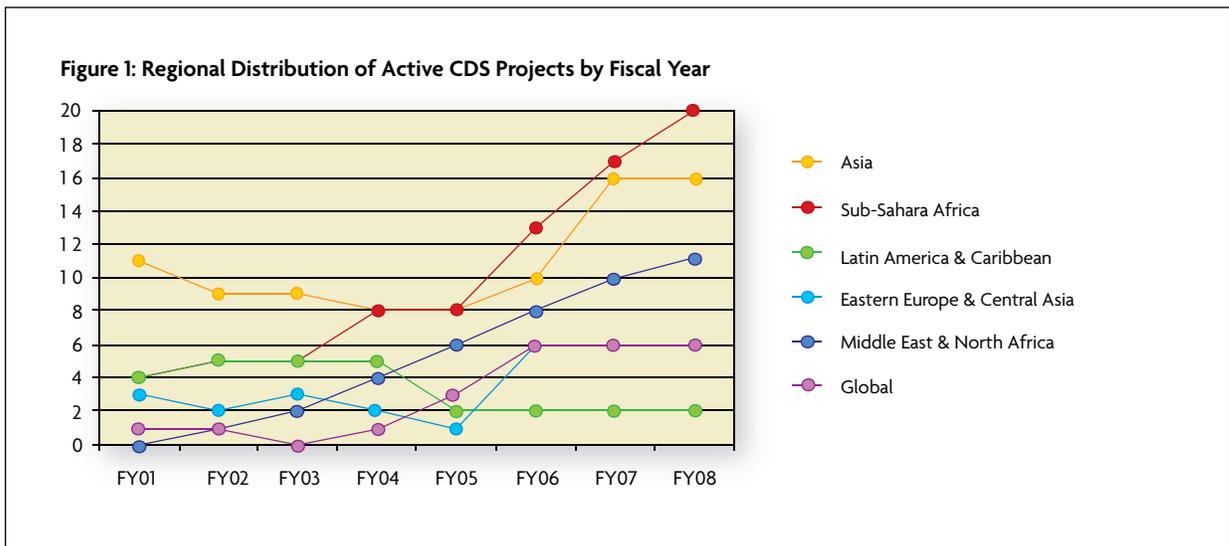
The government of Ghana also proposed a MOU with the Cities Alliance in support of the Urban Development, Housing, and Upgrading component of the country's GPRS II. Key areas of focus include municipal finance reforms, development of a national strategy for slum upgrading, and preparation of a State of the Cities Report.

Through these types of longer-term agreements with select countries, the Cities Alliance hopes to create an even more robust pipeline of activities in the sub-Saharan Africa region over the next few years.

Systemic Change at Scale

Another trend during the past year that underscores the Cities Alliance's MTS is the growth of CDS activities as part of wider reforms in cities and countries. As the map of the CDS Portfolio on page 13 indicates, several countries have had three or more successive Cities Alliance–supported CDS projects. In many cases, the successive projects build on previous experiences, working toward scale, replication, and institutionalisation.

In general, the Cities Alliance has found that the work of its members is likely to have maximum traction in those countries that have already made a firm commitment to change and are in a general state of promoting reforms. During the past year, the Philippines, India, Indonesia, and Swaziland all requested assistance to further their reform efforts at the city or national level.

It has now been more than eight years since the launch of the CDS programme in the Philippines. Thus far, 65 of 120 Philippine cities[4] have prepared CDSs. This year the Alliance approved a new grant for the League of Cities of the Philippines to conduct a strategic assessment of the CDS programme to capture lessons and recommendations for making CDSs more effective and relevant and to prepare a Philippines State of the Cities Report.

The government of the Indian state of Maharashtra has received a new grant to support phase two of the successful Mumbai Transformation Programme. Phase two is expected to further develop the public consensus and technical details needed to implement the reforms and investments identified under the action plan to develop the Mumbai metropolitan region as a world-class region.

An evaluation of previous CDS activities in Indonesia revealed that although consultative approaches to strategic planning have taken root, financing arrangements between central and local governments are still in formative stages, with multiple bottlenecks in decision making and risk management. UN-HABITAT received a grant to work with Indonesia's Ministry of Public Works to prepare a grant proposal, for submission to the Cities Alliance, to address these urban investment issues. The work is expected to result in better procedures for more public investments in more sectors and in more cities.

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4. The total number of Philippine cities is as of June 2007.

Cities Alliance CDS Portfolio

Legend:
- $75,000 or less
- $75,000–$250,000
- $250,000–$500,000
- More than $500,000

On-going Activities

3 or more successive projects (active + complete)

RUSSIA
CHINA
VIETNAM
PHILIPPINES
INDIA
EGYPT
YEMEN
INDONESIA
BRAZIL
ETHIOPIA
SWAZILAND
SOUTH AFRICA
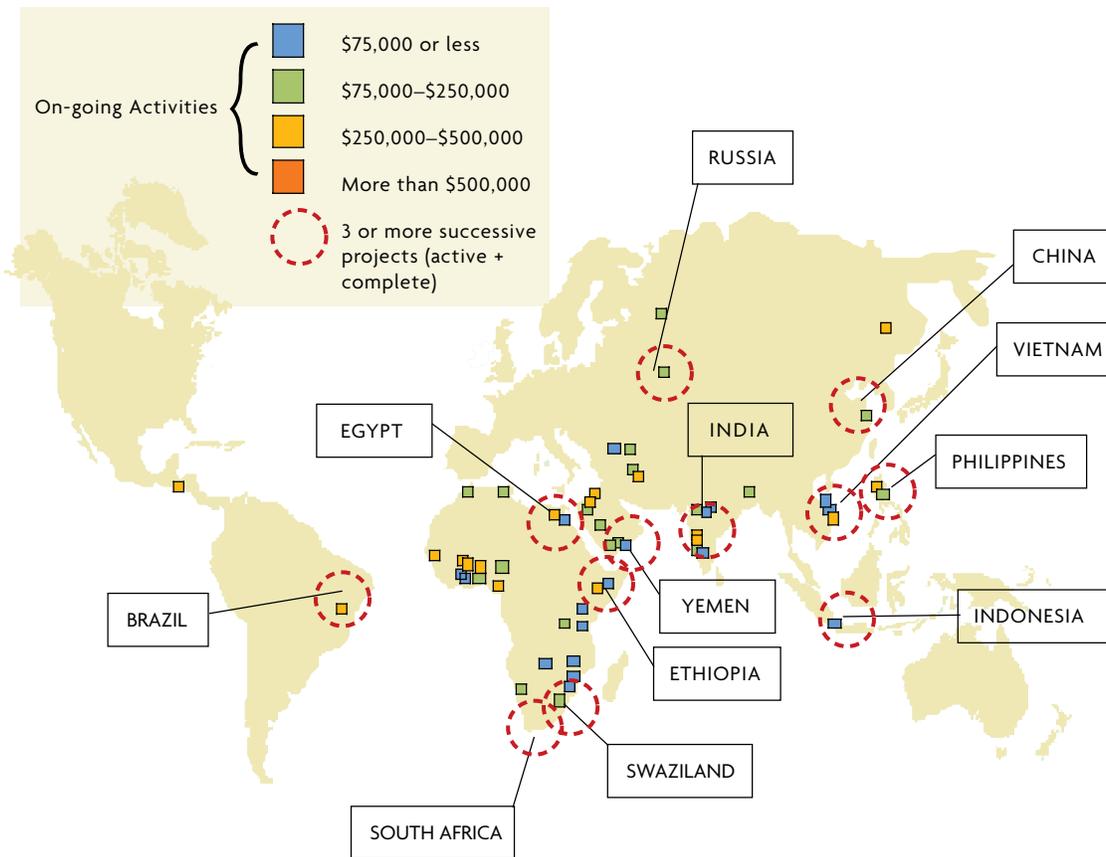
After receiving two previous Cities Alliance grants, Swaziland's Ministry of Housing and Urban Development, the Office of the Deputy Prime Minister, and the Ministry of Justice and Constitution will be supported in designing a system of local government that incorporates city development strategy principles. To assist the government as it establishes new local authority political boundaries and administrative structures, the Alliance will fund analytic support on economic, sociodemographic, physical, environmental, and financial inputs (see Box 6 for more details).

Client Execution

Furthering a primary objective of its MTS to increase ownership and leadership of cities and countries systematically, the Cities Alliance has approved several client-executed CDS grants during 2007. Experience has shown that an activity's success often is directly related to the extent that it is conceived, designed, proposed, and managed by the entity requesting the assistance. During the fiscal year, the cities of Lilongwe (Malawi), Cairo (Egypt), Aleppo (Syria), and Abomey (Benin) have requested the support of Alliance members for strategic planning to help them better manage their urban challenges.

After attending the July 2007 City Future Workshop in Johannesburg, organised by United Cities and Local Governments of Africa, the Lilongwe City Assembly decided to seek support from the Cities Alliance to develop a CDS that would help them achieve the Millennium Development Goals. Under the mentorship of Johannesburg, the city will use the preparatory grant to conduct a participatory situational assessment and draft a full-scale proposal for a CDS.

Three urban governorates—Cairo, Giza, and Qalyubia—that make up Greater Cairo will receive assistance from Cities Alliance for ongoing efforts to pre-

Box 6: **Designing a CDS-Based Local Government in Swaziland: Improved Opportunities for Participatory Governance**

In 2006, the Kingdom of Swaziland ratified a new Constitution that enshrines the principles of decentralisation by mandating the creation of an accountable and sustainable local government across the country. This milestone aims to address the dual system of governance established during the British colonial period, which created a very limited number of local governments around centres of commerce and administration. The rest of the country (about 60 percent of the land area), in which the majority of Swazis reside, remained under traditional administration through chiefs ultimately responsible to the king. Today, the two city councils Mbabane and Manzini and the 10 town councils/boards are home to approximately 30 percent of the population. These local governments—together with the Swaziland Electricity Company and the Swaziland Water Services Corporation—provide a comparatively high level of urban infrastructure and services. However, the roughly 70 percent of Swazis who live in traditionally administered jurisdictions do not enjoy access to most basic municipal services, and private investment in the traditionally managed areas is largely ad hoc and unplanned. More critically to service delivery, the traditional system is not designed to mobilise capital for significant investments nor can it sustainably operate and maintain such investments.

Recognising the disparities in access to resources, and in an effort to bring government closer to Swazi citizens, the Deputy Prime Minister's Office and the Ministry of Housing and Urban Development have requested assistance from the Cities Alliance to support analytical work that will inform the design of a new local government system. As articulated in the new Constitution, the aim of a countrywide local government system is to increase public participation in the economic, social, political, and cultural life of the nation. The support from the Cities Alliance will enable the government of Swaziland to complete the following critical tasks in the process of designing a new local government system:

1. Under the auspices of the national consultative process led by the Deputy Prime Minster's Office, support consultations between communities and civil society to inform proposals for administrative boundaries and decentralisation structures;

2. Review governance models that offer guidance and solutions for the integration of traditional and municipal authorities;

3, Identify and analyse centres of growth and investment potential with particular emphasis on regions currently under traditional administration. The centres of growth will be mapped to include their associated demographic and economic catchment areas;

4. Support delineation of a system of local government jurisdictions that will address the four key Alliance principles of sustainability, inclusion, productivity, and good governance; and identify the intergovernmental fiscal requirements for basic social and municipal services.

To initiate this challenging work programme, the World Bank hosted a workshop in Washington, DC, with the principal secretaries of Finance, Economic Development and Planning, the Prime Minister's Office, Housing and Urban Development, Regional Development, and Youth Affairs, and the Director for Decentralisation on June 4–6, 2008.

Over two days of excellent discussion with Bank experts on decentralisation, solid progress was made in identifying key principles that should guide the process in Swaziland. A team of experts supported through the Alliance grant will begin work in Swaziland at the end of July; and over the next eight months, a truly Swazi solution to the challenges of providing accountable, effective local governance to all Swazis will begin to emerge.

Upgraded settlement in Mbabane, Swaziland.

Youths at play in São Paulo, Brazil

Figure 2: Execution of Active CDS Grants

Municipality/Sub-National 20%

Local Government Association 11%

NGO/Civil Society/Institute 11%

National Agency 7%

Other 2%

CA Member 49%

Client Execution* 51%

*Indicates main recipient and executor of grant funds.
A small portion of the grant (up to 15%) may be used for supervision.
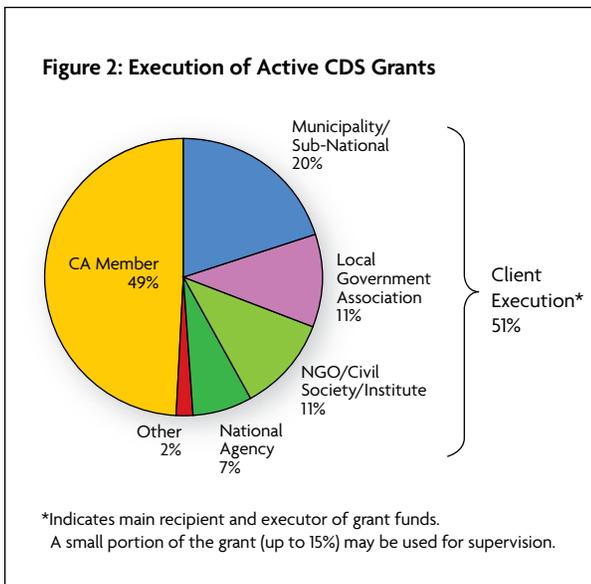
pare a Greater Cairo strategic plan. An analysis of the existing situation was presented at an international workshop in December 2007. Since then, Cities Alliance members, including UN-HABITAT, the Japan International Cooperation Agency (JICA), the German Agency for Technical Cooperation (GTZ), and the World Bank, have provided support for detailed analysis of physical planning, urban upgrading polices, land economics, competitiveness, and urban transport. In the workshop planned for the coming year, these thematic and sectoral studies will be presented to help stakeholders begin to shape a vision for their futures.

Two historic cities representing different regions and cultures, both committed to preserving their cultural heritage—Aleppo (Syria) and Abomey (Benin)—will be supported by Cities Alliance in their efforts to rehabilitate their cultural assets and modernise their governance systems while planning for future growth.

These examples represent grants approved in fiscal 2008. As indicated in Figure 2 just over half of the active CDS grants are client executed—clients that include municipal and national government agencies, local government associations, and non-governmental organisations (NGOs).

Box 7: The Mumbai Transformation Support Unit Executes Cities Alliance Grants in Support of the City's Transformation Agenda

The government of Maharashtra established a special unit to coordinate and support its efforts to transform Mumbai into a world-class city. The Mumbai Transformation Support Unit (MTSU), which was set up within the All India Institute of Local Self-Government, is headed by an Indian Administrative Service officer posted by the government of Maharashtra as project manager and guided by in-house experts in various fields, such as health and education, housing, transport, and communication.

The MTSU received a second grant from the Cities Alliance to support its key functions, which include

- Anchoring the transformation process;
- Administrative and technical support to the Citizens Action Group, subgroups, empowered committee, and government departments;
- Administrative support to the Secretary (Special Projects), ; in coordination, communication, monitoring, and reporting;
- Technical support for strategy, sectoral plans, and policy framework;
- Management support for "Quick Wins";
- Consultation facilitation with stakeholders and partner institutions;

- Communication and consultation;
- Networking with NGOs, institutions, and experts.

The MTSU works in a consultative capacity to facilitate the process of Mumbai's transformation. Conceptually, its focus areas are physical and social infrastructure, environment, housing, governance, strategic planning, and economic growth. It functions in three capacities—initiation, facilitation, and monitoring of all activities that concern Mumbai. It has used Cities Alliance grant funds to initiate various studies, base papers, and policy papers for sectoral reforms in the field of education, economic growth, governance, health, housing, transport, and a business plan for the Mumbai metropolitan region. It facilitates pilot projects and consultations on the sectoral issues for the government of Maharashtra, and offers advisory support to the state government on all matters concerning the evolution and future of Mumbai. It monitors the progress of all projects and policy reforms concerning the Mumbai metropolitan region through a Web-enabled information system. MTSU also provides a convergence platform for people and agencies to meet and work in harmony for the city's betterment.

Waterlogged slum housing in Mumbai, India

In July 2006, the government of Ethiopia's Ministry of Works and Urban Development launched a new initiative to scale up urban management education and training. The approval by the Council of Ministers of a national Urban Development Policy in March 2005 and the creation of the Ministry of Works and Urban Development in October of that year demonstrated the importance the government gave to an "emerging urban agenda" in terms of national policies, strategies, and programmes. This was reflected in the government's Plan for Accelerated Development to End Poverty (PASDEP) 2005/06–2009/10. The $3.5 billion urban component of the PASDEP was developed during the first half of 2006 and is now being implemented.

To meet the need for professionals and managers to guide and implement the urban policies, strategies, and programmes, the government decided to scale up the existing undergraduate, postgraduate, and short-course programmes. In March 2007, a new Urban Management Master's Programme was launched at the Ethiopian Civil Service College, with 390 participants from all of Ethiopia's nine regional states and two chartered federal cities. On August 27, 2008, 357 of the first batch of "scaled-up" master's programme participants graduated with theses completed in eight specialisation areas, such as finance, transport management, and so forth. Compared with an approximate total of 80 graduates since the programme began in 2000this figure represents a significant increase. In March 2008, the second batch of 592 students started the 18-month course, putting the government within reach of its target to enroll 1,000 students per year.

Small and Medium-Size Towns—
"Where Urbanisation Will Take Place"

Though not yet at the forefront of the urban agenda, the evidence suggests that future urbanisation will take place primarily in secondary cities and towns. One-third of the population of Africa and Asia live in towns of between 2,000 and 200,000 people. In Africa, Asia and Latin America, the number of people living in towns is expected to double within 15 years and double again within 30. These small cities often have fewer financial and human resources than their mega- or primate city counterparts and yet will be faced with a tremendous influx of migrants in the coming years.

Moreover, the Commission on Growth and Development has just presented evidence suggesting that cities promote economic growth, provided the largest city in a country does not grow too large compared with the others.[5] The commission's re-

Youth participation in urban planning

Courtesy: Slum Dwellers International

5. The mandate of the Commission on Growth and Development, established in April 2006 under the leadership of Nobel laureate Mike Spence, is to take stock of the state of theoretical and empirical knowledge on economic growth with a view to drawing implications for policy for the current and next generation of policy makers. The Commission is sponsored by the Australian Agency for International Development, the Dutch Ministry of Foreign Affairs, SIDA, the U.K. Department for International Development, the William and Flora Hewlett Foundation, and the World Bank Group.

Street scene in Paraisópolis, São Paulo, Brazil

port—*Cities: Engines of Growth and Prosperity for Developing Countries?*—argues that "the priority for policy should be to prevent or curb the worst imbalances in urbanisation rather than attempt to slow it down or reverse it. Broadening the focus from within-city efficiency to between-city efficiency even suggests that reducing the obstacles to the reallocation of factors and activities across cities is a highly desirable policy objective….Instead of restricting the influx of people into the cities, the second pillar of urban policies in developing countries should be to favor the mobility of resources across cities and regions, while avoiding their concentration in only one primate city."

In Ethiopia, for example, urbanisation will occur in 800 small towns—not only in Addis Ababa, the country's primate city. The country's overall population of about 85 million is expected to grow to 170 million by 2050 and its urban population of about 13 million will increase to approximately 50 million, primarily in secondary cities. In anticipation of this phenomenon, the Cities Alliance is supporting establishment of an Ethiopian Cities Network. GTZ, as the main sponsor, will support the process. However, as is starkly evident in Ethiopia, the secondary and tertiary towns and cities face enormous resource, capacity, and personnel constraints. As described in

Box 8 the government has begun to take proactive steps to address these realities.

In 2008, the Cities Alliance also approved a grant to support the preparation of participatory Municipal Development Strategies (MDSs) in 15 small towns of Azerbaijan. Although the capital city of Baku has experienced some economic growth since the country began its political and economic transition, the country's secondary cities are lagging behind. They lack both the technical and financial capacity to manage their own assets and deliver sustainable services to the local population. The grant will be used to develop a practical manual to guide municipalities through strategic planning processes and to support the government in drafting necessary legal reforms to institutionalise the MDSs.

Metropolitan Management

While urbanisation trends point to the need for both policy makers and development agencies to pay more attention to small and medium-size cities and towns, the fact cannot be ignored that large metropolitan areas are both driving economic growth and grappling with its serious challenges. Many clients of the Cities Alliance are large metropolitan areas struggling with issues of cross-jurisdictional governance, service delivery, land management, and poverty reduction in the face of rapid, often uncontrollable urban growth. During the last year, several metropolitan CDS efforts were initiated, spanning the globe from Brazil to Tunisia.

In Brazil, the Minas Gerais State Secretariat for Regional Development and Urban Policy recently launched a CDS to identify priority investments that could enhance economic development and reduce poverty in the Metropolitan Region of Belo Horizonte (MRBH). The region comprises 34 municipalities with a total population of approximately 4.5 million. They have formed a metropolitan pact to develop a consensus-based strategy to stimulate the development of the region, contributing to poverty reduction by identifying and implementing investments in the activities and/or services of common interest. The CDS is the tool that will be used to define the development path.

The seven municipalities of Greater Sfax, Tunisia, received a grant to develop phase two of the Greater Sfax Development Strategy that they initiated in 2003. Within the framework of their strategy, the municipalities aim to define an economic development strategy for the metropolis while preparing an urban integration strategy for their old city centers and poverty-stricken neighborhoods. During 2007, the Cities Alliance also signed an agreement with the Al-Fayhaa Union of Municipalities to support the preparation of a Sustainable Development Strategy for the metropolitan area of Tripoli, Lebanon, which comprises three distinct cities.

In Palestine, the cities of Ramallah, Al-Bireh, and Beitunia established a small but well-placed Joint Coordination Unit to coordinate and drive the collaborative actions among the municipalities as part of their CDS project, which was evaluated this year. The partnership between the three municipalities was considered groundbreaking and is the single factor of success most emphasised by the partners. It has allowed the three municipalities to initiate some joint projects and activities around transport planning, waste collection, and physical planning.

Cities with Jobs

Creating employment opportunities and local economic development is a top priority among mayors and local leaders. This priority is reflected in the number of approved applications for CDS support received by the Cities Alliance—one-third of which focus on local economic development.

However, cities seldom have either the authority or the capacity to address economic development alone. Essential elements of a successful local economic development strategy include a conducive national policy framework, stable and predictable support from higher tiers of government, and the ability of the city's mayor and managers to respond to the investment concerns of the private sector.

Over the last few years, the Cities Alliance has paid far more attention to local economic development as a part of a city's overall strategy. Recently, this has been further strengthened by a new agreement with the International Labour Organization (ILO), supported by the Swedish International De-velopment Cooperation Agency (Sida) and UN-HABITAT, to develop a Policy Advisory Note and a Work Programme for Cities Alliance members.[6] The Policy Note will provide guidance to municipalities on how cities' strategic processes can better support job opportunities at the local level. The Work Programme will assess what is needed to boost urban employment and what different actors—including Cities Alliance members and partners—can do to improve the situation through city development and slum upgrading strategies.

Lessons from Field Evaluation: Economic Revitalisation by Cities in Heilongjiang Province, China

The 2008 field evaluation of a CDS activity in three cities of northeastern China revealed that although the project was managed professionally and deliverables were of high quality, more emphasis should have been placed on designing the CDS process toward results, involving a broader range of stakeholders, and laying the foundation for continued improved collaboration among them.

The activity, which follows CDS activities in nine Chinese cities, was designed to contribute to economic development and industrial restructuring along the industrial corridor between the cities of Harbin, Daqing, and Qiqihar (referred to as the Ha-Da-Qi Corridor). The main objective of the activity, which was implemented by the World Bank from October 2005 to December 2007, was to assist the three corridor cities in enhancing the effectiveness, equity, and financial sustainability of their CDS, with a focus on

- Local economic development and industrial restructuring
- Urban poverty alleviation, including issues related to unemployment, migrants, and women
- Improvement of the urban environment and related public services

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6. The initiative stems from the Consultative Group Meeting in 2006 at which Cities Alliance members expressed their strong interest in more effectively integrating employment into urban development strategies and programmes and better designing technical cooperation and external funding modalities to facilitate job creation. Employment creation was seen also to be a key to the success of the Millennium Goal for Cities Without Slums (Goal 7, Target 11), which was inspired by the Cities Without Slums Action Plan produced by the Cities Alliance.

Commercial centre in Heilongjiang

Box 9: Main Outputs of the Economic Revitalisation by Cities in Heilongjiang Province

1. "Ha-Da-Qi Corridor: China's New Frontier" and "Ha-Da-Qi Corridor Options" (including strengths-weaknesses-opportunities-trends [SWOT] analysis and economic cluster portfolio assessment)
2. City of Daqing: [Economic] Diversification Opportunities
3. City of Daqing Marketing Strategy
4. City of Qiqihar Water and Wastewater Sector Strategy
5. City of Harbin: Notes on Urban Planning
6. Urban Environment and Services Review for the Northeast of China
7. Profile of the Three Cities: Income Analysis/Urban Poverty Study

- Establishment of a regional economic corridor between Harbin, Daqing, and Qiqihar
- Related investment programmes and financial instruments.

A major strength of the activity was the professional quality of the consultancy studies (listed in Box 9) and project management. The reports introduced new ideas about regional economic development, including economic cluster analysis; new strategic directions for the corridor, such as establishing the city of Harbin as its flagship; and taking a collaborative approach among the three cities and between the public and private sectors to achieve economic development goals. The research methodology and analysis generally were appreciated by the clients, and activities were characterised by a high level of commitment by some key participants in the project.

On the other hand, the evaluation revealed that the process of CDS elaboration could have been designed in a more results-oriented way. In some parts of the CDS process, provincial and municipal government stakeholders played an active role, while the other stakeholders outlined in the grant proposal—especially poor and vulnerable groups, as well as the

private sector—were involved only marginally. All reports were prepared by international consultants, only some of whom partnered with Chinese consultants. Local stakeholders, therefore, criticised some of the outputs for demonstrating a lack of local knowledge. The outputs were also criticised for their lack of implementation or action plans for moving forward with the strategic recommendations.

In fact, behavioural changes were difficult to observe. Although the project approach and recommendations have the spirit of changing the way in which the province and cities work and interact, no government unit stated that it had tried or planned to adopt the procedural recommendations presented in the reports—especially those related to collaboration.

The evaluation mission found that, despite a proposed focus on reducing urban unemployment and developing poverty alleviation strategies, the outputs emphasise economic issues far more than social issues. Recommendations on environmental aspects in this former "rustbelt" region, which served as China's heavy industry base until the 1970s, are underdeveloped relative to economic revitalization issues.

The main lessons and recommendations from the evaluation are as follows:

The **ownership** by the provincial and city actors who should implement and *live* the changes was limited because they were not the executors of the different tasks. Their involvement in procurement, instructions, and management of consultants could have been more profound. **Client execution** and increased ownership of a strategy process (including responsibility for the budget, the procurement, output monitoring, and so forth) may have increased the effectiveness of the Cities Alliance–financed activities.

Involvement of stakeholders, other than government officials, was weak throughout the project process and seems to be almost nonexistent after the completion of the study. This lack of involvement underscores the need to make a concerted effort up front to involve stakeholders more meaningfully in the process of strategy formulation, and to prompt Cities Alliance members to play a greater role when necessary to ensure that private and nongovernmental actors are engaged with the public sector.

Because **process orientation** (as presented in the procedural recommendations of the Ha-Da-Qi Corridor strategy) seems to be hard to sell in the Chinese context, it should be backed up by action. The procedural recommendations in the documentation are considered interesting by public authorities, but have not been internalised. Pilot exercises on new approaches would have provided on-the-job training and could have been used to verify the applicability of the recommendations.

It is critical to get **environmental issues** higher on the agenda of all cities in China. On both the provincial and municipal levels, long-term environmental analysis should be better integrated into economic policies. In particular, urgent attention needs to be paid to handling the consequences of private car ownership and restructuring cities' energy production away from coal and oil to renewable fuels.

In the cities of Harbin, Daqing, and Qiqihar, the greatest challenge concerning implementation follow-up of the Ha-Da-Qi CDS is to **strengthen collaboration** along the corridor. As a starting place, the cities could determine the possible advantages of and define incentives for collaboration across jurisdictions and with private stakeholders.

Experience from the project should inspire the Cities Alliance and its members in China to question

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Box 10: Project Activities of the Economic Revitalisation by Cities in Heilongjiang Province

Phase 1 (December 2005–June 2006): Launch workshop held at the provincial level, followed by city-level consultations; SWOT analysis produced in cooperation with city and provincial governments.

Phase 2 (July 2006–June 2007): Detailed analytic reports produced on regional economic development of the corridor, economic diversification, and marketing opportunities in the oil city of Daqing; profiles of income/social assistance in each city, environmental infrastructure investment needs and finance, and metropolitan governance in China.

Phase 3 (January–December 2007): This phase focused on dissemination [AU: of what?] and learning; mayors participated in the Harbin International Fair, two knowledge-sharing workshops, and a U.S. study tour on collaborative approaches to regional (corridor) development; the final CDS workshop in Harbin was held and a completion report with all final documentation was submitted in December 2007.

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local interventions in one city or region and to seek mechanisms for more long-term commitment of project partners to work together. It should further inspire the Alliance to make best use of its global outreach to support a larger number of Chinese cities. One such mechanism could be to promote **exchanges among Chinese and African urban officials and professionals,** as has been planned by GTZ for late 2008. These exchanges can be a vehicle for the Alliance to promote south-south cooperation, draw on lessons learned, and share examples of successful planning and cooperation approaches from its long-standing engagement in both regions.

For **its activities globally,** the Cities Alliance should ensure that proposed impacts and expectations are realistic, given the scope of the target area, available funds, and the political and social context. This project demonstrated that there is a need for greater due diligence at the project design stage to understand how the proposed activity fits into the larger context. Cities Alliance members may want to further encourage applicants to first apply for preparatory grants (up to the current maximum of $75,000) to deter-

mine how an intervention can be of maximum relevance and to tailor the local client participation for highest overall programme effectiveness.

SUSTAINABLE FINANCING OF INVESTMENTS

The Cities Alliance and its members provide support to cities and countries where persistent underinvestment in urban infrastructure compounds the impact of an increasing urban population. In general terms, however, it is possible to identify several encouraging trends, including: (1) the ability of certain multilateral or bilateral donors to lend directly to municipalities without national government guarantee (subsovereign loans); and (2) the development of a number of new tools, such as partial guaranties, credit enhancement, and pooled financing, all of which increasingly should facilitate municipal access to capital markets.

Box 11: Municipal Finance Task Force Web Site

The Municipal Finance Task Force (MFTF) Web site regularly documents and updates these trends and new tools. Launched in 2005, the site is a considerable reference and archival tool. However, the MFTF has been less successful in generating a dialogue among interested parties, and the Cities Alliance commissioned a review to assess options. The review observed that "the website has the potential to become a very valued 'must-have' resource for those individuals working on municipal finance initiatives within the developing world." The Cities Alliance Secretariat will continue to seek ways of making this tool more useful to members and partners alike.

The MFTF webstie can be found at http://www.mftf.org/

New housing for the poor in Muntinlupa, Manila, the Philippines

Chii Akporji/Cities Alliance

The Russian republics of Chuvashia and Stavropol were provided with an innovative form of assistance by the Cities Alliance. Two CDS grants provided support for the preparation of regional development strategies that incorporated explicit analysis of market-based financing as part of a wide range of potential sources of investment. The assistance was an outcome of the Cities Alliance effort to focus attention on innovations in municipal finance that can help mobilise resources from domestic financial markets to support city development.

The assistance provided through the grants to both regional governments included: (1) well-defined capital investment plans for the regions that defined and prioritised investment options, (2) an enabling environment for region–city partnership for raising infrastructure investment, and (3) identification of specific investment projects that would be able to access market-based financing.

The capital investment planning process was carefully designed to involve both city and regional government decision makers. It provided an improved methodology for identifying, selecting, appraising, and prioritising projects for the regional plan. Priority regional infrastructure projects were ranked in terms of their impact on improving quality of life, income generation, and economic growth. Projects were then matched with potential sources of funding that included the Russian federal government, multilateral development banks, and the Russian financial market.

Although the Republic of Stavropol is still considering its financing options, the Republic of Chuvashia already has moved ahead with a successful financing in the local bond market while maintaining its prudent budget management record. As a result of the Cities Alliance assistance, the RUR 1 billion Chuvash bond issue was assisted by a joint World Bank–International Finance Corporation (IFC) team that structured credit enhancement for the bond through an IFC partial credit guarantee. This made the infrastructure project more affordable by lengthening the bond's maturity, reducing the cost of capital, and improving liquidity.

The present and emerging portfolio of the Cities Alliance clearly reveals two tendencies: (1) financing issues seem to be progressively integrating with other activities, and (2) there is an emerging demand for developing financing investment systems at the national level.

Integration with the CDSs and Slum Upgrading Activities

The interrelations between a comprehensive city development strategy and the city's capacity to access domestic and/or international sources of finance are numerous and obvious. Indeed, one of the most consistent messages from the Cities Alliance portfolio is that the capacity to elaborate a comprehensive and accurate strategy for local development probably is the best signal a potential borrower can send to private investors and donors. A well-articulated CDS would include a realistic multiyear plan that:

- Identifies funding resources;
- Proposes ways to improve the collection of local resources;
- Strengthens the city's borrowing capacity;
- Commits to high standards of efficient management and transparency;
- Is uncompromising in tackling corruption.

The CDS is the appropriate tool for addressing all these goals, especially if the local government can do so in partnership with civil society and the local private sector. A CDS that includes those aspects will enhance the market's analysis of the city's credit quality by enhancing security for the lenders, who attach a high value to the feasibility of investment plans in both physical and financial dimensions and to the credibility of local management. The positive impact of a clear financing strategy within a CDS is clearly visible in the case of two cities in Russia (Box 12)

The same evolution has been emerging, albeit to a lesser degree, with slum upgrading activities. However,

slum upgrading is somewhat more difficult because, by definition, the recipients are generally the very poorest and most marginalised citizens, often with extremely limited capacity to pay for essential services. Notwithstanding these obstacles, the Cities Alliance actively promotes the inclusion of financial strategies within slum upgrading programmes. In addition, the Alliance has provided an umbrella for two initiatives designed to test specific approaches, the Community-Led Infrastructure Financing Facility (CLIFF) and UN-HABITAT's Slum Upgrading Facility (SUF), designed to mobilise domestic savings and capital for financing slum upgrading operations (Box 13).

Through loan guarantees, technical assistance, and catalytic grants, SUFs are targeted at area upgrading projects, with project finance loans negotiated from commercial lending institutions and combined with other inputs. A SUF also targets individual home improvement programmes, with wholesale loans secured for on-lending through local institutions. The SUF approach has been financed by Cities Alliance members United Kingdom, Norway, and Sweden.

Visiting CLIFF projects in Nairobi, Kenya

Madhavan Balachandran/Cities Alliance

Strategies for Developing Financing Investment Systems at the National Level

The Cities Alliance also contributes to the elaboration of different comprehensive strategies for financing urban investments at the national level, particularly in the context of decentralisation. A good example is the support for Ghana to develop a municipal finance framework implemented by the Municipal Finance and Management Initiative (MFMI). This support, which began in 2006, is now entering its second stage. As part of the Alliance's MTS, a partnership agreement has been signed between the government of Ghana and the Cities Alliance. Among other things, the agreement reinforces the Alliance's support through the MFMI. It begins with a grant for creating the business plan of a municipal fund, the Municipal Finance Authority (Box 14).

Box 14: Supporting the Municipal Finance and Management Initiative in Ghana

With the support of the Cities Alliance and its members active in Ghana, the MFMI was launched two years ago to assist municipalities in generating adequate funding for the development of infrastructure and service delivery. A Technical Advisory Committee was formed to focus on four issues: (1) legal and regulatory framework, (2) fiscal and financial instruments, (3) capacity building, and (4) identification of pilot projects. Subcommittees were tasked with addressing these challenges. The subcommittees delivered a comprehensive report recommending: (1) the implementation of a new legal framework to be instituted by a Local Government Finance Law, and (2) the further establishment of a special-purpose vehicle for financing investments in major cities.

The Local Government Finance Bill was drafted and discussed in February 2008 at a technical workshop for parliamentarians, donors, and development partners. The final text of the draft legislation will be presented before the National Assembly. At the same time, the creation of the special-purpose vehicle, called the Municipal Finance Authority [MFA] was approved by government.

At this stage, a partnership agreement was signed between the Cities Alliance and the government. This agreement provides the platform for a long-term partnership between the Cities Alliance and its members and the government of Ghana. The first action in this framework was to support the MFA in creating a business plan.

Market scene in Accra, Ghana

The objective of the MFA is to provide debt finance and eventually to mediate between domestic debt market and city financing demands. The business plan will provide the MFA the necessary estimates of: (1) the capacity of potential clients to access commercial finance over the next years; (2) the consequent capitalisation of the MFA, based on estimated credit demand; and (3) projected financial statements. The business plan is a step in the operational process and an essential element in the quest for capitalisation.

Street scene from Mercato market, Addis Ababa, Ethiopia

To be successful, decentralisation presupposes a set of conditions: the local authorities have the appropriate remits, they possess the necessary resources or are able to raise then, they have access to funding, and they have the needed know-how and human resources.

Considering the great diversity that affects decentralisation in different countries, a strategy to support the cities' empowerment can take a variety of forms. In many cases, the process of decentralisation is far from complete, and the demand for support concerns essential areas—such as transfer of resources, devolution of taxation, public finances, and a special-purpose vehicle for financing local investments—at the national level. Certain issues interfere with public policies in specific sectors. For example, the financial autonomy of local authorities probably will remain elusive without a genuine capital market at the national or regional level. In this regard, the situation seems particularly acute in Africa, where financing systems are often weak or old-fashioned (if they exist at all), while the already considerable needs are set to increase dramatically during the next decades. To clarify the debates and enlighten the strategic choices that decision makers are facing at national and local levels, the Cities Alliance and several partners have launched a research programme on the financing of African cities (Box 15). The study is jointly funded by the Cities Alliance and Agence Française de Développement (AFD) and is being undertaken in partnership with the African Development Bank (AfDB) and United Cities and Local Governments (UCLG). The results will be published as a concise book in English and in French and will be supported by a dissemination campaign, including a series of workshops on the continent.

Box 15: Financing African Cities: A Study

The African continent has some of the world's highest urban growth rates. It has been estimated that, over the next few decades, African cities of all sizes will need to absorb about 350 million additional inhabitants. Considerable investment will be needed to sustain this level of growth and to address resulting challenges. At the same time, decentralisation has resulted in increased responsibilities for local government. In most cases, however, institutional reforms have been carried out without the transfer of sufficient resources, and local capacities in governance and project management are weak.

Which mechanisms will finance these extensive needs, and how will African local governments meet these needs? Specifics on how to finance African cities have not been studied. The actual scale of the market has not been grasped fully. A systemic approach to this market is difficult because of its diversity (country size, institutional context, characteristics of the urban network, availability of a capital market, currency, and the like) and a lack of data. Donors' assistance methods in the sector are disparate, marked by disputes between different schools of thought; and special-purpose vehicles created by donors operate according to a variety of methods and with wwide-ranging and sparsely disseminated results.

What is the best way to transform these systems, often antiquated in many respects, into modern financing systems that facilitate access to domestic markets, mobilise local savings, and reinforce local government autonomy? There is certainly no single answer to that question in regard to such a variety of institutional and economic contexts. The main objective of the proposed study on financing African cities is to clarify the debates and to enlighten the choices of African decision makers at local and national levels. This objective will be realised in five steps: (1) a summary of basics of investment theory and financing investments; (2) an inventory of existing systems in Africa and their typologies (by countries, by instrument types); (3) a set of case studies identified as particularly relevant to the issues; (4) a perspective on existing systems, based on a literature review of themes and methodological questions framing current debates and using information from experiences on other continents; and, (5) a collection of information sheets informing the target audience about various techniques drawn from the prospectivestudy, along with concrete data on how to proceed.

CITIES ALLIANCE MEMBERS' REPORTS

Upgraded housing for the poor in Vilo Nilo, São Paulo

ASIAN DEVELOPMENT BANK (ADB)

http://www.adb.org/urbandev/

Summary of activities in urban development. Urbanisation in Asia is a multifaceted and complex process, the scale of which is striking: 44 million people are added to city populations every year, equivalent to 120,000 people each day. Thus, each day, the construction of more than 20,000 new dwellings, 250 km of new roads, and additional infrastructure to supply more than 6 megalitres of potable water are required. For the ADB to be relevant to the needs of its developing member-countries, its operations need to maximise the opportunities of urbanisation and address its negative impacts. Institutions that manage urbanisation often lack coordination, capacity, and finance.

Addressing global environmental problems and the Millennium Development Goals (MDGs) will be most challenging in Asia's urban areas. Further, Asian cities investment needs of Asia's are great. The public sector cannot meet them alone. A closer partnership between public and private sectors is essential. Better engagement with urban sector institutions in both the public and private sectors is a high priority. Financing needs are vast and growing rapidly. The ADB estimates that $60 billion a year is needed in investment to meet the demand for urban infrastructure services between 2007 and 2010.

These services include water supply, sanitation, solid waste management, slum upgrading, urban roads, and mass transit systems. There is a huge funding gap, and the ADB can play a key role in helping finance this need. The nature of urban lending will be different in the future. Decentralisation has provided cities with greater say in their development, but coordination systems often are not adequate to address multijurisdictional cities, and financing (cost recovery) systems often are not sustainable. In addition to the issues discussed above, and in response to them, the scale and scope of urban economies require a more integrated and coordinated approach to assistance, reflecting the increasing aspirations of urban dwellers for more liveable and sustainable cities. Some Asian urban centres already possess an economy equivalent to many nations both in size and complexity. Problems of inclusive economic development, poverty reduction, and sustainable use of required resources can only be managed transparently and efficiently if support is provided in a programmatic way, including the participation of a broad range of stakeholders.

ADB's urban lending during 2007 approximated 11 percent of its overall lending portfolio of close to $10 billion. These investments are mostly in water and sanitation, urban roads, public transport, energy, as well as settlement upgrading and basic services for the urban poor. Major urban investments can be found in Pakistan, India, Bangladesh, Indonesia, the Philippines, Vietnam, China, and Mongolia.

ADB can play a leading role in support to Asian cities and can make urban lending a core business. As a financier, ADB can help deliver and leverage much-needed investment in infrastructure services, particularly with the potentials offered under the Innovation and Efficiency Initiative, which allows longer-term investment programmes through multitranche financing and the newly introduced subsovereign lending. As a development institution with extensive experience in urban planning, infrastructure services reform and poverty reduction, ADB is well placed to

deliver knowledge products and finance for sustainable and inclusive growth in the region's cities and towns. Additionally, ADB can act as a strong partner in policy dialogue, work at multiple levels of government, and foster partnerships with the private sector and donors.

Recognising the importance of the growing urban sector, ADB expects further demand and growth for finance in the urban sector. A number of ADB's flagship programmes will lead to longer-term cooperation and will upscale successful pilot experiences into multiyear programmes.

Metro Manila Urban Services for the Poor (MMUSP) Investment Programme. Since 2005, ADB has been working with the Philippine government's Housing and Urban Development Coordinating Council (HUDCC) on the preparation of the Metro Manila Urban Services for the Poor Investment Programme. A Cities Alliance grant has assisted with the preparation of Tranche 2 subprojects in six cities of Metro Manila, the adoption by the city governments of a road map for the "cities without slums" investment programme and a policy reform agenda.

MMUSP is designed specifically to address the basic infrastructure, housing, and livelihood needs of the urban informal settlers and the poor in Metro Manila. The long-term goal of the investment programme is to improve the living conditions and quality of life of informal settlers and urban poor through the provision of basic infrastructure and affordable housing with secure tenure in their existing settlements or in new resettlement sites. The programme also will provide microfinance support to beneficiaries to improve their income and their capacity to pay for their newly acquired or improved housing units. Furthermore, institutional strengthening and capacity development of selected key housing agencies, including local governments, will be integral to the whole project design toward improving the existing housing delivery system. A policy reform agenda will contribute also to the institutional strengthening and capacity development.

Makati, Metro Manila, as seen from an informal settlement nearby

MMUSP will consist of a series of subprojects, financed through a Multitranche Financing Facility (MFF) over a period of 10 years. It consists of five tranches and will provide $494.55 million of ADB financing for the 30 proposed subprojects in all 17 cities and municipalities of Metro Manila. The cities and municipalities there can enroll several subprojects under the MFF, provided they meet the qualification criteria. The MFF will fund approximately 8 percent of the investment requirements of $6 billion of the estimated 10-year slum eradication and urban renewal plan for Metro Manila.

It is envisioned that MMUSP, with its innovative approaches to sustainable slum eradication and urban renewal, will stimulate additional investments in the sector by private sector groups and other donor agencies when there is tangible progress in the sector reform agenda. The policy and institutional reform agenda seeks to (1) attain wider application of market-based interest rate policy, (2) establish well-equipped and responsive social housing finance institutions with sustainable pro-poor programmes, (3) incentivise local governments to assume and invest in their mandated shelter sector responsibilities, (4) accelerate the distribution of secure tenure, and (5) mobilise more private sector participation in upgrading and social housing supply.

AGENCE FRANÇAISE DE DÉVELOPPEMENT

http://www.afd.fr/

A new AFD division, the Local Authorities and Urban Development Division, was set up in July 2007. It is in charge of all AFD's activities in favour of local authorities, both in overseas France and foreign countries. This in-house reform bears witness to AFD's willingness to place local authorities at the centre of its urban development strategy and, more generally, to strengthen local autonomy. In 2007, AFD committed a total of €150 million in the local authorities and urban development sector.

A municipality-based strategy. Support to municipalities is a cornerstone of AFD's strategy and is implemented in all sectors of municipal public policies. It specifically focuses on strengthening local autonomy, improving financial management, and promoting best practices in terms of technical, administrative, and political governance.

The second strategic axis is to develop urban territories by focusing on improving living conditions for the urban poor and strengthening city competitiveness. To reach this objective, AFD allocates grants and soft loans, whether directly to a municipality or through a national structure, thus funding infrastructure projects, commercial facilities rehabilitation, land management projects, urban renovation, and public service management improvement.

The third axis aims at reducing cities' environmental footprint. To achieve this objective, AFD operates on two levels: (1) mitigation of polluting and greenhouse gas emissions; and (2) reduction of city consumption of natural capital, in particular when due to urban sprawl. AFD consequently supports cities by financing public transport networks, energy efficiency programmes, housing rehabilitation, waste management, and urban biodiversity conservation.

This strategy, based on local authority capacity building, is fully in coherence with Cities Alliance' efforts to promote client execution and local ownership. Furthermore, projects funded by AFD are, from inception, based on partnerships (that is, with other donors, cities from the North ["city-to-city" cooperation framework], NGOs, local associations, civil society, and others).

AFD and Cities Alliance. AFD, as both a sponsor and a cofinancier, is a stakeholder in several CDSs, including those for Tripoli, Douala, Lomé, Dakar, and Cotonou, in addition to slum upgrading programmes, such as those in Morocco and Senegal. In Cotonou, for instance, AFD has cofinanced the CDS and promoted the creation of a single governance body to oversee both the CDS and the AFD-funded project, the Greater Cotonou urban project . AFD plays an active role in this CDS monitoring and will base future investment programming on its results.

2007 highlights. AFD allocated a direct loan totalling €10 million to Dakar municipality—thus far, the largest direct loan allocated by a donor to a West African municipality is the loan is to help finance a municipality capacity building programme focused on financial management, designed in cooperation with the city of Marseille.

In Brazil, AFD is financing the investment programme of the municipality of Curitiba, including a biodiversity conservation component to the tune of €36 million.

Street scene in Jacmel, Haiti

Similarly, AFD has allocated direct loans to the Turkish municipalities of Buski and Kayseri. This is a first for the Turkish municipal sector.

In Tunisia, AFD allocated a third loan to finance the National Urban Rehabilitation Programme, a comprehensive programme to reduce unsafe housing, conserve the urban cultural heritage in traditional *medinas*, and create serviced land plots (€50 million).

In some least developed countries (LDCs), AFD has further increased its financing in favour of local authorities, including huge municipal capacity building programmes. In Haiti, for instance, AFD has allocated a €12 million grant to the city of Jacmel. This project comprises three components: flood protection, municipal development, and technical assistance to the Ministry of Public Works. This municipal project is implemented in partnership with the city of Strasbourg, the Inter-American Development Bank, Spanish cooperation, local NGOs, and the French Ministry of Public Works.

BRAZIL

http://www.cidades.gov.br/

Ministério das Cidades

Including slum upgrading in the growth agenda

From a model of urban exclusion to integrated policies. In common with many other developing countries, the rapid growth of Brazilian cities has led to the emergence of substantial distortions of the economic landscape. The transition from a predominantly rural society to one based on ever-expanding cities as the result of massive emigration from the countryside has transformed Brazil into one of the most highly urbanised countries in the world, with 82 percent of its population currently living in urban areas.

A common feature of all Brazilian cities is the existence of a yawning gap between the parts of the city that have developed according to conventional market rules (endowed with proper infrastructure and services and inhabited by fully fledged citizens enjoying rights and benefits) and other disproportionately large protourban areas (generally places that are excess to, or outside, the formally constituted city and often are environmentally fragile and dangerous). The historic footprint of urban growth in Brazil throughout the 20th century produced the present tension between the so-called city and noncity, between people who effectively regard themselves as real citizens and those who are excluded from ordinary urban life and the advantages of true citizenship. During the 1980s and 1990s, in response to the wave of neoliberalism and the generalised absence of comprehensive public policies, this situation deteriorated with the rapid growth of the excluded population living precariously in the informal parts of cities—effectively slum areas commonly known in Brazil as *favelas*.

The establishment of the Ministry of Cities in 2003 was a key step toward reforming the pattern of urban exclusion. The basic goal of the new ministry was, on one hand, to formulate and work to practicalise a wide-ranging public policy aimed at accommodating a series of major policy interventions focused on housing, basic sanitation, land tenure regularisation, land planning, and urban mobility. On the other hand, the Ministry of Cities set out to ensure that investments in urban infrastructure no longer would be considered in terms of current expenditure; rather, in view of the beneficial effects of such investments on improving living conditions for the poorer population over the medium to longer term, such investments would be excluded from budgetary constraints—a proposal that became known internationally as the "Brazilian thesis."

Investing massively in access to the city. Brazil's new urban policy, formulated and executed step by step during President Lula's first term of office (2003–06), took off in earnest in 2007 as a result of Brazil's economic recovery, monetary stability, fiscal surpluses, and continuing growth performance in the foreign trade area. This new phase of economic growth was really the outcome of a series of parameters that were markedly different from anything previously experienced by Brazil, or indeed by large numbers of other developing countries. In the previous economic growth cycle, which lasted until the 1970s under the military regime, it was generally accepted that the economic cake needed to get larger before it could be cut and shared. The present government's strategy presupposes that the integration of growth and distribution is mutually beneficial.

Urban scenes from various cities in Brazil: Recife, Guarulhos, Guaruja and Salvador

In this new scenario, together with the real readjustments to the minimum salary (increased by more than 50 percent) and the creation of a substantial income transfer programme covering 11 million families (focused on the *Bolsa Familia Programme*), the federal government introduced its Growth Acceleration Programme (PAC), under which it proposes to invest more than $300 billion by 2010. This unprecedented programme, directed to investment in basic infrastructure as well as the more conventional areas of logistics, transport, and energy, has set aside $107 billion for urban and social infrastructural works, of which a total of $67 billion has been earmarked for housing alone.

Whereas the first Lula four-year mandate heralded substantial growth in housing investment for lower-income families, involving an overall expenditure of $22 billion over those four years (with $3.8 billion allocated to subsidies), the PAC will oversee a 300 percent increase for this sector throughout the next

few years. Furthermore, a substantial part of the total new investment figure (around $7 billion) is to be targeted at slum upgrading. In addition to the $2.5 billion to be used to subsidise housing for the poorer segments of the population, that figure includes an allocation of funds to social organisations.

The investments in urban infrastructure undertaken under the aegis of the PAC take into account three important interlocking factors:

1. The investments are the concrete expression of a number of policies and programmes that were (and continue to be) in preparation, with major contributions emerging from the National Housing Plan (*Plano Nacional de Habitação*), which has its roots in the National Social Interest Housing Fund and System and their local components. The slum upgrading programme represents a key part of Brazil's housing policy.

Street Scene in São Francisco, São Paulo

2. The financing of social and urban infrastructure is done through the employment of a particular instrument—the Priority Investment Programme (*Programa Prioritário de Investimento*) —that uses a distinctive approach to budgetary resources, involving no restrictions or cutbacks, in line with the Brazilian thesis.

3. The inclusion of infrastructure investment in an economic growth programme, in addition to incorporating access to cities and urban services as part of the income distribution process, aligns social investment with macroeconomic growth policies in an original way—not solely as a social sideline but as an intrinsic part of the growth policy itself.

Innovations in investment methods. The manner in which PAC investments are being formulated and executed on the microeconomic level represents an innovation in both institutional and methodological terms. The PAC is effectively a joint effort undertaken under the aegis of the Brazilian Federation, involving the union, the states, and the municipalities. It is based on criteria designed by common agreement to produce projects to benefit particular territorial areas under expertly coordinated execution and supervision.

Slum upgrading projects are selected on the basis of the following priorities:

- Environmental recovery, with special emphasis on the critical river basins with a view to preserving public access to clean water
- Focus on the lower-income population
- Elimination of bottlenecks resulting from the human occupancy of areas required for public infrastructure and streets/highways.

This federative process for coordinating the allocation of resources, involving 26 states plus the Federal District, 184 municipalities, and 12 metropolitan re-

gions, has made it possible over a period of two months to select approximately 300 investment projects in the housing, social, and environmental sectors to be undertaken during the coming four years.

It is obvious that completely upgrading existing slums and slowing down the rate at which slums form remain difficult, long-term challenges. Nevertheless, the road map has been drawn and the entire process certainly is moving in the right direction now.

Establishing the right to "cities for all." The Ministry of Cities strategy aimed at bringing about effective urban reform in Brazil consists largely of overcoming urban exclusion through the use of integrated policies, giving priority to access to cities and public services for all people by gradually transforming the *precarious settlements* (slums) into properly built urban zones and new neighbourhoods. The concepts of social and urban inclusion form the basis of this strategy, meaning that housing, water supply, and basic sanitation, together with the benefits accruing from properly urbanised land and easy availability of transport, are rights to be enjoyed by all citizens living in urban areas. Furthermore, inclusion involves the population participating in decisions regarding the foregoing rights, all of which together constitute an all-embracing scenario in which urban life and its corresponding social rights are, within the grasp of all people, without distinction. At the same time, community participation, skills training, basic organisation, and the gradual improvement of employment and income conditions should serve to bolster commitment to this sound approach and contribute to the sustainability of the various urban improvements.

Upgrading slums and improving housing conditions normally provide a touchstone, as well as an indisputable framework, for acquiring the right of access to cities proper. In our opinion, including slum upgrading at the core of a new economic growth model based on income distribution represents a fundamental commitment to dealing with the many ills that beset cities in developing countries.

The future of Cities in Brazil

Mayor Gilberto Kassab of São Paulo with Billy Cobbett of Cities Alliance and Elisabête França, also of São Paulo during a site visit to one of the slums

CHILE

http://www.minvu.cl/

Chile' Ministry of Housing and Urbanism (MINVU) is currently promoting the development of an Urban and Housing Policy of Social Integration. The aim of this new policy is to articulate three levels of intervention: housing, neighbourhoods, and the city. This policy scheme wants to coordinate those three levels by adding all the different public and private participants' commitments to produce better houses, more integrated neighbourhoods, and sustainable and competitive cities, within a process of growing citizen participation.

***Quiero mi Barrio* (I Love my Neighbourhood).** *Quiero mi Barrio* deals with urban and social issues on a neighbourhood scale. It has social and infrastructural components, involving participation, coproduction, and joint management which constitute the basic elements throughout the process. These make it 100 percent participatory, thanks mainly to its to its intervention methodology based on joint work. Neighbours choose the projects to be implemented in their neighbourhoods, through the establishment of a new social structure that gathers all the neighbourhood social organisations, the *Consejo Vecinal de Desarrollo* (CVD, the Development Neighbourhood Council). Furthermore, the programme's professional teams set up offices within every neighbourhood intervened. *Quiero mi Barrio* promotes a different way to inhabit the city, both empowering the neighbours and improving services and infrastructure quality, thus reducing the existing gap between damaged old neighbourhoods and the present standards of the new policy.

Working from the basic premise that the quality of life depends on the satisfaction of a variety of needs—such as physical (housing), environmental (quality of surroundings), emotional (security and relation-

ships), and social and cultural needs (recreational places, neighbourhood histories, education, gender issues)—*Quiero mi Barrio* has generated different agreements and initiatives with other government organisations. These include, *inter alia:* "A Neighbourhood for the Information Society," through a contract with the Ministry of Transport and Telecommunications; "Creating Chile in My Neighbourhood," by an agreement with the National Council for the Arts and Culture; implementing measures to eliminate child work in accordance with the Ministry of Labour; training courses for female community leaders and priority given to the National Women's Service (SERNAM) programmes in the neighborhoods, and finally, development of practices to generate secure urban spaces, through an agreement with the Ministry of the Interior.

This work has been reinforced by MINVU's cooperation agreement with Cities Alliance, which consists of a scheme to support the implementation of the 200 Neighbourhoods Recovering Programme (former *Quiero mi Barrio*) through the strengthening of both local participants capacities and public services in five neighbourhoods, to replicate the thriving practices in the rest of them. The goal of this cooperation agreement is to support the construction of the new ministerial policy on a neighbourhood scale through spaces for reflection, training, and pilot programmes.

Quiero mi Barrio is about to embark on its Phase II, which will result in activities and construction agreed to by the neighbours. Those activities and construction arise by way of neighbourhood contracts that have been signed in each case by the MINVU, each municipality, and the neighbours in the CVD.

Elders Square, Santiago on course

Case study. Santa Adriana is a Santiago neighbourhood defined by its strong organisational capacity and social action. During the 1973–90 dictatorship of General Pinochet, Santa Adriana was characterised as a powerful token of social struggle and vindication of human rights. Its critical understanding concerning social and political processes taking place in the country was outstanding by all measures. This social asset still exists, but it has been losing its presence because of a drug-dealing network that operates there.

María Cárdenas, a community leader, says that at the beginning, like every neighbour, she distrusted the programme, mainly because previous interventions carried out in the settlement had failed. "Now it is not like in the past because now we are participating and watching what is to be done and what is not." About the programme, she says, "I have liked everything; the most important thing is that the guys working with us are very understanding and they have adapted themselves to us. The guys listen to us, we see them as another neighbourhood member, we are like a family."

The most important project in the neighbourhood premises is improvement of public space for pedestrians linked with road service, which includes not only road pavement but also urbanisation works, lighting, and urban furniture. The aim of this project is to build secure urban spaces, and its cost is approximately $10.8 million.

Participative Diagnostic Workshops

Meeting with CVD—Development Neighbourhood Council—at the programme office

There is no doubt that the CVD has generated a new scenario of emerging leadership that will enable the community to consolidate as a relevant actor and to promote self-management. People who were opponents of the programme in the past now participate actively in decisions about improving their neighbourhood.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

Addressing urban unemployment and poverty: a priority agenda. Urban unemployment and poverty are critical challenges faced by Ethiopia. An urban sector strategic development framework within the country's overall Plan for Accelerated and Sustained Development to End Poverty (2005–10) was developed with the prime objective of addressing those challenges. The urban sector agenda for the plan period incorporates two comprehensive programmes, which are being implemented to enhance Ethiopian urban centres' contribution to the country's economic development, and to facilitate the establishment of a system of sustainable good governance.

The Urban Development Programme comprises micro- and small-scale enterprise development and integrated housing development programmes designed to intrinsically reduce urban unemployment and poverty, promote private sector development, alleviate existing housing problems, and upgrade slums. Building the capacity of the domestic construction industry is expected to be an important outcome of the programme.

Encouraging results have been achieved in terms of creating jobs and improving the livelihood of the urban poor. Over the past two years, more than 440,000 permanent and temporary jobs have been created through this programme, a third of them in housing construction. Overall, the total number represents at least 2.3 million people (19 percent of the country's urban population) benefiting from the programme. In terms of reaching vulnerable social groups, 35 percent of those newly employed are women. Moreover, 51,000 new micro- and small-scale enterprises were provided with training, credit, and other

forms of assistance to ensure their business sustainability. These enterprises are expected to revitalise the local economy and serve as a springboard for the creation of a competitive private sector.

With regard to the Integrated Housing Development Programme, 33,000 new housing units have been constructed in Addis Ababa between 2004 and 2008. So far, 56 percent of the new homeowners there are women. Construction of another 100,000 houses in 50 towns is at different stages of completion, and that has large implications for poverty reduction in terms of improving access to decent housing, wealth creation, and as a fallback strategy for low-income urbanites. Using the Integrated Housing Development Programme, more than 2,000 small contractors have been organised and provided with a

Small firms are supported to engage in municipal infrastructure and service delivery: a young woman engaged in cobblestone pedestrian road construction, Adama City, 2007.

Youth groups organised under small-scale enterprises have received skill development training and are producing pre-cast beam for condominiums built under the Integrated Housing Development Programme, Yirgalem, 2007,

Newly constructed condominium houses under the Integrated Housing Development Programme, Addis Ababa, 2007.

package of support services in line with the government's policy of building a credible private sector in the construction industry.

The housing development programme implementation is not immune to the effects of global phenomena that are causing shortages and price rises in the construction sector. Moreover, limited local engineering and construction capacity is hindering the objectives set by the programme. To address these challenges, capacity building programmes designed to enhance competences in the construction sector and in engineering are in their first phases of implementation.

The Urban Good Governance Programme has been launched not only to ensure the effectiveness and sustainability of unemployment and poverty reduction strategies, but also to enhance efficiency and effectiveness, equity, transparency, and accountability in public service delivery. Decentralisation and empowerment of urban local governments through institutional reforms and capacity building initiatives, and enhanced public involvement to promote participatory democracy and inclusiveness, are strategies adopted by the programme. Concerted efforts are being made in the urban sector to strengthen the democratisation process under way in the country.

A number of projects in urban land development and management, infrastructure services, urban finance and financial management, human resource capacity building and public sector organisation, urban planning, and the justice system are being implemented across Ethiopian urban centres.

Projects to enhance direct and representative public participation in socioeconomic and political decision making are also under way. Councils at city and lower administrative units (that is, the Kebele level), established through democratic elections, are expected to represent the interests of the people and mobilise their constituencies to triumph over poverty. Activities geared toward improving the financial management system in cities also are being undertaken as an important aspect of improving good governance in urban centres. Large urban management training programmes have been launched to ensure that cities are managed effectively. These governance reform initiatives will be scaled up to bring about remarkable improvements in Ethiopian cities and towns.

GERMAN FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT

In 2007, the German Federal Ministry for Economic Cooperation and Development (BMZ) supported approximately 215 urban development projects in more than 60 countries, most of them through the Deutsche Gesellschaff für Technische Zusammenarbeit (GTZ) and KfW Bankengruppe (KfW).

Among the most notable events is the start of the Programme for Sustainable Urban Development in Syria (UDP). The programme builds on the wealth of operational experiences gained by the former Old City of Aleppo Rehabilitation project. The UDP will extend those approaches to the development of informal settlements in Aleppo and to the rehabilitation of the Old City of Damascus. In addition, the programme will advise on urban policy at the national level. The UDP is representative of the GTZ approach—namely, a long-term engagement that aims at scaling up local experiences to the national policy level.

The prestigious Aga Khan Award for Architecture 2007 was given to the GTZ-supported project "Rehabilitation of the City of Shibam of Hadramaut, Yemen." The award honoured the integrated development concept applied to this World Heritage Site, which included, among others, infrastructure improvement, economic development, and social inclusion in a culturally sensitive environment. The success of this approach motivated the government of Yemen to cofinance the replication of the approach in another World Heritage Site, the city of Zabid.

The KfW-supported Violence Prevention Project in Khayelitsha, Cape Town, South Africa, successfully addresses the challenge of insecure neighbourhoods. In a joint effort made by both the population and the municipal administration, the programme aims to change the physical and environmental conditions that generate crime and fear of crime through improved urban design and planning (situational crime prevention). It is hoped that this will prevent and reduce the impacts of crime or violence on the residents (social crime prevention), and mainstream crime prevention principles within the city of Cape Town's standard project implementation frameworks (institutional crime prevention). Preparations are also under way to replicate the concept in other municipalities.

Urban development is one of the focal areas of the BMZ in Asia. The recently established City Development Initiative for Asia is a joint facility of the ADB, the BMZ via the GTZ, KfW, International Weiterbildung und Entwicklung GmBh (InWEnt), and Swedish International Development Cooperation Agency (Sida). The initiative provides technical support to cities to facilitate their access to infrastructure financing from international and domestic sources.

The German-Chilean Fund for Strategic Planning and Implementation of Self-Financed Reforms supports the development of a national urban strategy that focuses on slum upgrading in Chile, in cooperation with the Cities Alliance. The fund represents an innovate mode of delivery of the German Development Cooperation designed to facilitate advanced forms of client execution and ownership of projects (in this case of Chilean partners). During Germany's European Union and G8 presidencies, as well as at the Bali conference on Climate Change last year, the German government made firm commitments regarding climate change. It has launched a comprehensive ac-

Courtesy: BMZ

Shibham Mountain dwelling, Yemen

tion programme, Climate and Development. The BMZ, as well as the German ministries of research and of environment, have allocated considerable resources to mitigation and adaptation activities in cities. Increased energy efficiency in the energy sector, transport, and buildings has long been a subject of BMZ-supported projects, as examples from Mongolia and Malaysia illustrate. Through KfW, the BMZ supports programmes to improve solid waste management (for example, in 25 municipalities in Chile and three cities in Turkey) so as to avoid production of methane. However, considering the magnitude of the challenge, more comprehensive and large-scale responses are necessary. These will need to focus on urban governance, integrated urban development, and social inclusion to reduce the disproportionally negative effects of climate change on the urban poor.

Municipal networks and associations have long been partners of German cooperation. A recent example is the support to the Ethiopian City Network, cofinanced by the Cities Alliance. Networking and cooperation with urban associations in Europe and at the global level is ongoing. Direct interchange of experiences among cities is considered a very effective means of international cooperation, so the BMZ supports the participation of partner cities in international events, such as the Second World Congress of UCLG in the Republic of Korea ("Changing Cities Are Driving the World") and the Cities Alliance Public Policy Forum in Manila, the Philippines. Moreover, Germany continues to support Cities Alliance through its financial contribution and secondment of a senior staff member to the Alliance's secretariat.

ISTED:

Institut des Sciences et des Techniques de l'Equipement et de l'Environnement pour le Développement

http://www.isted.com/pole-ville/pole-ville.htm

Throughout its Cities Department, l'Institut des Sciences et des Techniques de l'Equipement et de l'Environnement pour le Développement (ISTED) is coordinating and consolidating a number of activities to capture the cumulative experience of its partners in the developing sector, to promote the exchange of experience among northern and southern countries, and to support the international activities of its members.

The activities of the Institute, which most often are implemented in connection with other public or private organisations, local, national, or international, are primarily focused on these key areas::

- *Creating knowledge opportunities:* studies, thematic think tanks, missions of expertise, and so forth
- *Strengthening skills:* training, research programmes, and seminars
- *Facilitating networks and partnerships*
- *Knowledge dissemination:* conferences, publications, and so forth.
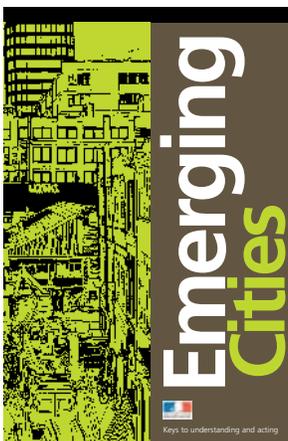
Emerging Cities, keys to understanding and acting. In July 2007, ISTED published *Emerging Cities* and launched a a website dedicated to it (www.villesendevenir.org). The website is the main medium for accessing and linking to further resources on the the content of the report. *Emerging Cities* provides succinct, educational, and illustrated insights into 12 major issues in urban development, including housing and land, finacing cities, access to basic services, safer cities and cultural heritage. It can be used as basis for discussions between local or national authorities and donors, and as a training guide by all urban development stakeholders. The topics are divided into two broad sections: the first deals with knowledge and management of cities, while the second examines the main areas of urban development. The publication ends with a review of city to city cooperation, which are now being called upon to play a growing role in French and international development cooperation. The publication was translated and disseminated in both French and English versions and soon will be available in Arabic, Chinese, Japanese, and Spanish.

Supporting the local governance in Priority Solidarity Zone countries. This is a programme launched in July 2007 by the French Ministry of Foreign and European Affairs. Its primary objective is to strengthen local governance and development both in Africa and in some countries of the French Priority Solidarity Zone. The project is focusing on three major components to be implemented by the following three structures:

- Supporting African actions, to be implemented by the Municipal Development Partnership;
- Supporting decentralisation policies and sustainable development in western and central Africa, to be implemented by United Cities and Local Governments of Africa;
- Supporting urban governance, to be implemented by ISTED.

Entrance to Addis Ababa University, Ethiopia—an urban pole of excellence

That last theme will be addressed by three kinds of activities: (1) supporting the planning of urban governance strategies—to this end, ISTED leads a workshop comprising all concerned French stakeholders, including French researchers who have provided a general report on urban governance; (2) helping to establish the urban governance strategies in some developing countries, and (3) improving the worldwide availability and dissemination of information and publications connected with this topic.

Reinforcement of the capacity of Addis Ababa University and creation of an urban pole of excellence. Since 2006, ISTED has been part of a French Ministry of Foreign and European Affairs initiative to develop in Ethiopia a professional and university level competence to face urban growth (the current *annual urban* growth rate is around 17 percent). The project is improving the response of Addis Ababa University to the needs of the country in terms of postgraduate training, applied research, and consul-

tancy in urban development and management. A master's programme was launched in 2007 and a doctorate-level programme focusing on main urban issues (planning, governance, basic services, and urban transports) will soon follow. An excellence centre, gathering professionals and stakeholders with the support of a network of foreign experts, was established in 2007. This urban development centre is aimed at enhancing good development management by producing qualified professionals, conducting applied research, giving short-term training, and offering consultancy services to the government and NGOs working in urban areas.

Publications connected with the Cities Alliance. (1) A special issue of *Villes en développement* magazine, dealing with CDS, was prepared with Cities Alliance in March 2007; and (2) ISTED provided the French translation of the "Guide to City Development Strategies—Improving Urban Performance."

JAPAN

http://www.mlit.go.jp/index_e.html / http://www.mofa.go.jp/

Slum upgrading project in Cambodia. The Japanese government is supporting a slum upgrading project in Cambodia, expanding its scope of activities through a Cities Alliance programme to enhance the improvement of the environment in Asian cities. A large and growing part of the urban population in Cambodia lives in poorly serviced slum areas with inadequate water, sanitation, and waste disposal facilities. The number of slum dwellers in the capital Phnom Penh has doubled in recent years, reaching around 25 percent of the city population—at least 300,000 individuals. That number is increasing continuously with the creation of new settlements on the urban fringe. Many of these slums are located in low-level, wetlands that are highly vulnerable to such natural disasters as floods. In addition, many children and adults are infected by and die every year from falling in or being exposed to the contaminated water.

Masaru Goto/World Bank Photo Library

A fishing village on stilts in Cambodia

Furthermore, given that the high vulnerability of slum dwellers is often aggravated by poor slum management policies, it is important to strengthen the policy environment for the urban poor and the pro-poor strategies that aim to improve their living standard and the environmental conditions in the urban slum areas.

This Cambodia slum upgrading project is intended to demonstrate community-based waste management strategies that will improve the living environment in flood-prone slum areas in five major Cambodian cities. The project desgined to formulate effective citywide strategies and build local capacities for improvement of the urban environment. Overall, the project, which will involve extensive field surveys, will have the following functional components: (1) review of slum management policies and strategies, (2) assessment of safe sanitary requirements, (3) a feasibility study on household domestic wastewater treatment facilities, (4) a feasibility study on providing community-based composting, (5) key stakeholder public awareness workshops, and (6) formulation of a citywide pro-poor slum environment improvement strategy.

The Ministry of Environment, the implementing agency, will consult with relevant national government agencies, such as the Ministry of Industry, Mines, and Energy, the Ministry of Interior, and the Ministry of Land Management, Urban Planning, and Construction, as well as with municipal and other city government authorities, in close coordination with and under the supervision of the United Nations Centre for Regional Development and UN-HABITAT.

NIGERIA

http://www.fmhud.gov.ng/

Summary of activities in urban development during the year under review. Nigeria's urban and socioeconomic development efforts in the past five years have been driven largely by the National Economic Empowerment and Development Strategy (NEEDS) devised in 2003, and reinforced by the Seven-Point Agenda of the current President Yar'Adua administration. These documents jointly constitute the country's poverty reduction strategy. NEEDS is focused on accelerating economic growth, engendering enhanced public sector efficiency, addressing challenges of human capital development, and promoting balanced regional development, especially in the Niger Delta region. The supporting Seven-Point Agenda has a four-year implementation time frame focusing on the priority policy sectors of power and energy, food security, wealth creation, transportation, land reforms, security, and education. The ultimate goal is to reposition Nigeria to become one of the major players in the global economy, by the year 2020.

In commitment to MDG 7, Target 11, urban upgrading projects are ongoing in several slum communities spread across the country, including implementation of a World Bank–supported, community-based urban development programme with its focus on rehabilitation of township roads and provision of basic infrastructure and services in core slum areas in eight cities. Progress is also being made with the preparation of a State of the Cities Report for Nigeria, supported by the Cities Alliance. The studies will document the growth trends and development prospects of Nigeria's 20 largest cities and towns in order to plan adequately

Market scene in Abeokuta (before intervention)

After intervention

Road improvements in Ogun State (before intervention)

After Intervention in same location

for their improved growth and performance. Strategic regional development plans are being prepared for urban centres, in collaboration with the United Nations Habitat Programme Support Office (HAPSO), to guide orderly growth and balanced development.

In the housing sector, increased access to housing is being facilitated in partnership with the private sector, with large-scale housing projects ongoing in large urban centres, such as Abeokuta, Ado Ekiti, Akure, Uyo, Asaba, Ibadan, Kaduna Lagos, and Yenagoa. A new housing finance strategy is in place to deliver robust mortgage finance through secondary mortgage and capital market operations to deal effectively with the huge housing deficit and to deliver a high homeownership rate in the near future.

Nigeria hosted the second session of the African Ministerial Conference on Housing and Urban Development (AMCHUD II) in the federal capital city of Abuja from July 28–30, 2008. Some 26 ministers of Housing and Urban Development and representatives from about 40 countries pledged to tackle the finance and resource challenges that have inhibited provision of homes and development of sustainable cities on the continent. Ministers endorsed an Abuja Implementation Plan with five broad decision areas and some 40 specific action points.

Currently under way are comprehensive, large-scale land reforms involving the computerisation, harmonisation, and standardisation of land administration processes across the country. Cadastral surveys and township mapping also are being addressed as strategic tools for effective and efficient land administration.

Protection and enhancement of the quality of the environment and its natural resources are receiving priority attention as well. Mitigation measures include actions directed at addressing natural desertification and drought, land degradation, erosion, flood and coastal zone management, pollution control, environmental health and sanitation, loss of the nation's biodiversity, and climate change.

Summary of how these activities can be improved to enhance the coherence of effort and contribute to the Cities Alliance MTS. Nigeria's commitment to achieving sustainable urban development and cities without slums is demonstrated in a recent Memorandum of Understanding signed with the Cities Alliance for long-term engagement to address urbanisation challenges. The agreement will support a national slum summit and the development of a national strategy on slum upgrading. The goal is to facilitate a better understanding of the dimension, nature, and characteristics of slums in Nigeria; to enable nationwide assessments; and to set priorities and strategies for short-, medium-, and long-term intervention. Furthermore, the agreement would support local economic development and develop action plans for equitable and sustained economic growth in cities, environmental sustainability and poverty reduction, and collection of data and information for planning and knowledge sharing.

Increased financial resources, capacity building, expertise, and technical support are essential and will need to be leveraged from international financial institutions, bilateral donors, and the private sector to support and sustain current urban development efforts.

GOVERNMENT OF NORWAY, MINISTRY OF FOREIGN AFFAIRS

http://www.regjeringen.no/en/dep/ud.html?id=833

New urban policy document. Little attention has been paid in Norwegian development assistance to the challenges and opportunities of urbanisation. The year 2007 marks a watershed in this respect. In late October, at the Norwegian University of Science and Technology, Trondheim, Anna K. Tibaijuka, the executive director of UN-HABITAT, launched the Ministry of Foreign Affairs policy document, "Cities—Hopes and Challenges. Urban Development and International Cooperation." The policy stresses that any development policy that does not take the urbanisation process into account will rapidly become ineffective and out of date. Norway's aim is to increase knowledge about a global process it can no longer ignore. The first step is to provide insight, attract interest and increase engagement in urban development issues in Norwegian development assistance, research, and the higher education sector. Greater knowledge about the many aspects of urbanisation will enable Norway to take the right action. In that respect, engagement andcooperation with international players such as the Cities Alliance is needed.

Increased financial contributions to urban development. An immediate follow-up to the new policy document is the significant increase in Norwegian financial contributions to UN-HABITAT and Cities Alliance. Both organisations in their unique ways represent the main axis for Norway in their efforts in the field of urban development. They both carry a huge potential for coordination of multilateral, bilateral, private, and civil society actors within the political, social, and economic frameworks of cities. Increased support for Cities Alliance will also facilitate a higher profile in international development cooperation. The 2008–09 programme agreement with UN-HABITAT that focused on excellence in management, water and sanitation, slum upgrading, global land tools, cities and climate change, gender mainstreaming, and youth employment, has received a 30 percent increase over the previous period. The contribution to Cities Alliance has been increased from NØK 5 million to NØK 15 million in 2007. Part of the Norwegian contribution will support international civil society organisations working with human settlements, including Slum Dwellers International. According to the policy document, it is important to be aware of the potential of these and other organisations, both because they promote the interests of weak and vulnerable groups and because they strengthen local participation. Their voices also need to be strengthened within bilateral and multilateral forums. The Cities Alliance has a particular role to play in coordinating their efforts.

Cities Alliance as a knowledge generator. The Alliance also is becoming increasingly important as a knowledge generator on urban development, as pointed out in its new MTS. Relatively little experience has been accumulated in this field. Therefore, it is difficult for the development assistance community to know where to begin addressing the enormous challenges posed by promoting urban development within the framework of global sustainable development. Knowledge of physical, environmental, social, cultural, economic, and political conditions at the local level is necessary for establishing sustainable local

Improving the lives of the urban poor through knowledge and learning

communities. The Cities Alliance, with the assistance of its member countries and organisations, can play an important role in both the South and the North by building local and national expertise across sectors and disciplines. Universities colleges are key players because of their leading role in research and their master's and doctorate programmes for training researchers. Students and researchers are important advocates of change, and Cities Alliance can stimulate knowledge development on urbanisation issues by bringing such agents together—the forum function—and disseminating new knowledge through new media networks that focus on urbanisation.

REPUBLIC OF THE PHILIPPINES

www.hudcc.gov.ph/

Housing the Poor: The Philippines Experience

Background/rationale. The Philippines has one of the highest rates of urbanisation in the world, with an average annual growth of 5.14 percent between 1960 and 1995. That unprecedented rate of urbanisation has resulted in the proliferation of slum colonies all over the country.

In a study conducted under the Cities Alliance and ADB–funded Metro Manila Urban Services for the Poor Project, it is estimated that the demand for urban poor housing in cities and in first-class municipalities outside Metro Manila is 1.2 million and 828,000, respectively, for the period 2000–10. The population of slums places tremendous pressure on the government because it engenders high costs in terms of congestion, housing, environmental degradation, urban services, and rising urban unemployment rates.

Promoting urban development through secure tenure, decent housing, and addressing slum issues. As the main Philippine government agency tasked to formulate goals and strategies for housing and urban development and the National Urban Development and Housing Framework, the Housing and Urban Development Coordinating Council(HUDCC) pursued various initiatives and sustained existing programmes to promote urban development in the country. In particular, the government focused on pursuing programmes that would regularise the tenure of informal settlers, provide them decent and affordable housing, and address slum issues in general.

A holistic approach was used in the implementation of these programmes, involving the coordination of efforts of all stakeholders to ensure the establishment of sustainable communities and improve peo-

Slum colonies along the *esteros* in Metro Manila

Resettlement site for families affected by priority rail project

ple's quality of life, which would contribute to the overall development of urban areas in the country.

Specific programmes implemented to attain the above objectives are the following: the Presidential Proclamations, which declare government lands as socialised housing sites for qualified residents; the Community Mortgage Programme, which provides financial assistance for land acquisition, site development, and vertical development of private lands occupied by informal settlers; and the provision of relocation sites for families, especially those affected by priority infrastructure projects.

Partnership with development organisations. In addition to the programmes described above, the government implemented projects geared toward slum upgrading and urban renewal, with the support and assistance of international development organisations, such as the Cities Alliance, the ADB, and UN-HABITAT.

In 2007 the Philippine government's development partnership with the Cities Alliance came to fruition. The Alliance has provided assistance to the Philippine government in previous years, but it was only in 2007 that the Philippines became a member of the Alliance. The Cities Alliance Public Policy Forum held in Manila on November 5–7, 2007, under the theme "Leveraging Resources for Livable Cities," demonstrated the first joint activity of the two parties after the Philippines was made an official member of the Alliance. The forum showcased the Philippine experience with CDSs, mainstreaming access to financing for local authorities and stakeholders for urban development and slum upgrading, and institutionalising collaboration and leveraging mechanisms of various stakeholders and resources for various programmes.

The forum has raised recommendations and proposed solutions embodied in the "The Manila Declaration," which affirmed various sectors' commitment to and advocacy for the following principles:

- *National governments:* the adoption of the CDSs as an integral part of the overall national framework, the accelerated upgrading of slums as a continuing priority, the creation of a policy environment con-

ducive to the promotion of long-term and sustainable financing for community shelter programmes, and support to local authorities through sustained capacity building

- *Local governments:* the development of holistic, integrated development schemes that can lead to the creation of liveable cities, scaling up the provision of basic municipal services, and deepening multi-sectoral partnerships by the local government units (LGUs)

- *Civil societies:* the continuation of their role as catalysts in conducting meaningful and productive dialogues among stakeholders and in generating addi-

tional resources from different sources for the development of pro-poor programmes
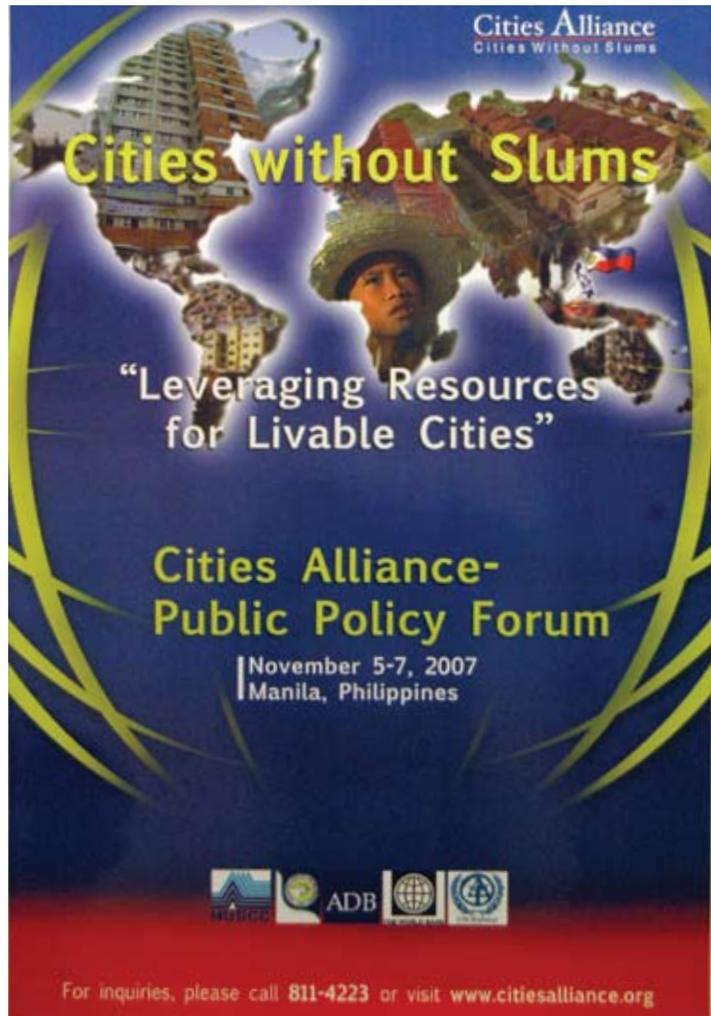
- *International development partners:* the continued provision of knowledge, financial, and technical support to sustain programmes for the creation of liveable cities and the eradication of slums.

In line with its commitment to ensure the attainment of "Cities Without Slums," the HUDCC also tapped the technical assistance of the following Cities Alliance member-donor agencies for the implementation of the following projects:

- *Development of Poor Urban Communities Sector Project (DPUCSP)* aims to improve the urban poor's quality of life through provision of secure tenure, basic infrastructure services, shelter finance, and capability building for the stakeholders.

    As of April 2008, the DPUCSP has benefited about 13,300 families through housing and livelihood financial assistance amounting to a total of 168 million pesos and it has paved the way for the approval of the Housing Micro Finance Loan Product Policies and Procedures Manual that governs

the provision of housing loans to poor families using microfinance principles and techniques.

- *Integrated Approaches to Poverty Reduction at the Neighbourhood Level—A Cities Without Slums Project* Complementing the DPUCSP this project, a UN-HABITAT-Cities Alliance technical assistance recognises the potential of the Homeowners Associations as the direct conduit of the DPUCSP fund. It has now emerged as a major track to finance urban poor housing opportunities for the remaining term of the DPUCSP and other similar projects, and has paved the way for the institutionalisation of direct lending by a commercial bank to community associations.

This project also paved the way for the development of a local shelter planning template, which is being used in helping the local government units (LGUs) in formulating their local shelter plans.

- *Metro Manila Urban Services for the Poor Investment Project (MMUSP-IP)* is another technical assistance grant from the Cities Alliance to help LGUs in Metro Manila address the challenge of

Pulungbulo Housing Project in Angeles City, Pampanga, the first project under the DPUCSP

slum upgrading and urban renewal by providing housing to homeless and underprivileged families all over the region.

The MMUSP-IP also facilitated formulation of the Metro Manila Sector Roadmap containing an assessment of the housing backlog in Metro Manila, including the 15-year investment plan and the required policy reforms to address the housing backlog.

Lessons Learned and Recommendations. One of the lessons learned in dealing with slum upgrading in the Philippines is that the proper development of cities and upgrading slum areas requires utmost political will. The state decisions should manifest a dedication to the common good rather than to the benefit of a few powerful groups or individuals.

The affected communities on their part need to accept development interventions slum upgrading. They can become alternative centres of power at the local and perhaps even national levels, willing and able to engage government in constructive dialogue.

To realise the goals of the Cities Alliance in transforming slums into liveable communities and making community-based organisations partners in development, specific areas requiring improvement are:

- Capacitating LGUs and decentralising the delivery of housing services at the local level. Effective programmes can only be implemented at the local level, within a decentralised framework, where the different stakeholders work together to support the LGU's housing projects for the poor;

- Mobilising resources, particularly those of microfinance institutions. The experience of those institutions has shown that poor people can save money and that they can repay their loans when there is appropriate social intermediation and collection schemes properly tailored to their consumption patterns;

- Community driven pro-poor housing, which should adopt participatory community action planning processes facilitated by the LGUs or NGOs.

Pinagmangalucan HOA Housing Project, San Vicente, Palawan

SHACK/SLUM DWELLERS INTERNATIONAL

http://www.sdinet.co.za/

Shack/Slum Dwellers International (SDI) was set up in 1996 by eight national federations of the urban poor. These represent an emerging innovation in urban activism in which resident communities of slum dwellers organise themselves into federations organised from neighbourhoods to city and national levels to demand participation in city development processes, especially those that focus on issues pertinent to the urban poor. Recognising that slum dwellers always have been the authors and architects of their settlements, SDI has developed a set of rituals that enable communities to broker deals with governments and to enable them to participate in the design, innovation, and construction of pro-poor cities. SDI's membership has now spread to 33 countries where it works to open spaces for a more politically informed and financially equitable approach to urban development.

In early 2008 SDI become a member of Cities Alliance, which means that SDI may become a part of the innovations that the Alliance seeks to sharpen and deepen in its agenda for cities without slums.

With the modest funds that it has managed to provide to community federations, SDI has developed trusteeship capacities within organisations of the community federations to develop and implement solutions at neighbourhood and city levels that blend community, city and international resources. As a result of both internal demands from members and support from foundations and bilateral agencies, SDI has developed a financial facility for urban upgrading and relocation that can weave together monetary packages to support the development initiatives of the most vulnerable members of every city, the un-

bankable poor. The first contribution to the fund has provided SDI affiliates with $4.5 million, which has been leveraged, in turn, into more than $35 million of infrastructure and housing stock. That contribution also has generated considerable social and political capital for SDI affiliates. SDI now seeks to harness these innovative investment strategies as effective mechanisms to develop local partnerships among communities, city mayors and managers to address city development and slum issues.

SDI's overall challenge remains to contest development that does not work for the poor and to help city and national governments explore solutions to produce equitable development investments in which the poor are partners, rather than supplicant beneficiaries.

There have been several major highlights in terms of development cooperation with other stakeholders. These include

- MOUs with the governments of South Africa, Malawi, Namibia, Sri Lanka, and Brazil;
- Associated upgrading projects in Cambodia, Malawi, South Africa and Namibia;
- Partnership with Lilongwe Municipality, Malawi, for the rollout of water service to city slums;
- Relocation and sanitation projects in India developed with various government departments and engaging with government the residents of Dharavi, Mumbai;
- Programme with the Iloilo Municipality in the Philippines, as part of an Alliance-supported project.

Clockwise from top left: South African Housing Minister, Lindiwe Sisulu with slum dweller federation members in Sri Lanka. Minister Sisulu with Jockin Arputham on a site visit. SDI members undertaking an enumeration survey.

SDI and the Cities Alliance MTS

As a member of the Cities Alliance Consultative Group, SDI has the potential to provide three crucial inputs to the Alliance: First, to demonstrate early-warning systems that come from member federations who see local development in cities where investments are being made by national governments or members of the Alliance. Such systems can change the nature of engagement between the poor and cites from one of confrontation to one of collaboration or critical engagement. It will be able to initiate and reframe discussions, projects, and proposals to incorporate the agendas of organisations of the urban poor, especially those who will be affected directly by large-scale development initiatives.

Second, SDI has a wide range of locally and nationally emerging projects and processes that highlight the ways in which governments, corporate interests, and foreign contributors can work with organised communities of slum dwellers to broker solutions that are mutually beneficial. Given that Cities Alliance seeks to develop a knowledge focus of solutions and strategies for city development, these bottom-up approaches will enrich the scale and range of what Cities Alliance has to offer cities. Third, including SDI in Cities Alliance offers real scope for genuine global-to-local partnerships emerging between associations of cities and associations of the poor, supported by international aid providers and by Alliance country-members.

SDI and Cities Alliance partners will develop three major studies in the coming year to examine the role and contribution of slum dwellers in citywide development debates: The first study will consider the relationship between upgrading main transportation arteries and evictions in Asian cities; the second will explore the strategies of slum dwellers to mitigate human-made disasters (eviction, unemployment) and natural disasters (tsunamis, floods, fires, mudslides); and the third will be a comparative study of 20 national housing policy environments to assess what makes an enabling context for the social production of habitat or incremental housing.

More vital than specific projects, however, is that SDI will work with Cities Alliance on an ongoing basis to explore ways to refine and scale up city development that works for poor people in Asia, Africa, and Latin America.

SPAIN

http://www.aecid.es/

Urban development activities. Consistent with the priorities set forth in the 2005–08 Master Plan for Spanish Cooperation, Spanish Cooperation has maintained an upward trend in its budgetary contributions to municipal and local development. Among the programmes in line with Cities Alliance objectives to which Spain contributes are:

- The Ibero-American and Caribbean Forum on Best Practices, established in 1997 by UN-HABITAT with sponsorship from Spain. The forum is designed to be an ongoing process and a meeting place where different social agents and public and private institutions at all levels can hold discussions and benefit from the experience of others by exchanging knowledge, methodologies, and so forth. It is also designed to promote collective work methods to improve the dissemination of relevant information to network of stakeholders involved in the implementation of the habitat agenda.

  In September 2007, Spain and UN-HABITAT signed a cooperation agreement to implement the 2007/08 action plan of the Ibero-American and Caribbean Forum on Best Practices. In addition to guaranteeing the sustainability of the work that has taken place over the forum's decade-long existence, the Action Plan provides for new activities aimed at strengthening the Forum and widening its network of partners in the region. Spain has contributed a total of €1.1 million for the execution of Forum-related activities.

- The **Water and Sanitation Trust Fund (WSTF),** established in 2002 by UN-HABITAT to make headway in achieving the MDG relevant to access to water and sanitation. It executes programmes on the ground in more than 20 countries and produces global or national publications on best practices and policy recommendations for water management in developing countries Since late 2007 Spain has been a new donor for UN-HABITAT's Water and Sanitation Trust Fund, with a 2008 contribution of €8.2 million, making it the leading donor with close to 40 percent of the total funds. Among the priorities that Spain wishes to reinforce are: (1) the launch of the Water for Cities programme in Latin America, similar to those programmes that already exist in Africa and Asia; and (2) the strengthening of the solid waste management area of work, beginning with two pilot experiences in Nicaragua and Egypt.

- The **Experimental Reimbursable Seeding Operations and Other Innovative Mechanisms** is a new UN-HABITAT initiative to finance access to housing for the poorest population groups. Spain's contribution for 2007 rose to €2 million.

Other activities include

The **ART Programme** Spanish Cooperation's on active multilateralism, an area in which Spanish autonomous communities have begun to engage in cooperation activities, and which provides a framework to coordinate with others and share expertise. ART is an initiative that links the programmes and activities of different UN agencies, promoting multilateralism where work is done with governments and fostering the active participation of local communities and social actors from countries all over the world. Spain currently supports this initiative in Colombia, Cuba,

Engineering water supply in Quito, Ecuador

Uruguay, Bolivia, Ecuador, Morocco, Mozambique, Sri Lanka, and Libya.

The Municipal Cooperation Programme (MUNI-CIPIA), initiated in 2006, is especially designed to raise the institutional profile and fuel the democratic drive of municipalities and other local entities in developing countries. It will also help build their capacities for promoting social well-being and sustainable local development, broaden and deepen their national and regional integration processes, and systematically ensure progress in decentralised territorial management with social and gender equity. MUNI-CIPIA is also geared toward securing and strengthening the institutional framework of municipal systems to promote effectiveness in the design and application of public policies and programmes. The aim is to achieve balanced, equitable, and sustainable development at the local and regional levels. The Spanish Agency for International Cooperation gave MUNI-CIPIA a €5 million boost in 2007 to help achieve the programme's objectives.

During the year under review also , as a member of mulitlateral development Spain financed projects implemented by the Inter-American Development Bank (IDB), through the Fund for Consultants, with a contribution of $147,420 for urban development in the Ciudad Colonial in Santo Domingo, Dominican Republic. It also financed activities by the ADB, another Cities Alliance member, providing $200,000 in financing to a tourism sector project for the Vietnamese city of Thanh Hoa, which included urban development components.

SOUTH AFRICA

http://www.housing.gov.za/

South Africa's population is estimated at 48.5 million, more than 50 percent of which is urbanised. The phenomenon of urbanisation and related migration is creating challenges for local government planners with regard to provision of services—educational facilities, housing, water, electricity, transport, and others. The development of informal settlements and overcrowding in some urban areas has created additional challenges in terms of pollution and waste.

However, cities are also areas of most rapid economic growth in South Africa. According to the *State of the Cities Report* of 2006, the five largest cities (Johannesburg, Cape Town, Tshwane, eThekwini, and Ekurhuleni) provided 44 percent of the national number of jobs, and made the most significant contributions to the national economy (55 percent of national geographic value added [GVA] in manufacturing, 61 percent in trade, 75 percent in financial, real estate, and business services and 53 percent in community, social, and personal services). There is a correlation between urban-driven economies, the economic opportunities they produce, and the resultant population growth.

South Africa has accepted the migratory trend toward urban areas. In 2004, after a comprehensive review of 10 years of democracy, it developed a comprehensive plan for sustainable human settlements. The plan recognises that the country needs to do more than merely prove a housing/shelter solution. Instead, South Africa will focus on making the housing subsidy programme a strategy for creating assets, responding to the specific and changing demographics of each city/town/region and seeking local solutions through public consultation.

The South African Constitution states that people can move freely and choose where they wish to stay. It enshrines the right to adequate housing and commits the government to ensuring a conducive environment for the progressive realisation of this right. Legislative competence is assigned concurrently to national and provincial governments. Further more, the Housing Act of 1997 vested the power to set national housing policy and programmes and to negotiate funding for these programmes with the Minister of Housing. Implementation of the policy and programmes was to be undertaken by provincial governments. The Housing Act also compels all three spheres of government (national, provincial, and local) to give priority to the needs of the poor in the field of housing development.

In response to the challenge (and opportunity) of urbanisation, South Africa has catalysed a number of programmes including a National Spatial Development Perspective, Provincial Growth and Development Strategies, and Integrated Development Plans (IDP) at the local level. All spheres of government coopserate, although each is autonomous in creating the means and mechanisms to guide and direct the people investment strategy, consistent with the needs for economic growth, social responsibility, and environmental considerations. Through integrated development planning, local municipalities consider social, environmental, and economic impacts of any activity that they embark on and they develop five-year strategic integrated development plans for their jurisdictions. Doing so enables them to respond strategically to the challenge of urbanisation. Similarly, provincial governments are also required to devise multiyear

Social Housing in Kliptown, Soweto

housing development plans. There is also an alignment of funding and planning across the various government sectors and the three spheres of government that converges at the local level through the IDPs.

In South Africa, government continues to be the main provider of adequate shelter for its people, contributing more than 75 percent of all housing opportunities through its various housing programmes. The country has made much progress in the provision of water, electricity, housing, and other services to both urban and rural areas. Since 1994, the government has provided some 2.6 million houses, including basic services, thus providing security of tenure and access to shelter to 12 million poor people. Of this figure, around 70 percent of houses were constructed in urban areas. In terms of basic services, more than 31 million people have access to basic free water. Seventy-three percent of households in urban and rural areas, 80 percent of schools, and 95 percent of clinics have been electrified.

Street scene in Ekurhuleni

GOVERNMENT OF SWEDEN, SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

www.sida.se/urban

Urban Development and Housing in South Africa. The Sida–financed Urban Development Programme in South Africa has been running successfully for 10 years. It was initiated in 1996 and has involved cooperation with three South African municipalities: Sol Plaatjie, Nelson Mandela Bay Metro, and Buffalo City. Because the agency presently is phasing out its development assistance programmes in South Africa, the programme was concluded in 2007. However, the demonstration projects within the Urban Development Programme have the potential to be replicated elsewhere. Therefore, an effort was made to spread the lessons learnt from the programme through publications and dissemination to municipalities, relevant government departments, and development partners in South Africa and elsewhere. Seminars were held in South Africa and in Sweden. The publications have the potential of functioning as inspirational triggers for other municipalities and development institutions in South Africa and other countries, and could contribute to Sida's institutional knowledge.

The following eight booklets were produced are readily available:

- Integrated Municipal Development
- Township Upgrading and Community Development
- Housing
- Transport and Traffic Safety
- Environment, Waste Management, Water and Sanitation
- Municipal Partnerships
- The Urban Development Programme 1996–2007.

Cooperation with development banks. Development banks play a crucial role in providing capital to necessary for urban infrastructure investments, although, traditionally, urban development has not always been the focus of these banks. Sida has assisted the African Development Bank (AFDB) in devising its urban development policy and will continue the support to the bank with the aim of increasing its urban portfolio. Sida and Germany, in partnership with the ADB, have established the City Development Initiative for Asia (CDIA) , which will be a facility to prepare projects for financing from ADB and other institutions.

Method development. A Sida manual for support to environmentally sustainable urban development in developing countries, *The Sustainable City Approach*, will be tested in two cities, Visakhapatnam, India, and Skopje in the former Yugoslav Republic of Macedonia. One of the primary objectives of the Sustainable City concept is to promote an integrated and multidisciplinary approach by focusing on possible synergies between different subsystems or fields of action. These may contribute to better solutions in the end. One ambition is to contribute to an approach that facilitates working holistically as a supplement to specialised thematic guidelines.

Market scene in Accra, Ghana

HIV and AIDS in urban settings. A study titled, "HIV, AIDS and Urban Development Issues in sub-Saharan Africa" was published in 2007. There is also a 12-page summary of the report available with the same title as is an urban issue paper titled "HIV and AIDS in Urban Settings in sub-Saharan Africa." The report shows that urban development programmes have much more to offer HIV prevention than merely adding an awareness-raising component or condom distribution activity to existing programmes. If all people living in slums got access to the basics of clean water and safe spaces, not only would they run a lower risk of contracting HIV, but those who are already living with the virus also would become less infectious and would stand a greater chance of living a long, healthy life.

Publications. Fifteen urban issue papers have been developed as complements to the policy "Fighting Poverty in an Urban World—Support to Urban Development," which was published in 2006. The issue papers deal with different themes, such as climate change, urban development planning, and urban transport.

Cities Alliance. In 2007, Sida and Norway conducted a joint evaluation of Cities Alliance because both countries' support to the organisation was to be extended. In line with the Paris Agenda, Sida is positively disposed to similar joint exercises between different stakeholders within areas relevant to the agency and, in fact, would like to strengthen donor coordination even more in its future work within the Alliance.

UNITED CITIES AND LOCAL GOVERNMENTS

http://www.citieslocalgovernments.org/uclg/index.asp

The international agenda of local governments: sustainability, peace, and finance. Nearly 2,000 mayors, councillors, and representatives of cities and of local and regional governments from around the world came together on the island of Jeju, Republic of Korea, in October 2007 for the 2nd UCLG World Congress. At the meeting, they expressed their future hopes for local and regional governments, which concerned the protection of the environment, the fight against climate change, the promotion of peace through respect for human rights and cultural and ethnic diversity, and the expansion of local democracy within the collective pursuit of the MDGs.

UCLG is aiming to put urban issues on the international development agenda and to promote the developmental role of local government. It is clear that the international system increasingly is recognising the need to work with all actors in this process. The First Global Report on Decentralisation and Local Democracy, produced by the world organisation of local authorities and published with the support of the Cities Alliance, points out the disparity that exists among the different states of decentralisation around the world. In many regions, reforms are either too recent or still facing considerable problems in their implementation stages. Also, issues of local finance and staffing are particularly crucial for local authorities.

Urban development with local perspective. With an increasing level of responsibility on the local government level, the expanding gaps between local revenue and staffing capacity, on one hand, and the expenditure needed, on the other, are contributing to fundamental structural problems.

The thematic committees of UCLG, such as the Local Finance for Development Committee and the Strategic Planning Committee, are developing an active international agenda advocating for more attention to be paid to urban growth. The positions developed by the mayors and local government representatives will serve as the local reference for Cities Alliance members and should help in the development of new policies and new working methods that will give local governments in developing countries greater control of support programmes.

Peer-to-peer collaboration. UCLG promotes the development of peer-to-peer working mechanisms through which cities and associations support each other by sharing experiences and giving hands-on advice to cities seeking to implement their CDSs.

Local perspective of the Paris Agenda on aid effectiveness. UCLG is paying special attention to the Paris Agenda from a local perspective. Like many other state-driven initiatives, it does not account properly for local government realities. Many local governments have been investing in decentralised development cooperation over the past decades. They do not identify with the current debate and see it as a big challenge to the national strategic orientation of the decentralization agenda. Furthermore, in countries where decentralisation is not a part of the national strategy, local governments have great difficulties accessing funding and contributing to policy development.

UCLG President, Bertrand Delanöe with Deputies at the UCLG Congress in Jeju, South Korea

Participants at the UCLG CDS Workshop in Johannesburg, South Africa

Although local governments generally avoid aid tied to conditionalities prescribed by donors, they embrace that which is tied to performance based on indicators relevant to policy environments. Such indicators include sound macro policies, favourable investment climates, transparent policies, and decentralisation mechanisms for efficient local policy choice. It is hoped that the Cities Alliance MTS will follow these established principles.

It also will be important to increase the volume and quality of loans directed at local governments, with or without sovereign guarantees, and to boost aid directly channelled to local governments. A coherent global strategy to meet the investment needs of small and medium-size authorities will be instrumental in meeting the MDG targets.

UNITED NATIONS ENVIRONMENT PROGRAMME

http://www.unep.org/

During the past year, the United Nations Environment Programme (UNEP) has concentrated on three environmental issues affecting cities, especially those in developing countries: climate change, the depletion of biodiversity and ecosystems, and sustainable urban planning and management.

Climate change. Cities in developing countries are facing the challenge of responding to the effects of climate change, with poor urban dwellers being most at risk. At the same time, cities in those countries are the fastest-growing urban areas in the world. Energy consumption, increasing transport, and building activities all will lead to carbon dioxide emissions.

To assist cities in developing countries to respond to such challenges, UNEP has developed a proposal on "climate resilient cities in Africa," focusing on both adaptation to risks and mitigation of emissions. If approved, the project will provide funds for UNEP, the International Council for Local Environment Initiatives (ICLEI), and other partners to assist three African cities in devising CDSs that will take climate change into consideration.

To make the voices of local governments heard in the global debate, UNEP actively supported ICLEI in organising the Local Governments Climate Sessions in Bali, Indonesia, on December 10–11, 2007. The sessions ran parallel to the United Nations Climate Change Conference.

Sustainable urban policy decisions have far-reaching effects on the global climate and, at the same time, they benefit a city in a variety of ways. A climate action handbook for cities developed by ICLEI,

UN-HABITAT, and UNEP seeks to support urban policy makers in monitoring carbon dioxide emissions and to guide them in learning how they can improve their city's resilience while reducing carbon dioxide emissions.

Ecosystems and biodiversity. Cities draw on their surrounding ecosystems for goods and services; and their products and emissions can affect regional and even global ecosystems. Cities, therefore, are important managers of ecosystems and users of biodiversity.

The international community has set itself the target to reverse the loss of biodiversity by 2010. Together with international organisations, such as the Convention on Biological Diversity, ICLEI, the International Union for Conservation of Nature (IUCN), and others, UNEP assists cities to meet this target. Following the Curitiba meeting on the theme "Cities and Biodiversity: Achieving the 2010 Target" (March 2007), UNEP continues to support the set-up of a global partnership to meet this challenge. It also provided active assistance in the preparation of the Mayors' Conference on Cities and Biodiversity at the ninth meeting of the Conference of the Parties at Bonn, Germany, in May 2008. In collaboration with ICLEI, UNEP is coordinating a publication of city case studies from around the world, with a focus on local action for biodiversity.

Sustainable urban planning and management. In most developing countries, development is slowed by environmental degradation and the contribution of environment to social and economic develop-

NBI Park, Nairobi, Kenya

ment often is poorly understood. To address these challenges, UNEP is supporting developing countries in Africa to mainstream environment into their national development strategies through the United Nations Development Programme (UNDP)-UNEP Poverty and Environment Initiative. The collaboration between UNEP and UN-HABITAT and the development of a joint partnership framework also aim at better integrating urban environment in the formulation of national policies and strategies.

Contribution to the goals of the charter and to the Cities Alliance MTS. *The environment is the biggest asset of the poor.* Under that premise UNEP works with cities and national governments. It promotes city planning that enables cities to develop on the basis of the continued availability of environmental resources. Sustainable urban development also will minimise health risks and reduce environmental impacts at local and global levels.

The programme's primary objective for its engagement in the Cities Alliance has been to improve the environmental dimension in Alliance projects so that sustainable urban development may be achieved. To that end, several activities have been undertaken under the Environment Initiative begun by UNEP in late 2005.

UNEP made suggestions on how the environment could be addressed in the Alliance MTS, including a one-page guidance to cities on the environment. Together with Cities Alliance, UNEP now is working on the development of a CDS-geared tool combining an ecosystem-services approach, strategic environmental assessments, and ICLEI's ecoBUDGET tool.

UNEP also is giving technical support to a number of CDSs, namely in Sana'a, Dakar, Yanghzou, Haiphong City, and San Jose.

UN-HABITAT

http://www.unhabitat.org/

In 2007, humankind as a whole crossed the rubicon to become a predominantly urban species. The majority of the human population globally now is residing in urban centres, with all the attendant effects and consequences. It is an urban era characterised by climate change and globalisation on a scale not witnessed before. Another phenomenon of the year was that the global number of urban slum dwellers reached the 1 billion mark.

As of the fourth quarter of 2007, UN-HABITAT had 137 technical cooperation programmes and projects under execution in 63 countries. In response to increasing demand, UN-HABITAT's technical cooperation activities have grown significantly from a total budget of $18.7 million in 1988 to $303.1 million in 2007. Roughly 12 percent of the financing for these 2007 technical cooperation projects came from various UNDP funding sources, with the remainder derived from governments and third-party cost sharing.

UN-HABITAT's operational work around the world is coordinated from four regional offices. These are based in Fukuoka, Japan, covering the Asia-Pacific region; Warsaw, Poland, covering eastern Europe and the former Soviet states; Nairobi, Kenya, for Africa and the Arab world; and Rio de Janeiro, Brazil, for Latin America and the Caribbean.

At year's end, UN-HABITAT employed Habitat Programme Managers (HPMs) in 35 developing countries, all of them nationals of the countries in which they work.

Research published by UN-HABITAT showed that unless immediate and effective interventions are made today, the slum crisis will become a major threat to social stability—and thus to global peace and security.

Box 16: UN-HABITAT in Africa and the Arab States

In 2007, the Regional Office for Africa and the Arab States ran 62 projects in 32 countries, which all helped to make a real difference to people's lives. The agency's programme in Iraq, for instance, includes rehabilitation, policy and institutional reform, as well as training and capacity building in the urban, housing, and community infrastructure sectors, much of it thanks to funding from Japan. In Sudan, UN-HABITAT worked in the capital Khartoum, East Sudan, and the troubled Darfur district, as well as with the government of South Sudan. In Somalia, the agency was part of the Somalia Urban Development Programme, funded by the European Commission, UNDP, Japan, and the DFID. In Chad, the government was given help to improve housing delivery and policy. With funding from the European Union, CyprusAid, Finland, and the Netherlands, UN-HABITAT continued a postconflict reconstruction programme in Lebanese areas damaged during the 2006 Israeli bombing raids. In Egypt, the agency helped develop new strategic plans for 50 cities, including the capital, Cairo; and in Indonesia, to cite a final example, work continued apace on longer-term post-tsunami rehabilitation.

Young people have a right to safe and secure cities

Research during the year under review also showed that how people plan, manage, and live in growing cities will determine, to a large extent, the pace of global warming With half of the world's population living in cities, they are already responsible for most of the global energy consumption and greenhouse gas emissions. Roughly half of those emissions are caused by the burning of fossil fuels for urban transport; the other half comes from heating, cooling, and running our buildings and homes.

Last year's UN-HABITAT analysis of national development plans and budgets among rapidly urbanising countries revealed that, with few exceptions, housing and urban development ranked among the lowest in terms of national budgetary allocations and public expenditure—or political priorities.

UN-HABITAT's 2007 *Global Report on Human Settlements* carried a record of more than 20 high-profile terrorist incidents between 1997 and 2006 that exacted a heavy toll in human lives, causing untold injuries and serious damage to property. They included attacks in Luxor, Egypt; to the World Trade Centre in New York; and bombings in Bali, Madrid,

Box 17: UN-HABITAT in Latin America and the Caribbean

In 2007, the Regional Office for Latin America and the Caribbean had 56 projects in 16 countries. These projects included technical cooperation, disaster management, policy, and capacity building programmes. Technical cooperation programmes were initiated in Mexico, Colombia, and Ecuador. The agency also worked with Cities Alliance projects in Brazil (Belo Horizonte), Chile, and Ecuador. Other countries with project pipelines that will be initiated during 2008 include Peru, Haiti, Paraguay, and Argentina. Collaboration with the main regional bodies like the Association of Ministers of Urban Development and Housing; the Latin America Federation of Cities, Municipalities and Associations; and such others as the Habitat International Coalition have been valuable in helping position the office. The year also was marked by excellent cooperation with the International Development Research Centre/Environmental Management Secretariat in reducing disaster vulnerability and municipal management in Central America. HPMs in Costa Rica worked closely with the agency's headquarters in this regard.

Box 18: UN-HABITAT in the Asia-Pacific Region

With 18 projects in 14 countries, the UN-HABITAT Regional Office for Asia and the Pacific celebrated its 10th anniversary in 2007. These projects included a regional post disaster seminar in January, an Experts Meeting in June on ensuring that gender concerns are incorporated into disaster and post conflict programmes, an Asia City Journalists' Conference in August, and a special meeting in September that assessed where the regional office stands today and how it moves forward. For this seminar, the office produced a brochure titled, "Accommodating People in the Asia-Pacific Region," that covered its achievements during the period 1997–2007. Major projects in 2007 included ongoing post-tsunami and post-earthquake projects in Indonesia, Maldives, Sri Lanka, Thailand, and northern Pakistan continued in 2007. The agency's huge post conflict programme in Afghanistan grew and grew, with its $74 million portfolio making it by far the largest portfolio managed by the regional office. Other projects also were under way— for example, in Nepal, Pakistan, Papua New Guinea, the Philippines, the Republic of Korea, and Vietnam.

Adding a touch of paint to her new home, an Indonesian beneficiary of UN-HABITAT's post-disaster reconstruction programmes in Asia.

© UN-HABITAT/Veronica Vijawa

London, and Mumbai, to cite a few. Yet, the threat to security and stability within the urban context remained limited not only to crime and violence. Indeed, the incidence of natural and human-made disasters in 2007 continued to rise. Surveys have shown a threefold increase in the number of natural disasters between 1975 and 2006, while human-made disasters multiplied tenfold in the same period. In this connection, climate change alone has led to a 50 percent increase in extreme weather events between 1950 and 1990.

It is no coincidence that climate change emerged at the forefront of international debate in 2007, at the same time and virtually at the same pace as the world becomes urbanised. For that reason UN-HABITAT reported to the United Nations Economic and Social Council (ECOSOC) of 2007 that reducing the vulnerability of cities to the effects of climate change should and needs to be seized as an opportunity to improve the living conditions of the most vulnerable segments of our urban populations.

The UN-HABITAT Governing Council passed 10 resolutions directly aimed at providing the muscle needed to improve global urban development. There is no doubt that two of these—the Medium-Term Strategic and Institutional Plan and one titled "Strengthening the Habitat and Human Settlements Foundation: Experimental Financial Mechanisms for Pro-Poor Housing and Infrastructure"—will prove instrumental to the future of UN-HABITAT, and the 2007 Governing Council could well prove to be a watershed.

Box 19: UN-HABITAT in Eastern Europe and Beyond

Opened in October 2006, UN-HABITAT's youngest regional office is located in the Polish capital Warsaw to serve countries in central and southern Europe (the Balkans) and others farther east (the Caucasus). As the new regional office began building its portfolio, it convened two special ministerial-level Advisory Council meetings—an inaugural session in Warsaw in February, followed by a meeting in Bucharest, Romania. The Warsaw office offered to ministers and high officials responsible for housing and urban development in the countries of the region a platform for enhanced cooperation and knowledge sharing and a mechanism to keep housing and urban management challenges high on the agenda. Significant attendance clearly confirmed the need to vigorously improve exchanges on urban challenges in the region. The meetings also resulted in the "Warsaw Declaration" by which participating countries demonstrated their commitment to improved housing and integrated urban planning and management. In southeast Europe, UN-HABITAT provided the agency's latest guidelines and supported governments and its partners with capacity building projects in areas ranging from housing and informal settlements upgrading, to basic services access, land management, integration of vulnerable groups, local leadership, integrated local and regional development, and reconstruction and post crisis management.

Box 20: Delivering Disaster Relief

The agency's disaster management work intensified in 2007 as more pressure was placed on the UN system to respond to the increasing number of natural disasters afflicting the world. From its post-earthquake rehabilitation programme in northern Pakistan, to similar longer-term shelter rehabilitation for countries afflicted by a tsunami killer wave induced by undersea seismic activity in the Indian Ocean, UN-HABITAT teams were at work around the clock. The agency also was helping rebuild homes and lives in post conflict zones as far afield as Iraq, Kosovo, Afghanistan, and Somalia. Last year, UN-HABITAT took on new assignments in Uganda and the troubled Darfur region of Sudan, as well as southern Sudan, Bosnia and Herzegovina, southeastern Europe, and Peru. As a member of the United Nations Executive Committee for Humanitarian Affairs, UN-HABITAT continued during the year to advocate for more sustainable response policies and strategies in collaboration with major humanitarian agencies. As a focal point agency in the new Humanitarian Response System, UN-HABITAT supports an interagency forum for incorporating housing, land, and property policies and strategies into operational responses for effective transition from disaster or conflict relief to development. These engagements are based on the unique position of having the mandate within the UN, for addressing shelter and human settlements both in crisis and in development.

Active participation in the wider UN humanitarian system enabled the agency to develop its normative work in 2007 through increased human and financial resources.

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Rebuilding in Afghanistan

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

http://www.usaid.gov/our_work/economic_growth_and_trade/urban_programs/index.html

USAID and its partners support cross-sectoral solutions to the challenges of rapid urbanisation by building the capacity of local governments, the private sector, and communities to enhance local economic development and improve service delivery. A key component of USAID's approach is the development of sustainable financing options for basic infrastructure and services. The agency aims to help establish links between the community, private sector, and government to reduce poverty and ensure more equitable access to services in countries worldwide. During the past year, USAID worked to strengthen and expand successful public-private partnerships.

These efforts include the Entra 21 Alliance implemented by the International Youth Foundation (IYF), an innovative workforce development programme with a great track record for placing youth in jobs or in advanced training and education. To promote more systemic approaches to poverty reduction, USAID has worked with the IYF to modify its approach to maximise links with the local governments as part of a broader local economic development strategy. USAID also has continued to support city-to-city partnerships that introduce greater transparency, participation, and accountability in local government and improve service delivery in cities to demonstrate the tangible benefits of a more democratic society.

Partnerships in Bulgaria, India, Russia, and Albania that drew to a close in 2007 helped improve local economic development in more than 30 cities. The programme in Afghanistan that was initiated in Kabul to support improved local governance and delivery of basic public services now has been expanded to six provinces. Finally, USAID's partnership with Evensen Dodge International continues to promote innovative financing for municipal development in Mexico and is piloting initiatives in Paraguay, Morocco, Vietnam, and South Africa. By partnering with national and local governments, associations, the private sector, NGOs, and other donors, USAID aims to bring greater resources to improve the lives of the urban poor.

Ghana's Municipal Finance Authority—an example of a merging of USAID's and Cities Alliance bilateral priorities
Working across a range of sectors, including democracy and governance, economic growth, and health, USAID supports the goals of the Cities Alliance by leveraging public and private sector resources to reduce the causes and effects of urban poverty. With a strong focus on capacity building at the municipal level, USAID's decentralisation and local governance strengthening programmes introduce participatory approaches to planning and aim to increase transparency and accountability at the local level. By building the foundation of good governance and management at the municipal level, it is possible for local governments to access resources from the private sector to finance improved urban services.

USAID also has worked through the Cities Alliance to support Slum/Shack Dwellers International (SDI), a unique global coalition of grassroots slum

The local chief (Tema Mantse) addressing the local federation of the Urban Poor

dwellers' organisations. The Cities Alliance has created an excellent coordination mechanism that reduces the management burden of having to deal with multiple donor requirements. This mechanism has enabled donors to give greater political legitimacy to pro-poor development processes and begin development of a sustainable financing mechanism for SDI.

In the future, the Cities Alliance and its members should increase its emphasis on developing stronger connections with organisations, like SDI, that are deeply rooted in the community and on developing closer ties with the private sector—particularly the financial community, which will provide the bulk of future infrastructure investment needs.

THE WORLD BANK

http://www.worldbank.org

Portfolio update. World Bank lending approvals for urban operations in fiscal year 2008 amounted to $2.0 billion and showed an upward trend in urban lending by a number of projects. Notable among the 36 new urban operations approved are the following projects:

- Gansu (China) Cultural and Natural Heritage Protection and Development, which generates benefits for local communities from the development of sustainable cultural tourism in the province. It also focuses on the conservation of cultural and natural assets and the development of priority infrastructure;

- Mexico: Affordable Housing and Urban Poverty Reduction Development Policy Loan III, which supports the government's efforts to improve national policies and institutions for housing and urban development;

- Ethiopia: Urban Local Government Development, which supports improved performance in the planning, delivery, and sustained provision of priority municipal services and infrastructure; and

- Azerbaijan: Integrated Solid Waste Management, which supports the reform of the Greater Baku solid waste collection and disposal operations in an effective and sustainable system.

Urban strategy update. Preparation of the Bank's Urban Strategy Update is well under way, with initial consultations with development agencies and donor partners, as well as with practitioners and officials in selected regions taking place. The process of preparing the update is intended to be consultative and will include input from a variety of sources where Bank and other donor programmes are under implementation. In addition, it will take into account new urban developments. The climate change agenda will figure prominently in the new strategy, as will the challenges of urbanisation and urban expansion, cities and economic growth, linked to the topic of spatial development as addressed in the 2009 *World Development Report*, and scaled-up approaches to monitoring and evaluating urban operations based on city indicators. A major thrust of the strategy will be to propose new approaches to urban development that enable countries, cities, and their donor partners to scale up their impact through more broadly based programmes, working closely with regional development partners and strategically engaging with countries at the national level.

The Fifth Urban Research Symposium, scheduled for June 2009, in Marseille, France, will focus on cities and climate change, dealing with both adaptation and mitigation strategies. Its first partners include the French ministries of sustainable development and foreign affairs, AFD, GTZ, UCLG, the Urban Climate Change Research Network, and the Cities Alliance. The symposium will feature commissioned research on salient topics and highlight empirical work from cities around the globe. It will mark the beginning of a multiyear research programme on cities and climate change.

World Development Report 2009—Reshaping Economic Geography. The Word Bank's *World Development Report 2009* has a special focus on urbanisation and growth. The report will be launched during the Bank's annual meetings in October 2008.

Cities and Climate Change. The Bank has scaled up its focus on cities and climate change. In addition to the Urban Research Symposium 2009 with the theme "Cities and Climate Change: An Urgent Agenda," the Bank has increased resources for analytical work on sustainability and climate change in the urban sector. Work on the impact on coastal cities is being undertaken by a number of regions, including East Asia and the Middle East and North Africa. *A Mayors' Handbook on Climate Change* is under preparation; and urban project task leaders increasingly are working on climate change aspects of urban development.

Highlights from the past year

World Bank Urban Forum, Sustainable Development Network Week. The week featured sessions on the dynamics of urbanisation and cities and climate change. The keynote address during the Urban Forum was delivered by New York City Mayor, Michael R. Bloomberg, who spoke on "Building Better Cities: New York's Experience in Urban Transformation." Participants comprised 160 World Bank urban staff and such distinguished speakers as Mayor Omar Maani of Greater Amman Municipality and Shirley Rodrigues of the London Authority. The World Bank Institute also launched its multimedia source book, *Approaches to Urban Slums*.

Global City Indicators Programme. This programme is designed to establish comparative indicators and benchmarks that can be linked to the MDGs and national-level development strategies. Key stakeholders reviewed a summary document with a proposed rollout strategy that will be presented in Nanjing at the Fourth World Urban Forum in November 2008.

Slum shacks alongside highrises in Shanghai, China.

Urbanisation and the Growth Commission. The independent Growth Commission completed its work, which included urbanisation as one of the key themes for its deliberations. State-of-the-art reviews on such topics as urban productivity, regional inequalities and rapid growth, policies for housing affordability, and financial innovations and housing were completed during the year.

New publication. The Bank released a monograph, *Lessons for the Urban Century: Decentralized Infrastructure Finance in the World Bank*, which examines the track record of urban infrastructure funds and what can be learned from almost 30 years of experience in implementation.

ENHANCING RESULTS AND
LEARNING AT THE CITIES ALLIANCE

Following the recommendations of the 2006 independent evaluation to deepen the organisation's knowledge base, the Cities Alliance Secretariat initiated a series of activities designed to achieve a systematic approach to knowledge and learning. These were reinforced by the adoption of the Medium-Term Strategy 2008–10, which provided both a conceptual framework and a platform for the improved monitoring and evaluation of Cities Alliance activities, supported by a results-based approach to knowledge. This process is being led by Günter Meinert, a senior staff member on secondment from the GTZ. A preliminary framework was presented to the executive committee in Trondheim, Norway, in April 2008. Input by members on this initial effort will feed into a final strategy document to be presented to the Consultative Group meeting in Barcelona in January 2009.

The communications and knowledge-sharing function also was enhanced to facilitate achieving the goal and objectives of the MTS. A revised communications strategy focused on leveraging communications and knowledge partnerships has been developed as part of more systematic country/member engagement. This approach has resulted in the ongoing development of joint work programmes with United Cities and Local Governments (UCLG); UN-HABITAT; the World Bank; bilateral members, such as AFD, Brazil, and Nigeria; and with new partners, such as the London-based International Institute for Environment and Development (IIED).

Designing a Monitoring and Evaluation Framework

The monitoring and evaluation (M&E) framework is being designed to strengthen the Cities Alliance as a learning Alliance, to help understand why and to what extent results are achieved and to understand their impact on stakeholders. This in-depth comprehension of urban dynamics will help also to identify knowledge, action, and policy gaps and so create evidence for knowledge management and advocacy. Rather than being purely an instrument of control, M&E in the Cities Alliance will be applied as the fundamental tool for knowledge sharing and organisational learning, and it will help improve the design and performance of ongoing operations, the portfolio as a whole, and institutional performance.

Given the nature of the Cities Alliance as a rather heterogeneous network of cities and their associations, slum-dweller associations, national governments, multilateral and bilateral agencies, the guiding principles for M&E and the corresponding knowledge sharing and learning would be:

- **Efficiency:** Focusing on what is relevant for decision making by members and partners under real-life conditions. The effort and cost for enhanced M&E must be justified by better results.

- **Realism:** Instruments and work processes of M&E must be flexible and adjust to a wide range of

Figure 3: Linkages between Monitoring and Learning
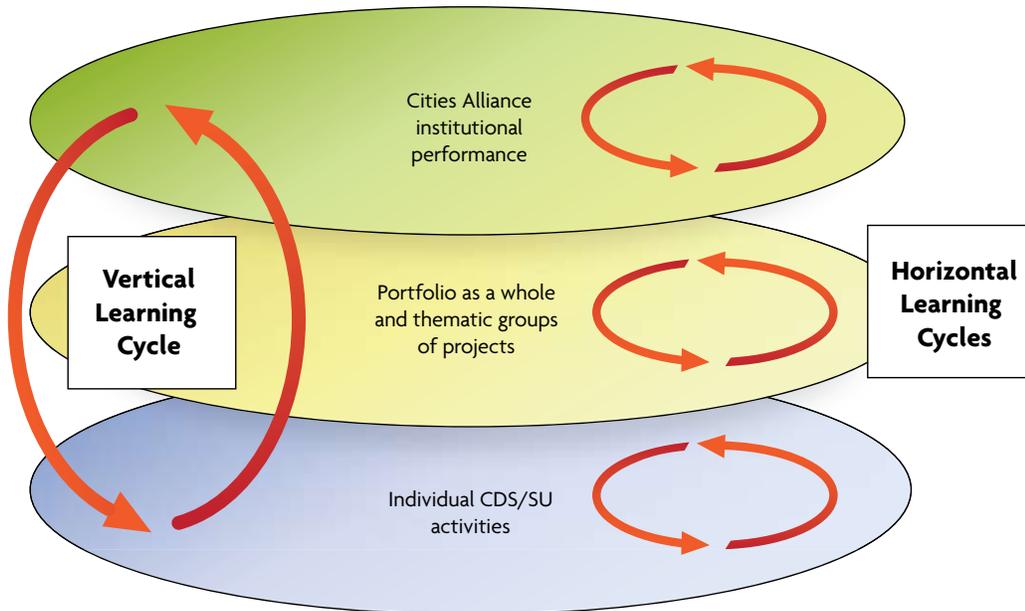
needs and situations because motivations and technical capacities vary greatly among members and partners.

- **Subsidiarity:** The Cities Alliance would engage only in activities where the network has comparative advantages over the actions of individual members and partners. It has a complementary and facilitating role.

Monitoring and evaluation of the city development strategy and slum upgrading operations should facilitate more effective steering of the operations toward the desired results. In addition, it would generate a deeper understanding of the effectiveness of the operation and generate lessons worth sharing with other cities. In most cases, substantial support from their sponsoring partners will be necessary to apply more effective M&E in the operations. The secretariat will supply guidelines and adjust formats and work flows to make them more M&E friendly.

The knowledge generated through individual operations is at the core for learning at the portfolio level, beyond individual projects. Operations with similar approaches could be clustered to form communities of practice. Members could prioritise the-

matic issues to conduct programmatic evaluations across the portfolio, or to engage in joint work programmes to address knowledge and policy gaps. M&E at the portfolio level not only raises questions regarding operational and budgetary issues, but would require members' consent on the desirable composition and quality of the portfolio, with correspondent consequences for the selection of project proposals.

A vertical learning cycle would relate the insights gained from the M&E of individual operations and the portfolio to identify options for improving the performance of the Cities Alliance as a whole. On one side, members would have to dedicate time and effort to analyse the information and agree on measures to be taken. On the other side, there would have to be agreement on a more precise results framework for the Alliance, with specific objectives and indicators suitable for M&E.

In summary, an enhanced M&E in and for the Cities Alliance will be based on several conceptual decisions to be taken by its Consultative Group to fully unfold its potential for increased effectiveness and cooperation. The secretariat is preparing conceptual and operational proposals for discussion among members and subsequent approval.

Strengthening Communications and Knowledge Sharing

The year under review witnessed an exponential increase in the level of communications and knowledge-sharing activities, focused more emphatically on harnessing the comparative strengths of members and partners to strengthen the Learning Alliance brand. The Cities Alliance participated in more meetings and events organised by members and partners than at any other time in its short existence. It worked with members to organise highly successful knowledge-sharing events, such as the Manila Public Policy Forum on the theme, "Leveraging Resources for Livable Cities" and the São Paulo International Policy Dialogue among south-south megacities to share lessons on the "Challenges of Slum Upgrading," with São Paulo's experience as the case study.

The Cities Alliance also elaborated a more structured publications programme with defined product lines to enable a more efficient knowledge capture and dissemination process. It created acclaimed Web portals to spotlight key Alliance activities, such as the EcoCity Planning and Management Programme in the Old City of Yangzhou, China, and the Ghana Municipal Finance and Management Initiative. To effectively and efficiently capture and store information and to monitor the Alliance's project proposals and project implementation activities, the secretariat developed a new proposals and project monitoring database and embarked on a major restructuring of its Web site.

Knowledge Sharing Activities

"Cities for All" Meeting in Brazil, September 20–21, 2007

This was a special event organised by Brazil's Ministry of Cities, Caixa Econômica Federal (Brazil's Housing and Urban Development Bank), the National Congress, the National Front of Mayors, the National Forum of Urban Reform, and the Cities Alliance. The focus was on slum upgrading policies as elaborated in a number of Brazilian cities. Key participants included Marcio Fortes, Brazil's minister of cities; Newton Lima, mayor of Guarulhos and vice president for in-

ternational relations of the National Front of Mayors; Clarisse Copetti, vice president of Caixa Econômica Federal; William Cobbett, manager of the Cities Alliance; Valdelene Verônica de Lima, a representative of the Central Popular Movement; Jennifer Sara, World Bank sector leader ; and Cecilia Martinez Leal, director, Regional Office for Latin America and the Caribbean, UN-HABITAT. Paulo Teixeira, Cities Alliance Policy Advisory Board member, was a key organiser of the meeting in his role as a deputy in the Brazilian Federal Legislature.

The meeting provided an excellent advocacy vehicle to highlight the ongoing challenges faced by urban poor people in the majority of Brazilian cities and the importance of ensuring their involvement in finding solutions.

MINURVI Meeting, Santiago, Chile, October 10–17, 2007

MINURVI was created in 1992 as a permanent forum for consultation and coordination among Latin American and Caribbean countries in the area of sustainable development of human settlements. In 1995, member-states adopted the *Regional Plan of Action for Latin America and the Caribbean on Human Settlements*, which has formed the basis of diverse regional

Patricia Poblete, Chile's minister of housing and urban development, and William Cobbett, Cities Alliance manager

Cities Alliance São Paulo office

accords in five priority areas: (1) achieving social equity and combating poverty, (2) increasing productivity in human settlements, (3) improving the urban environment, (4) fostering governance, and (5) participation and efficiency in policy making.

At the annual MINURVI meeting of housing and urban development ministers in Santiago, Chile, delegates assessed their collective progress in social housing programmes and urban upgrading initiatives while grappling with the region's backlog of social housing. They agreed on a Santiago Declaration to be used by national governments to define an agenda on inclusiveness. The declaration avers that "the right to the city" should be a basic feature in designing urban policies, especially those related to secure access to land, adequate housing, infrastructure, and social amenities for the urban poor.

Shack/Slum Dwellers International (SDI) Donor Meeting, London, October 12, 2007

Representatives from the Cities Alliance, the Ford Foundation, the Gates Foundation, the Rockefeller Foundation, the government of Norway, the United States Agency for International Development (USAID), and the U.K. Department for International Development (DFID) met to share detailed information on individual programmes of support to SDI and to discuss ways in which the organisations represented could better collaborate with each other and improve the quality of support to SDI. Coordinated by the Cities Alliance Secretariat and hosted by DFID, the meeting provided an excellent example of attempts by international development agencies to improve their coherence of effort especially with regard to slum dweller federations.

Second World Congress of United Cities and Local Governments, Jeju, Republic of Korea, October 2007.

Nearly 2,000 mayors, councillors, and representatives of cities and local and regional governments of the world came together on the island of Jeju in the Republic of Korea for the Second UCLG World Congress. The theme was, "Changing Cities Are Driving Our World." Climate change and the impact of global warming was the main focus of deliberations, with participants agreeing to make concerted efforts to reduce the greenhouse gas emissions that contribute to global warming and to use renewable and clean energy sources to combat climate change. They captured this in the warning in the Jeju Declaration issued at the end of the congress: "If we do not act now to mitigate the consequences of global warming, the results could be devastating." The role of the UCLG is "to bring together key partners to address this critical issue."

The congress also focused on shaping local and regional government policies and defining the positions of the world's local leaders for the UN Framework Convention on Climate Change, which needs to be ratified in 2012. Mayors argued that they should be active stakeholders in the negotiations process and be directly involved in the mechanisms of implementation and monitoring of those accords. "The fight against climate change begins in our cities. So it is vital that UCLG positions itself as a key player and possesses a clear and committed message on the issue," said Bertrand Delanoë, the mayor of Paris, who also was elected the UCLG president.

Courtesy: SDI

SDI Malawi—Mzuzu Houses in the background

Chii Akporji/Cities Alliance

UCLG Congress, Jeju, South Korea with Elisabeth Gateau and Delanöe

Under the theme of "City Diplomacy," the UCLG congress also focused on the role of local government efforts in promoting peace. According to the Jeju Declaration, "Local governments also act on the international stage to promote all human rights and respect diversity in our cities and territories as a foundation for peace and development. Local governments share the goals of the Alliance of Civilisations, an initiative launched by the Secretary General of the United Nations with the support of the Spanish and Turkish governments to develop policies to promote understanding and mutual respect, and thereby maintain peace in the world. The declaration also praised Jeju's peace-building efforts, describing it as "the island of world peace."

The Cities Alliance delegation to the Jeju congress was led by William Cobbett, programme manager, who chaired a session on "Strategic Responses in Fast Growing Cities," organised in collaboration with UCLG. Showcasing experiences of cities such as Rosario, Argentina, and Calbayog city, Philippines, the session emphasised the importance of city development strategy processes in creating well-governed, sustainable, and socially inclusive cities.

Cities Alliance also worked with UCLG to host a session on "Financing Urban Explosion: The Local Authorities Vision." The session discussed approaches to enabling cities to gain access to domestic financing for infrastructure. Cities experiences shared included those of Omar El-Bahraoui, mayor of Rabat, Moroc-

co; Omar Fayad, president of Morocco's *Association Nationale des Collectivités Locales Marocaines;* and Violeta Seva, adviser to the mayor of Makati, the Philippines and vice-president for UCLG-ASPAC.

Eighth Cities Alliance Public Policy Forum, Manila, Philippines, November 5–7, 2007

Philippine President Gloria Macapagal-Arroyo formally inaugurated the eighth Cities Alliance Public Policy Forum, widely adjudged one of the most successful in the history of such forums. In her speech at Malacañang Palace to kick off the three-day event, President Arroyo praised the "success of the City Development Strategies programme funded by the Cities Alliance and implemented by the League of Cities, which has already been implemented in the majority of our cities, with measurable success, and that it is among the most successful in the world…for it strengthens our belief in the power of the global system to alleviate poverty and modernize nations."

She called the forum an important opportunity to share knowledge and resources among Cities Alliance members and development partners to address urbanisation, transform slums into liveable communities, and enable the urban poor to become more fulfilled and productive members of society.

The forum was sponsored by the government of the Philippines in partnership with the League of Cities of the Philippines, the ADB, the World Bank, and UN-HABITAT. With the theme "Leveraging Resources for Liveable Cities," the forum showcased the dynamic Philippines CDS programme. It featured specific examples from Marikina and Muntinlupa, as well as the Metro Manila Urban Services Programme. Also included were presentations from the Ekurhuleni Metropolitan Municipality in South Africa; a theatrical presentation of the City Development Strategy of Yangzhou, China; and an overview of the *Ban Mankong* nationwide upgrading programme presented by Thailand's deputy prime minister, Khun Paiboon Wattanasiritham. A highlight of the event was the active and engaged participation by the Vice President of the Philippines, and Chair of Housing and Urban Development Coordinating Council, Noli de Castro, who also joined participants on a field trip.

Courtesy: Housing and Urban Development Coordinating Council (HUDCC), Manila, the Philippines

Philippine President, Gloria Macapagal-Arroyo welcoming guests to the opening of the Cities Alliance PPF in Manila.

More than 300 participants of the Forum signed off on the Manila Declaration issued at the close of the event, the first communiqué in the history of the Alliance's public policy forums. Titled, "Concerning the Principles Which Define the Roles and Mission of Governments, Organizations and Sectors in the Vision for Liveable Cities," the declaration sets out basic principles for each category of stakeholder. Local authorities, for example, are described as the prime movers of the shared aspiration for accelerated transformation of cities into liveable, competitive, bankable, and well-governed politico-economic units, while their national government counterparts create and sustain the needed policy environment and systems of incentives that fuel the collaboration and meaningful engagement of concerned sectors in the overall poverty reduction effort. International development partners are adjudged major sources of the knowledge, financial, and technical resources that are key to the sustainability and longevity of programs to create liveable cities and eradicate slums. Therefore, the declaration calls for urgent and corresponding action by concerned governments, organisations, and sectors.

World Conference on Development of Cities, Porto Alegre, Brazil, February 13–16, 2008

Attended by close to 7,000 mayors and city councillors, academics and experts, community leaders, business people, and social workers, this conference sought to discuss the importance of cities and the diversity of social innovation and transformation initiatives that have been emerging through focus on four themes: (1) the right to the city, (2) governance and democracy in cities, (3) local development in cities, and (4) sustainability and the network-city.

A broad coalition of urban stakeholders were involved in organising the conference, including the Porto Alegre City Council; Brazil's Ministry of Cities; City Hall of Rome (Italy); Rio Grande do Sul State Government; the National Confederation of Cities; the Federation of Latin American Cities, Municipalities, and Associations; UCLG; the UN Educational, Scientific, and Cultural Organization; UN-HABITAT; the Inter-American Development Bank; the World Bank; the International Observatory of Participatory Democracy; the Committee on Social Inclusion and Participative Democracy; the International Center for Urban Management; and the Cities Alliance.

The Cities Alliance was actively involved in the conference through its São Paulo, Brazil, office, which helped to organise a workshop on urban regulation that presented case studies from São Paulo and from Chile. The Cities Alliance also used the opportunity to launch the Bahia PATS publication and the Youth Essay Competition 2008.

Cities Alliance São Paulo Office

Participants at the Porto Alegre Conference on cities

International Policy Dialogue on the "Challenges of Slum Upgrading: Sharing São Paulo's Experience," São Paulo, Brazil, March 10–14, 2008

This was the first time the Alliance hosted a major south-south cities exchange event which was hugely successful, leading to demands for more of such forums for learning and sharing of experience. Coorganised by the Cities Alliance and the municipality of São Paulo, the five-day event brought together representatives of the megacities of the south, such as Cairo, Ekurhuleni, Lagos, Manila, Mumbai; their counterparts from the host city of São Paulo, and a third group of participants designated "observers," namely from La Paz, Santiago, and Sekondi-Takoradi to share their experiences on the challenges of slum upgrading. These participants were joined by representatives of development organisations, such as the World Bank, the ADB, UCLG, Metropolis, and UN-HABITAT. Speaking on behalf of his counterparts from the other cities, São Paulo's Mayor Gilberto Kassab called the event an "important opportunity for exchange of ideas on the problems they encounter on a regular basis."

The first day of the event was devoted to a presentation of aspects of São Paulo's slum upgrading programme for the benefit of the invited cities. Providing the context for the São Paulo experience, Ivo Imparato, World Bank Task Manager of the Cities Alliance Technical Assistance Project to the city, noted that the state of São Paulo (of which the city is the capital) accounts for 34 percent of national gross domestic product (GDP), whereas the São Paulo municipal area accounts for 9 percent of national GDP. The city's own share for slum upgrading in the national government's Programme for the Acceleration of Growth is 1 billion Reals which it has deployed its slum upgrading programmes.

Elisabete França, coorganiser of the policy dialogue and Superintendent of SEHAB, the city's municipal housing authority, outlined the basic legal underpinnings of the housing policy. Article 79 of the Strategic Master Plan of the Municipality (Law 13.430/02) endorses the concepts enshrined in the Federal Constitution regarding decent housing—namely, security of tenure, adequate sanitary installations, reasonable living conditions, and access to essential public services.

Participating cities' also presented their own experiences. These were sharpened by site visits to specific submunicipalities of São Paulo, where slum upgrading had either taken place or is an ongoing activity: São Francisco, Manacias Iporanga, Vila Nilo, Paraisopolis, and Heliopolis. Participant groups spent the whole day touring the areas, attending workshops with local municipality staff and clients, and engaging with community residents who invariably shared how the upgrading activities have impacted their lives.

Participants at the São Paulo Learning Event

Mayor Gilberto Kassab of São Paulo answering reporters' questions at the event

The last day of the event was devoted to an evaluation session where city participants were joined by a larger group of media representatives, nongovernmental organisations, and other civil society groups as they shared their general impressions of the event, what they learned, and what they planned to take away from the international policy dialogue.

Godfrey Hiliza of Ekurhuleni Metropolitan Municipality, for example, observed that the São Paulo experience was unique in the close engagement between the municipal staff and their constituents: "The passion of the technical staff in the slum upgrading process is clear for all to see. We perceive some challenges similar to those faced by Ekurhuleni, like limited capacity and unemployment in the deprived communities. But, without doubt, São Paulo is already way advanced than Ekurhuleni in the slum upgrading process."

Urvinder Madan, project manager for the Cities Alliance–supported Mumbai Transformation Support Unit, pointed to differences in the spatiality of slums in Mumbai and São Paulo: "In Mumbai, the informal settlements are spread all over the city; here in São Paulo, they are concentrated in seemingly predetermined localities."

For Abosede Francisco Bolaji, Lagos state commissioner for physical planning and urban development, one takeaway lesson from São Paulo is that, "upgrading of slums is not limited to housing construction or upgrading of existing buildings. The social component of the entire process is key, with the ultimate objective being the guarantee of access to life skills and to better living conditions."

For Khalil Sha'at, adviser to the governorate of Cairo on informal areas, key impressions from the São Paulo dialogue include, "the dedication of the teams involved in the slum upgrading process; data availability and use of data as a planning tool; public-private sector partnerships; slicing the issue—too many slums but serious upgrading under way; social work integral to the process; continuous public dialogue on slums and the slum upgrading process; and, finally, the fact that the process is part of a defined national policy on slums with both political and financial commitment by the government."

Representing the Manila delegation, the mayor of Taguig, Sigfrido R. Tinga, also noted the passion of the public servants in São Paulo. In rounding up, he said cities needed a bigger forum and a louder voice to bring their issues to the fore of public life—for example, a dedicated cable channel to promote key messages and good news about cities like that of São Paulo.

From l. to r.: Ramiros Burgos of La Paz, Sigfrido R. Tinga of Manila, Khalil Sha'at of Cairo, Abosede Francisco Bolaji of Lagos, Urvinder Madan of Mumbai, Godfrey Hiliza of Ekurhuleni and Billy Cobbett of Cities Alliance.

Bete França explaining the legal underpinnings of São Paulo's Housing policy.

Cities Alliance Sponsorship of World Bank Youth Essay Competition on Cities

With the support of the government of Norway, the Cities Alliance sponsored this year's edition of the annual World Bank Youth Essay Competition. The theme this year was urbanisation. Youth from around the world were invited to submit essays of approximately 4,000 w ords on the topic "What They Can Do to Shape the City of Their Dreams." A total of 3,287 submissions were received from 148 countries, the highest number so far in the history of the competition. These entries were put through a rigorous three-phase review process involving more than 12 partners, including youth groups, universities, and research institutes. Countries with the highest numbers of submissions were, in descending order the United States, Nigeria, Pakistan, Brazil, the Philippines, and India.

A grand jury of sponsors and NGOs met in Cape Town from June 9 to 11, during the Annual Bank Conference on Development Economics to evaluate the oral presentations of eight finalists selected from the total submissions. Presentations were judged on such criteria as substance, presentation skills, and the viability and creativity of solutions proffered. Three winners emerged: Pal Saptarshi from India, Mengting Wang from China, and Maria Angelica Rodriguez of Colombia took first, second, and third prizes, respectively.

The essays provided unique insights into the issues and challenges facing the winning cities from the perspective of youth. They celebrate youth commitment to the issues and challenges faced by the urban poor and to their deploying their entrepreneurial skills to affect those challenges, thereby making their own contribution to improving their lives. They also reinforce a number of the Cities Alliance's key messages—for example, the importance of community-based initiatives to better affect the lives of urban poor people, the need for better urban environmental planning, and the value of participation.

Publications Review

Liveable Cities: The Benefits of Urban Environmental Planning, Cities Alliance, UNEP, ICLEI, December 2007
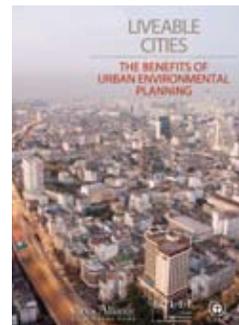
Launched at Bali, Indonesia, during the United Nations Climate Change Conference, the report showcases 12 cities from around the world that have worked to integrate the environment into their urban planning processes. Although municipal budgets differ widely among each of these cities just as they all face different urban

From L. to R.: Saptarshi Pal of India, Mengting Wang of China and Maria- Angelica Retamoso of Colombia, top three winners of the youth essay competition

Chii Akporji/Cities Alliance

challenges and opportunities, the report shows that the one common thread running through all of them is their implicit recognition of the important role the environment plays in sustainable socioeconomic development.

For example, in 2004 the city of Bayamo, Cuba, faced with a situation where motorised transport was available to only 15 percent of local commuters, reverted to horse-drawn carriages. Horse-drawn services now take care of approximately 40 percent of local transport needs. This demonstrates that motorised transport is not the only solution to a public transport problem. The municipality of Bohol in the Philippines has been using the ecoBUDGET tool, an environmental management system that incorporates natural resources and environmental goods into budgeting cycles to achieve the twin objectives of environmental sustainability and poverty alleviation.

Taiyuan, an industrial city in the coal belt of northern China, is addressing the urban air-quality problem by introducing a citywide emissions trading scheme to help reduce the sulphur dioxide concentration in the atmosphere.

The report also discusses the variety of strategic approaches to integrating the environment into urban planning and management, including such processes and instruments as Integrated Development Plans, City Development Strategies, EcoCity Planning, and Strategic Environmental Assessments, among others.

"A modern city can only be truly successful if it can convincingly demonstrate its green credentials by recognizing its natural assets, creating efficient water, energy and transport infrastructure, and protecting its citizens in the face of present and future impacts of climate change," said UN Under-Secretary-General and United Nations Environment Programme (UNEP) Executive Director Achim Steiner at the launch of the report.

A vez Alagados: A construção de um programa integrado de urbanização de favela em Salvador,
Cities Alliance, São Paulo, 2007

Published in Portuguese, this report tells the story of one of the first activities undertaken by the Cities Alliance following its formation in 1999: the slum upgrading project in Salvador in the state of Bahia, Brazil. This activity is also known as the Social and Technical Support Project (PATS), which ran from 2001 to 2006. Cities Alliance worked with the state of Bahia to mobilise a broad coalition of partners in the area of *Alagados*, a well-known slum in the Brazilian city of Salvador, to make a real difference in the lives of the slum dwellers. These partners included, the government of Italy, the World Bank, the Urban Development Company of the State of Bahia (CONDER, the state executing agency), the Association of Volunteers in International Service (AVSI an international development NGO), and more than 70 local community-based associations. The *Alagados* slum upgrading programme leveraged an $80 million project including a World Bank loan and a second Cities Alliance grant, with the support of the government of Italy.

Key lessons from the activity highlighted in the report include: (1) the success of shared management and coordination among a government body, CONDER, and an NGO (AVSI), which resulted in a degree of continuity and flexibility with respect to decisions taken at the government level; (2) the enhanced development cooperation arising from the partnership among international organizations; (3) the importance of community participation in project design and implementation—the slum dwellers were the real actors in the implementation; and (4) the importance of all three to scaling up the activity at the citywide, state, and national levels. The slum upgrading project affected not only the surrounding community and then the city; it also had significant influence on the slum upgrading policies in the state of Bahia. An English-language version of the publication is being prepared for launch at the Fourth World Urban Forum in Nanjing in November 2008.
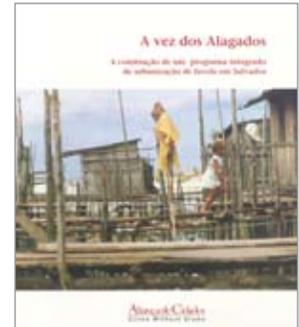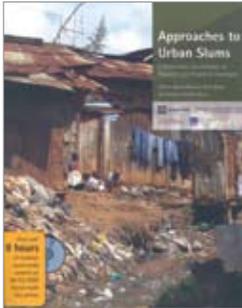
Approaches to Urban Slums: A Multimedia Sourcebook on Adaptive and Proactive Strategies, edited by Barjor Mehta and Arish Dastur, World Bank, 2007

This multimedia sourcebook on CD-ROM synthesizes an extensive body of knowledge and experience in managing urban slums accumulated over the past 30 years. The key lessons learned and their implications for future work serve as a useful tool for capacity building and knowledge sharing for policy makers, practitioners, planning institutions, community groups, NGOs, and university students. *Approaches to Urban Slums* includes 14 audiovisual presentations (photographs, illustrations, maps, graphic animations, and aerial imagery, along with voice-over narration) and 18 video interviews of government representatives, NGOs, members of communities, representatives of the private sector, and the UN Millennium Task Force on Improving the Lives of Slum Dwellers. The *Sourcebook* was prepared by the World Bank Institute, with support from the Cities Alliance and UN-HABITAT.

Enhancing Urban Safety and Security: Global Report on Human Settlements 2007, UN-HABITAT, Nairobi, 2007

Launched as part of World Habitat Day celebrations, the report avers that the world's poor are the worst affected by urban crime and violence, insecurity of tenure and forced eviction, and natural and human-made disasters, regardless of their geographic location.

Over the past five years, 60 percent of all urban residents in developing countries have been victims of crime. This is not, however, a uniform trend because rates in North America and Western Europe are falling significantly, in contrast to those in Latin America and the Caribbean, Eastern Europe, and Africa. In Jamaica, for example, the vast majority of the nation's murders occur in the capital Kingston, whereas African cities have the highest reported levels of burglary. These examples illustrate that urban areas in general suffer more from crime and violence than do rural areas. Cities are also targets for terrorist attacks, as demonstrated by the bombings of Madrid, London, and Mumbai in 2004, 2005, and 2006, respectively. Yet the effects of terrorist attacks are significantly small compared with common crime or other types of violence.
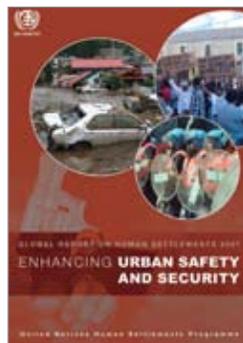
The poor are at the receiving end of crime and violence, and they carry much of the weight of natural and human-made disasters. The report reveals that a staggering 98 percent of the 211 million people affected by natural disasters each year from 1991 to 2000 were in developing countries. In poorer countries, women and children tend to be most affected by disasters, as illustrated by the aftermath of the 2004 Indian Ocean tsunami, and elderly and disabled people are most vulnerable to natural and human-made hazards.

Further threats to urban safety are related to insecurity of tenure and forced evictions. The vast majority of today's 1 billion slum dwellers (as much as 78 percent) live in developing countries and in the urban areas of the least-developed nations. Tenure insecurity often results in forced evictions, with at least 2 million people evicted annually. The report denounces forced evictions that are most prevalent in areas with the worst housing conditions, and the fact that, when evictions do occur, it is always poor people who are evicted.

"The facts unveiled in this report paint a disheartening picture of the ones with the least, suffering the most. It shows an unequal and inequitable distribution of risk and vulnerability, but it also provides positive examples of success in dealing with safety and security concerns, whilst improving the lives of the urban poor," said Anna Tibaijuka, Under-Secretary-General and UN-HABITAT Executive Director, at the London launch of the report.
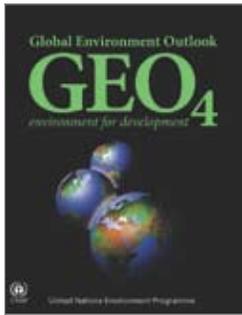
Global Environment Outlook: Environment for Development (GEO – 4), UNEP, Nairobi, 2007

GEO-4 is a comprehensive stocktaking of the state of the global atmosphere, land, water, and biodiversity since 1987, 20 years after the World Commission on Environment and Development (the Brundtland Commission) produced its seminal report, *Our Common Future*. It salutes the world's progress in tackling some relatively straightforward problems, with the environment now much closer to mainstream politics everywhere. It warns, however, that humanity remains at risk from major threats to the planet, such as climate change, the rate of extinction of species, and the challenge of feeding a growing population.

In this face of this dark and gloomy scenario, the report becomes an urgent call for action. It recognises that the international community's response to the Brundtland Commission has been courageous and inspiring in some cases. As Achim Steiner, UN Under-Secretary-General and UNEP Executive Director, points out, "Over the past 20 years, the international community has cut, by 95 percent, the production of ozone-layer damaging chemicals; created a greenhouse gas emission reduction treaty along with innovative carbon trading and carbon offset markets; supported a rise in terrestrial protected areas to cover roughly 12 percent of the Earth; and devised numerous important instruments covering issues from biodiversity and desertification to the trade in hazardous wastes and living modified organisms."

Nevertheless, persistent and intractable problems remain unresolved and unaddressed. Climate change is now a "global priority," demanding political will and leadership. However, it finds "a remarkable lack of urgency" and a "woefully inadequate" global response. Several highly polluting countries have refused to ratify the Kyoto Protocol, the international climate agreement that obligates countries to control anthropogenic greenhouse gas emissions.

There are also some harder-to-manage issues, the "persistent" problems ranging from the rapid rise of oxygen "dead zones" in the oceans to the resurgence of new and old diseases linked in part with environmental degradation. Failure to address these persistent problems may undo all the achievements so far on the simpler issues and may threaten humanity's survival.

GEO-4 acknowledges that technology can help reduce people's vulnerability to environmental stresses, but says there is sometimes a need "to correct the technology-centred development paradigm." The real future will be largely determined by the decisions individuals and society make now.

Managing Asian Cities,
Asian Development Bank (ADB),
Manila, 2008

The challenge of urbanisation in Asia is unprecedented—some 1.1 billion people will move to cities in the next 20 years. *Managing Asian Cities* aims to provide a useful management resource, canvassing key issues and pointing managers to appropriate responses to problems. It also is designed to provide preliminary steps in the new phase of the ADB's continuing support to Asian cities under its Strategy 2020.

The study is organised in two parts. The first part reviews the existing situation; the second part presents options for improved urban management practice. The report provides options for solving problems. Differentiating among cities in terms of wealth, size, and capacity, it also focuses on a city's self-reliance, suggesting ways in which different types of cities can take on more responsibility for their own development, especially in terms of creating enabling frameworks for urban development. To build cities that can cope—self-reliant cities—governments at all levels must adopt an "enabling approach" to

- Act on the environment: adopt the 3Rs (reduce, recycle, and reuse) and respond to the adaptation and mitigation imperatives of climate change
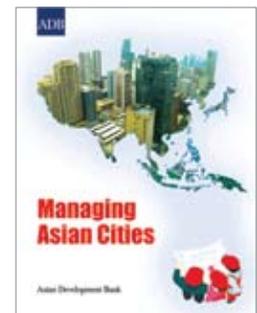
- Maintain economic growth: prepare and implement a city-region economic development plan that involves all government, business, and community stakeholders; build on strengths and opportunities; and plan to overcome technical, competitive, environmental, and disaster risks

- Ensure sustainable communities: foster inclusive service delivery and provide the organisational structures for community-driven development.

New Knowledge and Information Management Tools

During the year under review, the Cities Alliance designed and developed a proposals and projects monitoring database to effectively and efficiently capture and store information as well as to monitor the Alliance's project proposals and project implementation activities. Related information and documentation from proposals and project activities covering the period of the Alliance's inception in 1999 to the present are also concurrently being collected, structured, and integrated into the database.

Designed mainly for the Secretariat's use, the database is designed to as a powerful knowledge and information management tool, allowing projects to be tracked in real time. It also will provide the secretariat

with a mechanism for planning and monitoring project proposal status, progress reports, financial reports, grant payments, disbursement information, compliance, contact information, and so forth. The database is entirely searchable, enabling staff and members alike to retrieve and compare information across multiple Alliance-supported activities. Hence, the database is intended to provide the Alliance's secretariat team, partners, and clients with timely access to Alliance's information and knowledge resources so as to engage them more fully in helping scale up successful approaches and promote knowledge sharing and learning. The information stored in the database will be a critical resource for the Alliance's portfolio activities review.

The Alliance is also undertaking a major restructuring of the Cities Alliance Web site—a process that should be completed by the time of the Consultative Group meetings in Barcelona. A new Web content management system is being implemented to replace the existing system, simultaneous with the redesign and revitalisation of the Web content and presentation, with greater focus on Web pages, cities in action, a spotlight on members, and features on specific activities. The new web content management system will enhance the functionality of the Alliance's web site as a knowledge-sharing tool. It will facilitate its positioning as an interactive and dynamic web site, with information easily navigated, searched, disseminated, syndicated, read, and downloaded by the Alliance's targeted audiences; with content easily updated and managed; and information exchange among the Alliance's members greatly enhanced.

It is envisaged that both the database and the web site will greatly support the achievement of objectives three and four of the Cities Alliance MTS Cities 2008–10, particularly in terms of knowledge and information management, dissemination, and outreach between members and their clients.

CITIES ALLIANCE ORGANISATION

The year under review saw some significant structural changes in the Cities Alliance organisation. Four new bilateral members—Chile, the Commonwealth of Australia, Spain, and the Philippines joined the Consultative Group, as did the umbrella organisation for slum dwellers, Shack/Slum Dwellers international (SDI).

The main feature of the Manila Consultative Group meeting was the MTS 2008–10, which was subsequently adopted with minor amendments. As part of the evaluation process, the role and composition of the Steering Committee and the Policy Advisory Board were reviewed. The role of the Steering Committee was enhanced through its transformation into an Executive Committee. It will now be able to provide policy guidance to the secretariat, as well as review and approve the secretariat's budget and staffing. For the duration of the MTS, this new Executive Committee will be chaired by UCLG.

For the Policy Advisory Board the consensus was to retain it but re-direct its focus to an advocacy—rather than policy or advisory—function.

Courtesy: SDI

South African slum-dweller in Mankhurd, India

Shack/Slum Dwellers International

In an historic step, SDI--a network of federations of the urban poor—joined the Cities Alliance Consultative Group. This was one of the outcomes of the Secretariat's August 2007 meeting with the SDI Council of Federations in Stellenbosch (Cape Town, South Africa). Following that meeting, SDI canvassed support for membership among a number of Cities Alliance members, including Brazil, South Africa, DFID, USAID, and Norway (which sponsored SDI's membership). All of those members responded positively. SDI currently has affiliates in more than 20 countries in Africa, Asia, and Latin America. SDI President Jockin Arputham led the SDI delegation to the Manila Consultative Group meetings.

Laying the groundwork for this membership was SDI's partnership with Cities Alliance in coordinating a donors meeting in London in October 2007. Representatives from the Cities Alliance, the Ford Foundation, the Gates Foundation, the Rockefeller Foundation, Norway, USAID, and DFID met to share detailed information on individual programmes of support to SDI and to discuss ways in which the organisations represented could better collaborate to improve the quality of support to SDI.

The Consultative Group

The Consultative Group—the Cities Alliance's board of directors—is responsible for setting the Alliance's long-term strategy, approving its annual work programme and budget, and reviewing its achievements. The Consultative Group consists of financial contributors to the Cities Alliance Trust Fund and the political heads of UCLG and Metropolis, who have pledged their commitment to achieving Cities Alliance goals. By tradition, the Consultative Group is co-chaired by representatives of the Alliance cofounders, the World Bank and UN-HABITAT. Prospective financial contributors may serve as associate members for two years.

Meetings

Consultative Group meetings are held annually in conjunction with public policy forums (PPFs) designed to share cities knowledge and experiences. The PPFs also present opportunities for advocacy on key policy orientations and standards of practice in areas related to the Alliance's goals. The following Consultative Group meetings have so far been held:

Berlin, December 1999—Inaugural meeting at which the Cities Without Slums action plan was launched under the patronage of President Nelson Mandela, and the charter of the Cities Alliance and its 2000 work programme were approved.

Montréal, June 2000—First Public Policy Forum ("Political Dimensions of Support for Cities"). The Consultative Group reviewed the application guidelines, and approved Cities Alliance Vision statement.

Rome, December 2000—Second Public Policy Forum ("Local Partnerships: Moving to Scale"). Consultative Group approved amendments to the Cities Alliance charter, the 2001 work programme, and procedures to establish the Policy Advisory Board and the Steering Committee.

Kolkata, December 2001—Third Public Policy Forum ("Sustainable Partnerships for City Development"). Consultative Group reviewed procedures for the first independent evaluation of the Cities Alliance, and approved of the 2002 work programme.

Brussels, October 2002—Panel discussion at the European Commission ("Achieving the Millennium Development Goal of Cities Without Slums"). Consultative Group reviewed of the independent evaluation of the Cities Alliance, and approved the 2003 work programme.

São Paulo, October 2003—Fourth Public Policy Forum ("Sustainable Financing Strategies for Cities and Financial Services for the Urban Poor"). Consultative Group approved procedures for developing country membership in the Consultative Group, and approved of the 2004 work programme.

eThekwini, November 2004—Fifth Public Policy Forum ("Making City Development Strategies Come Alive in South Africa"). Consultative Group approved new Policy Advisory Board members, and approved of the 2005 work programme.

Marrakech, November 2005—Sixth Public Policy Forum ("Morocco's Cities Without Slums Programme"). Consultative Group reviewed procedures for the second independent evaluation of the Cities Alliance, and approved of the 2006 work programme.

Washington, D.C., November 2006—Seventh Public Policy Forum ("Environment, Poverty and Development in an Urbanising World"). Consultative Group discussed and approved the findings of the second independent evaluation.

Manila, Philippines, November 2007—Eighth Public Policy Forum ("Leveraging Resources for Liveable Cities"). Consultative Group reviewed and discussed the new MTS 2008–10, the restructuring of the Steering Committee as the Executive Committee, and decision to redefine and restructure the Policy Advisory Board.

Consultative Group Members as of June 30, 2008

Local authorities
- United Cities and Local Governments
- Metropolis

Governments
- Australia
- Brazil
- Canada

Vice President of the Philippines, Manuel Noli de Castro, Jr. with Inga Bjork-Klevby, Deputy Executive Director of UN-HABITAT and other guests at the opening of the Manila PPF.

- Chile
- Ethiopia
- France
- Germany
- Italy
- Japan
- The Netherlands
- Nigeria
- Norway
- The Philippines
- South Africa
- Spain
- Sweden
- United Kingdom
- United States

Multilateral Development Organisations
- Asian Development Bank
- United Nations Environment Programme
- UN-HABITAT
- World Bank

The Executive Committee

Set up by the Consultative Group, the strengthened Executive Committee is charged with providing guidance to the work programme of the secretariat. The first meeting of the committee was held in Trondheim, Norway, where it formally approved amendments to the MTS.

Executive Committee members as of June 2008 are: UCLG (chair), ADB, Brazil, France, Nigeria, Norway, UN-HABITAT, and the World Bank.

Update on the Policy Advisory Board

Comprising eminent urban experts from each region, the Policy Advisory Board of the Cities Alliance was designed to provide guidance to the Consultative Group on key strategic, policy, and regional issues and to support the implementation of Cities Alliance activities.

However, part of the recommendation of the independent evaluation of 2006 was the reassessment of the role of the board in the light of Cities Alliance's short and medium-term goals. Policy Advisory Board members led the reassessment exercise, concluding that their expertise and influence could be better served in a smaller, more targetted board with a stronger focus on advocacy functions. This change will be finalised with the Executive Committee and presented at the Consultative Group meeting in Barcelona in January 2009.

The Secretariat

The year under review witnessed significant changes in the senior, substantive staffing of the Secretariat of the Cities Alliance. First to leave was Rajivan Krishnaswamy who accepted a position as head of a technical institute in his hometown of Chennai, India. He was followed a few months later by Pelle Persson and Pascale Chabrillat, both of whom had completed their secondments and returned to their various organisations. Farouk Tebbal, also a secondee, retired from UN-HABITAT and left the secretariat at the end of June 2008.

The Secretariat was strengthened through new secondments and the recruitment of a number of new staff. Thierry Paulais, senior urban finance specialist, joined the secretariat from AFD, where he was head of the urban department. In addition to leading the municipal finance team, Thierry is managing the programme on the Financing of African Cities, cofinanced by the Cities Alliance and AFD. Also coming from UN-HABITAT is Jean-Christophe Adrian, who recently joined the secretariat to work on CDS and urban environment issues. Jean-Christophe has a long history of working with both the Sustainable Cities Programme and Localising Agenda 21. His most recent experience was managing a huge post disaster reconstruction project in Pakistan.

In terms of new recruitments, Stefan Agersborg, a graduate of the Norwegian University of Science and Technology, is supporting the programme operations team with document collection and data input. Previously with the World Bank's Moldova country office, Viorica Revutchi is providing support to the Alliance's grant administration process. Madhavan Balachandran ("Balu") joined the secretariat from the World Bank's South Asia region as the new financial management specialist, and Neelam Tuteja joined the front office team as programme assistant. The Cities Alliance will be further strengthened through the appointment of nationally recruited regional advisers in Delhi and Addis Ababa.

Concurrent with this flow and ebb of staff was a systematic reevaluation and redefinition of staff job functions in line with the objectives of the MTS and the strengthened mandate received from the Consultative Group. A new knowledge management and monitoring and evaluation team was formed to take charge of the growing results-based knowledge agenda; the communications function was strengthened with a more targetted role expansion and the hiring of short-term consultants, and Kevin Milroy assumed an expanded role as deputy programme manager.

Secretariat Staff as of June 30, 2007

Adrian, Jean-Christophe—Urban Specialist
Agersborg, Stefan—Consultant
Akporji, Chii—Communications Officer
Aubry-Kendall, Françoise—Resource Management Analyst
Balachandran, Madhavan—Financial Management Specialist
Carlin, Anne—Knowledge Management Officer
Cobbett, William—Manager
Csorba, Ildiko—Programme Assistant
Haer, Andrea—Urban Specialist
Henderson, Susanna—Programme Assistant
Meinert, Günter—Senior Urban Specialist
Merrick, Andrea—Programme Officer
Milroy, Kevin—Senior Operations Officer and Deputy Programme Manager
Paulais, Thierry—Senior Urban Specialist
Puspa, Erika—Knowledge Management Analyst
Revutchi, Viorica—Programme Assistant
Tebbal, Farouk—Senior Urban Specialist
Tuteja, Neelam—Team Assistant

Regional Office, São Paulo, Brazil
Abiko, Alex Kenya—Consultant
Bertolassi, Regianne Henriette—Team Assistant
Jose, Mariana Kara—Consultant/Urban Specialist
Schutte, Giorgio Romano—Consultant/ Project Manager

Regional Office, Pretoria, South Africa
Hosken, Adele—Cities Alliance Projects Officer

FINANCIALS

Fiscal Year 2008 Highlights

Cities Alliance members sponsored 24 new CDS and slum upgrading projects as part of the $10.4 million work programme approved during fiscal year 2008, including $7.7 million approved from core funds. Core fund approvals were 65 percent higher than in fiscal year 2007.

Projects in Sub-Saharan Africa were the largest regional recipient of grants in fiscal year 2008, receiving US$1.9 million in allocations, 19 percent of the total approved. Grants in Asia received 14 percent of grant funding. Approximately 50 percent of funding was allocated for global and multi-regional activities, including funding of the Cities Alliance secretariat.

As of 30 June 2008, funding of $45 million was committed to approximately 100 on-going activities. This includes 78 grants for country or regional projects, and the remainder for global activities. More than $113 million has been committed since the launch of the Cities Alliance.

The Cities Alliance's MTS includes an emphasis on promoting city and country ownership, preferring direct implementation of grant funding provided by the Alliance, wherever possible. In the early years of the Alliance, most grants were implemented by international partners on behalf of the city or country, usually the World Bank or UN-HABITAT. Only 10 percent of projects approved during the Alliance's first four years (FY00–FY03) were executed by a local authority or local authority association (LGA), and an additional 12 percent by a country partner. In contrast, among the current active or newly-approved projects, 27 percent are executed by a local authority

or LGA, and nearly 20 percent others by a country partner. Thus, nearly half of current Cities Alliance projects are already under country-execution.

In membership news, Spain and the Commonwealth of Australia became the 11th and 12th donor governments to join the Alliance, while Chile and the Philippines became the 5th and 6th developing countries to join. Spain made a significant initial contribution of €1.5 million over two years (US$2.3 million), immediately making it the third largest donor to the Alliance. Australia is joining the Alliance as a step towards developing an urban development strategy for Australia Aid.

In other donor news, Norway tripled its financial contribution to the Alliance in fiscal year 2008, increasing it to NOK 15 million (US$2.65 million), including support for the Alliance's MTS.

**Figure 4. Active Funding Project by Region
54.1 million total**

- Eastern Europe and Central Asia: 4%
- Latin America and Caribbean: 13%
- Middle East and North Africa: 14%
- Global and Multiregional: 10%
- Sub-Saharan Africa: 32%
- Asia: 27%
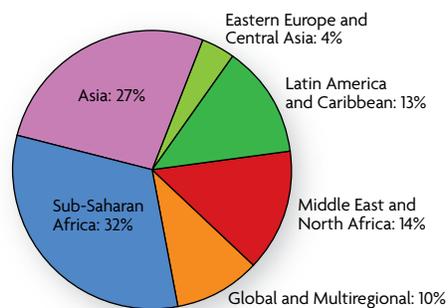
Note: Data as of June 30, 2008.

* Excludes 21 on-going partnership funding allocations (e.g., for budget of Secretariat; knowledge generation and dissemination; communications; etc.)

Figure 5: Recipients of On-Going/New CA-Grants—as of 30 June 2008 *—by fiscal year
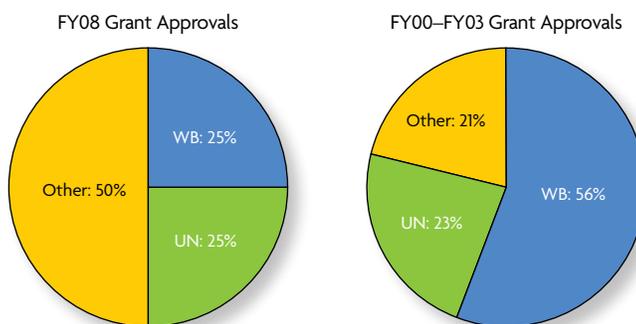
FY08 Grant Approvals

WB: 25%
UN: 25%
Other: 50%

FY00—FY03 Grant Approvals

Other: 21%
WB: 56%
UN: 23%

* Excludes 21 on-going partnership funding allocations (e.g., for budget of Secretariat; knowledge generation and dissemination; communications; etc.)

Figure 6: Recipients of On-Going/New CA-Grants—as of 30 June 2008 *—by regions

Legend:
- National agency
- Municipal, sub-national
- LGAs
- NGOs/ Civil society/ institutes
- International or regional organizations

Number of Recipients

Categories: Sub-Saharan Africa, Asia, Eastern Europe and Central Asia, Latin America and Caribbean, Middle East and Northern Africa, Global / Multi-Regional
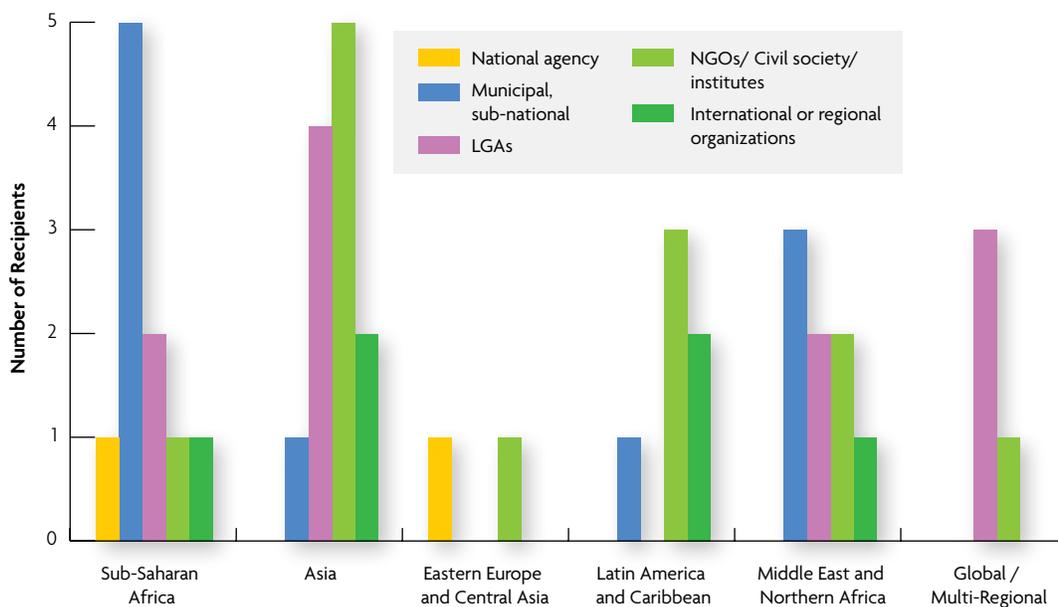
* Excludes grants implemented by World Bank or United Nations organisations

SOURCES OF FUNDS FY00–FY08 (Unaudited)

(US$ as of 30 June 2008)

SUMMARY

Type of funding	Pledges	Paid-in
Core funding	59,108,880	53,957,747
Non-core funding	54,767,947	51,065,813
Non-core Secretariat funding	9,094,235	8,148,637
Total Funding	**122,971,062**	**113,172,197**

Donor	Pledges	Duration	Paid In (a)	
			FY08	Cumulative
Core funding				
ADB	1,250,000	2002–2003, 2005–2007	250,000	1,250,000
Australia	250,000	2008	0	0
Brazil	550,000	2004–2010	0	150,000
Canada	1,500,000	2000–2001, 2003–2006	0	1,585,293
Chile	50,000	2008	0	0
Ethiopia	250,000	2006–2010	50,000	100,000
France	2,100,000	2000, 2002–2008	294,689	1,902,229
Germany	2,950,000	2000–2009	363,925	2,428,427
Italy	3,580,000	2000–2007	564,280	3,703,905
Japan	2,000,000	2000–2006	0	1,750,000
Netherlands	3,500,000	2000–2004, 2006–2008	249,970	3,249,970
Nigeria	50,000	2005	0	50,000
Norway	4,805,000	2000–2007	1,752,127	4,924,508
Philippines	50,000	2008	50,000	50,000
Shack Dwellers Int'l	50,000	2008	50,000	50,000
South Africa	250,000	2006–2010	50,000	100,000
Spain	2,250,000	2008–2010	2,321,400	2,321,400
Sweden	4,125,000	2000–2007	0	4,284,404
UNEP	1,100,000	2003–2007	100,000	1,100,000
UN-HABITAT	400,000	2004–2007	200,000	400,000
United Kingdom	7,100,000	2000–2007	263,277	7,506,823
United States	3,498,880	2000–2009	711,053	2,461,053
World Bank	17,850,000	2002–2009	2,887,315	14,589,734
Total core	**59,108,880**		**10,158,036**	**53,957,747**
Non-core funding(b)				
Canada	75,000	2004	0	73,608
France	375,000	2008–2009	78,800	78,800
Italy	13,135,000	2001–2008	2,271,762	12,278,778
Japan	5,000,000	2000–2006	0	4,250,000
Netherlands	350,000	2003–2004	0	350,000
Norway	3,200,000	2002–2007	901,063	3,272,992
Sweden	8,454,000	2003-2008	190,509	8,845,653
UNEP	15,000	2007	0	15,000
United Kingdom	22,620,000	2001–2008	2,227,885	20,357,035
United States	843,947	2003–2008	88,947	843,947
World Bank	700,000	2001	0	700,000
Total non-core	**54,767,947**		**5,758,966**	**51,065,813**
Non-core Secretariat funding(c)				
World Bank	3,079,235	2000–2002, 2006–2008	28,635	3,079,235
UN-HABITAT	2,113,000	2000–2011	200,000	1,983,000
Sweden	685,000	2005–2008	0	729,402
Other	2,807,000	2001–2010	530,000	2,357,000
Total	**9,094,235**		**758,635**	**8,148,637**

Note: Fiscal year covers the period July 1 through June 30.

(a) Amounts may vary from amounts pledged because of exchange rate fluctuation.

(b) Non-core funding is earmarked for a specific facility, region, or activity. The facilities include the Community-Led Infrastructure Finance Facility, the Cities Without Slums Facility for Sub-Saharan Africa, the Community Water & Sanitation Facility, and the Slum Upgrading Facility.

(c) Secretariat funding includes in-kind funding for staff secondments from UN-HABITAT, Germany, France and the World Bank Staff Exchange Program with the Caisse des dépôts et consignations. Sweden's secondment funding was through cash contribution.

USES OF FUNDS, FY00–FY08 (Unaudited)
(US$ as of 30 June 2008)

SUMMARY

	FY08		Cumulative	
Funding source	Allocations	Disbursements	Allocations	Disbursements
Core activities	7,662,450	7,145,297	53,335,875	40,681,163
Non-core activities	2,728,850	8,575,658	60,484,056	48,186,712
Total Uses of Funds	**10,391,300**	**15,720,955**	**113,819,931**	**88,867,876**

APPROVALS BY TYPE OF ACTIVITY

	FY08		Cumulative	
Type of activity	Core Funds	Non-core funds	Core funds	Non-core funds
City development strategies	1,572,475	250,000	15,258,724	3,319,495
Scaling up upgrading	2,415,975	166,625	14,397,086	40,996,117
CDS and upgrading	1,614,000	1,313,590	14,570,065	7,311,709
Secretariat	2,060,000	998,635	9,110,000	8,856,735
Total approved grants	**7,662,450**	**2,728,850**	**53,335,875**	**60,484,056**

APPROVALS BY REGION

	FY08		Cumulative	
Region	Core Funds	Non-core funds	Core funds	Non-core funds
Sub-Saharan Africa	1,495,375	416,625	10,356,896	3,907,695
Asia	1,271,500	180,000	11,686,220	3,396,775
Eastern Europe & Central Asia	210,100	0	2,369,327	0
Latin America & the Caribbean	1,055,975	0	8,468,840	14,377,475
Middle East & North Africa	529,500	0	4,387,731	0
Global/Multiregional	1,040,000	1,133,590	6,956,861	29,945,376
Secretariat	2,060,000	998,635	9,110,000	8,856,735
Total approved grants	**7,662,450**	**2,728,850**	**53,335,875**	**60,484,056**

SECRETARIAT EXPENDITURES

Expense	FY08	FY07	FY06	Cumulative
Operational:				
Secretariat staff	1,326,223	1,040,371	910,708	6,479,165
Consultants, other labour	255,704	104,053	52,387	826,673
Travel	385,894	332,892	342,524	2,324,250
Other costs	50,093	35,374	36,798	783,877
Subtotal	**2,017,914**	**1,512,690**	**1,342,417**	**10,413,965**
Management and administration				
Secretariat staff	848,151	859,494	772,551	5,818,432
Rent, computing, other costs	335,662	259,544	293,068	1,687,076
Subtotal	**1,183,813**	**1,119,038**	**1,065,619**	**7,505,508**
TOTAL	**3,201,727**	**2,631,728**	**2,408,037**	**17,919,474**

NEW AND ON-GOING ALLOCATIONS

(as of 30 June 2008)

Year	Grant Amount (US$)	Start Date	Country	Activity
SUB-SAHARAN AFRICA REGION				
	330,000	Apr-06	Benin	Development Strategy for Greater Cotonou
FY08	250,000		Benin	Urban Development and Rehabilitation Strategy for the City of Abomey
	330,000	Apr-06	Burkina Faso	Strategy for Developing Greater Ouagadougou and Improving Basic Infrastructure and City Services in Underprivileged Areas
	500,000	Feb-07	Cameroon	Urban Development and Poverty Reduction Strategy: City of Douala and its Greater Urban Area
FY08	74,000	Dec-07	Ethiopia	Establishment of Ethiopian Cities Network (ECN)
	75,000	May-07	Kenya	Preparation of Cities Development Strategy (CDS) and State of the Cities Report (SCR) Programme for Kenyan Urban Local Authorities
FY08	71,000		Liberia	Preparation of Monrovia Slum Upgrading Initiative
FY08	71,375		Malawi	Preparatory Grant for Development of Lilongwe CDS
FY08	360,000	Apr-08	Mali	National Program for Slum Upgrading and Reduction of Substandard Settlements in the Cities of Mali—Cities of Mali without Slums
	75,000	Oct-05	Mozambique	Slum Improvement Demonstration Project for Maputo City
	500,000	May-06	Mozambique	Improving Water and Sanitation in Quelimane City
	42,000	Apr-07	Mozambique	Preparatory Grant for the Development of a CDS and Slum Upgrading Strategy for Chimoio
	42,000	Apr-07	Mozambique	Preparatory Grant for the Development of a CDS for Vilankulo
	89,325	May-07	Namibia	Preparatory Study: Participatory City Development Strategies in Namibia
FY08	250,000		Nigeria	Preparation of State of the Cities Report
	364,450	Mar-07	Regional	Building Partnerships for Cities Without Slums in Eastern and Southern Africa—increase
	270,000	Mar-07	Regional	Cities Without Slums: Toward Implementing a Support Program for Countries and Cities of Western and Central French-speaking Africa—increase
	240,000	May-06	Rwanda	Financial Management Modernization and Development Strategy for Kigali
	380,000	Apr-06	Senegal	Greater Dakar Urban Development Strategy
	430,000	Feb-07	Senegal	National Programme for Slum Improvement and Slum Upgrading in Senegal's Cities: "Senegalese Cities without Slums"
FY08	71,000		Sierra Leone	Preparation of Slum Initiative, Freetown
	500,000	Jun-06	South Africa	Upgrading for Growth: Implementing the Breaking New Ground Policy within Ekurhuleni's City Development Strategy

NEW AND ON-GOING ALLOCATIONS—continued

(as of 30 June 2008)

Year	Grant Amount (US$)	Start Date	Country	Activity
	535,000	Jun-06	South Africa	The Tshwane Sustainable Human Settlement Strategy and Financing Plan
FY08	500,000	Mar-08	South Africa	Strengthening the South African National Upgrading Support Programme
FY08	240,000	Mar-08	Swaziland	Supporting the Design of a CDS-based Local Government System in Swaziland
	360,000	Sep-04	Tanzania	Action Plan to Upgrade All Informal Settlements in Dar Es Salaam by 2015
	73,956	Dec-07	Tanzania	Establishment of Tanzania State of the Cities Report (Preparatory Phase)
ASIA REGION				
FY08	180,000		Cambodia	Improvement of Living Environment in Flood Prone Slum Areas in Cambodia through Community-based Waste Management Strategies
	250,000	Sep-06	China	Shanghai Development Strategy in Regional Context
	182,600	Jul-04	India	Community-Led Sangli Toilet Construction Activity
FY08	500,000	Jul-08	India	Transformation of Mumbai into a World Class City—Phase II
	180,700	Feb-05	India	Hyderabad City-Wide Slum Upgrading Action Plan
	154,700	Mar-05	India	Visakhapatnam City Development Strategy and Slum Upgrading Action Plan
	184,268	Dec-05	India	City Development Strategy for Hubli-Dharwad
	237,933	Nov-06	India	City Development Strategy for Pro Poor Economic Growth for the Heritage City of Agra
	75,000	Jan-07	India	Urban Institutional Strengthening and Capacity Enhancement Project
	75,000	Mar-07	India	Urban Strategy for India 2025 and Mega Cities Strategy
	74,419	Apr-07	India	Bruhat Bangalore Comprehensive Development and Slum Upgradation Strategy
FY08	75,000	Apr-08	Indonesia	Preparation of a Proposal on "Making Urban Investment Planning Work. Building on the Indonesian CDS Process."
	500,000	Nov-05	Mongolia	Citywide Pro-poor "Ger Upgrading Strategy and Investment Plan" (GUSIP)
	75,000	May-07	Nepal	Preparation of a Proposal - Nepal: Slum Upgrading Strategies and Investment Program"
	541,100	Oct-05	Philippines	City Development Strategies in the Philippines: An Enabling Platform for Good Governance and Improving Service Delivery
	500,000	Jul-06	Philippines	A Metro Manila 'Cities Without Slums' Strategy
FY08	196,500		Philippines	Review of the Cities Development Strategy Program in the Philippines and Preparation and Publication of the State of Philippines Cities Report

NEW AND ON-GOING ALLOCATIONS—continued

(as of 30 June 2008)

Year	Grant Amount (US$)	Start Date	Country	Activity
FY08	100,000	Jun-08	Regional	South Asia Regional Adviser
FY08	500,000	Nov-07	Sri Lanka	Pro-poor Partnerships for Participatory Settlement Upgrading in Sri Lanka
	357,225		Vietnam	City Development Strategy focusing on Urban Environment Management in Haiphong City
	75,000	Apr-07	Vietnam	Urban Planning in a Rapidly Urbanizing Setting—Danang
	75,000	May-07	Vietnam	Preparation of a Proposal on "Viet Nam: City Development Strategy for Thanh Hoa City in a Regional Development Context"
EASTERN EUROPE AND CENTRAL ASIA REGION				
FY08	210,100		Azerbaijan	Municipal Development Strategies—Azerbaijan
	71,000	Mar-06	Moldova	Moldova—City Development Strategy
	230,000	Jul-05	Russian Federation	Vologda Development Strategy Alliance
LATIN AMERICA AND THE CARIBBEAN REGION				
	450,000	Oct-05	Brazil	Strategies for the Sustainable Planning, Financing and Implementation of Low-Income Housing and Urban Development Policy (Municipality of São Paulo)
	7,208,280	Dec-05	Brazil	Bahia Integrated Urban Development Program—Viver Melhor/BIRD: Technical and Methodological Assistance Project (Italy)
	500,000	Apr-07	Brazil	Poverty-Focused City Development Strategy for the Metropolitan Region of Belo Horizonte
FY08	55,000	Oct-07	Brazil	Support of National Housing Plan and National Housing Subsidy Policy
FY08	114,479		Brazil	Establishment of a Management Structure for the Municipal Fund for the Support of Social Interest Housing (FUMAPIS) of the Municipality of Diadema
FY08	211,496	Aug-08	Brazil	Building Institutional Capacity for Scaling up Slum Upgrading—Distance Learning Course for Integrated Slum Upgrading Actions
	498,200	Oct-07	Chile	Support for the Implementation of the Programme to Recover 200 Neighbourhoods through Capacity Building and Strengthening among Local Actors and Public Services
FY08	500,000		Costa Rica	Toward a Neighborhood Improvement and Slum Upgrading Eradication National Policy in Costa Rica
	500,000	Apr-06	El Salvador	Preparation of an Urban Development Strategy for the Region La Paz in the Department of La Paz and San Vicente
	879,195	Jul-04	Regional	Scaling Up Successful Methodologies in the Latin America and Caribbean Region (Italy)

NEW AND ON-GOING ALLOCATIONS—continued

(as of 30 June 2008)

	Grant Amount (US$)	Start Date	Country	Activity
MIDDLE EAST AND NORTH AFRICA REGION				
	350,000	Dec-05	Egypt	Alexandria City Development Strategy for Sustainable Development: Phase II
FY08	75,000	Nov-07	Egypt	Preparatory Grant Assistance for Greater Cairo Metropolitan Development Strategy and City-wide Upgrading
	379,231	Oct-06	Lebanon	Al Fayhaa Sustainable Development Strategy
	245,000	Apr-03	Morocco	Metropolitan Cooperation in the Tetouan Region: the Role of the CDS
	490,000	Sep-05	Morocco	Partnership Framework Agreement for Ministry of Housing and Supporting and Monitoring of the Program Urban Development "Cities Without Slums"
	250,000	Feb-05	Regional	Establishing a Regional City Development Strategy Facility at the Arab Urban Development Insitute (AUDI), Riyadh, Saudi Arabia
FY08	380,000	Mar-08	Syria	Aleppo City Development Strategy
	245,000	Jun-07	Tunisia	Greater Sfax Development Strategy—Phase 2
	200,000	Jan-05	Yemen	Medium to Long Term City Development Strategy for Local Economic Development for Hodeidah and Mukalla Cities
	250,000	Nov-06	Yemen	Sana'a City: Medium to Long-Term City Development Strategy for Sustainable Development
FY08	74,500	Jun-08	Yemen	Sana'a City Development Strategy Climate Change Incremental Activity
GLOBAL AND MULTIREGIONAL ACTIVITIES				
FY08	125,000	Nov-07	Global	Knowledge Dissemination—increase (Website, Publications, etc.) (Part of Learning & Knowledge Sharing)
FY08	125,000	Nov-07	Global	Knowledge Generation and Learning—increase (Part of Learning & Knowledge Sharing)
FY08	125,000	Feb-08	Global	Learning & Knowledge Sharing—MTS Supplemental
FY08	25,000	Feb-08	Global	Communications and Advocacy—MTS Supplemental
FY08	150,000	Nov-07	Global	Consultative Group and Public Policy Forum meetings—increase (Manila)
FY08	100,000	Nov-07	Global	Policy Advisory Board Semi-Annual Meeting increase
	15,000	Dec-06	Global	Technical Peer Reviews—increase
	2,300,000	Apr-03	Global	The Development of the Community-led Infrastructure Finance Facility (CLIFF)—Sida
	2,364,000	Feb-07	Global	The Development of the Community-led Infrastructure Finance Facility (CLIFF)—increase in Sida funding
FY08	116,040	Jul-07	Global	The Development of the Community-led Infrastructure Finance Facility (CLIFF)—USAID cofinancing for Design of Urban Poor Fund
FY08	1,900,000	Jul-07	Global	Secretariat Budget FY08—Core Trust Fund

NEW AND ON-GOING ALLOCATIONS—continued

(as of 30 June 2008)

	Grant Amount (US$)	Start Date	Country	Activity
FY08	240,000	Jul-07	Global	Secretariat Budget FY08—Norway Non-core
FY08	647,550	Dec-07	Global	Support for Priorities of CA Medium-Term Strategy—Norway non-core
FY08	160,000	Feb-08	Global	Implementation of Medium-Term Strategy—Secretariat Costs
FY08	90,000	Nov-07	Global	Final Project Evaluations—increase (Part of Monitoring & Evaluation)
FY08	25,000	Feb-08	Global	Monitoring & Evaluation—MTS Supplemental
	75,000	Dec-04	Global	Capacity Enhancement for Direct Sub-Sovereign Borrowing
	250,000	Feb-06	Global	Developing MDG-based CDSs
	250,000	Feb-06	Global	UCLG Committee on Local Finance and Development (formerly Municipal Finance Commission)
	517,000	Apr-06	Global	Mainstreaming Cities Alliance Engagement with UCLG
	7,000,000	Jul-05	Multiregional	Slum Upgrading Facility (SUF)—Pilot Programme
	242,500	Mar-05	Global	Incubating Local Economic Development (LED) Partnerships
	525,000	Mar-05	Global	Advancing the Cities Alliance Knowledge Generation and Dissemination Agenda (DFID)—including MFTF and Urban Finance cofinancing
FY08	50,000	Feb-08	Global	Urban Finance Initiative, including Municipal Finance Task Force (MFTF)—MTS Suppl.
	610,000	Oct-05	Global	Enhancing Urban Development in National Policy Dialogues
	100,000	Jan-06	Global	CA Urban Environment Initiative
FY08	50,000	Feb-08	Global	CA Urban Environment Initiative—MTS Supplemental
FY08	370,000	Jan-08	Global	Financing of African Cities: Stakes, Issues & Tools (France Non-Core)
FY08	75,000	Jun-08	Global	Cities with Jobs: Integrating Productive Employment into City Development and Slum Upgrading Strategies

ACTIVITIES CLOSED or CANCELLED DURING FY08

Grant Amount (US$)	Completion Date	Country	Activity
SUB-SAHARAN AFRICA REGION			
380,640	Jan-08	Burkina Faso	CDSs and Local Poverty Reduction Strategy Papers for the Local Governments of Bobo-Dioulasso, Banfora and Ouahigouya
580,000	Terminated Aug-07	Ethiopia, South Africa	Participation of Johannesburg and Addis Ababa in the Johannesburg—Addis Ababa Partnership Programme
75,000	Jul-07	Ghana	Preparing for a CDS in the Kumasi Region
75,000	Feb-07	Ghana	Preparatory Assistance for Ghana Municipal Finance and Management Initiative
246,600	May-08	Regional	Housing Upgrading Finance Initiative
500,000	Dec-06	Swaziland	Development of a Comprehensive Urban Upgrading Program for Mbabane
24,625	Jun-08	Swaziland	Development of a Comprehensive Urban Upgrading Program for Mbabane—USAID Cofinancing
75,000	Jun-07	Zambia	Linking CDSs to Zambia's Emerging Intergovernmental Fiscal System
ASIA REGION			
215,000	Jun-07	Bhutan	Bhutan National Urban Development Strategy and Thimphu City Development Strategy
14,775	Jun-07	Bhutan	UNEP Cofinancing of Bhutan National Urban Development Strategy and Thimphu CDS
298,450	Dec-07	China	Urban Upgrading Strategy, Yangzhou
500,000	Dec-07	China	Economic Revitalization by Cities in Heilongjiang Province
70,000	Sep-07	India	Tamil Nadu Urban Land Market Assessment for Chennai, Coimbatore, and Tiruppur
450,000	Mar-08	India	Scaling-up the Provision of Universal Minimum Sanitation to Slums in Cities
495,000	Mar-08	India	Transformation of Mumbai into a World Class City
500,000	Dec-07	Philippines	Integrated Approaches to Poverty Reduction at the Neighborhood Level—a Cities Without Slums Initiative
250,000	Jun-07	Vietnam	CDSs in Medium Cities
EUROPE AND CENTRAL ASIA REGION			
500,000	Terminated Jul-07	Azerbaijan	City and Regional Development Strategies in Azerbaijan
250,000	Dec-07	Russian Federation	Stavropol Regional Development Strategy—Financial Assessment and Investment Review
250,000	Dec-07	Russian Federation	Chuvash Republic Regional Development Strategy—Financial Assessment and Investment Review

ACTIVITIES CLOSED or CANCELLED DURING FY08—continued

Grant Amount (US$)	Completion Date	Country	Activity
LATIN AMERICA AND THE CARIBBEAN REGION			
500,000	Jun-07	Brazil	National Urban Development Policy: Support to the National Program for Land Tenure Regularisation and Socio-Environmental Risk Prevention in Precarious Settlements
232,000	Dec-07	Brazil	Enhancing Territorial Equity and Social Inclusion in Brasilia's Land Markets
75,000	Dec-07	Brazil	Preparation of Materials for Dissemination and Capacity-Building in Sustainable Land Regularization Actions—Regularization Toolkit
324,120	Jul-06	Colombia	Slum Upgrading and Land Tenure Regularization
298,000	Jan-08	Colombia	Housing and Land for the Urban Poor
216,500	Jun-07	Ecuador	Urban Expansion Strategy for Intermediate Cities in Ecuador
75,000	Aug-07	Guatemala	Program for Slum Upgrading through Financing from the Private Banking Sector—Phase 1 - Project Preparation
55,000	Dec-07	Jamaica	Preparation Grant for Squatter Management and Low-Income Housing Policy Development and Program Implementation
MIDDLE EAST AND NORTH AFRICA REGION			
200,000	Jun-08	Jordan	Greater Amman Development Strategy
GLOBAL AND MULTIREGIONAL ACTIVITIES			
75,000	Jan-07	Global	Peer Review on Slum Estimations
75,000	Jun-07	Global	Strengthening CA Collaboration with UCLG
127,000	Dec-07	Global	Municipal Finance Task Force
10,000,000	Mar-08	Global	Development of the Community-led Infrastructure Finance Facility (CLIFF)—UK-DFID
685,000	Jun-08	Global	Secondment to Cities Alliance Secretariat (Sweden)

ABBREVIATIONS AND ACRONYMS

Note: All monetary amounts are US dollars unless otherwise indicated.

ADB	Asian Development Bank
AFD	Agence Française de Développement (French Development Agency)
AVSI	Association of Volunteers in International Service
BMZ	Bundesministerium für wirtschaftliche Zusammenrbeit und Entwicklung (German Federal Ministry for Economic Cooperation and Development)
CDS	city development strategy
CLIFF	Community-Led Infrastructure Financing Facility
CONDER	Urban Development Company of the State of Bahia (Brazil)
CVD	Consejo Vecinal de Desarrollo (Development Neighbourhood Council, Chile)
DFID	U.K. Department for International Development
DPUCSP	Development of Poor Urban Communities Sector Project
GDP	gross domestic product
GEO	*Global Environment Outlook*
GPRS II	Growth and Poverty Reduction Strategy (Ghana)
GTZ	Gesellschaft für Technische Zusamenarbeit (German Agency for Technical Cooperation)
GVA	gross value added [AU: is this correct?]
HDI	Human Development Index
HUDCC	Housing and Urban Development Coordinating Council
ICLEI	International Council for Local Environment Initiatives
IFC	International Finance Corporation
IIED	International Institute for Environment and Development
ISTED	Institut des Sciences et des Techniques de l'Equipement et de l'Environnement pour le Développement (France)

IYF	International Youth Foundation
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KfW	KfW Bankengruppe
LDC	least-developed country
LGU	local government unit
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MDS	Municipal Development Strategy
MFA	Municipal Finance Authority (Ghana)
MFF	Multitranche Financing Facility
MFTF	Municipal Finance Task Force
MFMI	Municipal Finance and Management Initiative (Ghana)
MINVU	Ministry of Housing and Urbanism (Chile)
MMRDA	Mumbai Metropolitan Region Development Authority
MMUSP	Metro Manila Urban Services for the Poor
MMUSP-IP	Metro Manila Urban Services for the Poor Investment Project
MOU	Memorandum of Understanding
MTS	Medium-Term Strategy
MTSU	Mumbai Transformation Support Unit
MUNICIPIA	Municipal Cooperation Programme (Spain)
NGO	nongovernmental organisation
PAC	Growth Acceleration Programme (Brazil)
PASDEP	Plan for Accelerated Development to End Poverty
PATS	Social and Technical Support Project
PRSP	Poverty Reduction Strategy Paper
SERNAM	National Women's Service (Chile)
Sida	Swedish International Development Cooperation Agency
SDI	Shack/Slum Dwellers International
SUF	Slum Upgrading Facility
SWOT analysis	strengths-weaknesses-opportunities-trends analysis
UCLG	United Cities and Local Governments
UDP	Programme for Sustainable Urban Development in Syria
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UN-HABITAT	United Nations Human Settlements Programme
USAID	United States Agency for International Development

Cities Alliance
Cities Without Slums