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[At Work in the Region]

Website relaunched

The CDIA website has been relaunched. Among the range of new information being made available are summaries of completed PFS and other reports for partner cities along with the updated Project Overview sheets in the **Where CDIA is Active** section of the site.

The blogs are now active where users can comment on selected topics related to urban management—the current topic focuses on attractiveness to cities of carbon credits for financing urban infrastructure.

Also on our website, users can download copies of **CDIA toolkits** from our Knowledge & Sharing pages designed to help cities close the planning->investment infrastructure gap:

1. Project Programming & Prioritization Toolkit
2. Pre-feasibility Study Guidelines Checklist
3. Public-Private-Partnership Guide for municipalities (available early 2010)

The Managing Asian Cities Report serves as the basis for the **Discussion Forums** where practitioners, city officers and others can give input on a range of topics relevant to urban management – all are welcome to contribute their comments.

2 new cities approved

Applications for CDIA support from the two Indonesian cities of Palembang and Solo have now been approved, bringing to total 19 partner cities in 11 countries that CDIA is engaged with.

Stakeholder Forum Website will soon be launched

The 2nd Stakeholders Forum (SHF) was recently held (see below). In addition to feedback on CDIA activities and services from a demand-side perspective, members also expressed the need to have a more sustained means of dialogue. To this end, CDIA is hosting a separate website that will focus on receiving comments from the range of stakeholders on key issues. The discussions are being moderated by Representatives from the Stakeholder Forum. You may visit the site at www.stakeholder.cdia.asia.

New experts join the CDIA team in Manila

Stefanie Dueñas recently joined the CDIA team as a CIM Expert dealing with Quality Management & Public Relations

Mats Jarnhammar recently joined the Core Management Team as a Social Development Specialist under Sida funding.



CDIA support to Palembang at a glance

The city of Palembang is facing considerable challenges in the transportation sector due to its fast growing population and high urban density.

Immediate action by the city government intends to operationalize the City's Comprehensive Green Transportation Program which outlines strategic action for the city's transport development, with a focus on enhancing public and non-motorized transport components.

CDIA will assist Palembang to undertake a participatory and comprehensive sector review based on existing studies and plans leading to a mid-term prioritized infrastructure investment program covering key transport issues. Pre-Feasibility studies for high priority projects will be prepared along with a marketing plan and capacity development framework.

[Building Synergies]

Sida confirms funding

During the 4th PRC meeting in Manila last November, the Sida representative confirmed Sida's continued funding support to CDIA. The total amount will likely reach €4,000,000 over the next three years.

2nd Stakeholder Forum Meeting

The 2nd Forum of CDIA Stakeholders was held November 5, 2009 in Manila, Philippines. The event brought together representatives from a number of regional organizations to provide feedback on the demand-side aspects of CDIA services as well as exploring ways and means to collaborate in areas of spreading and replication.

Centre for Liveable Cities (CLC)

During the recent collaboration in the World Roads Conference in Singapore, the CLC and CDIA jointly contributed inputs and discussions to the thematic area of sustainable urban transport as one of three key streams being explored.

InWEnt & CDIA collaborate on institutional scanning study

In preparation for expanding collaborations in the region, InWEnt and CDIA are currently collaborating in a joint study to identify national institutions in the region potentially capable of supporting the CDIA mandate within selected countries.

[Upcoming Events]

January 7, 2010

New York, USA

The New York Academy of Sciences:
Sustainable City Finance

March 22-26, 2010

Rio de Janeiro, Brazil

UN HABITAT:

World Urban Forum - Fifth Session

June 26-28, 2010

Singapore

World Cities Summit 2010

Principals for Successful and Effective Urban Transport Planning (UTP)

An effective transport plan must have five basic characteristics when considering how to structure a strategic transport planning and investment program for cities.

[1] Continuous

A UTP should be continuously updated. Many cities have UTPs, but the plan and implementation process has not necessarily been continuous. The questions that must be answered in preparation of the next plan include whether the basic assumptions behind the earlier plan, in terms of land use, economic and social growth, were correct. Is the transport system as a whole performing adequately? Has the environmental quality of life improved consistent with the adopted plan? Did the previous plan meet its objectives? If not, were running changes made to improve performance?

[2] Comprehensive

A UTP must not only be comprehensive in geographical aspects, but also in the modes and activities when undertaking the planning. Effective transport planning is concerned with travel and system performance in the entire urban region regardless of political boundaries. It also must cover all modes and aspects impacting transport.

“Comprehensiveness” can include consideration given to all transport means (road, rail, public transport and air, as well as all modes of freight transport). This also includes consideration of environmental, social, energy and economic factors, as well as the effect of transport on land use and the need to “serve” land use. A trap many cities fall into is that urban transport planning often assumes that the land use plans will be implemented independent of the transport investments. However, in a market economy there must be a focus on land use, not only as an ‘input’ assumption to the transport planning process, but as a direct “outcome”.

[3] Cooperative

For transport plan and implementation to be effective, it must be a cooperative effort by everyone with a major stake in the outcome. By having all key sectors actively participating in the planning process from the beginning, it is easier for all actors to either directly implement the adopted plans, policies, programs and projects, or, in the case of the private sector and civil society, to support the implementers, and to monitor the progress of the implementation.

[4] Connected/ Constrained

A weak connection often exists between the plans formulated, approved priorities and the resulting implementation of projects. In such cases, plans become no more than a ‘wish list’ of projects that cannot be funded within the specified timeframe.

Accordingly, transport plans need to be *constrained* by a reasonable expectation of available future resources, and specific spending priorities that are formally *connected* to decisions on what actually gets built by all implementers, and the order in which they implement the projects.

[5] Champion

A key to implementing urban transport innovations is a campaigner who is willing to take risks, fight with car owners and who refuses to make easy but costly technical solutions (such as flyovers and wide roads) as the response to solve congestion problems. This has been learned from examples in Curitiba, Bogota, London, Seoul and others. In this respect, a national government has a role to play in providing incentives and procedures to support local government to take initiative and innovative actions should be established, guided, and evaluated by the national government.

[Cities working to close the Gap]

Kathmandu , Nepal— Investment Structuring

Kathmandu Metropolitan City (KMC) plays the dominant role in overall urban development of the greater Kathmandu Valley which must provide infrastructure and services for not only a current population of 1.35 million but also must accommodate a rapidly growing urban population that is increasing by 3.83% annually. KMC growth is guided by the Kathmandu Valley 2020 Plan that provides strategic guidance. These plans recommend various investments to overcome numerous urban infrastructure deficiencies. However, few projects have been implemented especially in light of severely constrained financial and other resources.

Determined to take charge of their urban future, KMC officials are working hard to maximize the impact of their infrastructure investments.

To this end, KMC began a collaboration with CDIA in February 2009. Faced with a myriad of infrastructure project needs, but limited resources, the KMC brought together a multi-disciplinary team to undertake programming and prioritization of their strategic investments. Through the course of a 5-day exercise, the team applied the CDIA toolkit and software program led by an external facilitator. By the end of the session, the city had an agreement among its key departments on a set of priority projects that had been structured into a workable investments program that matched available financial resources. Two key investment areas were identified. The first focused on improving a strategic highway corridor with sub-components addressing land development and environmental conditions; and the

second sought to improve the management of the current solid waste transfer station and establish a second such facility. Aware that internal financing of key investments was not possible, they looked to external sources. However, prior to approaching potential investors, KMC understood the need to demonstrate the viability and bankability of such projects.

With CDIA technical support, external consultants were engaged to undertake pre-feasibility studies (PFS) on these two investments and structure them into a marketing plan supported by a capacity development framework in a shorter timeframe and at a much lower cost than would have been needed under a typical full feasibility study. The result has been that KMC used these PFS reports and the Investment Program to approach potential investors as ADB, JICA, EU, WB and others.

Armed with these documents, there is high potential that ADB will provide funding to address these urban issues in the city under a new project focusing on sustainable urban transport and climate change that will serve as a case study. Under this project, two other cities in the region were also selected – Davao, Philippines; and Vientiane, Lao PDR. There is also a likelihood that JICA will provide financing to improve the Solid Waste situation in Kathmandu.

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Banda Aceh, Indonesia — Innovative PPP

After the devastating effects of the 2004 Tsunami, there had been considerable effort to reconstruct the city's damaged infrastructure. Significant progress has been made, but the basic infrastructure still needs major investment. However, the large scale funding of reconstruction projects is now coming to an end with responsibilities now being handed over to central, provincial and district government agencies. The challenge facing provincial and city government is to create an environment that fosters sustainable economic and urban development.

Faced with the challenge of pursuing urban infrastructure investments with limited financial resources and insufficient management and staff capacity, the city has looked to PPP as one means to address this investment short-fall. With support of CDIA, the city restructured its investment program and completed pre-feasibility studies focusing on CBD along the Krueng Aceh river. In order to maximize impacts from private investment,

the city formulated a project that had three components of redevelopment of the main bus terminal, rehabilitation of the CDB and undertaking drainage and wastewater treatment.

By creating a Special Administrative Agency outside of the city administration, they are able to market the most attractive investment, being the bus terminal, to a private investor while using generated revenue to specifically reinvest in the other two project components. Through such an approach, the city's net borrowing capacity was increased, revenue is generated for investment in other projects, and they capitalize on the private sector skill for land development.

For further information contact:

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View of one section of the Bishnumati Corridor — Kathmandu City is committed to provide better living conditions to its citizens.

“Two key investment areas were identified. The first focused on improving a strategic highway corridor with sub-components addressing land development and environmental conditions; and the second sought to improve the management of the current solid waste transfer station and establish a second such facility”.



View of Krueng Aceh river

“Faced with the challenge of pursuing urban infrastructure investments with limited financial resources and insufficient management and staff capacity, the city has looked to PPP as one means to address this investment short-fall”.

[Submitting an Application]

CDIA maintains a fair and transparent city application process. The initiative will provide technical assistance, capacity building and network support to medium size cities with focus on cities with population between 250,000 up to 5 million in ADB's Developing Member Countries. To qualify for CDIA support, cities will be expected to submit an application indicating that they have met following requirements:

1. prepared and adopted an urban development strategy and/or integrated urban development plan;
2. a demonstrable intent to address social and environmental issues in infrastructure provision;
3. demonstrated commitment of local government through pledging their own contributions (indicatively about 20 % of total CDIA support costs);
4. demonstrable in-principle central/state level support for the development of an urban infrastructure projects portfolio and its financing; and
5. endorsement for the request from the relevant national agency

Following approval of the support request, a technical assistance contract agreement will be entered into between the applicant and one or more funding partners of CDIA, specifying details of the assignment, sources of funds and consultant recruitment procedures.

By visiting our website (www.cdia.asia), you will be able to download our Application Support Guide as well as other information related to submitting an application.

Approved Applications

As of December 2009, we have approved requests from 19 cities in 11 countries. Being demand driven, a wide range of sectors are being addressed through these interventions including urban transport, water supply, drainage, solid waste management, energy efficiency, downtown revitalization. Support is also being offered to selected cities in the areas of pursuing alternate financing such as PPPs.



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[About CDIA]

The Cities Development Initiative for Asia (CDIA) is a multi-donor Programme established to assist medium sized Asian cities to bridge the gap that typically occurs between their strategic development plan and the implementation of their infrastructure investments. Within this context, CDIA uses a demand driven approach to support the identification and development of urban investment projects in the framework of existing city development plans that emphasize one or more of the following impact areas:

1. Urban environmental improvement
2. Urban poverty reduction
3. Climate change mitigation or adaptation

To facilitate these initiatives at city level, CDIA provides a range of international and domestic expertise to cities that supports them in implementing their development strategies through a number of core activities. This can include consultancy support for the preparation of pre-feasibility studies for high priority infrastructure investment projects as one of several elements.

The CDIA office is located in Manila, Philippines in close proximity to the Asian Development Bank (ADB) — one of its core funding agencies. Other funding members include the German Federal Ministry for Economic Cooperation & Development (BMZ), the Swedish International Development Agency (SIDA), and the Government of Spain.



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CDIA is supported by:

