



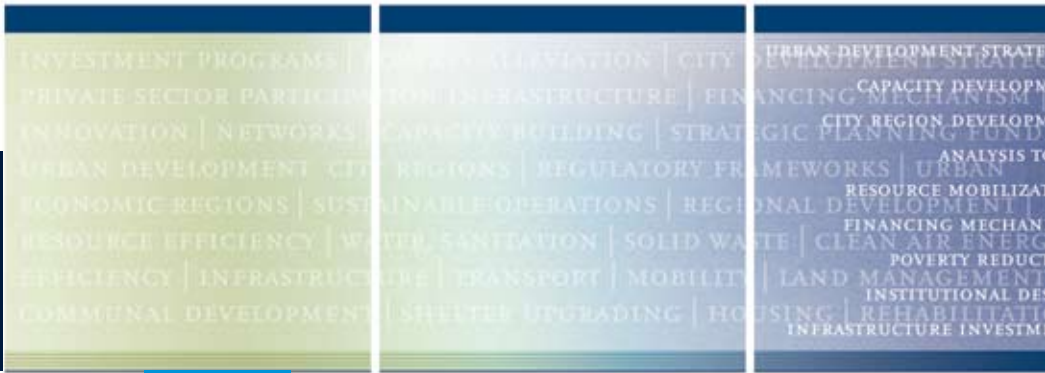
Federal Ministry
for Economic Cooperation
and Development



Investing in Asia's Urban Future

5–6 February 2007

Conference Documentation





Investing in Asia's Urban Future

Documentation of the International Conference jointly convened by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Asian Development Bank (ADB) Conference venue: ADB Headquarters, Manila, Philippines

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Ms Kortmann stressed the need for development partners to act together to pursue a common agenda of sustainable urban development. One approach for achieving this is through the Cities Development Initiative for Asia (CDIA) that ADB and BMZ plan to launch.

Through CDIA, cities hope to harness globalization forces more positively and lessen the negative impacts that intense city growth creates. CDIA aims to build capacities and bridge the gap between planning and implementation. In summary, Ms Kortmann said that CDIA will focus on supporting cities for better urban management through support of national urban strategies, fostering the role of cities in sustainable development, assisting in the implementation of city development strategies, structuring and preparing investment projects and building local capacity for more effective implementation. All these programs under CDIA will rely greatly on existing networks for sharing and adopting best practices.

CITIES DEVELOPMENT INITIATIVE FOR ASIA (CDIA)

The CDIA aims to significantly contribute towards improving the living conditions of people in Asian cities by means of sustainable urban development. The initiative will target primarily medium and large cities of around half a million to five million inhabitants in Asia.

CDIA will facilitate international dialogue, the opportunity to network for city administration, and training and provide advice to strengthen the problem solving capacity of decision makers from Asian cities and urban areas. It will facilitate information exchange to implement best practices. CDIA will provide support in preparing municipal infrastructure investments and assist in finding financiers. It will furthermore help to mobilize urban development funds from bilateral and multilateral donors.

Approach:

CDIA plans to provide technical support to cities in areas where funding resources are insufficient or lacking under current modes of development assistance. Activities need to focus on strengthening the enabling framework for the institutions involved as urban projects are multifaceted and multi sectoral.

CDIA will provide assistance to cities especially for improving environmental performance and for the upgrading and renewal of problematic areas and agglomeration areas, with improved cooperation among adjacent jurisdictions.

CDIA will support cities based on requests and cost sharing principles. CDIA will review applications and decide on the basis of criteria jointly agreed by CDIA with its contributors.

CDIA will complement present donor schemes like City Development Strategies (CDS) which provide road maps for a city or feasibility studies like the ADB Project Preparation Technical Assistance (PPTA) made available through development banks.

CDIA plans to seek close cooperation with national associations of local governments and UCLG Asia, City Net and others to promote CDIA, disseminate information to local decision makers and support knowledge sharing.

CDIA services will include:

1. advice on the implementation of existing development plans and strategies at local level with a focus on the urban environment; including financing mechanisms through local, national or international financing institutions,
2. capacity development of implementing local agencies with a focus on staff training / skills and organizational systems to better respond to urban environmental needs within their jurisdictions,
3. support of knowledge management and dissemination of experience to improve environmental quality,
4. support of the development and implementation of national urban strategies and regulatory frameworks to facilitate sustainable cities' developments and address pressing issues such as urban poverty.

CHAIR AND CONFERENCE SPEAKERS

The conference was chaired by Emilia Boncodin. She is currently a professor at the National College of Public Administration and Governance of the University of the Philippines and a lecturer at the Ateneo de Manila University and the Lyceum of the Philippines. She served in the Philippine Cabinet as Secretary of the Department of Budget and Management during the first years of the Arroyo administration. Ms Boncodin was named as Outstanding Alumna of the University of the Philippines College of Business Administration in 1992 and one of the Outstanding Women in Nation's Service in 1995.

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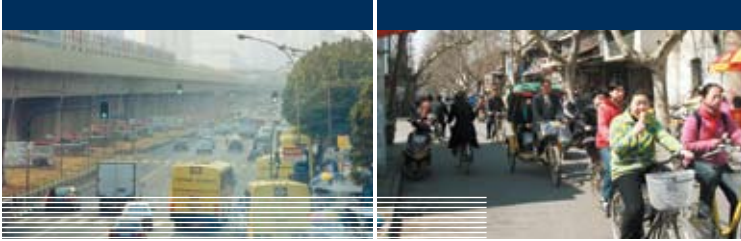
Ursula Schaefer-Preuss is Vice-President of the Asian Development Bank (ADB) for Knowledge Management and Sustainable Development. Prior to joining ADB, she was Director-General of the German Federal Ministry for Economic Cooperation and Development in Bonn / Berlin and held postings in the Permanent Mission of the Federal Republic of Germany to the United Nations in New York, the Inter-American Development Bank, Washington D. C., and the German Embassy in Khartoum, Sudan, in various capacities. Ms Schaefer-Preuss holds a Ph. D. in Economics from the Albert-Ludwig University in Freiburg.

2

Karin Kortmann is Parliamentary State Secretary of the German Federal Ministry for Economic Cooperation and Development (BMZ) and ADB Governor for Germany. She served as the spokeswoman for the Social Democratic Party (SPD) parliamentary group in the 15th legislative term. Ms Kortmann has had key responsibilities in various committees in the Social Democratic Party of Germany. She is a graduate youth and community worker.

3

Mr Ramachandran has been Secretary to the government of India, Ministry of Urban Development since 1 November 2006. He held various key positions in the government as Collector and District Magistrate, Secretary, Principal Secretary and Chief Secretary from 1978 to the present. He has a Master's degree in Economics from the University of Glasgow.



4

Chen Haosu was represented by **Rouning Zhang**, Director of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and **Peter Woods**, Secretary General of UCLG-Asian Pacific ASPAC. Chen Haosu is Deputy (Elected Member) of People's Congress of Beijing Dongcheng District, China. He is Vice Chairman of the Foreign Affairs Committee of the Chinese People's Political Consultative Conference (Senate) and a member of various international committees like the World Executive Committee of the International Union of Local Authorities and others. He graduated from China University of Science and Technology with a Bachelor of Science.

5

William Cobbett, Manager of the Cities Alliance, is an expert in housing and urban policies. Prior to serving as Chief of the Shelter Branch and Manager of the Global Campaign for Secure Tenure of the United Nations Human Settlements Programme in Nairobi, he was Director of Housing for Cape Town and overall coordinator of Planact, an urban NGO.

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Bikash Ranjan Bhattacharyya, the Honorable Mayor of Kolkata is a leading Advocate in the Calcutta High Court and a practicing designated Senior Advocate. From 1998-2003 he served as the Advocate General for State of Tripura. He has been a Member of the Senate of Calcutta University since 1998. He graduated from Calcutta University with a degree in law.

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Elisea G. Gozun is the National Project Director of the City Development Strategy 3 (CDS3) project of the League of Cities of the Philippines. A former Secretary of the Philippines' Department of Environment and Natural Resources and a well-known environmentalist, Ms Gozun is credited with having introduced pollution charges for industrial effluents in the Philippines, and having founded local organizations advocating environmental protection. Ms Gozun also holds key positions in several environmental agencies and networks of organizations.

8

Brian Roberts, is an emeritus professor and former Director for the Centre for Developing Cities at the University of Canberra. Mr Roberts has worked in a senior capacity on regional economic development and planning projects, teaching and training, and on urban research studies in more than 20 countries. He has more than 100 publications and conference papers to his name and is co-author and editor of the book *Urbanization and Sustainability in Asia: Good Practice Case Studies* published by the ADB in December last year. He holds a Ph.D. in urban and regional economic development and has qualifications in surveying, planning and business management.

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Peter Herrle has been Professor and head of the Habitat Unit at the Faculty of Architecture Environment Society, Berlin UT since 1995 and Advisory Professor at the Tongji University Shanghai since 2002. He is a consultant to bilateral and international development agencies in various fields including housing, decentralization, participative planning, urban management and urban planning in many countries mainly in Asia and Africa. He is editor of the *Habitat International Series* at LIT-Publishers and has numerous publications on urban development issues. Mr Herrle has a professional background in sociology, architecture and urban planning.

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Pradeep Singh is Chief Executive Officer in IL & FS-Infrastructure Leasing & Financial Services Ltd. Since 1997, he has overseen the development of infrastructure projects in Public Private Partnership formats. Mr Singh was a member of the Indian Administrative Service (IAS) from 1978 to 1995 and held the position of Assistant Country Director of CARE India, an international NGO, from 1995 to 1997. He was a visiting faculty member at the Kennedy School of Government, Harvard University and consulted for the World Bank and the ADB. Mr Singh holds a Master of Public Administration degree (MPA) from Harvard University and was a Rotary International Fellow at Stanford University USA. He also holds an MBA from Punjab University and an M.Sc. (Physics) from Punjabi University, India.

11

Bindu N. Lohani is Director General, Regional and Sustainable Development Department (RSDD), Chief Compliance Officer of the Asian Development Bank and Special Advisor to the ADB President on Clean Energy and Environment. Prior to working with ADB Mr Lohani was with the Departments of Housing and Physical Planning, Roads, and Local Development, the government of Nepal, and the Asian Institute of Technology (AIT), in Thailand. Dr. Lohani has a Master's degree in Environmental Engineering with Phi Kappa Phi Award, and a Doctoral degree in Environmental Engineering (Environmental Technology and Management).

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Klemens van de Sand is Deputy Director General, Commissioner for Asia and South-Eastern Europe, Federal Ministry for Economic Cooperation and Development (BMZ), Germany. From 1978 Mr van de Sand held key positions in BMZ while concurrently involved as chairman / member of different committees. He studied law and public administration in Berlin, Geneva and Wuerzburg and attended John Hopkins School of Advanced International Studies in Italy.



MANAGING CHALLENGES IN URBAN DEVELOPMENT

“The India experience demonstrates that urban transition is made more smooth and sustainable when governments, bilateral and international organizations and other partners share a common goal / vision.”



Mr Ramachandran, Secretary, Ministry of Urban Development, government of India, New Delhi delivered the keynote address of the Conference, “The Vision of Developing Countries”.

Mr Ramachandran reminded participants that Asian cities have grown not only in terms of demographic but also in economic importance. Between 1985 and 2005 urban population in Asia increased by 87 per cent. Today nine of the world's 20 fastest growing cities are in Asia.

About 60 – 80 per cent of the national GDPs were contributed by cities. (Asian Development Bank, 1997).

The rapid phase of urbanization has become an all important issue, stated Mr Ramachandran, as it is occurring within a period of globalization and decentralization. New approaches have been adopted and institutional frameworks developed. Several governments shifted responsibilities and powers including fiscal from the central to local to implement programs. The decentralization initiatives had positive results but these did not go very far due to weak capacities of the different tiers of governments. Institutional frameworks which were revised to facilitate determination of local priorities and enhance civil society participation in the development process could not adequately deal with the inefficiencies and complexities that are associated with cities.



“Sustainable development requires interdisciplinary approaches.”

Shri Bikash Ranjan Bhattacharyya, Mayor of Kolkata, presented the city's program for improving people's lives.

The speaker opened with the statement that cities, to be sustainable, should focus on the overall development consisting of three key action areas: environment, social and economic. Sustainable urban development as defined in the Urban21 Conference in Berlin in July 2000 means “the improvement of the quality of life in a city, including ecological, cultural, political, institutional, social and economic components without leaving a burden on the future generation”.

The Mayor described how in Kolkata City a program for sustainable development is being implemented in partnership with the private sector, international lending agencies, the state government and other public and private institutions. These include infrastructure programs, public private partnerships, the Kolkata Environment Improvement Project, private enterprises and the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and other programs. Kolkata Municipal Corporation (KMC) has adopted a comprehensive strategy for improving the civic environment that gives priority to the welfare of people, especially the less privileged groups.

To sustain the efficient functioning of a city KMC pursued the two-pronged approach of revenue enhancement and expenditure management. KMC focused on collecting property tax and unlocking assets that made it possible to increase the revenues of KMC substantially. KMC reduced manpower by attrition and negotiated better service delivery rates from contractors by reducing bill payment time by 72 per cent, among other measures. Administrative reforms played a key role in achieving a healthy fiscal position of Kolkata City. These reforms took



into consideration employees' aspirations e.g. skills enhancement, job enrichment, work life balance, rewards and retirement benefits. External assistance further supported institutional capacity building. In conclusion, the Mayor of Kolkata outlined three important areas to make cities sustainable. These are:

- 1. Sustainable development requires interdisciplinary approaches.**
- 2. Good governance is an important factor in effectively managing public interests.**
- 3. Institutions and systems should be able to facilitate public participation in decision making processes.**

“Environmental management is not only a technology or a technical issue but largely a people issue.”

Elisea G. Gozun, National Project Director of the City Development Strategy 3 (CDS3) project of the League of Cities of the Philippines, reported on the state of the environment of cities in Asia.



Ms Gozun emphasized that environmental problems are most severe in cities. Of the 15 mega-cities in the world, 12 and 6 mega-cities in Asia have the highest level of particulate matter and sulfur dioxide respectively. Asia also has the lowest per capita availability of freshwater in the world. Water quality is steadily deteriorating as industrial effluents, sewage, urban and agricultural run-off are allowed to flow into water sources. Cities produce the most garbage. Cities likewise generate the bulk of carbon emissions, making cities key to alleviating the climate crisis. Environmental degradation affects the poor who are the most vulnerable and ill equipped to cope, and have most often ended up paying more.

Cross-cutting solutions and an integrated approach to addressing urban environmental degradation are available to improve the quality of life in our cities. Solutions range from an appropriate policy framework, institutional strengthening, information, education and communication, technical interventions, infrastructure investments and stakeholder involvement.

Ms Gozun quoted examples of initiatives undertaken in several Philippine cities, including addressing air pollution by providing interest-free loans to tricycle drivers who are shifting from 2-stroke to 4-stroke, use of 2T oil, and other small-scale solutions. Integrated approaches include, among others, improving fuel quality, promoting cleaner alternative fuels, cleaner engines and cleaner technology, better traffic management, mass transit system, urban greening and stronger enforcement against smoke belchers, point sources and open burning.

Ms Gozun stressed that an appropriate policy framework and strong institutional capacity are critical in all these interventions. Laws, rules and regulations, and ordinances must be passed to ensure and encourage compliance. Resource allocation, better coordination, training, private sector engagement, role delineation among levels of governments and partners and community participation are important to build capacity.

Finally, Ms Gozun stated that environmental management is not only a technology or a technical issue but largely a people issue. The engagement and participation of all sectors working together and a shared vision of environmental protection is therefore crucial.

EXPANDING THE SECTOR APPROACHES

“As primary generators of wealth creation in Asia cities should strive to be competitive, to specialize, and to cluster or integrate production and capital.”

Brian Roberts, Emeritus Professor, University of Canberra, Australia, presented some of the challenges facing the development of Asian cities and best practice approaches to urban management drawing upon the 37 case studies in the book *Urbanization and Sustainability in Asia: Good Practice Approaches in Urban and Region Development*.



He opened by citing some of the factors impacting upon the development and management of Asian cities: urbanization, city management, land markets, plan implementation and urban infrastructure. The most powerful factor affecting the development of Asia is urbanization. The urban sprawl is increasing each year, creating a significant impact on the cost of developing land and housing. Meanwhile the urban land management system is inefficient, land and property laws are obsolete and lands and properties are undercapitalized.

In Mr Robert's view, governments have inadequate knowledge and know-how to make use of their assets and manage risks. Institutions lack the capacity to implement policies, plans and reforms to ensure strong and effective government. Plan implementation is another challenge that constrains urban development and service delivery. Policy, planning, budgeting, financing and monitoring and evaluation at local and metropolitan levels lack integration.

CLOSING

Ursula Schaefer-Preuss and Klemens van de Sand expressed their thanks for the active participation and inputs of the participants to the formulation of the Cities Development Initiative for Asia. They noted that the need of the cities to emphasize flexibility of assistance, its multi sectoral nature and the need to reinforce existing networks of cities as expressed in the participants' responses have considerably enhanced the initial design of CDIA.

Further, Ms Schaefer-Preuss said that the comments on the role of international financial institutions, including ADB, in catalyzing local capital market development were well received and would be considered in ADB's Urban Services Initiative.

Given the outcome of the Conference the organizers concluded that the event was a success and emphasized the two institutions' commitment to move forward and to put CDIA's architecture in place immediately.



