



Operational Guidelines

Version 5-6

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CDIA

Cities Development Initiative for Asia

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1 THE CITIES DEVELOPMENT INITIATIVE FOR ASIA

1.1 Mission

The long term aim of the Cities Development Initiative for Asia (CDIA) is to contribute to the promotion of sustainable and pro-poor urban development, leading to improved environmental and living conditions for all in medium-sized Asian cities.

In pursuance of this long-term aim, the strategic objective of CDIA is to bridge the gap between strategic city development planning on the one hand and urban policies, services and infrastructure project preparation on the other by assisting city governments with pre-project preparation and capacity-building. In attempting to achieve this, the Initiative supports identification and pre-structuring of appropriate projects and building management capacity of medium size cities with focus on cities with population from approximately 250,000 up to five million people. In these cities, CDIA supports the implementation of existing city development strategies or comprehensive development plans for socially, economically and environmentally equitable and sustainable infrastructure and urban services.

The operational objectives of CDIA, given the above overall strategic objective, are to improve urban infrastructure and services management through:

- a) **strengthening of local institutional structures and arrangements** for local policy frameworks on urban management and the development of urban infrastructure and services capital investment programs and projects, including the upgrading of local governance systems and enhancement of the city revenue base to maximize funding options and capacity; and
- b) providing technical assistance in project structuring to bring priority urban infrastructure project concepts to a pre-feasibility stage from where standard project feasibility studies acceptable to

(and, if required, funded by) development financing institutions can be applied.

1.2 Mandate

Representatives of national and local governments, civil society, private sector, academia, international organizations and established networks attended the International Conference held at the Asian Development Bank (ADB) in Manila on "Investing in. Asia's Urban Future" February 5-6, 2007. At this venue, they committed themselves to the development of strategies and approaches to enhance poverty reduction and sustainable development of cities in the Asia and Pacific region. The conference participants formally endorsed the establishment of the CDIA, initially as a partnership between ADB and the German Government to:

- a) strengthen development activities by collaborating in programs which combine elements of integrated and multi-sectoral urban development approaches,
- b) promote sustainable urban investments with focus on the urban environment including climate change mitigation and adaptation measures and on urban poverty as well as to create synergies among the various urban actors.

This was mandated to be achieved by:

- a) better design of cohesive development programs fostering local economic and social development, and inclusion of the poor in the development process, while providing mechanisms to improve the urban environment.
- b) more effective capacity building with focus on good governance, efficient service delivery, energy-saving and other environmental improvement measures, fiscal management, encouragement of city -to city cooperation, and organizational change as required.
- c) larger and more flexible financing of required economic, social and environmental infrastructure investments, particularly with regard to access to sustainable market-based financing.

Further external support agencies, national and city governments, and private financing sources were called upon to actively join the CDIA effort in supporting the common regional task of Investing in Asia's Urban Future.

The ADB/German agreement to co-operate in the development and implementation of the CDIA partnership along the above lines has since been confirmed in a Joint Declaration of Intent (JDI) between ADB and BMZ, and in a Letter of Agreement (LoA) between ADB and GTZ specifying detailed operational agreements for CDIA implementation on the basis of the JDI, signed in December 2007. Under the guidance of the German Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and KfW Development Bank (KfW) are committed to support CDIA operations. The Swedish International Development Cooperation Agency (Sida) has joined as a contributor/funding partner through an agreement with ADB, also signed in December 2007.

The present CDIA Operational Guidelines were reviewed and adopted in the CDIA Program Review Committee (PRC) meeting of 31 March 2008 to govern CDIA operations, and may be amended by the CDIA PRC from time to time as needed (see section 3.1.1 below).

1.3 Stakeholders

The local governments of medium-sized cities in Asia are the prime recipient stakeholders of CDIA. Governments of such cities may be members of the CDIA network with access to CDIA resources on an application basis.

Other interested parties from within the region, such as NGOs, sovereign-level development entities focused on municipal infrastructure PPP, capacity-building institutions, private sector investors, and regional and international city/local government associations may similarly be part of the CDIA members' network with the objective to facilitate CDIA's work.

The sponsoring/funding agencies to the initiative are both CDIA stakeholders and shareholders-members in a financial sense. Other external support agencies are envisaged to participate in CDIA, either as provider of resources and/or to share knowledge.

1.4 Operational principles

Services up to pre-feasibility level In addressing the specific objectives outlined in section 1.1 CDIA's activities in any city are based on already prepared city development strategies and/or comprehensive development plans. Given the availability of standard project feasibility study facilities for infrastructure projects financing, the CDIA does not provide project preparation services beyond the pre-feasibility study (PFS)¹ phase, but focuses, as a rule on the translation of strategies into specific policies, institutional requirements and investment packages, and bringing these to a level of detail adequate for the Terms of Reference for an investment feasibility study (which then are undertaken through ADBs Project Preparation Technical Assistance (PPTA) and/or similar KfW or other external support agency facility).

Complementarity to other on-going support efforts CDIA provides technical support to cities in areas where funding resources are insufficient or lacking under current modes of development assistance. Since urban projects are multi-faceted and multi-sectoral, activities have to focus on strengthening the enabling framework for the institutions involved. CDIA services complement existing international support arrangements (such as e.g. undertaken under the Cities Alliance auspices) for city development strategies and

¹ A PFS is broadly defined as preparatory studies required to enable funders to have a successful feasibility study carried out for a particular investment opportunity; this generally will comprise investment programming and packaging, initial scoping and costing of identified investment projects, and priority-setting among identified investment projects competing for scarce resources. Typical outputs are descriptions of priority projects for which broad design choices have been made, at a level of detail sufficient for a Terms of Reference for a feasibility study.

comprehensive development plans, in order to provide practical investment roadmaps for a city, and to bridge the gap to existing project feasibility activities such as ADB's PPTA activities. CDIA also works in complementarity with existing bi-lateral programme efforts or project preparation- or support activities of other development agencies to bridge the gap to further investment support. Where such assistance is available, cities are referred to these programmes/support arrangements, and close coordination with those is ensured through the CDIA core management team (see sections 3 and 4 below).

Environmental sustainability perspective It is increasingly recognised that the ecological footprint of cities extends far beyond the urban administrative and functional boundaries, and that current patterns of urban development are not sustainable. Causes for climate change / emissions of green house gases (GHGs) are to a large extent urban based; utilisation of limited catchment water by urban dwellers infringe the utilisation by farmers and other users relying on the same water catchment area; inadequate solid waste disposal and waste water management practices impact on the cities' surrounding areas, with particularly potentially negative impact in the case of coastal and lake-side cities, where the viability of important wet-lands and lake resources are at stake. Thus, CDIA adopts a strategy of environmental sustainability, with a strong focus on reduction of the urban ecological footprint, mitigating the cities' impact on climate change where possible, while also supporting adaptation and mitigation measures as appropriate.

Poverty reduction perspective In recognition of the Millennium Development Goals (MDGs) and of the urbanisation of poverty, CDIA adopts a pro-poor perspective in which the rights of the disadvantaged majority are in the forefront. This focus is articulated in an integrated, holistic and cross-sectoral infrastructure approach, also paying attention to crucial cross-cutting social issues, including democracy, gender, environmental equity and cultural heritage.

Investment focus and mutually reinforcing areas of action The hallmark of CDIA is its focus on developing investments in urban infrastructure and services through bridging the gap between city level urban strategies and implementation of specific infrastructure projects with domestic-, international-, public and/or private financing. It does so through three mutually reinforcing action areas which are:

- i. the strengthening of local institutional prerequisites for development of capital investment infrastructure projects and urban services (including the upgrading of governance systems and enhancement of the revenue basis in order to maximize funding options and capacity);
- ii. providing technical assistance in project structuring in order to bring priority infrastructure projects to a stage where they are able to be financed, (including assisting cities to structure their projects in a way to attract market-based international private investment), are mutually supportive and are intended to be brought to bear in cohesion wherever possible; and
- iii. promoting regional dialogue and cooperation on urban management in the Asia region in order to enhance cross-learning from good local practices.

In doing so, CDIA contributes to:

- well prioritized, structured and developed urban infrastructure and services programs and projects that are potentially bankable;
- the long-term viability of these programs and projects by minimizing their ongoing support on unsustainable public subsidies;
- enhanced institutional and managerial capacities of local governments and city utilities for sustainable planning, implementation, operation and maintenance, and

- the development and strengthening of regional networks of urban management practice.

Promoting CDIA sustainability and expanding the stakeholders' network CDIA aims to establish itself as a self-sustainable entity on the basis of a medium term strategic development plan/ business plan. It pursues this aim through establishing itself as an independent legal entity in the medium term, and through developing ties with other key related stakeholders such as private sector groups, non-governmental institutions, academia, governments in the region and others, so as to establish viable and continuing financing streams for its activities and increasingly realize recovery of CDIA costs from successful project financing. As such, CDIA actively seeks support for its long-term objectives and those of its Asian municipal clients by soliciting private sector support and participation.

2 CDIA CORE ACTIVITIES AND SEQUENCING

2.1 Core CDIA activities at city level

Core CDIA activities at city level comprise a range of measures aimed at closing the above-noted planning-infrastructure investment gap (as depicted in Annex 1), generally including one or more of the following elements:

- advisory support to infrastructure investment planning and programming
- consultancy support for the preparation of Pre-Feasibility Studies (PFS) for high priority infrastructure investment projects
- advisory support for local capacity strengthening related to infrastructure investment planning and programming and good local governance
- advisory support to market local investment proposals to potential financiers.

For these activities at city level a judicious sequence of the following steps are

conducted, either by one of the CDIA implementing partners or by the CDIA core management team itself:

- establishment of initial contacts between CDIA and potentially benefiting city administrations
- assessment of city-perceived problems and their direct and indirect contexts
- definition of scope of possible CDIA support
- submission of city application for CDIA support (see Annexes 3 and 4 for sample application letter and application format)
- review and approval of application and identification of support source
- establishment of a project preparation Technical Assistance agreement between the applicant and the CDIA/funding partner
- preparation of ToRs for consultancy/advisory support services
- procurement of consulting services
- supervision of assigned consultants
- dialogue with potential funding organizations for subsequent investment support
- assessment of assignment outcomes, including PFS results.

2.1.1 Infrastructure Investment Planning and Programming

In this intervention area CDIA actively supports the development of rational, comprehensive and financeable medium term infrastructure investment programs to implement existing city development strategies and comprehensive development plans. This comprises:

- review and harmonization of sector plans, identification of most efficient provision of services;
- development and review of infrastructure investment proposal concepts (with indicative costing) for inclusion in the investment program;

- development of screening criteria for priority-setting;
- assessment of local investment financing capacity, considering local government's own resources, capital grant support from higher levels of government and external sources, local government's debt servicing capacity, private sector investment options;
- assist cities to prioritize their investment proposals, constrained by the identified financing limitations;
- support the adjustment of local regulatory frameworks where needed;
- identify potential private sector involvement at the early stages of project definition and structure projects so that they are attractive to investors.

To facilitate this, CDIA has developed a generic City Infrastructure Investment Programming and Prioritization (CIIPP) Toolkit for advisory support services in this area of work, which will be reviewed and adjusted to specific national/city circumstances as applicable.

2.1.2 Preparation of Pre-feasibility Studies (PFS)

Preparation of PFS for high-priority infrastructure projects – this generally comprises the development of a project concept to its initial scoping, including:

- a review of technical options and features for the potential project
- initial assessment of potential economic benefits,
- assessment of environmental, poverty, relocation and other socio-economic impacts
- preliminary estimates of project costs and of financial sustainability;
- flagging of issues to be considered in detail in the ensuing Feasibility Study.

To enable this, CDIA has developed PFS Guidelines (including sectoral guidelines) for advisory support services in this area of work, which will be reviewed and adjusted to

specific national/city circumstances as applicable.

2.1.3 Capacity strengthening and investment marketing

The key activities under this heading at city level comprise a judicious mixture of the following:

- capacity building advisory support to the local government unit (usually in the mayor's office or the planning office) responsible for investment planning and development, with focus on staff training/skills and development of organizational systems to better respond to urban environmental needs within its jurisdiction;
- fund-raising and fund management capacity-strengthening in cooperation with financing agencies and/or private-sector investors;
- integrated sector dialogue, fostering practices for dialogue with all stakeholders, especially disadvantaged majorities, and assistance in civil society involvement in all states of program development
- private sector dialogue regarding their investment in and support for the intended project(s);
- support for improving inter-municipal cooperation in agglomeration regions for a more efficient provision of urban services;
- twinning arrangements as needed;
- demonstration and support to implementation of best practices; and
- performance-related evaluation and reporting.

2.2 Indirect support to cities through National Partner Organizations (NPOs)

CDIA indirectly supports city level activities through CDIA National Partner Organizations (NPOs²) and/or other

² Agencies that can be considered as potential National Partner Organizations (NPOs) are public or private

external organizations not exclusively funded by CDIA, but reflecting the application of key CDIA formulated processes, mechanisms or tools in cities where no direct city interventions have taken place. This indirect support has two dimensions:

- NPOs or other strategic partners independently or semi-independently (on a cost-share/co-funding basis) implementing/facilitating key CDIA mechanisms, processes or tools in medium-sized cities in Asia;
- CDIA initiated activities through networking and knowledge sharing events carried out in collaboration with third parties (primarily NPOs) on a co-funding basis, which enhance cities' capacities to apply CDIA formulated mechanisms, processes and tools.

CDIA/CMT works with NPOs to develop common operational and work plans, which are administratively laid down in a MoU or other formal agreement document. NPOs either support city interventions through gradually taking over the CDIA CMT role, as described in sections 5 and 6 below (with CMT certifying quality of the interventions and of the NPO backstopping), or of the CDIA city-level consultants (with CMT standard backstopping as in the case of direct interventions).

2.3 CDIA operations through CDIA Nodal Offices

The CDIA multi-nodal development strategy provides for a small regional Nodal Office network, in which each of the designated nodes, working under the overall guidance of the CDIA CMT in Manila, is characterized by:

- a) a significant substantive ability to contribute to the CDIA agenda;

organizations in CDIA target countries with a mandate similar to CDIA's guiding principles and which have a sustainable source of funding. These organizations will be able to adapt CDIA tools and training materials to integrate different national circumstances and to reach out to cities to complement and extend CDIA's reach and coverage.

- b) a comparative advantage in servicing the outreach of CDIA interventions; and
- c) being linked to a sustainable source of finance for CDIA program implementation.

Sustainable financing is based on an appreciation by national governments and other actors within the region, as well as by financing institutions, that it is in their own self-interest to provide funding for CDIA investment facilitation services (as these support economic development by enhancing the quality of urban infrastructure).

CDIA Nodal Offices (initially envisaged in China, India and Singapore), will be based on the combined formula of voting PRC membership and – contribution, and substantive synergetic co-location with a qualified sector institution, to have substantive outreach within and beyond the country of location or regionally (in the case of Singapore).

The cooperation will be for an initial minimum period of two years (the minimum period for PRC voting membership). The basic parameters of cooperation (including matching funding provisions) will be agreed in a MoU negotiated by the CDIA/CMT, to be approved by the CDIA PRC and signed by the CDIA PRC Chairman. This is then to be operationalized in joint annual work plans.

The nodal office structure is intended to be open-ended. Other nodal offices may be added to the structure, if further combinations of interested regional governments willing to fund and specialized sector institutions willing to take on CDIA-related tasks can be identified.

CMT has been authorized by the PRC to prepare proposals for the establishment of Nodal Offices on the above basis for PRC review and approval.

2.4 CDIA interventions at regional level

CDIA interventions at regional level include support to knowledge management and dissemination of experience to enhance urban environmental quality and promote

poverty reduction. In addition to all of the above financial and planning inputs, this also entails the following:

- organizing and participating in regional (and occasional national) conferences and workshops, most frequently together with other CDIA partners;
- dissemination of good urban practice in the region through the CDIA website;
- promotion of interactive web-based blogging on strategic CDIA themes;
- promotion of IT-based networks together with national or international local government associations;
- selective support to revision of concerned national urban strategies and regulatory frameworks to facilitate increased local authority and utility autonomy, if required to overcome bottlenecks in urban infrastructure development; and
 - co-operation with selected regional organizations in areas of mutual interest and benefit.
 - support to the CDIA Stakeholders Forum (see para 3.1.1. c below);
- support to the implementation of the CDIA Young Asian Professionals Program (YAPP) at levels commensurate with CMT carrying capacity

3 CDIA ORGANIZATIONAL ARRANGEMENTS AND RESOURCES

3.1 Organizational structure and responsibilities

CDIA's organizational structure features a permanent two-tiered presence in the Asian region and a more limited, ad-hoc project presence in the participating countries and cities.

3.1.1 Regional level

CDIA's organizational structure at this level, as described in the next paragraphs and depicted in the organizational diagram below, maximizes stakeholders' participation while

providing for clear lines of operational control and reporting. This regional-level structure also provides for flexibility in channeling all funders' support in appropriate ways, and accommodates parallel patterns of approval by the contracting systems of funding partners as required. Presently based in Manila in close proximity to the Asian Development Bank premises, it consists of the following:

a) the CDIA Program Review (Steering) Committee (PRC), comprising of representatives of the major contributors/shareholders to CDIA. The PRC constitutes the overall governing body of the CDIA and within that overall mandate i.a. carries out the following principal specific tasks:

- review and approval of the CDIA operational guidelines from time to time as required;
- review and approval of the CDIA medium term strategic development plan/ business plan;
- review and approval of the CDIA semi-annual reports and work plans;
- review and approval of any proposals for legal incorporation of CDIA;
- appointment of the CDIA Advisory Panel (see below) and periodic review of its recommendations;
- approval of admittance of new members of the PRC; (if necessary by correspondence on no-objection basis);
- approval of the award of multi-source CDIA grants of more than \$ 500,000 (if necessary by correspondence on no-objection basis).
- approval of locations, activities, and participants of PRC, Advisory Panel and Stakeholders Forum meetings
- Approval of any other matters deemed to require PRC approval by the CMT and/or at least two voting PRC members.

A major contributor is defined as providing a minimum annual average contribution of US \$ 1 million (equivalent) in cash or kind towards the CDIA program. Major contributors are not limited to government representatives and multi-lateral agencies, but may also include corporate and city entities. Current PRC members comprise ADB, BMZ, Sida, the Austrian Ministry of Finance and the Shanghai Municipal Government (SMG). The PRC meets at least once a year, but preferably on a semi-annual basis. PRC meetings and decision-making procedures are governed by a specific protocol on this, adopted by the PRC and as may be amended by the PRC from time to time.

b) the CDIA Core Management Team/Secretariat (CMT), led by the ADB CDIA Program Manager and the GIZ CDIA Program Coordinator. The CMT is responsible for the day-to-day operation of the CDIA, including all core CDIA-activities in the cities, for which specialized team of consultants may be recruited (in addition to utilizing specialized skills of CMT members) from the variety of resources available to CDIA, in a manner as is most functional.

The CMT acts as the secretariat for the PRC and reports on work progress to the PRC on a semi-annual basis, and submits semi-annual work plans and the CDIA medium-term strategy / business plans to the PRC for approval. The CMT proposes new PRC members to the PRC for approval on the basis of the above admittance guideline. The CMT proposes all envisaged grant awards for city-level work for approval by the concerned funding agencies in accordance with established procedures of these agencies (or as delegated to CMT by them), and additionally by the PRC for multi-source awards of over \$ 500,000.

The ADB CDIA Program Manager and the GIZ CDIA Program Coordinator, in parallel, report to their respective institutions in accordance with standard operating

procedures of the ADB and GIZ respectively.

The CMT promotes, initiates, prepares, implements (as appropriate) and oversees all city-level and networking CDIA activities: in order to do so effectively for a growing number of cities, the CMT is staffed by a multi-disciplinary team of international urban development experts. CMTs day-to-day operations are guided by a range of administrative guidelines and procedures to ensure coherence with CDIA's long term aim, its mandate and operational principles (see above).

The CDIA CMT/secretariat is legally incorporated as a non-stock, non-profit corporation in the Philippines (CDIA Inc.). Such incorporation serves as the starting point for the evolution of CDIA into a sustainable regional international institution with an international statute in the medium term. In the short term, this arrangement provides for legal recognition of CDIA in the Philippines and facilitates ease of CMT day-to-day operations. CDIA Inc.'s Articles of Incorporation and By-Laws reflect the subservience of CDIA Inc. to the overall governance structure of CDIA, in particular to the policy guidance of the CDIA PRC (as described in section a) above).³

Part of the operational CMT functions for specific countries and/or activities will be carried out through the Nodal Offices described in section 2.3 above

c) the CDIA Stakeholders Forum, which periodically informs the CDIA management structure (i.e. the CMT and the PRC) of the demand for CDIA services, reactions to CDIA services rendered, and more generally acts as a forum for stakeholder dialogue on all CDIA matters.

³ To further safeguard this, two members of the Board of Trustees of CDIA Inc. (including the Chairman) serve with bilateral mandates of PRC members ADB and BMZ respectively. The ADB CDIA Program Manager and GIZ CDIA Program Coordinator serve as Executive Director and Deputy Executive Director respectively of CDIA Inc.

The Stakeholders' Forum comprises representatives of individual CDIA client cities, concerned national/provincial agencies, engaged private sector co-financiers, and representatives of broader stakeholder organizations, such as City Net, United Cities and Local Governments (UCLG), UN-Habitat, Cities Alliance, Clean Air Initiative for Asia, the Stockholm Environment Institute, NGOs, CBOs, and academia. The Stakeholders' Forum meets plenary once a year, back to back with a CDIA PRC meeting. The Stakeholders' Forum nominates two non-voting representatives to the PRC on a rotating basis.

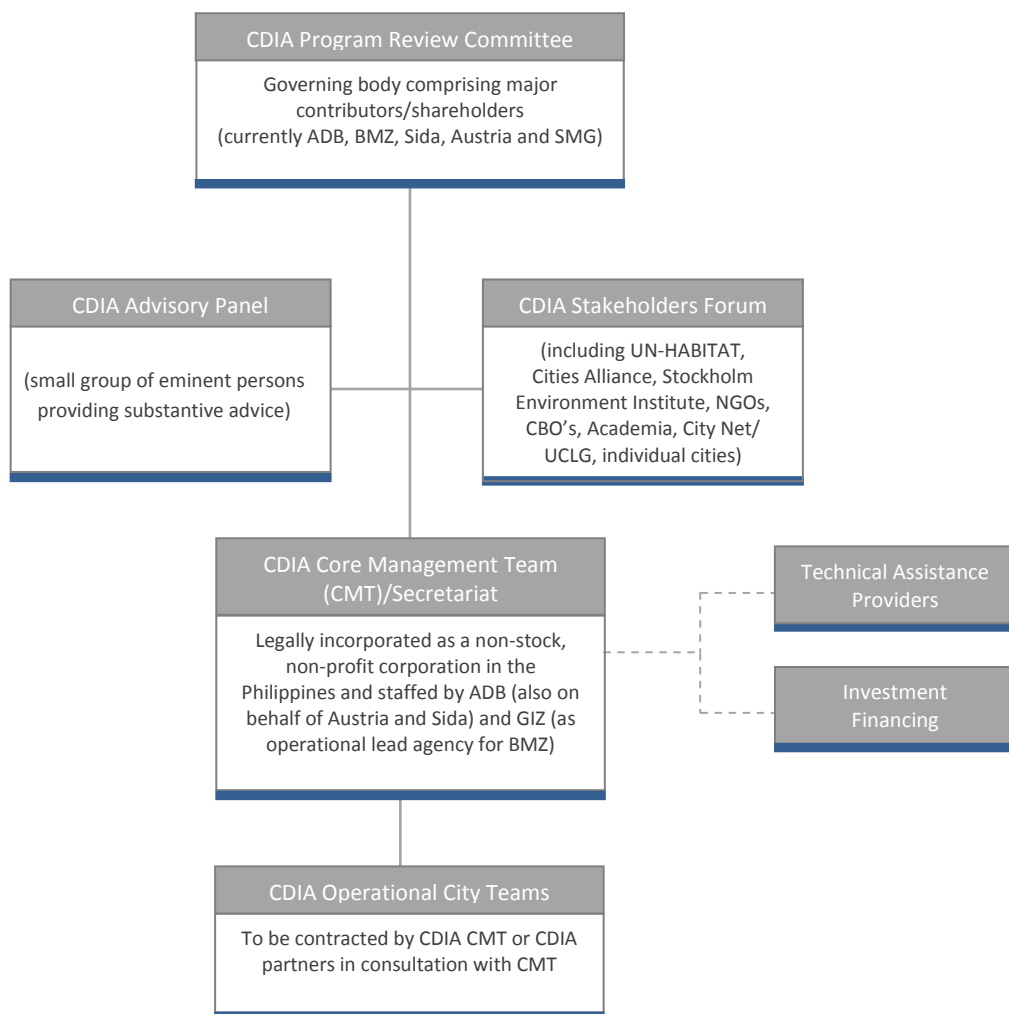
Detailed scope of work and composition of the Stakeholders Forum are laid down

in a specific protocol on this adopted by the PRC and as may be amended by the PRC from time to time.

- d) **the CDIA Advisory Panel**, consisting of a group of eminent persons (appointed by the PRC), who provide substantive advice on strategic directions in the CDIA to the PRC and CMT and act as CDIA ambassadors in their respective countries, institutions and professional circles.

Detailed scope of work and composition of the Advisory Panel are laid down in a specific protocol on this adopted by the PRC and as may be amended by the PRC from time to time.

CDIA Organizational Diagram



3.1.2 Country level

At this level CDIA ascertains the most appropriate arrangements within each country, with due regard to national policies, existing development assistance protocols, and on-going programs and projects in the sector, particularly those undertaken with support by CDIA PRC member organizations. Such arrangements may include the establishment of CDIA national networks as required (this is particularly important in – large – countries where CDIA may support a number of cities’ initiatives).

3.1.3 City level

At city level CDIA advisory/consultancy teams are mobilized in accordance with the Terms of Reference (TOR) of approved requests for CDIA support. These teams therefore vary in size, duration and thematic specialization accordingly. The source of funding applied for these services is proposed by CMT, and depends on specified priorities by the funding partners. In specific instances such support may also be applied at sub-national regional or national level.

3.2 Resources

CDIA core and non-core resources

CDIA CMT utilizes, manages and oversees the use of CDIA core resources and ensures effective coordination on the use of a variety of non-core CDIA technical support funds that are used in project structuring and capacity-building, including:

- ADB regional technical assistance resources, including Sida technical assistance contributions to CDIA through ADB (core resources);
- GIZ technical assistance resources (core resources);
- a CDIA BMZ facility out of the “Global German Financial Cooperation Study and Consultant Funds” for (pre-) feasibility studies for urban environmental infrastructure projects implemented by KfW (non-core resources);
- GIZ capacity building funds, particularly for regional training and networking (non-core resources);
- any other funds made available to CDIA, including from private-sector and foundations donors.

The envisaged use of these resources by the above agencies in the different phases of CDIA support is generically depicted in Annex 2.

CDIA core resources utilization

CDIA core technical resources are intended to be utilized for:

- maintaining the overall CDIA Core Management Team/secretariat support capacity at ADB by program staff of participating organizations, i.e. staff of ADB, GIZ and other organizations posted in Manila, either through secondment to and employment by ADB or under parallel bilateral arrangements;
- assignment of consultants recruited under ADB consultant recruitment procedures or under parallel bilateral recruitment procedures; such consultants are primarily envisaged for in-country and city-level support, but may also be used to strengthen the regional structure of CDIA.

Separate financing of feasibility studies

Feasibility studies to prepare investment projects are envisaged to be financed separately by client and/or financing institutions. To follow through by way of investment support (apart from its regular project preparatory and capital resources) ADB has established an Urban Financing Partnership Facility (UFPF), which is supported by a range of funding arrangements, including trust funds and lines of credit. The UFPF i.a. is supported by Sida through one of these mechanisms. In parallel, KfW provides project preparatory and capital financing support for CDIA identified projects. Other funding partners, including private sector entities, are expected to contribute over time.

4 CDIA CORE MANAGEMENT TEAM/SECRETARIAT

4.1 CMT responsibilities

The CDIA CMT manages the day-to-day operations of the CDIA program. This comprises:

- a) review with concerned ADB and KfW staff (and staff of other funding agencies as may be applicable) the opportunities for strategic CDIA interventions;
- b) work with identified cities (and sub-national regional and/or national entities, PRC member organizations and other CDIA stakeholders as applicable) to assess if there is scope for a city request for a CDIA intervention;
- c) as needed, assist cities to formulate such a request and to meet CDIA eligibility and qualifying requirements;
- d) upon receiving such a request, review the request for completeness and substantively (including screening of its envisaged development impact), and formulate approval recommendations for the concerned PRC members/funding agencies (and PRC as applicable);
- e) upon approval of the request, initiate processing of consultants recruitment action as required;
- f) monitor and supervise city-level consultants upon mobilization;
- g) facilitate follow-up by the local government, (sub-) national government, funding agencies and investors as required to utilize the outputs/products of CDIA city-level interventions;
- h) liaise with PRC members/funding agencies operational staff responsible for the country or region concerned throughout the CDIA intervention cycle;
- i) facilitate the networking function of CDIA through interaction with other relevant networks and through the development and active maintenance of the CDIA website and other communication means;
- j) propose the composition of the CDIA Advisory Panel and Stakeholders Forum to PRC as well as modifications in their composition;
- k) service the CDIA PRC, Advisory Panel and Stakeholders Forum as their secretariats;
- l) prepare and organize the six-monthly PRC meetings and the annual CDIA Stakeholders Forum Plenary meeting;
- m) prepare and organize a periodic external CDIA monitoring review with a view to continuously enhance CDIA operations;
- n) propose to PRC the core CDIA results indicators, and propose to PRC a CDIA medium term strategic plan/business plan on that basis;
- o) report on progress to the PRC and propose work plans to the PRC on a six-monthly basis, incorporating the approved core CDIA results indicators in regular reporting;
- p) prepare/facilitate preparation of financial reports on a six-monthly basis for the PRC and funding partners as required;
- q) propose to PRC proposals for legal incorporation of CDIA as part of its sustainable development;
- r) handle all administrative support actions autonomously (i.e. as much as possible independently from ADB and GIZ support units);
- s) ensure close coordination with all organizations involved, including their country-offices (like ADB resident missions, GIZ and KfW country offices and relevant program/project managers);
- t) build up and maintain a knowledge management system documenting lessons learnt to CDIA and its members;
- u) Ensure quality management of CDIA interventions through appropriate M&E interventions.

4.2 CMT staffing and offices

To carry out its tasks in discharging its above responsibilities the CDIA CMT comprises long-

term urban development specialists in the following substantive areas: urban economic development and local government finance, private sector financing, urban planning, social development, knowledge management and networking/ communications, urban environmental engineering and planning, urban land management, municipal institutional development/ capacity strengthening, as well as short-term specialists (e.g. in urban sociology). As the operational volume of CDIA grows, and additional resources become available for the CMT, it is envisaged that the urban sociology area will be covered by an additional long-term expert.

Part of the operational CMT functions for specific countries and/or activities will be carried out through the Nodal Offices described in section 2.3 above

The CDIA CMT offices are located at:

Cities Development Initiative for Asia

Suite 202-203 Hanston Building, Emerald Ave.
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 Philippines
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 Email: info@cdia.asia

5 ELIGIBILITY AND QUALIFYING REQUIREMENTS FOR CDIA SUPPORT

City eligibility for pre-project preparation support. CDIA maintains a fair and transparent city application process for assistance. Eligible cities are cities (or city regions) with population between 250,000 and 5 million in ADB’s Developing Member Countries (DMCs). Priority is given to cities in countries in which bilateral PRC members’ urban development support programs are operational, and where substantive linkages can be made between CDIA support and other urban support activities by these PRC members.

Qualifying for pre-project preparation support. Local governments of eligible cities develop their own request for CDIA support (using the format in Annex 3, and which the

CDIA CMT may facilitate) and must be committed to cost-sharing principles. To qualify for CDIA support, these cities will:

- have prepared and adopted an urban development strategy and/or integrated urban development plan;
- have a demonstrable commitment to improve the urban environment, to contribute to mitigation/adaptation measures to climate change and/or to address social issues (especially with regards to poverty alleviation and socially inclusive development) in infrastructure provision;
- have demonstrated commitment of the city government to the request for CDIA support through pledging the city’s own contributions to both preparatory studies (variable according to the circumstances, but generally at about 20 % of total costs) and financing infrastructure projects (in line with financing agencies requirements);
- have demonstrable in-principle central/state level support for the development of an urban infrastructure projects portfolio and its financing, and for the assistance application to CDIA;
- have endorsement for the request from one or more of the CDIA funding members.

The request for pre-project preparation support may be dovetailed (as deemed necessary in consultation between the client local government and the CDIA CMT by a request for strategic capacity-building). This would concern addressing key capacity constraints (if any) which must be resolved as a prerequisite for project preparation and implementation.

The CDIA CMT reviews applications submitted and endorse/recommend them for approval by individual funders, and if so required (if the monetary value of the request for utilisation of multi-source CDIA funds is more than \$500,000) for approval by the CDIA Programme Review Committee. The CDIA CMT may use the services of independent

reviewers in its review process or handle this itself exclusively.

City eligibility for networking, knowledge sharing and strategic capacity building. Cities not meeting the above eligibility and qualifying criteria for pre-project preparation support, are encouraged to seek CDIA support for networking, knowledge sharing and strategic capacity building for possible future pre-project preparation support. CDIA assistance for this may be provided to:

- single local government administrations
- agglomerated local authority administrations for improved co-operation among adjacent jurisdictions.

CDIA cooperates closely with national associations of local governments, UCLG Asia, City Net, Cities Alliance and other international and regional urban development networks to make its services known to local decision makers and to support knowledge sharing of experiences.

6 CDIA SUPPORT APPLICATION PROCEDURES

6.1 Application process

CDIA support is always based on a demand-driven application process. However, only cities for which there is (in the view of CMT) a strong likelihood that they can meet eligibility and qualifying criteria are encouraged to apply. The application process has the following steps:

1. **assessment of likelihood of meeting eligibility and qualifying criteria** in initial discussion between local (and state/national) government staff and CDIA CMT. This discussion may be initiated by the local government or any other party associated with CDIA. Typically the CDIA CMT may mount a reconnaissance mission to the city concerned to assess likelihood of meeting the criteria; if this assessment is positive;
2. **preparation of formal support request** by the local authority in the prescribed

format (Annex 4) and with support documentation demonstrating that qualifying criteria (section 5 above) are met. The CDIA CMT assists in this as part of the reconnaissance mission or otherwise;

3. **review of support request** by CDIA CMT for approval by funding partners (and by CDIA PRC if needed). This review is generally an in-house exercise (i.a. using sector-specific checklists to assess envisaged development impacts, and drawing on external reviewers as needed), but may involve CMT solicited inputs from concerned operational staff in ADB, KfW and/or other potentially interested capital financing organizations; and
4. **approval/rejection of support request** by funding partner (and by CDIA PRC if needed) and its communication to applicant by CMT. Conditional approval pending clarifications/ submission of additional information may be possible, so that steps 3 and 4 may be repeated.

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

6.2 Project Prioritisation: Synergies and Development Orientation

At the city level, CDIA gives priority to the development of projects, which have synergetic and catalytic impacts which are likely to lead to multiple environmental and/or pro-poor social improvements.

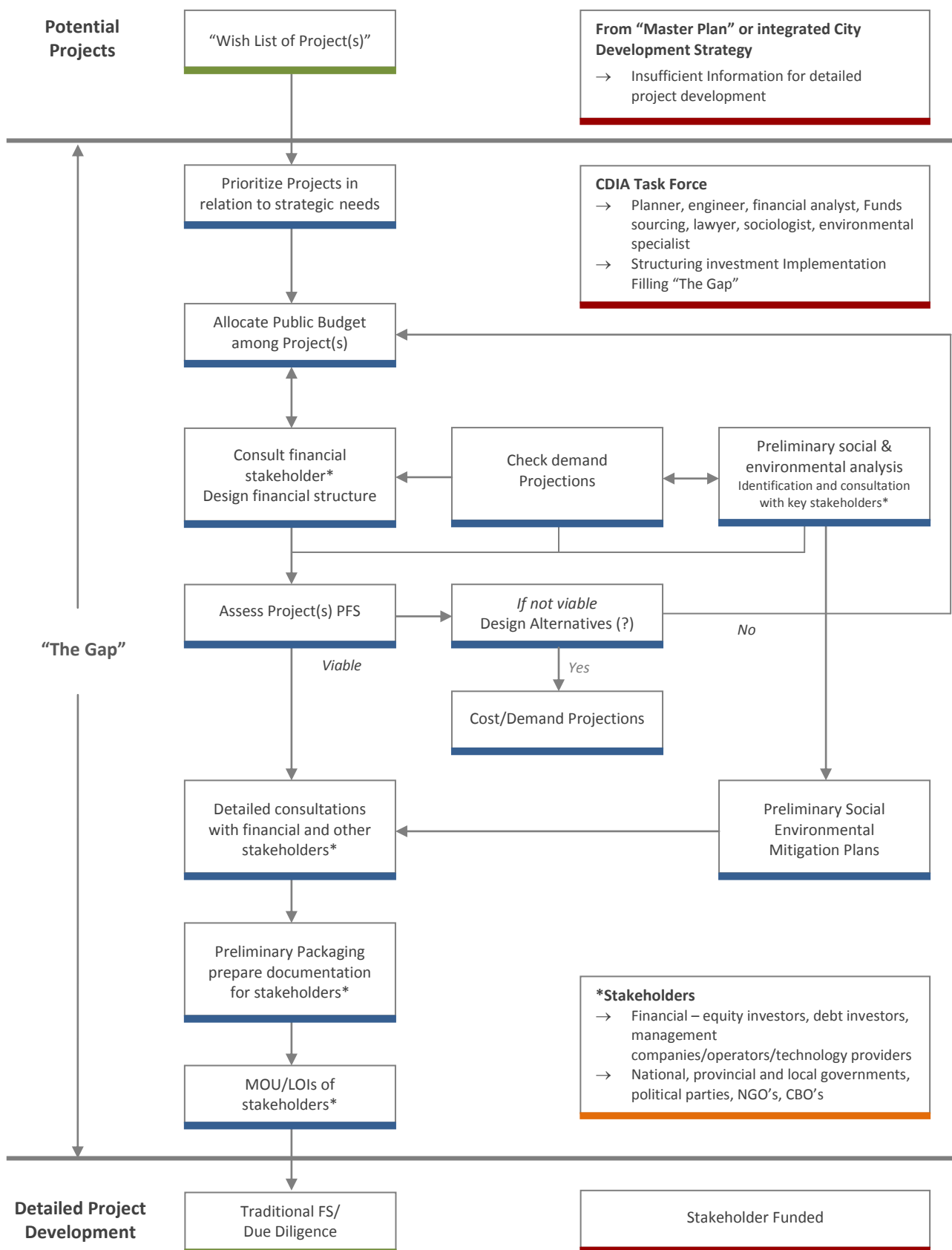
An example of such prioritisation – in the context of an already existing city development strategy and/or comprehensive development plan – in a larger city may be a light rail transport system, connecting residential areas with the city centre. It will reduce the need for polluting private transportation, accessibility to income-generating activities for the poor will be

enhanced, and the overall urban economy, enhancing city centre investments, will become more viable. In smaller cities, investments in ecological sanitation will not only reduce pollution of fresh water resources and prevent eutrophication with resulting aquatic death, but may also contribute towards food security by providing a high quality fertiliser as end product. Another example, at both ends

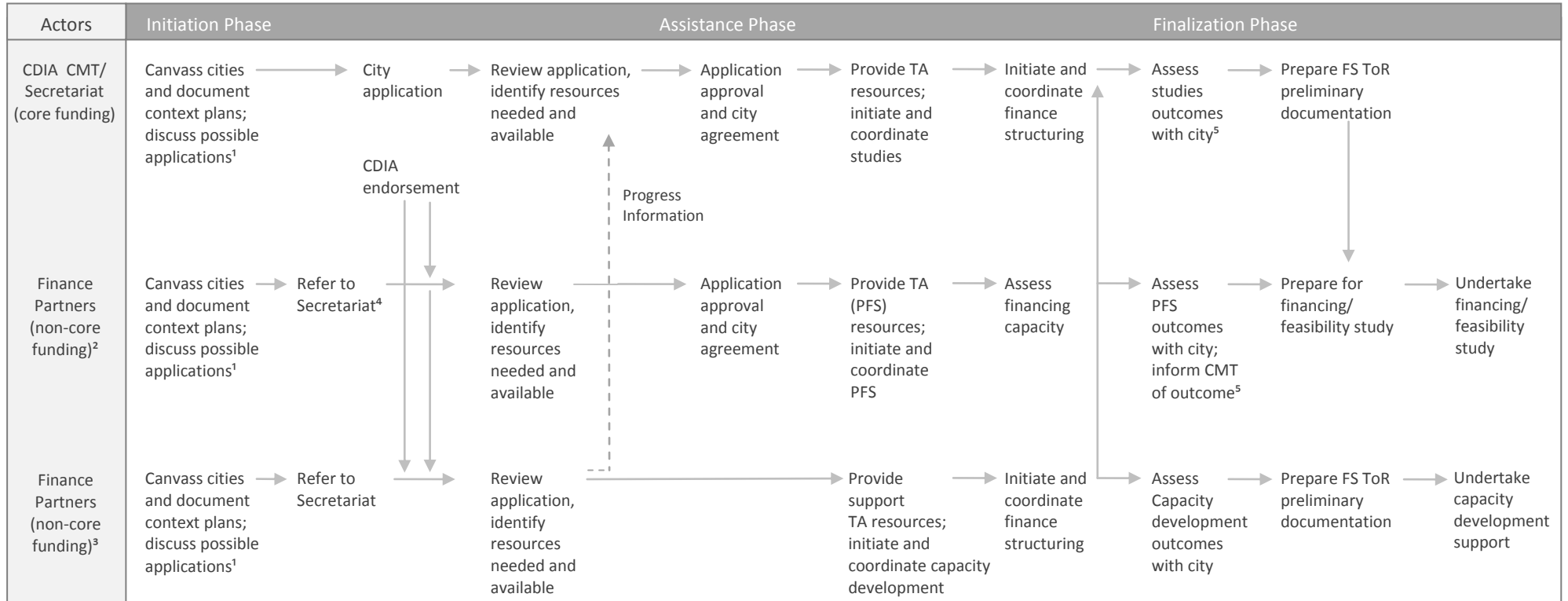
of the scale, may be revitalisation of city centres in the form of integrated cultural heritage preservation. This not only upgrades physical infrastructure and services standards, but acts to attract investments, gives improved living conditions – if sensitively handled, for all income groups – and provides for other synergies.

7 ANNEXES

ANNEX 1 City-level task force - key activity flows



ANNEX 2 CDIA activity flows (use of core and non-core funding)



1. In accordance with CDIA support applications guide (version 1) dated 6 November 2007.
2. Non-core funding with finance partners may comprise resources for pre-feasibility studies (PFS) and/or feasibility studies (FS), which are applied and managed by the institutions concerned in consultation with the CMT/Secretariat.
3. Non-core funding with institutional development partners comprise resources for capacity-development assignments, which are applied and managed by the institution concerned in consultation with the CMT/Secretariat.
4. Using abridged assessment/application format.
5. Based on standard PFS format.

ANNEX 3 CDIA Support Application Letter and Format
Application Letter Template

To: Cities Development Initiative in Asia
Core Management Team
(for the attention of: **CDIA/CMT initial contact person**)
Suites 202-203 Hanston Building,
Emerald Avenue,
Ortigas Center,
1600 Metro Manila
Philippines

Re: Request for Cities Development Initiative in Asia (CDIA) support for.....

Dear Sir,

It is the pleasure of the City government of to submit attached herewith for your review and approval our request for CDIA support for in an amount of Our pledged local contribution for the envisaged activities under this request consists of

The support request is based on earlier discussions with CDIA staff duringand is supported by (national government supervisory entity) and endorsed by (CDIA funding partner), as documented in the attachments to the application. We envisage subsequent feasibility study and capital investment support from

We believe that we have complied with all eligibility and qualifying criteria for CDIA support as described in the CDIA operational guidelines. If our application is successful, we undertake to carry out the project activities in consonance with these guidelines.

Yours sincerely,

(Applicant details)

CDIA Application and Assessment Format

(Name of the Project)

PART I – Application (to be filled in by applicant)					
1. Type/modality of assistance requested					
<input type="checkbox"/> Project Pre-feasibility Study <input type="checkbox"/> Capacity building support <input type="checkbox"/> Networking <input type="checkbox"/> Policy Work <input type="checkbox"/> Institutional Development <input type="checkbox"/> Other:					
2. Applicant Details:					
3. Supporting National Government Department:					
4. Endorsement of CDIA Funding Partner:					
5. Objective:					
6. Proposed Activity:					
7. Strategic Urban Framework in place:					
8. Link to future capital investment financing and envisaged sources:					
9. Addresses environmental concerns and benefits the poor:					
10. Timetable for assistance design, processing, and implementation					
11. Financing Plan					
<i>Source</i>	<i>Amount (\$)</i>	<i>to be filled in by CDIA/CMT or funding partner:</i>			
CDIA fund applied for:	<input type="checkbox"/>		ADB/Sida Urban RETA	<input type="checkbox"/>	
Applicant's own sources	<input type="checkbox"/>		GIZ funds	<input type="checkbox"/>	
Others	<input type="checkbox"/>		InWEnt funds	<input type="checkbox"/>	
			KfW preparatory funds	<input type="checkbox"/>	
TOTAL AMOUNT			TOTAL AMOUNT		
PART II – Assessment (to be filled by CDIA/CMT and/or funding partner)					
12. Eligibility Assessment Criteria					
Applicant Population 250 000 – 5 Mio inhabitants	<input type="checkbox"/>		City shares costs (min. of 10%)	<input type="checkbox"/>	
Country on CDIA assistance list	<input type="checkbox"/>		Endorsement by local and/or national government	<input type="checkbox"/>	
Investment fits into funding partner's country priorities	<input type="checkbox"/>		Strategic framework exists	<input type="checkbox"/>	
13. Overall Assessment (include comments on environmental, poverty and governance impacts as per CMT checklist):					
14. CDIA Appraisal and Approval					
Initial Review by:	<i>(name and date)</i>				
Appraised by:	<i>(name, signature and date)</i>				
Approved/endorsed by CMT:	<i>(name of meeting chairperson, signature and date of meeting)</i>				
Approved by funding agency:	<i>(name of meeting chairperson, signature and date of meeting)</i>				
Approved by PRC (if applicable):	<i>(name of meeting chairperson, signature and date of meeting)</i>				



Cities Development Initiative for Asia

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CDIA is supported by:



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