



# CDIA Application Guide

(abridged version)

September 2010



## CDIA

Cities Development Initiative for Asia



# USING THIS GUIDE

Your Question	Where to find an Answer
<p><i>We are considering to apply for CDIA assistance, but wish to <u>know more about what CDIA supports</u> (and doesn't support)?</i></p>	<p>→ Page 2 – Cities Development Initiative for Asia; Page 12 Annex 4 – CDIA City-Level Support Components</p>
<p><i>Does my city meet general criteria to be considered for support?</i></p>	<p>→ Page 3 – General criteria for consideration</p>
<p><i>What are the complete eligibility requirements necessary to submit a full application for PFS support?</i></p>	<p>→ Page 4 – Specific eligibility criteria for PFS support</p>
<p><i>What are the sectors and areas that CDIA supports to conduct Pre-Feasibility (PFS) work?</i></p>	<p>→ Page 3 – Sectors eligible for CDIA support to conduct a PFS; Page 7- Examples of CDIA interventions</p>
<p><i>We are interested to apply, but wish to know more about the <u>application process</u>?</i></p>	<p>→ Page 5 – Detailed application process; Page 10 – Annex 3: CDIA Application and Assessment Form</p>
<p><i>We believe that our city would be eligible and likely be able to fulfill the requirements, but would like to <u>discuss possible sectors and activities in detail with a CDIA expert</u>?</i></p>	<p>→ Page 7 – Contact information; Page 8 - Annex 1: Letter of Preliminary Enquiry for CDIA Support</p>
<p><i>What is the sequence of CDIA support activities once our city application has been approved?</i></p>	<p>→ Page 6 – Detailed Support Process</p>
<p><i>What would be the <u>financial and other contributions</u> our city would be expected to make if the application for PFS support is approved?</i></p>	<p>→ Page 15 – Annex 6: Counter-Part Contribution for PFS Support; Page 10 – Annex 3: CDIA Application and Assessment Form</p>
<p><i>In addition to pre-feasibility studies, what <u>other CDIA supports</u> are available that may help our city?</i></p>	<p>→ Page 12 – Annex 4: Components of CDIA support; Page 10 – Annex 3: CDIA Application and Assessment form</p>

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 Asian cities.

## What support can CDIA give to your city?

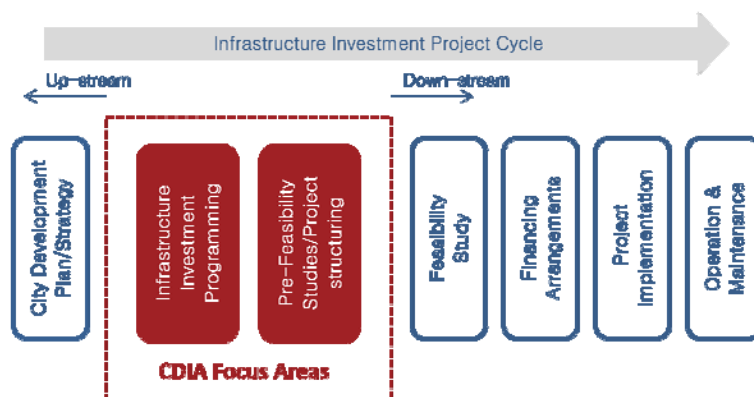
The Cities Development Initiative for Asia (CDIA) is an international partnership program based in Manila, co-managed by the Asian Development Bank (ADB) and GTZ with additional funding support from the governments of Sweden and Spain assisting medium-sized Asian cities to bridge the gap between their development plans and implementation of their strategic infrastructure investments.

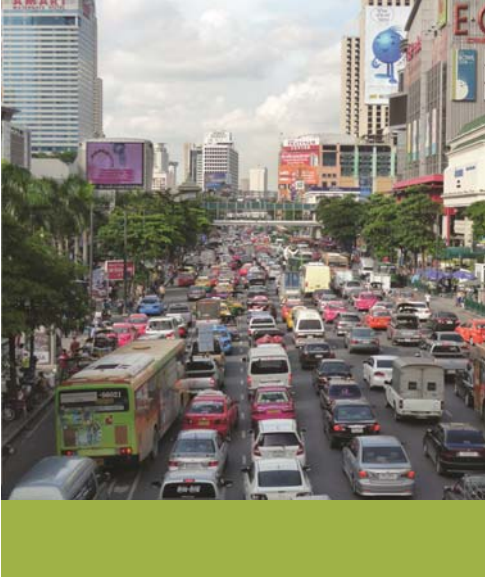
CDIA uses a demand driven approach with cities to support, through demonstration of innovative approaches and mechanisms, the preparation of their medium-term infrastructure investment plans and pre-feasibility studies for high priority infrastructure investment projects as well as institutional capacity strengthening. Within its overall mandate, CDIA provides a range of international and domestic expertise and advice to cities to move from strategic master plans to concrete policies and infrastructure projects ready to present to financiers and project developers.

### CDIA Support Activities

- advisory support to **urban infrastructure investment programming and prioritization**
- consultancy support for the **preparation of pre-feasibility studies (PFS)** for high priority infrastructure investment projects
- local **institutional capacity strengthening** related to infrastructure investment planning and programming, and project development
- advisory support to **market local investment proposals** to potential financiers
- **identification of potential private sector involvement** in early stages of project definition and structuring projects for such involvement

The focus area of CDIA work is on bridging the gap between city development plans and downstream financing of strategic urban infrastructure investment projects.





## City Eligibility Criteria for CDIA Support

**General criteria for consideration.** CDIA maintains a fair and transparent city application process. The initiative provides technical assistance, capacity building and network support to medium size cities with focus on cities or urban agglomerations with **population between 250,000 up to 5 million** in the Asian Development Bank's (ADB) Developing Member Countries (DMCs).

Priority is given to cities in countries where CDIA Program Review Committee (PRC) members<sup>1</sup> urban development support programs are operational, and where substantive linkages can be made between CDIA support and other in-country urban support activities funded by these PRC members.

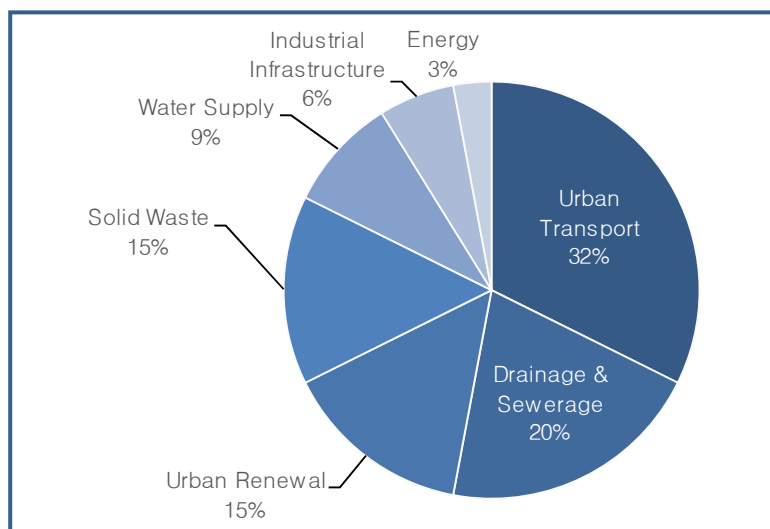
**Impact Areas.** To qualify for CDIA support in conducting a pre-feasibility study for a priority city development projects, such projects must be able to prove an emphasis on one or more of the following impact areas:

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

**Sectors eligible for CDIA support to conduct a PFS.** CDIA supports a range of sectors related to urban infrastructure investments. Within this context the focus is on infrastructure investments of strategic importance and typically does not extend to projects that are of an operational nature. Nor does CDIA typically work with cities in the areas of education, health or housing projects. The chart below offers an overview of the types of projects by sector that have been supported to date.

In the current portfolio, Urban Transport is the largest CDIA sector, followed by Drainage & Sewerage, Urban Renewal and Solid Waste Management

**CDIA Engagement by Sectors and Percentages**



<sup>1</sup> Currently comprising ADB, Germany, Sweden and Spain

**Specific eligibility criteria for PFS support.** Local governments of eligible cities will develop their own request for CDIA support (See Annex 3 - CDIA Application and Assessment Form) and must be committed to participate in the financing arrangements that may include a minimum of cost-sharing up to working towards full cost-recovery (see Annex 6 – Sample Counter-part Contribution Format).

The request for pre-project preparation support (prior to undertaking a PFS) may be dovetailed (as deemed necessary in consultation between the client local government and the CDIA Core Management Team (CMT) by a request for strategic capacity-building. This would involve addressing key capacity constraints (if any) that must be resolved as a prerequisite for project preparation and implementation.

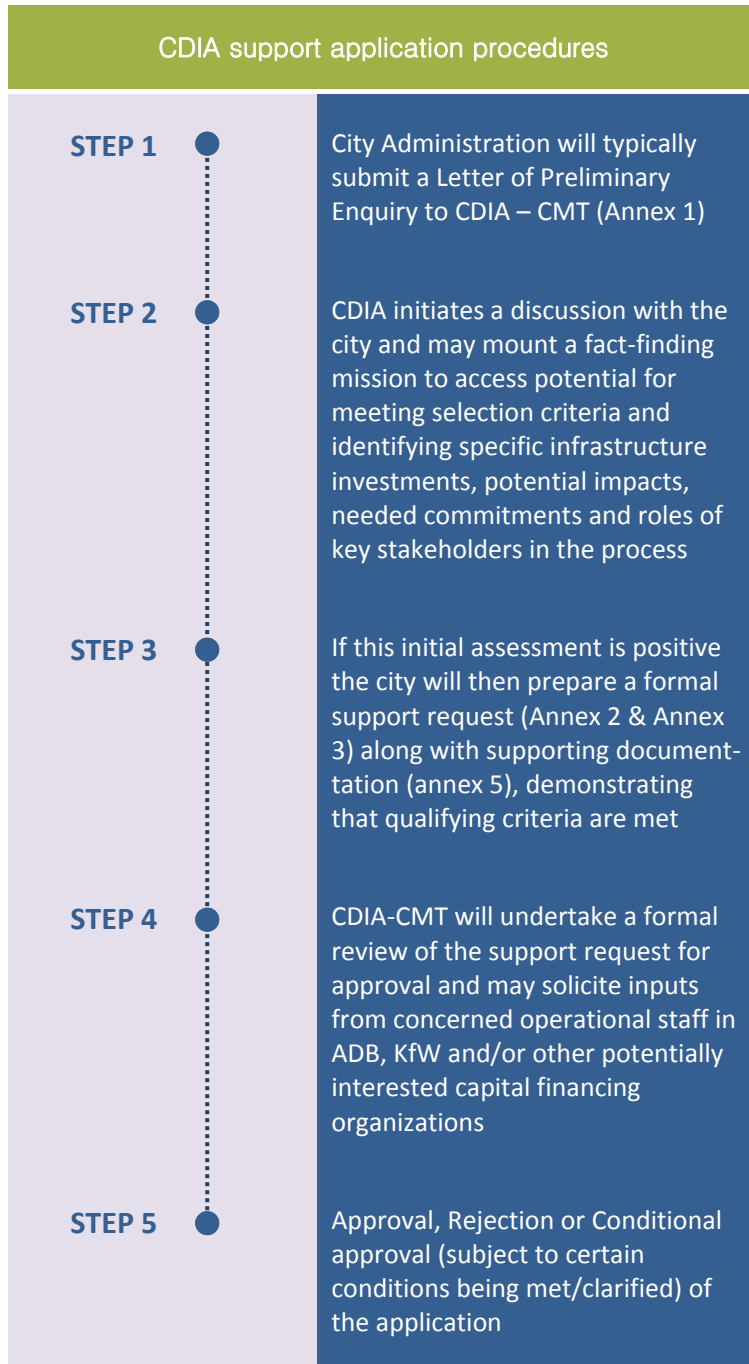
**To qualify for CDIA support, cities must have:**

- 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 (*see sample format in Annex\_6*);
- 4** a letter (*see sample in Annex 5*) from the **central/state level indicating in-principle support** for:
  1. the development of an urban infrastructure projects portfolio and its financing, and
  2. the assistance request application to the CDIA CMT/ Secretariat;
- 5** endorsement for the request from one of CDIA’s funding members.



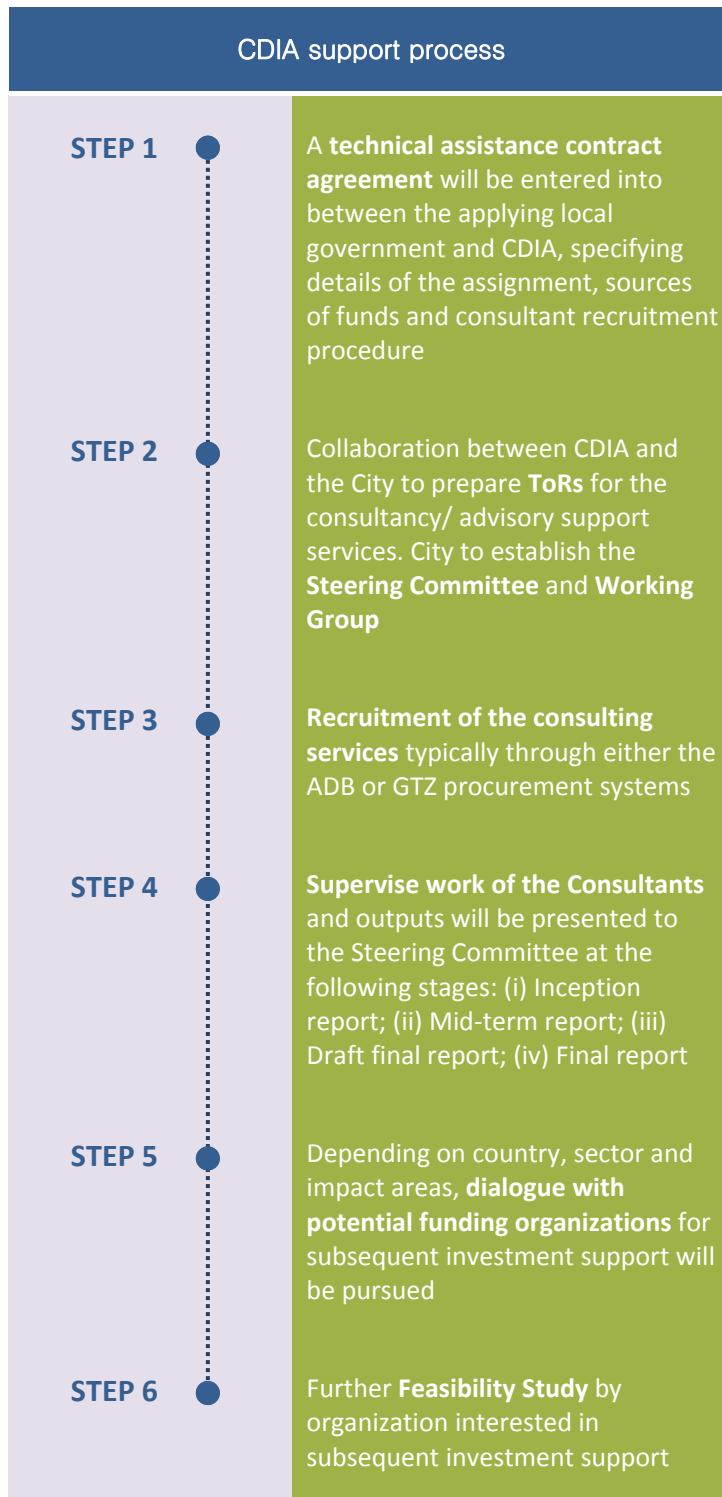
## CDIA support application procedures

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



## CDIA support process

Once an application has been approved, CDIA will provide support to the city according to the following steps:





## Contact & Inquires

### Cities Development Initiative for Asia (CDIA)

Suite 202-203 Hanston Building,  
Emerald Ave. Ortigas Center, Pasig City  
1600 Metro Manila, Philippines  
Phone +63-2-631-2342  
Fax + 63-2-631-6158  
Email: [info@cdia.asia](mailto:info@cdia.asia)  
[www.cdia.asia](http://www.cdia.asia)

## Selected examples of CDIA interventions

At the city level, CDIA has given priority to the development of projects, which have had synergistic, catalytic and additional impacts on the environment and/or the social circumstances of the citizens of the city. Selected examples of the range of interventions and impact areas include:

**Energy Efficiency – Ulaanbaatar, Mongolia.** Through improvements in energy efficiency of existing apartment buildings significant reductions in energy consumption with less use of fossil fuels and reduction of CO<sub>2</sub> emissions enabling CDM credits to partial finance the costs.

**Urban Renewal – MIGEDC, Philippines.** Enhanced inter-local government cooperation in infrastructure provision and innovative urban infrastructure financing arrangements for downtown renewal.

**Industrial Waste Management – Faisalabad, Pakistan.** Improved water quality and health conditions for urban poor through industrial waste and wastewater treatment.

**Urban transport – Cochin, India.** Improved energy efficiency of public transport through pursuing environmentally friendly transport solutions leading to reduced CO<sub>2</sub> emission & other air pollutants. With improved accessibility and affordability of public transport, access to services and employment opportunities created for the urban poor.

**CBD revitalization through PPP – Banda Aceh, Indonesia.** Innovative urban infrastructure financing arrangements for CBD rehabilitation. through PPP arrangements leading to increased opportunities for both the formal and informal sector

**Drainage and wastewater management – Pakse, Lao PDR.** Improved living conditions in low income areas through reduced flooding.

**Solid waste management – Khulna, Bangladesh.** Environmental improvement through reduced hazardous emissions and improved city environment through proper collection, transportation, recycling and disposal of solid waste; Incorporation of low income labour (informal sector) practices related to SWM.

**Water supply – Guiyang, China.** Improved water supply and reduced pollution in urban water sources.

**Urban expansion – Cebu, Philippines.** More sustainable urban expansion through development framework for a commercial and residential area including efficient transport solutions.

If you wish to see other samples of projects that others have collaborated on with CDIA, you can check out the city interventions at:  
<http://cdia.asia/wp-content/uploads/CDIA-Approved-City-Interventions.pdf>

## Annex 1 – Sample Letter of Preliminary Enquiry for CDIA Support

To: Cities Development Initiative in Asia  
Core Management Team  
attention: Emiel Wegelin, Program Coordinator  
Suite 202-203 Hanston Building, Emerald Avenue  
Ortigas Center, Pasig City  
1600 Metro Manila  
Philippines

**Re: Preliminary Inquiry for Cities Development Initiative in Asia (CDIA) support for (city, country).**

Dear Dr. Wegelin,

The City government of (City, Country) would like to make a preliminary enquiry regarding potential for CDIA support. The focus of the infrastructure development would be in the area of (type/ sector of investment) infrastructure related to development of (describe the intended areas of impact/ benefits your city would gain from this investment).

Concurrent with this, (name of city/ municipality) municipality has a current physical development plan and supporting annual plan that identifies these development needs.

We would appreciate an opportunity to meet and discuss possible CDIA support for (identify the areas you are seeking support on, e.g.: pre-feasibility assessment of the necessary infrastructure investments, capacity-development, identification of potential PPP, project prioritization and programming) related to this. As a contact for follow-up on this, Mr. (please provide the name, position, phone #, email, etc.) is our designated contact person.

Yours sincerely,

***(applicant details)***

## Annex 2 - Sample Application Letter for CDIA Support

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

Re : Request for Cities Development Initiative in Asia (CDIA) support for...(name of City or Metropolitan Region).

Dear Sir,

It is the pleasure of the City government of (name of city) to submit herewith for your review and approval our request for CDIA support for (identify the sector/ type of project) in an amount of (please estimated the likely cost of the support requested) related to development of (describe the intended areas of impact/ benefits your city would gain from this investment). Our pledged local contribution for the envisaged activities under this request consists of ( expressed commitment to participate in the financing arrangements specifying if it is a minimum cost-sharing contribution or aims to work towards partial to full cost-recovery)

The support request is based on earlier discussions with CDIA staff during (date and place of meeting) and is supported by (national government supervisory entity) and endorsed by (name of CDIA funding partner), as documented in the attachments to the application. We envisage subsequent feasibility study and capital investment support from (please identify the financing source for the actual project implementation if this has already been identified. If it has not yet been identified, then it should be stated as such)

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 name and contact details)*

## Annex 3 - CDIA Application and Assessment Form

(Name of the Project: Please indicate the name of the City, Sector Area, type of Support)

<b>PART I – Application (to be filled in by applicant)</b>	
<b>1. Type/modality of assistance requested</b> (please select the priority areas being requested – typically 1 or 2 components only. Please see Annex 4 for a more detailed description of these types of available support)	<input type="checkbox"/> Infrastructure Investment Planning & Programming support <input type="checkbox"/> Preparation of a Project Pre-feasibility Study <input type="checkbox"/> Capacity building support <input type="checkbox"/> Investment project marketing <input type="checkbox"/> Linkage to possible private sector participation <input type="checkbox"/> Other:
<b>2. Applicant Details:</b> (name of City, contact person and their position including address, phone numbers, facsimile, email, website, etc.)	
<b>3. Supporting National Government Department:</b> (Name of the oversight agency that will be giving its authorization for the City to make this application along with necessary contact information – see sample in Annex 5)	
<b>4. Endorsement of CDIA Funding Partner:</b> (please indicate if you have received endorsement from one of CDIA’s funding partners: e.g.: ADB; KfW; GTZ; Sida; Spain; etc.)	
<b>5. Objective:</b> (What are you expecting CDIA support to achieve? In 1 short paragraph please outline the urban development issues and how you expect the inputs from CDIA will assist you to overcome it and move towards project implementation)	
<b>6. Proposed Activity:</b> (In order to reach the above Objective, what type of activities are likely needed – please be specific about 1) the sector, 2) the type of inputs, and 3) level of inputs needed)	
<b>7. Strategic Urban Framework in place:</b> (please indicate the types of development plans your city has in place that specifically identify the above issue as a development priority for your city: e.g.: 5-year development plan; Strategic development plan; Sector plan; Annual plan. You may also attach the relevant sections as an appendix to your application)	
<b>8. Link to future capital investment financing and envisaged sources:</b> (Have you already identified a potential financier for the downstream financing should the project be demonstrated as viable? If so, please give the name of the institution and relevant contact name and contact information)	
<b>9. Addresses environmental concerns and benefits the poor:</b> (In your own assessment, how will the project you are wanting to implement positively impact environmental and social development aspects in your city. Please also elaborate the scale – i.e.: how many people will be impacted, as well as the approximate geographic coverage of the project)	
<b>10. Timetable for assistance design, processing, and implementation</b> (If the application is approved, when would you want the in-field support from CDIA to start and end as well as please indicate when you would look for the identified infrastructure project or other interventions to be implemented and/ or phased)	
<b>11. Overview of Counter-part funding</b> (if this application is approved, describe what contributions your organization would commit i.e.: What cash amounts? What in-kind contribution? What other sources will be mobilized e.g.: from other levels of government or the private sector? What is the total estimated contribution?)	

<b>12. Financing Plan</b> <i>(name and date)</i>				
<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"/>	<i>(estimate the amount requested)</i>	ADB RETA	<input type="checkbox"/>
Applicant's own sources	<input type="checkbox"/>	<i>(estimate the amount your city will contribute in cash and/ or kind)</i>	GTZ	<input type="checkbox"/>
Others	<input type="checkbox"/>	<i>(if there are likely other sources of support, please list them here)</i>	InWEnt	<input type="checkbox"/>
Others	<input type="checkbox"/>		KfW	<input type="checkbox"/>
Others	<input type="checkbox"/>		Other	<input type="checkbox"/>
TOTAL AMOUNT		<i>(Please sum the total expected cost of the intervention)</i>	TOTAL AMOUNT	
<b>PART II – Assessment</b> <i>(to be filled by CDIA/CMT and/or funding partner)</i>				
<b>13. Eligibility Assessment Criteria</b>				
Applicant Population 250 000 – 5 million inhabitants	<input type="checkbox"/>		City shares costs	<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"/>
<b>14. Overall Assessment</b> <i>(include comments on environmental, poverty and governance impacts as per CMT checklist):</i>				
<b>15. CDIA Appraisal and Approval</b>				
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>			

## Annex 4 - CDIA City Level Support Components

### 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:

1. assist cities to prioritize and program their investment proposals, constrained by the identified financing limitations;
2. development of screening criteria for priority-setting;
3. review and harmonization of sector plans, identification of most efficient provision of services;
4. development and review of infrastructure investment proposal concepts (with indicative costing) for inclusion in the investment program;
5. 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;
6. support the adjustment of local regulatory frameworks where needed;
7. identify potential private sector involvement at the early stages of project definition and structure projects so that they are attractive to investors;

CDIA has developed a manual and Excel software program that can assist cities in this area of work. The manual may be downloaded free of charge from our website. Application of the Excel software program is best implemented through a trained external facilitator.

### PREPARATION OF PRE-FEASIBILITY STUDIES (PFS)

A **Pre-feasibility Study (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

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.

CDIA has developed a guideline for consultants support services in this area of work, which will be reviewed and adjusted to specific city circumstances as applicable. This guideline is available as a free download from the CDIA website.

## STRENGTHENING INSTITUTIONAL AND INDIVIDUAL CAPACITY

CDIA interventions can also include support to knowledge management and dissemination of experience to enhance urban environmental quality and promote poverty reduction. 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;
- support for improving inter-municipal cooperation in agglomeration regions for a more efficient provision of urban services;
- demonstration and support to implementation of best practices; and
- organising and participating in regional (and occasionally 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.

## INVESTMENT MARKETING

- 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.

## LINKAGE TO PRIVATE SECTOR PARTNERSHIPS

- assistance to structure projects for potential public-private partnerships;
- private sector dialogue regarding their investment in and support for the intended project(s).

## ANNEX 5 - Sample Endorsement Letter from Oversight Agency

Ministry/ State Government/ Department/ etc. of \_\_\_\_\_

Address,  
Contact information

Date

Dr. Emiel Wegelin  
Program Coordinator  
Cities Development Initiative for Asia (CDIA)  
Ste 202-203 Hanston Building  
Emerald Avenue, Ortigas Centre  
Pasig City, Metro Manila  
Philippines, 1605

RE: Endorsement of the request for support by (name of city, country) to CDIA in the areas of (specify the sectors and other intervention areas which the endorsement letter covers)

Dear Mr. Wegelin

On behalf of the Ministry/ State Government/ Department/ etc. of \_\_\_\_\_, it is a pleasure to endorse the initiative of the city of \_\_\_\_\_'s to request assistance from CDIA in the areas of (specify sector and project) to improve the (specify environmental / pro-poor/ climate change / governance aspect of the proposed project).

The Ministry further approves in principle the development of an urban infrastructure projects portfolio and formulation of financing options for subsequent review and consideration.

We would appreciate to also receive copies and other related information of any resulting outputs.

Yours sincerely

Name  
Position

## **ANNEX 6 – Counter Part Contribution for PFS Support**

*In principle CDIA seeks full-cost recovery of the services it provides to cities.* On a case-by-case basis partial costs recovery can be considered.

*The minimum expected in-kind and/or cash contribution from any city should be of an indicative amount of 20% of the total cost of the PFS and should at least include:*

### **Steering Committee**

Personnel to be dedicate to oversee the project, participating with executive decision-making authority on how to steer the project to accomplish the goals. Normally will be chaired by the Mayor and composed of heads of representative departments related to the project sector. A number between 5 to 7 people is recommended. CDIA-Core Management Team (CMT) will also be represented as part of this steering committee.

### **Working group**

The city is requested to establish a working group with a designated focal point person that will work closely with the consultants and CMT in the development of the project. They are to be involved in the day-to-day activities of the project although is not necessary to work for the project exclusively. In addition, working should be provided the opportunity and made available to attend relevant capacity development activities within the framework of the support provided to the City. Working group members are to facilitate access to documentation and information to consultants, as well as learn the process in order to replicate it within city/ municipal development procedures as appropriate (Knowledge transfer).

### **Space and facilities**

Local office with sufficient space to accommodate the consultant team during their work, this is temporary office space that can be allocated within the city government's facilities. Sufficient space shall be provided complete with furniture and facilities (including communication such as telephone and internet connectivity). Printing and copying facilities (in a reasonable amount) shall be also be provided for the service of the project.

Location for meeting arrangements as needed during the length of the project.

The city will provide local transportation within the city for the consultants to adequately complete their assigned TORs.

### **Data collection and translation services**

Any data collection required to determine the pre-feasibility of the study shall be the responsibility of the city. The data collection may be taken from existing or new data sources determined in consultation with the consultants according to the agreed project objectives.

Although in most cases the team of consultants will have means to communicate with the city's working group and other participating agencies, the city will have responsibility to provide the necessary information and the means necessary to translate or interpret for the consultants and CDIA-CMT.

The reports will be competed in English and only the executive summaries of such reports will be provided in the national language. The city shall be responsible to provide official translation for the final report.

## ANNEX 7 – Source for Related Information

The CDIA website ([www.cdia.asia](http://www.cdia.asia)) is a good starting place to gain more information about the range of services that that CDIA offers:

For information on the types of services being offered we would recommend looking at:

<http://cdia.asia/services/key-cdia-interventions/>

For a summary of the type of support other cities have received please see:

<http://cdia.asia/services/where-cdia-is-active/> and the associated Project Overviews

CDIA is also developing a number of toolkits and other knowledge material, we would suggest that you also take a look at: <http://cdia.asia/knowledge/cdia-tools-and-learning-material/>





## **Cities Development Initiative for Asia**

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Ortigas Center, Pasig City 1600,  
Metro Manila, Philippines  
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Website: [www.cdia.asia](http://www.cdia.asia)

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