

July - August 2011

[At Work in the Region]

CDIA Nodal Office in Shanghai, China

In conjunction with the Shanghai Municipal Government joining CDIA as a funding partner, the city is also supporting the establishment of a CDIA Nodal Office within the Shanghai International Centre for Infrastructure Finance (SICIF) structure. The establishment of a nodal office will contribute to a more effective collaboration and will allow to reach and support a bigger number of Chinese cities through CDIA approaches and tools.

CIIPP Toolkit: Training of National Partner Organizations (NPOs) Facilitators

Representatives of various NPOs participated in the first Country Adaptation/Roll-out training of the City Infrastructure Investment Programming and Prioritization (CIIPP) Toolkit in Bangkok in May 2011. The training focused on enabling facilitators to begin the process of rolling-out the toolkit in their respective countries. The toolkit consists of an MSExcel software program and manual and enables cities to rapidly undertake a prioritization and structuring of their key infrastructure investments against their financial headroom.

Indian Urban Partnership

Through the signing of a Letter of Intent on August 12, CDIA has formally entered into a collaboration with 5 reputable institutions in the field of urban development in India, namely i) Administrative Staff College of India (ASCI), ii) Centre for Environmental Planning and Technology (CEPT), iii) National Institute of Urban Affairs (NIUA), iv) Society for Development Studies (SDS), and v) The Energy and Resources Institute (TERI).

The partnership aims at undertaking a concrete number of activities including i) the localization and testing of the CIIPP tool and roll-out in various cities, ii) participation in a PFS training and iii) preparations for the Indian Urban Forum. Furthermore, the partners will be exposed to CDIA work by participating in CDIA in-city activities.

New experts join the CDIA team in Manila

Ms. Rhoda Gregorio
Programme Management Officer

Mr. Hajo Junge
Senior Urban Governance Specialist



River Environment in Naga City

New Cities Approved for CDIA Support

Cagayan de Oro, Philippines: PFS support for river watershed, wastewater and solid waste management

Naga, Philippines: Use of the CIIPP Toolkit for project structuring and PFS support for River revitalization

Danang, Vietnam: PFS support for Wastewater treatment and sewage/ drainage system improvement

Pu'er, China: PFS support for river rehabilitation and flood protection

Chiniot, Pakistan: PFS support for water supply, sewage/ drainage management

Vijayawada, India: application of the CIIPP Toolkit and PFS support in water supply, transport and slum improvement

[Building Synergies]

Austria and Shanghai Municipal Government join CDIA as funding members

The Government of Austria and the Municipal Government of Shanghai have recently joined the CDIA Program as funding partners for an initial period of two years. The two new members were officially welcomed in the recent Program Review Committee meeting in April of this year in Essen, Germany. This partnership confirms the commitment of these governments towards sustainable urban development in the Asian region.

CITYNET and CDIA sign MOU

A Memorandum of Understanding between CITYNET and CDIA was signed at the Executive Committee meeting of CITYNET in Bangkok, Thailand on June 23, 2011. Both parties have agreed to co-operate in activities related to capacity development including training, experience exchange and supporting the CDIA Young Asian Professional Program.

CDIA Partners with DILG Philippines

The Department of the Interior and Local Government (DILG), Philippines and CDIA signed a Memorandum of Understanding on July 6, 2011. DILG is identified as a National Partner Agency for CDIA in the Philippines to enable cities to meet the challenges of transforming their urban infrastructure plans into investments within an urban development framework.

Partnerships formed in 7 Countries

In its first phase of building synergies at the national level, CDIA is negotiating partnership agreements with 21 national organizations in 7 countries. This range of partnerships has initially focused on adapting and spreading the CIIPP toolkit within a number of countries, and will soon expand to include supported application of the PFS mechanism.

[Upcoming Events]

August 31-September 2, 2011

Naga, Philippines

Sector Workshop: Urban Revitalization/ Slum Upgrading

September 6-8, 2011

Yogyakarta, Indonesia

Sector Workshop: Urban Transport

September 12-14, 2011

Chennai, India

Sector Workshop: Solid Waste Management

November 14, 2011

Manila, Philippines

Incentivizing Asia's Urban Future: CDIA High-level Urban Policy Roundtable

November 28, 2011

Bangkok, Thailand

Annual Stakeholder Forum Meeting

November 29 - December 1, 2011

Bangkok, Thailand

CDIA Regional Forum on Pro-Poor and Inclusive Urban Infrastructure Development

[New Approaches and Tool for Cities]

Lessons Learnt in Informal Public Transportation

A recent CDIA report looked at informal public transportation (IPT) in Asian cities from different perspectives and reconsidered its value not just in improving urban mobility, but also as a provider of employment and backbone of the informal economy. This report describes how IPT improves mobility particularly for the urban poor by complementing formal transportation systems.

Asian cities will continue to grow and bring more diversified economies, which would mean that transportation demands will be complex. Local governments would be well served by managing a blend of formal and informal modes that together respond to the demands of growth. By harnessing the capacity of IPT providers to self-organize and offer low-cost services, IPT will continue to fill gaps that formal transportation leaves.

The key lesson emerging from the study is that cities must seek to integrate IPT into Formal Transport Planning, instead of investing only in new services. IPT is an integral part of the urban transport system and its contributions to the city should not be discounted. As each situation is unique, planners must take a creative approach.

The ability to manage independent and public providers in a coordinated way can offer city governments' potential capacity to increase mobility while diversifying options for passengers. This could continue to serve the needs of the urban poor and maintain lower costs for government and passengers.

THE URBAN SETTING

- **Dense and compact mid-sized cities have different kinds of transportation demands than the bigger cities.**
- **The regional context of neighbouring municipalities and villages and the form of local ecologies influences how people are moving through cities and accessing informal public transportation.**
- **Informal public transportation as an important role in small-scale and home-based livelihoods of people in poverty.**
- **The political trend favouring new technologies like bus rapid transit (BRT) does not necessarily meet the needs of the urban poor.**

FOUR PRINCIPLES TO IMPROVE TRANSPORTATION OPTIONS FOR THE URBAN POOR

The following four principles are intended as a guide to local governments, development agencies, NGOs, IPT providers, and others seeking to improve transportation options, especially to serve low-income groups in society. These principles build upon the ingenious solutions the IPT providers have been developing on the ground in Indonesian cities but have applicability across Asia:

1) Mobility needs of the urban poor can often be met by harnessing the solutions being created by IPT providers, rather than by only introducing new services or technologies.

There are many innovative approaches to meeting transportation needs of both the urban poor and other income groups that IPT providers have developed. These range from tricycle (motorized and non-motorized) drivers transporting goods among city markets, motorcycle drivers providing an alternative to public buses for students travelling late at night, and minivans offering door-to-door



service for the elderly. Although new technologies, such as the BRT, have a very important role to play in improving the efficiency of urban transportation systems, these services by themselves often lack the flexibility to meet the nuanced demands of the urban poor.

2) Opportunities to improve services are usually found where IPT complements existing formal public services.

There is a common misconception that informal public transportation 'competes' with formal public transportation – drawing customers and fares away from formal services. Yet it was found that many passengers are accessing both informal and formal public transportation based on changing day-to-day needs. One factor of the negative perception is that the connections between formal and informal public transportation are often so poorly organized, creating a sense of chaos in city spaces such as major interchange stations.

Improving the connection spaces between formal and informal public transportation will increase the ways in which the two systems complement one another. Opportunities to improve these connections come in the form of basic "transportation facilitators" described in this report such as signage, curbs, and waiting areas.

3) Initial activities should focus on the small-scale, since this is where IPT operates.

Starting small means to build on the tactics of IPT drivers and improve urban spaces that are already being used by passengers. Whereas large-scale solutions require immense resources to create and manage and serve a generic user, small-scale approaches have immediate impacts by serving specific needs. Especially in compact dense cities, demand for transportation is highly localized around markets and shopping malls, universities, and employment districts.

4) Regulation comes in many forms – IPT providers often regulate themselves given even a minimal level of self-organization and recognition.

Working through existing organizations such as motorcycle ranks can be more effective and less costly than creating new regulations or enforcing existing regulations. When IPT providers organize, they often begin to regulate themselves, for example by increasing passenger safety by providing better helmets. Encouraging this indirect form of regulation means seeking out and fostering unlikely partnerships among IPT providers and private institutions and businesses that can provide assistance for organizations through, for example, sponsorship of uniforms. When either local governments or even the private sector recognize the organization of drivers, for example, by issuing ID cards, IPT providers gain respect and are often more likely to work as a group to increase safety and quality of service.

A full version of this report may be downloaded from the CDIA website at: <http://www.cdia.asia/wp-content/uploads/Informal-Public-Transportation-Networks.pdf>

[Cities working to close the Gap]

PPP Initiatives in Urban Service Delivery - Pakistan

The IPDF Facilitating PPPs in Urban Service Delivery

In Pakistan, the value of PPPs in helping leverage municipal budgets for the provision of strategic investments is well recognized. As a result, the Ministry of Finance established the Infrastructure Project Development Facilities (IPDF) in May 2006 for the express purpose of facilitating and promoting viable, sustainable and affordable Public Private Partnerships (PPP). The IPDF works to determine the funding gap for public investments by helping structure viable transactions while minimizing public costs through competitive bidding. IPDF is the only central PPP unit in Pakistan working with Line Ministries and Government Agencies to facilitate the financial structuring of infrastructure projects.

IPDF's PPP intervention in the urban sector will primarily focus on the following areas:

- Municipal services including water supply and sanitation, solid waste management, low cost housing, health and education facilities.
- Mass urban public transport including buses, and intra- and inter-city rail.
- Transport and logistics including provincial and municipal roads, rail, seaports, airports, fishing harbors as well as warehousing, wholesale markets, slaughterhouses and cold storage.

The IPDF has been working with various local governments across Pakistan to assist them in finding innovative and unique solutions to critical urban issues. The IPDF provides

expert support to local governments in structuring their financial and legal needs for different types of PPP modalities.

IPDF and CDIA Collaboration

The IPDF and the Cities Development Initiative for Asia (CDIA) share a common mandate in terms of helping cities find funding agencies or a financial model to implement their infrastructure development projects. Both organizations have been helping cities prepare feasibility studies for urban infrastructure projects.

Subsequent to CDIA's PFS support to Faisalabad and in collaboration with the IPDF, key sub-projects identified in PFS reports in the sectors of industrial waste and urban transport have been selected and are planned to be implemented under a PPP framework.

Based on this good collaboration, discussions between CDIA and IPDF resulted in a Memorandum of Understanding between CDIA and IPDF signed on February 14, 2011.

The MOU establishes a framework for collaboration in capacity development in municipal infrastructure financing through PPPs and to support cities in Pakistan in bridging the gap between planning and financing of urban infrastructure investments. To further cement this collaboration, the IPDF has seconded Mr. Ali Malik, an Infrastructure Finance Specialist, to CDIA under the Young Asian Professional (YAP) Program for four months of training starting in August this year.

Naga City, Philippines – Taking a Pro-active Approach

Despite limited resources, Naga has established itself as a city government with a strong commitment to local governance. This is evident in the solid multi-stakeholders approach it takes to city planning and implementation of projects and initiatives. The availability of several plans outlines strategies and actions on a wide range of issues by focusing on disaster risk reduction, social issues such as gender and city shelter. Even with a very solid framework for action, the city is always looking to do better and improve its competitiveness and enhance quality of life for the 700,000 residents in Metro Naga.

A prominent concern of the city government is the need to revitalize the Naga River due to issues of flooding, water pollution and associated health concerns affecting especially the informal settlements living in the area. With assistance from CDIA a Pre-feasibility study for a phased river revitalization program will be prepared covering sectors of drainage, solid waste and flood management including disaster risk reduc-

tion. The project also includes an assessment of the potential for cultural, historical and eco-tourism and related investments. The role for the river for livelihood in fishing or water-based transport will also be elaborated upon. To implement these measures, assistance will include identifying external sources of finance as well as capacity development support to prepare and implement the prepared projects.

However, taking action on current issues is not enough for this active city. The city leadership wanted to reaffirm its priorities and overall development program. To this end, a workshop was organized that brought together over 32 key players as they applied the CDIA City Infrastructure Investment Programming and Prioritization (CIIPP) toolkit to prioritize and evaluate their key infrastructure investments against their financial capacity, which will help them move forward.

To learn more, you can contact: Wilfredo B. Prilles, Jr., the City Planning Coordinator; Naga City. cpdo@naga.gov.ph



IPDF's primary urban sector focus includes water supply and sanitation

“The MOU establishes a framework for collaboration in capacity development in municipal infrastructure financing through PPPs and to support cities in Pakistan bridge the gap between planning and financing urban infrastructure investments”.



River environment— Poor water quality due to outlet of untreated sewerage

“Even with a very solid framework for action, the city is always looking to do better and improve its competitiveness and enhance quality of life for the 700,000 residents in Metro Naga.”

[Submitting an Application]

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

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

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

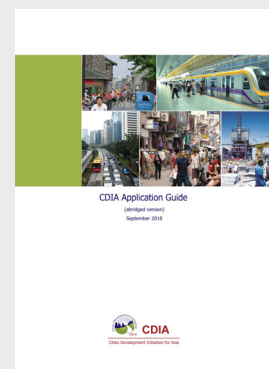
By visiting our website (www.cdia.asia), you will be able to download our Application Support Guide as well as other information related to submitting an application.

Approved City Applications

As of June 2011, CDIA has approved requests from 31 cities in 13 countries. Being demand driven, a wide range of sectors are being addressed through these interventions including urban transport, water supply, flood and drainage, solid waste management, energy efficiency, urban renewal, slum upgrading and waste water management. Support is also being offered to selected cities in the areas of pursuing alternate financing such as Public Private Partnerships (PPP).



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[About CDIA]

CDIA is a regional initiative established in 2007 by the Asian Development Bank and the Government of Germany, with additional support of the governments of Sweden, Spain and Austria and the Shanghai People's Municipal Government. The Initiative provides assistance to medium-sized Asian cities to bridge the gap between their development plans and the implementation of their infrastructure investments. CDIA uses a demand driven approach to support the identification and development of urban investment projects in the framework of existing city development plans that emphasize environmental sustainability, pro-poor development, good governance, and climate change.

To facilitate these initiatives at city level, CDIA provides a range of international and domestic expertise to support them in implementing their development strategies through a number of core activities including the following elements:

Pre-feasibility studies (PFS)

Consultancy support to undertake and demonstrate preparation of PFS on priority infrastructure projects

Infrastructure investment programming and prioritization

Advisory support for undertaking infrastructure investment programming and prioritization

Linking cities to finance

Identification of domestic and international financial sources for selected investments as well as opportunities for PPPs

City-level capacity development

Local institutional capacity strengthening through 'on-the-job training'



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