

Summary and Conclusions



Lessons Learned

What Have We Learned So Far?

The CDS and CWS Program are just starting to be implemented; whether they are making a difference, it is too soon to tell. Nevertheless, these are useful initiatives that, particularly in developed countries, have produced better outcomes than more traditional approaches to city planning and management.

The CDS initiative matches the philosophy of today's development agenda. Its focus should be on economic and social development, and on improved governance as a means of spurring regional growth and reducing poverty. The CDS should guide the development of a city and contain action plans that are agency-specific and time-bound. Investment plans and a financing strategy are essential components. The CWS Program should be integrated with the CDS and set within the context of the city's poverty reduction programs. The development of both the CDS and the CWS Program should be participatory.

What is clear is that participatory approaches and consensus take time to build, especially where these are not part of the stakeholder culture or tradition. The RETA experience indicates that it is likely to take a year or two to move from formulation to implementation.

CDS and the City

CDS Improves Understanding of Current Problems and Future Development

The CDS product is neither a master plan nor a blueprint. Instead it focuses on change and adopts

a flexible strategy for responding to economic realities and competition. The CDS helps build stakeholder capacity to manage city development, and enables the private sector to position itself within national, regional, and global markets. The CDS process can change the way a city is managed by focusing on a new economic structure.

The CDS process can also change attitudes about the nature of development and the causes of and solutions to economic problems. This was evident in Calicut, where the city's vision pertained to its role as a regional center. Economic development to support the growth of the city and the reduction of poverty must be encouraged. These emerged as key strategic issues and objectives in all the RETA-assisted cities. The CDS enabled an initial focus on a limited number of priority issues within a city. But the focus must then change, from specific to broader issues. In this way, there will be a greater acceptance of development processes and the underlying causes of problems.

Economic Foundations of a CDS Are Essential

Most city stakeholders participating in the RETA agreed that a CDS should address the issues of economic development and poverty reduction. However, many of the RETA-assisted cities had neither analyzed the economic base nor made appropriate projections of economic activity. Development prospects were merely based on what was thought to be likely and not on hard data. In many instances this was because the necessary data were not available and could not be prepared during the RETA.

An important feature of the CDS is for a city to create the internal institutional capacity and seek

political support to innovate and respond to current economic realities. More specifically, the CDS should focus on promoting the city as an attractive destination for national, regional, and global investment. To achieve this it may be necessary to carry out surveys and additional research and analysis. Such activities need to be identified and could be included as part of a follow-on TA or prepared for possible CA funding assistance.

The CDS Highlights Something New or Unique about a City

A successful CDS calls attention to unique features of a city and builds on these for the future. Taguig, for example, is unique in that it has the Global City development area—a major urban development project led by the private sector—within its boundaries. Ultimately the future of Taguig will depend on the success of Global City in attracting locators and employment for its residents. Da Nang and Quezon City also have unique features that must be exploited. Da Nang is a key city in the central region of Viet Nam and is a major port and tourist destination. Quezon City has extensive areas of undeveloped land in densely developed Metro Manila and has major institutions of higher education. All of these unique features with high investment potential should be highlighted in the CDS.

Global, Regional, and Long-Term Thinking Is Required

Cities do not function in isolation. Their economies are closely involved with those of neighboring cities and surrounding areas. All of the participating cities have regional influence extending beyond their boundaries. Some also have global significance.

A CDS is a strategic planning document that must take into account the national, regional, and global environment. A conducive national policy framework is important. For example, it appears that the need to conform to central Government planning controls, policies, and approved master plans constrained the CDS for Da Nang. Although their economies are interlinked, the three cities in Metro Manila took limited account of the presence of neighboring authorities and adopted a more inward-looking master plan approach in preparing their CDSs. Clearly, national-regional-city links are important, and the CDS should forge better relationships between the cities and the national Government in economic development policies.

Strategic planning for a city involves thinking long term, over at least the next 10, or preferably 15 or more, years. Such thinking was constrained within the participating cities, which often focused on short-term political agenda. There is clearly a need for continuity to ensure that the vision and mission for a city do not change with a change in leadership. Mayors often view city development in terms of the need to ensure reelection, and newly elected mayors often ignore or reject inherited strategies and policies.

Funds Are Needed to Maintain Momentum

Many of the participating cities clearly thought that without specific funding support it would be difficult to maintain the momentum of a CDS. Talk but no action often leads to stakeholders becoming disillusioned. No city in the RETA prepared detailed financial plans or financial strategies to support implementation. Many participants felt that the ability to implement a CDS is linked to securing program and project funding. But, in many cases, improved municipal management is a priority, and for this little additional money is needed when the improvements themselves can generate more than enough revenues to cover the costs. However, investment funds are required when a CDS is designed to address broader issues of economic and social development.

The CDS/CWS Program should be tied up with the efforts of funding institutions so that it does not become a purely academic exercise.

More Than One Way to Prepare a CDS/CWS Program

Standard Methods Exist, but Cities Have Their Own Approach

Experience gained in the course of the RETA shows that there is no single “right” way to prepare a CDS. Although there are standard methods and supporting guidelines were provided, each of the five participating cities prepared its CDS in its own way. Taguig, Calicut, and Da Nang came closest to adopting the process suggested by the consultants, while Quezon City and Caloocan adopted approaches based on their city development plans. Other cities in the Philippines use the CDS

process suggested by the World Bank, but even here, actual implementation has varied between cities. A successful CDS is one that is owned by the stakeholders, and, as no two cities are the same, different approaches are to be expected.

The RETA has also shown that the CDS product varies. It is often related to the differing needs within a city or to its stage of development, size, and economic structure. The CDS initiative evolves through stages, and perhaps the RETA approach of attempting comprehensive coverage at the outset, partly because of limited time, was not the most effective way forward. Focusing on a more limited range of issues, as in Da Nang, Calicut, and Taguig, proved to be a more productive approach.

The RETA therefore indicates that in cities without experience or prior knowledge of the process, it may be best to start with a single sector issue and then expand coverage later. However, this must be undertaken without forgetting that a full-fledged CDS focuses on the city as an engine of growth, and needs to address the full complexity of all sectors of development.

CWS Approach Must Be Flexible

Broad guidelines for the preparation of a CWS Program are set out in this report. However, beyond the underlying principles of linkage to the CDS and stakeholder participation, the approach must be flexible and consistent with the realities at any given time. The following must be considered when preparing a CWS Program: (i) availability of human and financial resources, (ii) relative status of the CDS, (iii) availability and reliability of data, (iv) nature and extent of urban poverty and slum formation, and (v) other competing urban development priorities. Full account also has to be taken of the validity of alternative approaches to the creation of a slum-free city, which in some instances may not support conventional slum upgrading solutions based on landownership.

Appropriate Analytical Tools Must Be Used

In general, the analysis part of the CDS was inadequate. Very little data on the socioeconomic and physical aspects of the city and the likely changes were collected and analyzed. Except for overall population projections, no estimates of future economic activity or demand for services and utilities were made. S-W-O-T analyses were based on

incomplete data on current conditions within the city and likely external (national or regional) influences on growth. In some cities this led to a number of problems in identifying and focusing on real concerns and then prioritizing problems and action areas. Clearly, there is a need for more rigor in decision making, and for much better technical information. The appropriate analytical tools must be used and the focus must be on the results. Rapid economic appraisal methods are required. Using appropriate analytical tools is important and often leads to new insights into the key drivers of change and possible ways in which the city stakeholders can intervene.

Participation Is the Key

City Must Accept Need for CDS Before Embarking on Process

At the outset, the city mayor or senior executive must genuinely appreciate and accept the need for a CDS. The mayors of both Taguig and Calicut showed especially keen interest, and it appears that they and their staff learned much from their involvement in the CDS process.

A CDS should never be imposed. The approach is more likely to succeed if the city is already focused on improving governance and is prepared to raise the resources needed, including funds, to carry out the major interventions outlined in the strategies that support the vision.

Stakeholder Participation Is the Key to Ownership

Stakeholder participation is a defining feature of a CDS. The process should empower all participants and lead to new ways of thinking about development. A CDS requires the active participation of everyone in a city, including the business sector, civil society, residents, government, and most importantly the urban poor.

For the most part, the CDSs for Da Nang, Calicut, and Taguig were prepared following the guidelines suggested by the RETA team, although the actual degree of participation varied considerably. In Da Nang, the highly centralized political structure of Viet Nam proved too inflexible for the development of a fully participatory CDS. As a result, local officials were unwilling to take major decisions without central Government approval, and there was limited consultation with stakeholders outside government. Initial meetings were held to

discuss the CDS/CWS Program, and although all were in agreement, there were no follow-on meetings with stakeholders. The city felt that it needed additional assistance to undertake these consultations. No additional resources were available under the RETA for this, but arrangements were made for a training program for the Da Nang core team and stakeholders, to be provided jointly by ADB and the UN Urban Management Programme/UN-Habitat. The training program was, however, delayed.

In Calicut, stakeholders met to identify and discuss the main problems and potential of the city. A vision/mission statement was drafted during consultations with stakeholders. Some 50 consultations were held with various groups. A draft CDS and CWS document was produced and discussed with the stakeholders.

In Taguig, a number of participatory meetings were held. These led to a better understanding of the critical problems of the city, the formulation of a collective vision, the identification of the key sectors or “pillars of development,” and the drafting of sector development strategies.

In Quezon City, so as not to “reinvent the wheel,” the CDS was based on the existing development plan. In a process similar to that for a CDS, intensive discussions were held to mobilize the support of citizens for the city’s vision and programs. Of all the participating cities, only Quezon City held consultations that reached the *barangay* or neighborhood level. The multisectoral City Development Council, which included representatives from the urban poor, NGOs, and the private sector, was also reactivated.

Securing stakeholder ownership, particularly for an agenda embodied in a CDS, is critical. Ownership is achieved through participation, but it has to be more than just consultation. All must buy into the stages of a CDS process and the sense of ownership must continue. One way of achieving commitment is to assign specific responsibilities in the process to different stakeholders. Managing the participation and ownership process is complex but must be undertaken. This is why procedures guaranteeing participation and decision making must be established from the outset to ensure transparency. Clearly, firm stakeholder commitment and ownership are required when a CDS is designed to address broader issues of economic and social development.

Participation Takes Time

Although it was originally scheduled for about 9 months, the RETA was implemented over an 11-month period, from July 2002 to June 2003. This gives some indication of the time needed to secure acceptance and understanding of the unfamiliar CDS/CWS concept in participating cities, and manage meaningful participation.

Participation requires time and resources to (i) identify the stakeholders and their representatives, (ii) establish the avenues for communication and participation, (iii) analyze the results of the exercise, and (iv) ensure continued stakeholder participation up to approval and implementation. In Wellington, New Zealand, in a society with long-established processes of participation, the consultation process lasted for 18 months. Much more time would be needed for participation in developing countries where (i) governments tend to safeguard their domination and control of the public sector (India); (ii) systems of governance and economic control are highly centralized (Viet Nam); and (iii) genuine consultation and participation is often accorded mere lip service (Philippines).

The RETA timetable allowed only a few months for participation and had insufficient resources to nurture the process within each city. In the design of future TA projects in which participation is an essential requirement, more consideration needs to be given to the time needed for consultants to assist in a genuine participation process. It is no coincidence that a high percentage of CA funding is for CDS/CWS Program preparation.

There is a need to develop an effective methodology for participation in all countries that balances the need for rapid appraisal and quick results with more extensive forms of participation. Perhaps a period of participation spread over one year would be ideal, first to set up the system, then to carry out the exercise, and finally to assess the findings and reconfirm them with the key stakeholders. Anything less would be too short and is more likely to be dominated by the city government. Longer periods, although producing more exhaustive findings, may not provide any more significant results and insights than the shorter process, and would set back implementation.

CDS Requires a Champion

Finding and supporting a CDS champion, in most cases the mayor, senior executive, or senior advisor, is an important first step. However, the problem the

champion has to face is how to generate support for the process within the city, and then, within a limited time frame, how to (i) institutionalize this support to ensure stakeholder commitment and participation; (ii) identify and agree on stakeholder representation; (iii) coordinate the CDS agenda; (iv) manage stakeholder inputs; and (v) generate the data, information, and level of analysis to enable stakeholders to make strategic judgments.

In many cases, lead responsibility for driving the CDS process was assigned to the local city planning department. This has some advantages in that planning staff see the city as the unit of analysis in planning. However, many city planners often focus more on physical development such as land use, and may neglect the economic basis of city development and the need to plan within the city's resource limitations. It would therefore have been more appropriate if responsibility for CDS preparation fell under the direct authority of the mayor or senior executive, with support from the relevant planning, infrastructure, economic development, resource generation, and urban poor affairs departments in local government, as well as local consultants where required.

Vision Should Be Realistic and Attainable

Many CDS vision statements were too general and not supported by more specific mission statements. A vision reflects the collective views of the major stakeholders of a city, but must be based on reality and on what is achievable. Its supporting mission statement should be SMART—Specific, Measurable, Attainable, Relevant, and Time-bound. Being realistic about objectives is important, and long-term goals and strategies should be supported by specific short-term objectives, which become the foundation for long-term outcomes. Early successes often greatly facilitate stakeholder “buy-in.”

Poverty Reduction Is the Priority

Poverty Should Be Specifically Defined

Poverty is a multidimensional issue and there is no unique way of measuring it. Its causes should be made clear, so the most appropriate policies for reducing poverty can be determined. Besides considerations of income, employment, and wages, ADB's

definition of poverty includes the lack of access to secure tenure, basic education, health care, water, and sanitation, as well as exclusion from relevant decision-making processes.

CWS Approach Must Be Multisectoral

The CA suggests improved access to legal tenure and sanitation as key performance indicators for the CWS Program. But the CWS Program must also take account of other facets of poverty. It must incorporate socioeconomic initiatives to stimulate economic regeneration and social development, and increase the self-reliance and empowerment of poor urban communities. The concept of improved governance and increased participation by the poor in development is not just part of an agenda for social equity. It also has practical value in that it reduces the burden on governments' limited resources and supports the long-term sustainability of program development.

CWS Program Must Consider Political Realities

The political climate in which the CWS Program is being prepared and implemented must be considered from the outset. There needs to be a realistic assessment as to whether there is genuine political support for the CWS Program approach involving maximum stakeholder participation, empowerment of the urban poor, secure tenure, and on-site upgrading.



Such support may not exist in all instances. In Viet Nam, the central Government, which dictates national development policy, regards slum settlements as “temporary housing” for resettlement, and gives limited policy support for multisectoral urban upgrading through a participatory process. The lack of central Government support is one of the primary causes of Da Nang’s failure to complete even a draft CWS Program under the RETA.

Elsewhere, as in some cities in the Philippines, whether senior executives adopt the CWS Program may depend more on the cycle of local government elections rather than on any real commitment to the approach.

Strengthening the Stakeholders

Learning by Doing: Building Capacity Is a Key CDS Outcome
Before the RETA, none of the participating cities had undertaken a CDS exercise, although all had had experience in preparing city development or town plans. As a result, city staff had to be carefully guided, and the most effective way of learning was through “hands on” training. Neither the intermittent nature of the RETA nor its limited allocation of time in the field in direct contact with counterparts (especially in Calicut and Da Nang) lent itself to this approach.

A significant benefit of the RETA has been to improve the city’s capacity to manage the CDS process. In Taguig, Calicut, and Da Nang assistance was provided in training staff in the process, and Taguig and Calicut now have some capacity to continue. This will enable the cities to make more informed decisions and to create the internal institutional and political capacity to innovate and respond to emerging economic realities. The focus should be on the civic leadership and diagnostic role of local governments, which would enable the private sector and civil society to take the lead in economic growth and development.

Understaffed City Governments Could Not Devote Enough Time to Process

All participating city governments had neither the staff nor the expertise to effectively carry out and complete the CDS and CWS Program process. Most counterpart government staff were expected

to combine CDS/CWS Program involvement with their normal assignments, which were often given priority. Many senior local government staff assigned to CDS/CWS Program preparation were also those whose skills were most in demand, and were therefore involved only on an irregular, part-time basis.

For successful CDS/CWS Program preparation, a senior full-time staff member must be assigned to manage the process, and given the support of key professionals when needed. Constant secretarial support will also be required, particularly to organize and document meetings with stakeholders. One way to strengthen the process would be for city governments to hire local consultants to help manage the process.

Donor Support Can Be Important

The evidence from the RETA indicates that donor support is important in helping city managers take the CDS process forward. External agencies, such as ADB, can play a major role in helping city stakeholders prepare and implement a CDS. But such assistance is needed over a long period and should be flexible. For ADB, a key issue is the uncertainty of a lending program following support for a CDS. Nevertheless, if the development institution supports the CDS, should a lending program be one of the outcomes?

Key requirements for ADB under a CDS are that prior consultation with the key stakeholders has taken place and priority investment sectors have been identified. Both of these are preparatory to the formulation and implementation of urban development projects.

A CDS implies a different approach for ADB than past lending approaches. A CDS focuses more on programs than on specific projects, but is able to set the context within which specific urban development projects are conceived. Since a CDS involves participation and ownership, it can lead to unexpected outcomes. Nevertheless, an urban development project set within a CDS framework is likely to improve the effectiveness of ADB lending.

CDS Should be Proactive and Incentive-Based

Private Sector Should Be Involved

The involvement of the private sector was seen to be essential by most local government stakeholders. This reflected an increasing need to mobilize

private sector resources to support city development. However, it appears that some city administrations are not clear about how to proceed beyond involving the private sector in the provision of infrastructure and utilities or attempting to respond to their supply-side needs. Far more focused and practical thinking is required.

As local governments seek closer collaboration with central Government agencies, so should they also initiate and sustain capacity building programs to develop greater self-reliance in poor urban communities, and forge partnerships with the private sector to maximize the resources available for poverty reduction.

Future Slum Formation Should Be Anticipated

As the name suggests, the CWS Program targets the elimination of slums in urban areas mainly through a process of upgrading. However, despite the focus of the CWS program on existing slum and squatter settlements, the issue of future slum formation should not be overlooked.

Given rapid urban population growth, it is likely that the demand for low-cost shelter in participating cities will increase substantially. If this demand is not met, existing slums will expand and new ones will form. The CWS Program must therefore include the provision of affordable new housing together with support services and facilities to prevent future slum formation. New low-income housing sites must be identified and developed to satisfy demand, and to accommodate displacement brought about as a result of upgrading. The importance of anticipating future growth highlights the need for close linkage with the CDS, especially its spatial planning and land use components.

Networking to Form Alliances

Sharing experience is important. Since the CDS/CWS Program is owned by the cities, it should be their representatives that disseminate information, experience, and lessons learned. The proposed regional workshop would have created such an opportunity, but because of the SARS outbreak, attendance was restricted to cities in Metro Manila.

Discussions are needed to learn from the experiences of other cities engaged in the process. Learning can take place only if others were to show what

works and what does not. Besides workshops, knowledge can be shared by city twinning, staff secondment between CDS cities, private and public sector missions, and use of the Internet.

In networking between cities, the RETA's achievement to date has not been that significant. There was no connection to the Internet in the city government offices in Da Nang, Taguig, and Caloocan for most of the RETA period. Resources posted on the web would have helped the cities develop their CDS options. For example, the web site www.cdsea.org contains a wealth of information, from other CDS experiences to resource papers, that would have helped in the formulation of local housing programs.

The RETA team collaborated with the CA in New Delhi to provide the Calicut core group with an opportunity to participate in a stakeholders consultation meeting in Hyderabad. Calicut officials found this useful and saw information sharing as a resource that they could tap into because of their involvement in the CA.

Monitoring Is a Must

Monitoring and evaluation of the CDS and CWS Program is an essential component and should become an integral part of the process. Because of the early stage in CDS/CWS Program development in the cities, little thought was given to the dissemination of monitoring and evaluation procedures by the participating stakeholders. It is important to document the progress of the CDS/CWS Program and to amend the CDS implementation plans, programs, and projects as required. Approaches would cover, among others, the incorporation of regular reports on the CDS/CWS Program into an annual report on the city, stakeholder and community meeting updates, and the use of evaluation frameworks and methodologies and monitoring benchmarks.

The RETA in Retrospect

Selection Criteria Were Needed for Participating Cities

The participating cities should have been selected before the start of the RETA. As it was, time that could have been better spent by the RETA team on technical support had to be spent identifying the participating cities and redefining the scope of the RETA in the five cities.

Beyond consideration of balanced geographic spread, cities could have been selected according to criteria such as the following:

- Existence of a potential development partner for the city to support CDS/CWS program implementation;
- Unambiguous support of central, state, and local governments (as appropriate) for the underlying CA approach, especially for aspects related to stakeholder participation;
- Potential role for the city in national or regional economic development, as a realistic basis for preparation of a CDS;
- Recognition of poverty reduction as an urban development priority; and
- Existence of in-house technical capacity to prepare the CDS/CWS Program.

Participating Cities Should Have Been Briefed at the Start

The RETA would have benefited from an initial briefing of selected cities by ADB, before its start. This briefing would have provided the first opportunity to (i) present the CA approach and the scope and objectives of the RETA, (ii) clearly define CDS/CWS program ownership and the relative roles of the cities, ADB, and the RETA team, (iii) dispel any confusion within the cities regarding other ADB initiatives, and (iv) describe the likely benefits that could accrue from involvement in the CA.

Such pre-RETA preparations would have (i) allowed more time for technical advice and assistance, (ii) smoothed the way for collaboration between the RETA team and the city, (iii) added credibility through firsthand ADB involvement, and

(iv) allowed early identification of key stakeholder groups.

Greater ADB Involvement Would Have Been Invaluable

ADB's regional representatives in India and Viet Nam played an important role in discussions with national government agencies leading to the selection of participating cities. Regional representatives also met the RETA team on several occasions during the initial stages of the RETA to provide background data on the participating countries, cities, and relevant development sectors, and to help set up meetings with key government agencies. But beyond this, the representatives had little further direct involvement in the RETA.

Given the intermittent nature of the consultants' inputs, with only limited opportunity for field visits to India and Viet Nam, further support would have been invaluable, particularly in (i) monitoring progress and providing feedback on CDS/CWS Program preparation; (ii) following through on key city concerns, such as Da Nang's concern about having its participation confirmed by the central Government; and (iii) informing the RETA team of other relevant donor involvement, including ADB's.

Enough Time Should Have Been Allowed for Stakeholder Participation

Since an effective CDS/CWS process, including internal stakeholder deliberations, takes time to organize, apply, and monitor, more time, or at least an initial preparatory phase, should have been set aside for setting up participatory mechanisms.

The Way Forward

Wrap-Up Meetings with Metro Manila Mayors

Wrap-up meetings were held between the RETA team and the two Metro Manila mayors in mid-June 2003.²⁴ The mayors indicated that the RETA, and particularly the concluding workshop, had been a valuable learning experience and had helped clarify their approaches to development strategy formulation and to the search for an appropriate solution to the growing number of slum and squatter settlements. Involvement in the RETA had also exposed weaknesses in the capabilities of their CPDO and UPAO technical staff, prompting the local governments to put in place certain reorganization and strengthening measures.

The two mayors aired new proposals for dealing with the issue of slums and squatter settlements. Although they differed in detail, both proposals centered on the acquisition and development of the large tracts of vacant or underused national government land into areas where households from slum settlements could resettle and other poor households could avail themselves of affordable housing. Regrettably, these proposals were not documented and came too late in the RETA to be included in this report, although details are now being worked out. However, two important conclusions can be considered in taking the next steps and formulating a possible follow-on RETA:

²⁴ Mayor Sigfrido Tinga, Taguig, 10 June 2003; and Mayor Rey Malonzo, Caloocan, 12 June 2003.



- That the RETA has stimulated momentum in local governments that will continue beyond its completion; and
- That the resolution of slum-related issues in Metro Manila relies on the involvement and cooperation of the national Government in making its vacant lands available for development.

CDS/CWS Program a “Work in Progress”

The RETA provided advisory services designed to engender local ownership through participatory CDS/CWS Program preparation. Beyond the initial presentation introducing the CA and the scope and purpose of the RETA, the preparation and explanation of CDS/CWS Program guidelines, and limited first-hand technical support backed by long-distance communications, the RETA was essentially reactive and could only respond to production at the local level when it was made available. The final CDS and CWS Program documents from the participating cities are still undergoing production, following the conclusion of the RETA. Measures to ensure the continuation of this process are an important consideration in any follow-up initiative on the part of ADB or any other development agency.

Scaling Up the CWS Program

To move toward the CWS program targets set out in the CA, there will be a need to scale up the impact of poverty reduction interventions from the local (project) level to a citywide level, in all participating cities. The CDS and the CWS program provide the framework for this. However, because of the intermittent, advisory nature of the RETA, neither full completion of the CDS/CWS Programs nor full understanding and acceptance by stakeholders was possible in all instances. To bring the initial CWS program interventions to scale, there will be a need to (i) complete CDS/CWS Program documentation, a process that in some instances will require additional research and investigations; and (ii) through information dissemination and training, attain the depth of understanding and acceptance of the CA approach needed to broaden meaningful stakeholder participation, strengthen institutional capacity, and establish the necessary political will and leadership to drive the process forward. The scope of any follow-up RETA

will have to include consideration of these requirements, and seek the necessary CA funding support as appropriate.

Need for Continued Assistance

It took time and effort for the local governments to understand the need for a CDS and a CWS Program and to engage in genuine participation. As the RETA progressed, however, the benefits of adopting such approaches became clearer to all cities. Momentum has increased, and the cities have expressed a desire for further assistance to continue the process. Benefits are likely to be realized if further assistance is provided.

CA Membership and Follow-on Technical Assistance

The RETA marked ADB’s initial involvement with the CA. It involved depositing \$250,000 in the Cities Alliance Core Trust Fund representing the minimal annual contribution necessary to ensure partner status for ADB for 1 year. ADB will have to make similar contributions to continue with its membership.

Experience under the RETA has shown that it would be beneficial for ADB to remain a member of the CA. Membership would enable ADB to

- further its leadership and credibility in the urban sector;
- follow through on the momentum gained during this RETA;
- realize the benefits of sharing and networking of ideas and knowledge;
- promote participation in projects, which is the cornerstone of the CDS and CWS Program;
- support its policy of interregional cooperation; and
- learn from the know-how generated within participating cities.

Since the first year of membership has not yet passed, it is too soon to assess the benefits of membership. Hence, continued membership for a 2-year period would provide enough time and experience to assess the longer-term benefits of remaining a member.

ADB’s Urban Sector Strategy, published in July 1999, is now in need of review and revision in

the light of rapid urban growth. Furthermore, CWS Programs have shown that there is a need to assess the alternative forms of secure tenure and environmental sanitation as key priorities. Local economic development has been shown to contribute significantly to urban poverty reduction, but such strategy formulation needs assistance and guidance.

To assist ADB with its continuing participation in the Cities Alliance, a follow-up RETA is proposed. The assistance will build on the work undertaken and the lessons learned from this RETA. The overall aim of the proposed RETA would be to maintain ADB's engagement with the CA and mainstream the CDS and CWS approaches into ADB's urban sector strategy and operational activities. More specifically, the objectives of the proposed RETA would be as follows: (i) to broaden coverage of CDS and CWS preparation and implementation among developing member countries; and (ii) to assist in the eradication of slums and the reduction of urban poverty by focusing attention on economic development, secure land tenure, and appropriate environmental sanitation.

The proposed RETA would cover the cost of ADB's contribution to the CA for 2 years and support (i) the incorporation of alternative forms of secure tenure in slum eradication and urban poverty reduction; (ii) the incorporation of alternative forms of environmental sanitation in slum eradication and urban poverty reduction; (iii) the formulation of local economic development strategies toward urban poverty reduction; and (iv) the scaling up and institutionalization of CDS and CWS activities.

Increasing Donor Collaboration

Under the RETA, the consultants had the opportunity to collaborate with other donor agencies active in the urban sector. In India, the direct involvement of the WB-CA adviser in expanding CA funding requirements and in organizing the involvement of Calicut Corporation representatives in external workshops was invaluable in reinforcing counterpart staff understanding of and commitment to CDS/CWS Program preparation. In Viet Nam, contact with WB staff involved in the ongoing CA Project²⁵ was important in gaining insights into the

policy debate, while informal arrangements made with a senior GTZ local consultant involved in the National Poverty Alleviation Strategy²⁶ assisted in CDS/CWS Program preparation activities in Da Nang. Arrangements are also in place to involve the UN UMP staff in providing further training for Da Nang staff in various aspects of stakeholder consultation.

In developing any intended next phase of ADB involvement in the RETA participating countries and cities, and in advancing parallel ADB urban development initiatives, it is recommended that every attempt be made to build on and expand the collaboration with other donor agencies accomplished during the RETA. This is consistent with the CA commitment to information sharing, and to ADB's current exploratory moves to seek common or complementary areas for cooperation with other donor agencies.

Collaboration with the Central Government

Although the CDS and CWS Program are city-based initiatives focused on participation and consensus building at the local level, they should be formulated and implemented within the framework of national (and where appropriate state) development policies and programs, especially those dealing with economic and social development, and with a pro-poor orientation.

Elsewhere, successful implementation of the CWS Program will rely on local governments establishing a close working relationship with the central government to address urban poor issues. For example, in densely urbanized environments, access to and development of some parcels of vacant and underused national government land in Calicut, Quezon City, and Taguig could prove critical for the provision of low-cost housing and services for poor urban households as an integral part of the CWS Program.

²⁵ A National Strategy to Enhance the Access of the Urban Poor to Basic Infrastructure and Housing, Viet Nam.

²⁶ GTZ-MOLISA Institutional Capacity Building for the National Poverty Alleviation Strategy, Viet Nam.