

TA COMPLETION REPORT

TA No. and Name: RETA 5764-Enhancing Municipal Service Delivery Capability in Selected DMCs	Amount Approved: \$550,000 Revised Amount: \$600,000
Executing Agency: Asian Development Bank	Source of Funding: Amount Undisbursed: \$ 66,687.58 Amount Utilized: \$ 533,312.42
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TA DESCRIPTION

The quality, coverage and responsiveness of municipal service delivery in Asia affects the every day living conditions of many people. ADB in recognizing this, sought to test whether two management techniques used extensively in the private sector – benchmarking and continuous improvement – could be effectively applied by the public sector (city governments) to help them improve their service delivery.

TA OBJECTIVES AND SCOPE

The objective of this regional technical assistance was to apply benchmarking and continuous improvement techniques to selected services in six Asian municipalities on a pilot basis, and use the lessons to adapt and foster the use of these techniques by other cities in the Region.

The scope of the RETA included (i) developing performance indicators, mapping service delivery processes, and measuring and benchmarking performance for at least three municipal services; (ii) establishing a continuous improvement program to improve the quality and efficiency of selected services; (iii) improving the municipalities' management information system to enable municipal managers to monitor the cost of providing a specific service, and the improvements produced by the project; (iv) establishing links and twinning arrangements with other municipalities for sharing experiences; and (v) establishing mechanisms to sustain improvement in service delivery through stakeholders' involvement.

In October 1998, the President approved an expanded scope of the RETA to support networking and information exchange among the participating cities and other cities in Asia. The ADB Institute funded the additions to the scope of the RETA. These were: (i) to conduct a Mayors' Forum in December 1998 in Cebu City, Philippines; (ii) development of a project web site; and (iii) publication of the training manuals.

In a parallel activity, ADBI supported the organization of Mayors' Forums in Colombo, Sri Lanka (1999), and Shanghai, PRC (2000) to exchange information on innovations and good practice in municipal management, including special sessions on benchmarking and continuous improvement techniques and the lessons learnt under the RETA.

TA INPUTS/EVALUATION

An international consultancy firm was engaged for about 15 months. This firm provided technical support to the city benchmarking coordinators through (a) training on benchmarking and continuous improvement methodologies, (b) providing training materials, (c) on-site coaching, (d) assessing customer satisfaction, and (e) establishing links with other municipalities. The firm also conducted three regional workshops for the coordinators in Kuantan, Malaysia (April 1999); Melbourne, Australia (October 1999); and Bandung, Indonesia (November 1999) for sharing experiences and best practices. At these workshops, the coordinators also developed and agreed the performance indicators covering quantity, quality, cost, timeliness, and effectiveness of the service.

In each city, the benchmarking coordinators trained the work-based teams from each of the services being studied, and led them to define and map the processes of selected services, collect and analyze performance data for benchmarking, and identify areas for improving the delivery of services. The teams were supervised by a municipal steering committee composed of the senior management staff and headed by the Mayor.

The project also brought together several donor agencies with programs in the urban areas in Asia. These are the Urban Management Programme of UNDP/UNCHS, which sponsored the participation of Lahore (Pakistan), the German Agency for Technical Cooperation (GTZ), which sponsored Bandung and Surabaya (in Indonesia). The ADB Institute also actively supported the project by organizing three Asian Mayors' Forum, creating the project's web site, producing training manuals, and publishing project materials.

TA OUTPUTS EVALUATION

Ten Asian municipalities participated in the project. These are (1) Bandung, Indonesia; (2) Bangalore, India; (3) Cebu, Philippines; (4) Colombo, Sri Lanka; (5) Kuantan, Malaysia; (6) Lahore, Pakistan; (7) Peshawar, Pakistan; (8) Semarang, Indonesia; (9) Shanghai, PRC; and (10) Surabaya, Indonesia. Seven municipalities achieved service improvements to varying degree, while three cities (Shanghai, Lahore and Peshawar) dropped out during the life of the project. The successful municipalities implemented changes that increased customer orientation, improved quality and coverage of the services, and enhanced revenues. Customer complaints resolution was dramatically improved by such measures as public assistance centers, telephone hotlines for complaint lodgment, training customer complaint staff, daily radio programs for airing complaints and providing feedback, and monitoring complaints all the way to their resolution.

In solid waste education and enforcement, the innovative practices adopted included development of education programs for school children; waste separation by residents; daily collection of domestic solid waste with supporting information, education, and communication campaigns; and deputizing individuals and community based organizations to issue citation tickets and impose on-the-spot fines on offenders. Some municipalities used vacant lots as paid parking spaces, erected new parking signs to ease the flow of traffic, and revised parking regulations. Also, significant opportunities emerged for increasing revenues from property tax.

The regional workshops in Kuantan, Malaysia; Melbourne, Australia; and Bandung, Indonesia were successful avenues for sharing data, ideas, experiences, and compiling assessments of best practices among the benchmarking coordinators. Also during these workshops, the coordinators analyzed the weaknesses and opportunities for improvements in their own municipalities.

The networking component was given a tremendous boost by the three Mayors Forums supported by ADBI. These Forums for the first time exposed municipal leaders in Asia to the important changes taking place in the field of municipal management in the region, and provided them with opportunities to learn from each other. Besides the lessons from the RETA, the Forums covered specific problems facing most Asian cities, as well as how these were being successfully addressed by some of the cities.

- The *Asian Mayors' Forum* in Cebu, Philippines in December 1998 was successful in building relationships between participating city leaders and sharing information and experiences on addressing municipal services issues. At this forum, good leadership and political will to take unpopular decisions and the necessary actions to implement those decisions, were identified as the critical factors for improvements in delivery of municipal services. Another important finding was that significant improvements could be made even where cities face severe financial constraints. As a result of the Forum, a web site was established for the mayors and their coordinators to gain access to a vast knowledge base on best practices of local governments, to participate in world wide discussion forums, and to exchange experiences.
- The *Asian Mayors' Forum* in Colombo, Sri Lanka in June 1999 was successful in providing an opportunity for seventy five participants composed of Mayors, senior managers, and representatives of development agencies to share their experiences in improving governance and delivery of municipal services, particularly through partnerships with the private sector and nongovernment organizations. The proceedings of this workshop were published as Volume 4, *Partnerships for Better Municipal Management*, of the series "Asian Cities in the 21st Century: Contemporary Approaches to Municipal Management."
- The *Asian Mayors' Forum* in Shanghai, PRC in June 2000 was successful in focussing attention on tackling the high incidence of poverty through five critical interventions: creating jobs for the poor; building partnerships for reducing poverty; working together to improve slums; expanding housing for the poor; and getting rid of urban wastes. The proceedings of this workshop were published as Volume 5, *Fighting Urban Poverty*, of the series "Asian Cities in the 21st Century: Contemporary Approaches to Municipal Management".

The International Consultants submitted the Final Report on the TA with accompanying CD-ROM that contains the accomplishments of all participating cities.

TA OVERALL ASSESSMENT/RATING

The TA accomplished most of its objectives. It proved that benchmarking can be successfully applied to identify areas of potential improvement and help drive change. Although the project was not intended to provide funds for improving infrastructure facilities, in fact, it helped the cities increase their revenues, and reduce the costs of the services. The networking component of the TA helped to establish ADB's leadership in urban governance in the region, and placed the need for better delivery of municipal services high on the agenda of many DMCs. Overall, the RETA is rated as generally successful.

MAJOR LESSONS LEARNED

Varying political and cultural circumstances resulted in the different levels of accomplishments in the cities. These include resistance to change, lack of team commitment, lack of top management support, coordinator incapacity and discontinuity, inadequate information systems, and differences in city size and service standards. However, it demonstrated that benchmarking offers an exciting way for municipalities to make tangible improvements in service delivery, and the participating cities encourage other cities to get involved in benchmarking so that they can do better, either by studying their internal processes or going through a friendly competition with other agencies.

FOLLOW-UP ACTION AND RECOMMENDATION

Phase II of the project is currently being implemented (RETA 5959: Enhancing Municipal Service Delivery Capability in Selected DMCs, Phase 2). It involves the three most successful cities (Cebu, Colombo, and Bangalore) as "hub" cities for regional benchmarking group, each hosting three other cities from their country in a local benchmarking cluster. The implementation of Phase 2 takes into account the major lessons learned from Phase 1, and should be carefully monitored to attain a significant achievement among the participating cities. If possible, ADB should continue to work in collaboration with ADBI, in holding annual Asian Mayors' Forums and issue e-newsletters as they provide an excellent way of stimulating the exchange of information and building cooperative relationships among municipalities.

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