

**ASIAN DEVELOPMENT BANK**

**TAR: OTH 35001**

**TECHNICAL ASSISTANCE**

**FOR**

**PROMOTING URBAN POVERTY REDUCTION THROUGH**

**PARTICIPATION IN THE CITIES ALLIANCE**

**March 2002**

## ABBREVIATIONS

ADB	–	Asian Development Bank
CA	–	Cities Alliance
CBO	–	community-based organization
CDS	–	City Development Strategy
CG	–	Consultative group
CWS	–	Cities Without Slums
DMC	–	developing member country
NGO	–	nongovernment organization
PAB	–	Policy Advisory Board
UNCHS	–	United Nations Centre for Human Settlements
UPM	–	urban poverty mapping
TA	–	technical assistance

## NOTE

In this report, "\$" refers to US dollars.

## I. INTRODUCTION

1. Asia's cities and rapidly urbanizing towns now form the front line of globalization and development in what is being heralded as the Urban Millennium. Unprecedented in its rate and scale, urbanization is transforming Asia in profound ways. Today, Asia's urban population is estimated at 1.2 billion, and one in three Asians lives in a city; yet by 2020, every other person in Asia, comprising 1.97 billion people, will be living in a city. Eighteen of the world's 26 megacities (those with populations in excess of 10 million) will be in Asia by 2015. As the region becomes predominantly urban, the developing member countries (DMCs) of the Asian Development Bank (ADB) will be faced with growing urban poverty, increasingly inadequate shelter and services, and a declining quality of life for the urban poor. Poorly managed urbanization will have greater social and environmental costs, most starkly evident as an increase in urban poverty, wider income inequality, and sharpened distinctions between social classes.

2. The national governments of many DMCs acknowledge failure in providing security, infrastructure, and services to the poor. City governments, empowered by decentralization, lack both the experience and resources to catch up after decades of neglect and meet the massive, and growing, demands placed on them. While urban growth has generally expanded opportunities in the region, in too many instances poor urban management, failed policies, weak institutions, and inadequate management of land, housing, and infrastructure systems have led to the rise of ramshackle urban slums that are growing in size and in share of the urban population, and an increasingly degraded urban environment. The United Nations Center for Human Settlements (UNCHS) estimates that between 25 and 50 percent of urban residents in most developing countries live in informal settlements without basic facilities, services, or security of tenure. In India, 50 percent of the urban population live in slums; in Indonesia, 21 percent of the urban population live in poverty. The urban poor, the majority of whom are children, are affected the most in these sprawling slum communities.

3. In response to the urban poverty challenge, the World Bank and UNCHS joined forces in May 1999 to launch the Cities Alliance (CA), an expanding partnership of those institutions and aid agencies that believe the time has come to forge a new approach to urban development and to support the initiatives of the urban poor. CA is a global partnership of cities and their development partners that aims to help the cities meet the challenges of the 21<sup>st</sup> century through the promotion of pro-poor policies, good urban governance, and prosperous cities without slums through comprehensive, targeted interventions. CA is increasingly leading the debate on critical issues in cities of the developing world by supporting improved urban management, urban poverty reduction, and networking and cooperation among cities. The partnership has expanded to include 10 bilaterals<sup>1</sup> and the world's major international associations of local authorities.<sup>2</sup> Partner funding commitments currently total \$21 million for program preparation, pilot activities for urban upgrading and city development strategies, and capacity building against CA's agreed upon five-year funding target of \$115 million. CA now comprises a broad and growing partnership of bilateral and multilateral agencies and associations of local authorities poised to mobilize global commitment and resources.

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<sup>1</sup> Canada, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, United Kingdom, and United States.

<sup>2</sup> International Union of Local Authorities, Metropolis, United World Federation of United Cities (formerly United Towns Organization), and World Assembly of Cities and Local Authorities.

## II. BACKGROUND AND RATIONALE

4. CA is an international partnership with the goal of reducing urban poverty. The rationale behind its formation is that the sheer scale of urban poverty and of unprecedented urbanization warrant a coherent and concerted response. CA objectives include (i) building political will and action for scaling up slum upgrading and city development strategies, (ii) acting as an effective clearinghouse to distill and share knowledge, and (iii) incubating model programs and best practice for moving to citywide and nationwide scales of action. CA seeks to expand the level of resources reaching the urban poor by improving the coherence of efforts among ongoing urban programs, by catalyzing partners' efforts in ways that go beyond their individual programs, and by more directly linking grant-funded urban development cooperation with investment follow-up for maximum development impact.

5. CA has focused on two synergistic priority actions: City Development Strategy (CDS), a process aimed at achieving a broad consensus on a vision among all stakeholders in the form of a comprehensive city-level urban strategy, with prioritized projects and programs and identified demonstration activities for urban poverty reduction (Appendix 1);<sup>3</sup> and Cities Without Slums (CWS), a program to promote citywide and nationwide upgrading of low-income settlements, including the identification of externally assisted slum eradication and urban upgrading programs that target the urban poor. The CDS process is being piloted globally in 70 cities, including 50 in Asia, and is serving as an important project identification and advocacy mechanism for participating funding institutions. A list of cities in the Asian and Pacific region already participating in the CDS process, funded by CA or by CA partners, is given in Appendix 2. The CWS program is being undertaken in 11 countries, including Bangladesh, Cambodia, India, Indonesia, and Nepal, with potential investment follow-up. Both these activities are highly relevant to ADB operations in the urban sector in the region, and to ADB's overarching objective of poverty reduction.

6. Former South African President Nelson Mandela is acting as global spokesperson for the CWS program, and the CWS urban action plan was endorsed at the Heads of State and Government Millennium Summit held in New York City in September 2000. CWS is providing catalytic support to a number of initiatives, with the added value being the ability to broaden the base and strengthen the coherence of public and private sector investments. Activities being supported include a citywide poverty reduction strategy for Phnom Penh, Cambodia; a National Slum Upgrading Policy in India based on secure tenure and gender equity; and the design of a new generation of local government-initiated upgrading programs in Indonesia, building upon the successful Kampung Improvement Program, which improved the living conditions of 15 million people across 300 local government units.

7. CA activities are highly complementary to ADB's involvement and operations in the urban sector, which increasingly target the urban poor and utilize community-based urban upgrading approaches. ADB participation will greatly enhance the reach and impact of CA in the Asian and Pacific region through the former's established regional presence, and will strengthen ADB urban sector research and technical assistance (TA) operations. Participation will enable ADB to identify appropriate interventions at the city level, and to strengthen operational lending for slum eradication and urban upgrading. By joining CA, ADB will take an active part in shaping the broad multi-agency initiatives that intend to bring major shelter and slum upgrading programs to scale at national and citywide levels and help frame the debate on urban management, governance, and urban poverty reduction in Asia's rapidly growing cities.

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<sup>3</sup> The CDS process is highly participatory and therefore includes all stakeholders. Special focus is placed on vulnerable groups, especially women, youth, the elderly, and ethnic minorities.

### III. THE TECHNICAL ASSISTANCE

#### A. Objectives

8. The objectives of the regional TA<sup>4</sup> are to promote, facilitate, and support improved urban management; strengthen the impact of urban poverty reduction interventions; and enhance networking and cooperation among rapidly urbanizing cities in the region through ADB participation in CA, a multi-agency coalition designed to achieve the promise of well-managed cities. Participation by ADB in CA through the TA aims to improve the efficiency and impact of ADB's urban sector interventions in two ways:

- (i) strengthening the process by which local stakeholders define their vision for their city; analyze its economic prospects; and establish a practical, implementable city development strategy and priorities for action with the identification and formulation of integrated high-priority investments; and
- (ii) supporting slum eradication, urban upgrading, and urban regeneration at both the citywide and nationwide scales of action, similarly with the identification and formulation of integrated high-priority investments.

9. Participation by ADB in CA will expand the level of resources reaching the urban poor by improving the coherence of efforts among ongoing urban programs, by catalyzing partners' efforts in ways that go beyond their individual programs, and by more directly linking grant-funded urban development cooperation with investment follow-up. Through the TA, ADB will promote sound urban sector policy to advance collective expertise and share lessons learned across regions and through networks of local authorities and their associations in the region. Participation will place ADB at the forefront of CA initiatives in the Asian and Pacific region, and will provide a methodical means to pilot test CDS, urban poverty mapping, and slum upgrading programs; incubate models and innovations, and support efforts to expand and replicate these initiatives on a citywide and national scale in lending operations. TA outputs will directly assist ADB in documenting best practices in the region, help provide feedback and formulate policy advice to DMCs, improve project design, and contribute to economic and sector research.

10. The TA will cover first-year activities that are part of an envisaged multiyear, phased program to formalize and institutionalize ADB participation in CA that will be identified under the TA. Subsequent follow-on phases in succeeding years will require the review and approval of additional regional TA proposals by ADB. The TA will take a regional responsibility for the CA work plan, promoting CA's objectives and responding with concrete actions and programs in selected DMCs that wish to promote and undertake CDS and scaled-up slum upgrading. Under the TA, ADB will invest in prescaling-up activities necessary to jump-start larger efforts for CDS and to remove obstacles to scaling up of slum upgrading. The TA framework is in Appendix 3.

#### B. Scope

11. The TA will provide the mechanism and the required technical support for participation in and acceleration in the region of various CA activities through an integrated program comprised

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<sup>4</sup> The TA first appeared in *ADB Business Opportunities* in January 2001.

of “core” and “noncore” activities.<sup>5</sup> The TA will support (i) formulation, implementation, and scaling up of CDS and of urban poverty mapping and reduction strategies in selected DMCs with a focus on operationally relevant outputs and investment plans; (ii) identification, design, incubation, and scaling up of innovative models and demonstration pilots for CDS, slum upgrading and related CWS programs in support of moving to citywide and nationwide scales of action in selected DMCs, which in turn will directly impact lending and TA operations; and (iii) service as an effective regional clearinghouse to distill and share knowledge on sound urban management practices and experiences to improve implementation of the CA program and related activities in line with ADB’s overarching objective of poverty reduction. The TA will also make regular contributions to the CA web site and forums, providing updates and outputs of activities. TA activities, including city selection, will build on current initiatives supported by ADB and other agencies to achieve synergy and maximize impact.

12. Specifically, the integrated core and noncore programs of activities are envisaged as follows:

- (i) City Development Strategy process
  - Core: Participation/support for core CA CDS activities
  - Noncore: CDS pilot projects in three DMC cities
- (ii) Cities Without Slums program
  - Core: Participation/support for core CA CWS activities
  - Noncore: Urban poverty mapping pilot projects in three DMC cities
- (iii) Workshop
  - Regional CDS/CWS workshop: CDS Formulation/Urban Poverty Mapping

### **C. Cost Estimates and Financing Plan**

13. The TA is estimated to cost \$730,000 equivalent, comprising \$670,000 in foreign exchange cost and a local currency cost of \$60,000 equivalent. ADB will provide \$670,000 to cover the complete foreign exchange cost. The TA will be financed on a grant basis from the ADB-funded TA program. The participating city governments will provide the remaining \$60,000 equivalent in kind, representing a contribution by the participating cities of the total cost of the pilot projects in accordance with CA guidelines. Detailed cost estimates and the financing plan for the TA are in Appendix 4.

### **D. Implementation Arrangements**

14. ADB will be the Executing Agency for the TA. The TA team will work closely with concerned ADB departments and offices, and will endeavor to ensure the integrity of ADB’s participation in CA and its work program with related or complementary urban sector projects. The TA consultant team will be led by an international urban policy expert, who will oversee all aspects of ADB’s participation in CA. An international urban poverty mapping/urban upgrading specialist will manage CWS activities. Two domestic consultants will coordinate the CDS and CWS pilots in selected cities, with one serving as the TA’s administrative coordinator.

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<sup>5</sup> To maximize flexibility for external funding agencies, CA has a two-tier financial structure: a “core fund” and “noncore fund.” The core fund comprises a pool of resources that can be used for any activity within the CA work program. ADB’s core fund contribution to CA will meet the requirements of ADB’s Charter, *Guidelines on Procurement, and Guidelines on the Use of Consultants*, in conformity with similar facilities that have been established. The balance of TA funds, to be administered by ADB, will support activities in ADB’s DMCs in accordance with requirements under ADB’s Charter and guidelines.

15. The ADB contribution of core funds in the amount of \$250,000 will be deposited as a core contribution to the Cities Alliance Trust Fund through an agreement signed by ADB and the International Bank for Reconstruction and Development and the International Development Association. The core fund contribution entitles ADB to partnership status in CA for the period of one year, and represents the minimum required annual contribution. The balance of TA funds, which will be utilized for noncore CA activities, will be managed and disbursed by ADB. Participation will include representation in the CA Consultative Group, which considers long-term strategies, approves its annual work program, and facilitates aid coordination, among other tasks. Participation will also enable ADB to sponsor additional project proposals for consideration for core fund financing. The core fund has approximately \$5 million available.

16. Twelve person-months of international consulting and 15 person-months of domestic consulting services will be engaged under the TA. The consultants will provide advisory, technical, and administrative services in support of ADB's participation in CA; overall program management; and implementation of the organization and management of TA activities, including implementation of four pilot activities and two regional dissemination workshops. ADB will select and engage the consultants in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements on the selection and engagement of domestic consultants. The terms of reference of the consultants are given in Appendix 5. The TA will be implemented over 12 months from April 2002 to March 2003.

#### **IV. THE PRESIDENT'S DECISION**

17. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, in an amount not exceeding the equivalent of \$670,000 for the purpose of Promoting Urban Poverty Reduction Through Participation in the Cities Alliance, and hereby reports such action to the Board.

## CITIES ALLIANCE

1. The governance and organizational structure of the Cities Alliance (CA) comprises a Consultative Group (CG), a Policy Advisory Board (PAB), and a Secretariat. The CG is composed of financial contributors to the Cities Alliance Trust and the heads of international associations of cities and local authorities. The CG constitutes a global public policy forum to share the lessons learned from experience and to agree on policy orientations and standards of practice in areas related to CA's goals. The PAB provides guidance to the CG on key strategic and policy issues, and supports implementation of CA activities. Membership is comprised of preeminent urban experts in each region, representatives from nongovernment organizations (NGOs) and community-based organizations (CBOs), and the private sector. The Secretariat carries out the CA mandate and manages day-to-day operations. The Secretariat reports to the CG at least quarterly, and is based in the Washington, DC office of the World Bank. The United Nations Centre for Human Settlements (Habitat) and the World Bank have agreed to provide facilities for the Secretariat and have allocated appropriate staff resources for the first three years of operation.

2. A draft framework for independent evaluation of CA, which would include an assessment of its impact, was introduced at the December 2000 CG meeting in Rome. The evaluation will assess the impacts and outcomes of the CA partnership on its five constituencies, namely CG member organizations, developing country local authorities, developing country national and state/provincial governments, the urban poor and their organizations (CBOs and NGOs), and the private sector. Results of the evaluation are to be presented at the December 2002 CG meeting.

3. The value added of ADB's participation in CA lies in advancing collective expertise in the Region to (i) improve the quality of urban development cooperation and urban lending by sharpening the focus on scaling-up successes, (ii) strengthen the impact of urban development cooperation by more directly linking it with investment follow-up, (iii) use existing resources to achieve greater value through enhanced collaboration and synergies built through CA, and (iv) engage partner networks in developing new tools and practical approaches for knowledge sharing and application in the Asian and Pacific region's developing member countries. The two main thrusts of CA are outlined below:

### A. City Development Strategy (CDS) Process – Normative Framework

4. A normative framework for the CDS process, based on the economic potential of cities and current thinking on development, will focus outputs on the city as an engine of economic growth, as the locus of good governance, and as an arena of social inclusion and poverty reduction.<sup>1</sup>

5. The key expected process characteristics and outputs of a CDS are as follows:

- **Stakeholder Participation:** A CDS is to be seen as an instrument whereby trust and relations of mutual benefit between stakeholder groups are built, managed, and nurtured. A CDS is a mechanism of social inclusion.

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<sup>1</sup> Excerpted from *CDS: Taking Stock and Signposting the Way Forward*, World Bank and the Department for International Development, United Kingdom, July 2000.

- **Building Civic Capacities and Capabilities:** A CDS should be a process through which the capacities and capabilities of stakeholder groups are considerably improved. For a government, a CDS should be an instrument to build and ensure good governance, change institutional behavior, and strengthen the internal institutional ability to direct the economy and manage civil society. For the community, a CDS should be an empowering instrument.
- **Changing the Nature of Thinking about Development:** A CDS engages people to think in new and different ways about the development of their city. Creating a critical mass of people thinking strategically should be one of the defining successes of a CDS.
- **Addressing the Complexity of Development:** The complex development agenda associated with the new economic realities demands a coordinated strategic approach by all the main stakeholders in the public, private, and community sectors. A CDS should be seen as an instrument to achieve a coordinated strategic approach.
- **A Collective Vision and Strategy:** A CDS should generate a collective vision, lay the foundation for a more collaborative economy, and bring both strategic intent and realism to city development planning. Development experience demonstrates that strategies are more likely to fail when they are not grounded in a collective vision to which the stakeholders are committed, and in a consensus that stakeholders are committed to maintain.
- **Defined Priorities and Action Plans:** A CDS should focus on the fundamental drivers of economic change and assist stakeholders in determining development priorities, sorting out specific sectoral priorities and investment sequencing, and formulating and implementing practical action plans.
- **Defined Roles and Responsibilities for Stakeholders:** Role definition (including the provision of enabling resources) is part of the process of empowerment. Assigning responsibilities to various stakeholders enhances performance. Both processes are related to the building of civic consciousness. A CDS should involve, engender, and empower reciprocal responsibilities among stakeholder groups, and precipitate a change in dependency attitudes and behavior.
- **Poverty Reduction Focus:** Stakeholder participation and participatory democracy are more than likely to place poverty firmly on the agenda. A CDS initiative should focus on formulating development strategies that address poverty reduction. Through a CDS, poverty can be addressed by involving all stakeholders in examining and intervening in how wealth is and can be generated, used, and distributed in the city, including an analysis of the interconnected and mutually reinforcing role played by enterprise development, settlement upgrading, crime abatement, and skill development.
- **Reduced Lending Risks and Improved Investment Climate:** A clear and achievable strategy and associated action plans, backed with the commitment and participation of key stakeholder groups, reduces investment risks, demonstrates progress, and sends a positive message to investors. The CDS process should

demonstrate the confluence of societal and shareholder added value and draw the private sector into a constructive partnership role in the development of the city.

## **B. Cities Without Slums (CWS) – Progress at the Country Level, 2000-2001**

6. Responding to the strong commitment of local leaders to scale up slum upgrading, CA is providing catalytic support to the four initiatives in Asia described in paras. 7-10. The added value of this support is that it broadens the base and strengthens the coherence of public and private sector investments in these initiatives. As such, each case involves the combined efforts of a broad range of partners, including organizations of the urban poor.

7. Cambodia's capital, Phnom Penh, is developing a citywide poverty reduction strategy. Key actors in this process are the Community Development Management Committees in each district, which are working in partnership with the Municipality of Phnom Penh and the Asian Coalition of Housing Rights. The Urban Poor Development Fund has been established as a financial mechanism to ensure sustainability of this strategy.

8. India's draft National Slum Upgrading Policy provides an excellent policy framework, based on secure tenure and gender equity. The National Slum Dwellers Federation and other organizations of the urban poor have forged networks of CBOs and partnerships with a number of local and state authorities. Bangalore intends to develop a citywide upgrading strategy; Gujarat is taking steps to develop a statewide strategy; and Andhra Pradesh has significant initiatives under way focused on urban poverty reduction.

9. Indonesia is building on one of the world's first and most successful large-scale slum upgrading initiatives—the Kampung Improvement Program, which improved the living conditions of over 15 million people across 300 local government units—to design a new generation of local government-initiated upgrading programs within the framework of poverty-focused CDS.

10. Vietnam is initiating the development of a national strategy to scale up slum upgrading and provide better housing and services to the urban poor. This strategy will target the provision of basic infrastructure in low-income urban areas, improved security of tenure, access to affordable credit, and improved standards and norms to encourage innovation and progressive improvements.

**ASIAN AND PACIFIC REGION CITIES PARTICIPATING IN THE  
CITY DEVELOPMENT STRATEGIES (CDS) PROCESS**

**Table A2.1: Funded by the Cities Alliance Trust Fund**

City	Country	Project Title	Date Approved	Grant Amount (\$)
Phnom Penh City	Cambodia	CDS and Upgrading	Mar 00	185,000
Changsha, Zhuzhou, and Xiangtan (Hunan); Guiyang (Guizhou)	People's Republic of China	Metropolitan Level CDS in One Major City-Region and One Provincial Capital	Mar 00	500,000
Up to 6 cities in western provinces, including Chengdu and Baotou	People's Republic of China	City-Regional Development Strategies in PRC	2001	To be confirmed
Hyderabad	India	CDS and Upgrading	Mar 00	226,000
5 cities (to be selected through demand-driven process)	Indonesia	Institutionalizing Poverty-focused CDS in Indonesia	Dec 00	600,000
Kathmandu	Nepal	CDS and Informal Settlements Study	Mar 00	160,000
Peshawar	Pakistan	CDS and City Without Slums	Dec 00	150,000
10 cities (to be selected through demand-driven process)	Philippines	Upscaling Poverty-focused CDS in the Philippines	Dec 00	600,000

**Table A2.2: Funded by Cities Alliance Partners**

City	Country	Source of funds
Dhaka	Bangladesh	Japan / World Bank
Khulna	Bangladesh	Japan / World Bank
Fulling	People's Republic of China	Japan / World Bank
Shenyang	People's Republic of China	Urban Management Programme
Ahmedabad	India	World Bank
Bangalore	India	World Bank
Tamil Nadu State	India	World Bank
Bandung	Indonesia	Japan / World Bank
Ulanbataar	Mongolia	Japan / World Bank
Dapitan	Philippines	Japan / World Bank
Dipolog	Philippines	Japan / World Bank
Lapu-Lapu	Philippines	Japan / World Bank
Olongapo	Philippines	Japan / World Bank
Roxas City	Philippines	Japan / World Bank
Sagay	Philippines	Japan / World Bank
San Fernando City	Philippines	Japan / World Bank
Colombo	Sri Lanka	Urban Management Programme
Phitsanulok	Thailand	Japan / World Bank
Haiphong	Viet Nam	World Bank
Ho Chi Minh	Viet Nam	Japan / World Bank

(Reference in text: page 2, para. 5)

## TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
<p><b>Goal:</b></p> <p>Promote, facilitate, and support improved urban management, urban poverty reduction, slum eradication, and urban upgrading among rapidly urbanizing cities in the Region.</p>			<p>Macroeconomic policies and conditions, levels of commitment and support to the Cities Alliance (CA) program, and institutional capacities of participating cities will determine the success of the Asian Development Bank's (ADB) support for CA.</p>
<p><b>Purpose:</b></p> <ol style="list-style-type: none"> <li>1. Provide support to selected Asian cities for identifying a framework and implementing priority urban sector projects and programs to reduce poverty and improve urban management.</li> <li>2. Enable ADB to take a leadership role in the Asian and Pacific region in promoting urban sector public policy, advancing collective expertise, and sharing lessons learned in city development strategy formulation and urban upgrading</li> </ol>	<p>Progress on city development strategy formulation, urban poverty mapping, and comprehensive urban upgrading program development in participating cities</p> <p>Intensive involvement for ADB-CA Lead Urban Policy Expert and sector specialists in City Development Strategy (CDS) Process/Cities Without Slums (CWS) activities, resulting in identifiable investment opportunities for ADB</p> <p>Intensive involvement for ADB-CA lead urban policy expert and sector specialists in CA activities, resulting in increased visibility of ADB via the CA website, publications, and conferences</p> <p>CA 3-year rolling plan for ADB participation in CA agreed upon with CA Consultative Group</p>	<p>ADB-CA working groups and forums</p> <p>Reports of ADB consultation missions.</p>	<p>Ability of developing member country (DMC) city governments to exercise political will and remove bottlenecks to strategic planning and project implementation</p> <p>Ability of ADB to mobilize resources to assist city governments</p>

(Reference in text: page 3, para. 10)

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
<p><b>Components/Outputs:</b></p> <p>3-year ADB-CA Policy Plan</p> <p>Results of 3 CDS pilot projects</p> <p>Results of 3 UPM/CWS pilot projects</p> <p>1 Regional Dissemination Workshop (on CDS and CWS)</p> <p>Outline strategy for going to scale with CDS and urban upgrading in Region</p>	<p>Leading role for ADB in the region in relation to CA activities</p> <p>3 CDS formulated by September 2002</p> <p>3 urban poverty mapping/CWS programs formulated by November 2002</p> <p>Workshop conducted in February 2003</p> <p>Elements of strategy agreed to in CA Consultative Group</p>	<p>Adoption of ADB-CA plan by CA Consultative Group</p> <p>Reports of ADB missions</p> <p>Reports of ADB missions</p> <p>Workshop proceedings</p> <p>Outline medium-term strategy</p>	<p>The risks attendant to capacity building efforts include (i) inadequate budget support, (ii) personnel transfers, (iii) competing work priorities, (iv) lack of institutional mandate, and (v) lack of political commitment to adopt new procedures and reach consensus on plan.</p>
<p><b>Activities:</b></p> <p>Prepare a rolling 3-year ADB-CA work program</p> <p>Conduct 3 CDS pilots in 3 selected cities</p> <p>Conduct 3 urban poverty mapping/urban upgrading planning pilots in 3 selected cities</p> <p>Conduct 1 regional workshop on pilot outputs and lessons learned</p> <p>Monitor and participate in CA activities</p>	<p>CA review and adoption of ADB-CA plan</p> <p>Consultation missions; pilot cities identified</p> <p>Consultation missions; pilot cities</p> <p>Expanded interest and participation of DMC cities in CA program</p> <p>Better understanding of ADB-CA program by other partners and DMCs</p>	<p>Reports on consultations; concurrence of CA Consultative Group</p> <p>Report on CDS pilot plan; concurrence by participating DMC city</p> <p>Report on CWS pilot plan; concurrence by participating DMC city</p> <p>Workshop proceedings; growing ADB presence on CA website</p> <p>Reports on consultations and activities</p>	<p>Consensus can be reached on ADB's role in CA in the Region.</p> <p>Institutional capacity and political will of participating DMC city</p> <p>Institutional capacity and political will of participating DMC city</p> <p>Support by host cities; participation by other CA partners</p> <p>Timely provision of inputs from concerned ADB departments and offices</p>

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
Develop and implement a program for scaling up CDS and CWS activities in the region through CA	Continuous flow and implementation of various phases of ADB-CA program	Report on program expansion and scaling opportunities; linkage to TA and lending operations	Close coordination between CA aid coalition and concerned ADB departments and offices
<b>Inputs:</b>  International consulting (12 person-months)  Domestic consulting (15 person months)  International consulting costs <sup>a</sup> (\$198,000)  Domestic consulting costs (\$45,000)  Consultants' international travel (\$23,000)  Regional meeting costs (1 workshop: \$40,000) CWS pilot activities (\$75,000)  Administrative expenses (\$17,000)  Equipment/supplies (\$2,000)  Contingency (\$20,000)  Total ADB budget (\$670,000)  Government Counterpart (in kind) (\$60,000)		Consultants' reports and work plans  Consultants' periodic progress reports (monthly and quarterly)	Timely deployment of consultants  Consultants are extensively familiar with the CA program

<sup>a</sup> Includes airfare, accommodation, and per diem of participants.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Cost
<b>A. Asian Development Bank Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	198.0
ii. Domestic Consultants	45.0
b. International Travel	23.0
2. Core Support to Cities Alliance <sup>b</sup>	250.0
3. Noncore Cities Alliance Activities	
a. City Development Strategy (CDS) Process (3 pilots) <sup>c</sup>	37.5
b. Urban Poverty Mapping (UPM) Projects (3 pilots) <sup>d</sup>	37.5
4. Regional Workshops/Meetings (1) <sup>e</sup>	40.0
5. Technical/Administrative Support	
a. Publications (including web)	7.0
b. Administrative Expense	10.0
6. Equipment	2.0
7. Contingency	20.0
<b>Subtotal (A)</b>	<b>670.0</b>
<b>B. Government Financing (in kind)</b>	
1. Counterpart Staff Remuneration	24.0
2. Office Accommodation	24.0
3. Communications and Other Services	12.0
<b>Subtotal (B)</b>	<b>60.0</b>
<b>Total</b>	<b>730.0</b>

<sup>a</sup> Financed from the ADB-funded TA program.

<sup>b</sup> These funds will be deposited in the Cities Alliance Core Trust Fund.

<sup>c</sup> CDS formulation will be undertaken in three developing member country (DMC) cities on a pilot basis; funds in this line item will be used to support a local CDS team managed by, and working in partnership with, the concerned city government.

<sup>d</sup> Urban poverty mapping/urban poverty reduction strategy formulation will be undertaken in three DMC cities on a pilot basis (the same cities as selected for CDS); funds in this line item will be used to support a local Cities Without Slums (CWS) team managed by, and working in partnership with, the concerned city government.

<sup>e</sup> One regional workshop will be conducted to share findings and lessons learned from the CDS and UPM/CWS pilots with mayors and technical staff in DMC cities.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A team of consultants will be engaged to provide advisory and technical services in undertaking the various tasks under the technical assistance (TA). A total of 12 person-months of international, and 15 person-months of domestic consulting services will be required under the TA.

### A. Lead Urban Policy/City Development Strategy (CDS) Expert

(One international consultant: 6 person-months)

2. The responsibilities of the lead urban policy/CDS expert will include the following:

- (i) Provide advice on the overall strategy for Asian Development Bank (ADB) participation in the Cities Alliance (CA) and related operational issues, as requested by the responsible ADB department, including helping formulate a medium-term strategy for the ADB-CA program.
- (ii) Assist in designing and implementing city-level pilots for CDS and slum upgrading with an emphasis on replication and scalability, with clear linkages to ADB project operations. Manage and oversee consultant team inputs, providing policy advice that is consistent with ADB's *Urban Sector Strategy*.
- (iii) Assist in preparing for and implementing an ADB-led conference for CA in the Asian and Pacific region to share lessons learned from the pilot CDS and Cities Without Slums (CWS) activities.
- (iv) Help identify and assess other possible pilots and programs with a focus on urban poverty reduction that fit within the CA mandate, taking into account technical and economic feasibility, developing member country (DMC) government acceptability, potential private sector and nongovernment organization (NGO) participation, and the role of ADB.
- (v) Provide advice on the implication of ADB policies on urban poverty reduction in relation to CA and the ADB *Urban Sector Strategy*.
- (vi) Help conduct country and city-level consultations to implement the activities of the TA.
- (vii) Prepare a rolling three-year CA work program for CDS.
- (viii) Assist in overall planning and resource programming for the CA CDS program.
- (ix) Identify areas of improvement in the institutional mechanisms of ADB participation in the CA CDS program, including capacity needs assessment.
- (x) Monitor related CA CDS activities, and participate in CDS-related activities where appropriate.
- (xi) Help design and implement CDS pilot activities, including the organization and conduct of training, regular meetings, preparation of resource papers, and other follow-up activities.
- (xii) Provide inputs to urban sector strategies and project proposals for urban sector activities.
- (xiii) Prepare documentation and project profiles of pilot CDS activities in participating cities for dissemination at the workshop and for posting on the CA website.

(Reference in text: page 5, para. 16)

- (xiv) Assist the TA coordinator in the planning and conduct of a regional workshop to share the findings and lessons learned from the CDS and urban poverty mapping (UPM)/CWS pilots.
- (xv) Develop and implement a program for broad dissemination and replication of CDS activities.
- (xvi) Participate in consultation and monitoring missions to DMCs, and participate in related CA activities, where appropriate, and at the direction of ADB project staff.
- (xvii) Arrange and conduct in-house seminars and workshops as appropriate for ADB staff to learn about CA activities and outputs, with a focus on operational relevance.

**B. UPM/CWS Urban Upgrading Specialist**

(One international consultant: 6 person-months)

3. The specialist expert will have the following responsibilities:

- (i) Prepare a rolling three-year CA work program for UPM, slum upgrading, and moving pilot activities to scale.
- (ii) Assist in overall planning and resource programming for the CA CWS program.
- (iii) Identify areas of improvement in the institutional mechanisms of ADB participation in the CA CWS program, including capacity needs assessment.
- (iv) Monitor related CA CWS activities, and participate in CWS-related activities where appropriate.
- (v) Help design and implement CWS pilot activities, including the organization and conduct of training, regular meetings, preparation of resource papers, and other follow-up activities.
- (vi) Provide inputs to urban sector strategies and project proposals for urban sector activities.
- (vii) Prepare documentation and project profiles of pilot CWS activities for each participating city and other materials for dissemination on the CA website and through other means.
- (viii) Develop and implement a program for broad dissemination and replication of CWS activities; participate in the planning and conduct of a regional workshop.
- (ix) Participate in consultation and monitoring missions to DMCs, and participate in related CA activities where appropriate.

**C. TA Project/CDS Pilot Coordinator**

(One domestic consultant: 9 person-months)

4. The experts will have the following responsibilities:

- (i) Oversee, manage, and administer the TA as required, including day-to-day coordination and administration, monitoring of budget and expenditures, reporting, and managing the administrative support team. Liaise closely with the lead urban policy/CDS expert and consultant team.
- (ii) Design and manage the implementation of a city development strategy pilot in cities to be determined, based on models and approaches developed by other

CA partners, and in close consultation with ADB project staff and the consultant team.

- (iii) In each city, identify and manage a multidisciplinary team for CDS pilot implementation comprised of representatives from the local government, NGOs, community-based organizations, civic organizations, the private sector, the urban poor, and other stakeholders.
- (iv) Help design and implement CDS pilot activities in each city, including the organization and conduct of training, regular meetings, preparation of resource papers, and other follow-up activities.
- (v) Prepare documentation and project profiles of pilot CDS activities for each selected city and other materials for dissemination on the CA website and through other means; develop linkages to ADB's lending and TA operations.
- (vi) Develop and implement to the extent possible a program for broad dissemination and replication of CDS activities, and take lead responsibility for the planning and conduct of the regional workshop.
- (vii) Participate in consultation and monitoring missions to DMCs, and participate in related CA activities where appropriate.

**D. UPM/Urban Upgrading Pilot Coordinator**

(One domestic consultant: 6 person-months)

5. The expert will have the following responsibilities:

- (i) Design and manage the implementation of an UPM/slum upgrading strategy pilot in cities to be determined, based on models and approaches developed by other CA partners and in close consultation with ADB project staff and the consultant team.
- (ii) Identify and manage a multidisciplinary team for CWS pilot implementation in selected cities comprised of representatives from local government, NGOs, community-based organizations, civic organizations, the private sector, the urban poor, and other stakeholders.
- (iii) Help design and implement CWS pilot activities in selected cities, including the organization and conduct of training, regular meetings, preparation of resource papers, and other follow-up activities, with an emphasis on ADB TA and lending operations.
- (iv) Prepare documentation and project profiles of pilot CWS activities for each participating city and other related materials for dissemination on the CA website, and through other means.
- (v) Develop and implement a program for broad dissemination and replication of CWS activities, and participate in the planning and conduct of the regional workshop.
- (vi) Participate in consultation and monitoring missions to DMCs to guide the pilot project activities.