

Asian Development Bank

Final Report for

Enhancing Municipal Service Delivery Capability (Phase II)

TA 5959 REG

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Executive Summary

1. This project concerns achieving improvements in municipal service delivery in selected services and in achieving institutional change capacity in a number of selected cities. The project is a follow on from a similar prior project RETA 5764 [Enhancing Municipal Service Delivery Capability] that tested and proved that the change strategies of ‘continuous improvement’ and ‘benchmarking’ could be successful in a local government setting.
2. This project involves the following countries and cities:

Country	Core City	Satellite City
Sri Lanka	Colombo	Kotte Kandy Nuwara Eliya
India	Bangalore	Tumkur Bommanahalli Mysore Surrounding DMC/CMC*
Philippines	Cebu	Tagbilaran Naga City Iligan

* Seven added in March 2003 reacting to demand and manageability

3. Each of the cities designated ‘Core’ is expected to act as a mentor and trainer to another three satellite cities within its own country in enhancing service delivery and building an ongoing capacity to initiate and implement change. That means, altogether, twelve cities in the three countries are committed to the project.
4. Core cities had been chosen on the basis of their success rate in the prior RETA and their preparedness to commit to a) the release of resources, b) provide senior executive support for institutionalization, c) involve communities in their change programs and d) assist the satellite cities.
5. The change program in Cebu is called ‘SPRING’ for ease of reference and recognition. Similarly, in Bangalore their program is known as ‘NIRANTARA’ which means continuous and captures the essential message of the strategy – continuous improvement. Colombo has not chosen to use any brand name for their program. In this report, we refer at times to SPRING and NIRANTARA.

1.1 Initial project design and plan

6. The project design has these core elements:
 1. Building skills of selected city personnel to be able to coordinate, lead, analyse, benchmark and implement services change;
 2. Establishing an institutional organization, policy and process framework that will provide direction, leadership, priorities, community consultation and management of change in the core cities;
 3. Incorporating community participation and feedback in both the institutional and service improvement components of a city’s change strategy;
 4. Relying upon the core cities to support the participating cities while the international and domestic consultants supported the core cities;
 5. Using domestic consultants [drawn from the NGO sector] to provide an onsite monitoring role and assist in the interface with the wider community.
7. The expected duration was eighteen months commencing in July 2001. The project success would be judged by tangible evidence of service delivery improvement, capacity for change and effective operation of institutional arrangements.
8. The major assumptions and risks of the project [as identified in the design framework] were:

1. Strong political support of the mayor and senior management in implementing proposals for change;
2. Municipal staff are willing to change old habits and adopt new techniques;
3. Trained staff are retained within the organization;
4. Change in municipal leadership and political priorities will not affect the achievement of improvement proposals;
5. Municipal staff selected have the capacity and interest to acquire new skills and are able to apply these skills in their work;
6. Municipal management willing to work with other stakeholders;
7. Municipal management prepared to allocate resources;
8. Availability of trained city personnel;
9. Release of city personnel to complete improvement tasks;
10. Preparedness of city management to establish organizational arrangements to institutionalize change;
11. Release of city personnel to assist neighboring councils;
12. Preparedness of NGOs to participate over the TA duration.

9. A number of these assumptions proved untrue and a number of risks were encountered. As a consequence, local government performance fell short of expectations. The outcome was to effectively delay the overall program and the realization of expected outputs and benefits by at least nine months.

10. These assumptions and risks take on greater significance when the design of the project is fully understood. This is not a typical technical assistance project where outputs are fully prepared by consultants and the client/beneficiaries are then obliged to endorse and use them to achieve desired outcomes. Instead, it is a change program where the consultants provide some catalytic inputs through training and advice but the vast majority of the program must be designed, driven and implemented by the client city.

11. In this RETA, the ratio of international inputs to client city inputs was around 1: 50. This reveals the extent to which the commitment and application of city resources has on achieving the desired outputs and outcomes. The conclusion that can be drawn is that a) outputs will take longer to achieve under these design conditions as the change program must mesh in with other city priorities and b) there are few options at the disposal of the consultants to counter project delays. A schedule showing relevant inputs is included as an appendix entitled “relative personnel inputs’ contained in the CD.

1.2 What was achieved

12. The project, at the time of its official completion date [30th March 2003] had recorded achievements in all core cities but not to the level expected by the project design. It was considered appropriate to summarize the output in quantitative form using a set of consultant-determined ratings. This table summarizes the position:

Table 2 Output [Maximum score 10 per component]	Bangalore	Colombo	Cebu
1 Capacity of personnel in core cities to conduct improvement studies	Has capacity 7/10	Has capacity 7/10	Has significant capacity 9/10
2 Service analysis and implemented improvements of designated services	Conducted analyses, awaiting implementation 5/10	Conducted analyses, awaiting implementation 5/10	Conducted analyses, some implementation 7/10

3 Community Involvement	Yes – in institutional framework but not service level, other than through surveys. 7/10	No – senior management declined to involve community representatives but Mayor has recently instituted a PPP program to engage NGOs 1/10	Yes- partly at institutional level but not at service level – at request of mayor 5/10
4 Institutionalization – involving a suite of actions and arrangements to ensure continuous improvement is ongoing	Part establishment but not sufficient frequency or coverage to consider desired level has been achieved. 4/10	Part establishment but other priorities tend to crowd out attention to ongoing service improvement 3/10	Substantial establishment with Mayoral backing but not yet involving middle managers across the board. 7/10
5 Satellite city participation and launch into benchmarking and continuous improvement	Early efforts not sustained. Last minute efforts has created some momentum but desired levels not achieved 3/10	Early efforts not sustained. Also made last minute efforts and some progress has been made. 3/10	Early efforts not sustained. Has made a more substantial effort over past four months and there is good prospects for sustainability 6/10
Total rating [maximum possible is 50 or 100%]	26/50 52%	19/50 38%	34/50 68%

13. While these scores are arbitrary, based principally upon the judgment of the consultants having due regard to the evidence, nevertheless, they give a quick overview of the position. Based on our scoring with equal weightings, we would have expected a score of between 60% and 80% to rate the project overall as “successful”. On the scores indicated, the self – rating is “partly successful”. This may vary from the participating core cities perspective – their anecdotal feedback would favor a successful rating.

14. While consultant inputs have been completed, it is considered that the processes and expected outputs will be realized by the cities given a longer time perspective. Consequently, there is no doubt that from this project, the cities will in the near future, achieve beneficial outcomes [in terms of service improvements] for their citizens. For Bangaloreans, there will be improved footpaths, greater food safety, more effective property taxation and access to clean community toilets. There will be improved food safety and recreation facilities in Colombo while Cebuanos will enjoy improved housing arrangements for the urban poor, greater efficiency in a range of municipal functions such as procurement and a host of smaller changes such as medical service delivery for mothers and their children. Finally, all cities have the ongoing capacity and greater motivation to initiate service improvement studies.

1.3 Lessons learned

15. In the first RETA that dealt with continuous improvement and benchmarking, it was proven that the methodology was applicable to cities and service enhancements could be made. However, a number of lessons emerged from that project that were built into this project’s design. They were:

1. Do not spread efforts over too many cities– this time we focused on three core cities;
2. Minimize cultural barriers – the study was confined within a country [although 3 countries were included];
3. Back winners – so Colombo, Bangalore and Cebu were chosen;

4. Increase critical mass – so more coordinators were trained in this project;
5. Overcome communication barriers – achieved by having domestic [NGO] consultants act as resident monitors;
6. Build supportive networks– which resulted in including three satellite cities per country;
7. Achieve greater involvement of civil society – emphasized in the setting up of institutional arrangements;
8. Institutionalize change cultures for longer-term benefit – more emphasis placed on this aspect of change.

16. While the lessons of the past were learned and acted upon, for example, in redesigning the training approach to significantly increase capacity building effectiveness, nevertheless known and new problems arose principally through the greater emphasis on achieving institutionalization.

17. In the opinion of the consultants, these are the major factors:

1. **Lack of senior political continuity.** It was assumed that support would occur because the choice of the core cities was based on their past success and they each made commitments to the ADB in terms of their support levels. Mayors particularly exert significant influence on what is seen as important and must be done. During the project, Bangalore has had two mayoral changes and one new commissioner, Colombo had a new mayor and a fairly new commissioner and Cebu had a mayoral change shortly after the commencement of the project. In all satellite cities, there have been substantial changes in political leadership. This frustrated our efforts to involve mayors as those we briefed at the commencement of the project were subsequently replaced. In Bangalore's case, later contact with the Mayor indicated he had only just become aware of the program.
2. **Clash of priorities with day-to-day tasks.** This change program is not the only activity being undertaken by the cities who are engaged in other major projects, some funded by external donors [such as GIS in Colombo] and others set by incoming mayors. These projects, plus ongoing day-to-day work, crowd out the opportunity to address change issues [which tend to be more in the hard basket]. Given that there is reliance on part time involvement of trained personnel who usually hold managerial roles, it is understandable there has been considerable slippage in implementing their change plans. Apart from Colombo, no other city had established a permanent institutional unit charged with change program coordination. Even in Colombo's case, it's institutional change unit was more preoccupied overseeing major donor projects involving fund expenditures than on service delivery and achieving cultural change within the organization. Towards the end of the RETA timetable, Cebu did form a small unit and assigned several administrative support staff and Bangalore have proposed setting up a unit but needed donor support to do so.
3. **The underlying management system is geared to inputs and there is no performance management culture.** While all involved expresses good intentions on service delivery to citizens, the fact is that the cities, as bureaucracies are more concerned with budget allocations than measuring service performance. There is almost a universal lack of any service delivery performance standard and actual measurement yet the notion and benefit of doing so is intellectually understood. Managers are not explicitly judged in terms of service performance and all cities lack an up to date master list of services delivered. With little pressure exerted in terms of service performance standards the cities can proceed at their own pace. Crises, rather than management, seem to be the major driver of change.
4. **Reluctance to assist satellite cities.** Core cities, although they had trained personnel who were capable of assisting the satellite cities, were extremely reluctant to visit the cities and assist them. This appears to be traceable to the fact that no formal obligations' had been signed between the mayors and therefore it was perceived as an avoidable task. Furthermore, assisting the other cities required extra effort and personal lifestyle disruption for which no recognition or reward was attached.
5. **Weak management practices.** Observation of the cities and how they organize themselves [meeting schedules, agendas, decision making practices, follow through etc] would support the view that management practices are weak. This in turn means that institutional arrangements to underpin change programs such as Steering committees, working groups, work plans, documented processes are often practiced inconsistently and without such discipline, accountability can be avoided, deadlines

slip and less than satisfactory analysis may be accepted. This means attention has to be directed to building these fundamental management practices into the organization as a precursor to change programs.

6. **Team activities are not naturally accepted within the culture.** Core cities exhibited a strong autocratic style with instructions coming down from the mayor or administrator and in turn, instructions are passed onto staff. The concept of team working with equality between members, irrespective of their role in the organization, is somewhat alien. In Bangalore's case, having team leaders present their service improvement proposals in an open forum that included their superiors and the mayors, was seen as a radical step, breaking away from the hierarchical reporting usually practiced. While 'teams' may appear to work satisfactorily within a training environment this is not the case back in the workplace. This deficiency has implications for future project design.
7. **Managers, concerned with personal risk are wary of change.** This is an issue in change programs whether in Asia or other regions. It results in managers not wishing to participate in change initiatives, in not wanting to release personnel for change projects, for being negative about change proposals and in not being thorough in their analysis so that some options for change are ignored. The implications for future design is extending the time needed to implement a change program and to widen the training and mentoring program to allow consultants to work with individual managers and build their confidence to promote and adopt change.
8. **Lack of funding to initiate change proposals.** A number of change proposals will require additional funding, whether that be for training, staff, facilities, citizen awareness programs, etc. For example, in changing the service of a child health care clinic, some money had to be found to provide benches to allow mothers to sit while awaiting doctor consultations. In Bangalore, addressing poor footpaths and the lack of community toilets means finding the funds to implement improvements. In future projects concerned with change programs, some funds should be set aside both in the city's budget and in the donor grant, to provide some funding of approved change proposals.

18. As mentioned earlier, some of these problems are not new but they became more significant in trying to achieve institutionalization of continuous improvement. Because of these problems, overall, the project has suffered substantial time slippage. Action was taken at various times to halt this problem. It included initiating special visits to Cebu and Bangalore to meet with officials and seek to increase their efforts. It also involved making special arrangements to attend the Asian Mayors Forum in Bangkok to meet with the attending Philippine cities involved in the project and to also meet with the Sri Lankan cities and the new mayor of Colombo. Those discussions were focused to getting Mayoral attention on the project. Even so, a three-month extension of time [making overall duration 21 months] was sought from the ADB and granted. Despite this, the cities did not have sufficient time to implement their identified service improvements before the project concluded. Apart from the time slippage, quality of analysis and process conformity also required attention. Without sufficient practice of the service analysis techniques, designing and applying citizen surveys and measuring service performance, the trained personnel within each city have not yet fully developed their skills. It will take another twelve to twenty-four months [or expressed another way, two to three more service analyses] for trained coordinators to have honed their skills.

19. While the above factors, under the control of the city, can be considered in designing future projects that seek similar outputs and outcomes, there are some lessons also in terms of the existing project design.

20. It could be said that the project design was ambitious and not sufficiently realistic about a) project duration, b) assumptions and c) resourcing. This project was concerned with achieving change not principally through the efforts of the consultants but through the organization developing and applying new skills and operational practices. This takes considerable time. It should be said that the core cities themselves are proud of their efforts and pleased about what they have accomplished within the project time frame, yet the project expected more.

21. Either the design timeframe needs to be reconsidered for future single projects or alternatively a series of RETA's are designed, each linked and building on the achievements of the past. This would provide a longer – 3 to 5 year implementation period to reach the desired outputs and outcomes. This would also allow for strategies to be implemented that accommodated political leadership change and avoid the likelihood that assumptions are unrealistically optimistic.

22. A longer time frame would go some ways to addressing resource limitations. This project aimed to instill a change culture and change service performance in three core city bureaucracies whose combined workforce totaled over 25,000. This is a considerable change objective. To do this, just over 2 months of international consultant resources per core city, was allocated, spread over eighteen months and assigning more than half of this for training their staff. This has turned out to be insufficient as more onsite presence is required to build and sustain momentum. There will always be resource limitations and the question arises, are there other alternatives or complementary ways of achieving the objectives? Some suggestions are set out under 1.7 Future Projects of this Nature.

23. In summary, a change project concerned with institutional change must take a longer perspective and require greater resources than was possible with this project. This may be facilitated in future through a series of linked Technical Assistance projects within the context of an ADB CSP.

1.4 Project Design Changes

24. A number of the lessons learned became apparent as the project progressed. As a consequence, a number of steps were taken to try to diminish the risk and impacts. Design changes initiated included:

1. Rescheduling of international consultant visits;
2. Special visits to Mayors to generate impetus [one to Bangalore in April 2002, two to Cebu, May 2002, September 2002];
3. Attendance at the Asian Mayors Forum [July 2002] to meet with Sri Lankan and Philippines mayors;
4. Funding of external training to boost Cebu coordinators skills;
5. Combining training events for core cities with satellite cities to assist core cities;
6. Quality assurance of city improvement proposals;
7. Changing reporting lines to make them direct from city to ADB secretariat instead of via the consultants;
8. Requesting time extension of three months;
9. Varying domestic consultants in Philippines and India to get greater impact;
10. Bringing in closer municipalities as 'partners' for Bangalore as communications with them are easier; and
11. Deferring domestic consultants' time usage for monitoring if the city was not achieving progress to avoid unnecessary spending of scarce TA funds.

25. Trying to keep the project on schedule and where necessary, modify the design to meet the evolving circumstances, has meant over 1500 emails have been generated as the international consultants sought to maintain communications with the cities between visits [effectively 19 months of the twenty-one month elapsed period]. In addition, the secretariat maintained a webpage and requested reports from the cities.

1.5 Evaluation and Sustainability

26. The post project evaluation criteria used by ADB is referred in shorthand terms as REESI. R is for relevance, E for Efficacy, E for Efficiency, S for Sustainability and I for Institutional Development. The following comments do not replace the typical post project evaluation but at this point of time, provide some insights to the consultant's perspectives.

27. There is no doubt in our mind that the project was **relevant**. The potential to improve services to citizens is substantial, before the project began, during its performance and after the project concluded. This is apparent to all core cities that participated. Satellite cities who attended various briefings and whose officers were trained would also readily admit the relevance of the project.

28. In terms of **efficacy**, this can be split into two. What the consultants did and what the project achieved. The consultant outputs [trained personnel, institutional guidance] are considered by us to have been delivered effectively, within the design framework for the project. However, the project has not been as effective as expected due to the reasons indicated under 'lessons learned'.

29. Core cities were **efficient** in what they have done [subject to the issue of delays] and when appropriate, combined training events for core and satellite cities were held. Costs were minimised in mixing international-domestic and city personnel. This maximised the availability of international consultants and provided greater opportunities for skill transfer.

30. **Sustainability** is another issue. If cities are left entirely to their own efforts from the date of the project completion, it is highly unlikely they will continue to build momentum and continues to fully support the satellite cities. Cebu does appear to have sufficient critical mass to sustain their efforts as it is strongly identified with the current mayor. Colombo has inadequate motivation as it appears to lack mayoral support and has other funded aid projects as priorities. Bangalore may be able to continue their existing programs though probably gradually winding down after implementation of existing targeted services occurs. This view is based upon the absence of permanent coordinating units in Bangalore to provide a backbone and the loss, through retirement of two well-trained senior coordinators.

1.6 Work remaining

31. At the time of this report, the cities project status was as follows:

Table 3 Output	Bangalore	Colombo	Cebu
Capacity of personnel	Need to train more managers and inaugurate more teams	Need to continue their training program [visit Cebu to observe their approach – [see recommendation 1 below]	Sufficient – need to fully utilise
Service improvements of designated services	Implementation required	Implementation required	Implementation required
Community Involvement	Introduce into service improvement studies	Get Mayor to signal approval and integrate with his NGO [PPP] initiative.	Introduce into service improvement studies and identify current attitudes to service delivery [see recommendation 3 below]
Institutionalization	Need permanent secretariat and action plan [see recommendation 2 below]	Need refocus existing secretariat	Need consolidate recently established unit and updated action plan
Satellite city participation	Need to sustain efforts	Need to sustain efforts	Need to sustain efforts

32. It is recommended that the ADB consider assisting the cities achieve sustainability through:

1. Funding the setting up of a permanent Bangalore secretariat. Initially, this could employ, on a part time basis, the recently retired trained coordinators who are very familiar with the city and have both successfully headed change projects. The city would also second several persons to

this unit on a part time basis. While ADB could use remaining RETA funds to do this for a limited period [say six months] there is a need to consider if such support could be provided in future projects for a longer time period – say twenty-four to thirty-six months so as to ensure the unit function becomes accepted and embedded. This secretariat is a priority because the change program within Bangalore has lacked a catalyst for sustainability even though they have talented individuals capable of leading and achieving change.

2. Funding a study trip to Cebu by Colombo [three persons] with the intent of acquiring first hand knowledge of Cebu training programme which has resulted in more than 500 persons trained in basic improvement techniques. This again could use some existing RETA funds and should be done before June 2003 in order to remain current. This is a priority to stimulate investment in training in Colombo and thereby achieve greater critical mass for change within such a large municipality.
3. Funding a citizen survey for Cebu which would assist them in identifying those services which should be given priority for analysis and improvement. This project is a priority to improve the city's ability to focus on services that matter rather than as tends to occur at present, attention is given to internal small step processes that have little visible external impact upon the lives of Cebu citizens.

Separate correspondence from the cities has been prepared on these matters and forwarded to the ADB. Subsequently, ADB have indicated that they are unable to fund these recommendations from unexpended RETA monies.

1.7 Future institutional change projects

33. In future projects seeking institutional change, the following design considerations should be taken account of:

1. Establishment of permanent change coordination units within each city;
2. A substantial full time commitment initially by city personnel to allow a number of change projects to be analysed and implemented within a short time. This would build tangible evidence of benefits and confidence in the process by political leadership;
3. Secondment of key city personnel to sister or sponsoring cities to gain first hand experience of change methods, service focus and standards and management practices;
4. Greater international consulting commitment to provide the initial impetus especially covering the early meetings of the institutional organisation arrangements [such as working group meetings, steering committee meetings etc] so as to observe and provide counselling;
5. A longer term project period [sufficient for cities to become so involved they no longer think of it as a project but instead as an ongoing strategy] which better accommodates the change absorption rate of cities, given their many other competing priorities;
6. Clearer project performance goals for cities in terms of implementation milestones;
7. Having mayors report directly to the ADB on progress rather than indirect reporting via the consultants and the secretariat. This should enhance accountability;
8. Seek to have the cities complete a pre qualification project phase concerned with defining their major services and setting out current standards. This in itself may require technical assistance.
9. Include some 'reward and recognition' component for successfully implementing service improvements - whether it be recognition through attendance and presentation of findings by team leaders [not necessarily mayors] at a peer event like an Asian Mayors Forum, publication of

names on websites, media exposure, service awards and medallions or even the funding of training offshore;

10. Seek to have the client city allocate or acquire some budgetary funds [could come from the State Government as an innovation incentive] to accommodate the financing needs of change proposals and allow for some similar funds within the technical assistance; and
11. Devote more efforts to training the ‘accountable officers’ who are responsible for day-to-day management of the change program and consequently need greater depth of skills in culture change and change management.

34. There are other ways of achieving institutional change and improvements in city’s service delivery. They should not be discounted. They include:

1. Using BOOT projects and outsourcing;
2. Management secondment and exchange possibly through twinning;
3. External catalyst such as a major event [Asian Games etc];
4. Designation as a Centre of Excellence or Model City and supported by government funds;
5. Investment centre status including tax free zones that place pressure on improving infrastructure and services;
6. Imposition of higher-level government obligations such as ‘best value’, ‘corporate planning’ results based management and governance practices, combined with targeted training programs.

These alternatives are not mutually exclusive and could be used singly or in combination with one another.

1.8 Knowledge Management

35. This RETA has benefited from the knowledge and experiences gained from a prior RETA that introduced and demonstrated the application of benchmarking and continuous improvement as viable change strategies. In turn, there are lessons to be learned from this project as well as access to newly created training materials, service analyses, processes including service selection, formation and conduct of change organisational arrangements.

36. It is recommended that those within the ADB engaged in urban change be made aware of the project results and lessons learned and that wider dissemination take place among Asian cities striving to improve their citizen services. Core cities participating in this project could also be asked to share their experiences at events such as the Asian Mayors Forum or a CityNet event and accept an ongoing role as a reference point for those exploring how to proceed with institutional change.

1.9 Acknowledgements

37. Each core city has, despite various obstacles, invested considerable efforts to improve their services. We acknowledge their participation, commitment, results and assistance and thank them for their support and friendship.

2 Initial Project Design and Plan

2.1 Introduction

38. In December 1997, the Asian Development Bank approved a regional TA1 to test the use of benchmarking and continuous improvement techniques as a means of improving the delivery of municipal services. Improvements in delivery of such services are seen as the most direct channel for governance to impact poverty reduction and quality of life. The TA also intended to create an active network of municipalities to exchange information on successful change efforts and good practices.² Services that were benchmarked included resolution of complaints and public grievances, solid waste education and enforcement, property tax assessment and collection, and parking.

39. The TA demonstrated that the techniques are relevant for municipalities. Several of the participating municipalities implemented changes to increase their customer orientation, improve quality and coverage of services, and enhance revenues. Equally important, the municipalities enthusiastically supported implementation of the techniques as they discovered the resulting benefits.

40. The pilot TA demonstrated that benchmarking is a useful technique for promoting change and improving service delivery at the municipal level. Also, the failure of a number of cities to derive significant benefits from the program and lack of institutionalization of the process in others, has led to a number of lessons learned. These include the need to train more coordinators per city to protect against dropouts, the importance of locking in senior municipal elected and appointed executives to provide leadership, the need to establish local benchmarking partners for sharing experiences and making comparisons, the importance of consumer surveys and community participation for sustaining efforts to improve the quality of services, and the need to allocate a longer time than originally anticipated to build a continuous improvement culture and capacity.

41. The experience gained from the above TA was used to design TA 5959 entitled “Enhancing Municipal Service Delivery Capability (Phase II)” which is the subject of this Final Report.

2.2 Project design and deliverables

Objectives

42. This TA aims to institutionalize the modified benchmarking and continuous improvement program for effective delivery of municipal services within the three most successful municipalities in phase 1. i.e. Bangalore, Cebu City and Colombo designated as core municipalities; and introduce these techniques to an additional nine municipalities. Specifically the TA will:

- (i) build the capacity of core municipalities to drive and implement change;
- (ii) use the core municipalities to mentor three other municipalities in each country on the use of benchmarking and continuous improvement techniques;
- (iii) establish a mechanism for participation and feed back from the community and non-government organizations (NGOs) on the effectiveness of delivery of municipal services, and publicize the results through the media; and

¹ TA 5764-REG: *Enhancing Municipal Service Delivery Capability in Selected Developing Member Countries*, for \$550,000, approved on 24 December 1997.

² The municipalities that participated in this TA are Shanghai, (People’s Republic of China), Bangalore (India), Semarang (Indonesia), Kuantan (Malaysia), Peshawar (Pakistan), Cebu City (Philippines) and Colombo (Sri Lanka). In addition, the German Technical Cooperation sponsored the participation of Bandung and Surabaya (Indonesia), while the United Nations Development Programme/United Nations Centre for Human Settlements (Habitat) Urban Management Programme sponsored Lahore (Pakistan).

- (iv) expand the communication network of the municipalities to facilitate comparing performance indicators, sharing experiences and learning good practices in the delivery of municipal services.

Scope and Approach

43. A major project design innovation [compared to the prior RETA 5764] is to use the core municipalities to provide leadership in the application of these techniques by mentoring selected other municipalities in the country. Local benchmarking networks will be formed to transfer knowledge, share training opportunities, compare experiences, and learn from good practices on municipal service delivery. The benchmarking coordinators in the core municipalities will train the staff of their partner municipalities, and have them participate in meetings, local seminars, and workshops to share experiences.

44. The TA will help the core municipalities undertake the following tasks:

- (i) Define and map processes for a number of services; and develop, collect, and analyse performance data and indicators.
- (ii) Implement proposals that will improve the quality, efficiency and responsiveness of the selected municipal services.
- (iii) Institutionalise simple systems to measure service performance.
- (iv) Establish mechanisms for participation and involvement of other stakeholders in implementing improvement proposals and monitoring performance.
- (v) Foster visible leadership for change by senior officials, and create an ongoing organization structure and process to select, analyse, benchmark, and improve services.
- (vi) Build local benchmarking networks, train staff in partner municipalities, and compare performance indicators and process maps with their benchmarking partners.

Outputs

45. The following outputs will be produced jointly by the consultants and the municipalities:

- (i) Enhanced capacity of municipalities to pursue systematic improvements in municipal services;
- (ii) Institutionalised mechanism for participation and feedback from all stakeholders;
- (iii) Improvement in delivery of at least 2 services in each municipality;
- (iv) Internal facilitators/ trainers trained in continuous improvement techniques and able to sustain a performance-improvement program in all selected municipalities;
- (v) Staff in each municipality trained and competent to continue the process of continuous improvement after completion of the RETA;
- (vi) Each municipality provided with advice/ practical suggestions on institutional arrangements for assessing customer satisfaction;
- (vii) Completed process maps for at least two municipal services in each municipality;
- (viii) Sets of measured performance indicators for each of the services mapped;
- (ix) Institutionalised simple systems to measure the performance;
- (x) Improved process manuals for each service measured prepared by the teams in the municipality;
- (xi) Improved handbook documenting processes which will serve as a guide for other municipalities engaged in continuous improvement;
- (xii) Two workshops in each country where the municipal managers are able to share their experiences of the RETA;
- (xiii) An expanded network of municipalities for comparing performance indicators, sharing experiences and learning good practices in delivery of municipal services; and
- (xiv) Reports required by the Asian Development Bank."

2.3 Project timing

46. The Project plan originally proposed by the Consultants and subsequently accepted by the Bank had the project scheduled to commence in the second week of July 2001. Due to logistical difficulties because of a Tamil attack on Colombo airport in July 2001, a deferred date of August was sought from the Bank and subsequently approved. The Consultants arrived in Colombo on the 5th of August to commence the project.

47. The project has five main themes; they are:

1. Capacity building;
2. Civil participation;
3. Service improvement.
4. Institutionalization; and
5. Networking.

48. For each of the items 1 through 5 above, we now submit the following overview on what has been achieved to-date and further to this, we detail achievements by individual country in the appendices.

3 Progress achieved

3.1 Capacity building

49. Coordinator training has been divided into two phases. Phase I will deal with Continuous Improvement skills and Phase II Benchmarking and Networking. All Phase I training was completed. Phase II training was conditional on the progress made with their service improvement studies. As progress was very slow, the Phase II training has only been conducted for Cebu. Colombo received a repeat of Phase I training with an abridged version of benchmarking content but this was delivered also to participants from all three-satellite cities. Bangalore also was not ready for Phase II training but it was given refresher training on Phase I which specifically included participants from additional satellite municipalities, seven in total.

50. Overall, training effort for coordinators is summarized as:

Table 4 Training Inputs	Bangalore	Colombo	Cebu
Phase I training Persons attending Duration of session Total person days [inception report page 8]	16 10 days 160 person days	13 10 days 130 person days	18 10 days 180 person days
Phase II training Persons attending Duration of session Total person days	5 .5 days 2.5 days il	15 1 days 15 person days	20 .5 days 10 person days
Phase I training refresher including Persons attending Duration of the session Total person days	20 2 days 40 person days	15 4 days 60 person days	nil
Training workshop conducted by core cities alone for themselves or satellite cities	nil	12 1 day 12 person days	300 (est) 5 days 1500 person days
Special training as 'train the trainers' for coordinators [Cebu only]			20 (est) 5 days 100 person days
Total person training days	202	217	1790

51. The original plan was for the Consultants to train core city coordinators only, followed by the core city coordinators training the satellite city coordinators. For all cities, the "coordinators" would make up the first two improvement teams in all cities. However in all three-core cities, satellite city coordinators were invited by the core city to attend the training to maximize the effectiveness of the training provided by the Consultants.

52. The content of the Phase I and Phase II training is included in the attached CD.

53. Training fell short of the desired levels because firstly, core cities failed to conduct the intended training for satellite cities because their own programs had fallen behind schedule and it was a case of fixing up their own situation first. Secondly, core cities were reluctant to take on board their training obligations. However, there is no doubt that the cities have personnel well qualified to conduct training. In the project inception report [page 8] the participants attending training rated their own competency to present training and a number answered positively. Furthermore, in Bangalore, during second Phase I training in March 2003, coordinators made presentations of methodology and its use in their case studies. They were also able to involve participants by using the local language.

54. Satellite city training needs are in our view, still unsatisfied and need to be addressed by core cities even though the project period has ended. Although the risk of not supporting satellite cities was identified at the outset, the deficiency became progressively more obvious as the project proceeded to not the consultants but also coordinators in each core city.

55. One pressure exerted by the core cities was to ask the international consultants to pay for bringing the satellite cities into the core city location and conducting combined training. This was done reluctantly on several occasions and while solving a short term problem did not address the longer-term problem of having core cities support their satellites. Bangalore recognized the difficulty in dealing with satellite cities located some distance away and in early 2003 chose to include the immediate surrounding municipal administrations, seven in all. They are a) Byatarayanapura b) Yelahanka c) Kengari d) Mahadevapura e) Dasarahalli f) K.R. Puram and g) Rajarajes warinagar. An introductory training session was held for twenty personnel from these organizations in March 2003 involving both the international consultants and also the Bangalore coordinators who were able to present their current service studies to illustrate various facets of initiating a change program.

56. Each coordinator was issued with a comprehensive Manual that was developed in the first project (the Bank has a copy of this manual) plus seven 2-page “tools” covering most of the change subjects (these tools were included in the inception report) plus electronic copies of all the training materials used by the Consultants.

3.2 Institutionalization

57. The achievement of institutionalisation within the three core cities requires the cities’ management and key elected officials to have:

- **Awareness** of what institutionalisation means;
- **Understanding** of CI and BM processes;
- **Organisational arrangements** to drive and monitor change;
- A set of **working procedures** that enable change projects to be identified, prioritised, initiated, approved, implemented and evaluated; and
- **Commitment** of the management to applying the working procedures.

58. These five themes were, for the project, embedded into eight institutionalization objectives, namely:

1. Mayor, councilor, senior management and middle management from the three core cities, supporting this project and the need for sustainable improvements of municipal services in the future;
2. Establishment of a common understanding between all mayors of their city’s obligations and this Projects objectives and their willingness to participate in it;
3. Establishment of a senior management steering committee for this Project and future projects;
4. Establishment of a Project management group to deal with the week to week events concerning this project;
5. Establishment of a method to select and prioritise services for improvement;
6. Establishment of a process to manage continuous improvement projects;

7. Establishment of a “cluster” mayor steering committee to oversee the overall project including the relationships and progress of the three cluster city attached to each core city; and
8. Establishment of new budgeting and control procedures that better facilitates service performance measurement and recognition of improvement initiatives.

59. As a first step towards achieving this status, visits were made to all three-core cities [Colombo and Bangalore in August and Cebu in October 2001]. All visits for institutionalisation were of two weeks elapsed time. Following on from these initial visits, additional advice and technical support was given on these site visit occasions:

- April 2002 – Bangalore – 1 week
- May 2002 – Cebu – 1 day visit
- July 2002 – Bangkok – meeting with Philippine and Sri Lankan Mayors
- September 2002 – Cebu – 1 day visit
- March 2003 – Bangalore - 1.5 weeks
- March 2003 – Cebu and Colombo – 1 week each as part of the final review

60. As a consequence, this is the achieved status:

Table 5 Objective	Colombo	Bangalore	Cebu
1. Mayor, councilor, senior management and middle management from the core cities, supporting this project and the need for sustainable improvements of municipal services in the future;	<p>One-day workshop delivered to senior managers and mayors.</p> <p>One-day workshop delivered to middle managers.</p>	<p>One-day workshop delivered to senior managers and mayors.</p> <p>One-day workshop delivered to middle managers.</p>	<p>One-day workshop delivered to senior managers and mayors.</p> <p>One-day workshop delivered to middle managers.</p>
2. Establishment of a common understanding between all mayors of their city's obligations and this Projects objectives and their willingness to participate in it;	<p>Colombo Mayor, Kandy Mayor, N' Eliya Mayor and Kotte Mayor were all briefed on this project.</p> <p>All four mayors attended the mayor and senior management one-day workshop.</p> <p>At an Asian Mayors Forum, [July 2002] the Colombo and attending Sri Lankan mayors were briefed on the project, its status and the immediate steps needed to maintain</p>	<p>Bangalore Mayor and Bommanahalli Administrator were briefed on this Project.</p> <p>Mysore Mayor attended the senior Management workshop.</p> <p>The Tumkur Administrator has not been briefed, as the position was vacant.</p>	<p>Cebu Mayor and the Mayor of Iligan were briefed on this Project.</p> <p>Both the Cebu and Iligan mayors attended the Mayor Senior management workshop.</p> <p>The Naga and Tagbilaran coordinators took on the responsibility to brief their mayors when they returned from their training program.</p> <p>Cebu coordinators and accountable officer visited all three</p>

Table 5 Objective	Colombo project impetus	Bangalore	Cebu participating cities and briefed their mayor and senior officers. At an Asian Mayors Forum, [July 2002] the participating cities of Naga and Iligan Tagbliran were briefed on the project and their role in sustaining project impetus. Cebu mayor submitted a last minute cancellation of attendance.
3. Establishment of a senior management steering committee for this Project and future projects	Existing executive committee used as steering committee.	A Steering Committee was formed and has a specific terms of reference. Meetings have been sporadic.	A Steering Committee was formed. but in practice, decisions are taken by the Mayor with possibly advice from the Chief Administrator.
4. Establishment of a Project Working group to deal with the week to week events concerning this project	Project Working Group [called Institutional Development Committee] already existed and was used as the management working group. It appears to be preoccupied with other major [donor funded] projects.	Senior Management Working Group has been established and has met on a number of occasions but has yet to meet according to its planned frequency.	Senior Management Working Group has been established and has met on an irregular basis although this has become more regular since late 2002.
5. Establishment of a method to select and prioritise services for improvement;	Index to the procedure manual has been drafted with draft selection criteria and forms to document service candidates. No evidence system is being used.	Index to the procedure manual has been drafted with draft selection criteria and forms to document service candidates. No evidence system is being used.	SPRING Manual has been drafted with draft selection criteria to select and prioritise projects. See appendix attached. Evidence system is used.
6. Establishment of a process to manage continuous improvement projects;	No formal process.	Process exists and current service analyses evidence the process is applied.	Process exists and reviews of project files proves that it is being adhered to. See also minutes of meetings that track and review project status.

7. Establishment of a “cluster” mayor steering committee to oversee the overall project including the relationships and progress of the three cluster city attached to each core city; and	Not completed, but included in the plan to be undertaken. Draft “Memorandum of Understanding” has been written for the four cities to sign.	A first cluster meeting was held in March 2003 at which coordinators briefed attending mayors on the proposed improvements to designated services [four]. Attending international consultant also briefed mayors on program overview and status of other cities.	Not completed, but included in the plan to be undertaken.
8. Establishment of new budgeting and control procedures that better facilitates service performance measurement and recognition of improvement initiatives.	Tasks have been planned and scheduled for completion but progress has not been achieved.	Tasks have been planned and scheduled for completion – forms part of another ongoing project. At projection completion this task was still outstanding.	Tasks have been documented in the SPRING plan but no completion dates have been set.

Details of the above institutional arrangements are detailed further in the appendices.

61. Overall, institutionalization has not occurred to the extent expected, although expectations may have been overly optimistic. Core cities need to do more to regularly prioritize and choose services for review. Oversight committees and working groups should meet more frequently and their discussions need to be more focused. Budgeting practices should be modified to add further urgency to engaging all managers in the pursuit of service enhancement and service performance target setting and tracking.

3.3 Civil participation

62. The four NGO participation objectives include the following:

1. Inclusion of a NGO or citizen representative on the Project Steering Committee;
2. Inclusion of a NGO or citizen representative in each of the service improvement teams;
3. Establishment of citizen communication channels into and from the city; and
4. Involving NGO or citizen groups in the assessment of service performance and reporting that performance back to the city for its attention.

63. In response to the above four objectives, we can report the following completed actions

Table 6 Objective	Colombo	Bangalore	Cebu
1. Inclusion of a NGO or citizen representative on the Project Steering Committee and	The City has deemed this objective as not practical and is not pursuing it.	The City accepts the objective and has appointed suitable people to the Steering Committee and to the	NGO and citizen representation have been appointed to the Steering Committee with the inclusion of

<p>Table 6 Objective Working Group.</p>	<p>Colombo Despite consultants discussing this matter [including getting the Mayor endorsement for this at a meeting in Bangkok July 2002] no progress has been made in terms of these roles for NGO. However, Mayor in March 2003 has initiated a PPP [Partnership Promotion Program] involving many NGOs which ought to be a forum for involving civil society.</p>	<p>Bangalore Working Group.</p>	<p>Cebu two external consultants. The Working Group has some NGO participation but this is through paid consultants to the city that have NGO background.</p>
<p>Inclusion of a NGO or citizen representative in service improvement teams</p>	<p>No</p>	<p>No</p>	<p>No</p>
<p>2. Establishment of citizen communication channels into and from the city</p>	<p>Mayor has very recently set up a separate channel for NGO and created an NGO forum to get direct access to their concerns. Refer to PPP</p>	<p>Yes. Civic group. However, the media are very active and on each occasion consultants have visited, there have been press releases prepared and articles published on service matters. Media also has a specific section for citizens to air service delivery complaints. Public Information Officer is a member of the working group.</p>	<p>City publishes a website on which details of services undergoing improvement are mentioned. Public Information Officer participated in many 'spring' events and meetings and is fully aware of spring objectives.</p>

3. Involving NGO or citizen groups in the assessment of service performance and reporting that performance back to the city for its attention.	Briefing workshop held for NGO representatives but further follow required. Surveys conducted for services targeted for improvement.	Several project briefing sessions held for NGOs however, no specific detail provided for conducting 'report cards'. Surveys conducted for targeted services.	Two workshops were held with an umbrella citizen group with the "report card" concept and method presented. Basic education has been achieved to-date; insufficient for full implementation. Surveys conducted for targeted services.
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64. In summary, Bangalore seems to enjoy a rigorous but open relationship with its NGOs and has had no hesitation in getting them involved, although it has to move beyond citizen surveys to actual participation in developing service standards and enhancing service delivery.

65. Cebu has a large NGO community and a reputation for community participation but to date the Mayor has resisted their involvement in the service enhancement project. This seems to stem from concerns that a) they may not be able to contribute b) unreal expectations may be set up and c) revealing problems of current service delivery may be used by political opponents rather than being placed into a positive context. However, many of the service improvement targets refer to internal processes and 'internal customers' so it is not necessary to have public participation .

66. Colombo city management appears to have little faith in what NGOs can contribute and the benefits of citizen participation and claimed the mayor was not in favor of this approach. However, the newly appointed mayor expressed a belief in and a commitment to get such participation to the international consultants at their Bangkok meeting. His recent action at setting up a NGO consultative group would bear out his expressed views. There appears to be a difference of understanding between management and political leadership about NGO participation. This needs to be resolved if the change program is to benefit from deliberately inviting the 'customers' point of view.

3.4 Networking

67. Networking occurs on three levels. Firstly, between the core city and its satellite cities. Secondly, between the satellite cities themselves. Thirdly across the core cities. To date, networking has been focused on the first networking type through the training program and the exchange of service improvement information. Some networking is taking place between core cities as they grapple with the same service issue [such as food safety] or because they have become aware through the consultants of differences in achievements. An example of this latter situation relates to the Cebu SPRING training program where they have put through close to 500 persons while all other cities have managed only 10 or less, and now the co-ordinators in Sri Lanka have requested that they visit Cebu to better understand how their SPRING program is being rolled out. The program design did not allow for this third networking category but there are definite benefits from cross core city interchanges.

68. Additional detail on the networking that has been achieved is shown in the following table.

Table 7. Networking events	India	Sri Lanka	Philippines
During initial training in August and October 2001	Nine Bangalore people networked with three staff from Bommanahali and four staff from Tumkur (see photograph below)	Nine Colombo people networked with four staff from Kotte	Eleven Cebu people networked with three staff from Iligan, and two staff from Naga City (see photograph below)
Mayor Forum held at Bangkok in July 2002	None attended from the Cities but 1 from a related NGO	Colombo- 6 Kotte - 1 Kandy -1 Nuwara Eliya- 1	Cebu – 2 Naga City – 1 Iligan - 6
Revision training held 2003	Thirteen Bangalore staff networked with one from Mysore, two from Tumkur, two from Bommanahalli and some thirty staff from seven surrounding municipalities.	Nine people from Colombo networked with two staff from Kotte, four staff from Kandy and three staff from Nuwara Eliya (see photograph below)	Training in Cebu in December 2002 involved some 20 staff from Cebu only
Satellite visit program during 2002	None took place	None took place	Cebu coordinators visited Naga City, Iligan and Tagbilaran, to present the program to senior managers and likely team members
Satellite city support and involvement in the project	None took place, other than participation in initial training.	Kotte staff visited the coordinators in Colombo on a weekly basis throughout February and March 2003 Colombo coordinators held a workshop in Kandy in March 2003 and this was attended by staff from Colombo, Kotte, Kandy and Nurara Eliya	Cebu coordinators held a workshop in Cebu in March 2003 and this was attended by staff from Naga City, Iligan and Tagbilaran

Participants at the Colombo Revision Training held in January 2003 involved staff from Colombo, Kotte, Kandy and Nurara Eliya (below).



The Engineering team comprised staff from Bangalore and Tumkur (below).



Cebu initial training in October 2001, involved staff from Cebu, Iligan and Naga City (below).



69. All participating coordinators lodged their contact details with the Consultants and this information was circulated back to each city. No tracking has occurred of the extent of inter city communications.

3.5 Service improvements

70. Each of the cities chose services to improve, based upon their own prioritization. A summary of the situation as at 30th March 2003, is set out below:

Table 8 Service Improvements	Bangalore	Colombo	Cebu
Services studied	Footpaths Community Toilets Food Safety Property Taxes	Food Safety Park Facilities	Housing for Poor Procurement Many other portions of service functions
Service study and recommendations completed	Yes	Yes	Yes
Citizen survey conducted as part of the study	Yes	Yes	No
Benchmarking of services with other cities conducted	No [but service analyses made available to other cities]	Yes [conducted some comparisons at Kandy workshop]	Yes [Held a working session with other cities – comparisons revealed opportunities to investigate
Recommendations accepted and implementation approved	Yes	No	Yes
Service implementation underway	Yes	No	Yes – for many components of other services but not for the two targeted services
Service implementation effective and post evaluation conducted	No	No	Yes – for a number of process changes made

71. As at March 2003, the Consultants would conclude that service improvement has not occurred to the extent expected from this project. Bangalore has the recommendations and the approach for improvements established and also some funding, but no actual improvements have been completed nor the effect of these improvements measured. Nevertheless, we expect the improvements to be implemented within 2003 and they are of such significance that customer satisfaction must improve and hygiene standard improve also. Colombo has completed the basic analysis but is far from implementing change. We suspect that some of their recommendations will get lost in the overall change and initiatives pursued by individual mayors as they change office and their success will be limited. In Cebu, although the two targeted services have not yet been completely improved, various aspects of them are planned for improvement and with the constant pursuit for change by their Mayor, and we expect change to gradually emerge over the next two years.

72. All of the outputs concerning service analysis and recommendations that has been provided to the Consultants, is included in the Appendices to this Report.

4 Resources

4.1 Human resources

73. The human resources for this project had four sources being:

1. The International Consultants consisting of three members (ACIG International);
2. One principal domestic consultant in each of the three countries;
3. One accountable officer and several project coordinators in each of the three core cities;
4. Team members for each targeted service in each of the twelve cities; and
5. In Cebu Philippines, a specialist consultant that trained on training skills.

In addition to the above resources, senior management, the mayor, and NGO representatives were involved in all countries to varying degrees.

4.1.1 The International Consultants

74. The International Consultants start date was delayed a few weeks in July 2001 due to the bombing at Colombo airport, and the project commenced in August 2001. The International Consultants, other than the NGO specialist, contributed the planned months but changed the sequencing to meet the project's rate of progress.

75. Because Colombo did not pursue a high degree of involvement with NGOs and their progress on service improvement teams was slow, Professor Etemadi who was specifically focussing on the issues of citizen involvement and NGO participation, did not return to that city for a second trip that was originally designed to review and consolidate their "citizen involvement performance" Her scheduled second visit to Bangalore was also deferred as not being warranted because NGOs in Bangalore were quite active and participated in the working group and steering committee.

76. In Cebu, it was a different situation as it was also the home base for Professor Etemadi. Although the Mayor was not keen to pursue citizen involvement, in the form of surveys and team involvement, there was some citizen involvement in the Steering Committee. In addition, the working group planned to complete citizen surveys in the future. Professor Etemadi was able to participate in Cebu as appropriate, an option that was not economically available for Colombo and Bangalore.

4.1.2 The Domestic Consultants

77. The first domestic consultant proposed for the Philippines initially accepted the role, but upon receiving a fee rate offer from the ADB that was set for "Domestic Filipino consultants" that consultant declined the assignment. The position remained vacant for nine months because a suitable replacement could not be found in Cebu. Subsequently, Dr Tom Fernandez, who had worked as a City employee in the first TA and been trained by the international consultants in change management methods, accepted the position after higher fee rates were negotiated. Dr Fernandez only occupied the position of Domestic Consultant for the last six months of the project and provided ACIG with some three progress reports over this period.

78. In Sri Lanka, we engaged a NGO, SEVANATHA who also conduct consulting engagements that involve government services and citizen involvement. The Colombo Municipal Council ("CMC") is one of its clients for projects either won in its own right or in conjunction with others. Overall we would say that SEVANATHA did not perform the project monitoring role as we would have expected. The consultant reported to ACIG that CMC was not forthcoming with information, and that because the project did not progress according to the

schedule [lack of meetings, little if any support to satellite cities], there was little they could do. We also consider that domestic consultants such as SEVANATHA may consider themselves somewhat in a conflict situation as they endanger their ongoing relationships by pushing for progress on projects. A conciliatory approach is probably preferred. This has implications for the design of future projects as monitoring may not be a comfortable role for a domestic consultant. ACIG received some five progress reports over the project period of twenty months.

79. The domestic consultant in India was STEM, and this organisation was similar to SEVANATHA in that its main business focus was on providing consulting services to government on participation and public infrastructure. Again STEM has worked with the Bangalore Municipal “Government” (“BMP”) but the culture allowed it to be more aggressive in pursuing progress. It provided some eight progress reports to ACIG over the Project period. Although STEM did a good job in monitoring and were participants in the technical training, they were not in a position to provide local technical assistance. This was outside their terms of reference deliberately as the onus was put on the city itself to build its skills base. However, STEM did recruit some ex-city personnel towards the end of the project that had the effect of building their expertise and credibility. This was a commendable initiative.

80. Overall we expected two benefits from using domestic consultants. Firstly, to have an onsite channel for information on project progress, independent of the city. Secondly, to provide another source of motivation to the project steering committee and working group. The fact that progress was slow in nearly all cities, left the domestic consultant will little to do, other than to simply report the lack of progress. The expectation that their presence would stimulate activity proved optimistic. The motivation for the cities comes almost entirely from the Mayor or Commissioner. This means in future projects, the role of domestic consultants needs to be carefully crafted and that they need a direct link to the mayor or commissioner to exert influence.

4.1.3 The Accountable Officer and Senior Project Coordinators

81. In each of the twelve cities we had a nominated Accountable Officer, but ACIG was only directly involved with the Accountable Officer in the three core cities.

82. In Colombo, the Accountable Officer was also the head of the Institutional Development Unit and the two senior coordinators were the same people as for the first TA. There were another eight trained coordinators in Colombo who were to lead the two improvement projects. In our view, this capability was significant yet the contribution by the Accountable Officer and the two senior coordinators was less than expected. There were a number of issues that we understand contributed to this outcome which in summary were a) lack of incentives to take risks in driving change and b) the need to complete other work that had much higher priority as it involved capital spending and had the donors on site.

83. In Bangalore the Accountable officer was the Joint Commissioner Finance as chair of the working group. He was supported by Mr Aradhya, Deputy Commissioner Revenue who shared the senior coordinator role with Dr Nagaraj, a senior health officer in charge of one BMP region. Both are experienced and fully trained continuous improvement coordinators. Although they were expected to drive change, their active participation was affected because apart from holding busy full time line management jobs they both reached retirement age during the project and consequently, left the employ of BMP. Despite their changed status, they continued to assist as far as practicable. The incoming senior coordinator and accountable officers are both senior managers. While this adds to the status and impetus they can give to a project, it also has disadvantages because of their need to attend to normal responsibilities. This is one reason why forming a supporting secretariat would be beneficial in Bangalore.

84. In Cebu the Accountable Officer was Mr Rene Sanapo, who was partially involved in the first TA, but had not been fully exposed to ACIG’s methods. He does have excellent project management skills and the knowledge of earlier SPRING I methods. Rene is a contract consultant to Cebu City and is not an employee. Accordingly he shares his available time over a number of clients and this TA attracted less than half his available time. Of the senior coordinators (about ten), only one, Mrs Suzanne Ardos had significant experience with the previous TA. Because the Project leveraged off SPRING I to become an enhanced SPRING II program, it secured the support of the Mayor and attracted a sizeable budget and importance. The Project, although languishing in the early period, did get a greater degree of stewardship from Mr Sanapo, from June 2002 onwards, and greater progress was made. Overall we would say that the management of the

SPRING II Project has been satisfactory, although we have concerns over the sustainability of the program because of the lack of permanent tenure of Mr Sanapo and the absence of a senior person to whom the role of Accountable Officer could be assigned.

4.1.4 The Team Members

85. In most cities, the contribution from the team members has generally been less than expected. This is not a reflection upon the individuals' capability but rather on the lack of institutional process within the cities. The deficiencies can be grouped under three categories:

- Quantity – our observations indicate that team members did not meet regularly and devote the time needed to carry out a thorough evaluation of the various service subjects. Part of the reason for this is that they all hold full time jobs and their service improvement task has to be fitted around their day to day responsibilities. A second reason is the lack of discipline by team leaders and coordinators to set up scheduled meetings and adhere to them. Meeting practices generally lack the discipline of minutes, action points, insistence on deadlines and assignment of accountability. The lesson from this is to set a short month duration for projects and insist on frequent meetings in order to meet the shorter deadline. It also means ensuring the time commitment being made is explicitly stated and agreed to by those in leadership roles.
- Quality - The quality of the teams' analysis and identification of service weaknesses and waste reflects the team members' ability to identify such issues and also to have the political courage/ will to present these findings to senior management and to the mayor. However, it has proven very difficult for the team members to identify service weaknesses other than the obvious issues. Other opportunities for improvement such as failing outcomes, occupational health and work safety, financial risk, forecasting and planning, fraud and corruption, asset custodianship, resource management, demand management, service promotion, staff training and effective management style were generally not considered. The lack of depth of critical evaluation stems in part from a lack of opportunity to practice such skills – such as by being involved in at least five to ten project improvement events - under the leadership of well experienced coordinators. The lesson therefore is to ensure trained team members are scheduled, over a two year period, to practice their skills until they reach a competent level. It also means expecting more challenge and guidance from the trained coordinators.

4.1.5 The Cebu Specialist Consultant

86. Teams and coordinators, apart from acquiring specialist analysis and benchmarking skills, need also to be good at training others. This need became more evident in the case of Cebu that chose to run a very large training program – over 300 persons were trained and the target was 500 by early 2003. To assist in building these 'train the trainer' skills among the Cebu coordinators, a specialist consultant was engaged through the RETA. The firm Resource Associates was engaged and its principal, Ms Gloria Ceno delivered a five day residential program called the 'Spring Trainers Training' in the period May/June 2002. Although this had not been initially considered when the RETA was designed, the international consultants considered the investment worthwhile in enhancing Cebu capacity and ensuring that trainers could effectively pass on their acquired benchmarking and continuous improvement skills.

4.2 Financial resources

87. The RETA resources committed to this project were USD380,560 and of this amount USD372,828 was treated as contracted amounts to ACIG with the balance retained by ADB to partially fund a resident Manila secretariat directly during the contract and cover contingencies and foreign currency fluctuations. As the RETA progressed, a number of variations were progressed which in summary altered the contractual amount. The details of these variations are contained in the appendices to this report.

88. At the conclusion of the contract, some USD220, 000 expenditures had been incurred. The reasons for the USD150,000 underspending were principally:

- Domestic consultants were scheduled to monitor activities in core and satellite cities but as many activities did not occur, their inputs were not required – USD47,000;
- Travel to satellite cities by the domestic consultants did not occur because the core cities did not proceed with their satellite city training and support to the extent expected – USD27,000;
- Core cities did not sustain a visitation program with satellite cities as planned – USD27,000 for travel, workshops and seminars;
- Indian based mayors were unable to attend the Mayor Forum – USD17,000
- Core cities failed to conduct the service surveys expected of them – USD21,000;
- Communication costs for the International Consultants relied principally upon e-mail and the allowance for telephone and fax was not necessary or incurred – USD5,000;
- The computer and/ or training equipment for CREMDEC was not required – USD3,000; and
- Other smaller costs were not required – USD3, 000.

89. Since the completion of the contract, requests have been submitted by Colombo and Bangalore for financial support that would occur after the end date of the contract. These are estimated to cost approximately USD28, 000. They have not been provided for in comparing contractual and actual expenditure at the conclusion of the contract.

5 Knowledge Management

90. All projects provide an opportunity to apply new approaches and learn from the implementation experiences. This project is no different. It has proven once again that the management techniques of continuous improvement and benchmarking do lead to service improvement within cities. However, it also reveals that there are lessons to be learned in trying to institutionalise a change culture within cities [see section 1.3] and provides guidance for the design of future change projects [see section 1.7].

91. In summary, those lessons were:

- a. A change project like this needs senior political support which also infers political continuity. This is not easy to achieve where mayors change at yearly intervals and each one brings his or her own urgent agenda to the table. This means that change projects need to get wider buy-in, from current and prospective mayors, key council committees, senior management and also external pressure. If the municipality was working within the context of a three to five year corporate plan that addressed service improvement, then that could also assist in getting continuity of leadership commitment.
- b. Achieving change requires focus and resources. Municipal officers have many competing priorities and 'change' is seen as a deferrable activity. Sporadic dedication to change projects is ineffective and causes a loss of momentum and commitment because results are too slow in emerging. The remedy is to recognise that the benefits of change justify assigning dedicated management and personnel resources that should focus upon completing short cycle duration projects that can produce tangible results quickly.
- c. Elsewhere, team approaches to analysing problems and developing solutions have proven to produce practical improvements that are implemented. However, in government service, the operating mode appears to be hierarchic with the senior manager expected to be the font for all knowledge and provide improvement solutions. Switching to a team approach presents a cultural challenge. It means that change programs need to incorporate more coaching time for managers, the identification of managers willing to try using team approaches and some early wins and recognition for team members and their efforts. It also suggests that greater patience is required as such change is challenging ingrained management cultures.
- d. Remote assistance from international consultants is problematic. Field time generates much activity but as soon as the consultants leave, there is a relaxation of efforts, despite having agreed project schedules. Using domestic consultants has not proven to be the answer as they are reluctant to push the city managers partly because they do not want to alienate themselves with colleagues and possible future clients. One answer would be to arrange for significant international consulting field presence in the beginning of any change project to build sufficient momentum linked with full time commitment of city personnel. Another solution would be to have any change program preceded by nominating several municipal managers as the change leaders and then expose them to other city practices through secondment, before embarking on their home city improvement program.

92. This project contains information of relevance to:

- Participating cities elected officials and administrative officers;
- Other cities elected officials and administrative officers;
- ADB staff designing institutional change programs;
- Other development organisations concerned with the urban sector and change ;
- Trainers and educationalists ; and
- Other consultants involved in assisting organisations with embedding change processes;

and these audiences should be considered in any information dissemination.

93. Techniques of interest to others and addressed in this project include:

- Integration of capacity building with other actions to build an institutional change culture ;
- Adult training approach that uses real life cases to teach change techniques ;
- Service definitions and measurement for cities ;
- Involvement of NGOs in achieving institutional change;
- Templates for various tasks including selecting and reporting on services;
- Two page 'laminates' for informing on change subjects;
- Terms of reference for committees and workgroups involved in change;
- Manual on change processes including conducting citizen surveys ; and
- Use of 'branding' to help establish a simple communication of change – viz SPRING [for Cebu] and NIRANTARA [for Bangalore].

94. The Key words that apply to this project include:

- Continuous improvement;
- Benchmarking;
- Municipal services and their definition;
- Service delivery standard;
- Performance indicators ;
- Process mapping;
- Citizen surveys ;
- NGO [or civil society] participation; and
- Institutional change.

95. It is recommended that participating cities receive a full copy of this report including all appendices and that suitable extracts are placed on the ADB website for general access. The following short synopsis would be useful as an easy reference for ADB staff and incorporated within the ADB knowledge management systems.

Synopsis

Improving Service Delivery in Cities

Of interest to Elected City Officials, City Management, NGOs concerned with urban affairs and those engaged in Urban development projects and programs.

Three cities - Bangalore India, Colombo Sri Lanka and Cebu Philippines committed to institutionalising continuous improvement and benchmarking as strategies to improve their services. Each also committed, over the project period, to help three adjacent cities build their capability to identify and apply change techniques to lift their service performance.

Though progress was not as swift as anticipated, all three core cities have identified service improvement opportunities. Implementation of better services is underway and they have also applied institutional practices that guide their change efforts and provide the capability to undertake change projects.

Services targeted include food safety, footpaths, communal toilets, parks, property taxes and internal services.

Key words for this project include: Continuous improvement, Benchmarking, Performance indicators, Municipal services, Citizen surveys, process mapping NGO [or civil society] participation and Institutional change.

Interesting techniques include adult training program design, using branding to obtain recognition and commitment and active involvement of NGO in change programs.

Constraints encountered were insufficient project duration to achieve significant implementation, lack of political leadership continuity, difficulty in getting priority for change and the problem of sustaining sufficient face to face contact

Lessons Learned include project design changes to achieve greater change momentum, ways of gaining greater commitment, budget integration and the need for recognition and reward.

Refer RETA 5959 Project duration: July 2001- March 2003

ADB: Allen Williams, Nick Villaluz

Bangalore: Dr. Murthy Colombo: Thamara Mallawaarachchi Cebu: Rene Sananc

Appendices

Accompanying this Report is a Compact Disk that contains all of the appendices and a copy of all of the Consultant's reports to the ADB.

The following links will take you to the specific appendix folder contained on this CD. (This assumes that the CD drive is D:)

Project resources

[Contract variation summary](#)

[Relative personnel inputs](#)

Initial training delivered in 2001 to all core cities

[Bangalore initial training delivered in August 2001](#)

[Bangalore plastic training tools](#)

[Bangalore case studies completed in August 2001](#)

[Cebu initial training delivered in October 2001](#)

[Cebu plastic training tools](#)

[Cebu case study reports from training October 2001](#)

[Colombo initial training delivered in August 2001](#)

[Colombo plastic training tools](#)

[Colombo case study reports from training August 2001](#)

Mayor and manager briefing

[Bangalore Mayor and manager briefing](#)

[Cebu Mayor and manager briefing](#)

[Colombo Mayor and manager briefing](#)

Institutionalisation aspects

[Bangalore institutionalisation aspects](#)

[Cebu institutionalisation aspects](#)

[Colombo institutionalisation aspects](#)

[Colombo Citizen involvement](#)

Revision and Benchmarking training

[Bangalore revision training March 2003](#)

[Bangalore training session presentations March 2003](#)

[Cebu training on Benchmarking November 2002](#)

[Colombo additional training in January 2003](#)

Final study results

[Bangalore final study results](#)

[Cebu final study results](#)

[Iligan final study results](#)

[Colombo final study results](#)

[Kandy final study results](#)

[Kotte final study results](#)

[Nuwara Eliya final study results](#)

Photographs

[Bangalore photographs](#)

[Cebu photographs](#)

[Colombo photographs](#)