



Australian Government

Department of Foreign Affairs and Trade

ADB

ASEAN AUSTRALIA SMART CITIES TRUST FUND

2019 ANNUAL PROGRESS REPORT



CONTENTS

OVERVIEW	5
YEAR IN REVIEW	7
PROGRESS AGAINST DMF TARGETS	13
FINANCIALS	14
WORK PLAN FOR FUND PERIOD	17
WORK PLAN FOR 2020	19
RISKS AND MITIGATION	21
ANNEX I: PROJECT PREPARATION AND IMPLEMENTATION	22
ANNEX II: CAPACITY DEVELOPMENT AND KNOWLEDGE SHARING	25
ANNEX III: GUIDING FRAMEWORKS	26

ABBREVIATIONS

AASCTF	ASEAN Australia Smart Cities Trust Fund
ADB	Asian Development Bank
ASCN	ASEAN Smart Cities Network
ASEAN	Association of Southeast Asian Nations
ASUS	ASEAN Sustainable Urbanization Strategy
COVID-19	coronavirus disease
DFAT	Department of Foreign Affairs and Trade
DMF	Design and Monitoring Framework
SERD	Southeast Asia Regional Department
SEUW	Southeast Asia Urban Development and Water Division
SURF	Southeast Asia Urban Services Facility



OVERVIEW

On 1 April 2019, the Asian Development Bank (ADB) approved the establishment of the ASEAN Australia Smart Cities Trust Fund (AASCTF or the Fund) under the Urban Financing Partnership Facility. On 2 April 2019, the Government of Australia, through its Department of Foreign Affairs and Trade (DFAT), committed to contribute A\$20 million (about \$13.94) towards the Fund.

The Fund's envisioned impact aligns with ADB's Strategy 2030, with its operational focus on building livable cities that are green, competitive, inclusive, and resilient,¹ and ASEAN's Sustainable Urbanization Strategy which aims to promote high quality of life, competitive economies, and sustainable environments.² The expected outcome of the Fund will be that through the adaptation and adoption of digital solutions, systems and governance in participating ASEAN cities are improved.

The Fund aims to improve core functional areas (planning systems, service delivery and financial management) of participating ASEAN cities through adaptation of appropriate digital solutions.

Key output areas of the Fund include:

- Strengthening city planning processes by enhancing the collection, storage, analysis and utilization of data on geospatial platforms.
- Promoting the use of integrated and smart network management systems to strengthen operational systems and to improve quality and efficiency of service delivery.
- Introducing integrated financial management information systems to improve institutional credit worthiness and fiscal standing.

The Fund acts as a mechanism for facilitating and channeling resources and finances for eligible projects as well as activities agreed between DFAT and ADB for project preparation, implementation, and capacity development.

Cross-cutting priorities such as gender equality, women empowerment, social inclusion, and climate change will also be streamlined in activities across the output areas.

To deliver envisaged results, the Fund will support capacity development of staff and stakeholders of participating ASEAN cities in the core functional areas by:

- Leading them through project design and preparation in select cities;
- Exposing them to the implementation of select innovative project designs; and
- Twinning them with mentor cities that would provide opportunities for further learning.

The Fund is currently scheduled to close on or before 30 June 2024.

This 2019 Annual Progress Report (APR) covers activities for the period April 2019 through March 2020.

¹ Asian Development Bank. 2018. Strategy 2030, Achieving a Prosperous, Inclusive, Resilient and Sustainable Asia and the Pacific. Manila.

² ASEAN Secretariat. 2018. ASEAN Sustainable Urbanization Strategy. Jakarta.



YEAR IN REVIEW³

Project Preparation

City Selection

The participating ASEAN cities for AASCTF financing were identified based on the following criteria:

- cities from countries in Southeast Asia where ADB is operating.
- cities that are priority for ADB, according to its investment pipelines and Country Business Operational Plans.
- cities relevant to ASEAN priorities namely the ASEAN Sustainable Urbanization Strategy (ASUS) and the ASEAN Smart Cities Network (ASCN).
- cities in which DFAT has ongoing or planned activities which AASCTF can complement.

City selection process has commenced under the approved technical assistance funding for the Southeast Asia Urban Services Facility (SURF). Initial city scoping activities were undertaken in Makassar, Indonesia; Baguio, Philippines; and Battambang, Cambodia.

Makassar, Indonesia

An ADB-led consultation mission was fielded in Makassar on 19-25 January 2020 to discuss possible activities under the AASCTF with key stakeholders, which included the city's Mayor, representatives from various departments of the municipal government, the Consulate of Australia, and academia.

It was agreed that collaboration under the AASCTF would initially focus on the preparation of Makassar's Strategic Framework aimed to address the negative implications of rapid urban growth and climate change, while simultaneously aligning it with the latest smart technological solutions. Such framework will also provide an important stepping-stone for ADB's planned Livable Cities Investment Project (LCIP), scheduled for approval in 2021.

Baguio, Philippines

ADB led a consultation mission in Baguio on 25-26 February 2020 to discuss opportunities under the AASCTF. The meetings were attended by key players in the city's development such as the city Mayor and representatives from various departments of the city government. With the positive feedback from the key stakeholders, ADB indicated it would help explore and develop digital solutions for the city, possibly on digital security and data content.

Battambang, Cambodia

A consultation mission to Battambang was led by ADB during 2-7 February 2020 to discuss possible activities under AASCTF. Key stakeholders such as the Mayor and representatives from the municipal and provincial government participated in the meetings. Based on consultations, an area-based approach, which envisages the design and development of a "smart district" located along the city's main river, will be explored under AASCTF.

³ This first annual progress report covers 1 April 2019 until 31 March 2020. Subsequent annual progress reports will cover the calendar years from January to December of the preceding year.

Remaining cities

Work on the other cities (Hue, Vietnam; Kaysone, Lao PDR; and Yangon, Myanmar) was scheduled to start in March 2020 with the undertaking of consultation missions. However, work was put on hold due to the corona virus disease (COVID-19) pandemic. Nevertheless, cities have been informed since December 2019 of ADB's consideration to include them in the work scope of the AASCTF. ADB staff with projects in these cities identified potential entry points for the AASCTF. Approach and methodology will be developed in consultation with key stakeholders in each city through various means.

Figure 1: Location of AASCTF Cities.



Project Implementation

No project implementation activities occurred during the reporting period.



Capacity Development and Knowledge Sharing

While AASCTF did not directly provide funds in the following knowledge sharing events, the Fund's support to participating ASEAN cities were highlighted during ADB's presentations and discussions.

Smart City Agenda: Towards a More Livable Future for Filipinos

The forum held in Manila, Philippines on 7 November 2019, was organized by the Development Academy of the Philippines. Its main audience were senior managers, and senior and upcoming leaders from the Senate of the Philippines. ADB participated with two staff to provide its approach towards smart city development in the context of the Philippines. The AASCTF was a central piece in ADB's presentations, which also portrayed possible entry points for its operations in cities such as El Nido, Coron, and Baguio.

Making Cities More Livable: Smart City in Environment, Equity and Economy (3Es)

The workshop was held in Seoul, Republic of Korea, on 28–31 October 2019. The event was designed to learn from Korea's experiences focusing on key success factors as well as failure cases in areas of comprehensive urban planning, housing, environment, urban infrastructure, and business environment & startup ecosystem. Representatives from several ASEAN cities participated at the event.

Third GMS Urban Development Working Group meeting

The meeting held in Siem Reap, Cambodia, on 5–6 December 2019, was co-organized by ADB and Cambodia's Ministry of Land Management, Urban Planning and Construction. Six member countries of the Great Mekong Subregion (GMS) participated. While the key purpose of the meeting was to discuss ADB's newly adopted Action Plan for Healthy Oceans and Sustainable Blue Economies, an entire session was dedicated to synergies with the AASCTF. Delegates from each GMS country shared their national approach towards smart city development and discussed opportunities for collaboration with the AASCTF in the selected cities.



Cross-Cutting Themes

During the reporting period, draft frameworks were developed for each of the three cross-cutting themes: (i) gender equality and social inclusion; (ii) climate change; and (iii) private sector participation. The frameworks will guide mainstreaming of cross-cutting themes across the Fund's activities.

Gender Equality and Social Inclusion

To respond to the different needs, priorities, experiences and opportunities of male and female project partners and beneficiaries, as well as encourage innovation in gender equality and social inclusion mainstreaming, a draft framework has been developed to guide AASCTF activities. The framework builds on core principles that will foster gender equality and social inclusion through the project cycle supported by AASCTF.

Entry points for gender and social inclusion have been identified in the ongoing preparation of AASCTF activities in Makassar, Baguio and Battambang. As an example, under Baguio's "Baguio in my Pocket" initiative, security is a priority thematic area where the government and ADB have agreed to collaborate under the AASCTF.

Climate Change

At the city intervention level, entry points for enhancing climate change resilience have been identified in the ongoing preparation of activities in Makassar, Baguio and Battambang. As an example, in the case of Makassar, the focus on climate change will be central to activities under the AASCTF. The city lies along the southern coast of Sulawesi, making it naturally vulnerable to climate change impacts and unpredictable and severe weather events. The proposed "Strategic Framework" for Makassar will focus on specific measures to address the negative implications of climate change, while simultaneously aligning it with the latest smart technological solutions.

Private Sector

In February 2020, ADB approached the Commonwealth Scientific and Industrial Research Organization to identify opportunities for collaboration with AASCTF. Three main areas were explored: (i) urban living labs; (ii) digital twins; and (iii) visual climate adaptation platform. Collaboration is being considered at various levels, namely for knowledge sharing and pilot implementation.

The AASCTF team also held discussions with colleagues from the recently created ADB Ventures Financing Partnership Facility, which will de-risk, finance, and scale impactful technology solutions. The facility targets development impact through CleanTech, FinTech, and HealthTech solutions, and applies a climate and gender lens on all investments.

At the city-intervention level, several entry points have been identified in the selected cities, which will be pursued during project preparation: For example, in Battambang, the development of the "smart district" will include a hub for local smart labs. In Kaysone, the possibility of partnering with the Savan-Seno Special Economic Zone Authority would open the doors for several private companies. Finally, in Hue, the water sector would provide opportunities for a partnership between Thua Thien Hue Water Supply Joint Stock Company and the Western Australia Water Corporation, building on their established twinning arrangement.



PROGRESS AGAINST DMF TARGETS

OUTCOME/OUTPUT	PERFORMANCE INDICATORS	2019 ACHIEVEMENT
Outcome:	By 2025:	
Systems and governance in participating ASEAN cities are improved using digital solutions	a. Climate resilient and inclusive urban spatial data platforms improved and/or utilized in 5 participating cities	Scoping missions identified potential use of spatial data platforms in 2 cities
	b. Accessibility, quality and efficiency of selected services improved in 5 participating cities	Scoping missions identified potential areas of improvement in service delivery in 3 cities
	c. Creditworthiness improved in 5 participating cities	Potential intervention identified in 2 cities
Output 1:	By 2024, using digital solutions:	
Improved planning systems in participating ASEAN cities	1a. Urban spatial data platforms developed in 5 cities	Preliminary work on possible support to 2 cities commenced
	1b. Planning for climate resilience enhanced in 5 cities	Initial scoping on potential support to 3 cities undertaken
	1c. Gender and social inclusive planning enhanced in 5 cities	Following the AASCTF gender and inclusive framework, in all AASCTF cities specific attention will be given to ensure participation of women and disabled in AASCTF planning processes
Output 2:	By 2024, using digital solutions:	
Improved service delivery in participating ASEAN cities	2a. Quality and effectiveness in selected service delivery enhanced in 5 cities	Possible areas of support in 3 cities discussed with government
	2b. Efficiency in selected service delivery enhanced in 5 cities	Preliminary discussions on possible areas of support in 3 cities undertaken
	2c. Gender and social inclusive services enhanced in 5 cities	Scoping missions in 3 cities have identified possibilities to enhance gender and social inclusive services
Output 3:	By 2024, using digital solutions:	
Improved financial management in participating ASEAN cities	3a. Revenue collection systems enhanced in 5 cities	Potential areas of support identified in 2 cities
	3b. Financial management information systems enhanced in 5 cities	Potential areas of support in financial management identified in 2 cities
	3c. Financial inclusion for women and vulnerable groups enhanced in 5 cities	Scoping missions in 2 cities have identified possibilities to enhance financial inclusion for women and vulnerable groups

FINANCIALS

Resource allocation

Technical Assistance

A technical assistance grant of \$10 million was approved in May 2019 to support the Southeast Asia Urban Services Facility (SURF). Co-funded by ADB and other trust funds administered by ADB, SURF is a transaction technical assistance facility that supports developing member countries in Southeast Asia to improve urban services through technical, policy, and capacity development support for projects and investment programs in the urban development and water sectors. The AASCTF resources in SURF are earmarked to implement AASCTF activities only.

Subsequently, through a highly competitive process using ADB's quality- and cost-based selection procedure in accordance with the ADB Procurement Policy (2017, as amended from time to time), Ramboll Denmark A/S was selected to help ADB implement majority of AASCTF activities. Ramboll commenced work in November 2019.

Ramboll's team is comprised of key experts in the areas of urban planning, geographic information system and digital technology, municipal finance, communication and graphics, outreach and capacity building, social development and gender, monitoring and evaluation, and project management. It is divided into a Core Team that has inputs through the Fund period and a Task Team that will be formed based on specific task orders to address the Fund's objective.

Besides supporting overall implementation of the AASCTF, the Ramboll team will mobilize experts to carry out specific assignments in participating cities.

Investment Grants

No investment grants were approved during the 2019 review period.

Direct Charges

A direct charge grant of \$75,000 was approved in September 2019 to organize, in coordination with The Asia Foundation, a forum in San Francisco, California on 12–14 November 2019. The "Livable Cities Forum: Digital Solutions for Livable Asian Cities", was convened to learn from Silicon Valley/Bay Area expertise alongside global stakeholders — incubators, accelerators, academic institutions, and thought leaders — in developing and adapting digital solutions for smarter, more livable Asian cities.

Fund Flow

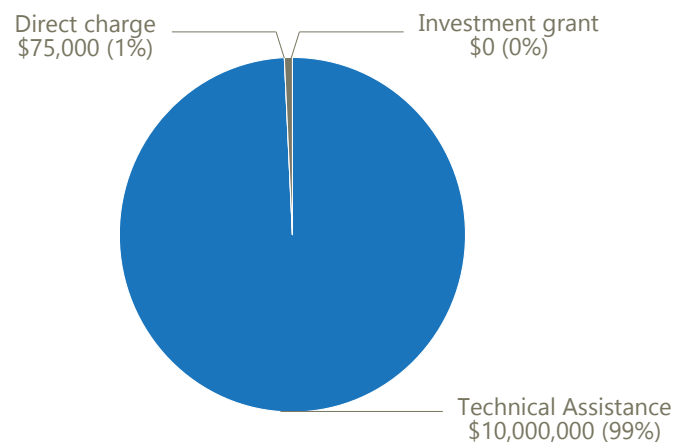
Contributions

The indicative total contribution from the Government of Australia, through its Department of Foreign Affairs and Trade (DFAT), for AASCTF is \$13.94 million (A\$20 million).⁴ The contribution is to be released in tranches with its last tranche envisioned in Q4 2022. The first tranche of funds released by DFAT on 31 May 2019 amounted to US\$4.51 million (A\$6,466,108).

Commitments

More than 70% of the expected total contribution from DFAT has been committed to date. A total \$10 million of which has been committed for utilization by SURF, and \$75,000 for a direct charge to support the Asian Livable Cities Forum on Digital Solutions for Livable Cities.

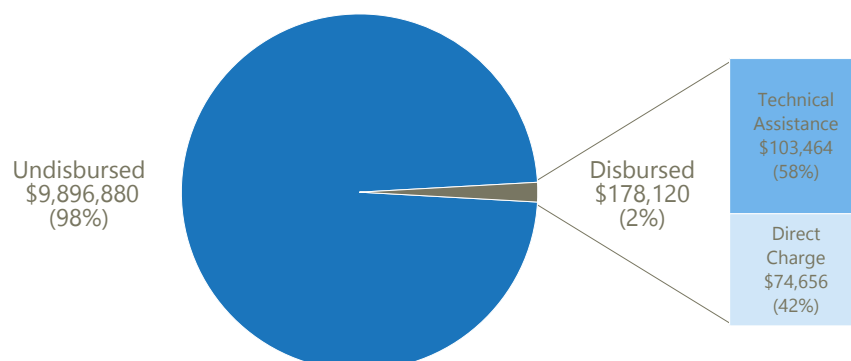
Commitments as of 31 March 2020



Disbursements

Of the \$10.075 million committed, only about 2% have been disbursed as of 31 March 2020.

Disbursements as of 31 March 2020



⁴ A\$1 = \$0.697 (exchange rate as of 30 June 2019).



WORK PLAN FOR FUND PERIOD

MILESTONES	2019			2020				2021				2022				2023				2024	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Trust Fund Start-up																					
1	Establish Trust Fund																				
2	Engage and mobilize consultants																				
3	Prepare and approve frameworks																				
Project Preparation																					
1	Scanning and scoping of potential cities																				
2	Undertake consultations with government and stakeholders																				
3	Assess existing scenario and projections in the 3 functional areas																				
4	Analyze gaps in the 3 functional areas																				
5	Identify entry points for support in participating cities																				
6	Launch technical, socio-economic surveys and market analysis																				
7	Undertake options analysis																				
8	Assess technical and financial feasibility of chosen solution																				
9	Finalize DEDs and update cost estimates of selected solution																				
Project Implementation																					
1	Tender and award civil works and equipment contracts																				
2	Commence construction/Install equipment																				
3	User testing and capacity building for O&M																				
4	Monitor & evaluate applicability and replicability of concept																				
Capacity Building & Knowledge Sharing																					
1	Regional knowledge sharing and capacity building events																				
2	Capacity building and twinning activities																				

DED = detailed engineering designs, O&M = operation and maintenance



WORK PLAN FOR 2020

Project Preparation

The main priority in 2020 is to follow up on initial consultations with the governments of Makassar, Baguio, and Battambang to maintain momentum. Consultants' Task Orders to undertake the assignments in Makassar and Baguio are expected to be finalized in May 2020. Even with delays due to the COVID-19 pandemic allowing travel to likely happen only during the second half of 2020, coordination with the government will continue through virtual meetings and correspondence.

For Makassar, consultants are expected to be mobilized in the field in July 2020 due to travel restrictions. Desktop work for the Strategic Framework is expected to start in May 2020, with meetings and consultations to be undertaken remotely, to the extent possible. The Strategic Framework is expected to be completed by December 2020. After further consultations with the government on identifying the sector and a "smart concept", a second stage of work will commence to develop the proof of concept.

For Baguio, a second round of consultation with the government will be required in June 2020 to confirm the scope of intervention. Consultants who will undertake the assignment are expected to be fielded in August 2020. The proof of concept will be developed as soon as an entry point has been confirmed with the government and key stakeholders.

A second round of consultation with the government (including site visits) will be required in Battambang in July 2020 to confirm the scope related to the development of a "smart district". The Task Order for the proof of concept is expected to be finalized by August 2020 and mobilization of consultants in September 2020.

Project Implementation

Consultations with the city governments and site visits will be scheduled for July 2020. Implementation of proof of concept in Baguio is scheduled for completion by end 2021.

Capacity Building and Knowledge Sharing

Several major regional events in 2020 have been cancelled or rescheduled. A work plan for these activities will be defined for the second half of 2020 depending on how the COVID-19 pandemic evolves. Entry points for city twinning arrangements will be identified and scoped by July 2020.

Cross-Cutting Themes

Frameworks for Gender Equality and Social Inclusion, Climate Change, and Engagement with Private Sector will be finalized in May 2020. Identified entry points for cross-cutting themes in city interventions will be pursued through tailored and specific assessments and action plans.

Other Guiding Frameworks

The communication and stakeholder engagement framework and a monitoring and evaluation (M&E) framework will be finalized in May 2020, with the first phase of the communication framework initiated in June 2020 through agreed actions and tools.



RISKS AND MITIGATION

RISK	MITIGATION MEASURE
Change in political support of local governments	The cities selected to participate in AASCTF have significant collaborations with ADB (including ongoing of planned loans and grants). As such, ADB through the respective project officers, has a vested interest to maintain good working relationships with each of these cities and its political leadership.
Delays in completing procedures required to implement investment projects	<p>In many of the ASEAN countries, ADB cannot work directly work with cities without proper endorsement by the national government. As the AASCTF uses an existing technical assistance facility for which countries have already provided No Objection Letters, technical assistance can start right away.</p> <p>However, for investment projects, other regulations govern ADB's ability to finance construction of pilots.</p> <p>Project officers responsible for selected countries will pro-actively collaborate with relevant national government agencies to ensure compliance with national procedures.</p>
Lack of willingness from the private sector to engage	<p>The private sector plays an important role in introducing digital innovation in cities. While for private sector this provides business opportunities, local governments are often hesitant to commit themselves to just one private sector supplier. This in turn might reduce willingness from private sector to engage.</p> <p>Depending on specific situation per city, the AASCTF will provide a platform for cities to exchange ideas with the private sector.</p>
Lack of alignment with other DFAT priorities in country	DFAT Canberra is requested to introduce AASCTF to relevant officers in the respective DFAT posts after which ADB project officer will have further discussions on priorities and possible alignments. DFAT project officers to be kept informed through distribution of AASCTF progress reports and regular exchanges with ADB project officers.
Delays incurred due to COVID-19 pandemic	<p>The workplan for 2020 incorporates a 4-month delay resulting from COVID-19. Travel restrictions prevent missions from taking place which will delay scoping activities and implementation start-up of Tasks Orders.</p> <p>Preparation of Task Orders is continuing. However, as ADB already has ongoing collaborations with the selected cities, data is being sourced from many of the AASCTF cities, and meetings can be arranged through videoconferencing.</p> <p>At the same time, ADB observes that COVID-19 provides a stimulus for cities to work smarter and recognize the importance of data management. While AASCTF is not geared towards emergency response, we expect that cities will seek AASCTF support to enhance their data management.</p>

ANNEX I: PROJECT PREPARATION AND IMPLEMENTATION

Approach and methodology

AASCTF is working with different types of approaches and methodologies towards defining, designing, and implementing its city-focused activities. The approaches and methodologies applied in a certain city varies mainly according to:

- Level of intervention considered (bronze, silver or gold);
- Entry points, in terms of sector or themes as prioritized by local government counterparts; and
- Timeline of ongoing and planned ADB lending activities.

Agreeing on a project and the stages leading to the development of this project to be supported under AASCTF, is a key outcome of the initial city scoping visits. It should be noted however that these approach per city remains flexible to be able to respond to new opportunities and challenges which might occur in selected cities.

Levels of Intervention at Cities

To deliver the Fund's envisaged results, support will be delivered through three levels of intervention – bronze, silver and gold, with a deepening engagement at the gold tier.

Bronze

Cities in this group can participate in regional capacity development and knowledge sharing events. The events focus on exchange of experiences and expertise to improve planning, service delivery, and financial management to address urbanization challenges. These events will also engage relevant supra-national entities such as the ASEAN secretariat and national ministries.

Sliver

Cities in this group present opportunities to ADB to complement and leverage both its ongoing and future projects. Technical assistance activities might also support the preparation of larger investment projects that may then be picked up by ADB as part of its project pipeline, by other financing partners, or by the private sector. This will result in AASCTF resources being able to leverage investments in larger projects. Activities will involve piloting small-scale interventions which could then be scaled up, as well as showcased and replicated in other ASEAN cities, through city twinning arrangements between AASCTF cities or with Australian cities.

Gold

Cities in this group will be small and investment grants will be used to support the development of demonstration projects. Gold cities are to be carefully selected, with consideration to the level of demand and support for the project from local stakeholders, as well as whether the national and provincial governments have the necessary capacity (technical, institutional and financial) to process and implement the grant project.

Examples of Interventions

Based on the initial interactions with Makassar, Baguio and Battambang, Figure AI-1 summarizes the range of proposed approaches in these cities.

Figure AI-1: Variety of Approach and Methodology per City.

APPROACH	CITY PROFILING	FEASIBILITY STUDY	AREA-BASED - DED
City	Makassar	Baguio	Battambang
Step 1	Inclusive Scoping	ICT Gap Analysis	Area Definition
Step 2	Proof of Concept	Feasibility	Engineering Design
Step 3	Implementation	Procurement & Installation	Implementation
Functional area	<ul style="list-style-type: none"> - Planning - Service Delivery - Financing 	<ul style="list-style-type: none"> - Planning - Service Delivery 	<ul style="list-style-type: none"> - Planning - Service Delivery
Crosscutting theme	<ul style="list-style-type: none"> - Climate Change - Inclusion 	<ul style="list-style-type: none"> - Inclusion - Private Sector 	<ul style="list-style-type: none"> - Inclusion - Gender - Private Sector
ASUS thematic area	<ul style="list-style-type: none"> - Civic & Social - Quality Environment - Built Infrastructure 	<ul style="list-style-type: none"> - Security 	<ul style="list-style-type: none"> - Security - Quality Environment

ASUS - ASEAN Sustainable Urban Strategy; DED - Detailed Engineering Design



ANNEX II: CAPACITY DEVELOPMENT AND KNOWLEDGE SHARING

Approach and Methodology

Knowledge sharing and capacity building is at the core of the AASCTF. Besides the in-city coaching and exchanges through experts mobilized to support a city in an agreed field, capacity will be developed through (i) events; and (ii) city twinning.

To allow for in-depth discussions and tangible exchanges of good practices and lessons learned, priority is given to participation in events aligned with the thematic priorities under ASUS and the output areas and cross-cutting themes of the AASCTF.

Capacity development activities will: (i) mainstream gender balance by ensuring a balanced level of participation of women; (ii) be inclusive by selecting venues with proper facilities for disabled persons; and (iii) involve the active participation of various stakeholders, including the private sector, as well as community and consumers organizations.

Events

Capacity development and regional knowledge sharing events are aimed to strengthen smart and sustainable urbanization practices across the region. These events could have an international, regional or even national focus. They could be organized and financed purely by the AASCTF or be led and hosted by other key institutions active in urban development and city livability. They could range from simple exchange of information and good practices to intense training modules or “urban labs”.

This type of activities would present great opportunities for the private sector to engage with city authorities. A list of major events that could consist of entry points for the AASCTF would be identified in advance and updated on a regular basis. Close engagement would be maintained with potential collaborators with relevance in the region, such as ASEAN, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Centre for Livable Cities, as well as major technology providers. Attention will be paid to supporting participation in capacity development and knowledge sharing events hosted by Australian entities.

City Twinning

AASCTF will identify opportunities to promote knowledge sharing and capacity building through twinning arrangements between cities. These arrangements will include various cities from the AASCTF indicative list, the ASCN, ASEAN, and cities from outside the region, using established networks such as the Smart City Council of Australia and New Zealand and regional city networks such as United Cities and Local Governments in Asia and the Pacific (UCLG-ASPAC).

Twinning arrangements will focus on hands-on exchanges between practitioners and be aligned with the focus of the AASCTF in the recipient city. The modality of exchange between the “mentor” and the AASCTF “recipient” city can range from short-term visits to longer-term secondments.

ANNEX III: GUIDING FRAMEWORKS

To facilitate the implementation of activities financed by the AASCTF, 5 frameworks are being developed to guide AASCTF supported activities at city, national and regional level.

Gender Equality and Social Inclusion

AASCTF recognizes that the benefits of urbanization have not been equally distributed among men and women, and disadvantaged groups. Women in cities often experience greater difficulty in accessing both resources and services tailored to their needs and decision-making opportunities. Furthermore, limited accessibility to urban built environments and services contribute to the vulnerability of the elderly and people with disabilities, leading to disproportionate rates of poverty, deprivation and exclusion.

Implementation of this cross-cutting theme will be done at multiple levels:

- **Strategic:** a gender equality and social inclusion framework will be developed to ensure an inclusive approach to activities supported by AASCTF; and
- **Operational:** specific gender and social action plans will be developed for proof of concepts/pilots supported through AASCTF.

Climate Change

Urban decision making on climate and disaster risk requires information on the three components of risk: (i) hazards, (ii) exposure, and (iii) vulnerability of urban population and assets. However, these components are not static. Climate change is expected to affect hazard patterns, resulting in more intense and frequent extreme weather events. Exposure levels in rapidly growing urban areas are changing; so is vulnerability, with growing inequality and other factors.

Thus, good quality and timely data is key to informed decision making. Building the capacity of urban local bodies, city twinning programs, and piloting use of smart technologies for managing climate and disaster risk will be key for demonstrating good practices that can be scaled up.

Implementation of this cross-cutting theme will be done at multiple levels:

- **Strategic:** a climate change framework will be developed for activities supported by AASCTF; and
- **Operational:** tools and approaches to identify entry points for both climate change mitigation and adaptation will be developed for activities implemented through technical assistance and investment grants.

Private Sector

In the context of ASEAN's rapid urbanization, cities are trying to do more with less, making the role of the private sector, both as a technology provider and a financier, even more important. Private sector brings innovation, talent, and capital to implement smart city solutions that can transform urban planning, development, and management. Further, as cities look to implement digital solutions to meet urbanization challenges, technology provides opportunities to build, reach, and reduce costs for the product or service.

The AASCTF will consider strengthening partnerships with technology companies, start-ups, and social enterprises. Focus will be given to understand and enable the Public-Private Partnership environment in the selected cities to further identify opportunities for collaboration.

Implementation of this cross-cutting theme will be done at multiple levels:

- **Strategic:** a private sector engagement framework will be developed for activities supported by AASCTF;
- **Operational:** private sector will be considered as a key stakeholder from the very initial stages of consultation with selected cities and a range of engagements will be explored including but not limited to: start-up enterprises will be considered for innovative solutions in specific urban contexts; collaborative programs for training will be considered with technology providers; strong consideration will be given to Australian urban development and digital technology related companies; and
- **Institutional:** obtaining the right skillset for implementing the framework will be done through close collaboration with ADB's Office for Public-Private Partnership as well as ADB's Private Sector Operations Department.

Communication and Stakeholder Engagement

Effective communication with relevant stakeholders is essential for the successful implementation of the AASCTF. Stakeholders include, among others, citizens, city civil servants; city decision makers; private technology and service providers; universities and think tanks; international and regional organizations; International Finance Institutions (IFIs); bilateral and multilateral donors in particular the Australian Department of Foreign Affairs and Trade (DFAT); and ADB departments and ADB Trust Funds.

Based on an assessment of the relative interest and influence of these stakeholders on the AASCTF outputs, appropriate communication channels, contents and tools are being developed.

Monitoring and Evaluation

The AASCTF monitoring and evaluation (M&E) framework (i) ensures strategic alignment from high level goals to specific projects supported by the AASCTF; (ii) provides accountability on utilization of resources; (iii) generates an information base for communicating on progress, lessons learned and results and (iv) generates an information base for learning from implementation and results, success, and failure.

The AASCTF design and monitoring framework (DMF) identifies strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure.

Monitoring performance against indicators included in the DMF is reported on in the semi-annual and annual reports.



Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
www.adb.org



Australian Government

Department of Foreign Affairs and Trade

Department of Foreign Affairs and Trade
RG Casey Building, John McEwen Crescent
Barton ACT 0221 Australia
www.dfat.gov.au