



Completion Report

Project Number: 41556-012
Technical Assistance Number: 7506
September 2015

Project Preparation Support for the Cities Development Initiative for Asia

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TA Number, Country, and Name: TA 7506-REG: Project Preparation Support for the Cities Development Initiative for Asia		Amount Approved: \$2,000,000.00	
		Revised Amount: N/A	
Executing Agency: ADB		Source of Funding: JSF	Amount Undisbursed: \$539,310.63 Amount Utilized: \$1,460,689.37
TA Approval Date: 11 March 2010	TA Signing Date: Not applicable	Fielding of First Consultants: April 2010	TA Completion Date Original: 31 Dec 2011 Actual: 31 Dec 2014 Account Closing Date Original: 31 Dec 2011 Actual: 31 May 2015
Description The regional research and development technical assistance (TA) project was included in the 2007 TA program of the Sustainable Development and Climate Change Department (SDCC) to support the establishment of the Cities Development Initiative for Asia (CDIA). The TA was a core activity in response to the changing context of urbanization in Asia and issues raised in the Special Evaluation Study on Urban Sector Strategy and Operations and infrastructure focus of Strategy 2020. The TA is consistent with Asian Development Bank's (ADB) Long-Term Strategic Framework 2008–2020 (Strategy 2020), which focuses ADB's operations in three areas: inclusive economic growth, environmentally sustainable growth, and regional integration. This TA was designed to support CDIA to respond to both demands of developing member countries (DMCs) and ADB's operational needs by providing assistance for preparation of potential projects investments of cities, and networking among city governments as a basis for scaling up urban infrastructure investment.			
Expected Impact, Outcome, and Outputs <ul style="list-style-type: none"> The TA's expected impact was improved management of cities of all sizes in DMCs. The TA's expected outcome was improved design of ADB operations in Asian cities through enhancement of ADB's ability to resource these improvements in its operations and knowledge base, and enhanced capacity of Asian cities to fund priority infrastructure investments. The TA's expected outputs were: (i) strategic support for urban operations, and (ii) support to knowledge networks and capacity development covering strategic issues for the urban sector. 			
Delivery of Inputs and Conduct of Activities The TA has two components. Component 1: Project preparation support. This component tasked SDCC to create a pool of funds available to operations department for formulation of projects and/or programs on urban infrastructure development. Component 2: Support to knowledge networks and capacity development. This component provided consultant support to scale up CDIA networking activities, which linked cities in DMCs to expertise. A total of 73 person-months of international and national consulting services were utilized to undertake pre-feasibility studies (PFS) and UN-HABITAT was contracted to help ADB to develop knowledge products and carry out capacity development activities. Majority of the TA funds were used to support the preparation of PFSs. As this activity is a demand-driven intervention triggered by application from cities, not all TA funds earmarked for PFS preparation were disbursed. ADB as an Executing Agency was able to manage the TA component satisfactorily with the expected outputs delivered. Through this TA and CDIA, being a demand-driven program, city governments were satisfied with the assistance provided by the TA to get access to project development support for their needed infrastructure investments, especially with the lack of financial resources to finance such activities. Consultants were also able to deliver the needed outputs with good quality, though there were some delays in delivery especially on the part of UN Habitat. The consultants rated were assessed to have satisfactorily delivered the needed services and outputs under the TA.			
Evaluation of Outputs and Achievement of Outcome Output 1: Strategic support for urban operations. Through the TA, eight PFSs were prepared for various potential urban infrastructure investments in Bangladesh, India, Indonesia, and the Philippines covering water supply, wastewater treatment, flood management, solid waste management, and urban transport. These PFSs were also done as a means to pilot-test project preparation tools under Output 1. Three PFS were linked to downstream financing: the Pimpri (India) water supply and Yogyakartaata (Indonesia) urban transport PFSs were linked to local financial institutions for funding, whereas the Visakhapatnam (India) water supply was linked to KfW funding. Country-customized toolkits were prepared and overseen by UN-HABITAT on investment programming and project			

prioritization for Indonesia, the Philippines, and Sri Lanka.

Output 2: Support to knowledge networks and capacity development covering strategic issues for the urban sector. The TA also facilitated networking and knowledge sharing with city governments and organizations, and urban development practitioners in three workshops organized through UN-HABITAT in Bangkok (Thailand), Shanghai (People's Republic of China), and at the ADB Headquarters in Manila. Follow-up activities as to how the results of the workshops could feed into any of ADB's CPSs were not conducted but based on the feedback from the operations departments, the output was not fully consistent with the country programming approach and could not contribute to preparation of CPSs during its implementation period.

The TA achieved its outcome of enhancing the capacity of few Asian cities to fund infrastructure investments with the development of project development toolkits and conducting of workshops. However, it only partly contributed to improving design of ADB operations due to the limited engagement with operations departments and aligning overall CDIA activities with ADB's requirement. The toolkits produced were customized for Indonesia, the Philippines, and Sri Lanka and were appreciated by the client cities. However translation into other languages did not push forward and the translated toolkits did not get the needed support and backing for wider dissemination. Consultants were able to deliver the PFSs, though some were delayed due to some factors such as parallel contract commitments of consultants. UN Habitat's performance also lagged, especially in the delivery of their outputs.

Overall Assessment and Rating

This TA is rated as successful. Customized toolkits produced for Indonesia, the Philippines and Sri Lanka—three (3) customized application of the City Infrastructure Investment Programming and Prioritization (CIIP) toolkits, and three (3) customized application of the PFS preparation toolkits developed hold value for ADB operations department and can be considered for future project preparation activities. Wider dissemination of these toolkits and translation into selected local languages where CDIA has worked would be a sustainability mechanism worth exploring. Three (3) regional workshops were organized but this was less than the TA's target in the DMF of four (4) workshops.

The TA though has some shortfalls, one is the inability to fully address output 1 associated with support to ADB's urban operations. It also fell short in terms of contribution to ADB's lending portfolio and preparation of CPSs. While the demand for PFS assistance was generated from a number of cities, and project formulation reports prepared exceeded the number targeted in the DMF,¹ the link to ADB operations departments was limited. Of the eight PFSs prepared, three were able to get funding commitment, but none from ADB.

Major Lessons

On the PFSs, specifically in linking to downstream financing would have been achieved if the selection of cities and potential projects were coordinated with ADB's operations departments. This should be a dimension of CDIA operations which should be mainstreamed to its upcoming interventions for its activities to have more relevant impacts. In engaging consultants, the indefinite delivery contract (IDC) method used under the TA for expediting recruitment of consulting firms for the preparation of PFSs is a good method to adopt for procurement of consultants on assignments involving repetitive types of outputs.

Though UN-HABITAT, as implementation partner for this TA, was able to produce the agreed outputs and provide additional credibility to ADB's and CDIA's operations, there were some concerns on the administrative side that should be noted and considered if they will be engaged in future initiatives. There were substantial delays in the delivery of TA reports—not being a consulting firm their commitment to deliver the required deliverables was lax compared to a consulting firm running as a business. This should be carefully considered for future potential partnerships with UN-HABITAT.

Recommendations and Follow-Up Actions

The TA's physical activities concluded in 2014. Between now and 2017 would be a good time to revisit the TA's outputs and look for replicable results from cities that received capacity development assistance in project development and investment prioritization.

The lesson learned on strengthening linkage of CDIA activities to ADB's urban operations should be taken into serious consideration in order to turn CDIA's outputs into project loan portfolios for ADB's urban sector operations. This activity of linking CDIA activities to ADB's urban operations have commenced and expected to yield results in a few years.

¹ DMF target for project formulation reports delivered is five (5).