

ASIAN DEVELOPMENT BANK

TAR: OTH 36680

TECHNICAL ASSISTANCE

FOR

ADB'S PARTICIPATION IN THE CITIES ALLIANCE

December 2003

ABBREVIATIONS

ADB	–	Asian Development Bank
CA	–	Cities Alliance
CDS	–	City Development Strategy
CWS	–	Cities Without Slums
DMC	–	developing member country
GTZ	–	Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
TA	–	technical assistance
UN-HABITAT	–	United Nations Centre for Human Settlements
WB	–	World Bank

NOTE

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

This report was prepared by A. Williams.
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I. INTRODUCTION

1. Cities Alliance¹ (CA) is a global alliance of cities and their development partners committed to improving the living conditions of the urban poor through advocacy and the promotion of pro-poor city development strategies (CDS) and cities without slum (CWS) initiatives that develop citywide and nationwide slum upgrading programs. CA was launched with the vision of cities without slums. CA pursues its mandate by (i) pooling the resources and experience of partners, (ii) focusing on cities and not sectors, (iii) promoting partnerships among governments and organizations representing the urban poor, (iv) promoting inclusive urban citizenship, (v) helping to scale up successful solutions to the citywide and nationwide levels, (vi) encouraging slum dwellers to be engaged as participating partners, (vii) promoting the role of women in city development, and (viii) engaging potential investors.

2. The Asian Development Bank (ADB) joined CA in 2002 through regional technical assistance (TA) 6026² to become a more effective development partner for reducing urban poverty in the Asia and Pacific region (the Region). CA membership makes this possible by creating opportunities for (i) access to CA's collective body of knowledge, experience, lessons learned, and good practices on urban poverty reduction; (ii) participation in and contribution to the global forum for the advocacy of urban poverty issues in the Region; and (iii) leveraging of ADB's TA for the urban sector with cofinancing³ grants from CA for CDS and CWS activities linked to the operations program. The benefits of CA membership for ADB include (i) the raising of ADB's profile as a major contributor to urban poverty reduction in the Region; (ii) improved quality, efficiency, development impact and effectiveness for ADB's urban sector TA and lending operations and (iii) better urban sector analysis and understanding of issues. CA is a powerful and prestigious international collaboration and CA membership helps place ADB as an urban development leader and a more effective advocate for prosperous cities without slums.

3. Through TA 6026, ADB entered into a memorandum of agreement⁴ with CA, made an annual contribution of \$250,000 to the Cities Alliance Asian Development Bank Trust Fund (CA ADB Trust Fund), and provided \$420,000 for the preparation of CDS and CWS programs. The CDS and CWS initiatives were undertaken in selected cities⁵ identified in close consultation with the concerned regional departments, and the governments of India, Philippines, and Viet Nam. The CDS and CWS experiences were discussed and disseminated at a series of national workshops held in each country and a concluding regional workshop held in Manila in May 2003. The final report, "City Development Strategies to Reduce Poverty," includes the workshop proceedings and is being prepared for publication in printed and compact disc (CD) formats.

¹ CA was launched in 1999, led by the United Nations Centre for Human Settlements (UN-HABITAT) and the World Bank (WB). Other CA members are: Bilateral Development Agencies: Canada, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, United Kingdom, and United States; Multilateral Development Agencies: ADB and the United Nations Environment Programme (UNEP); and Local Authorities Associations: the International Union of Local Authorities, Metropolis, United World Federation of United Cities (formerly United Towns Organization), and World Assembly of Cities and Local Authorities.

² ADB. 2002. *Promoting Urban Poverty Reduction Through Membership in Cities Alliance*. Manila (TA 6026, for \$670,000, approved on 13 March 2002).

³ As of 30 June 2003, CA had received funds of \$57.5 million and approved globally grants totaling \$42 million. CA aims to mobilize \$115 million in grant support for the CWS Action Plan for 2000–2005.

⁴ Agreement between the Asian Development Bank and the International Bank for Reconstruction and Development and the International Development Association for the Cities Alliance Asian Development Bank Trust Fund (TF050888), dated 5 March 2003.

⁵ The cities are Calicut in India; Caloocan, Quezon, and Taguig City in the Philippines; and Da Nang in Viet Nam.

II. ISSUES

4. By 2020, half of all Asians are expected to live in cities and towns. Sixteen of the world's 26 megacities, each with a population in excess of 10 million, will be in Asia. Urban poverty and urban environmental degradation are among Asia's most pressing development challenges. Throughout the Region, millions of Asians are living in urban squalor, trapped in highly polluted and socially deprived slums, devoid of basic public services. National prosperity depends on the efficiency and competitiveness of cities. The economic and social success of cities and the well-being of urban population depends on effective leadership, good governance, and participatory decision-making about urban development. Bold measures are needed to help cities face these challenges and become prosperous and slum-free. CA is demonstrating a remarkable capacity to support cities in this work.

5. CA's objectives and approaches are consistent with ADB's Urban Sector Strategy⁶ objectives of (i) maximizing the economic efficiency of urban areas; (ii) reducing urban poverty through reduced unemployment and improved access to land, infrastructure, and services; (iii) improving the quality of life through a range of measures affecting local environmental sanitation, gender and development, and participatory decision making; and (iv) achieving sustainable urban development through sound environmental management, social development, and good governance.

6. In its fight against poverty in the Region, ADB has embraced the Millennium Development Goals, which aim to halve by 2015 the proportion of people living in extreme poverty and without access to reliable and safe drinking water, and to achieve by 2020 significant improvements in the lives of at least 100 million slum dwellers. Urban development initiatives that follow CA approaches, particularly the CDS and CWS techniques, will make a significant contribution to the achievement of the Millennium Development Goals.

7. CA membership makes it easier for ADB to sponsor and facilitate CDS and CWS initiatives in developing member countries (DMCs). CDS and CWS are locally owned, strategically-focused, participatory planning processes that enable city stakeholders to collaborate in a collective vision for economic and social development, slum eradication, and improved governance for their city. The processes encourage city stakeholders to pool resources and experience to generate new tools and practical approaches for equitable city development. The CDS should guide the development of a city and contain time bound and specify action plans, investment plans, and financing strategies. The CWS should be integrated with the CDS and set within the context of citywide poverty reduction programs. CDS and CWS programs should center on participatory planning. ADB should help partner cities to develop proposals and apply to CA for cofinance grants.

8. ADB's urban development portfolio mostly finances integrated urban development projects, including (i) municipal infrastructure, slum upgrading, environmental sanitation, roads, bridges, drainage, flood control, and solid waste management; and (ii) single component projects, like urban water supply, wastewater management, and housing finance. ADB's urban sector projects are underpinned by policy dialogue on urban governance and management and TA to develop capability and capacity for sustainable and efficient urban management and delivery of services. This nonlending support increasingly focuses on good city governance, economic price setting, affordability and cost recovery for services, and strengthening of the

⁶ ADB. 1999. *Urban Sector Strategy*, Manila.

capability and capacity of local governments in an increasingly decentralized environment. ADB's TA also helps test and demonstrate how to directly improve and secure the lives of disadvantaged and vulnerable urban residents. These programs affirm ADB as a pioneer and leader in helping the urban poor gain access to services and develop their communities. The program could be considerably strengthened with support from CA. Synergies and resources available through CA are necessary to continue this work.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Outputs

9. The goal of the regional TA⁷ is to improve the quality, development impact and sustainability of urban investments in the region by harnessing the knowledge, techniques and resources of CA.

10. The TA will (i) facilitate ADB's continued membership in CA, (ii) engage partner cities more proactively with CA, (iii) consolidate ADB's participation in CA, and (iv) provide a platform for coordinated advocacy activities in support of ADB's urban development initiatives throughout the region.

11. The principal outputs will be (i) the advocacy and promotion of CDS and CWS approaches as key tools for reducing urban poverty among DMCs and partner cities throughout the Region; (ii) facilitation of applications to CA for grants to assist with project identification, preparation, and capacity building in support of the urban sector operations program; and (iii) increased levels of awareness among stakeholders about ADB's role in alleviating urban poverty in the Region. The TA framework is in Appendix 1.

B. Methodology and Key Activities

12. Through the TA, the minimum contribution to the CA ADB Trust Fund will be made to maintain ADB's membership for 1 year. An advocacy strategy will be developed to promote ADB's urban activities and leverage resources. The advocacy strategy will aim to produce and disseminate high-impact urban knowledge products. This will be achieved through close coordination among concerned departments and offices to ensure that ADB's urban development activities are appropriately documented, featured, and highlighted in publications, in multimedia projects, and at key meetings, conferences, and events. The advocacy strategy will also seek access to external promotional resources, facilities, and tools such as CA and other web sites, publications, and participation in international conferences and seminars on urban development. Closer engagement and coordination on urban affairs will be sought with key external partners like the multilateral development banks and major bilateral agencies.

13. The CDS and CWS concepts and techniques for poverty reduction will be widely promoted among DMCs and partner cities through regional seminars and workshops, dissemination of the final report from TA 6026, and the planned knowledge management applications portal being established for the Urban Development Municipal Services and Housing Committee (Urban Sector Committee). The portal is expected to be operational during the first quarter of 2004 and will be managed and maintained by Agriculture, Natural Resources and Social Sectors Division of the Regional and Sustainable Development Department. The

⁷ The TA first appeared in *ADB Business Opportunities* on 13 December 2002.

portal will be the main source for ADB's urban knowledge, including project profiles, project summaries, good practices, lessons learned, and links to other web sites like <http://www.citiesalliance.org>.

14. Consultations between the Urban Sector Committee and regional departments indicate substantial demand for CA support, particularly for CDS and CWS. Applications to CA for about 4–6 trust fund grants⁸ are expected from the regional departments. Projects in India, Indonesia, Kazakhstan, and Philippines and DMCs in the Pacific have been identified as potential candidates. The grants will be used to assist with project identification and preparation activities, and for advocacy and capacity building. The TA will support the regional departments and facilitate the preparation of applications for CA grants in conjunction with the urban sector operations program.

15. In close consultation with the regional departments, the TA will assess the benefits arising from CA membership and develop a strategy for sustaining ADB's participation.

C. Cost and Financing

16. The TA is estimated to cost \$350,000 equivalent. ADB will provide \$350,000 equivalent to cover the entire TA cost. The TA will be financed on a grant basis by ADB's TA funding program. Detailed cost estimates and the financing plan for the TA are in Appendix 2.

D. Implementation Arrangements

17. ADB will be the Executing Agency for the TA. The TA will be implemented by Agriculture, Natural Resources and Social Sectors Division of the Regional and Sustainable Development Department and the team will work closely with concerned ADB departments and offices to prepare the advocacy strategy, promote CDS and CWS approaches, identify partner cities, disseminate knowledge, and facilitate applications for CA grants. ADB will engage a domestic urban development specialist for 8 person-months to provide overall technical support for the management and implementation of the TA activities. The TA will also engage an administrative support staff person for 8 person-months and a web developer for 3 person-months. Regional consultative workshops will be arranged to brief partner cities on CDS and CWS techniques, and the procedure for applying for grants and to engage with multilateral and bilateral development partners. TA outputs will be posted on the portal.

18. ADB will select and engage the consultants in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB on the selection and engagement of domestic consultants. The consultants' outline terms of reference are given in Appendix 3. The TA will be implemented over 12 months from January to December 2004.

19. The ADB contribution to CA for 2003–2004, in the amount of \$250,000, will be deposited in the CA-ADB Trust Fund in accordance with the memorandum of agreement signed in March 2003. The trust fund contribution entitles ADB to partnership status in CA for 1 year, and is the

⁸ World Bank uses the CDS process as an agile planning instrument that identifies and packages viable investments. World Bank's East Asia urban sector unit credits CDS work in the People's Republic of China with doubling its urban development lending in the last 2 years in that country. World Bank sponsors large multicity CDS programs in Indonesia and the Philippines specifically for follow-on investment projects. The United Kingdom's Department for International Development (DFID) and Deutsch Gesellschaft für Technische Zusammenarbeit (GTZ – German Agency for Technical Cooperation) routinely integrate CDS and CWS programs into their development operations, including in Asia.

minimum required annual contribution. The balance of TA funds will be used for the other activities (paras. 12-15). CA partner status entitles ADB to membership in the CA Consultative Group, which is responsible for developing CA's long-term strategy and approving its annual work program. This is an important forum for ADB to highlight its leadership role for urban development in the Region. The group meets annually, usually in October. ADB was represented at the 2002 and 2003 meetings, and will send a representative to the 2004 group meeting.

IV. THE PRESIDENT'S DECISION

20. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$350,000 on a grant basis for ADB's Participation in the Cities Alliance, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
<p>Goal</p> <p>To improve the quality, development impact and sustainability of urban investments in the Asia and Pacific region (the Region) by harnessing the knowledge, techniques, and resources of the Cities Alliance (CA).</p>	<p>The urban development initiatives supported by Asian Development Bank (ADB) and CA will contribute to the achievement of the Millennium Development Goals, which aim to (i) halve, by 2015, the proportion of people living in extreme poverty; (ii) halve, by 2015, the proportion of people living without access to safe drinking water; and (iii) by 2020, to achieve significant improvements in the lives of 100 million slum dwellers.</p> <p>From 2004 onwards developing member countries (DMCs) and partner cities will increase the number and value of urban development and slum improvement projects financed by CA-funded preparatory activities.</p>	<p>Global Urban Observatory.</p> <p>CA website and annual report.</p> <p>United Nations Centre for Human Settlements (UN-HABITAT) Global Report on Human Settlements (annual).</p> <p>World Bank, World Development Report.</p> <p>ADB country operations reports.</p> <p>Consultations with city officials.</p> <p>Reports from nongovernment CA participants.</p> <p>Consultations with CA manager and secretariat staff.</p>	<p>DMCs, city governments, and their development partners are willing to adopt CA approaches, concepts and techniques for city development strategies (CDS) and cities without slums (CWS).</p>
<p>Purpose</p> <p>To facilitate ADB's continued membership in the CA, engage</p>	<p>Regional workshops on CA approaches and CDS and CWS</p>	<p>CA web site and annual report.</p>	<p>Key CA members, including World Bank</p>

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
partner cities more productively in CA, and provide a platform for coordinated advocacy activities in support of ADB's urban development initiatives throughout the Region.	<p>techniques.</p> <p>The growth and use of the CA web site, especially the urban upgrading data base.</p> <p>The growth and use of the CA City, Country, and Regional Portals.</p> <p>The initiation of ADB's urban sector portal during 2004.</p>	<p>World Bank, World Development Report.</p> <p>Consultations with city officials.</p> <p>Reports from non-government CA participants.</p> <p>Consultations with CA manager and secretariat staff.</p>	<p>and UN-HABITAT, continue supporting CA at the current level or higher.</p> <p>In-country political will is sufficient to drive city development and slum eradication programs consistent with CA policies.</p>
To assist ADB-partner cities to identify, prepare, and submit applications to CA for grants to support programs that foster pro-poor economic growth and eradicate city slums.	During 2004, at least 4 CDS and CWS will be initiated with funding from CA.	<p>Technical assistance monitoring.</p> <p>ADB country operation reports, including review and consultation missions.</p> <p>Urban sector portal.</p> <p>Consultations with CA manager and secretariat staff.</p>	<p>DMCs request city development and slum eradication support.</p> <p>ADB country operations program current or higher levels of urban development investment.</p> <p>Regional departments encourage project officers to use CA.</p>
<p>Outputs</p> <p>Qualifying CA CDS and CWS grant proposals.</p>	At least 4 proposals submitted and funded by CA in 2004.	TA monitoring, including reports from local in-country consultants.	Synchronization of country operations within the TA period.

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
<p>Urban sector knowledge products suitable for country, regional and global dissemination.</p> <p>Regional workshops to foster improved information exchange among cities and improved collaboration among them to reduce poverty.</p>	<p>The number and quality of cases, data, papers, dialogues, media releases, and other knowledge items generated and submitted by ADB to CA networks.</p> <p>The number of in-country and regional collaborations resulting from ADB.</p> <p>Number of conferences, consultations and CA consultative meetings attended by ADB and/or cities.</p>	<p>ADB country operation reports, including review and consultation missions.</p> <p>Knowledge management applications.</p> <p>Consultations with CA manager and secretariat staff.</p> <p>Post conference reports.</p>	<p>Timely provision of reports and data from city government agencies.</p> <p>In-country partners are logistically able to use and respond to CA inputs.</p>
<p>Activities</p> <p>Payment of annual membership dues to CA.</p> <p>Conduct CA awareness and orientation program within ADB, particularly with regional departments.</p>	<p>Annual membership contribution paid to CA.</p> <p>Number of presentations to regional departments' social sectors divisions.</p> <p>Presence of CA material on ADB web site, <i>ADB Today</i>, and other outlets.</p> <p>Solicited feedback from social sectors directors and staff.</p>	<p>ADB treasury disbursement report.</p> <p>TA monitoring.</p>	<p>Social sectors directors agree to CA presentations.</p>

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
Help country and project teams identify opportunities for CA grant-funded projects, including consultations with and information for interested in-country partners.	Number of CA TA collaborations with country and project teams.	TA monitoring.	Synchronization of suitable country operations within the TA period.
Assist cities to develop CDS and CWS proposals for CA funding (working in conjunction with ADB project teams).	The number of CA TA collaborations with cities.	TA monitoring.	Synchronization of suitable country operations within the TA period.
Sponsor and follow up CDS and CWS proposals submitted to CA.	The number of follow-up actions. The number of approved proposals.	TA monitoring.	
Help project teams and cities to process and mobilize approved CDS and CWS projects.	The number of support actions. The number of mobilized projects.	TA monitoring.	
Formulate a detailed advocacy strategy.	Promotion of urban activities on the urban sector portal. ADB presence on the CA web page and other publications. Participation by other funding agencies in ADB-led urban activities. Urban issues highlighted in ADB publications and events. High-level ADB participation in CA consultative group.	TA Monitoring. Website monitoring.	

Design Summary	Indicators and Targets	Monitoring Mechanisms	Assumptions/Risks
<p>Help project teams and cities decipher and package lessons learned and other information suitable for CA knowledge dissemination.</p> <p>Establish and maintain a CA web page on ADB's web site.</p>	<p>The number of support actions. The number of items packaged and disseminated.</p> <p>CA web page launched. Frequency of CA web page updates. The number and quality of visits to the CA web page.</p>	<p>TA monitoring.</p> <p>TA monitoring.</p>	
<p>Inputs</p> <p>Contribution to CA-ADB Trust Fund</p> <p>Domestic consultant (8 person-months – Urban Development Specialist)</p> <p>Regional consultative Workshops</p> <p>Technical administrative support</p> <p>Publications (including web)</p> <p>Contingency</p> <p>Total ADB budget</p>	<p>\$250,000</p> <p>\$40,000</p> <p>\$35,000</p> <p>\$10,000</p> <p>\$10,000</p> <p>\$5,000</p> <p>\$350,000</p>		

COST ESTIMATES AND FINANCING PLAN
(\$'000) ^a

Item	Total Cost
1. Domestic Consultants Remuneration and Per Diem	40
2. Contribution to Cities Alliance Asian Development Bank Trust Fund ^b	250
3. Regional Consultative Workshops	35
4. Technical/Administrative Support a. Administrative Assistants b. Web Developer c. Miscellaneous Expenses	5 3 2
6. Publications (including web)	10
7. Contingency	5
Total	350

^a Financed by ADB's technical assistance funding program.

^b These funds will be deposited in the Cities Alliance Asian Development Bank Trust Fund.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Urban Development Specialist (domestic consultant, 8 person-months)

1. The domestic urban development specialist will have had at least 10 years experience in urban development and management in Asia and should be familiar with the operational practices and procedures of Asian Development Bank (ADB) and the approaches and concepts of the Cities Alliance (CA), particularly with respect to city development strategies (CDS) and cities without slums (CWS).
2. The responsibilities of the consultant will include the following:
 - (i) Assist with development of an advocacy strategy.
 - (ii) Liaise and coordinate with regional departments to identify partner cities based on the operational program of the Asian Development Bank (ADB) and the interest and willingness of developing member countries and partner cities to participate.
 - (iii) Disseminate guidelines on CA's grant procedures and help prepare applications.
 - (iv) Disseminate guidelines on the preparation of CDS and CWS, and provide technical support for the formulation of proposals.
 - (v) Organize and facilitate the regional workshop on CA to be attended by representatives of partner cities, including preparation and dissemination of workshop proceedings.
 - (vi) Supervise the preparation of the web site and assist with data population of the urban sector portal.
 - (vii) Review ADB's experience with CA and help to develop a strategy for sustaining future membership.
 - (viii) Prepare a final report on the conduct of the TA.

B. Web Developer (domestic consultant, 3 person-months)

3. The responsibilities of the consultant will include the following:
 - (i) Review and assess print publication materials related to the report and coordinate closely with Regional and Sustainable Development Department on the organization of the same in web site format.
 - (ii) Reorganize the material and translate Page Maker 5.0 and Word files into appropriate ADB web format.
 - (iii) Determine requirements for web hosting at ADB.
 - (iv) Deliver a final web version in a format acceptable to loading on the ADB web site.

C. Administrative Assistant (domestic consultant, 8 person-months)

4. The responsibilities of the administrative assistant will include the following:
 - (i) Help make arrangements for meeting and workshop.
 - (ii) Help prepare resource persons' and participants' materials for distribution and presentation in meetings and workshops.

- (iii) Assist with travel and accommodation arrangements of the TA team, resource persons, consultants, and participants invited to workshops and conference.
- (iv) Maintain and update filing systems, and TA budget and expenditure records.
- (v) Assist the TA team in preparing the final drafts of the TA reports.
- (vi) Provide secretarial assistance.