

ASIAN CITIES IN THE 21ST CENTURY

**Contemporary
Approaches to
Municipal Management**

**Volume IV
Partnerships for Better
Municipal Management**

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Partnerships for Better Municipal Management

Proceedings of a Forum
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28-30 June 1999

Edited by
Naved Hamid, Dinesh Mehta, and Mildred Villareal

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FOREWORD

Municipal managers in Asian cities today are faced with the formidable challenge of finding effective and innovative ways of dealing with rapid urbanization, growing demand for improved public services, and declining financial support from central governments. Moreover, in developing countries in Asia, the infrastructure requirements of the urban sector are so large that the multilateral development banks and other donors can at best contribute only a small fraction of the total. However, there is a solution to this apparent dilemma. Because economic activity and wealth in these countries will be largely generated by the expanding cities, the resources needed for municipal infrastructure development will be available. Tapping these resources, however, will require significant improvement in the management of the cities.

Toward this end, and in recognition of the important roles that municipalities will play in the areas of economic growth, human development, and environmental management, the Asian Development Bank (ADB) has identified improvement in management and public service delivery at the municipal level as a priority area in its governance agenda.

Since 1997, ADB and the ADB Institute have been organizing workshops aimed at creating awareness of recent developments in public-sector management at the local government level. Participants share experiences of successes in reforming municipalities and in motivating citizens and municipal managers to embrace change.

Three workshops were held between October 1997 and March 1998. Two were organized under the ADB's regional technical assistance on governance and development, which facilitated citizen initiatives to promote municipal government reforms in Lahore, Pakistan, and Dhaka, Bangladesh, respectively. The third was the ADBI-sponsored Municipal Management Forum in Tokyo, Japan.

The proceedings of these three workshops were published in 1999 as Volumes I-III in the series on *Asian Cities in the 21st Century: Contemporary Approaches to Municipal Management*.

- Volume I, *Leadership and Change in City Management*, discusses concepts such as leadership, vision, mission, planning, and customer focus to which participants of the Tokyo forum were exposed. It also provides examples of the application of these concepts by municipalities in tackling their problems and implementing change programs.
- Volume II, *Municipal Management Issues in South Asia*, discusses issues in selected South Asian cities, with a special emphasis on organizational problems in Lahore. It also provides a review of municipal reforms and urban governance issues in India and Sri Lanka.
- Volume III, *Reforming Dhaka City Management*, discusses institutional issues, financial management, and solid waste management in Dhaka and provides recommendations on organizational reforms to deal with these issues.

Subsequently, two Asian Mayors' Forums have been held. The first was in Cebu, Philippines, December 1998, co-sponsored by ADB, ADBI, and the City Government of Cebu. The second, the proceedings of which are being published as Volume IV, was held in Colombo, Sri Lanka, June 1999, and was co-sponsored by ADB, ADBI, Colombo Plan Secretariat, USAID Regional Urban Development Office for South Asia, US-Asia Environmental Partnership Program, UNDP/ UNCHS Urban Management Program, Konrad Adenauer Foundation, German Agency for Technical Cooperation (GTZ), and, of course, the Colombo Municipal Council.

Volume IV contains the experiences of municipal leaders from a number of Asian cities and representatives of development agencies in improving governance and delivery of municipal services, particularly through partnerships with the private sector and nongovernment organizations.

The Forum was also a venue for presentation and discussion of the experiences to date of ADB's Benchmarking Project, a pilot project aimed at testing the techniques of benchmarking and continuous improvement to enhance the delivery of municipal services in selected Asian cities.

We are grateful for the invaluable contributions of the participants and resource persons at this Forum. Penelope Price coordinated the Forum. Michiko Yoshida assisted in its organization. The Colombo Municipal Council Team, headed by His Worship Omar Kamil and Dr. Fahmy Ismail, hosted the Forum and ensured that all the participants received the best hospitality. Rose Belen transcribed the proceedings. Jay Maclean provided editing services, and Ramiro Cabrera did the cover design.

We trust that this series will make a positive contribution to the literature on municipal management. Further, we hope it will prove to be a

useful resource for city managers in their efforts to improve the quality of life of their citizens, and thus promote the development of responsive and effective local government.

Masaru Yoshitomi
Dean, Asian Development Bank Institute

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Asian Development Bank

I. INTRODUCTION

Over the past two decades, many countries in Asia have experienced rapid economic growth. This has led to a rapid rise in their urban populations. However, in spite of a significant increase in national wealth and personal incomes, the quality of life of an average urban resident remains low. Squalor, slums, traffic congestion, and shortages of water and power characterize urban centers in Asia. While the national governments pursue the goals of economic development, it is generally left to local governments to manage rapidly growing urban areas and provide basic services for their residents. Given the limited resources and capacities of urban local governments, they have to meet the challenges of urban growth in partnerships with other stakeholders. As a result, the concept of urban management has evolved from its narrow meaning of the functioning of municipal government to the broader theme of partnerships among urban government, private sector, and civil society.

The Asian Mayors' Forum has provided a platform for urban leaders of Asia to share their experiences and learn from each other. The first forum was held in Cebu City, Philippines, in December 1998. At that forum, mayors and senior representatives of 10 Asian municipalities shared their views on key issues affecting municipal performance, and established a small network of Asian mayors for continuous exchange of information to help advance the performance of municipal service.

This volume presents the proceedings of the second Asian Mayors' Forum held in Colombo, Sri Lanka, attended by 75 participants representing 31

cities in ten countries: the People's Republic of China (PRC), India, Indonesia, Lao People's Democratic Republic (Lao PDR), Malaysia, Pakistan, Philippines, Sri Lanka, Thailand, and Viet Nam. The Forum was the result of collaboration among the Asian Development Bank Institute, the Asian Development Bank (ADB), Colombo Municipal Council, Colombo Plan Secretariat, German Agency for Technical Cooperation (GTZ), Konrad Adenauer Foundation, Regional Urban Development Office South Asia of the US Agency for International Development (USAID), US-Asia Environmental Partnership Program, and the United Nations Development Programme (UNDP)/United Nations Centre for Human Settlements (UNCHS) Urban Management Programme.

The increased participation of municipal leaders and sponsors in the Colombo Forum was indicative of the growing need for exchange of information and experiences on urban governance and a search for a mechanism for fostering and enhancing networking among municipalities in Asia. Thus, from Cebu to Colombo, the Asian Mayors' Forum has clearly established itself as a platform for interaction among municipal leaders of Asia. The key objectives of the present Forum were to provide an opportunity for municipal leaders to share their experiences and to build a network of city leaders of Asia. To achieve those objectives, the Forum was designed around the following principles:

- **Building** a relationship among participant municipal leaders so that through the contacts established at the Forum, they will be better able to help one another manage the many challenges facing mayors and city administrators throughout Asia.
- **Sharing** information and experiences on strategic and municipal service issues that can

be applied by municipal leaders to enhance the level of municipal services.

- **Supporting** ADB's concurrent project on benchmarking selected municipal services, which is taking place in ten of the municipalities represented at the Forum. This project aims to demonstrate that municipalities can achieve better services for their citizens by comparing their service performances with one another and then using this information to improve selected services to their citizens. It was also expected that other municipalities and development agencies would learn from these experiences and adopt similar activities in their own programs.

The Forum began with an exhibition on *Innovations in Municipal Governance*. This exhibition provided an opportunity for the participating municipalities and partner development agencies to highlight their most important innovations in city management and urban governance including, among others, city planning, law enforcement, urban renewal, computer systems application, and parking (Box I.1). The exhibition stimulated useful discussion among the participants outside the Forum sessions. For additional information on individual projects/innovations, see the list of participants for contact details.

The Forum discussions were organized on the following themes and presented as chapters in this volume:

- Changing Institutional Culture of Asian Municipalities
- Public-Private Sector Partnerships for Municipal Development
- Coordinating Local Governments in Megacities

- Cities and Development Agencies Working Together to Fund Infrastructure Development
- Serving Citizens: Improving Delivery of Municipal Services
- Meeting Challenges in the Next Millennium

The discussion on each theme consisted of presentations by one or more resource persons and breakout group sessions. The discussions in the breakout groups revolved around three key questions: the major issues and challenges faced by city leaders; the actions taken by city leaders to resolve the issues; and the important success factors/lessons of their experience.

In addition, hands-on sessions using the World Wide Web were organized to familiarize participants with this powerful tool for accessing updated information, improving knowledge and communication, and establishing partnerships.

CHANGING INSTITUTIONAL CULTURE OF ASIAN MUNICIPALITIES

The decentralization efforts in Asia are at an initial stage. There is a lack of empowerment of urban local governments and excessive controls are still being exercised by higher levels of government on the functional and financial responsibilities of local governments. There is a mismatch between the functional powers of urban local governments and their financial resources. As a consequence, local governments are unable to meet citizens' expectations.

Rapid growth of cities and the inability of local government to cope with the increased demand for services have in many cases led to the takeover of a number of local government functions by parastatal agencies. This has eroded the

Box I.1. List of Exhibition Participants

MUNICIPALITIES

Bangalore, India	Customer Complaint System
Cebu City, Philippines	GIS Application Development on Fire Hydrant Inventory and Tax Map Control Roll
	Business Permit Renewal: One Stop Shop
Fuzhou, PRC	Overall City Planning
	"110" Social United Service Network
	Intensifying the Afforestation and Construction of a Garden-Like City
Ho Chi Minh, Viet Nam	The Program of Drainage for Ho Chi Minh City
Ipoh City, Malaysia	Law Enforcement Management
Kuantan, Malaysia	Movable Parking Booth
	Usage of a Filter in a Toilet Bowl
Mandaluyong City, Philippines	The Marketplace: First BOT Project in the Philippines
	"Pamahalaan sa Pamayanan" (Bringing Government to the Grassroots)
	"Oplan-Lingap" (Anti-Drug Abuse Drive)
Peshawar, Pakistan	Rehabilitation and Upgrading of Vendor Cabins and Kiosks
Semarang, Indonesia	Housing Urban Renewal and Development
Colombo City and other neighboring municipalities in Sri Lanka, including Kandy City, Negombo Municipality, Badulla Municipality, and Nuwara Eliya Municipality	

DEVELOPMENT PARTNERS

Asian Development Bank	Sustainable Cities: Environmental Challenges in the 21 st Century
	The Benchmarking Project
Colombo Plan Secretariat	The Colombo Plan
German Agency for Technical Cooperation (GTZ)	Garbage to Gold and Dialogue for Democracy: "Urban Development and Public Participation in Bandung, Indonesia"
	Integrated Slum Improvement Project (Nagpur, India)
Regional Urban Development Office-South Asia (USAID)	Indo-US Financial Institutions Reform and Expansion (FIRE) Project
UNDP's The Urban Governance Initiative	The Urban Governance Initiative
UNDP/UNCHS Urban Management Programme	Overview of UMP's Program Activities in Asia, Along With Two Case Studies in Lalitpur (Nepal) and Phuket (Thailand)
UNDP-World Bank Water & Sanitation Program	Water and Sanitation Program-South Asia
US-Asia Environmental Partnership Program	The US-Asia Environmental Partnership Program

importance of local governments in Asia. At the city level, government organizational structure is highly centralized and the management style is very bureaucratic, with a lack of vision and customer orientation. An important challenge to municipal management in Asia is to change the institutional culture of the municipalities.

The keynote address by Mr. Karu Jayasuriya highlights the shift from a reactive bureaucratic system to a managerial and proactive system of governance in Colombo during the past two years. Through various examples, he demonstrates the “people-friendly” nature of the Colombo Municipal Council, the various public-private sector partnerships, and the involvement of citizens in planning and decision making.

Key Issues and Challenges for Changing Institutional Culture

- Centralized organizational structure—no delegation of authority
- Bureaucratic management style—lack of vision, no customer orientation
- No empowerment—control by higher levels of government, e.g., personnel appointments, functions
- High expectations of citizens and elected officials
- Fear of change among municipal staff resulting in maintenance of status quo
- Conflict of interest between elected leaders and civil servants
- Weak governance, characterized by poor enforcement of rules and laws

In the discussions that followed, the participants identified a number of actions that municipal leaders in Asia have taken to change the culture of municipal organizations. Many leaders

have focused on building the capacity of municipal staff through a human resource development strategy. Specific training was given to staff on the introduction of the new management culture, e.g. customer orientation. Greater devolution of authority and responsibilities was also key to changing the culture of the organization. Bringing the local government closer to the people through decentralized administration at the ward/zone level has also enabled creation of citizen-friendly municipal governments. In a few cities, partnerships with the private sector and civil society stakeholders have also helped to bring about changes within municipal organizations. Development of municipal charters and assessment of the municipal performance by citizens' report cards have also made local governments more responsive.

The key lesson that emerged from the discussions of the success stories in Asia was the quality of leadership. It was seen that a good municipal leader was one who built trust among the staff and elected members of the organization, provided encouragement by shifting the focus of the organization to a "can do" approach, increased the credibility of the organization by strict enforcement of existing rules and laws, and built partnerships with the private sector and civil society. There was also a general consensus that the initiatives of municipal leaders need to be institutionalized so that the process of changing the organizational culture is sustained.

The key lesson that emerged from the discussions of the success stories in Asia was the quality of leadership.

PUBLIC-PRIVATE SECTOR PARTNERSHIPS FOR MUNICIPAL DEVELOPMENT

A UNDP policy document [Governance for Sustainable Human Development, January 1997] states that:

Governance includes the state, but transcends it by taking in the private sector and civil society. All three are critical for sustaining human development. The state creates a conducive political and legal environment. The private sector generates jobs and income. And civil society facilitates political and social interaction— mobilizing groups to participate in economic, social and political activities. Because each has weaknesses and strengths, a major objective of our support for good governance is to promote constructive interaction among all three.

The term “governance” is now used to describe various processes of participatory development in which the governments are just one of the many actors. This broader meaning of the term largely stems from the fact that the governments, by themselves, have not been able to fulfill the goals of human development. In the context of the urban areas of the developing world, the inability of local government to cope with the provision of basic services and infrastructure is starkly visible. In many cities in Asia, public-private sector partnership projects have been initiated to deal better with these problems.

Councilor Rhina Bhar presents the case of *The Sustainable Penang Initiative (SPI)*. SPI is the first community indicator project in Malaysia, and possibly in Asia. It represents an initiative of the civil society that has now become an important partner with local government. Launched at the end of 1997, the SPI has organized various public forums and roundtables. This initiative has led to the formation of new citizens’ groups related to water, transport, and the disabled. A citizens’ report card called the Penang People’s Report, which contains

the performance of 40 indicators identified by the various roundtables, was also prepared.

Dato' Mohamad Bin Saib discusses Kuantan Municipal Council (MPK) experiences with public-private sector partnerships. Kuantan City is the administrative, financial, and investment center of Pahang State, Malaysia. In order to strengthen and broaden these functions, a vision for Kuantan was formulated. A participatory approach to fulfill the vision evolved, involving the people and the private sector. Strategic plans were formulated and improvement of MPK's administrative system was undertaken judiciously. This resulted in the award of the ISO 9001 last year and MPK gained international recognition for its working procedures. The city is confident that MPK as the local authority will play its role to achieve its visions through closer partnership with the private sector.

Mayor Benjamin Abalos Jr. describes how the build-operate-transfer (BOT) arrangement enabled his city, Mandaluyong, Philippines, to rebuild the public market after it was destroyed by fire in 1991. He emphasizes the challenges faced by the city, which is a part of a larger metropolitan area, and advocates a mechanism for smaller cities to take independent initiatives.

Congressman Ignacio Bunye, Muntinlupa, Philippines, talks about the need for residents' participation as a means of improving service delivery. The key to his success was due to a participatory strategy, recognizing that nongovernment organizations (NGOs) and people's organizations are important partners in development. People participation in governance or the "bottom-up" approach maximizes the potential of the "governed", enabling them to become effective and active partners in the search for solutions to the challenges they face in their socioeconomic environment.

Mayor Phummisak Hongsyok discusses the experiences of Phuket in promoting a participatory

People participation in governance or the "bottom-up" approach maximizes the potential of the "governed", enabling them to become effective and active partners.

approach to urban environmental management. The tropical island of Phuket is Thailand's premier tourist destination and is visited by about 3 million tourists every year. The sudden drop in European tourists, following reports in the European media about Phuket's environmental problems, caused the city to evolve a participatory approach to environmental management. Since 1994, the city has embarked upon developing a collective vision, and has generated the support of the business community, NGOs, and local communities toward environmental improvement.

Issues and Challenges for Public-Private Sector Partnerships

- Maintaining a balance between the social-service objective of the public sector and the profit motive of the private sector
- Need for transparency in partnership arrangements due to lack of mutual trust among the partners
- Consistency of macropolicies of national governments with local policies of privatization and partnerships
- Special focus on the poor, who may be adversely affected by public-private sector partnerships
- Poor contract management skills with local governments
- Threat to municipal staff due to private-sector participation

These experiences of successful public-private sector partnerships highlight the efforts of city leaders to overcome many challenges associated with partnership initiatives. Through these experiences, one can see a distinct paradigm shift among the stakeholders. The local governments see a shift in their role from provider or doer to enabler/facilitator and initiators of partnerships. The NGOs and community-based organizations (CBOs)

in the city have begun to move away from confrontation (activism) to collaboration with the city government. The private sector has also begun to consider partnerships in city development not from the pure profit motive but from a sense of corporate citizenship. These paradigm shifts are quite important in ensuring partnership of stakeholders in city development.

Lessons for Initiating Public-Private Sector Partnerships

- Increased transparency is necessary in dealing with the private sector, through public consultations and use of open bids
- Strong local government is a necessary condition for successful partnership; this has often been done by increasing the resource base of the local government
- Good corporate citizenship is essential for private–sector participation
- It is important to recognize the need to “connect with people” and realize that “governance is not a one-person show”
- Forums for sustainable consultative processes should be established
- A long-term vision needs to evolve collectively, with action programs in which people can participate

From the discussions, it became clear that successful partnership initiatives resulted when projects chosen for partnerships demonstrated a “win-win” situation for all partners and reduced the chances of incompatibility of objectives among the partners. The city governments also took care to win the confidence of the municipal staff by consultations with them. Care was taken to ensure that the poor residents in the city were not adversely affected by the partnership arrangements. New

procedures and systems were introduced to reduce bureaucratic delays and to institutionalize partnership arrangements.

These innovative public-private sector partnership cases provide some important lessons. The foremost among these is that a strong local government is important in order to provide credibility with the partners. Cities also need a long-term vision that is collectively evolved by all stakeholders. This enables commitment and ownership among the stakeholders. A transparent process of engaging the partners and provision of a proper system of accountability are also crucial to sustaining partnership arrangements.

COORDINATING LOCAL GOVERNMENTS IN MEGACITIES

One of the important features of Asian urbanization is the emergence and rapid growth of megacities.

One of the important features of Asian urbanization is the emergence and rapid growth of megacities. Management of these megacities, especially those that have multimunicipal structure, has confounded policymakers. With rapid growth of services provision, particularly water supply, sewerage, transportation, and waste disposal that have metropolitan character, the question arises whether there should be a single metropolitan-level government to provide all municipal services or can each individual authority in the metropolitan region provide these services? Should the functions of a local authority in a metropolitan context be different from those of other local governments? What are the experiences of metropolitan management in Asia? These are some of the issues discussed by Congressman Ignacio Bunye of the Philippines.

Congressman Bunye describes the Manila situation, where an attempt was made to have a

centralized government for this megacity through the Metropolitan Manila Commission. This was, however, in sharp contrast to the avowed goal of local autonomy. According to Congressman Bunye, while there is a need to evolve a structure for coordination of metropolitan services and problems that transcend political boundaries, the autonomy of the local governments has to be retained.

The forum participants emphasized that when local governments perform their assigned functions effectively and coordinate their activities with other local governments, the task of metropolitan management becomes easier. It was also concluded that while the autonomy of local governments should not be removed, in a metropolitan context, certain functions related to metropolitan planning and development, metropolitan transport, water supply, and sanitation required a coordinated effort. It was also felt that these functions were best carried out by an independent agency that worked closely with local governments.

CITIES AND DEVELOPMENT AGENCIES WORKING TOGETHER TO FUND INFRASTRUCTURE DEVELOPMENT

The role of the development agencies has undergone change in recent years. With globalization and relatively free flow of capital across the nations, more funds are available to cities now than ever before. External support agencies have also begun to recognize a shift in their role from being a mere provider of finance to an enabler for cities to access the global capital market. The city governments, in turn, have to prepare themselves to compete with the private sector and national governments in tapping this vast capital market.

Mr. Keshav Varma of the World Bank highlights the new challenges facing international institutions. These, according to him, are increasing their involvement through decentralization, simplification, innovation, and creation of new lending instruments. The World Bank now promotes the philosophy of making cities livable, competitive, manageable, and bankable. This is being done through city development strategy preparation, capacity building of local governments, and replication of best practices.

Mr. Preben Nielsen of ADB discusses the challenges of urbanization in Asia, the financial requirements, and the need for donor coordination and partnerships. He notes that ADB can provide advice as well as funds and provides examples that illustrate ADB's views on poverty-related issues and means of service delivery. He suggests that the role of international development finance institutions is to promote reforms and policy changes for better urban management.

Mayor Alvin B. Garcia of Cebu City, Philippines, illustrates the process of evolving a long-term vision, encouraging private business to promote tourism, engaging in public-private sector partnerships through BOT projects, joint ventures, and the use of promissory notes as instruments to raise funds.

Mr. P. U. Asnani, Director of the US-Asia Environmental Partnership Program, Ahmedabad, India, describes the dramatic turnaround in the financial situation in that city. The city's tax revenues doubled in one year, not because the city raised taxes, but through plugging leakages, reducing corruption, and professionalizing the administration. He also explains the efforts of the city in raising Rs1,000 million (US\$25 million) through municipal bonds.

These presentations illustrate the paradigm shift in the traditional role of the donor agencies. They see

themselves more as partners of city governments for financing infrastructure, than as the sole provider of fund. External support agencies are moving toward flexible lending instruments like infrastructure fund and municipal development facilities. There is also a greater emphasis now by donor agencies on policy reform in the urban sector and capacity building of local governments. As the examples of Cebu and Ahmedabad demonstrate, it is possible for cities to obtain resources through partnership arrangements and domestic or international capital markets, provided the governments establish their credibility through improved performance.

SERVING CITIZENS: IMPROVING DELIVERY OF MUNICIPAL SERVICES

Responsive municipal government is a key to improved governance. Municipal institutions can no longer be considered a traditional governmental system but must be viewed as service organizations with customer orientation. Within this perspective, municipal organizations need to shift their focus to customer orientation and consider the taxpaying citizens as their consumers. Such a shift in approach would enable municipal institutions to be responsive to citizen demands, improve services, and recover the cost of provision of municipal services.

Mr. Naved Hamid describes ADB's on-going Benchmarking Project in which 10 Asian municipalities are participating. This project provides an opportunity for the participating municipalities to compare their service delivery and establish a program for enhancing the level of their service. At present, the project is focused on two services: resolution of complaints and public grievances and solid waste management.

Municipal institutions can no longer be considered a traditional governmental system but must be viewed as service organizations with customer orientation.

Citizen Complaints-Resolution System: Key Issues and Challenges

- No clear delineation of responsibilities
- Lack of technology, e.g. computerization for handling complaints
- Corruption and inefficiency among staff
- Weak mechanism for action on complaints received
- Problems of classifying/filtering complaints
- People want to complain to the “big-boss”

Complaint Resolution

Complaint resolution and customer orientation are two sides of the same coin. Mr. P. U. Asnani advocates the use of a citizens’ charter, which clearly delineates the responsibilities of the municipal government and lays down the service standards and mechanism for resolution of complaints and grievances. He believes that the key to a successful complaints-resolution system is to keep it easy to access and well-publicized. It should also deal with complaints with reasonable speed. It should be simple, both to understand and use, and there should be fixed time limits for action. The complaints should be kept confidential to protect staff and the complainants. The system should provide information to management so that services can be improved.

Mr. H. B. S. Aradhya, representing the Benchmarking Project coordinators, notes that in many cities a systematic approach to handle grievances is lacking. A few cities have a dedicated unit, while others have a “day-in-the-week” when all complaints are received and resolved. Through the Benchmarking Project, Bangalore realized the importance of a one-stop approach for dealing with complaints, increasing the number of receiving

points, monitoring complaint performance by middle management, and sending unresolved complaints to higher levels of management.

In developing an effective citizen complaints system, municipal institutions face many challenges. In general, municipal staff are averse to being made accountable to the people. In the absence of adequate delegation of powers, complaints may not be resolved. City governments with effective complaint systems have developed procedures for monitoring and prioritizing complaints, and providing effective means of their redressal. In many cities, key municipal staff have mobile phones to enable them to resolve complaints quickly. In some cities, an “open-house” is arranged once a week to enable the citizens to meet top municipal officers.

Key Actions for Solid Waste Management

- Community involvement—separation of garbage in colored bags
- Strict enforcement with on-the-spot fines
- School education; informal education through street plays
- Publicity campaign on the “green city”
- Involvement of the private sector

Solid Waste Management

With growth in urban population, and increase in per capita income and commerce and industry, there has been a rapid expansion in the amount and composition of waste generated in Asian cities. This increase is set to continue for the foreseeable future. Asian cities have a lower rate of waste generation per capita than western cities, but the tropical Asian

climate with high rainfall and humidity aggravates the waste management problem.

Mr. Nathaniel von Einsiedel, Regional Coordinator of the UNDP/UNCHS Urban Management Programme, underscores the need to focus on all the stages of the waste disposal process, viz. generation, collection, transport, disposal, and treatment. He explains the various issues at each of these stages and provides examples of best practices.

On behalf of the Benchmarking Project coordinators, Ms. Suzanne Ardos adds education and enforcement to the list of waste disposal issues. She notes that most Benchmarking Project cities have some ad hoc education programs, and that school education programs are widely implemented. A lesson from the current experience is that multiple channels of mass education are the most appropriate strategy for waste-related education. On enforcement there are varied approaches, with some cities using local law enforcement units and others using the communities. Publicity campaigns with a focus on hot spots and use of mobile enforcement units were the suggested approaches for enforcement.

The key issues and challenges in solid waste management are the adoption of the principles of reduce, reuse, and recycle.

The key issues and challenges in solid waste management are the adoption of the principles of reduce, reuse, and recycle. Reduction of waste requires attitudinal and behavioral changes among the residents. If the local community and the private sector are also involved in the waste collection process, the problem becomes more manageable.

MEETING CHALLENGES IN THE NEXT MILLENNIUM

The next millennium is often referred to as the urban millennium, and at the turn of the millennium nearly half of Asia's population resides in urban areas.

According to Mr. Keshav Varma and Alvin Garcia, the coming millennium will bring greater challenges but also more opportunities to improve living conditions in the cities. However, to take advantage of these opportunities in the new millennium a new system of municipal management is imperative—one that fosters true citizenship, builds sustainable institutions, and improves quality of life.

Mr. Terry Barnes outlines the process used by the Fairfield City Council in Australia for improving resource management. The process began with the community's identification of a clear vision that was translated into a series of community outcomes. A major change in the organization structure involved the establishment of a City Outcomes Department. The responsibilities of this department include the effective use of resources to achieve the community outcomes identified through the vision. This is separate from the City Services Department, which is responsible for the efficient use of those resources allocated to the delivery of services. The focus of this improved organizational structure of the Council was effectiveness and efficiency. The supporting systems introduced within the Council have output-based budgets, in which the opportunity cost of each decision is analyzed, and detailed project evaluation is undertaken.

Municipal budgeting and resource allocation are often driven by past expenditure patterns rather than by current and future needs. In the absence of rational procedures, scarce municipal resources are allocated on the basis of the personal preference of a few individuals or external agencies. However, as in the case of Fairfield City Council, if a consultative process is adopted and a clear delineation of functions related to resource allocation is made, it is possible to develop a strategic vision for financing the development of the city. Improvements in the resource situation of cities

are also seen when qualified staff are engaged in resource management activities.

CONCLUDING REMARKS

Mr. S. B. Chua of the ADB Institute summarizes the Forum proceedings and highlights some of the key messages, i.e.

- share experiences and learn from one another;
- establish partnerships with NGOs, the private sector, and the international community in order to serve people better;
- interact on problems through electronic mail and other means;
- address, in particular, the importance of governance;
- connect with the citizenry and establish mechanisms through which people can participate in local government affairs;
- establish a customer-focused vision that is based on outcomes rather than activities;
- continue to strive for the best organizational structure in metropolitan areas for optimal coordination and cooperation;
- remember that often the megaproblems of megacities can be solved in simple ways;
- engage development agencies in consultations before proceeding with plans for projects that require their assistance;
- seek ways of financing without getting too much into debt;
- be aware that cities will soon face challenges very different from those of today; and
- cities will be competing with one another for resources in similar areas.

Mr. Chua reiterates the need for a continuous dialogue among the municipal leaders of Asia and hopes that the co-sponsors will support the next forum and the activities that will take place in the interim period.

II. OPENING STATEMENTS

This chapter contains the statements made by Mr. Omar Kamil, Mayor of Colombo; Dr. Masaru Yoshitomi, Dean of the ADB Institute; Dr. Sarat Chandran, Secretary General of the Colombo Plan Secretariat; and the Honorable S. Alavi Mowlana, Minister of Provincial Council and Local Government in Sri Lanka, during the Opening Session of the Forum.

Mayor Kamil welcomes the participants to Colombo, and encourages them to take advantage of the opportunity offered by the Forum to engage in dialogues and share experiences among local government leaders. Next, on behalf of the ADB Institute, Dr. Masaru Yoshitomi outlines the structure of the Forum and its objectives: building relationships among city leaders, sharing information and experiences on strategic and municipal service, and supporting ADB's Benchmarking Project. He also stresses the importance of collaboration among partners to ensure sustainable and continuous exchange of information for better municipal service delivery. Dr. Sarat Chandran observes that efficient urban governance entails the right skills and expertise, resources, and wisdom of those directly involved in the process. Finally, Mr. Mowlana encourages everyone to learn as much as possible from the discussions, and to continue coordinating and cooperating with one another for the betterment of humankind.

Omar Z. Kamil

Mayor, Colombo, Sri Lanka

I welcome with a very warm heart the mayors and municipal leaders from the cities of the Asian region who have taken time off from their busy schedules back home for this forum. I welcome with appreciation the resource persons who have offered their valuable time and expertise to articulate the issues, and I welcome with gratitude the many sponsors whose generous support has made this all possible. To you Excellencies, honorable members, distinguished ladies and gentlemen, I extend a very warm and cordial welcome.

We are meeting in the City of Colombo today, and the citizens of Colombo welcome you all with the typical Sri Lankan hospitality. It is a pleasant city with an abundance of fauna and flora, where a rich history, a modest way of life, and a vibrant modernity have met conveniently and with mutual respect. Since our former Mayor Hon. Karu Jayasuriya, who initiated this Asian forum of mayors, took office as Mayor of Colombo, the city has regained a new life, and I am in a better position with his support to welcome you to a city with many changes yet maintaining the traditional Sri Lankan hospitality, the smile of its people, and the greenery of its landscape.

The Colombo Municipal Council is the largest local authority in Sri Lanka and one of the oldest in Southeast Asia. We are 134-years old and during this period the city has developed into the commercial capital of this country. We are faced with many challenges and opportunities and our vision is to make Colombo a model city in Asia, providing a high quality of life to the people.

Colombo has a mixed ethnic population, which we see as a potential for development, a resource and source of color for its vibrant city life, and as offering opportunities for mutual interaction

and progress. The Colombo you see today is a result of the labor of love of many people, many mayors before me, its citizens, a dedicated and committed team of top and middle management, and hard-working staff of the Colombo Municipal Council. They work very hard to maintain the city's infrastructure and innovate solutions to its many problems. Our vision has been to improve collectively the quality of life of people while retaining the culture, heritage, social system, and physical fabric.

I believe this Forum offers us the opportunity to engage in dialogue among ourselves on issues that confront us individually, in our own city offices, and to share the experiences that we have gained in resolving them within our own cultural settings. But I am sure we will learn that there are interesting similarities and that there are common experiences that we can share for the betterment of cities in the Asian Region.

This is an opportunity to exchange ideas that can provide us the insights, understanding, and energy that we need to face up to the day-to-day issues that confront us as much as the ones that we will have to face together in the years ahead. It offers us the opportunity to recognize our mistakes, learn from the experiences of others, and build a broader understanding about our people, urban problems, urban potentials, and urban futures.

Today we are at the doorstep of the next millennium, and it is widely believed that the next millennium belongs to Asia, and in particular, to the cities in Asia. The people in this region will look for new technologies, new social reforms, new urban developments, and new visions for organizing their life styles.

It is in this context that we are meeting today, and it is in this spirit that we are going to engage ourselves in this forum. As the Mayor of Colombo City, and on behalf of the citizens, let me

It is widely believed that the next millennium belongs to Asia, and in particular, to the cities in Asia.

once again offer a very warm welcome to all of you and wish that you will have a pleasant stay here. I also wish that you will find this forum fruitful, exciting, invigorating, and offering opportunities for greater cooperation among our cities and our countries.

Dr. Masaru Yoshitomi

Dean, ADB Institute

On behalf of the ADB Institute, let me extend a very warm welcome to you to this Mayors' Forum. The ADB Institute is indeed pleased to have this opportunity to organize this forum with our co-sponsors, ADB Headquarters, Colombo Plan Secretariat, USAID Regional Urban Development Office for South Asia, US-Asia Environmental Partnership Program, the UNDP/UNCHS Urban Management Program, Konrad Adenauer Foundation, the German Agency for Technical Cooperation (GTZ), and, of course, the Colombo Municipal Council. We are particularly grateful to the Colombo Municipal Council for the excellent arrangements and warm hospitality.

Governance has been recognized as critical for the long-term sustainable development of all developing countries.

The involvement of the ADB Institute in the Mayors' Forum is to lend support to ADB Headquarters' work on governance. This is because governance has been recognized as critical for the long-term sustainable development of all developing countries. We also recognize that a way of improving governance is to build capacity in the areas of first, public administration and second, public expenditure management, both of which are central to core governance. Therefore, contributions by the ADB Institute to build capacity in these two areas, both at the federal and provincial level, could go a long way towards helping developing countries achieve sustainable economic development. For these reasons, we have included in our work

program three integrated programs to build capacity in the public management area. One of these is the Municipal Management program, which we are co-hosting with other donors in the form of this Asian Mayors' Forum.

This is the second forum that the ADB Institute has sponsored. The first was held in Cebu, Philippines, in December 1998, co-sponsored by the ADB Headquarters and the City Government of Cebu, where we had a gathering of around 10 Mayors. Mayor Garcia, whom I am very pleased to see again here today, hosted that forum wonderfully.

In organizing such gatherings, the question of sustainability and continuity of the undertaking has always been in our minds. So following last year's forum, we established a World Wide Web site for the mayors and their coordinators to gain access to a vast knowledge base on best practices of local governments, to participate in worldwide discussion forums, and to exchange experiences long after the forums are over. We have indicated that the mayors' group had to be expanded so that the sharing of experiences could be widened. By this process, we hope that learning from one another through the Internet can take off. It was for this reason that we decided to sponsor the second Asian Mayors' Forum with an increase in the number of participating mayors. In today's forum, the number of mayors represented has trebled. I am happy to be advised of the very good response and interests expressed by many for this gathering. I am even happier to note that the number of sponsors has more than trebled compared to the previous occasion. This is an indication that we are moving in the right direction.

Now that we have some indication of success, it might be appropriate to remind ourselves of the key objective of the forums, and that is to help cities improve the living standards of the

general population. This could be achieved through the following three steps:

- **Building** relationships among participating city leaders so that through the friendships established in this gathering, we are better able to help one another manage the many challenges facing mayors and city administrators throughout Asia.
- **Sharing** information and experiences on strategic and municipal service issues so that we can apply this knowledge to enhancing the services that each municipality offers to its residents.
- **Supporting** ADB's concurrent project on benchmarking selected municipal services, which is taking place in 10 of the cities represented here today. This project aims to demonstrate that cities can achieve better services for their citizens by comparing their service performances with one another and then using this information to improve selected services to their citizens.

In today's gathering, there are 32 city leaders from 12 countries and 10 resource speakers with outstanding credentials in urban management. Organizing such an event is no small task. We were able to do this because of the tremendous amount of cooperation that is evident here today. To make this Forum a reality has not only required the efforts and resources of the Institute but also partnerships with our co-sponsors and, of course, our gracious host, the Colombo Municipal Council. We are most grateful for the Council's dedicated effort in answering our many queries and tirelessly organizing a host of activities for the occasion.

They, like us, perceive that to succeed we increasingly need to learn from one another because we do not have the luxury of time to experiment, to make mistakes, or simply muddle through. We need to partner with others to create collective strength greater than the simple sum of our individual capacities and efforts.

The forum is organized to help participants answer the following key questions:

- What are the good practices of urban management?
- What lessons can we learn from what others have done?
- What have been the challenges faced by others? and
- What are the factors for success?

The program has been designed so that each participant may leave Colombo equipped with new insights on how to address appropriately the key issues that are critically important in the performance of mayoral duties.

This morning, the focus will be on changing the organization's culture to remove major barriers to improved service delivery, and on getting organizations to work in a cooperative, customer-oriented or customer-focused manner. Then the program moves to discussions on how to harness the capabilities of residents through a participatory approach to help enhance service delivery. As a group, you will look for better ways to work with central and provincial government counterparts, through their various public agencies, and with adjacent cities, to achieve your objectives.

Funding has always been a constraint on the kind of services you can provide. This issue will be explored through an in-depth analysis of how public-private sector partnerships can be tapped as a means to overcome funding constraints.

To succeed we increasingly need to learn from one another because we do not have the luxury of time to experiment, to make mistakes, or simply muddle through.

Different modes of public-private sector partnerships will be discussed and their applicability for different services examined. This will be followed by a session on evaluation of appropriate techniques for better resource management. Next, there will be an update on the progress of the benchmarking of services in ten cities, and finally a session is included to identify clearly some emerging issues and possible solutions for cities as we move into a new millennium. Included in most of the sessions are practical examples of how issues are addressed and problems resolved.

You will recall that we wish to foster professional friendships among cities to encourage their sharing of knowledge as the need arises. This forum will provide part of that opportunity through breaking up into small group sessions. This feature has been introduced as a result of feedback from the Cebu forum.

The second innovation of this forum is to introduce all of you to the World Wide Web, to demonstrate how relatively easy it is today to obtain extremely useful information, whether it be serious local government matters, world cricket, or online newspapers. Using E-mail as an effective and inexpensive tool to communicate and exchange experiences with one another will also be covered. I trust you will enjoy this experience, which you will find surprisingly easy.

We need your active participation and particularly your assessment of what we could do better to help you, your city, your country, and your region. I sincerely hope that this forum will contribute to further your efforts to enhance municipal service delivery. In the longer term, we hope there will be increasing involvement by some cities, maybe joining forces together to co-host such a gathering with the Institute and others, and helping organize meetings and other friendship gatherings as well. This will result in sustainability and continuity of the program in the future.

Dr. Sarat Chandran, Secretary-General

Colombo Plan Secretariat

The Asian Mayors' Forum has provided an opportunity for the Colombo Plan to collaborate with other organizations like ADB, ADB Institute, USAID, and UNDP, to focus on capacity and institution building and governance issues, which form an important sphere of activity and specialization of the Colombo Plan.

As you may all know, the Colombo Plan is one of the oldest intergovernmental organizations in this region. It was established in 1951 for the cooperative economic and social development of the countries of Asia and the Pacific. It started as an initiative of seven Commonwealth countries and evolved in the same pattern as the Marshall Plan for the speedy economic and social development of Asian countries. I must say that Sri Lanka played a very crucial role in setting up this organization, which has over the years grown from a strength of 7 to 25 countries spanning Southeast Asia, Central Asia, and the Pacific.

The Colombo Plan is one of the few intergovernmental organizations that fashions its programs and activities around the theme of human capital development. Human capital is going to be even more crucial in the coming millennium because the world is entering into an age of information and knowledge revelation. The Colombo Plan is also one of the few intergovernmental organizations, specializing in south-south cooperation. It has a unique comparative advantage in this field because its member countries are in varying stages of economic development and integration with the global economy, and each has its special developmental expertise to share. In this context, the Asian Mayors' Forum provides a special opportunity for countries in the region to share with one another experiences

in the complex management of cities and provision of urban infrastructure. Hopefully, out of the discussions and debate, new paradigms will evolve for better governance practices, resulting in greater efficiency and cost reduction.

The efficient running of a city and its infrastructure is extremely challenging and daunting. It is as complex as, or more complex than, running the most elaborate industrial enterprises. Many issues are involved in the efficient and orderly functioning of a city, including the delivery of infrastructure and related services, waste management and pollution control, providing for the safety of citizens and facilities for entertainment and other civic amenities, transparency and accountability, and strategic planning for the future. The aspects involved are so multifaceted and multidimensional that the human capital skills required in the management of modern cities are immense. In view of this, all of you representing different cities around the globe bring together expertise and experience rarely assembled in one place.

The human capital skills required in the management of modern cities are immense.

The cities in this region have become borderless, and one critical issue they face is the overburdening of their infrastructure. The increasing population growth and migration in search of better civic amenities and employment have also put pressure on them. Therefore, the development of the city and its periphery should go hand in hand. City management cannot be looked at in isolation; its strategic planning should take into account how the issue of improving infrastructure can be tackled.

City administration is often faced with the problem of raising adequate resources to meet the costs of services for residents. Since most tax revenues are within the ambit of national and state governments, flexibility available to cities in the area of taxation is rather limited. Cities have to use extremely innovative schemes for increasing

resources that do not adversely affect efficiency and investments. Evolving financial products to generate long-term funds for infrastructure projects is also a challenge cities face. This is another important area that the mayors in this forum will be addressing.

The issue of good governance is as important in city management as it is to a private corporation, or for that matter, a state or national government. Transparency of rules, citizens' participation in city administration, effective grievance redressal mechanisms, and financial accountability all contribute to efficient functioning of a city.

Coordination plays a very vital element in the efficient running of a city. Many activities need to be coordinated to precision. In the coming years, information technology tools will play a greater role in city coordination. Therefore, skill development of personnel involved in the management of a city needs to be given close attention.

I have touched upon a few important aspects that go into the efficient functioning of a modern city. In the next few days you will be having fruitful dialogue and interaction and exchange of ideas on these as well as many other important matters, in trying to evolve a set of best practices for city administration.

Before I conclude, let me leave a thought with you. In the coming millennium we should all aspire to make our cities more efficient and more humane, places where citizens can live comfortably and in the right environment to develop their full potential as human beings. To achieve this, we should not only have the skills to face the challenges of the future, but also the expertise, the resources, and the wisdom to shape and fashion the future for the benefit of all.

In the coming years, information technology tools will play a greater role in city coordination.

Hon. S. Alavi Mowlana

Minister, Ministry of Provincial Council
and Local Government
Sri Lanka

It gives me great pleasure to be associated with you all on this memorable occasion. First of all, let me extend my gratitude to the organizers of this distinguished gathering of about 70 delegates from 10 Asian countries: the People's Republic of China, India, Indonesia, Lao PDR, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Viet Nam.

The Asian continent can boast of many successes this year in contributing to the betterment of humankind. However, the nations in the region are still classified as third-world countries. I hope we can qualify as developed countries in the near future; gatherings of this sort will enable us to discuss matters that will help us achieve our objectives and assist us to take our due place in the world arena.

I see in the audience a galaxy of talents—mayors and other officials who will coordinate and cooperate in order that institutions can operate. For me, that is the most important factor.

I am fully aware of the enormous tasks before the mayors of our region. Because of urbanization, mayors become financially constrained and unable to provide adequate facilities, proper garbage disposal, safe drinking water, etc. They are faced with the urgent need to enhance the delivery of municipal services and develop the capability of their cities to handle such situations. They have to find solutions to these seemingly insurmountable problems within a short span of time. They spend sleepless nights trying to find the right mix to solve these problems.

Mayors also have to contend with opposition around them, but at the same time being conscious of the fact that criticism should be taken in good

spirit, and used to restructure for a successful administration. In Colombo, for instance, the media are very quick to criticize new concepts, but we always allow them to express their views. The opposition in the Colombo Municipal Council is also encouraged to coordinate and cooperate with the present administration to find solutions to our problems. We believe that if we listen, we can improve. After all, the true test of a good leader is being able to win the opposition and critics by making them partners in planning and implementation of government programs.

This gathering will allow us to discuss our common problems and share different solutions that will enable our respective cities to move forward to the future. Our approaches may be different, but we can learn from each other and improve the welfare of our own people.

The true test of a good leader is being able to win the opposition and critics by making them partners in planning and implementation of government programs.

III. CHANGING INSTITUTIONAL CULTURE OF ASIAN MUNICIPALITIES

Every organization has a unique culture, which is the result of doing things in a certain way over a long period of time. However, with rapid changes in the external environment of the organization, its traditional role or modalities need to be changed. Whenever someone tries to introduce reforms, there is considerable resistance from within the organization.

Mayors face the same dilemma. Although they want to improve the quality of life of their citizens, they will often discover that their very municipal organization has become a major barrier to improved service delivery. The organization may be bureaucratic and hampered by regulations, and thus have become unresponsive to the need for reform.

How can mayors change the existing organizational culture so that it supports rather than hampers their objectives to improve the city and its services? Mr. Deshabandu Karu Jayasuriya shares the practical steps he undertook to change the work and service culture of the Colombo Municipal Council, which resulted in improved services and quality of performance of its workforce.

Whenever someone tries to introduce reforms, there is considerable resistance from within the organization.

THE COLOMBO MUNICIPAL COUNCIL EXPERIENCE

Deshabandu Karu Jayasuriya

Former Mayor, Colombo City, and
Leader of the Opposition
Western Provincial Council

Since the inauguration of the Colombo Municipal Council 134 years ago, the city population has increased from 80,000 to 800,000 with a floating population of yet another half a million. Urban migration has brought in a large number of citizens who are left without proper shelter and without access to basic amenities such as safe water and sanitation. The density and increase in commercial and industrial activity have also brought greater pressure on the functions of the Council. Unplanned patterns of urban growth have caused economic inefficiency, environmental degradation, and human misery.

Planning mechanisms had failed to address this dramatic increase and the mass migration into the city. The delivery of municipal services did not meet the expectations of the community. City sprawl and the demand for transport had far outstripped road capacity. The administration was not very successful in trying to improve the lot of the urban poor, constituting nearly 45% of the city population.

Urban financing had collapsed under severe pressure and was incapable of maintaining infrastructure services. Funding that used to come from higher levels of government was shrinking as the latter also faced a resource crunch. Central government debts continued to be unpaid. The financial base remained narrow and stagnant. Yet, over the years, this city has steadily progressed to become a modern city throbbing with activity and struggling to contain itself within its boundaries. It

has enjoyed the blessings as well as the strains of being the commercial capital of the country.

When I was elected in April 1997, this was the environment into which the new administration entered, quite unknowingly. It was the first time that I entered the political arena and I had no doubt that the people elected us convincingly because they needed a change. We assumed office and realized that if our vision of a livable, clean, and sustainable city was to be a reality, a change was imperative.

I have been thoroughly involved in the growth of the private sector in this country, held office in a number of companies, institutions, and Chamber of Commerce, and had the opportunity of steering Sri Lanka's first privatized enterprise to become a leading and successful business institution in this country. We were associated with the flexible market-based management system. Success depended on the achievement of the designed objectives. We measured performance by outcomes not inputs. We were driven by goals, visions, and missions, not by rules and regulations. Our clients were customers and we offered them choices. Our effort was on earning and not simply on spending. Above all, we focused on catalyzing all sectors—public, private, and volunteer—into action to solve their needs.

We were driven by goals, visions, and missions, not by rules and regulations.

It was not a surprise to discover that the Colombo Municipal Council was no different from other public institutions. The rigid, hierarchical bureaucratic form was the traditional model of public administration. Officials adhered to rules and regulations and were mainly concerned with doing things correctly. Often we heard of the poor performance of public bureaucracies, cumbersome red tape, unpleasant officials, poor services, and corrupt or irregular practices. There was a demoralized staff with over 35% vacancies, no overtime, lack of machinery and equipment, and

no decision making. Most of the staff believed that “no work means no problems.”

We looked for change in a profession that had seen little change over a long period. A society that is changing fast requires systems of government that can keep pace with the growing needs of people. We realized that such major changes required good leadership and team spirit. There was a need for better management rather than mere administration. There had been no attempt to seek best practices, despite potential for innovation and improved efficiency. There was a need to shift from the traditional form of public administration to public management.

Before our term, power was seen to reside within the Town Hall. Politicians spent a considerable amount of time trying to gain power there. Chief officers were running the departments and provided services to different groups of people. The services were generally initiated, developed, and delivered within the Town Hall, which was considered a direct way to solve social problems in the locality. Politicization was at its peak, which resulted in a significant decline in the performance of the Council.

Several steps were taken to overcome this issue. First, prior to the elections, every effort was made to include several professionals as candidates while allowing for grass-root politicians. I selected my likely successor before the election. This enabled me to work with a strong team representing diverse interests. I also accepted the position for a limited period of one to two years over the full term of four years.

Second, all policies set out by the councilors were based on the needs of the electorate. The executive handled the implementation. There was a very high degree of delegation to the deputy mayor who coordinated the link between the elected representatives and the officials.

Prior to the elections, every effort was made to include several professionals as candidates while allowing for grass-root politicians.

Third, we changed the old idea that democracy is equated to elections by minimizing wasteful interparty conflict and political confrontation. Members of the opposition political parties in the Council were elected as chairpersons of 5 of the 15 statutory standing committees. Together they formed my inner cabinet. This was a new concept, with 33% of my inner cabinet appointed from the opposition. Looking back, we are happy that we were able to draw up the four-year development plan for the City of Colombo with the participation of all political parties.

Fourth, we increased the power and accountability of managers. Empowerment was implemented by delegation. Rather than being controlled administrators they became empowered managers so that they could exercise their own initiatives in responding to customer needs. This gave them managerial freedom, due recognition and responsibility, and above all an opportunity for a pluralism of service-delivery mechanisms.

The Council used to have a rather dominant, closed, secretive, and anxious relationship with the public, especially when criticisms were made. By undertaking innovative measures, we changed the image of the Council and how local authorities viewed the public.

We were able to draw up the four-year development plan for the City of Colombo with the participation of all political parties.

100-Day Program

A 100-day program was developed to create an impact in the community of the overall services of the Council with particular emphasis on

- providing better amenities to the poor;
- giving a facelift to the city;
- involving the private sector; and
- creating awareness among the people so that they would join hands in providing an effective service to the city.

A 100-day program was developed to create an impact in the community of the overall services of the Council.

The response was great and all sections of the community including foreign ambassadors joined us to make this program a success. Following are the elements of the Program.

- **A Directory of Services**, which was produced during the time of my predecessor, was distributed to households. This book gave the citizens an insight into the roles and activities of the Council and how best to contact local officials when in need.
- **A 24-hour Information Center and Complaint Desk** was opened to help the citizens. Complaints were taken, recorded, and a scheme to follow-up introduced. We institutionalized a Public Day every Wednesday. The mayor, deputy mayor, municipal commissioner and all heads of departments are accessible to the public at one place on this day. In this way the public can have their problems resolved directly and quickly. Usually, 200-300 people are present on a Public Day.
- **Advisory Committees** were established, comprising leading citizens recognized for their expertise, experience, and reputation in the relevant fields who contribute voluntarily to the development of the city. Fifteen such committees, covering activities ranging from public health, sports, markets, and planning to finance, were formed.
- Similarly, a **City Watch Committee**, consisting of civic leaders and professionals, was formed to initiate and maintain regular dialogue with the Council on matters pertaining to the city. These committees have made and continue to make a most useful contribution to the city.

Through these efforts we were able to win the confidence of the people. The citizens saw what was happening and felt that they were wanted. They realized that the Council was working with a purpose.

This was also the beginning of a number of partnerships that we built. Through partnerships with NGOs and the private sector we were able to join hands in maintaining dispensaries, roundabouts, a traffic lighting system, common amenities to the poor, street name boards, etc.

Partnerships with professional groups such as the Institute of Architects, the Organization of Professional Associations, and the Institution of Engineers resulted in the formulation of "Vision for the City of Colombo – Year 2000." Partnerships with the business sector were also initiated and I am happy to state that the present mayor has already inaugurated a Colombo Business Partnership Programme.

The international community also showed a tremendous interest and responded favorably towards our efforts to develop the city. The governments of the Netherlands, Norway, Great Britain, and Australia helped us in many projects directly while the governments of Germany and Japan have made commitments to major development projects. In addition to this, donor agencies, particularly the Konrad Adenauer Foundation and Friedrich Naumann Foundation, have been working with us very closely in many activities.

Partnerships with other local authorities have also been formed. We are the largest local authority in Sri Lanka and it was our responsibility to give leadership to the other local authorities. We did this by forming the National Chapter of Mayors of Sri Lanka, a body comprising the 14 mayors representing the 14 municipal councils in Sri Lanka. Today, this is an established forum where the mayors

meet irrespective of different political ideologies. This body has not only initiated collective action but also made possible a study tour to Singapore for the mayors and deputy mayors, municipal commissioners, and leaders of the opposition.

Private contract of some services was a new introduction by the Council. Conventionally, it was believed that public services were not as effective and efficient as the private sector in terms of wastage, supervision, and value for money. Although there were initial criticisms and objections, it proved to be a successful venture. Today many services, such as janitorial, security, and garbage collection, are carried out on contract by the private sector.

There was a need to make every employee conscious of the fact that the customer is the most important person for the Council.

To ensure that this participatory approach is sustainable, there was a need to make every employee conscious of the fact that the customer is the most important person for the Council. An effective public-relations and customer-focus training program was introduced covering all sections of the Council. This brought about the much-desired attitude of staff toward their customers and created a new atmosphere in the Council. Training became an important part of the Council agenda, in fact, every year at least one officer is undergoing specialized training somewhere. As part of this program, we arranged for most of the municipal councilors and key officials to visit Singapore as a model city. These were sponsored visits not using public funds.

Developing a vision, mission, and a plan for the Council was essential for city management. I had a vision, but a truly viable vision is a confluence of ideas from all stakeholders. We developed a mission statement defining how we would get there. We determined a sense of direction with a valid corporate plan in order to know what was required in the management of the city and whether we were meeting our goals. This was the first time that a

corporate plan was made public by a local authority in Sri Lanka.

One of the important aspects of this plan is to meet the needs of the young people for the next millennium. They are our future leaders and it is our responsibility to direct them to meet the challenges ahead. For this we initiated intensive, job-oriented training programs, a career development center, and a millennium park giving the opportunity for the poor to keep abreast with information technology. We have plans to train about 5,000 youths annually.

Societies throughout the world will continue to change rapidly during the foreseeable future. They will be driven by changes in values, changes in technology, and changes brought about by global trade. Councils that are structured and motivated to change and recognize the need for it are those that will succeed and be seen as useful and necessary by the public.

Looking back at the 26 months of the new administration, we have every reason to be satisfied. Although the City of Colombo was not turned upside down during this short period, we were able to achieve quite a lot through team effort. The credit of our achievements and the bouquets were given to our team. I took criticism and brickbats. We yet have a long journey but I feel that we will reach our goal. We have the right team and the right approach.

Ladies and gentlemen, I wish to extend my deep appreciation and gratitude to the ADB Institute, ADB, and all the sponsors for inviting me to deliver this keynote address. For us in Colombo, it is a great honor and privilege to have such a distinguished gathering. Your presence is indeed an encouragement to all of us. I wish all the visiting participants a very pleasant and memorable stay in Sri Lanka and in the City of Colombo.

IV. PUBLIC-PRIVATE SECTOR PARTNERSHIPS FOR MUNICIPAL DEVELOPMENT

Local governments around the world have begun to experiment with various strategies for delivering better public services. Wishing to provide better services but severely hampered by lack of funds or expertise, they have engaged in partnerships with residents and the business or corporate sector. These partnerships range from planning and implementation to monitoring of public services. Over the past decade, many Asian cities have adopted some form of partnership with civil society or the private sector. These experiences suggest that partnerships are based on mutual trust and respect among the partners, but that the city government has to play a leading role in initiating such partnerships.

This chapter demonstrates how five Asian cities were able to improve their services successfully through such partnerships. The first example is the Sustainable Penang Initiative presented by Councilor Rhina Bhar of Penang, Malaysia. This initiative for developing community-based indicators for sustainability and livability through a process of popular consultation, has become a very important strategy for addressing the challenges of sustainable development in Penang.

The experience of Kuantan, Malaysia, as presented by Dato' Mohamad Bin Saib, President of Kuantan Municipal Council, exemplifies how the involvement of the private sector in local

government processes can help a council achieve its vision. Dato' Saib also emphasizes the need for a long-term vision derived through consultations among the stakeholders.

Mayor Benjamin Abalos, Jr. of Mandaluyong City, Philippines, proudly cites the build-operate-transfer (BOT) arrangement that was undertaken by his city in rebuilding a large marketplace after it was destroyed by fire in 1991. The existence of national BOT legislation has helped many cities in the Philippines to initiate such partnerships with the private sector.

Congressman Ignacio Bunye of Muntinlupa District, Philippines, shares his experience of how community participation transformed his city's distressingly large urban poor sector into a well-managed settlement area. He emphasizes that the art of effective governance involves the principle of three Cs—consultation, collaboration, and coordination.

The art of effective governance involves the principle of three Cs—consultation, collaboration, and coordination.

Finally, Mayor Phummisak Hongsyok of Phuket Municipality in Thailand describes how Phuket evolved a participatory approach to manage its environment on a sustainable basis in order to maintain its status as the premier tourist destination in Thailand.

All these practices prove one point: the key to successful partnerships is an established mechanism where people and government can talk to each other about what is best for their society, and how best they can work together.

THE SUSTAINABLE PENANG INITIATIVE

Rhina Bhar

Councilor, Penang, Malaysia

The Sustainable Penang Initiative (SPI) is the first community indicator project in Malaysia, and possibly in Asia. It is an attempt to forge a popular consultative process to address the challenges of sustainable development in Penang and at the same time an attempt at innovative, decentralized, and participatory governance. In time, it is hoped that this planning philosophy will permeate what is currently a top-down planning process relying on conventional macroeconomic indicators and fragmented planning, which does not give a holistic picture of environmental and societal impact.

This project is conducted by Penang's newly established think tank for sustainable development, the Socio-Economic and Environmental Research Institute, or SERI Penang. It is sponsored by the Canadian International Development Agency through the Canada-Association of Southeast Asian Nations (ASEAN) Governance Innovations Network Program, which is coordinated by the Institute on Governance. It is also supported by UNDP and the UN Economic and Social Commission for Asia and the Pacific (UN-ESCAP).

Penang is one of the 13 states of Malaysia, covering an area of 1,031 km² with a population of about 1.28 million. It consists of two parts: an island and an adjacent strip on the mainland, the two parts being linked by a bridge and a ferry system.

The Municipal Council of Penang Island is responsible for Penang Island, with a population of about half-a-million people and a landscape of great ecological, economic, and cultural diversity. George Town, the historic port and capital of Penang, has

SPI is an attempt to forge a popular consultative process to address the challenges of sustainable development in Penang and at the same time an attempt at innovative, decentralized, and participatory governance.

an urban history of over 200 years. Apart from being an administrative and commercial capital, the inner city is also Penang's cultural and spiritual capital, with a rich multicultural heritage eligible for World Heritage listing. Komtar, the center of Penang's government, is situated in the city center of George Town. This building houses the offices of the federal, state, and local governments. Batu Feringghi, an international tourism resort, is located along the north beach, and finally, the island's water catchment area and nature reserve are at Penang Hill.

From 1992 to mid-1997, Malaysia had an economic growth rate of 12 percent. With such growth, Penang Island faced some unique environmental challenges and opportunities, including

- encroachment on the water catchment area and nature reserve due to hill farming and development;
- pollution of river systems and coastal waters from domestic waste, agricultural waste, pig farming, and industrial effluents;
- threats to air quality from local traffic and industrial pollution as well as trans-boundary haze;
- rapid motorization, urbanization, and large-scale property development causing environmental stress on the land-scarce island and its ecologically fragile areas; and
- lack of open space and recreational areas.

In the past, environmental controversies may have created tensions between NGOs and government. However, immediately after the Rio Summit, the Malaysian Government and the Penang State Government put increasing emphasis on environmental concerns. The goals of environmental sustainability and improved quality of life became priority.

Although the Department of Environment, the Penang State Government, and Municipal Council faced financial, land, and staffing constraints, they tried to spearhead and support local environmental efforts through greater popular consultation and partnerships with NGOs and community groups. For example, when environmental groups objected to a massive development proposal for Penang's ecologically sensitive Penang Hill, the local government encouraged participation from community groups through a local planning process.

The SPI was established in late 1997, at the beginning of the economic slowdown—which was also a time when government, business, and civil society were becoming more environmentally informed and aware—to provide an information framework and common networking among the various sectors, stakeholders, and proponents of sustainable development and environmental initiatives.

Objectives

As a pioneering process of popular consultation for inputs into holistic development planning, its objectives were

- to develop a broad series of indicators for gauging sustainable development;
- to develop the model for a holistic and sustainable development plan that takes into consideration social, cultural, and environmental dimensions besides the conventional economic ones;
- to establish a mechanism for public input and consensus-building based on partnership between government, the business sector, and civil society; and
- to channel the output of the consensus process to relevant authorities in order to

influence development planning and policy formulation.

The SPI has organized or co-organized nine public forums, participated in total by about 400 people, contributing a total of about 5,000 people hours. Participants have come from the government, schools and universities, business and industry, youth groups, community groups, and NGOs.

The SPI Process

Five roundtables (Figure IV.1) were convened to explore systematically the themes of ecological sustainability, social justice, economic productivity, cultural vibrancy, and popular participation. Linkages between these five themes were also explored to promote a holistic understanding of development and its consequences. Through this process, we have gained a better understanding of the effects of rapid economic growth on environment and society. After the five main roundtables, two more roundtables, in Bahasa Malaysia and Chinese, respectively, were held to overcome the language constraints.

Through this process, we have gained a better understanding of the effects of rapid economic growth on environment and society.

The participants identified issues and indicators affecting Penang's sustainability and quality of life. The environmental issues included air pollution, acid rain, coastal water quality, lack of open spaces, river water quality, loss of mangroves, public access to recreational beaches, hill cutting, traffic congestion and safety, bicycle usage, flooding, urban trees, water consumption, noise pollution, pesticides, waste management, and population growth.

Some issues required established indicators that were already being monitored by government departments, but which needed to be communicated to a wider public audience. In other cases,

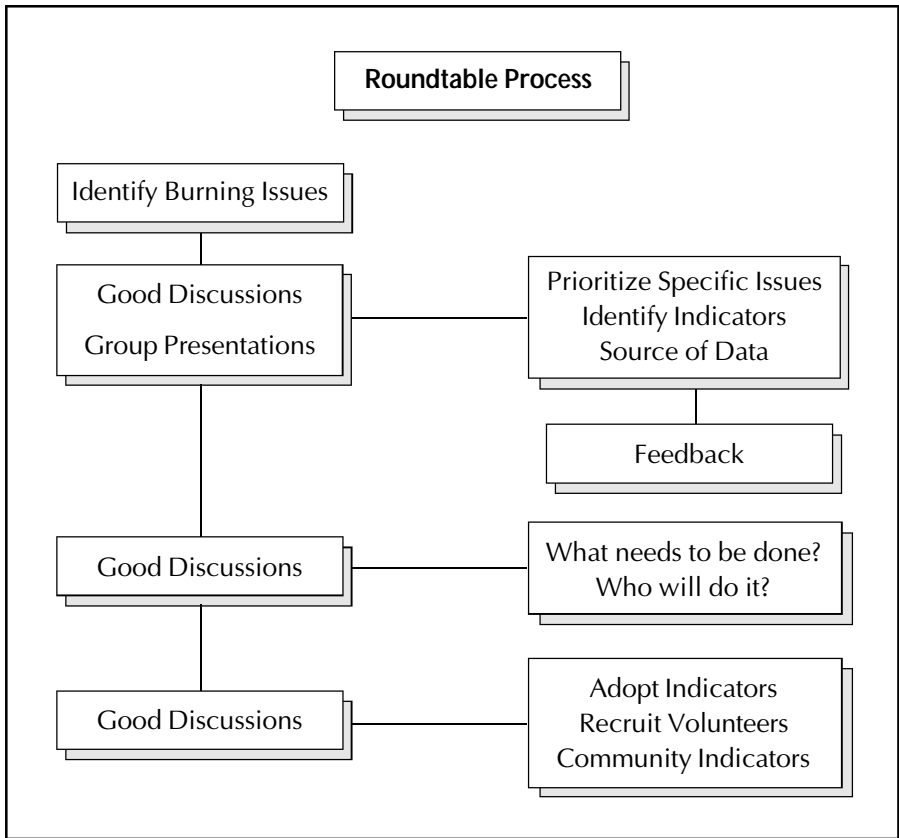


Figure IV.1. The Sustainable Penang Initiative: Roundtable Process

community environmental monitoring projects were initiated to produce the indicators.

One example of the latter was a crow count organized by the nature society. Crows were identified as an indicator of unmanaged waste, and the distribution of crows was just as telling as the number of crows.

Citizens' groups also championed most issues, but where no champions existed, three new groups were formed that have since grown into their own movements. The first is Water Watch Penang,

which is working with the Penang Water Corporation to monitor water resources and to promote water conservation and recycling. Another is Sustainable Transport Environment Penang (STEP), which is working with the State Government and Municipal Council to promote public transport, walking, and cycling. The third group is Sustainable, Independent Living and Access (SILA), a network of people with disabilities, which together with UN-ESCAP and the Ministry of Housing and Local Government, is working to promote and create disabled-friendly environments within the city.

The roundtables were conducted by SERI as proactive, facilitated workshops. The recommendations and inputs gathered will be used in the formulation of the Penang strategic plan for the next decade (2001–2010). As a research institute, SERI will also be the consultant undertaking the strategic plan.

Recently, the SPI organized a People's Forum which brought together the State Government and about 200 members of the public to look at a "report card" of the 40 issues and indicators affecting Penang's sustainability and livability. The Penang People's Report, which contained the performance of 40 indicators (Box IV.1) identified by the various roundtables, was presented to the Chief Minister of Penang.

These indicators can be separated into 4 status categories:

- The Good News: indicators that show things going in the direction of sustainable development.
- Some Mixed News: indicators whose impact is difficult to determine; some of them may be interpreted as good depending on actions taken.
- The Challenges Ahead: indicators of areas that

require much work being done or have room for improvement.

- Questions and Challenges: indicators about which conclusions cannot be made due to insufficient or unreliable information.

One indicator of Good News is urban trees. It is encouraging to note that we have achieved 82% of the target of 180,000 trees planted by the end of 2000. Indicators in the Mixed News category include disabled access to public facilities, childcare facilities and healthcare expenditure. Regarding access by disabled to public facilities, although there are no buildings complying with Malaysian standards 1184 and 1183, barrier-free issues have been highlighted and there are ongoing efforts to improve accessibility to several public places. Some Challenges Ahead indicators include issues on children at risk, social ills, domestic violence, unplanned pregnancies, persons with HIV, and traffic safety. The indicator on housing affordability falls under the Questions category. Despite the fact that housing affordability is a critical issue, information on the number of low-cost housing placements as a proportion of applications is difficult to obtain.

Members of the public have been invited to comment on and monitor these indicators. Several interest groups including academe, NGOs, the private sector, and individuals have volunteered to monitor some indicators.

Conclusions

The success of the SPI project can be attributed to various factors. First, Penang (the island, in particular) is a compact, relatively developed, and urbanized state with the human and infrastructure resources to sustain broad-based citizens' initiatives.

Box IV.1. List of 40 Indicators of Sustainability and Livability in Penang

Indicators of Environment

Indicator

- | | |
|--------------------------------------|--|
| 1. Acid Rain | pH value of rainfall |
| 2. Air Quality | Air Pollution Index |
| 3. Environmental Violations | No. cases prosecuted |
| 4. Coastal Mangroves | Acreage |
| 5. Unmanaged Waste | No. crows |
| 6. Coastal Water Quality | % monitored coastal waters classified unsuitable for recreation or aquaculture |
| 7. River Water Quality | Water Quality Index |
| 8. Water Consumption and Production | |
| 9. Environmental Noise | Equivalent-A-weighted sound level |
| 10. Private Vehicle Ownership | Highest 2-way, 16-hour average volume on road |
| 11. Traffic Congestion | |
| 12. Cycling as Sustainable Transport | No. cyclists crossing by ferry |
| 13. Urban Trees | No. trees planted under the National Tree Planting Campaign |
| 14. Parks and Open Spaces | Ratio of open space to population |

Indicators of Community

- | | |
|--|--|
| 15. Disabled Access to Public Facilities | No. accessible public and commercial buildings |
| 16. Child Care Facilities | |
| 17. Children at Risk | No. reported child-abuse cases |
| 18. Social Ills Among Youth | No. incidents of reported juvenile crimes |
| 19. Domestic Violence | No. wife battery cases reported |
| 20. Unplanned Pregnancies | No. single mothers in homes |
| 21. Persons with HIV & AIDS | No. new AIDS cases and HIV carriers detected |

(continued on next page)

Box IV.1(cont.). List of 40 Indicators of Sustainability and Livability in Penang

Indicators of Community	Indicator
22. Healthcare Expenditure	% state health care expenditure to GDP
23. Breastfeeding	No. babies born in baby-friendly hospitals
24. Housing Affordability	No. low-cost housing placements
25. Traffic Safety	No. casualties and fatalities from road accidents per 100,000 persons
26. Occupational Safety & Health	No. industrial accidents
Indicators of Economy	
27. Corporate Environmentalism	No. companies certified MS ISO 14001
28. Economic Diversity	
29. Tourism Industry	Hotel occupancy rate
30. Fisheries Yield	Total landings of marine fish
31. Informal Sector	No. licenses for itinerant hawkers
32. Rice Yield	
Indicators of Culture	
33. Cultural Infrastructure	No. built venues for arts events
34. Heritage Conservation	No. inventoried buildings demolished
35. Public Library Usage	No. users and loans
36. Signage Culture	No. appropriate street signs
Indicators of Participation	
37. Women and Employment	Proportion of women employed at various job levels in the manufacturing industry
38. Public Participation in Town Planning	% population taking part in public participation programs
39. Voter Participation	No. registered voters
40. Environmental Complaints	

Second, Penang has had a longstanding tradition of NGO activism, and provides the headquarters for a remarkable number of international and regional NGOs. Local voluntary organizations are similarly active, and the accumulated experience and networks between such organizations and individuals were crucial to SPI's rapid launch. Third is the highly competent and enthusiastic staff employed by the SPI project. Fourth are the experienced and motivated supporting staff and SPI volunteers. Fifth are the liberal, open-minded elements within the State Government leadership, receptive to ideas of broader-based governance.

Needless to say, the SPI project has also experienced shortcomings from a lack of consensus among project staff on basic issues of concept, strategy, tactics, goals, governance, approaches to sustainable development and social change, and format and content of roundtables. There was inadequate project oversight and monitoring, manifested in part as ad hoc communication within the project team and steering committee. There was an absence of a coherent strategy for developing sustainability indicators and nurturing its continuance (e.g. by getting the community to identify with it, linking it with popular participation); and uncertainty about the right balance to strike between technocratic tools and mobilizational aid. The cleavages within Penang society, accentuated by linguistic and cultural heterogeneity, which resulted in quite unbalanced representation at the roundtables, also posed a serious threat. Also, the limited jurisdiction of state governments in the Malaysian federal system severely constrained the possibilities of meaningful local inputs into development planning.

As a result of the SPI, the Penang State Government itself will be taking a more consultative approach in developing its own strategic plan for the next decade. It is also encouraging government

The Penang State Government itself will be taking a more consultative approach in developing its own strategic plan for the next decade.

departments to use indicators to monitor their own performance and also as a tool for public education—in short, to adopt a culture of indicators as part of a culture of transparency and accountability.

Perhaps even more important than this technocratic exercise itself is the fact that the people of Penang are becoming better informed, are building a common vision of sustainable Penang, and will feel collectively more responsible as a community for their environment. The SPI has also opened up many opportunities for the government sector, business sector, and civil society to realize their common goals—not to continue to fault each other for environmental problems, but to work together through new partnerships.

The project is also seeing success beyond its borders, as two similar initiatives are being planned that draw inspiration from it: in Medan Bagus in Indonesia and Iloilo in the Philippines. In both projects, the local authority will be a major partner.

The SPI has also opened up many opportunities for the government sector, business sector, and civil society to realize their common goals.

SOCIAL AND COMMUNITY DEVELOPMENT WITHIN LOCAL PLANNING AUTHORITY AREAS

Dato' Mohamad Bin Saib

President, Kuantan Municipal Council
Kuantan, Malaysia

Local planning authorities are directly involved with urban and social planning. Targets of urban planning are documented in structural and local plans, a process that implies social objectives and economic targets. It is recognized, however, that with limited resources within the municipalities to cater for the needs and wants of the populace, the

role of the private sector has now become an integral part of overall development pursuits. The mentality that only the municipality should fulfil social obligations and responsibilities has now changed.

While the Kuantan Municipal Council may have many plans and ideas for efficiency and quality in its core business of serving the people, the private sector is the main force to execute them. Of course in any partnership, the best deal is a win-win situation. A symbiotic relationship, once established, will definitely pave the way towards a masterpiece, i.e., creation of the ideal city, a city excellent in urban image and ever growing.

The Kuantan Municipal Council or *Majlis Perbandaran Kuantan* (MPK) was established on 1 September 1976 under the Local Government Act of 1976 (Act 171). As a local authority, MPK is responsible for planning, coordinating, and controlling development and provision of public places and urban services within its area. It covers an area of 324 km² and has a current population of 310,000.

The local authorities have autonomy in financial and administrative functions. In accordance with the Local Government Act, licenses of commercial and industrial activities and property assessment are the main source of revenue for a local authority. With such limited sources of income, many local authorities find it difficult to perform all the roles stated in the Act and fulfill the demands of the populace. Thus, MPK embarked on public-private sector partnerships aggressively.

The Kuantan Vision

Kuantan, being the state capital of Pahang, plays an important role as the administrative, financial, and investment center, and most importantly the provider

of quality services to the public. In order to strengthen and broaden these functions, a vision for Kuantan was formulated, which is a challenge for MPK, the private sector, and the public to achieve:

- A city supportive of development and facilitating private- and public-sector involvement.
- A center conducive for investors.
- A financial center.
- A regional, commercial, and retail hub.
- A prominent tourist destination.
- A friendly and harmonious population.
- A green and environmentally sustainable city.
- A well-planned city with unique images and interesting features.
- A city with high-quality urban services.

To achieve this vision, strategic plans were formulated and improvements in MPK's administrative system were judiciously made. These resulted in the award of the ISO 9001 last year and MPK gained international recognition for its working procedures. The Prime Minister Award received by MPK is also a proud achievement, in recognition of its overall role and function as a progressive local authority.

Areas for Private-Sector Participation

In the past, the private sector has contributed rather sparsely toward social obligations, which were mostly confined to event sponsorship and small-scale social projects such as bus stops. This happened because of the lack of understanding between the parties on the importance of working together. While private companies continue to support social events and social facilities, MPK is speeding up their involvement in development activities.

As a local authority, MPK has used a win-win concept in many social and community development projects since the mid-1980s. We have identified five areas in local government processes for private-sector participation.

The first is the planning process. Overall development of Kuantan is based on the Structural Plan and Local Plan prepared in 1994 and 1997, respectively. These plans are subject to review every five years. Previously, private-sector involvement in the planning process was indirect and nonstatutory. However, with these plans and in accordance with Sections 9 and 13 of the Town and Country Planning Act, the public can make recommendations, suggestions, and objections to the plans.

The second is revenue generation. Because our resources were limited, we made efforts to increase and diversify our income. At present, the private sector has responded well to projects and services offered under privatization, joint ventures, and sponsorship. To attract investors, we allow certain procedures to be waived, give speedy approvals, and pave the way for better infrastructural and investment climates.

The third area is municipal services. With the expansion of the local authority area, financial constraints, and manpower problems, municipal performance had suffered a slight deterioration in service quality. To ensure that quality was maintained, MPK privatized several of its services including sewerage treatment, garbage collection, landscaping facilities, and parks maintenance. With these programs, MPK has been able to monitor the outputs of contractors and ensure they are up to its standards.

The fourth area is community development. MPK is very active in organizing community development programs with the residents. These programs are mostly toward the promotion of

To attract investors, MPK allows certain procedures to be waived, give speedy approvals, and pave the way for better infrastructural and investment climates.

cleanliness, beautification, social interaction, safety, sports, recreation, and education. The private sector has sponsored and jointly paid for these programs. They are normally held yearly, monthly, or occasionally, based on certain themes and needs.

The fifth area is promotion of events. We have invited the private sector to participate in promoting events related to sports, recreation, tourism, and religion. For example, we have the Kuantan Beach Run, an international event sponsored by the private sector. We also have the international Kuantan parachute jump, SUKMA, an interstate game, an international regatta, and others. All these are successfully held with the involvement of certain associations, NGOs, and residents' associations. Table IV.1 summarizes these different avenues for public-private sector participation in Kuantan.

We are confident that the private sector reaps as much benefit as does the MPK. We were able to improve the quality of life of our citizens through efficient public services and sustainable development. We expect to get high value for our property, and maintain our city status as a well-planned city. The private sector receives more economic gains through increased business and investment opportunities in services, manufacturing, and construction, and also benefits from reduced risk investment and higher purchasing power.

We are still working with some of these groups to enable them to play more dominant roles and participate in the areas of research and development, technology transfer, specialists training, environmental conservation, human resource development, and social well-being. With these public-private sector partnership programs, we hope to stimulate and revitalize economic activities and social and community development in MPK in the coming millennium.

We are confident that the private sector reaps as much benefit as does the MPK.

Table IV.1. Kuantan Municipal Council Public-Private Sector Partnerships

MPK	Private Sector	Example of Project / Program
<p>a. Planning Process</p> <p>i. Preparation of Development Plans</p> <p>ii. Planning Control</p> <p>• Preparation of planning evaluation report</p> <p>• Preparation of EIA report</p> <p>• Preparation of related plans e.g. hydraulic calculations, landscape plans</p> <p>iii. Development Changes</p> <p>iv. Infrastructure Contribution</p>	<ul style="list-style-type: none"> • Planning Consultant • Engineering Consultant • Environmental Consultant • Economic Consultant • Jaya Gading – Gambang Local Plan • Planning Consultant • Surveyor • Engineer • Landscape Architect • Published bulletin • Land Owner • Developer • Housing Developer Association (HDA) • Chamber of Commerce & Industry 	<ul style="list-style-type: none"> • Kuantan Central Area Local Plan • CBD Local Plan • Kuantan Structural Plans • Seberang Kuantan Local Plan • Development incentives • Fast processing of application • ISO procedures • Organized meeting with HDA, consultants, and contractors • Change of land use • Change of building use / activities
<p>b. Revenue Generation</p> <p>i. Privatization Projects</p> <p>ii. Joint Ventures</p> <p>iii. Lease</p> <p>iv. Building Social Facilities</p>	<ul style="list-style-type: none"> • Investor • Developer • Banker • Small-scale Entrepreneur • Contractor • Proprietor • Hawker 	<ul style="list-style-type: none"> • Bus terminal • Commercial & office building • Marina • Apartment • Hotel • Hawker center • Industries building

	<ul style="list-style-type: none"> • Contractor • Sports Promoter • Convention center 	<ul style="list-style-type: none"> • Rest house • Sports facilities
<p>c. Municipal Services</p> <p>i. Sewerage Treatment</p> <p>ii. Garbage Collection</p> <p>iii. Landscaping Works</p> <p>iv. Facilities Maintenance</p> <p>v. Park Maintenance</p> <p>vi. Recreational Activities</p>	<ul style="list-style-type: none"> • Indah Water Consortium • Alam Flora Company • Landscape Contractor • General Contractor 	<ul style="list-style-type: none"> • Roadside landscape • Taman Gelora • Balok Water Recreational Centre • Drain and street cleansing
<p>d. Community Development</p> <p>i. Self-Contained Neighborhood</p> <p>ii. Healthy Environment</p> <p>iii. Quality Living and Happiness</p> <p>iv. Sense of Pride</p>	<ul style="list-style-type: none"> • Developer • Contractor • Consultant • Entrepreneur • Industrialist • Investor • Safe city • Recreational facilities/parks 	<ul style="list-style-type: none"> • Residential area with integrated social facilities, commercial center, and working area • Providing space for small-scale establishment in commercial complex • Healthy market
<p>e. Events Promotion</p> <p>i. Tourism Promotion</p> <p>ii. Sport & Recreation</p> <p>iii. Published Material</p>	<ul style="list-style-type: none"> • Promoter • Hotelier • Tourist Agent • Services Contractor • Publisher • Electronic Media Company 	<ul style="list-style-type: none"> • International Kuantan Beach Run • Kuantan 4 x 4 Adventure • International Kuantan Parachute • World Wide Web page • Upgraded communications network • Conferences & seminars

THE MANDALUYONG CITY EXPERIENCE

Benjamin Abalos, Jr.

Mayor, Mandaluyong City, Philippines

Mandaluyong City is located in the center of Metro Manila. Only 11 km², it is one of the smallest cities in metropolitan Manila and the first city under the 1986 Constitution. Today, Mandaluyong's total revenue is close to 1 billion pesos (P)¹, compared with only P41 million in 1996.

In 1991, our main public market was destroyed by fire and its rebuilding needed at least P50 million. At that time it was not advisable to borrow money because of high interest rates, averaging 18 percent per annum. Also, Mandaluyong could not rely on increasing charges to stall owners to cover debt servicing because the stall owners would have to pass on the increased costs to their low-income customers. Instead, we thought of implementing a BOT scheme.

The old market was located on 7,500 m² of land along a main public transit route and one of the busiest roads in the city. We invited people from the private sector to invest through a BOT arrangement. I must say that we encountered difficulties in attracting investors to the project. Our former Mayor had to literally chase business people to convince them to bid on the project. The Gulf War also added uncertainties about the oil price in the Philippines, which made the bids of interested companies less attractive.

After a few months of bidding and negotiations, we awarded the contract to Macro Founders and Developers Inc. (MFD), a business

¹ US\$1.00 ~ P40 in 1999, and ~ P26 in 1996

consortium organized specifically for the project. The proposal for a seven-storey commercial center worth P300 million was a combination of a build-transfer (BT) arrangement with a develop-operate-transfer (DOT) component. It was called the Marketplace (see Box IV.2).

Box IV.2. The Marketplace

6 th Floor	:	Movie houses
5 th Floor	:	Bowling lanes
3 rd -4 th Floors	:	Parking lots
1 st Floor	:	Commercial shops and department stores
Ground Floor	:	Public market and street-front stores

Under the BT arrangement:

- MFD builds the public market and then transfers it to Mandaluyong.
- Mandaluyong constructs 50 percent of the stalls inside the market, with the rest to be constructed by the stall owners (the city made this decision jointly with the Association of Stall Owners).
- Mandaluyong collects the stall fees.
- MFD maintains the public market and provides security.

Under the DOT arrangement:

- MFD is given the right to construct a six-storey commercial complex above the public market in exchange for building the market structure.
- MFD operates the commercial complex and hands it over to the city government after 40 years.

- Mandaluyong provides free use of the land on which the market has been constructed.
- Mandaluyong does not collect any dues from MFD for the operation of the commercial complex.

I am proud to say that the Marketplace was the first BOT project implemented in the Philippines, and considered by television station CNN as the cleanest market in Asia. Today, not only do we have a mall worth P450 million, but also additional revenue of at least P20 million annually. The property in that area has increased tremendously in value from about P8,000 per m² to at least P50,000 per m². I would say that Mandaluyong was successful in its public-private sector partnership because we took the risk, and we were optimistic about the outcome.

RESIDENTS' PARTICIPATION AS A MEANS OF IMPROVING SERVICE DELIVERY

Ignacio R. Bunye

Congressman, Lone District, City of Muntinlupa
Former Mayor, City of Muntinlupa

Former President Corazon A. Aquino appointed me as officer-in-charge of the then Municipality of Muntinlupa in 1986. In the beginning, I saw my role as a local executive and technocrat in a simplistic way. Moreover, I thought that with my private-sector experience, my legal background, and my experience with the media, my job would be an easy one. I was in for a rude surprise. I realized soon enough that the world of work in the private sector is far from the realities of my municipality. I discovered during my journey as a neophyte in

the realm of local politics that the most challenging aspect of the job was learning how to balance the competing demands and expectations of a multisectoral constituency from all walks of life!

I learned very quickly that it is not enough that one has a vision and a sense of mission. It is not enough that one is technically competent. It is not enough that one is honest, hardworking, and industrious. All these special skills and attributes must work in combination with cathexis—a sincere desire to “connect” with the people and nurture relationships, and to breakdown physical and psychological barriers to communication.

I believe that government cannot uplift the quality of life of citizens alone. I see that the important role of government is to act as a catalyst, as a facilitator, resource provider, and linker in creating opportunities for the citizenry. I see the immense potential of our constituents as effective partners in their own development because I subscribe to the principle that people are the primary reasons for development and that they, in turn, are the prime resource for development. Thus, I believe that investing in human capital is one of the keys to effective governance.

In the City of Muntinlupa, we met with some measure of success because of our tripartite strategy. We recognized that NGOs and people’s organizations (POs) are important partners in development. The art of governance involves the principle of the three Cs—consultation, collaboration, and coordination. These take place at different levels and involve many stakeholders in development.

Essentially, the purpose of consultation is to find out what people are thinking and at the same time to let them know what you are thinking. In other words, exchanging ideas. This process is especially crucial at the decision-making stage. As mayor, I consulted widely and regularly with my constituents.

I see that the important role of government is to act as a catalyst, as a facilitator, resource provider, and linker in creating opportunities for the citizenry.

Collaboration takes place when ideas of diverse origins are put together to form a cohesive whole. Coordination begins when the results of consultation and collaboration become the mechanisms for implementing a series of projects or programs.

It is our belief that helping people help themselves by creating opportunities and sharing resources is the most effective and sustainable approach to alleviating poverty.

People participation in governance, the “bottom-up” approach, maximizes the total potential of the “governed”, enabling them to become effective and active partners in the search for solutions to the challenges they face in their socioeconomic environment. It is worth noting that contemporary development schemes emphasize the aspect of sustainability. I am happy to report that sustainability has been mainstreamed in the various sectoral agenda of Philippine NGOs and serves as a basic framework for all efforts at all levels of development work.

People’s Participation in Governance: The Philippine Experience

In February 1986, the world witnessed what is now recorded in history as the EDSA Revolution or the People Power Revolution. A turning point in the restoration of democracy in the Philippines, this was followed by a sequence of unexpected events—unexpected most of all by the main player, the widow of the assassinated political leader, former Philippine Senator Benigno Aquino. When Corazon C. Aquino was elected President, she vowed to restore democracy in the country. During the first few months of her presidency, a constitutional commission was convened to revise the constitution of the martial law regime and a new constitution was enacted in 1987.

There are two features of the 1987 Constitution that are relevant to this discussion. The first is the mandate that “the state shall secure the autonomy of local governments”. The other is the participation of “non-governmental, community-based or sectoral organizations that promote the welfare of the nation” in the process of governance.

The response of the Aquino administration on the issue of local autonomy is the enactment of Republic Act 7160 also known as the Local Government Code of 1991. It was signed on 10 October 1991 and became effective on 1 January 1992. This landmark legislation substantially decentralized the powers of the national government, transferred authority and responsibility to the local government units, and devolved functions such as the delivery of basic services.

We are pleased to note that the Code is one of the most radical decentralization measures in the world. This significant legislation in the political history of the Philippines has spurred major changes in the dynamics of governance. The Code has several important features. Germane to our discussion today is the direct and active participation of civil society in local government processes through NGOs and POs.

The transfer of power represents a “power shift”, at the same time creating a “mind shift” (or a new mind set) for local executives departing from the culture of dependence on the national government.

Former President Aquino played a very important role in shaping the Code. According to Senator Aquilino Pimentel Jr., the acknowledged author of the Code, “it was she who principally gave impetus to the phenomenon of **people power** which toppled the dictatorship in 1986 and recreated the democratic space, and brought back freedom, justice and peace in the country that made

This landmark legislation substantially decentralized the powers of the national government, transferred authority and responsibility to the local government units, and devolved functions such as the delivery of basic services.

local autonomy relevant, vibrant and vital to the development of the nation.”

Former President Fidel V. Ramos, under whose six-year administration the full implementation of the Code took place, involved the NGO community as a distinct social sector in numerous consultative mechanisms. NGOs have participated in significant initiatives in sociopolitical reform, most notably the various social summits that evolved into the Social Reform Council and the consultations on the Social Reform Agenda.

The Code mandates local government units to promote the establishment and operation of NGOs and POs to become active partners in the pursuit of local autonomy. Their membership is mandatory in several special bodies where key policy decisions at the local administrative level are made: Local Development Council, Health Board, School Board, and Peace and Order Council.

Further, the Code also provides for establishing linkages with NGOs and POs. Under this provision, “local government units may enter into joint ventures and such other cooperative arrangements with people’s and non - governmental organizations to engage in the delivery of certain basic services.”

Galing Pook Awards

In 1993-1994, the Asian Institute of Management, the Local Government Academy of the Department of Interior and Local Government, the Ford Foundation, and the Canadian International Development Agency launched a program called Galing Pook Awards (Box IV.3). This annual event recognizes executives of local government units and their respective development partners, the NGOs and POs, for excellence in local governance.

**Box IV.3. Award-Winning Programs of the
Galing Pook Awards Illustrating that a Government by the
People is the Best Way to Go**

1. The Return of the Mangroves of Kalibo, Aklan

There was a time when the swamplands at the mouth of the Aklan River in Kalibo, Aklan were abundant with mangroves. By 1989, as the population kept growing, the mangroves, widely used as firewood, had practically vanished. Without the mangroves, the waves and the tidal currents gradually pushed inland the shorelines of the coastal towns. Fish and shellfish were affected and eventually grew scarce. The income of those who relied on the sea for their livelihood alarmingly decreased.

With the help of a local NGO in coordination with the local government, fishers and other residents were organized to save the mangroves from extinction. Everyone agreed that the participation of the community in such efforts was indispensable. A three-year plan for the reforestation of a 50-hectare swampland was drawn up with the help of a national agency, the Department of Environment and Natural Resources. The community and the local government undertook the implementation. Fifty one-hectare lots were assigned to families. They took care in clearing the plantation area, staking, replanting, maintaining, and protecting the trees.

The swamplands of Kalibo are back. Tidal flats that were soft and muddy before the reforestation have hardened, and seven hectares have been added to the original 50 hectares planted to mangroves. (1995)

2. From Indifference to Enlightened Participation

In the remote town of Sampaloc in Quezon Province, the problem of insurgency seemed insurmountable. People's involvement in community affairs was very minimal. Because of apathy and lack of grass-roots participation, government programs usually turned out to be irrelevant to the needs of the community, thus alienating further the people of Sampaloc from the government. A new set of elected officials decided to reach out to the people by visiting them

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Box IV. 3 (cont.)

in their respective communities and started a series of consultations. In addition, the Mayor introduced a program that integrated people's organizations in the formal government structure in 1988 (before the enactment of the Local Government Code).

Essentially, the program afforded the people the opportunity to be involved in community affairs either through consultations or actual participation in community and government activities. The program bridged the gap between the government and the community and fostered a lasting partnership between the two sectors. "Hands-on" experience in government affairs sharpened the management capabilities of the people in the dispensation of justice, realty tax collection, health care membership and premium collection, environmental protection, and enforcement of peace and order.

The community involvement has shifted the role of government from program implementor to that of town manager. Sampaloc is now a picture of a clean, orderly, and peaceful community. The crime rate is practically zero and this is maintained by monitoring visitors in the area. The insurgency has been neutralized so that now, people can devote more time to agricultural production. Crop production has increased by 30%, while an additional 10 hectares of fish ponds have been built. (1995)

3. Butuan City's Child Labor Program

As far back as 1992, children from Butuan City had been driven by extreme poverty to seek employment in order to survive. Unskilled and unschooled, these working children were household helpers, peddlers, and beggars. Many were abused and exploited, raped, and forced into prostitution. Intervention came with the launching of the Child Labor Program by UNICEF and Butuan City was selected as one of the pilot areas.

The program was integrated in the local development plan through an executive order issued by the mayor. A census of working children was undertaken, followed by an intensive information and education campaign addressed to parents as well as the community at large. Today, some 500 children are in school because various NGOs and national and local agencies have worked together. Butuan

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Box IV. 3 (cont.)

City's Child Labor Program is a model of its kind in the country, having successfully demonstrated how to combat the exploitation of children. (1997)

4. Saving the Coastal Waters in Aparri, Cagayan

The beaches of the municipality of Aparri had been neglected for a long time: "a body of water that has suffered in the hands of an irresponsible and uncaring people." Aggravating the problem was the indiscriminate practice of disposing of garbage in the ocean and the stench caused by human wastes and mounds of trash dotting the beach areas. In 1993, a series of consultations took place between the local government and POs calling attention to the unsanitary conditions. These were attended by all sectors of the community, who brainstormed solutions to the sanitation problem, environmental protection, and the promotion of tourism in the area.

The ideas presented to the people were accepted with enthusiasm, leading to the program dubbed as "A Clean Sea, A Healthy Community". Once underway, the local leaders and residents worked cooperatively in a massive clean-up. Subsequently, picnic sheds, public toilet facilities, and artesian wells were constructed. Visitors from other communities started frequenting the beach, thus downstreaming certain livelihood activities for the local residents. A public market was also constructed. In addition, residents availed of low-interest, short-term loans from the local government to assist them in various livelihood projects.

It is obvious that the people played a major role in the success of this program. They realized that a clean environment leads to improved living conditions, better health, additional income opportunities, and a beautiful recreation area. They were propelled to render their services free and asked to exercise diligence in the maintenance of a clean and green environment. (1997)

5. Health Care for the People of Sebaste, Antique

There are approximately 12,700 residents in Sebaste. To get to the nearest hospital they had to pay P500–P1,000 to hire a vehicle and

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Box IV. 3 (cont.)

travel a rough 16-km stretch of road. The better-equipped hospitals are located in the capital town of San Jose (109 km) and in the city of Kalibo (75 km).

The local government could not afford to build a hospital, and the cost of operating and maintaining one would have been prohibitive. But the people were not deterred by this obstacle. When a new leadership took over in the early 1990s, it went into high gear to raise the needed funds. Financial help initially came from former residents, now affluent, living in other cities. Later, donations of cash, equipment, and supplies poured in from Filipino associations in Austria, Hamburg and Brunswieg in Germany, and in Hong Kong. Individual donations from Germany, Austria, and Switzerland followed. The municipality contributed a share from its Internal Revenue Allotment. The poor people of Sebaste, 70% of whom live below the poverty line, now enjoy affordable health care at a minimal cost of P50/day, while other public hospitals charge P75-100/day. (1998)

6. Tools to Build a Community in Marikina City

“A hammer and a wrench can build communities”. This was the rallying cry of a community shop that was launched to lend various tools and equipment to residents of the community. This program was initiated by the local government to ensure the upkeep and maintenance of facilities throughout the city. City officials declared that neatness and sense of order in each community would redound to civic mindedness and discipline of the residents. The program is popular both with adults and youth. Program initiators explain that in addition to sports, the opportunity to grow in a well-maintained and orderly community will instill among the youth a sense of responsible citizenship. In addition, as a workshop, the program serves as a training ground in plumbing, electrical works, and welding. The acquisition of new skills has emboldened some beneficiaries to venture into other income-generating projects. (1998)

Source: Innovations Magazine – a publication of the Local Government Academy, Department of the Interior and Local Government (Philippines)

Since they began, the Galing Pook Awards have recognized more than one hundred programs of excellence in local governance all over the Philippines, from a selection field of more than a thousand.

Four criteria are used in the selection of an average of 20 winners per year from a total of approximately 400 semi-finalists:

- Effectiveness of service delivery.
- Positive socioeconomic and/or environmental impact.
- Promotion of people empowerment.
- Replicability or transferability.

In 1996, the City of Muntinlupa became a Galing Pook awardee for its program on human settlements (socialized housing). This successful program was the result of a tripartite partnership among the local government, an NGO (Muntinlupa Development Foundation), and several POs. The program has extended financial and technical assistance to urban poor groups, enabling them to acquire affordable housing through the community mortgage program of the national government.

The local government's participation involved land banking and interim financing while the NGO took responsibility for all aspects of community organizing. It is very important to emphasize the community-organizing effort of the Muntinlupa Development Foundation. It took pains to orient and give proper values training to the recipients of the program. As a result, our collection rate was close to 95 percent, compared with other national housing programs where the collection rate for loans averaged only about 50 percent.

The tripartite approach was cited as an effective tool in managing urban development. It created a "people-friendly" environment that is just,

Our collection rate was close to 95 percent, compared with other national housing programs where the collection rate for loans averaged only about 50 percent.

ecologically sustainable, politically participatory, economically productive, and culturally vibrant.

Another program of which we are proud is the joint undertaking of the City of Muntinlupa with the Zonta Club of Muntinlupa and Environs. As partners, we established “Sagip,” a center that assists victims of sexual abuse and domestic violence. The City of Muntinlupa provided physical facilities while the Zonta Club trained the center’s management team and provided the initial maintenance and operating expenses. This project is now considered a model for similar centers all over the country.

Central to the success of all these programs is harnessing the power and energy of the most important resource in development—the people.

Central to the success of all these programs is harnessing the power and energy of the most important resource in development—the people.

In the Philippine setting, civil society, made up of NGOs and POs, continues to be a very dynamic sector in the sociopolitical landscape. The greatest benefit accruing to the government is a wealth of multifaceted and multilevel perspectives that spring from the collective experience and wisdom of its citizens.

A PARTICIPATORY APPROACH TO URBAN ENVIRONMENTAL MANAGEMENT

Phummisak Hongsyok
Mayor, Phuket, Thailand

The tropical island of Phuket is Thailand’s premier tourist destination. It is a tourism center of international standing, visited by about 3 million persons every year. It is also the regional service center for southern Thailand and contributes significantly to the country’s economy. This was especially evident during the height of the economic crisis in 1998 when income from Phuket’s tourism

industry was instrumental in keeping Thailand's economy afloat.

Phuket's continued success as an international tourism center and as a major contributor to Thailand's economic development demands an unspoiled clean environment. Ironically, Phuket's attraction as a tourist destination is also threatening its environmental quality. While tourism is the mainstay of Phuket's economy, it is also a big generator of waste. The growing number of tourists and the increasingly affluent and consumer-oriented local population are major challenges to Phuket's capacity to handle wastes.

The realization that these challenges needed to be addressed became clear in the early 1990s when Phuket experienced a sudden drop in European visitors following negative reports in German newspapers about Phuket's pollution problems. This spurred the national government to undertake various actions, notably the construction of an incinerator, the expansion of the existing landfill, and the installation of a wastewater treatment plant. It was also around this time that the municipal government learned about the concept of sustainable development and Local Agenda 21, following the United Nations Conference on Environment and Development (The Earth Summit). We in the municipal government then realized that the initiatives of the national government on the waste disposal problem were not enough to address other issues related to Phuket's urban environmental problems.

Against this backdrop and based upon the principles of sustainable development, the municipal government launched the Phuket environmental improvement program in 1994.

Benefit of a Long-Term Vision

What was missing was a common direction, a shared future vision of Phuket, which could provide coherent and guided individual actions.

Prior to 1994, various government, nongovernment, private business, and community organizations were carrying out activities to improve aspects of Phuket’s environment. While they were well intentioned, these activities were largely uncoordinated and often resulted in duplication of efforts and consequent waste of resources. What was missing was a common direction, a shared future vision of Phuket, which could provide coherent and guided individual actions. Thus, the program initiated the drafting of a long-term vision (Box IV.4) through a series of meetings among the various stakeholder groups in Phuket.

Box IV.4. Phuket’s Vision Statement

“To preserve Phuket as a tourist destination of international standard, as a model city in sustainable development with its own identity of local architecture, tradition and culture”

This vision statement evolved from the stakeholder groups’ discussions of how the principles of sustainable development could be adapted to Phuket, which meant balancing the social and economic needs of Phuket residents with the carrying capacity of the natural environment, both for present and future generations. Thus, we developed three strategies focused respectively on (a) environmental quality and its implications for tourism; (b) Phuket’s role as the regional center for southern Thailand and the Andaman Coast; and (c) urban governance and the capacity of the municipal government in urban management.

This shared vision has resulted in a number of benefits, and provided a common direction for certain activities of tourism enterprises and NGOs in Phuket. For example, rental of beach umbrellas, lounging chairs, and food stalls were organized, and their fees and location standardized. The joint actions by hotels and small enterprises in Phuket resulted in cleaner beaches and orderly tourist facilities.

The Value of Stakeholders' Participation

Aside from the development of Phuket's long-term vision, stakeholders are also very much involved in environment quality. Their involvement is based upon a common realization that government alone cannot tackle the enormous challenge of solving Phuket's environmental problems, and that community groups and business enterprises have roles to play in protecting the environment.

To structure the participation of stakeholders groups, the Phuket Urban Environmental Management Committee was organized in 1994 to oversee and direct the activities of the program. Some members of the Committee plus additional volunteers representing the business sector, NGOs, local communities, academic institutions, and municipal, provincial, and national government subsequently formed the Urban Environmental Policy Drafting Subcommittee with 79 members. Its mission is to draft an overall policy to guide Phuket's urban environmental planning and management actions. The members have divided themselves into five groups focusing on the following areas of concern:

- Solid waste and special wastes management.
- Green areas, building environment, and land use.

- Traffic, air, and noise pollution.
- Community environmental health management.
- Water pollution and drainage.

The first draft of the policy has been completed and is now being discussed in a series of stakeholders' consultation workshops. While the policy is still to be finalized, the involvement of stakeholders in its preparation has yielded a number of benefits, including

- the cash and in-kind contribution of some 36 hotels, 5 restaurants, 11 tourism-related businesses, and Thai Airways International to the Solid Waste Management Improvement Project;
- increased awareness of local communities in environmental issues and their role in addressing these issues—two communities, Lang Salaklang and Lang Hor Prachum, have requested pilot activities in community-level solid waste management;
- wider interest in the “three Rs” (reduce, reuse, recycle)—private business groups and the municipal government are seriously discussing a city-wide waste separation and recycling program;
- installation by several hotels of composting boxes within their premises, thereby reducing the volume of wastes collected by the municipal government.

Linking the Long-Term Vision to Immediate Actions

Most Phuket residents did not easily understand the concept of sustainable development. Many also found the long-term vision too abstract and

unrealistic. At the same time, there were critical problems that needed urgent attention. To create deeper understanding of sustainable development among Phuket residents and businesses, and to ensure their support for the long-term vision, we initiated the Solid Waste Management Project in 1994. It focused on improving the efficiency of operations at the landfill, commercializing waste collection and treatment, and maximizing the potential for composting, incineration, and privatization. The project was complemented by the expansion of the existing landfill and the construction of an incinerator as well as a wastewater treatment plant. These three major projects were designed and implemented by the national government.

The project, under the guidance of the Phuket Solid Waste Management Committee, demonstrated the direct linkage between the long-term vision of environmental sustainability with the immediate and urgent need to solve Phuket's garbage problem. Specifically, the project highlighted this linkage by

- improving efficiency in using scarce landfill space through shaping and compacting garbage, thereby extending the life of the landfill;
- controlling landfill seepage (leachate) to prevent contamination of underground water, thereby safeguarding public health in the longer term; and
- initiating steps towards cost recovery through user charges (tipping fees), thereby enhancing long-term viability of financing landfill operations.

Through the project's public information campaign, Phuket's residents and businesses have developed a better understanding of sustainable

solid waste management and of sustainable development in general. At the same time, their appreciation and support of the long-term vision has improved.

The Need for Capacity Building

The Phuket Environmental Improvement Program recognizes the important role of the municipal government in achieving the objectives of the program. It also recognizes the serious lack of capacity of the municipal government in performing its role. For instance, the municipal government does not have the necessary technical skills, organizational structure, manpower and financial resources to operate and maintain the landfill, incinerator, and wastewater treatment plant once these are turned over by the national government. Neither does it have adequate capability for long-term environmental planning, environmental impact assessment, financial management, and enforcement of environmental regulations.

Thus, the program places significant importance on strengthening the capacity of the municipal government and its partners in the field of urban environmental planning and management. The capacity-building component of the program started in October 1998. It included a training-needs assessment undertaken by the Asian Institute of Technology (AIT), and an introductory training course on environmental planning with several sessions each month delivered by environmental management experts from AIT and the Thailand Environmental Institute. Participants in this training course include staff of the municipal government and other agencies as well as local community leaders.

The environmental planning course is complemented by more intensive training for landfill

The program places significant importance on strengthening the capacity of the municipal government and its partners.

personnel under the Solid Waste Management Improvement Project. A comprehensive capacity-building program will be finalized soon with technical support from the UNDP/UNCHS Urban Management Programme, covering not only training but also the broader scope of human resource management, performance management, and organizational development.

Although little has been achieved in strengthening the capacity of the municipal government to date, the initial activities have brought to the attention of Phuket's stakeholders the need to address obstacles to more effective and efficient environmental management, such as

- antiquated national civil-service rules and regulations that govern the municipal government's personnel management and compensation system;
- lack of local autonomy, which constrains the municipal government's ability to expand its revenue base, access capital markets, or enter into BOT arrangements with the private sector; and
- unclear delineation of functions and responsibilities between the municipal, provincial, and national government in environmental planning, management, and regulation.

Key Elements of Success

The achievements of Phuket towards sustainable development may perhaps be small compared with those in other cities. However, we believe that these achievements represent major breakthroughs in several areas, including increased support and voluntary collaboration of all levels of government, the business community, NGOs, and local

communities toward environmental improvement, and effective use of resources in carrying out various environmental improvement activities. It is also important to note that most residents now have better and broader understanding of the principle of sustainable development, and a deeper appreciation for more effective urban environmental planning and management systems. These breakthroughs have been made possible by a shared vision of the future, a participatory and consultative process, an action-oriented long-term strategy, and a special focus on capacity building.

V. COORDINATING LOCAL GOVERNMENTS IN MEGACITIES

large metropolitan area may consist of several neighboring municipalities. In many cases, they need to cooperate to provide public services, such as maintenance of roads or sewerage lines that run through them. The question is how to coordinate activities, pool resources, and define responsibilities among the municipalities with regard to such services. Similarly, national and provincial governments as well as government-controlled agencies may be responsible for the delivery of some services like power, telecommunications, or a mass-transit system. The question again is how to coordinate, plan, and allocate responsibilities between the municipality and the agency with regard to such services.

Municipal residents do not understand these bureaucratic problems but see the outcome in either no or delayed actions, inconsistent resolution of problems, and varying service levels. Local governments in a metropolitan setting also resist the efforts of the national or provincial governments to create megagovernments for the metropolitan cities, as they deem this to be a subversion of local autonomy.

This chapter illustrates how plans and actions are coordinated in one city, Manila. Congressman Ignacio Bunye discusses the evolution of the Metro Manila Development

Authority (MMDA) as an agency responsible for planning, supervising, and coordinating certain basic services, and passing ordinances in the metropolitan area that comprises 17 cities and municipalities. Congressman Bunye frankly admits that due to a major turn of events in the Philippines, the provision of more autonomy to local governments, Metro Manila is still searching for the right solution. It is seeking an appropriate mix to reduce conflict between MMDA and the autonomous local government units in its task of coordination, while at the same time addressing problems of metro-wide scope and concern.

METROPOLITANIZATION: THE METRO MANILA EXPERIENCE

Ignacio R. Bunye

Former Mayor, City of Muntinlupa

Former Chair, Metro Manila Authority

Congressman, Lone District, City of Muntinlupa

The geopolitical entity known as Metropolitan (or Metro) Manila covers 17 cities and municipalities. It includes among others, Manila, the capital city; Quezon City, the former capital; Makati City, the financial center; Mandaluyong City, a major business center; and the City of Muntinlupa of which I was Mayor for 12 years and now represent in the Philippine House of Representatives.

Metropolitan Manila is the political and business capital of the Philippines. It has a population of approximately 10 million, which swells in daytime by another half a million. This is roughly 14 percent of the total population, congested in a combined area of only 636 km².

Because of common problems like traffic, solid waste management, and environmental

pollution problems that respect no political boundaries—there is a need for integrating and coordinating the 17 cities and municipalities.

The evolution of 17 local governments into what is now known as Metropolitan Manila (also known as the National Capital Region) has taken place over three different periods of our history. The first happened during the martial law regime of Ferdinand Marcos from 1975 to 1986; the second during the incumbency of former President Corazon A. Aquino from 1986 to 1992; and the third during the presidency of former President Fidel V. Ramos from 1992 to 1998.

Metropolitan Manila was created in 1975 as a geopolitical unit during the martial regime of Ferdinand Marcos. It was governed by a national agency called the Metropolitan Manila Commission (MMC). This was in response to the increasing population resulting from unchecked immigration from depressed rural areas that started in the 1960s. This unprecedented increase strained the “carrying capacity” of an already burdened urban area that did not have a comprehensive land-use policy. The spillover from Manila of homeless and dislocated families to adjacent jurisdictions posed problems for basic services and housing.

Local government authorities tackled these problems within their areas of jurisdiction with mixed results. Predictably, only the minority with adequate resources were able to address the socioeconomic problems adequately. Problems relating to housing, water, drainage, road improvements, transportation, and traffic management began to be increasingly felt.

Metropolitan Manila Commission (MMC): 1975–1986

In 27 February 1975, a referendum was synchronized with the local elections to decide whether or not 17 localities in Manila should be integrated, along with the creation of a manager-commission type of government. These 17 localities consisted of three cities—Manila, Quezon City, and Pasay City—and 14 municipalities. Of the 14 municipalities, 13 were part of the then premier province of Rizal and one was part of the province of Bulacan, just north of Manila.

Since the result of the referendum was supposedly “overwhelming”, Ferdinand Marcos issued a presidential decree (P.D. 824) creating the public corporation known as Metropolitan Manila and the Metro Manila Commission as the central government to manage the public corporation.

Many believed that the referendum was rigged to suit the political objective of Marcos. On the surface, it appeared that the creation of Metropolitan Manila and the Metropolitan Manila Commission was in recognition of the need to have a simultaneous and unified approach to coordinated planning, administration, and operation of many public services. It was also perceived to have brought together several fragmented provincial and local governments in an urban region.

As now recorded in history, this move was actually designed to consolidate the powers of Marcos. Metro Manila became the minikingdom of his wife, Imelda, and her training ground in preparation for her succession after her husband. Ferdinand appointed her as Governor of Metro Manila. In this light, the Commission could be viewed more as an instrument for personal power than as an institution for metropolitan governance and management.

The Commission could be viewed more as an instrument for personal power than as an institution for metropolitan governance and management.

The first casualty of this political exercise was the province of Rizal, which until that time was the country's premier province. The next casualties were the different cities and municipalities because soon their respective legislative councils were abolished. Lawmaking powers became concentrated in the MMC. Taxation powers were also exercised by the MMC.

In the manager-commission type of government as employed by the MMC, all legislative and executive powers were vested in a single, five-member governing board made up of the Governor, Vice Governor, and one commissioner each for planning, finance, and operations.

The final casualty was the MMC itself. It lost all power when by virtue of another presidential decree (P.D. 1274-A), the Governor was made the sole decision- and policymaker for the area. It is safe to say that the MMC during the martial law era was an absolute one-woman rule and the chief executives of the integrated local governments were mere figureheads.

Being the central government for the whole of Metro Manila, the Commission was responsible for planning and development of the metropolis, including the provision of services for solid waste management and traffic management. Other powers granted to this Commission were to

- levy and collect taxes and special assessments;
- borrow and expend money and issue bonds, revenue certificates, and other obligations of indebtedness;
- charge and collect fees for the use of public service facilities;
- allocate money for the operation of the metropolitan government and review appropriations of the local authorities within

its jurisdiction with authority to disapprove the same if found to be not in accordance with its established policies;

- enact or approve ordinances and resolutions, and to fix penalties for any violations;
- establish a fire-control operation center to direct the fire services of the local authorities;
- establish a disposal operation center to direct garbage collection and disposal;
- establish a transport and traffic center to direct traffic services;
- coordinate and monitor governmental and private activities pertaining to essential services such as transportation, flood control and drainage, water supply and sewage, social health and environmental services, housing, and park development; and
- monitor the undertaking of comprehensive social, economic, and physical planning and development of the metropolis.

In 1978, three years after its creation, the direct supervision of the President over the Commission was transferred to the Ministry of Human Settlements, of which Imelda Marcos was the Minister. Having gained this, she exercised direct control over two of the most powerful government agencies during the time of Ferdinand Marcos.

Nathaniel von Einsiedel, one of the participants in this forum, was nominally a deputy general manager for planning of the MMC. He correctly observed that the Commission was created with correct intentions but was being run for the wrong reasons, i.e., the selfish ends of the Marcoses. Having seen where MMC was headed, he resigned from government.

Metropolitan Manila Commission (MMA): 1986–1994

In 1986, when Corazon A. Aquino became President in the aftermath of the bloodless revolution, “people power” clamored to expunge all vestiges of the Marcos rule—its abuses, graft, and corruption. The Commission, because it was seen primarily as an instrument of Imelda Marcos, was not spared. The campaign promise made by the opposition party to abolish the Commission, however, did not materialize. One of the compelling reasons was that the Government did not have the funds to pay for the separation benefits of the huge workforce numbering approximately 15,000. But perhaps a more cogent reason was the fact that levelheaded political advisers of former President Corazon Aquino still saw the real need for a coordinating agency for metropolitan concerns. The Commission continued to exist, but this time, with diminished powers.

Moves to dismantle the MMC were finally scuttled when the Constitutional Commission wrote into the 1987 constitution a provision that recognized the need for a metropolitan organization to oversee the governance of Metro Manila. This metro organization was supposed to have been created by law but the Eighth Congress of the Philippines (1988–1991) failed to pass a law creating such body. For a long time, Metro Manila governance was in limbo.

In 1988, with the first truly democratic elections after the dismantling of the Marcos regime, legislative councils in the various local government units of Metro Manila were elected. The legislative councils then started questioning the rule-making powers of the MMC.

Continued congressional inaction did little to alleviate the situation. It was later found out that

Levelheaded political advisers of former President Corazon Aquino still saw the real need for a coordinating agency for metropolitan concerns.

the problem in Congress was the result of bitter partisan politics. In the House of Representatives, a vociferous opponent of metropolitanization belonged to a powerful family from the province of Rizal, which was dismembered with the transfer of its resource-rich cities and municipalities to Metro Manila. The family resented the fact that Rizal Province, regarded as the premier province in the country prior to martial law, had been effectively reduced to third-class status.

Furthermore, the capitol of Rizal Province remained in Pasig City, now a part of Metropolitan Manila. Due to its financial dismemberment, Rizal Province did not even have enough resources to relocate its provincial capitol within its own territory.

To break this impasse, former President Aquino issued an executive order (E.O. 392) in 1990 creating an organizational structure to be known as the Metropolitan Manila Authority or MMA. It was clear that it was to serve only as an interim body until Congress passed a law. The MMA functioned as a planning and coordinating agency but without legislative powers. Other structural changes included the following:

- The MMA no longer exercised the power to review the budgets of the component localities. This power now rests with the Department of Budget and Management. In order to appease the rebellious local government units, the mandatory contribution formerly paid by the 17 cities and municipalities was reduced from 20 percent to 15 percent of the local government units' estimated annual income from regular sources in their general funds.
- The power to appoint city and municipal treasurers, assessors, and their deputies was removed from the MMA and transferred to the Department of Finance.

- The power to tax was returned to the local government units.
- The governing board was abolished. It never truly functioned anyway during the martial law regime. An interim council composed of 17 mayors from the local government units replaced it.

The Authority was headed by a Chair, elected by the other mayors from among themselves and who served for a period of six months. Why six months?—because it was erroneously anticipated that Congress would pass a law creating the new Metropolitan body. At one point, I was elected as Chair of MMA for three terms or a total of 18 months. This set-up proved difficult. A term of six months was too short to be able to really do any forward planning. Moreover, the head of the agency was working part-time as he also had to attend to the needs of his own city or municipal constituents.

The professional staff, headed by a general manager, assisted by a deputy each for planning, finance, and operations, respectively, managed the day-to-day operations of the agency. The limited powers of the MMA were to

- exercise jurisdiction over the delivery of basic services requiring coordination;
- integrate city/municipal plans or priorities with sectional or regional plans;
- provide technical assistance in preparing local development plans;
- review legislation proposed by local legislative assemblies or councils to ensure uniformity among local authorities and to ensure consistency with the regional development plan (the review power did not include the power to amend or revoke);

- undertake periodic reviews of functions, structure, and impact of programs or projects; and
- submit periodic reports to the President.

What used to be a very strong organization, enjoying wide powers and financial resources, had been severely emasculated.

Another development took place, which affected the course of metropolitan governance. This was the passage into law of the Local Government Code of 1991 (LGC). The cornerstone of the LGC was local autonomy and the weaning away of local governments units (LGUs) from the central authority.

With the passage of the LGC, the bigger and more financially stable LGUs wanted to break away from Metropolitan Manila. Soon the LGUs started to withhold their payment of dues to the MMA. Once again, talks of dismantling the MMA, even from within the ranks of the mayors who made up the council, began to be heard. Without the power that it used to enjoy in the Marcos regime, MMA could not even force the mayors to pay.

Without the power that it used to enjoy in the Marcos regime, MMA could not even force the mayors to pay.

Metropolitan Manila Development Authority (MMDA): 1995 to the Present

The election of Fidel V. Ramos as President in 1992 boosted the confidence of the MMA to a new high, upon his announcement that one of the priorities in his administration's agenda was the creation of a strong metropolitan body for Manila.

In the House of Representatives, some congressmen echoing the wishes of President Ramos batted for a strong Metro Manila government. But quite unlike the MMC of the Marcos regime, the head of this political unit was to be elected at large

by the 10 million residents of Metro Manila. In effect, what was desired was a “super province”. It would have all the powers and resources of the MMC but hopefully, none of the abuses. President Ramos seemed to prefer this structure.

The creation of a “super province” would necessitate that the question be submitted to a plebiscite. It was very doubtful that such would gain approval among the larger LGUs, e.g. Manila, Quezon City, Makati, and Mandaluyong, given the fact that LGUs had found new powers and prerogatives by virtue of the LGC. These large LGUs accounted for more than half of the registered voters in Metro Manila. Thus, the idea was doomed from the start.

The only viable alternative was a special body directly under the Office of the President. Instead of being elected, the head of the agency would be appointed by the President, upon the recommendation of the Council. To give the position more power, the agency head was to be given a Cabinet rank.

In 1995, Congress passed Republic Act 7924 creating the Metropolitan Manila Development Authority (MMDA) and designated Metro Manila as a Special Development and Administrative Region. Decision- and policymaking were vested in an expanded Metro Manila Council. In addition to the mayors, new members were added, namely the Metro Manila Vice-Mayors League and the President of the Metro Manila Councilors League as voting members. Their inclusion was meant to assuage the legislative councils, which had complained about the diminution of the autonomy guaranteed to the LGUs under the LGC. Ex-officio members from the national government were also included, such as the secretaries of the Department of Transportation and Communications, Public Works and Highways, Tourism, and Budget and Management; the head of the Housing and Urban

What was desired was a “super province”. It would have all the powers and resources of the MMC but hopefully, none of the abuses.

Development Coordinating Committee; and the Chief of the Philippine National Police.

The MMDA is responsible for planning, supervising, and coordinating certain basic services and it can pass ordinances related to the following services:

- Development planning.
- Transport and traffic management.
- Solid waste disposal and management.
- Urban renewal, zoning, and land-use planning.
- Health and sanitation, urban protection, and pollution control.
- Public safety.

The ordinance-making powers of the MMDA contradicted another provision of the MMDA law.

The power of MMDA to pass ordinances covered in these areas was criticized by MMDA critics as being anomalous considering the restoration of legislative powers to the different city and municipal councils. The ordinance-making powers of the MMDA contradicted another provision of the MMDA law that in the execution of its functions, the Authority can in no way diminish the autonomy of the LGUs. In a situation like this, MMDA has a difficult balancing act to perform.

It cannot be denied that there are problems that transcend political boundaries. Land use has to be coordinated. If the different localities acted independently, and without any coordination, an anomalous situation could arise where a residential area and a factory site could exist side by side along the common boundary of two localities. Air and water pollution respects no political boundaries; neither does traffic; neither does crime; neither does the stench of garbage. Individually, the LGUs cannot tackle these problems.

Metro Manila is still searching for the right answer to the dilemma. We are still looking for the

so-called “right mix” to abate the discord between MMDA and the autonomous LGUs in addressing the problems of coordination and delineation of responsibilities. Perhaps the answer lies in what Nathaniel von Einsiedel offered: let the MMDA take care of formulation of policies while the LGUs take care of their execution.

VI. CITIES AND DEVELOPMENT AGENCIES WORKING TOGETHER TO FUND INFRASTRUCTURE DEVELOPMENT

Urban populations are expanding very rapidly and infrastructure needs are increasing proportionately. Yet, public sector resources are limited. Consequently, most cities are finding it difficult to expand their infrastructure fast enough to maintain even existing levels of service. However, there are several options for cities to fund their infrastructure development. This section presents two viewpoints on this issue: from the development agencies and the cities, respectively.

Mr. Keshav Varma of the World Bank and Mr. Preben Nielsen of the Asian Development Bank confirm that there is a paradigm shift in the lending policies and traditional approaches of donor agencies. Most of them are increasingly seeing themselves as partners in urban development. They recognize that they do not have more than 5 percent of their total funds for urban development, and therefore need to develop new instruments for lending. These new modalities demand much better performance on the part of local governments, and better coordination among donors.

Mayor Alvin Garcia and Mr. P.U. Asnani talk about the experiences of Cebu City, Philippines, and Ahmedabad, India, respectively, on how they were able to fund their infrastructure services and raise

These new modalities demand much better performance on the part of local governments, and better coordination among donors.

revenues through BOT, joint ventures, promissory notes, bond flotation, and support from international agencies. Cities, however, need to establish their credibility first in order to attract capitalists for local investments.

DEVELOPMENT AGENCY PERSPECTIVES

World Bank

Keshav Varma

Manager, Urban Development Sector Unit,
East Asia and Pacific Region

*We have to do
the right job
with thousands
more partners
and new kinds
of problems.*

Decentralization is taking place in most parts of the world today. This trend poses a challenge to the World Bank because as an international institution, we have to do the right job with thousands more partners (complex cities, megacities, regional cities, secondary cities), and new kinds of problems. These require the right skill mix, simplified procedures, innovative instruments, and decentralized operations in our institution. We have to concentrate on building institutions and local capacities. We have to experience and learn best practices at the local level, so that we will know how to replicate and disseminate them in other cities. We should also learn how to manage and apply at the global level, knowledge from the various experiences that we have accumulated.

In response to this challenge, we have created a new instrument called adaptable project lending (APL) because there has to be more flexibility in our lending policy. The APL permits you to continue for 20 years or more on a programmatic concept.

City Development Strategy

We have also developed the city development strategy. This is a strategy in which we partner with cities in developing long-term visions and priorities, and creating capacities that are specific to their needs. There are already 12 cities participating in this exercise, 7 of which are in the Philippines. It is a very proactive exercise, which is giving good results and providing our partners, consultants, and cities with good lessons.

When international institutions gravitate toward enthusiastic cities with credible, respected, and client-oriented leadership, there is a tendency to overlap projects and clutter resources. If you look at Ho Chi Minh in Viet Nam, you will see a progressive city that is showing great results. Because of this, the Overseas Economic Cooperation Fund of Japan (OECE), the Japan International Cooperation Agency (JICA), ADB, World Bank, and other international institutions are heading for Ho Chi Minh. I think it is important that cities also manage international institutions carefully so that they get the best out of them.

Another challenge for all international institutions is to create resource cities. Part of our city development strategy is to try and develop long-term partnerships in creating such cities. These can serve as regional demonstration centers where officials from other cities can come and see what is happening and learn from their experiences. For instance, the cities of Shanghai, Ho Chi Minh, Calcutta, and Surat can act as regional resources for other cities. I think city managers learn best from other city managers, and cities learn from cities much faster than when people from the World Bank come and give lectures and advice.

Sensitivity to environmental and social issues, especially commitment to fight urban poverty and ensure equitable growth and development, is

I think it is important that cities also manage international institutions carefully so that they get the best out of them.

another challenge. I have used deliberately the word equity because when I was looking at figures of per capita investment in the developing world, it is totally an unacceptable situation. The investment per capita in the developed world is more than 10 to 15 times that of the developing world. And we will have to invest in urban poverty, equity, and growth and development rapidly, consciously, and continuously.

Willingness to form partnerships and erect transparent frameworks to facilitate public-private sector partnerships is another important challenge because there are not many resources to really meet infrastructure requirements. For East Asia, the World Bank and the International Finance Corporation have evaluated the infrastructure requirement at about US\$200 billion per year. In the Urban and Water Sector of the World Bank, our total portfolio is only US\$4 billion of which US\$600 million is given to projects per year. The other requirements can be supplied through transparent public-private sector partnerships. I would like to emphasize transparency because in the minds of city mayors and managers, there is the suspicion that public-private sector partnerships do not necessarily lead to equity that would benefit the poor.

The World Bank and many international institutions are strongly focused on privatization to augment infrastructure requirements. In my experience, privatization is good but there is not enough private capacity in the world to take over all the available utilities. For example, the Philippines has over 1,500 municipalities; total privatization is not even 1 percent. Now, even if we expect 25 percent privatization of all utilities in the world, there would still remain 75 percent of present assets. However, we can start working on optimizing the present assets by incorporation of urban utilities. In the PRC, all water utilities and

Privatization is good but there is not enough private capacity in the world to take over all the available utilities.

utilities concerning sanitation and solid wastes are now corporations, and this is working very well.

Our President recently announced that “development should not only be seen from the point of view of an engineer. Development is something more comprehensive that we should learn to go beyond projects and look at outcomes.” We have begun to integrate several facets of infrastructure investment in order to create an overall impact in the area. We have promoted the integrated provision of environmental infrastructure such as water, sanitation, drainage, and management of hazardous solid wastes.

Lessons from Projects

Let me now share some lessons that we have learned from projects implemented with our partners. One critical factor that ensures high quality of project implementation is the professionalism of the project management team, with clear understanding of development objectives. Commitment to long-term and comprehensive engagement adds value. It is very easy to work with long-term partners, for 10 years or more, because they have mastered our established procedures in project implementation. Long-term engagement also creates an incredibly high efficiency and synergy.

Our efforts towards enhancing institutional and client capacity also lead to sustainability of projects. Good financial management practices likewise ensure quality implementation. This is another important lesson demonstrated very clearly in the PRC and Viet Nam.

Lastly, it is critically important to discuss each project with political leaders at the national, provincial, and city levels right at the beginning of the project. If they are not clear on the issues and extent of the project, you will not get their support.

One critical factor that ensures high quality of project implementation is the professionalism of the project management team.

In our experience, political will to ensure tariff and institutional reforms is crucial in sustaining project gains.

The city development strategy we are involved with is very interesting but complex. However, our task managers find the job much easier now than before because there are new and assertive leaders in the provincial and city governments, and new environments are emerging.

Asian Development Bank

Preben Nielsen

Manager, Water Supply,
Urban Development and
Housing Division (West)

Urban agglomerates have become increasingly important to national economic development strategies but necessary investments have typically not kept pace with demand for urban services, generated by urban population growth and a rise in incomes of the middle class. However, this situation is changing with the increasing awareness of the complexity of the urban development challenge, which requires not only massive investment in physical infrastructure but also greater emphasis on the means for achieving more sustainable and equitable urban development. This is the context for ADB's involvement in urban development today. One of the major strengths of ADB lies in its strict guidelines for planning and financing infrastructure development from both the public- and private-sector perspectives. ADB can build on its strengths to further benefit developing member countries, to improve the efficiency of allocation of resources for the urban sector, and to speed up service delivery.

One of the major strengths of ADB lies in its strict guidelines for planning and financing infrastructure development from both the public- and private-sector perspectives.

The funding gap for urban development is ever increasing in the face of population growth and deteriorating existing physical structures. The nature of this funding gap can be illustrated by a quote from our recent India Urban Sector Strategy.

In addition to serving as a major constraint to economic growth and productivity, the lack of adequate investments in urban infrastructure, municipal services, and housing is not without social ramifications, especially for the urban poor. According to some estimates, as much as 30 percent of the urban population lives below the official poverty line; the Planning Commission's most recent estimates indicate that the percentage of population below the poverty line in urban areas was 32.2 percent in FY1993/1994. In the 23 cities with populations in excess of 1 million, approximately 28 percent of the people live in slums. The slum population increased from about 28 million in 1981 to about 51 million in 1991 and is expected to exceed 100 million by 2000. The health and environmental implications, sprawling slums, and households' lack of access to potable water, sewerage, drainage, sanitation, and waste disposal facilities are staggering.

ADB'S Role

Now, what can ADB do to help? It can provide not only financing but also advice from its resource base on governance and institutional development and cost-recovery measures.

In view of our President's recent declaration that poverty reduction is ADB's overarching objective, we are redesigning our catalytic tools. It is well recognized that attacking poverty has to be from several fronts. One area, of course, is stimulating economic growth, which in East Asia earlier led to substantial reduction in poverty. However, in southern Asia, the economic growth model has not worked well and poverty pockets have expanded. There, it may be better to intervene with direct poverty-reducing measures such as a combination of physical infrastructure like water, sanitation, and paved footpaths, with streetlights, social infrastructure like health clinics, CBOs, education, etc., and income-generating measures such as skills training, job advisory consolidation services, and microcredit.

A major challenge of urbanization is to improve economic efficiency and productivity while concurrently reducing poverty and facilitating greater equity. More direct targeting of the poor will be done by ADB with slum improvement programs based on integrated packages of social, economic, and physical improvements. Access to safe water supply, investments in education, health, and population programs focusing on reproductive health are likely to give rise to clear and substantial social and economic developmental returns.

In Bangladesh, India, and Pakistan, ADB is actively involved in slum improvement, particularly in secondary towns or cities. Slum networking and twinning arrangements with exchange of information on impact are aspects strongly supported by ADB. I recall a slum improving project that we attempted in 1997 in Dhaka, addressing the livelihood of about 400,000 squatters on government land. We worked on that project for three years but in the end we utterly failed because the government was not in a position to provide a 10-year non-eviction assurance. This direct

intervention could have uplifted the lives and spirits of the beneficiaries and given them peace of mind to actively pursue employment opportunities. I take this example because although we failed, we realized that we should have dealt directly with the government in promoting the issue of poverty reduction.

In connection with its lending modalities, ADB has advocated strong governance at the local government level. Examples are our urban development and housing projects in India. In these projects we built on the 74th Constitutional Amendment Act, which supports institutional and financial decentralization from the central government to the states and subsequently to the municipal corporations. The reform-minded Indian states we worked with were Karnataka, Rajasthan, Gujarat, West Bengal (in Calcutta, the city of joy), and Madhya Pradesh. In most of these, state finance commissions have been established to empower local governments (through empowered committees and urban development finance corporations) to make decisions concerning local resources and state loans or grants. In other states, we provided technical assistance to form such finance bodies and build local capacity in accounting and human resource development. Similar measures have been undertaken by ADB in Sri Lanka and Nepal. Also in Laos, decentralization is taking place in an orderly manner with the establishment of urban development administrative authorities, which after a learning period will become fully-fledged municipalities.

Public-Private Sector Partnerships

ADB cannot finance everything because of its limited resources, so our contribution on a national scale is like the famous drop in the bucket. Therefore, we

are advocating public-private sector partnerships such as for Kathmandu and Colombo. To protect the poor from excessive charges for water, we advocate provision of a discount up to a certain consumption level. In Kathmandu, the private-sector management contract would be based on a share of profit as well as performance-based bidding criteria.

For water supply systems, which could be privatized, we advocate establishment of independent regulatory agencies with not more than five members. These agencies should have the capacity to contract services to the private sector for monitoring the performance of private utility providers and administering government water-supply policy. This policy would include tariff-setting mechanisms, public hearings, and community and NGO consultations. Public relations campaigns would be also required. Examples are the newly formed Regulatory Water Supply and Wastewater Authority in Lao PDR, which is receiving strong ADB support. Such support is also extended to Karachi and Colombo. In Colombo, no decision has yet been reached on the private-sector contract modality. However, it could be a clean private-sector management contract on a fee basis with a local contractor in association with a foreign tie up, if required, and chosen through public bidding. We also expect performance-based bidding criteria in Colombo.

For securing financing for solid waste management schemes, we advocate that the private sector run the sanitary landfill sites, bulk transport, and transfer stations, while the local councils operate collection services with CBO and NGO support.

In the wastewater management sector, where our biggest project is in Samut Prakarn Province, Thailand, we advocate the “polluter pays” principle. In practice, this means that everybody pays a flat rate, an environment charge if you like, through the municipal taxes, plus a surcharge on the water bill if

In the wastewater management sector, we advocate the “polluter pays” principle.

you are connected to a sewer, plus a biochemical oxygen demand (BOD) charge related to industries; a standard BOD is measured by category of manufacturing process. By the way, in Samut Prakarn, all underground construction is by tunneling using sophisticated drilling robots and pipe-jacking to avoid open trenching and the resulting traffic chaos, as well as delays caused by resettlement and unforeseen events. The tunnel machines do not strike and work 20 hours a day churning the soil. In Calcutta, where we have just started a study, we may agree with the government to use such machines and avoid resettling 50,000 people.

Other financing modalities include direct user charges, bond issues if credit worthiness is established, and lending from insurance companies, pension funds, and other financial institutions.

ADB has basically three public-sector windows: the Ordinary Capital Resources and Asian Development Fund with current interest rates of close to 6 percent and 1–1.5 percent, respectively, and 25–32 years to pay including grace periods; in addition to market-based lending at LIBOR or SIBOR rates (London or Singapore interbank overnight rate). The private-sector window provides funds for viable private-sector projects of considerable size with both equity and lending. In all cases, the Ministry of Finance or equivalent is the interface for ADB operations. Loan projects need to be approved at the national level before ADB can consider them.

CITY PERSPECTIVES

Cebu City, Philippines

Alvin B. Garcia

Mayor, Cebu City, Philippines

The need for infrastructure is really a chicken-or-egg question. Do you need the infrastructure first, or do you need some kind of development before you put up the infrastructure? Regardless, there is a need to fund infrastructure development to realize the socioeconomic development objectives of cities, whether they are as simple as farm-to-market roads or postharvest facilities, or as complex as a light railway transit, an overpass, or road-widening.

For the period 1999–2004, Cebu City will require more than US\$330 million to finance major infrastructure projects.

For the period 1999–2004, Cebu City will require more than US\$330 million to finance major infrastructure projects. These major infrastructure requirements include roads, bridges and transportation, water and environmental projects, telecommunications, power, housing, and property acquisition. At present, we have a 300-hectare reclamation project in the city, which is being covered by a loan from OECF. We are also working with a Malaysian company through a BOT scheme on a dam project to produce about 100,000–150,000 cubic meters of water. Another important undertaking is the waterfront development project. This is an urban renewal project where we are trying to save the port area from becoming an industrial slum, in the tradition of Fishermen’s Wharf in San Francisco or Darling Harbor in Sydney. This is the vision that we have and this would need a lot of financing.

In your country and mine, one of the traditional sources of funds is the national government’s block grant. We have local revenues from business taxes, mayor’s permit fees, real property taxes, and amusement taxes. Local

revenues constitute more than 50 percent of our fund sources. We also have a share in the internal revenue allotment, as well as funds from the Countrywide Development Fund, President's Social Fund, bank loans, and development assistance from donor agencies.

For obvious reasons, local government units have relied mostly on their share of national government wealth. However, this has proven inadequate in responding to their increasing needs. Innovative financing schemes are necessary, and one such scheme is BOT, which I will discuss extensively here.

Innovative Financing Schemes

BOT is a major source of development assistance in Cebu. It is a contractual arrangement between the government and private sector whereby the private sector finances, constructs, and in some cases operates and maintains a facility or project. The private proponent is allowed to charge user fees to recover investments through tolls, fees, rentals, and other charges from facility users for up to 50 years. The project proponent also recovers investments through shares in project revenues, and nonmonetary payments. Government and private proponent share project risk.

In the Philippines, the sectors that are allowed to undertake BOT include power plants, highways, roads, railways, toll roads, ports, airports, transportation systems, telecommunications, information technology, canals, dams, land reclamation, sewerage, drainage, tourism estates, health facilities, etc. The level of authority needed to approve a scheme depends on the cost of the project (Table VI.1). In Cebu City, projects being undertaken under BOT are the waterfront development project, the waste management and

sewerage system, and development of the Mananga and Lusaran dams.

We have also used joint ventures, in which the local government unit puts up a certain property that another company develops. Many of you were in Cebu last year and you stayed at Marriott Hotel. Marriott is located at the Cebu Business Park, which was a joint undertaking of the Cebu Provincial Government and Ayala Land Corporation. The parties infused P1 billion to develop that area, which used to be a 50-hectare golf course that was not earning anything for the provincial government.

Table VI.1. BOT Approval Bodies for Local Government Projects

Cost of Project	Approving Authority
Up to P20 million	Municipal Council
P20-50 million	City/Provincial Council
P50-200 million	Regional Development Council
Above P200 million	National Economic and Development Authority

The city government has issued promissory notes to build socialized housing projects, before they can proceed with the project. The Philippines may be unique in having a national law that requires real estate developers to allot for socialized housing purposes, 20 percent of the total cost or 20 percent of the area being developed in a project. The city has to certify that this requirement has been accomplished. The result is that most first-class subdivision estate developers do not want to proceed with such projects. The city is offering to developers the choice of depositing the required

amount with the city, whereupon the city will undertake the socialized housing work. We give promissory notes to this effect to the developers.

Other innovative schemes that we have implemented are economic enterprises and donations through sister city networks. We expect to earn US\$1.43 million this year through economic enterprises such as the Pardo Public Market, while donations from sister cities worldwide complement our efforts in meeting infrastructure needs, including school building improvements and transport facilities.

I would like to focus the last part of my presentation on the characteristics of official development assistance (ODA) or soft loans and how they can be reformed to become more responsive to the needs of local governments.

ODA is generally oriented towards the national or central government. Donor agencies cannot provide direct loans to a municipality or city without the approval of the national government. For instance, I was given a grant by JICA for night-soil treatment but our central government turned it down because they said that the City of Cebu had a lot of ODA already. However, it cannot be given to another city because of the absence of prefeasibility studies, which is another requirement. ODA should be more autonomous so that donors can make decisions without central government interference. To address the issue of prefeasibility requirements, perhaps the ODA playing field should be leveled by first building the capacity of each municipality or city for project development and preparation before any ODA or financial window is opened to LGUs.

Lastly, I am proposing an ODA fair in the future where all funding agencies (ADB, World Bank, JICA, OECF, CIDA, etc.) can get together and present their grants/loans portfolio to LGUs, which can then develop appropriate project proposals for

ODA should be more autonomous so that donors can make decisions without central government interference.

submission to the donor agencies. Under your guidelines, I can organize this ODA Fair.

Ahmedabad, India

P.U. Asnani

Vice President, City Managers' Association of Gujarat and Director, US-Asia Environmental Partnership, Ahmedabad, India

The process of urbanization in Asian countries is creating a very serious problem for urban managers and district authorities, for the principal reason that the rate of urbanization is so fast that infrastructure development cannot keep pace with development. This has resulted in chaos in urban areas in terms of environmental pollution, traffic congestion, lack of water supply and sewerage services, and very poor infrastructure for solid waste management.

Local bodies have to tackle these problems themselves. They cannot depend on central or state governments and they cannot put out their hands further than the higher authorities. The urban local bodies should set their house in order, raise financial resources through the improvement of internal finances, and create an internal capacity to enable them to access the market to finance infrastructure development.

I will share with you the way that the Ahmedabad Municipal Corporation turned its finances around to raise funds for infrastructure development.

The city of Ahmedabad is a very old city. It is the seventh largest city in India, with a population of 3.2 million on an area of 190 km². It suffered a serious financial crunch from 1984 to 1994, when it had a Rs220 million (US\$6.28 million) overdraft, and had accumulated cash losses of Rs350 million (US\$10 million). During that time, the elected body

The urban local bodies should set their house in order, raise financial resources through the improvement of internal finances, and create an internal capacity to enable them to access the market to finance infrastructure development.

was superceded and all executive powers were vested in the Municipal Commissioner.

Eighty percent of the Ahmedabad Municipal Corporation's income is derived from *octroi* collections and property taxes. Octroi collections are levied on goods imported into the city while property taxes are levied on both residential and nonresidential properties. Unfortunately, the collection rate was very bad because antisocial elements were bringing goods into the city without paying the duty, and most properties were not taxed because they were not on record.

Setting the House in Order

We felt that raising taxes could not solve the problems of the city. The first and foremost thing was to set the house in order and this we did by adopting the following strategies:

Octroi collection

- Antisocial elements engaged in octroi evasion were arrested with the help of the police department.
- A market-research cell was developed in the octroi department to prepare valuation books on the basis of prevailing market rates so that all goods were properly valued and assessed with the help of chartered and cost accountants.
- A system of random physical verification of goods entering the city was introduced to prevent under-invoicing and under-valuation of goods.
- Thirteen additional vigilance squads were introduced for round-the-clock checking of vehicles entering the city.

- All octroi check posts were equipped with wireless telecommunications systems for rapid communication.

Property tax collection

- A series of coercive measures was taken against property tax defaulters.
- Water supply and drainage of defaulters were disconnected.
- Warrants were issued for attachment of movable and immovable properties.
- Properties were put to auction for tax recovery.

Table VI.2. Comparative Increase of Octroi and Property Tax (Rs million)

	1993-1994	1996-1997	% Increase
Octroi	132	227	72
Property tax	47	94	100

Only one week after taking these measures, the city's income went up by 50 percent. After a month, the income went up by 100 percent.

Only one week after taking these measures, the city's income went up by 50 percent. After a month, the income went up by 100 percent. The recovery of property tax also increased substantially. The comparative figures of both octroi and property tax in Table VI.2 show the results. For the first time in 10 years, the Corporation registered a surplus, and by 31 March 1995, the Corporation's 10 years of accumulated deficits and loans were paid out. I must say that the credit goes to Mr. Keshav Varma. He was the Commissioner of Ahmedabad during that time, when the city experienced a massive transformation.

Table VI.3. Project Profile of the Ahmedabad Municipal Corporation

Project	Cost (Rs million)
Bridges and Flyovers	50
Roads	38
Water Project	310
Drainage Project	50
Solid Waste Management	10
Pay-and-Use Toilets	10
Narmada Linkages (water charges)	130
TOTAL	598

Immediately after realizing financial improvements in the Corporation, we started corporate planning. In India, most mayors are transferred or changed every year so they think of only a one-year plan. We decided to prepare a five-year plan for the city with a budget of Rs598 million for development projects (Table VI.3), which the Council unanimously approved.

In spite of our improved finances, we thought that they would not be adequate to carry out all developmental activities. We decided to access loans and grants from government, financial institutions, and debt markets, and undertake privatization. The money from our accumulated surpluses was used toward debt servicing.

When we decided to access the debt market, we had to show that we were able to repay debts. The Corporation received very good technical assistance from USAID to obtain a credit rating. We enlisted the services of a credit-rating agency to assess our inherent strength and financial position.

The city of Ahmedabad was the first in South Asia to obtain a rating of A+.

The rating was based on the financial soundness of the Corporation, its organization structure and management, the economic scenario, analysis of projects and project reports, and proposed payment mechanism.

The city of Ahmedabad was the first in South Asia to obtain a rating of A+. After six months, the rating was improved to "AA", which did not require an external guarantee because the rating was higher than that of the government. At that time, the Corporation went to the debt market to raise US\$25 million for its infrastructure development through municipal bonds. Details are given in Box VI.1.

The municipal bonds were issued on 16 January 1998 and closed on 27 January 1998. The response from the 5,106 investors was overwhelming, which was a manifestation that the city had established very high credibility in the eyes of the people. The amount that we received was more than we wanted.

Ahmedabad is one of the few cities in India today where the annual budget exceeds Rs10 billion. On this budget, the city is operating a wide range of municipal services, including water supply, sewerage, city transport, medical services, and medical education. All these activities are in the fold of the urban local body, which is managing them from its sources without any government funding, loans, assistance, or grants.

Our experience has shown that it is possible for an urban local body to raise finances from internal resources by improving its internal management system .

Box VI.1. Terms of the Ahmedabad Bond Issue

Issue size:	Rs1 billion, of which Rs750 million is on a firm allotment basis
Underwriting commitment:	Net public offer of Rs250 million fully underwritten
Face value:	Rs1,000 at par
Redemption:	In 3 tranches of Rs333, Rs333 and Rs334 at the end of the 5 th , 6 th , and 7 th year, respectively
Interest:	Interest @ 14% per annum payable semi-annually on the outstanding principle
Deemed date of allotment:	1 February 1998
Credit rating:	AA
Security structured:	Charge/mortgage on Corporation properties
Structured obligation:	Escrow on octroi revenues of the Corporation

VII. SERVING CITIZENS: IMPROVING DELIVERY OF MUNICIPAL SERVICES

The provision of municipal services is the core business of municipalities, and being responsive to citizens' needs and concerns is the key to effective and efficient service delivery. Among the more critical services is solid waste management. Another is resolving public grievances. Mayors will be judged by how well these and other services are provided to their municipality's residents.

Systems of resolution of public grievances and complaints and of solid waste management are currently being studied in 10 Asian municipalities through ADB's Benchmarking Project. The project is using the techniques of "benchmarking" and "continuous improvement" to record current practices, what is "best practice", and how each municipality can improve its services. Mr. Naved Hamid of ADB provides a brief introduction to the project.

On systems of resolution of public grievances and complaints, Mr. P.U. Asnani of the City Managers' Association of Gujarat (CMAG), India, describes Ahmedabad's citizens' charter and public complaints redressal system, and the role of CMAG in promoting these instruments in Gujarat State. Mr. H.B.S. Aradhya, Coordinator of the Benchmarking Project in Bangalore, India, presents the findings, improvements identified, and expected benefits from better public complaints systems in

Asian municipalities participating in the Benchmarking Project.

In the area of solid waste management, Mr. Nathaniel von Einsiedel of the UNDP/UNCHS Urban Management Programme discusses the various approaches in use in Asian cities. He stresses that the key to effective solid waste management is its social acceptability to the public in terms of costs, location, technology, and environmental and health concerns. From his experience, acceptability can be facilitated through a proper information and education campaign on the choice of waste disposal practice. Ms. Susan Ardosa, Benchmarking Project Coordinator in Cebu City, Philippines, presents the findings, improvements identified, and expected service benefits in solid waste management through education and better enforcement in Asian municipalities participating in the Benchmarking Project.

INTRODUCTION TO THE BENCHMARKING PROJECT

Naved Hamid

Senior Strategy and Policy Officer
Asian Development Bank

ADB is helping selected municipalities to enhance their capacity to deliver better municipal services through the Benchmarking Project, using two management techniques: benchmarking and continuous improvement. The idea underlying this project is that service delivery is the key role of local governments, and that there is a considerable potential for improving service delivery even within existing financial expenditures and resources.

Benchmarking and Continuous Improvement

The term ‘benchmarking’ sounds complicated but the concept is quite simple and has been around for a very long time. It uses two techniques: metric or quantitative benchmarking and process benchmarking. Quantitative benchmarking is like bowling or batting averages in cricket, which can be used to compare the performance of different players. It could also be like the ranking of cities in specified areas (similar to the annual ranking published by Asiaweek), enabling cities to compare themselves. For instance, if Ahmedabad collects X amount of revenue and your city, which is the same size, collects only half that amount, then you know there is something wrong or that you can do better. Quantitative benchmarking tells you where you are. However, it does not tell you how to improve your performance.

I imagine that process benchmarking started thousands of years ago when a farmer saw that the yield of her crop was much less than that in the neighbor’s field. She went over to the neighbor, asked her how she did it, observed her work, and then applied the same techniques to her own field. Process benchmarking is looking at those who are doing something well, documenting how they do it, and comparing that with your own technique. You then discover what you are doing differently and how you could improve your performance.

Benchmarking achieves greater success if it is conducted in the context of a continuous improvement strategy. Continuous improvement describes an organization’s operating culture, in which it is always seeking ways of improving its products, services, and performance of management and staff. Usually, the focus of the organization is on meeting the needs of the customers; feedback from them is a critical factor for improving the organization.

Continuous improvement describes an organization’s operating culture, in which it is always seeking ways of improving its products, services, and performance of management and staff.

Benchmarking has been used extensively in the private sector and is being used progressively in the public sector in Australia, the US, and other OECD countries. Little benchmarking has been done in developing countries, so it was decided to pilot test its effectiveness in improving municipal service delivery in Asia. ADB first invited a large number of Asian municipalities to participate in this program. Sixteen municipalities responded, from which we selected 10 (Box VII.1) on the basis of the commitment of the mayor, nomination of suitably qualified municipal staff for training as Benchmarking Coordinators, track record in implementing change, contacts with other municipalities, customer orientation, teamwork, monitoring and evaluation of municipal programs, and relationship with ADB.

Box VII.1. Asian Municipalities Participating in the Benchmarking Project

- Bandung, Indonesia
- Bangalore, India
- Cebu City, Philippines
- Colombo, Sri Lanka
- Kuantan, Malaysia
- Lahore, Pakistan
- Peshawar, Pakistan
- Semarang, Indonesia
- Shanghai, PRC
- Surabaya, Indonesia

Benchmarking Coordinators and Work-Based Teams

Instead of hiring local consultants, we decided to implement the project by training some existing municipal staff to lead work-based teams to undertake process mapping, adopting new

performance standards, and implementing the continuous improvement program. It was felt that given their knowledge of the municipality's scope of services, personnel, problems, and systems, they would be much more effective agents of change than would consultants. Moreover, their involvement would result in greater ownership of the process by the municipality. Therefore, a critical factor to the success of our benchmarking and continuous improvement pilot project was the appointment and training of two municipal officers per city; we called them Benchmarking Coordinators.

The Benchmarking Coordinators attended a two-week intensive training program on team creation and management, tools and techniques of benchmarking and continuous improvement, performance measurement, and process mapping. The training program took place in Cebu City on 22 November to 4 December 1998. In that training, the Coordinators agreed on six common municipal services for benchmarking, based on their importance to the municipality and its residents, and potential for improvement. The six selected services (Box VII.2) are being studied in groups of two over three rounds to ensure that they can be managed well by the Coordinators.

Immediately after the training, the coordinators organized, trained, and led the first-round teams to map the processes of selected services, collect performance data or indicators for benchmarking, analyze data, and identify areas in which the delivery of services could be improved. The performance indicators were collected on the basis of timeliness, quality, cost or price of the service, and customer satisfaction. Once the data had been collected, the participating municipalities exchanged and compared information with one another. Based upon the comparisons, the teams identified improvements that could be made in the existing services and, through a continuous

Based upon the comparisons, the teams identified improvements that could be made in the existing services.

Box VII.2. Six Services Selected for Benchmarking

- Solid waste management (education and enforcement)
- Customer complaints resolution service
- Parking regulation
- Property tax assessment and collection
- Street vendors
- Integrated computer systems

improvement process, will implement the changes based on the improvement proposals.

The municipalities are being assisted by the Australian Continuous Improvement Group, international consultants, and through constant exchange of information via city visits, E-mail, and the project's World Wide Web home page.

The Benchmarking Coordinators participated in the Second Coordinators' Workshop at Kuantan, Malaysia, on 26-30 April 1999. They shared process information and compiled their assessments of "best practices" for solid waste management (education and enforcement), and customer handling and public complaints. This workshop marked the beginning of the second round of benchmarking, which meant forming new teams to start work on two new services, property tax assessment and collection, and parking regulation. Meanwhile, the first-round teams are continuing with their continuous improvement tasks and developing service innovations based on what the other cities have done. The project started in September 1998 and was expected to be completed in the first quarter of 2000.

Networking

Part of the implementation of this project is setting up a network of Asian municipalities that collaborate in benchmarking their processes and driving change through their own continuous improvement programs. Apart from electronic exchanges and participation of the Benchmarking Coordinators in the regional workshops, the mayors of these municipalities are also given the opportunity to meet face to face and exchange information with one another through the Mayors' Forum. The first Forum was held concurrently with the Coordinators' Workshop in Cebu City.

This project has also brought together several donor agencies that are active in the urban areas of Asia. Although ADB is the lead agency, we were able to involve the Urban Management Programme of UNDP/UNCHS, which is sponsoring Lahore (in Pakistan), and the German Agency for Technical Cooperation (GTZ), which is sponsoring Bandung and Surabaya (in Indonesia). The ADB Institute is actively supporting the project by funding its home page, the Mayors' Forum, the production of training manuals, and publication of project materials. It is expected that these partners will apply the lessons learned from the project to the other Asian municipalities they are working with, and expand these overlapping networks for continuous exchange of experiences and best practices.

The latest information on all services being benchmarked and links to all participating municipalities and project partners are available from the project's home page at <http://asiacities.benchmarking.acig.com.au/>.

It is expected that these partners will apply the lessons learned from the project to the other Asian municipalities they are working with, and expand these overlapping networks for continuous exchange of experiences and best practices.

Expected Benefits of Benchmarking

Municipalities will be judged not by the extent of their physical infrastructure but on how well this infrastructure is managed and the associated services made available to the citizens.

This project is not intended to provide funds for development of physical infrastructure in the municipalities, but to improve delivery of municipal services through better management. The Benchmarking Coordinators and the work-based teams, by developing their skills in problem solving and process improvement, will be able to assist their municipalities in providing better quality and greater coverage of municipal services, faster response times, lower costs, and higher customer satisfaction. After all, municipalities will be judged not by the extent of their physical infrastructure but on how well this infrastructure is managed and the associated services made available to the citizens.

CITIZENS' CHARTER AND REDRESSING PUBLIC COMPLAINTS IN GUJARAT STATE, INDIA

P.U. Asnani

Vice President, City Managers' Association of Gujarat, and Director, US-Asia Environmental Partnership Program, Ahmedabad, India

In the state of Gujarat, in southern India, the municipal bodies have come together and formed the City Managers' Association of Gujarat (CMAG) to focus attention on the problems of urban areas. CMAG is affiliated with the International City/County Managers Association of the US, which helps us to develop certain mechanisms in improving urban governance.

The principal objectives of CMAG are information exchange and dissemination of information on urban issues, best city management practices, technologies, and across-country

management experiences; upgrading training skills for professional development; and advocacy. Advocacy is done to raise the sensitivity of state and central governments to the importance of urban areas vis-à-vis serviceable areas, and fund sharing among local bodies in view of the growing problems of urbanization.

Among the other issues advocated by CMAG for improving urban governance are

- bringing the urban agenda to the attention of the state and central governments;
- inclusion of cities in the infrastructure master plans of the state and central governments;
- nonobligatory services to be exclusively run/financed by the state;
- tax exemption for municipal bonds;
- devolution of full powers to strengthen the financial base of urban local bodies, such as by upward revision of taxes;
- total autonomy of municipalities to raise nontax revenue; and
- privatization.

With a view to enhancing the capacity of the urban local bodies in Gujarat, CMAG conducted workshops on improving the financial resources of these bodies, operation and maintenance of water supply and sewerage systems, citizens' charters, and complaints redressal systems. In this paper, I will focus on complaints and mechanisms linked with the citizens' charter for the urban local bodies.

The Citizens' Charter

The citizens' charter for urban local bodies was organized by CMAG in association with the School of Planning and Department of Administrative Reforms in India. The main purpose

of a charter is to improve access to public services and to promote quality by helping people understand what an organization does, how to contact it, what to expect by way of services, and how to seek a remedy if something goes wrong.

A model charter was prepared and circulated to all the urban local bodies of the state based on clear expectations (Box VII.3). The local bodies then prepared their own charters based on local conditions and capabilities to handle local problems effectively.

For fast treatment of public complaints, citizens should know where a complaint can be registered, either by telephone, in person, or by post.

Through the charter, citizens are given the opportunity to learn what the local bodies do, what services are provided, whom they should approach to obtain the services, and when they can meet the concerned officer. These are very important aspects and each local body must strive to make them more effective in the field. For fast treatment of public complaints, citizens should know where a complaint can be registered, either by telephone, in person, or by post.

Redressing Public Complaints

CMAG conducted a workshop on Public Complaints Redressal Mechanisms, participated in by urban local bodies to discuss guidelines for setting up a mechanism of dealing with complaints. CMAG also downloaded from the Internet the guidelines for setting up a mechanism to deal with complaints. The guidelines were circulated and discussed; from them we chose what would work for Ahmedabad (Box VII.4).

Ahmedabad's citizens' charter provides specific time frames for responding to public complaints in relation to water supply, sewerage, drainage, roads, footpath maintenance, property tax assessment and property transfer, passing of building plans, issuance of service licenses, public health

Box VII.3. Citizens' Charter Expectations

- Set clear standards of service that users can expect
- Be open. Communicate clearly and effectively in plain language
- Consult and involve present and potential users of public services
- Make services easily available to everyone who needs them
- Treat all people fairly
- Put things right when they go wrong
- Use resources effectively to provide best value for taxpayers and users
- Always look for ways to improve the services and facilities offered

Box VII.4. Basic Principles for an Effective Complaints System

A complaint system should be:

- Easy to access and well publicized
- Speedy, with fixed time-limits for action and keeping people informed of progress
- Confidential to protect the staff and complainants
- Informative, providing information to management so that the services can be improved
- Simple to understand and use
- Fair, with a full procedure for investigations
- Effective in dealing with all points raised by the citizen and providing suitable remedies
- Regularly monitored and audited to make sure that it is effective and improving

and sanitation, solid waste management, and birth and death registration, as well as quick redressal of public grievances.

For instance, if a complaint is lodged concerning a hole in the footpath, it is to be repaired within 24 hours. Complaints about water contamination are to be attended to within 4 hours, while complaints on broken manholes are expected to be serviced within 24 hours. Surfacing of potholes is to be done within 3 days.

Formerly, people who complained were liable to feel discriminated against. However, complaints provide free feedback about our services, and handling complaints properly shows how important customer care is to our organization. It shows that we listen to users, we learn from our mistakes, and we are continuously trying to improve the services.

Handling complaints properly shows how important customer care is to our organization.

When we institutionalized the redressal system in Ahmedabad, we learned that people would only complain if they felt that we would listen to their complaints and act on them. So we make it a point to investigate complaints thoroughly and fairly, and whenever possible we find a remedy. We use the complaints to improve our services and never allow the users to suffer or be discriminated against as a result of any complaint. The top ten tips for dealing with complaints also served as our guide (Box VII.5).

All complaints (whether written, by telephone, or in person) are recorded. People who lodge their complaints in person are given a copy of their complaint; another copy is immediately passed to the concerned section; and one copy remains in the complaint office. The concerned department is required to act on the complaint within 24 hours. The attending officer makes a record that the complaint has been addressed, and gives feedback to the complaint office. The board officer reviews the complaints everyday, while the

Box VII.5. Top Ten Tips for Dealing with Public Complaints

- Keep it simple and avoid long forms
- Use the phone more often than sending a letter
- Find out straight away what action the complainant wants
- For less serious complaints, a quick apology is better than a long letter
- Give the person specific reply. A standard reply will only make things worse
- Follow the “mother principle”: treat people as you would like your mother to be treated
- Don’t pass the buck. If you need to refer a complaint to someone else, make sure that the customer gets full details.
- Be clear on what remedies you can offer
- Let your customers know about improvements made as a result of their complaints
- More complaints can be good news! It shows that your customers trust you to take them seriously

Source: <http://www.cabinet-office.gov.uk/servicefirst/index/library.htm>

zonal officer, who handles five to seven wards, makes sure that all complaints within his command area have been properly addressed.

Every week, the chief executive officer receives a report of all complaints in the entire city, containing the nature of complaints, how many were disposed of, number of delayed responses, causes of delay, and remedial actions to be taken. This report is accompanied by feedback from independent sources so as to ascertain that the complaints system is really responsive to the needs of the public.

I have outlined the full mechanism, which you can use to design your own complaint system. However, it will only work if the administration is

adequately decentralized, and the staff fully empowered to take full responsibility and accountability in dealing with the complaints. This way, there is no need for the mayor or the chief executive officer to worry about the quality of action or response on the complaints, and timely and accurate feedback to improve the services can be expected.

GOOD PRACTICE ON RESOLUTION OF COMPLAINTS AND PUBLIC GRIEVANCES

H.B.S. Aradhya

Benchmarking Coordinator
Bangalore, India

Bangalore is situated in southern India in an area of 225 km². It has 100 elected and 5 nominated councilors. The Bangalore City Corporation has 17,000 staff in five major departments. The annual budget is about US\$180 million.

Bangalore is known as the Garden City of India, with more than 400 parks, gardens, boulevards, and nurseries. It is one of the fastest growing cities in India because of its geographical location, congenial climate, and business opportunities.

Due to rapid industrialization between 1950 and 1970, the population increased at a rapid rate. The current population stands at 5 million, and during working hours swells by more than 1.2 million. With the extension of boundaries in 1995, it has not been possible to reverse the flow of migration towards the city.

In view of these developments, the demands for improving existing services such as water supply, sewerage disposal, garbage removal, and maintenance of roads have increased. It has become

mandatory to concentrate on efficient management of municipal services given our limited resources. Bangalore City Corporation has taken steps to meet the increasing demand on civic services. It is the first municipal corporation to float bonds successfully (worth Rs125 crores or US\$28.6 million) with a view to improving civic amenities.

Under these circumstances, the system of redressal of public grievances has been revived in the Bangalore City Corporation by adopting modern technologies through the processes of benchmarking and continuous improvement. In earlier days, Bangalore's system of hearing public grievances did not have any records of complaints resolved or pending cases. The public had a negative attitude toward making complaints because the Corporation was not acting on them.

Bangalore is participating in the ADB Benchmarking Project. In the initial months of the project, one of the services that was considered critical for city residents and businesses was handling public grievances. It involves receiving and acknowledging complaints, directing them to appropriate personnel, resolving complaints, feedback to complainants, and monitoring the effectiveness of the system.

In April 1999, the Benchmarking Coordinators participated in a regional workshop in Kuantan, Malaysia, where they identified and discussed best practices in this particular service. Among the very attractive and results-oriented practices are the following:

- *United Action* in Shanghai.
- *Public Day* in Colombo.
- *Access through many zones* in Bangalore.
- *One stop shop* in Indonesian cities.
- *Daily radio program* in Cebu City.
- *Weekly report* to the chief executive and *radio feedback* to the public in Kuantan.

It has become mandatory to concentrate on efficient management of municipal services given our limited resources.

Table VII.1. Performance of Bangalore in Handling Customer Complaints

Performance Measure	Range of Performance	Bangalore's Score
Number of justifiable complaints per 10,000 population	14–1,500	168
Cost per complaint lodged	US\$0.09–48.30	\$0.70
Time taken per complaint	0.1–12 person hours	0.75 person hours
Average (median) time to first response	5 minutes–10 days	10 minutes
Average (median) time to final resolution	3–36 days	3 days
Proportions of complaints resubmitted	1– 63%	30%

These practices were measured in terms of justifiable complaints for every 10,000 adult population, handling cost per complaint, average time to first response and to resolution, and customer satisfaction with complaint resolution processes (Table VII.1).

Improvements in Complaint Handling

Bangalore has made dramatic improvements in handling public complaints and grievances following benchmarking. We have established 35 receiving points for entertaining customer complaints. The list of such receiving offices, their locations, telephone numbers, and the procedure for lodging complaints, have been published for the information of the public. All complaints are filed in triplicate copies—one copy to the complainant,

another copy to the concerned department for action, and the third copy to the computer section for recording and tracking of complaints. Necessary training has been given to the staff handling the complaints.

We have formulated an acknowledgment form, enumerating the most frequent complaints in each department, prescribing the time limit for redressal of each complaint, and specifying the department to deal with it. We have produced a directory of community services and made it available to the citizens of Bangalore, and have undertaken a publicity campaign to educate the public regarding their right to bring their grievances to the attention of the authorities and how to lodge their inquiries and complaints.

The Honorable Minister for Bangalore City Development is very enthusiastic about the redressal of public grievances. He inspects some parts of the City every day and assures the people in the locality that their complaints are being addressed, by instructing the concerned officers on the spot. He responded to public complaints during a call-in radio program on 23 May 1999, and conducted public grievances meetings in three zones on 2-4 June 1999. Hundreds of complaints were received at these meetings and the public response was very good. The mayor conducts public grievance meetings in each zone office on a pre-specified day and time, to receive and hear complaints and public grievances. Also, all executive officers have been instructed to remain in their respective offices between 3 and 5 p.m. every day except Wednesdays and Saturdays to receive complaints and hear public grievances.

A middle management team, composed of the revenue officer, executive engineer, and deputy health officer, is responsible for monitoring the complaint response performance; the team meets every week to review the complaints received,

The mayor conducts public grievance meetings in each zone office on a pre-specified day and time.

complaints addressed, and action taken. If there are any unresolved complaints, they are brought to the executive management level for discussion with the commissioner.

We have also opened a 24-hour call service in a control room at the head office with wireless connections to senior officers including those on the Water Supply and Sewerage Board for immediate resolution of complaints. There is a special team in the control room to attend to any natural disaster at night.

Based on these improvements, we have been able to provide faster and guaranteed response to the public in resolving their complaints. We have reduced the costs of dealing with complaints because they are addressed promptly and efficiently, and citizens express greater satisfaction about municipality services and accountability.

We have reduced the costs of dealing with complaints because they are addressed promptly and efficiently.

Our experience has shown that redressal of public grievances is not an easy task. It requires proper infrastructure for attending to the complaints/grievances, either through sufficient budget allocation or delegation of powers. Every municipal administration must act to improve the infrastructure necessary to resolve complaints/grievances at the local level.

Furthermore, unless a proper feedback arrangement is institutionalized, the senior officers will not be able to monitor the action taken. For this purpose a well-structured training program for staff at various levels has to be developed and refresher courses organized at regular intervals.

CRITICAL CONSIDERATIONS OF SOLID WASTE DISPOSAL IN ASIAN CITIES

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UNDP/UNCHS Urban Management Programme

The economic and demographic growth of Asian cities is posing serious challenges to urban local authorities. Such growth is increasingly stressing the urban environment, whether this is regarded as the built-up surroundings of urban dwellers, the “natural support system” that sustains the city, or as the effect of urbanization on the working and living conditions of others, such as downstream fishing communities. As Asian cities experience rapid urban growth, environmental degradation occurs over a large and growing area. Prominent effects are the deterioration of air and water quality, growing problems of waste disposal, and more intense competition for increasingly congested spaces. The worsening urban environment in Asia is affecting people and nature in a number of ways: health, safety, productivity, amenities, and ecological integrity.

About 35 percent of the urban population in Asian developing countries do not have access to adequate sanitation. A significant amount of the solid waste generated in urban centers is uncollected (see Table VII.2) and either burned in the streets or deposited in rivers, creeks, marshy areas, or empty lots. Waste that is collected is mainly disposed of in open dumpsites, many of which are not properly operated and maintained, thereby posing a serious threat to public health. Only a few Asian cities, such as Hong Kong, China; Singapore; and Tokyo, have adequate solid waste disposal facilities, and even these cities have their share of problems in dealing with the increasing volume of wastes being generated.

The worsening urban environment in Asia is affecting people and nature in a number of ways: health, safety, productivity, amenities, and ecological integrity.

Table VII.2: Characteristics and Rates of Collection of Solid Wastes in Selected Asian Cities

City	Total Weight (tonnes/day)	Generation Rate (kg/person/day)	Bulk Density (tonnes/m ³)	Rate of Collection (%)
Bangkok	8,000	0.90	0.25	75
Songkla	n.a.	0.89	0.42	46
Kuala Lumpur	348	n.a.	n.a.	80
Penang	5,000	0.75	0.25	70
Jakarta	4,625	0.50	0.33	70
Manila	2,650	0.65	n.a.	70
Mumbai	5,800	0.55	0.33	86
Calcutta	3,500	n.a.	n.a.	55
Delhi	3,880	n.a.	n.a.	62
Dhaka	3,000	0.50	n.a.	50
Colombo	750	0.75	0.35	90
Karachi	4,500	0.55	n.a.	33

Source: UN-ESCAP (1995). Status of the Environment Report, Thailand. Bangkok: ESCAP.

Context of Solid Waste Management in Asia

Demography

The urban population in Asia is growing significantly. By the year 2020, an additional 1.5 billion people will be added to Asia's urban centers. Such a massive number of people will need adequate infrastructure and services, prominent among them being water supply, housing, and sanitation facilities. An adequate facility for solid waste disposal is required to ensure an urban environment conducive to the well-being and productivity of residents.

By the year 2020, an additional 1.5 billion people will be added to Asia's urban centers.

The quantity of waste generated per capita in an urban area may appear insignificant when viewed from studies that indicate that per capita waste generated in Asia varies from a low of 240 grams to a high of 484 grams per day. However, the management of this waste becomes a problem when the waste is concentrated in a particular area with high population density and diverse economic activities. Moreover, an increase in population size accompanied by an increase in per capita income and industrial activity in an area leads to an increase in the amount and complexity of the solid waste in the area. This, combined with the increasing scarcity of disposal sites in Asian cities, makes the situation even more difficult.

Economic Growth

The increase in the income of Asian cities has resulted in a proportionate increase in consumption and consequently waste generation. A recent study by the World Bank concludes that urban waste generation will increase substantially over the coming years as GNP per capita increases (see Table VII.3). While Asian cities have a lower rate of waste

generation than cities in the West, the problem of waste management in Asia is more complex: per capita waste generation is low but the amount of waste is high, owing to the higher population size and density in Asian cities.

As Table VII.3 also shows, residential waste in Asia makes up only about 30 percent of the total. However, it receives a disproportionate amount of attention. As Asian cities continue to urbanize, more attention is needed to the industrial and commercial waste stream, especially since this should be the first material to be collected by the private sector.

The high level of poverty in the region is a related aspect. Asia is a frugal society, which is the outcome of widespread poverty. This frugal nature of Asians is manifested in the thriving, private recycling market, both formal and informal, in most Asian cities.

Culture and Social Behavior

Asia has a culture of recycling.

As noted above, Asia has a culture of recycling. Households at the lowest rung of the informal recycling market sell items like used polythene bags, newspaper, glass bottles, tins and plastic cans, old wood, old clothes and shoes, etc. These households and the entire informal sector involved in the process of recycling of inorganic solid waste do not really perceive it as waste because they are aware of its value.

Unlike in western countries, disposed waste in Asia (other than in Japan and Singapore) is unlikely to consist of refrigerators, television sets, video players, or old clothes. Even the quantity of household food waste is low because a large section of the population cannot afford to throw food away, and even if there are leftovers, they are given away. The implication for solid waste management is addressing the large number of persons who rely

on recyclable waste for their livelihood in many cities of developing Asian countries. Their presence is perceived by some as making operations of sanitary landfills more difficult.

Another cultural consideration is the NIMBY (not in my backyard) phenomenon. While this may be a concern common to other regions of the world, the increasing scarcity of land in Asian cities for disposal sites is making it more difficult to deal with this phenomenon. Neither urban nor rural residents want dumpsites in their vicinity, even when “clean” technology is employed. The case of Taipei, China is a typical example; the government’s plans to expand existing disposal sites or build new ones almost invariably meet with vigorous local opposition, despite generous compensation payments to affected communities by the provincial administration’s department of environmental protection.

Another cultural consideration is the NIMBY (not in my backyard) phenomenon.

Climate

Most Asian cities have a tropical climate with high levels of rainfall and humidity. This aggravates the problem of solid waste disposal, particularly because the common disposal method in Asia is open dumping. The leachability of the dumped waste increases as a result of high precipitation. Under such conditions of high rainfall and humidity, incineration is more expensive because more fuel is required to maintain the necessary temperature. Moreover, heavy rains easily damage the structure of conventional sanitary landfills. However, the humid climate hastens biodegradation, thereby facilitating disposal methods such as composting.

Table VII.3: GNP Per Capita and Waste Generation in Selected Asian Countries, Current and Projected to 2025

Country	Current				
	GNP Per Capita 1995	1995 Population		Urban Waste Generation	
		Total (million)	Urban ¹ (% of Total)	Generation Rate (kg/cap/day)	Total Waste (tonne/day)
<i>LOW-INCOME COUNTRIES</i>					
Nepal	200	21.5	13.7	0.5	1,473
Bangladesh	240	119.8	18.3	0.49	10,742
Myanmar	240 ²	46.5 ²	26.2	0.45	5,482
Viet Nam	240	73.5	20.8	0.55	8,408
Mongolia	310	2.5	60.9	0.6	914
India	340	929.4	26.8	0.46	114,576
Lao PDR	350	4.9	21.7	0.69	734
PRC	620	1,200.2	30.3	0.79	287,292
Sri Lanka	700	18.1	22.4	0.89	3,608
<i>MIDDLE-INCOME COUNTRIES</i>					
Indonesia	980	193.3	35.4	0.76	52,005
Philippines	1,050	68.6	54.2	0.52	19,334
Thailand	2,740	58.2	20	1.1	12,804
Malaysia	3,890	20.1	53.7	0.81	8,743
<i>HIGH-INCOME COUNTRIES</i>					
Korea, Rep. of	9,700	44.9	81.3	1.59	58,041
Hong Kong, China	22,990	6.2	95	5.07	29,862
Singapore	26,730	3	100	1.1	3,300
Japan	39,600	125.2	77.6	1.47	142,818

(continued next page)

Table VII.3 (cont.).

Country	2025				
	Predicted GNP Per Capita	Predicted Population		Predicted Urban Waste Generation	
		Total ¹ (million)	Urban ¹ (% of Total)	Generation Rate (kg/cap/day)	Total Waste (tonne/day)
<i>LOW-INCOME COUNTRIES</i>					
Nepal	360	40.7	34.3	0.6	8,376
Bangladesh	440	196.1	40	0.6	47,064
Myanmar	580	75.6	47.3	0.6	21,455
Viet Nam	580	118.2	39	0.7	32,269
Mongolia	560	3.8	76.5	0.9	2,616
India	600	1,392.1	45.2	0.7	440,460
Lao PDR	850	9.7	44.5	0.8	3,453
PRC	1,500	1,526.1	54.5	0.9	748,552
Sri Lanka	1,300	25	42.6	1	10,650
<i>MIDDLE-INCOME COUNTRIES</i>					
Indonesia	2,400	275.6	60.7	1	167,289
Philippines	2,500	104.5	74.3	0.8	62,115
Thailand	6,700	73.6	39.1	1.5	43,166
Malaysia	9,440	31.6	72.7	1.4	32,162
<i>HIGH-INCOME COUNTRIES</i>					
Korea, Rep. of	17,600	54.4	93.7	1.4	71,362
Hong Kong, China	31,000	5.9	97.3	4.5	25,833
Singapore	36,000	3.4	100	1.1	3,740
Japan	53,500	121.6	84.9	1.3	134,210

Note: ¹ United Nations, World Population Prospects

² assumed GNP Country waste generation rates are based on weighted averages from different cities within the country

Source: World Bank

Current Solid Waste Disposal Practices in Asia

It is difficult to generalize the description of current solid waste disposal (SWD) practices in Asia given the very wide diversity of conditions among the countries in the region. However, there are specific cases that may be said to be representative of current practices in several Asian cities and, as such, provide useful inputs to this overview.

Landfill

Landfill is the most damaging to public health.

As shown in Table VII.4, the predominant choice for SWD in many Asian cities is land disposal or landfill, probably because it is the cheapest technology. However, it is the most damaging to public health.

In the case of Mumbai, India, for instance, solid wastes are deposited in four landfill sites. These sites are not sanitary landfills, and no measures have been taken to prevent pollution of underground and surface waters. The wastes are not covered. A serious problem is the smoke from continuously smoldering fires, allegedly caused by persons collecting recyclable materials. According to health authorities, 90 percent of the population living around the sites are suffering from respiratory ailments. Interestingly, the general perception of municipal and elected officials is that the current practice in Mumbai is the best that is possible under the prevailing circumstances.

Almost all the large cities of the developing countries in Asia installed imported mechanical composting plants in the past.

Composting

Composting is the second most common method of SWD in Asia. Almost all the large cities of the developing countries in Asia installed imported mechanical composting plants in the past. Most are now defunct and the remaining ones are not

Table VII.4. Disposal Methods for Municipal Solid Waste in Selected Countries/Territories of Asia

Country/ Territory	Disposal Method (%)			
	Landfill	Incineration	Composting	Others
Bangladesh	95	-	-	5
Brunei Darussalam	90	-	-	10
Hong Kong, China	92	8	-	-
India	70	-	20	10
Indonesia	80	5	10	5
Japan	22	74	0.1	3.9
Korea, Rep. of	90	-	-	10
Malaysia	70	5	10	15
Philippines	85	-	10	5
Singapore	35	65	-	-
Sri Lanka	90	-	-	10
Thailand	80	5	10	5

Source: Megacity Management in the Asian and Pacific Region. Manila: Asian Development Bank

operating at full capacity (e.g. Bangkok, Hanoi, Shanghai, Tokyo, New Delhi, and Mumbai) for the following reasons:

- high operating and maintenance costs compared to open landfilling (including foreign exchange costs for replacement parts of imported plants);
- higher cost of compost than commercial fertilizers (both purchase cost and labor cost to apply to agricultural fields);
- incomplete separation of materials such as plastic and glass, making the compost poor for agricultural application; and
- poor operation and maintenance of facilities.

Incineration

As a preferred method for SWD in Asia, incineration is third to landfill, but only operates well and likely to remain popular in cities of industrialized countries such as Australia; Hong Kong, China; Japan; Republic of Korea; Singapore; and Taipei, China.

Incineration has had very limited use for municipal solid waste.

Incineration has had very limited use for municipal solid waste and has not had much success in the cities of Asian developing countries where it has been installed, because most of these cities have encountered many problems with imported incinerators, either due to design problems or high operating and maintenance costs.

Factors Affecting Selection of SWD Options in Asia

The root of the problem is the broad lack of awareness and understanding among Asians of the environmental and related health consequences of improper SWD practices.

The existing problems of SWD practices in Asian developing countries may be attributed to several factors. However, the root of the problem is the broad lack of awareness and understanding among Asians of the environmental and related health consequences of improper SWD practices. Governments are often blamed by the public for uncollected wastes but not as much for unsanitary landfill operations, a manifestation of the “out of sight, out of mind” attitude. This general apathy is likely to change in the near future as Asian cities become even more crowded and the competition for land further intensifies, forcing SWD facilities to be located closer to where people live and work. While environmental education has started to bring about some awareness of cleanliness and pollution, this has generally not reached a critical mass to pressure governments into taking more positive and appropriate action.

Site Location

Most of the existing SWD facilities in developing Asian cities are located in sites that generally have been neither properly studied nor prepared. The sites have been chosen mainly on the basis of their distance from residential and commercial areas, a response to the NIMBY attitude. Many of these sites are low-lying areas where the waste that is deposited is used as landfill.

The increasing congestion of many developing Asian cities, and the intensification of land competition makes site location for SWD facilities within city boundaries very difficult. Recent attempts to site SWD facilities outside a city's jurisdiction, as in Metro Manila, have brought about interjurisdictional conflicts. Without any national legislation on solid waste management in most developing Asian countries, the municipalities are left on their own to resolve such conflicts. The result is either a standstill where nothing is resolved or long delay in implementation due to protracted negotiations. This situation can be avoided with a proper national legislation on solid waste management, including provisions for intermunicipal cooperation in operating SWD facilities. But again, such legislation is unlikely to be promulgated unless it is representative of a popular cause.

The experience of Japan in addressing such interjurisdictional conflicts is worth noting. Japan has a law that requires municipalities to dispose of all their waste within their own borders. This has obviously left them with no option but to incinerate all waste. Thus, a huge incinerator industry has developed and is one of the most influential political groups in the country.

Technological and Cost Considerations

The capital investment for a new disposal plant is a major consideration in many Asian cities. As mentioned earlier, the prevalent technology for SWD in Asia is landfill or open dumping, and the fact remains that attempts at other technologies have largely failed. While incineration can be framed as a cost-effective decision in most countries, it is still 5 to 10 times more costly than sanitary landfill, even after discounting energy revenues (see Table VII.5). Therefore, the social acceptability of the choice of technology and its associated costs are major considerations of decision makers.

Table VII.5: Costs Per Tonne (US\$) of Alternative Disposal Technologies for Large Cities

Technology	Low-Income Country	Middle-Income Country	High-Income Country
Average GNP per capita	370	2,400	22,000
Open dumping	0.5-2.0	1.0-3.0	5.0-10.0
Sanitary landfill	3.0-10.0	8.0-15.0	20.0-50.0
Tidal land reclaim.	3.0-15.0	10.0-40.0	30.0-100
Composting	5.0-20.0	10.0-40.0	20.0-60.0
Incineration	40.0-60.0	30.0-80.0	20.0-100.0

Environmental and Health Concerns

Citizens are becoming more conscious of the health and environmental implications of the mishandling of certain technologies. In Japan, for example, the recent *State of the Environment* report shows a huge increase in dioxin levels, 90% of which come from incinerators, thus prompting Japanese officials to look at other options including composting, recycling, and waste reduction. Environmental protection groups are also using similar reports in other Asian countries in campaigning against incinerators. These efforts are gaining popular support, perhaps because of the “scare ” tactics used by such groups in associating the increase in dioxin levels with the increased incidence of cancer. The Philippines, for example, recently passed national legislation banning the use of incinerators.

However, public awareness of the risks of open dumping is not as equally developed. The pollution of surface and groundwater by leachates from landfills, for example, is not understood by most people including political decision makers. It usually needs a crisis situation before people will take action and adopt changes to existing practices.

In Surat, India, the outbreak of a plague in late 1995 prompted the citizens and local officials to clean up the city’s uncollected rubbish, clogged drains, and general unsanitary conditions. Through concerted actions by local authorities, private businesses, and the community, the city achieved dramatic improvements in terms of overall sanitation and public hygiene, and most interestingly received an award as the second cleanest city in India in 1997—just two years after the crisis. Lessons such as these should perhaps be used to enhance greater public awareness about the health risks of existing improper waste disposal practices.

Social Concerns

In efforts to “modernize” waste collection and landfill operations, waste pickers are inevitably affected as they are removed from their only source of livelihood.

The general lack of understanding of SWD is also the reason behind the negative view towards waste pickers and so-called scavengers. They are generally perceived as a nuisance and may be treated like criminals. However, they depend on waste as their only source of income, sometimes even for food. Their presence in streets and dumpsites is another major consideration for decision makers in the selection of SWD facilities. In efforts to “modernize” waste collection and landfill operations, waste pickers are inevitably affected as they are removed from their only source of livelihood. In the case of the “Smokey Mountain” dumpsite in Metro Manila, for instance, many of the waste pickers violently resisted being relocated from the site when the government closed it down for development of housing and light industry. The contribution of waste pickers to reducing the volume of waste, which, in turn, prolongs the life of disposal sites, is not widely appreciated. It has been shown in many cases, that when properly organized, trained, and supervised, waste-pickers can be valuable partners in addressing the problems of SWD.

Management and Administrative Capabilities

SWD is usually given the lowest priority in terms of fund allocation and staff recruitment.

Another consideration facing decision makers in the selection of SWD options is the management and administrative capabilities of the authorities responsible for the facility. This is rarely considered seriously because of the lack of understanding of what SWD entails. Most government officials and politicians, especially at the local level, perceive solid waste management as a simple matter. They are generally not aware of alternative waste disposal methods or the skills required. Thus, SWD is usually given the lowest priority in terms of fund allocation

and staff recruitment. Municipal staff at most disposal sites do not have the proper technical skills. Engineers with the right qualifications are reluctant to work in such an environment due to the general perception that it is a low-status job, unpleasant, and hazardous to one's health.

The above-mentioned considerations facing decision makers in selecting SWD options, while requiring individual attention, need to be addressed as a whole since they are interrelated and affect each other. From the decision maker's perspective, the common thread that runs through all these considerations is social acceptability—that is, what the public will accept in terms of location, technology, improvements in managerial and technical capacity, contractual arrangements, and the costs of all of these.

Emerging Trends and Challenges

Improving existing SWD practices in Asia requires first and foremost more effective education programs and public information campaigns on their environmental and health implications. These should help generate wider public awareness to pressure decision makers to take more serious action on the problems of improper SWD practices. These can also help increase citizens' awareness of their responsibilities and roles to improve the existing situation, such as by segregating biodegradable from nonbiodegradable household wastes. After all, environmental sanitation is everyone's responsibility, not only government; government cannot solve the problem alone.

From the technological viewpoint, and given the increasing scarcity of land in most Asian cities and the NIMBY phenomenon, innovations are needed to reduce the amount of land required for SWD facilities as well as the dangers of pollution

Environmental sanitation is everyone's responsibility, not only government; government cannot solve the problem alone.

from certain technologies. Recently, garbage processors that recycle organic household wastes have been introduced in Japan to deal with these problems. It is obvious that trends and conditions in Asia support the need for innovations to enhance waste reduction, reuse, and recycling.

The recycling issue returns us to the situation of waste pickers and scavengers, which number tens of thousands throughout Asian cities. There is an increasing number of nongovernment initiatives in organized waste segregation and recycling. These are mainly through the efforts of NGOs such as SEWA and EXNORA in India, Women Balikatan Movement in the Philippines, the Environmental and Community Development Association in Thailand, and the Urban Poor Consortium in Indonesia. Some of these initiatives are linked with local universities, which provide technical training and support. Through these universities, knowledge about waste minimization, segregation, and recycling is spreading. These initiatives are enhancing appreciation of the positive contribution of waste pickers and scavengers to the reduction of waste to be collected and disposed of by municipal authorities, and consequently the costs involved. However, the extremely unhealthy environment in which these scavengers live, often in the vicinity of the dumpsites, remains a critical problem. Thus, to alleviate the working conditions of scavengers, their activity should not be simply treated as illegal; rather they should be incorporated as partners in the solid waste management process, for example, in house-to-house collection and manual segregation of waste prior to final disposal.

The extremely unhealthy environment in which these scavengers live, often in the vicinity of the dumpsites, remains a critical problem.

Partnering with waste pickers and scavengers requires an understanding among municipal officials of the technical aspects of SWD. This suggests the need for proper skills training and improvements in organizational structures and procedures. While there have been a number of capacity-building programs

on urban environmental planning and management, most of these have been add-on components of infrastructure projects and are not sufficiently in-depth and comprehensive. SWD operations invariably require knowledge of a range of skills other than technical skills, such as conflict management, negotiation with adjacent municipalities for joint operations of common SWD facilities, and organizing scavengers for house-to-house collection.

One other skill that needs to be strengthened among municipal authorities concerns the funding of SWD operations, including the acquisition of the appropriate technology or improvements to existing facilities, and operations and maintenance. Most developing Asian cities lack sufficient financial resources to build, operate, and maintain better SWD facilities. However, possibilities exist for alternative funding and operating approaches such as privatization of the facility, as has been done in Malaysia, or through BOT schemes as was done in Hong Kong, China.

Adopting such approaches requires special training of municipal officials in the areas of project financing and contract management. It also requires that appropriate legal and financial frameworks for such contractual arrangements with the private sector be put in place, together with an effective performance monitoring system.

With increasing urbanization and economic growth in Asia, effecting the necessary improvements to existing SWD practices in developing Asian cities needs comprehensive national legislation to provide the appropriate environmental and health guidelines, technical design standards, and operating procedures. Such legislation should also provide guidelines for intermunicipal cooperation for common facilities, contractual arrangements with the community and private sector, and partnerships with waste pickers. This legislation is essential not only in setting the

One other skill that needs to be strengthened among municipal authorities concerns the funding of SWD operations.

overall policy for solid waste management, but also in providing the necessary “rules of the game” for all the actors involved. After all, improvements to existing SWD practices are not the responsibility of government alone.

GOOD PRACTICE ON SOLID WASTE MANAGEMENT

Suzanne Ardosa

Benchmarking Coordinator
Cebu City, Philippines

The ADB Benchmarking Project provided training, focused on the tools and techniques of benchmarking and continuous improvement, for two Coordinators from each of the 10 participating cities. As one of the Cebu City Coordinators, I then started training teams that were organized to take part in the benchmarking process in our city.

We have been saying that our resources are scarce, and that the problems and demands are getting bigger, but we have to remember that we still have the most important resource—the people.

In the Benchmarking Project, we focus on the capability of the work force. We organized the teams who were responsible for delivery of services, and trained them on how they can improve the way they do things in the city.

During the first three months of the project, we focused on two services—solid waste management (education and enforcement), and handling public grievances and complaints.

During the first Regional Coordinators’ Workshop, we had the opportunity to compare and learn from one another. When we returned home, we shared our new knowledge with our respective teams and all the people involved in the process,

In the Benchmarking Project, we focus on the capability of the work force.

and used this knowledge to improve our service delivery process.

Our advantage in this project is that we are able to see things that most mayors, chief executive officers, and managers cannot see, because we work with the front-line service providers. Therefore, we can be more detailed in approaching the problems, and eventually help in solving them without any additional cost to the city. It is just a matter of maximizing the use of available human resources.

Some of the mayors here have not been to Cebu, so I would like to give you a little background on my city. It is called the “Queen City of the South” and has a population of about 662,000. Because it is the center of education, commerce, and trade in the southern Philippines, the daytime population can reach one million or more. We have 18 councilors, 16 of whom are elected, while the other two represent the Association of Barangay Councils (the lowest LGU in the Philippines), and the youth council, respectively. We have 5,314 personnel, and our budget in 1999 was about P2.8 billion (US\$70 million).

There are 20 departments. For easy coordination in the delivery of the services, they are grouped into six clusters:

- fiscal management;
- social services (health, education, and social welfare services);
- infrastructure (planning and engineering);
- support service (supply and property management);
- law and order (police, traffic management); and
- environmental services (agriculture and public services).

Solid waste management is the first service that we worked on under the Benchmarking Project

There are five key elements in solid waste management.

because it is a critical service for city residents and businesses. There are five key elements in solid waste management: education, collection, transfer, disposal, and enforcement. Under the project, we focused only on education and enforcement because these areas are manageable. Besides, cities have varied approaches in collection, transfer, and disposal of garbage, issues that were too big to handle in this project.

Education Approaches

Under the education process, we learned about the best practices in other cities, which we could adopt or learn from, improve on the strong points, and subsequently apply in our respective cities.

In Indonesia, the Adipura Awards acted as a national incentive in implementing cleanliness programs in the cities. Semarang has the “K-3” program (Kapersihan, Kaindihan, and Katartiban: cleanliness, beauty, and orderliness). Kuantan, Malaysia, uses the health license requirement for food handlers to ensure health education, including solid waste practices. Before a health license is issued, the applicant has to undergo a seminar on health education and solid waste management practices. Shanghai practices waste recycling; households separate wastes at source for private sale. This is a very successful practice because it reduces the volume of garbage by 30 percent. In the cities of Cebu (Philippines) and Colombo (Sri Lanka), a pilot project involving school children in composting and recycling of wastes is being implemented in model schools.

In the Benchmarking Project, we talk about measurements, not as a way of determining who is doing well or badly, but as a way of monitoring our performance. We need to know if we are cost effective, and if the people are satisfied with the

level or quality of service that we are giving them. In the education program, we are looking at the cost per head of population, the number of persons reached by the program, the change in solid waste practices attributable to program, and the level of satisfaction of the people.

In Cebu City, the education program is an ad hoc program that we implemented at the community level, and we were successful in doing it in the schools because it has been integrated into the school curriculum. We were able to reach 100 percent of the target group, or 116,000 students at a cost of US\$0.43 per student.

We shared the experiences of other cities with our city teams, and from those experiences, they have proposed to create a solid waste education unit in the Department of Public Services for an integrated approach to waste reduction, segregation, and recycling. It was also proposed to expand the target groups to include housewives and other sectors of society to increase public awareness on the importance of solid waste management.

We were able to reach 100 percent of the target group, or 116,000 students at a cost of US\$0.43 per student.

Enforcement Approaches

In the enforcement process, the best practices include

- deputizing individuals and CBOs in Cebu City to enforce the law and issue citation tickets for offenders;
- using a neighborhood watch in Indonesia;
- annual refresher training courses using several agencies in Shanghai;
- subsidizing the costs of bins; and
- notification of and commitment to collection times in Bangalore.

We measured our performance by looking at the number of complaints about solid waste nuisance per head of population served, the average time from initial report to inspection or officer's report, and the average time from report to compliance or further action.

In Cebu City, we have very strong participation of the private sector and active involvement of some village captains. The strong political will of our mayor is helping greatly in tackling the issue of solid waste management. We have an adequate budget in this undertaking. The city is providing vehicle and other support as needed, and appropriate city ordinances are in place.

There are still challenges to face, like defining the roles of participating agencies so that there will be no overlapping or buck-passing as to who should do what. We also had to contend with some adverse public reaction and poor participation of some barangays officials during the initial implementation of project. We need to increase the visibility of enforcers and improve their morale by providing them with uniforms, and upgrade our computer database to allow no-compromise penalties for repeat offenders.

In summing up, benchmarking is a strategy that we find very effective in driving continuous improvement because we are able to compare our city with other similarly situated cities. We are able to learn about and improve on the experiences of others, and allow rank-and-file employees to participate in improving their ways of doing things. This is made possible by recording processes, analyzing them, and applying improvements.

In closing, I would like to say that we can always do something to improve the service delivery of our cities. If we are good today, we can be better tomorrow, and the improvement will go on. There is no perfect way of doing things because there is always a better way.

*If we are
good today,
we can be
better
tomorrow,
and the
improvement
will go on.*

VIII. MEETING CHALLENGES IN THE NEXT MILLENNIUM

In this era of globalization, competitiveness, rapid urbanization, and localization (i.e., shifting of powers, responsibilities, and accountabilities from national governments to local governments), we cannot ignore the role of municipalities in attracting investments, providing employment, and delivering basic services. At the same time there are increasing pressures on the municipal governments as a result of rising residents' expectations with regard to the quantity and quality of public services. These trends are likely to accelerate in the future.

Mr. Keshav Varma of the World Bank describes the likely environment that municipalities will find in the 21st century, and how municipalities can successfully meet the challenges that they will face. He also discusses the role that donors and other development agencies can play in assisting the municipalities to successfully meet their challenges.

Mayor Alvin Garcia of Cebu City, Philippines, shares his vision for Cebu in 2010, and outlines his strategy for achieving this vision.

Mr. Terry Barnes of Fairfield City Council, Australia, discusses how the City of Fairfield has used new strategies, systems, staff structure, and arrangements to tackle the complex problems and issues that face his community at the eve of the new millennium. The Council, with the participation of the community, first set a clear

vision, then translated it into outcomes, also ensuring that the supporting systems (e.g. output-based budgets, opportunity costs, and project evaluation) were in place.

AN OVERVIEW

Keshav Varma

Manager, Urban Development Sector Unit
East Asia and Pacific Region, World Bank

This presentation is about the 21st century. I will make an effort to take you through a different kind of perspective from the one we have been discussing, to include not only the perspective of livability, which includes quality of life and solid waste management, water, and sanitation, but that of competitiveness and good governance as engines of growth. I will also discuss the role that we expect cities to play in the future.

I came across several interesting forecasts about what the future holds on urbanization. Most futurologists say that more than 90% of the world population growth will be in developing countries, and that crime will be the fastest growing industry in the world. They also say that the disparity between the poor and the rich will continue to increase, and technology will have no respect for international boundaries. Interestingly, the complexity of infrastructure will need to be developed more underground than above ground.

All these issues lead us to look at cities in a different perspective because of globalization, the intense pace of urbanization, devolution to local governments, and empowerment of the people.

It is estimated that by 2010 half of the world's population will be living in the urban area, and half of them will be poor. But by 2020, two thirds of the

It is estimated that by 2010 half of the world's population will be living in the urban area, and half of them will be poor.

world's population will be living in urban areas. Cities will become the loci of growth, jobs, and wealth but what roles can they play as fundamental spatial units for global economy?

The new challenges that cities will be facing are poverty and slums, pollution, unemployment, social tensions, crime, and insufficient urban services, especially water, sanitation, solid wastes, transport, and traffic. Once globalization and information technology take center stage, the shape of cities will dramatically change, and antiquated laws and insufficient frameworks will put more pressure on them. Small solutions to enormous problems will likewise be a continuing challenge to most city managers.

Globalization

Globalization is a fact of life. It will determine the forces that will affect the roles of cities in the global environment. One such force is information technology. Information technology will create a new definition of the work place and working practices. It will change the way we work and where we work. It will influence urban planning—whether to go for development of central business districts, with a core right in the middle of the city or decentralized work spaces. Information technology may no longer require people to travel from the suburbs to the central core, as it will be more convenient to work at home.

The rise of the middle class as a focal point to global aspirations is another important force. In India, for instance, it is estimated that the number of middle-class people will be between 200 to 300 million. This middle class is going to play a very major role in the future of our cities, which is very clearly evidenced in cities like Bangalore and Hyderabad where the middle class already has

Globalization is a fact of life. will determine the forces that will affect the roles of cities in the future.

global aspirations, e.g. in developing human resources to meet the needs of information technology, computer software development, etc.

In the world of globalization, cities will have to reinforce their competitive advantage. They will become vulnerable to stagnation if they remain inefficient and unproductive. They cannot hide behind national boundaries because the global environment will not tolerate mediocrity, or below-par skills in human resources. A competitive milieu that abounds with many specialized suppliers will definitely change the labor market, and provide ease of international sourcing. City managers will therefore have to look at the future under a totally different paradigm and determine how their city—like Bombay or Bangalore or Bangkok or Manila—is contributing to the global economy and how the city can improve its present position. I think the entire way of thinking of city management will have to be redefined. City managers will have to concentrate on building sustainable institutions by bringing professional people into the business of city government, enhancing morale, and building external alliances. Rapid urbanization is inevitable, but city managers will always be in a strategic position to plan for it. They need to have a vision of the future, and be prepared for it.

We at the World Bank are looking at four pillars of urban policy for cities of the future: good governance, livability, competitiveness, and bankability.

Four Pillars of Urban Policy

As a development partner of cities, we at the World Bank are looking at four pillars of urban policy for cities of the future: good governance, livability, competitiveness, and bankability.

Good governance requires professionalism, transparency, and accountability of local officials to maintain high morale of city employees. It should be supported by continuous capacity building of employees. Governance is also fragile, and building

sustainable governance structure is a long-term goal. Good governance requires close partnerships with CBOs and ensuring that the urban poor are empowered and equipped to participate in decisions that affect them.

Another concern that we have right now is livability of cities. Rapid urbanization and high consumption rates are rapidly expanding the ecological footprints of cities. Cities will need to completely reinvent solid waste management, and water and urban sanitation. They have to improve the use of green spaces and urban agriculture, and optimize present assets and utilities. They must make some very tough decisions to really maintain cities in harmony with the environment and ecological principles.

An important aspect, which will have a direct bearing on livability of cities, is crime prevention. As mentioned earlier, crime will be the biggest growth industry in the urban world. Cities will therefore have to deal with it directly and publicly, and the best thing to do is attack organized crime first.

Crime will be the biggest growth industry in the urban world.

The last point is bankability. There is a scarcity of resources in cities, such that per capita investment in infrastructure is unacceptably low. We will need to run cities in such a way that they can be credit rated, so that they can become bankable in accessing capital markets. However, bankability is not merely a financial issue. It should also be seen as an aspect of civic pride, empowerment, partnership, and a more assertive role for cities.

DEVELOPING A VISION AND STRATEGY

Alvin B. Garcia

Mayor, Cebu City, Philippines

Former US President John F. Kennedy, during his inauguration in 1960, said: “The torch has been passed to a new generation of leaders born in the century.” I find this quote very relevant to us today because as centennial mayors, we will be bringing our cities to a new millennium. I think this is a great honor, but it entails a very great responsibility to do something for our cities.

Today, cities are confronted with so many problems that they are “cities under siege.” They have to address rapid population growth, environmental degradation, and increased demand for infrastructure and basic services. They are also baffled by rising standards and expectations of people, and devolved functions of national governments without adequate support and funds to carry them out. I would also like to add that cities are competing in a global community because after all, when everything is said and done, you and I, all the mayors are actually in competition with one another—for foreign direct investments, exports, and tourism.

All the mayors are actually in competition with one another—for foreign direct investments, exports, and tourism.

Cebu City had almost 700,000 foreign and local tourists in 1998. That may not seem many, but for a small city like ours, it can mean a lot of difference to the local economy. Our export and import trade reveals that we export more than we import, although this is not the general case in the Philippines. We have a very strong furniture and fashion jewelry industry, which is the main source of exports.

As of March 1999, our total labor force was 322,000. Of these, 1.6 percent or 5,207 were unemployed, while 35,793 were under-employed.

The labor and tourism statistics are very important to me because our vision of Cebu will have a heavy bearing on these two parameters.

Cebu City's Vision

Cebu City's Executive and Legislative Agenda spells out the vision of the city in 2010. We do not want to just deliver the basic services; we want to go a step further to bring about increased tourism, zero squatting, full employment, and improved internal systems and procedures.

The principal part of the vision concerns tourism. We want to be a major tourist destination locally and hopefully regionally in Asia. For this purpose, we are trying to benefit from our cultural heritage by projecting Cebu as the capital of Christianity in Asia because it is where Ferdinand Magellan, the Spanish conqueror, landed and died. We are making parks and monuments of Magellan, and sprucing up old buildings to make them more appealing to tourists. We also expect that our waterfront development project will convert the industrial slum into something like Fishermen's Wharf in San Francisco, and make it a favorite tourist destination in the future. This project has been started and it will be finished in 2004.

One of the main problems that we have is squatting, which is mainly caused by the inability of the government and the private sector to provide homes at affordable prices. We have observed that all real estate developers are concerned with building concrete roads, gutters, and sophisticated drainage in their housing projects. But most people do not need those. They probably need a few square meters of land, a small house, gravel road instead of asphalt road, open canal instead of sophisticated drainage, and for sure, more affordable housing. Right now, we are allocating much of our resources

One of the main problems that we have is squatting.

to buying land so that we are ready in the event of a demolition or relocation of squatters.

Another aspect of the vision is full employment by the year 2010. I dream that by then there will be no person in my city who will say he or she does not have a job. It seems to be a very difficult thing to do, but we have started on the path to realizing this dream. One way is through the 300-hectare reclamation that we are pursuing, which is funded by a US\$100 million loan from Japan's OECF. This area will not be sold as commercial or residential land, but leased out as an industrial zone. It will become another export processing zone, and thereby provide more employment in the future. Right now, we have a 100-hectare export processing zone that is very close to the city. It employs 35,000 people. So if we have 300 hectares, we will have more than 100,000 jobs available. The Waterfront Development Project, which will have souvenir shops, hotels, and restaurants, will employ another 20,000 persons.

The fourth part of the vision is improvement of our internal systems and procedures for better management and control, better delivery of services, and better public accountability.

Achieving the Vision

We realize, of course, that we cannot achieve the vision by ourselves or by government funds. That is why we engage in partnerships with the private sector in building our infrastructure facilities. We also advocate corporate citizenship whereby successful corporations are encouraged to give back something to society in the form of outright grants for human resource development. After all, they owe their success to the people who patronize their business.

We are also engaged in benchmarking and continuous improvement. That is why I fully

supported the Benchmarking Coordinators to participate in the workshops of ADB's Benchmarking Project, and allowed the Coordinators to train teams to improve our public services.

Another strategy is human resource empowerment. In everything that we do, we always consult with stakeholders so that they can play active roles in our activities, and to obtain their full support to develop the city. For instance in the waterfront project, we called all the vendors, squatters, and all the affected citizens, and had a dialogue with them. We told them our plans, showed them the benefits that they can receive, and offered them a relocation site, so that the area for waterfront development would be emptied.

Use of information systems is another important strategy. I think that our city is the most advanced in the Philippines in information systems, particularly geographic information systems (GIS). GIS enables us to plan easily and we have many applications. We also constructed a new office building where every department head will have a computer connected to a network. This way, I will no longer write memos on pads because we can communicate via the network. The cabling alone for this project will cost us about P11 million.

Forging sister city relationships, especially if you have a sister city in a developed country, can bring you many benefits because such cities have much to offer. Many hospitals in Australia and Canada are closing down because of the installation of new hospital systems. Through sister city arrangements, you can ask them to donate hospital beds and other hospital equipment to your own city.

I have a sister city arrangement with Xiamen, China, so we have an exchange. The Chinese teachers in Cebu speak the dialect of Xiamen, so I asked the Chinese community to send up to 15 teachers to Xiamen. In return, they gave me a brand new fire truck. The other sister city of Cebu is

In everything that we do, we always consult with stakeholders so that they can play active roles in our activities.

Kaohsiung. I sent a dance troupe of about 30 people to perform there so that they would become familiar with Philippine culture. I am proud to say that in return, they gave us 100 buses (7-year-old), which enabled us to run a bus transport system in the city.

I mentioned at the outset that municipalities will be competing with one another in the global community. However, as we approach the new millennium, there is a need to work together to achieve our common goals. One way is by institutionalizing an Asian Cities Forum, similar to the present Forum. We all know that the assistance and guidance of the ADB Institute and other donor partners will not be there forever. In a few years, we will be left to our own resources. Before that time, we should institutionalize what we have started and learn from one another's best practices, as in benchmarking. We should try to have a life of our own without really getting any external help. In the end, it is ourselves and our communities that will make the improvement—not ADB, not the World Bank, not anybody else.

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REINVENTING GOVERNMENT IN A DEVELOPED CITY

Terry Barnes

City Manager, Fairfield City Council, Australia

Fairfield City Council is the fifth-largest local government in Australia. It has twice the unemployment rate of the State of New South Wales and a resident population of which more than 50 percent were born overseas. The issue of managing limited resources amongst competing priorities has been high on the organization's agenda. Traditionally, the majority of expenditure has been tied to existing commitments. Other key

projects have competed with resources at the margins. Fairfield City, under the leadership of the elected members and City Manager has made significant progress towards addressing the fundamentals of effective resource allocation. The process includes establishing a clear vision and priorities, identifying outcomes and outputs, restructuring the organization, establishing service standards, identifying opportunity costs, and implementing criteria for project evaluation.

Local Government in Australia

Australia has three levels of democratic government, i.e., the national government, state governments for each of the six states, and approximately 750 local government authorities.

Councils vary greatly in size of population and area. For example, in Western Australia, which has the largest landmass, there is a Council with an area of 184,000 km² and a population of less than 1,000. Many city councils in cities such as Melbourne and Sydney service populations between 40,000 to 200,000 with areas between 30 and 100 km². The largest Council in Australia is Brisbane City Council with a population of almost 1 million.

Fairfield City Council

Fairfield City Council, which is one of forty Councils in the Sydney metropolitan area, has a population of just under 200,000, services an area of approximately 102.5 km² and incorporates 27 suburbs. While mainly residential, Fairfield City is home to regional industrial estates at Wetherill Park and Smithfield as well as local industry at Yennora and Lansvale. There are two major business and retail centers at Fairfield and Cabramatta and a

number of suburban shopping centers. Large expanses of nonurban residential land characterize the suburbs of Horsley Park and Cecil Park.

Accommodation in Fairfield comprises mainly detached housing with some relatively small pockets of residential apartments surrounding the older established town centers. In recent times, there has been a growth in medium density development, such as townhouses and villa homes throughout the area.

Fairfield's population is characterized by a high degree of ethnic diversity, with 53.5 percent of the population born overseas. A large number of young families and a growing number of aged people also characterize Fairfield. The cultural diversity is the most outstanding feature of Fairfield City and is reflected in the new city motto: "Celebrating Diversity". It is estimated that 191,000 people live in the City of Fairfield, making it the fifth most populated local government area in Australia.

Framework for Effective Resource Allocation

In early 1997, the Councilors of Fairfield City Council decided to review the direction of the organization and assess the environment in which they were operating. They identified a wide range of agents of change impacting on the Council.

As a result of strategic thinking, the Council has had a major overhaul of its direction. A clear and achievable vision is driving the planning and budgeting system. Place and system management is providing solutions to complex problems. An organizational restructuring has improved accountability. A purchaser/provider partnership is increasing our responsiveness to issues and opportunities. Greater value for money and more appropriate staff management strategies are in place.

Thus, the Council is ready to tackle a wide range of complex problems and issues that face the community. New strategies, systems, structure, and staff arrangements provide opportunities that were not possible a year ago.

One of the most important elements in these changes is the effective management of limited resources amongst competing priorities. Fairfield's resources, including the Council's budget, are now being managed within the context of a 10-point vision that defines community outcomes and strategic outputs. The system Fairfield now has in place "unpacks the information" relating to resources across a strategic plan, management plan, service-level agreements, business plans, and individual work plans.

The environment in which local government operates has changed considerably over the last four years. In taking stock of these changes, the Councilors of Fairfield City Council wished to address the following:

- Accountability—structural reform; performance reporting and Independent Pricing and Review Tribunal issues.
- National Competition Policy—Trade Practices Act; market testing/competitive tendering; costing methodologies; business classifications. National competition is a policy being pursued by the national government in relation to microeconomic reform. It is a policy adopted by government enterprises and government departments to demonstrate their competitiveness in relation to potential alternative providers of government services such as the private sector.
- Increased demands and roles as a service provider—customer demands; information technology; environmental pressures; social

One of the most important elements in these changes is the effective management of limited resources amongst competing priorities.

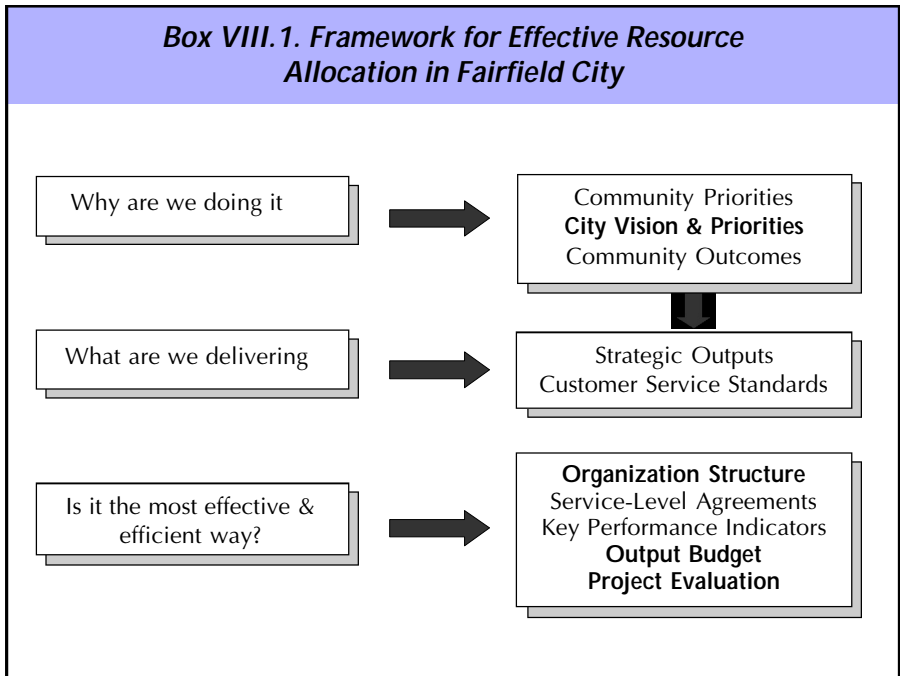
pressures; global economy; financial pressures; and expectations for smaller government.

- Increased focus on deliberative democracy and achieving outcomes for the community— informed communities; more partnerships; improved direction setting; making a sustainable difference for the community.

Fairfield City Council took a strategic view of its resource allocation and recognized that allocation of resources, in order to be effective, needed to be integrated with the total future direction of the organization and Fairfield City. This resulted in a process that started with identifying the community priorities and the 10-point vision. These became the foundations for the organization structure and the strategic plan. The strategic outputs also identified through this process form the basis for output-based resource allocation and budgeting (Box VIII.1).

The main principles identified by Fairfield City Council were

- Setting the city vision and priorities.
- The organization structure: separating responsibility for effectiveness and efficiency.
- A department responsible for outcomes.
- Place management and systems management.
- Changing the organization culture.
- Criteria to support effective resource allocation



Setting the City Vision and Priorities

The Councilors worked together to develop a clear vision for Fairfield City. The following ten statements set out a clear direction for all activities within the Council, and drive priority setting.

- A **clean and green** Fairfield with restored waterways and a wide range of open spaces and recreation areas connected into a regional open space for recreation and the water system.
- **Attractive residential areas** with avenues of trees, landscaped streets, and where infrastructure is well maintained, with less conflict and inappropriate activities.

- **Employable young people**, encouraged to succeed, able to take advantage of the integration of schools, opportunities for further education, employers, and the Council's information and study assistance programs.
- **Revitalized urban centers**, safe places for people to live in, commercial and residential areas, as well as retail stores, restaurants, and street life, taking advantage of the rail stations and the unique cultural mix.
- **Enterprising retail and commercial areas** that provide opportunities for a full range of enterprises, from starter business to major firms.
- **Thriving industrial areas**, especially Wetherill Park, encouraging high-tech industry and taking full advantage of its size and regional position and links with Asia.
- **An accessible city** where transport and movement are safe and convenient, and activities have been integrated physically where possible.
- A city where services are delivered to meet the needs of the community on an **equitable** basis.
- A city that has maintained its stock of publicly owned assets in a manner that is **fair to current and future generations**.
- A place that has a reputation as an **excellent place in which to live, invest, and prosper**.

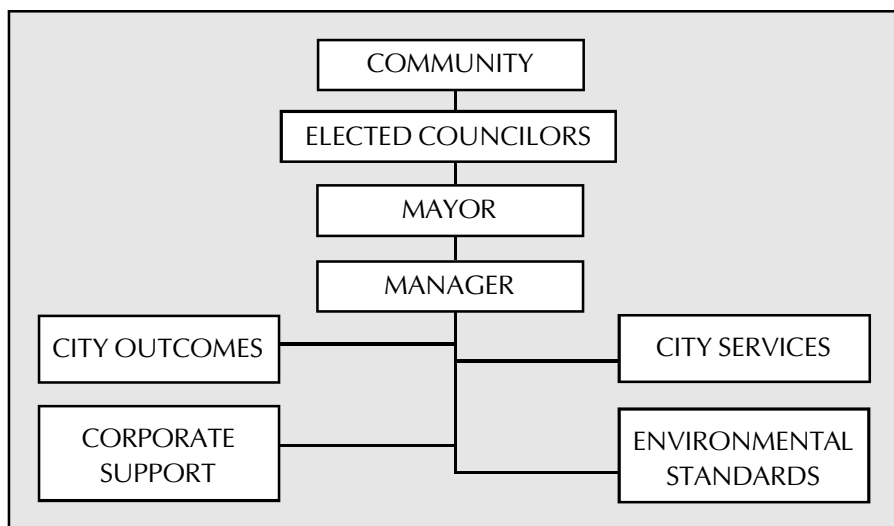


Figure VIII.1. Fairfield City's New Structure

The Organization Structure

To drive the new directions and priorities, and improve responsiveness to issues and opportunities, the Council restructured the organization (Fig. VIII.1). The new structure provided a partnership between the purchasers of outcomes for the city, and providers of services. It also increased the scope for partnerships with external agencies and other levels of government.

Program and Place Managers worked together to ensure that the Council's activities focused on the outcomes in the vision. Staff with priority-setting and service-specification responsibility (the purchasers) became part of the new City Outcomes Department.

In keeping with the principles of the National Competition Policy, value-for-money services were delivered by the new-look Business Units in the City Services Department.

The Environmental Standards Department as the Council’s regulatory arm, deals with building and development approvals and environmental management issues. The clear separation of the responsibility for managing the regulatory system frees those with an outcome responsibility to play a facilitating role. The Corporate Support Department provides best-practice support services, helping improve decision making and trim costs.

A Department Responsible for Achieving Outcomes

A major change in the organization structure was the establishment of a City Outcomes Department (Box VIII.2). The responsibilities of this department include the effective use of resources to achieve the community outcomes identified through the vision. This is separate from the City Services Department, which is responsible for the efficient use of those resources allocated to the delivery of services.

Box VIII.2. The New Outcomes Department

- Responsible for achieving community outcomes through programs and projects
- Multidisciplinary team
- Place management
- Staff adopt a suburb (Suburb Support Officers)
- Partnership with service providers, industry, government, community groups, and individuals

The main program areas within City Outcomes are

- An accessible city where transport and movement is safe and convenient and activities have been integrated physically, where possible.
- A city where services are delivered to meet the needs of the community on an equitable basis.
- A city that has maintained its stock of publicly owned assets in a manner that is fair to current and future generations.
- A place that has a reputation as an excellent place in which to live, invest, and prosper.

Place Management and Systems Management

To implement this vision, the Councilors decided to introduce within the Outcomes Department an innovative place management model that recognizes the unique character of places and systems within the city. This model is supported by a new organizational structure.

Fairfield City Council faces a range of very complex problems that span the entire range of services provided within the Council, or in fact within government. In the past, these problems were broken down into simplistic actions taken by a “guild” or small self-contained unit of officers from one profession. All the staff made a contribution to solving the problem, but no one was accountable for ensuring delivery of a solution. Frequently, problems that needed integrated actions ended up in the “too-hard basket”.

With a strong focus on the outcomes determined in the vision statement, Fairfield City Council has broken that pattern. An alternative way of looking at the problems is that they are usually

An alternative way of looking at the problems is that they are usually contained within either a “place” or “system”.

contained within either a “place” or “system”. Not all the complex problems that Fairfield City Council faces are in a tightly contained “place”. In some instances, the problems span an entire system, such as the five creeks of the area, or the open-space system. The system, like a place, becomes the prime responsibility of an officer. Accountability for improving that system in line with the vision rests with the officer.

Changing the Organizational Culture

The changes introduced in Fairfield City Council during 1998 provide staff with exciting opportunities:

- Role clarity—the purchaser/provider partnership ensures that some officers take time out to provide a long-term strategy for making the vision come true. It removes the constant battle between day-to-day operational issues and the need to be strategic and forward looking. Service-provision staff retain a critical role as advisory experts during the development of need assessments, strategies, and priorities, but have the opportunity to find the most efficient way to deliver agreed outputs.
- Ownership—staff can take ownership of a problem and develop innovative ways to resolve it. They are not limited to one professional discipline; they are not restricted to historical measures. Problems are not passed around the organization and do not end up in the “too-hard basket”.
- Leadership—many of the projects or management tasks are performed using teams. This provides team leadership opportunities

Staff can take ownership of a problem and develop innovative ways to resolve it.

for a range of staff, at various levels within the organization. In some instances, this includes taking on a leadership role in community-based activities.

- Accountability—one officer has the authority and ownership of a problem, and is accountable for delivering the outcome. A single point of accountability is simpler for all the people involved and performance is transparent.
- Improved communication—with a single accountable officer, it is easier to locate the right person to deal with an issue or provide information to answer inquiries.
- Recognition—in light of all the above improvements, it is easier to identify good performance and ensure that staff receive recognition for their efforts.

An Integrated Approach

The key to Fairfield City Council's approach to resource allocation has been integrating this issue with the city's strategic plan. Resources are managed in the context of the city's priorities, the desired outcomes for the community, and the strategic outputs of the Council. This integrated approach, together with a review of the organization structure and management processes, forms the foundation for sound decision making and addresses both the effectiveness and efficiency of resources. Figure VIII.2 describes Fairfield City Council's integrated planning approach.

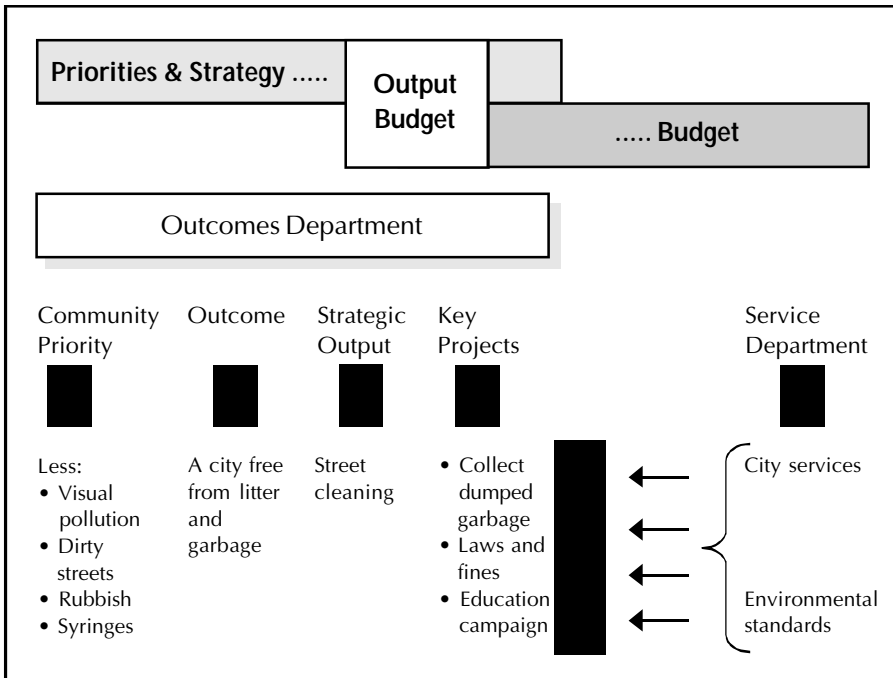


Figure VIII.2. Delivering the Outcomes

Criteria to Support Effective Resource Allocation

Many councils in Australia have developed criteria by which projects are prioritized. Typically these include the impact on achieving the city’s outcomes, implications of not proceeding with the project, and long-term budget implications. At Fairfield City Council these are incorporated into a Project Planning Program (PPP). The criteria used by Fairfield City Council and Brisbane City Council are summarized in Box VIII.3.

Fairfield City Council also utilizes an opportunity-cost table. This allows elected officials to make a conscious choice between competing alternatives. For example, for A\$20,000, planting

Box VIII.3. Criteria for Prioritizing Resources

Fairfield	Brisbane Council
<ul style="list-style-type: none"> • Link to strategic priority • Project objectives • Anticipated community and council benefits • Preliminary work needed • Implications of not proceeding • 5-year budget projection • Consultation and involvement of others • Asset conditions • What are the alternatives? 	<ul style="list-style-type: none"> • Whole-of-life costing • Payback period • Sensitivity analysis • Risk analysis • Environmental, social, economic assessment • Community impact by ward/region • 21-year budget projection

2,000 seedling trees to achieve a “green city” is currently considered a higher priority, given the forthcoming Olympic Games, than constructing 20 park bench seats. An extract from this table is provided in Table VIII.1.

Summary

Faced with the dilemma of limited resources and a low rate base to service the increasing needs of its city, Fairfield City Council developed an integrated approach to strategic planning and resource allocation.

Instead of working at the margins of the city’s resources, Fairfield

- worked out what is to be achieved through a 10-point priority statement;
- is currently working out what is being spent towards each community outcome;

Table VIII.1. Allocating Resources Through Opportunity Cost

A\$10,000 buys....	A\$20,000 buys.....	A\$500,000 buys.....
<ul style="list-style-type: none"> • 20 park seats • 2 turf cricket pitches • 2,000 seedling trees • mini roundabout • 2 pollutant traps • 2 network PCs • High-pressure hot-water washer 	<ul style="list-style-type: none"> • 8 car parking spaces • 1 playground unit • footpath scrubbing machine • basic cycleway • 2 steel bus shelters • 4 sports field irrigation systems 	<ul style="list-style-type: none"> • repair of 850 m of regional road 4 lanes wide • 14 km of concrete path • pedestrian overbridge • 2 amphitheaters • 2 garbage trucks with robotic arms

- is assessing whether this expenditure pattern fits with strategic plan priorities;
- allocated clear responsibility and accountability for achieving identified outcomes;
- plans to allocate the budget to the City Outcomes Department, which has the responsibility to demonstrate the effectiveness of resource allocation;
- plans to allocate clear responsibility to the service departments for efficient provision of services purchased by the Outcomes Department.

The support of Linda Williamson, Manager, Corporate Planning, Fairfield City, for the preparation of this paper and accompanying conference presentation is gratefully acknowledged.

IX. CONCLUDING REMARKS

S.B. Chua

Asian Development Bank Institute

I am sure that you will agree with me that we have tremendously enjoyed the past three days, all made possible by Mayor Kamil and his dedicated officers. We are grateful for all the excellent arrangements, not just for the Forum but for the wonderful dinner and the rich cultural entertainment as well. I would also like to thank the resource speakers, our co-sponsors, and the participants for their collective efforts in making this Forum a success.

I have listened with great interest to our speakers, and studied the papers on public-private sector partnerships and residents' participation as a means of improving service delivery. I noticed that everybody participated in one way or another, and the breakout sessions were well conducted. The open discussions aroused a lot of interest, and although we had an exhausting Forum, nobody fell asleep. I think we have achieved our objectives and we did it very well.

I am sure we will be going away enriched with the friendships that we established here. With the knowledge that having met face-to-face through this Forum, we can now communicate and exchange views with one another, and help contribute to solving one another's problems, especially through E-mail. If you do this on a sustainable basis, you will have contributed to

meeting one of the key objectives of the Mayors' Forum.

Finally, our resource speakers would like us to carry the following messages back to our respective cities:

- The Honorable Minister Mowlana conveyed to us that in today's world where we are fast becoming integrated into one globalized environment, we need to share our experiences and learn from one another so that we can contribute to the collective upliftment of cities in the Asian region.
- Mr. Jayasuriya, former Mayor of Colombo, and Dr. Masaru Yoshitomi, Dean of the ADB Institute, would like us to take note that we need to establish partnerships with others, such as NGOs, the private sector, and the international community, in order to be able to serve our people better.
- A message from Mayor Kamil is that we must continue to interact on issues that confront us in our work and share our experiences through electronic and other means to help one another in solving urban management problems.
- Dr. Sarat Chandran, Secretary General of the Colombo Plan Secretariat, together with Dr. Masaru Yoshitomi, stressed the importance of governance as an issue we must address.
- We must connect with people, engage in consultations with them, and establish a mechanism where people can participate in the affairs of local government. This is the message that the mayors from Penang and

Kuantan of Malaysia, and Mandaluyong, Philippines, have conveyed to us.

- According to Mr. Terry Barnes, Chief Executive Officer of Fairfield City Council, Australia, we should establish a vision and focus on outcomes, not on activities. We should be customer-focused so that we can deliver the required services to our citizens in the most efficient and effective way.
- Congressman Bunye of the Philippines wanted us to remember how to achieve metropolitan coordination and cooperation through the continuing search for an appropriate organizational structure.
- Mayor Chatterjee told us that megacities have “megaproblems.” He emphasized with a firm conviction, however, that megaproblems could be solved in simple ways. Federal governments can establish the framework but local governments must handle the implementation.
- Mr. Keshav Varma from the World Bank and Mr. Preben Nielsen from ADB, who speak from the donors’ perspective, told us that if we need their financing, we need to go through a consultative process with them so that they can tell us when and how they can lend money to us.
- Mayor Garcia replied with his innovative ways of attracting financing. He told us how to get things done with other people’s money without getting too much into debt. We certainly have to remember him for this.

- Mr. P. U. Asnani, Director, US-Asia Environmental Partnership Programme, was optimistic when he told us that we must not give up hope. If Ahmedabad has been able to turn around its financial position from hopelessness to profitability within a month, so can we. We can learn from the strategies that they have adopted and, if we succeed, he has demonstrated his point. If we fail, we must have slept during his presentation.
- Mr. Von Einsiedel from UNDP/UNCHS told us how to handle our solid garbage. He emphasized the importance of striking a balance in the consideration of critical factors for handling and managing solid wastes.
- Our Benchmarking Coordinator from Cebu, Ms. Suzanne Ardosa, spoke to us on the use of best practices for continuous improvement of service delivery.
- The presentation by Fuzhou City in the PRC impressed us a great deal. It showed how good management can produce many improvements very quickly and effectively.
- The session on good practices for resolution of complaints and grievances given by Mr. Asnani, Vice President, City Managers' Association of Gujarat, and Mr. Aradhya, Benchmarking Coordinator, Bangalore, was much appreciated by all because the advice was practical. In different ways, they have identified very practical ways for us to follow to handle public grievances and complaints successfully without going through a shouting match.

- On municipalities in the next millennium, Mr. Varma informed us that we will have to face new challenges—challenges that will be very different from those of today, given the expected rapid pace of urbanization and integration of the world into a globalized economy. Cities will be the engines of growth.
- Mayor Garcia noted that in the next millennium, cities will be competing with one another for the same resources and in the same areas, e.g. for foreign direct investment and tourism.

The next question we need to ask ourselves is “What’s next?” Cebu lit the torch in 1998 and passed it to Colombo. Colombo is obviously looking for someone to carry the torch into the next millennium. In our co-sponsors’ meeting yesterday, all indicated their continuing support for the next Forum. With regard to timing, perhaps the event should coincide with Mayor Kamil’s birthday to keep up a tradition that we have now established by coincidence, but which has proven to be well-timed for us all.

There is a lot of information to carry back and a lot of good practices to practice. May you all act in a way that will enable you to deliver good and effective services to the 100 million people that, as a group, you represent.

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ABBREVIATIONS

ADB	Asian Development Bank
BOT	build-operate-transfer
BT	build-transfer
CBO	community-based organization
CIDA	Canadian International Development Agency
CMAG	City Managers' Association of Gujarat
DOT	develop-operate-transfer
GDP	gross domestic product
JICA	Japan International Cooperation Agency
LGC	Local Government Code (Philippines)
LGU	local government unit
MFD	Macro Founder and Developers Inc. (Philippines)
MMA	Metropolitan Manila Authority
MMC	Metropolitan Manila Commission
MMDA	Metro Manila Development Authority
MPK	Majlis Perbandaran Kuantan (Kuantan Municipal Council)
NGO	nongovernment organization
NIMBY	not in my backyard
ODA	official development assistance
OECD	Overseas Economic Cooperation Fund (Japan)
PO	people's organization

SERI	Socio-Economic and Environmental Research Institute (Penang)
SPI	Sustainable Penang Initiative
SWD	solid waste disposal
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nations Development Programme
UN-ESCAP	United Nations Economic and Social Commission for Asia and the Pacific