ADBINSTITUTE TOKYO
ASIAN DEVELOPMENT BANK INSTITUTE

Asian Mayors' Forum: Colombo

Colombo, 28-30 June 1999

EXECUTIVE SUMMARY

Organized by

ASIAN DEVELOPMENT BANK INSTITUTE
In association with
Asian Development Bank
Colombo Municipal Council
Colombo Plan Secretariat
GTZ
Konrad Adenauer Stiftung
U S Agency for International Development-RUDO
U S Asia Environmental Partnership Program
Urban Management Programme (UNDP/UNCHS)

Forum Objectives

The first Asian Mayors' Forum was held in Cebu in the Philippines in December 1998. It was a gathering of 10 mayors and had three sponsors, namely, the ADB Institute, ADB, and the Municipal Council of Cebu. At this Asian Mayors' Forum in Colombo 73 participants, representing ten countries, 31 cities, and over 100 million residents attended. This Forum was sponsored by the Asian Development Bank Institute, the Asian Development Bank, Colombo Municipal Council, Colombo Plan Secretariat, GTZ, Konrad Adenauer Stiftung, U S Agency for International Development-RUDO, U S Asia Environmental Partnership Program, and Urban Management Programme (UNDP/UNCHS). Please click here for a list of participants.

The increased participation of city 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 networking among cities in Asia. Thus, from Cebu to Colombo, the Asian Mayors Forum has clearly established itself as a platform for interaction among city leaders of Asia.

The key objectives of the Forum were to provide an opportunity for city leaders to share their experiences and to build a network among the city leaders of Asia. To achieve those goals, the Forum was designed around the following principles

- **building** a relationship among participant city leaders so that through the contacts established at the Forum, they would 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 in their own cities to enhance the level of municipal services,
- **learning** from good practices of innovative urban management and using the World Wide Web as a resource for effective urban management, and
- **supporting** ADB's concurrent project on benchmarking selected municipal services, which is taking place in ten of the cities represented at the Forum. 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 its citizens. It is also expected that other cities and development agencies would learn from these experiences and adopt similar activities in their own programs.

Program Highlights

The Forum was launched with an exhibition on *Innovations in Municipal Governance*. This exhibition provided an opportunity for the participating cities and partner development agencies to highlight their achievements.

The Forum was formally opened by remarks from Hon. Omar Kamil, Mayor of Colombo, Dr. Masaru Yoshitomi, Dean, ADB Institute, and Dr. Sarat Chandran, Secretary-General, Colombo Plan Secretariat. Hon. Kamil stressed the need for a continuous dialogue among city leaders on issues that confront them in daily work and for them to share experiences through electronic and other means to help one another. Dr. Yoshitomi urged the Mayors to establish partnerships with others, the NGOs, the private sector, and the international community, in order to be able to serve the people better. Click here for the full text of Dr. Yoshitomi's opening remarks. Dr. Chandran highlighted the importance of governance as an issue in urban management. Hon. S. Alavi Mowlana, Minister of Provincial Council and Local Government, Government of Sri Lanka, inaugurated the forum. He also stressed the need for sharing and learning from one another in a globalizing world.

Hon, Omar Kamil

The forum was organized around the following themes

- Changing an Organization's Culture
- Public-Private Partnerships
- Metropolitan Coordination and Cooperation, and Infrastructure Investment
- Techniques for Better Resource Management
- Enhancing Service Delivery: the Benchmarking Experience
- Using the World wide Web as a Resource for Municipal Management

Discussions on each theme were organized around presentations by one or two resource

persons and breakout group discussions. The discussions were held around the key questions of

- 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 for the use of the World Wide Web were organized.

This summary of proceedings of the forum is organized around each of these themes.

1. Changing an Organization's Culture

The keynote address on *Changing an Organization's Culture* was delivered by Mr. Karu Jayasuria, former Mayor of Colombo. Mr. Jayasuria highlighted the shift from a bureaucratic, reactive system to a managerial and proactive system of governance in Colombo during the past two years. Through various examples, he demonstrated the "people-friendly" nature of CMC, the various public-private partnerships, and the involvement of citizens in planning and decision making.

The key **issues and challenges** identified in the group discussions were

- organizational structure - centralized, no delegation of authority,
- management style - bureaucratic, lack of vision, no customer orientation,
- no empowerment - control by higher levels of Government, e.g., personnel appointments, functions,
- citizen expectations- high expectations of the elected officials,
- attitude of municipal staff - fear of change resulting in maintenance of status quo,
- conflict of interest between elected leaders and civil servants, and
- weak governance- characterized by poor enforcement of rules and laws.

The **major actions** that city leaders have taken to overcome the challenges of changing the organizational culture related to

- focus on their human resource development strategy to build the overall capacity of the organization,
- specific training of staff and elected officials on the introduction of a new management culture,
- delegation and devolution of responsibilities to lower levels of administrative staff,
- decentralization of municipal government at ward level/zone level, with adequate functional and financial powers,
- change of rules/law at national, provincial and municipal level, and
- performance assessment of local governments through credit rating of municipal governments and through citizen interactions/report cards on municipal services by citizen groups.

The **key lessons and success factors** in changing the organizational culture were identified as

- quality of leadership,

- efforts to build trust among the staff and elected members within the organization,
- attitudinal change with a focus on a "can do" approach,
- learning organization principles, i.e., evolving and learning by doing,
- partnership with civil society and the private sector, and
- strict enforcement of existing rules and laws

2. Public Private Partnerships

There were five presentations on the theme of Public-Private Partnerships.

Attorney Rhina Bhar, Councilor, Municipal Council of Penang, Malaysia, presented the case of *The Sustainable Penang Initiative* (SPI). SPI is the first community indicator project in Malaysia, and possibly in Asia. It is roughly modeled on Sustainable Seattle, which was showcased as Best Practice at Habitat II in Istanbul. Launched at the end of 1997, the SPI has organized various public forums and roundtables. This initiative has led to formation of new citizens' groups related to water, transport, and the disabled. A citizen's report card called the "Penang People's Report" which contained the performance of 40 indicators identified by the various roundtables was also prepared.

Attorney Rhina Bhar

Dato Mohmad Bin Saib, President, Kuantan Municipal Council, Malaysia made a presentation of Kuantan's experiences of Public-Private Partnerships. Kuantan City is the administrative, financial, and investment center of Pahang state. In order to strengthen and broaden these functions, a vision for Kuantan was formulated. A participatory approach was evolved, involving the people and the private sector to fulfill the vision. In gearing towards the achievement of these visions, strategic plans were formulated and improvement of KMC's administrative system was judiciously undertaken. This resulted in the award of the ISO 9001 last year and KMC gained international recognition as regards to working procedures. The city is confident that KMC as the local authority will play its role to achieve its visions through closer partnership with the private sector.

Hon. Benjamin Abalos, Jr. Mayor of Mandaluyong City, Philippines described his experiences of involving the citizens in the development of the city. He emphasized the challenges faced by the city, which was a part of a larger metropolitan area and advocated a mechanism for the smaller cities to take independent initiatives.

Congressman Ignacio Bunye, Muntinlupa district, and former Mayor of Muntinlupa, Philippines, spoke on the need for residents' participation as a means of service delivery. The key to his success was due to the tri-partite strategy recognizing that non-governmental organizations and people's organizations are important partners in development. According to Congressman Bunye, the art of governance involves the principle of the Three Cs - consultation, collaboration, and coordination. People participation in governance or 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 socio-economic environment.

Congressman Ignatio Bunye

Hon. Phummisak Hongsyok, Mayor of Phuket Municipality, Thailand, spoke on the experiences of Phuket in promoting a participatory 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 about Phuket's environmental problems in the European media, 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.

During the breakout group discussions the following **issues and challenge**s of initiating public-private partnerships were identified:

- 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;
- consistency of macro policies of national governments with local policies of privatization and partnerships;
- special focus on the poor is necessary as they may be adversely affected by public private partnerships;
- poor contract management skills with local governments; and
- threat to municipal staff due to private sector participation.

The following **actions** had been taken by the city leaders to overcome the issues and challenges of partnership arrangements:

- identification of suitable projects for partnership that demonstrate a win-win situation;
- changes in rules and procedures - cut red tape;
- increase efficiency of municipal service before entering into partnership arrangements;
- provide cross-subsidy for the poor;
- enabling laws/rules for partnership from national and provincial governments; and
- consultations with staff unions.

The **key lessons and success factors** of the innovative public-private partnership cases identified by the participants were

- increase transparency in dealing with 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,
- recognizing the need to "Connect with People" and realizing that "Governance is not a one-person show",
- establish forums for sustainable consultative processes, and
- long term vision needs to be evolved collectively, with action programs in which people can participate.

3. Metropolitan Coordination and Cooperation, and Funding Infrastructure Investment

The presentations on Calcutta and Manila were made on the sub-theme of **Metropolitan Coordination and Cooperation**. The focus of discussions was on an appropriate structure for

metropolitan governance.

The Hon. Prasanta Chatterjee, Mayor of Calcutta narrated the experience of metropolitan coordination and planning in Calcutta. Mayor Chatterjee emphasized that when municipal government performs its assigned functions effectively and coordinates activities with other local governments, the task of metropolitan management becomes easier. With the presence of a metropolitan planning and development authority in Calcutta that works closely with all the municipal governments in metropolitan Calcutta, there were few problems of coordination.

Hon. Prasanta Chatterjee
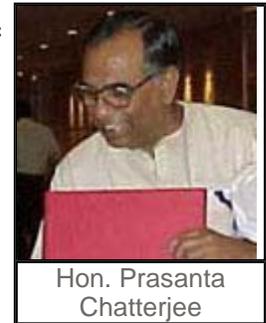
Congressman Bunye described the Manila situation, where an attempt was made through the Metropolitan Manila Commission to have a mega-government for a mega city. This was, however, in sharp contrast to the avowed goals of local democracy. According to Congressman Bunye, while there is a need to evolve a structure for coordination of metropolitan services and problems that transcend political boundaries, the autonomy of the local governments also have to be retained. The Calcutta experience of a planning and coordination body with specifically assigned developmental functions for local government seems to be a model worth emulating by other metropolis.

The sub-theme of **Financing Urban Development** took the form of a panel discussion. The development agency perspectives were presented by Mr. Keshav Varma, Manager Urban Sector, East Asia, World Bank, and Mr. Preben Nielsen, Manager, Urban Development (West), Asian Development Bank. Mr. Varma highlighted the new challenges facing international institutions. These, according to him, were to upscale their involvement through decentralization, simplification, innovation, and creation of new lending instruments. According to Mr. Varma the World Bank now promotes the philosophy of making cities livable, competitive, manageable, and bankable. This is being done through city development strategy preparation, building the capacity of local governments, and replicating the lessons of the best practices. Mr. Nilesen highlighted the challenges of urbanization in Asia, the financial requirements, and the need for donor coordination and partnerships. He also suggested that the role of international development finance institution is to promote reforms and policy changes for better urban management.

This session also had presentations by two cities that have not depended on donor agency finances but raised resources through the capital markets and private sector participation. Hon. Alvin B. Garcia, Mayor of Cebu City, Philippines, described the process of evolving a long-term vision, encouraging private business to promote tourism, public-private partnerships through BOT projects, joint ventures, and the use of promissory notes as instruments to raise resources. Mr. P. U. Asnani, Vice President, City Managers Association of Gujarat, India, described the dramatic turnaround of the financial situation in the city of Ahmedabad, of doubling the tax revenues in one year. This was achieved without raising taxes, through plugging the leakage, reducing corruption, and professionalising the administration. He also explained the efforts of the city to raise Rs. 1000 million (US $25 million) through municipal bonds.

The key messages from the presentations and the panel discussions on the sub-theme of financing urban development were that cities

- have to first establish their credibility by raising resources for urban development from within,
- should explore public-private partnerships like BOT and joint ventures, and
- could raise funds from the capital market through municipal bonds.

Additional key messages were

- paradigm shift was necessary –donor agencies must see themselves as partners,
- focus on policy reforms at national and local level,
- new challenges/opportunities require a shift in traditional approaches like municipal development funds, APL, infrastructure finance facility, and
- focus on capacity building and institutional reforms.

4. Techniques for Better Resource Management

Mr. Terry Barnes, Chief Executive Officer, Fairfield City Council, NSW, Australia, made a presentation on the experiences of Fairfield city at better resource management. Mr. Barnes outlined the process followed in Fairfield City that focussed on outcomes. The process began by the community identifying 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 utilization 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 city council was on effectiveness and efficiency. The supporting systems introduced within the council were output based budgets, analyzing the opportunity costs of each decisions, and undertaking detailed project evaluation.

Mr Terry Barnes
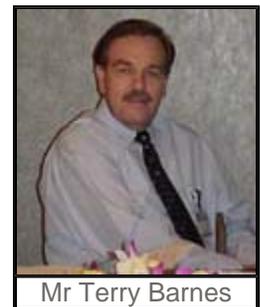
The discussions at the break-out sessions highlighted the following **issues and challenges:**

- in many cities resource allocation was driven by past expenditure;
- resources were allocated on the basis of personal preferences of a few;
- no consultative process;
- changes in resource allocation due to change of leadership or shift in political alliance; and
- external agencies often drive resource allocation

The **actions and lessons** from the participants' experiences were

- clear delineation of functions related to resource allocation,
- community consultation for developing a vision and resource allocations for outcomes,
- development of a cadre of professionals to manage resource allocations, and
- proper accountability and transparency in resource allocation procedures.

5. Enhancing Service Delivery: the Benchmarking Experience

Mr. Naved Hamid, Senior Strategy and Policy Officer, ADB, introduced ADB's on-going

benchmarking project in which ten cities of Asia are participating. This project provides an opportunity to the participating cities for comparing the performance of their services with each other and establishes a program for enhancing the service level to an agreed benchmark. At the current stage, the benchmarking project has focussed on two services: Solid Waste Management and Customer Satisfaction.

Solid Waste Disposal

The discussions on the theme began with a presentation by Mr. Nathaniel Von Einsiedel, Regional Coordinator, Urban Management Program. Mr. Einsiedel highlighted the need to focus on all the stages of the waste disposal process, viz. generation, collection, transport, disposal, and treatment. He highlighted the various issues at each stage and narrated the examples of best practices to reduce-reuse-recycle.

On behalf of the participating city coordinators, Ms. Suzanne Ardosa, the coordinator of the benchmarking project in Cebu City, made a presentation.
She identified the key elements of Solid Waste Disposal as education, collection, transfer, disposal, and enforcement. She focussed her presentation on education and enforcement.

Most benchmarking project cities have some ad-hoc education programs, but the 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 were varied approaches, with some cities using local law enforcement units and others using the communities. Publicity campaigns with a focus on hot spots with mobile enforcement units were the suggested approach for enforcement.

The **key issues and challenges** identified in the breakout groups were

- reduction of waste at source- attitudinal factors, reluctance to separate waste,
- community involvement,
- lack of adequate penalty for offenders, and
- inadequate enforcement of existing laws.

The **actions** taken to deal with the issues and challenges were

- community involvement- separation of garbage in colored bags,
- strict enforcement with on the spot fines,
- school education, informal education through street plays,
- public campaign on 'green city', and
- involvement of private sector.

The major **lessons/success** factors were

- motivation of community,
- involvement of corporate sector sponsors and volunteers,
- strict enforcement, and
- increased efficiency of municipal staff.

6. Resolution of Complaints and Public Grievances

Mr. P. Asnani, Vice-President, City Managers Association of Gujarat made a presentation to introduce the topic. He advocated the use of a citizen' charter, which clearly delineates the responsibilities of the municipal government and which lays down the service standards and the mechanism for resolution of complaints and grievances. His message was to keep the system

- easy to access and well-publicized,
- speedy, with fixed time limits for action and keeping people informed of progress, confidential, to protect staff and those who complain,
- informative- providing information to management so that services can be improved, simple, both to understand and use,
- fair, with a full procedure for investigations,
- effective, i.e., dealing with all points raised and providing suitable remedies, and regularly monitored and audited to make sure that it is effective and improved.

Mr. H. B. S. Aradhya of Bangalore City, made a presentation on behalf of the Benchmarking Coordinators. He stated that in many cities a systematic approach to handle the grievances was lacking. A few cities had a dedicated unit, while others had a 'day-in-the-week' when all complaints were received and resolved. A one-stop approach was recommended with increased number of receiving points, monitoring of complaint performance by middle management, and sending the unresolved complaints to higher levels of management.

In the breakout group discussions the following **issues/challenges** were identified:

- no clear delineation of responsibilities;
- lack of adequate technology-computerization for handling complaints;
- corruption and inefficiency among staff;
- weak mechanism to take actions on complaints received;
- problems of classifying/filtering complaints; and
- people want to complaint to the 'big-boss'.

The various **actions** that cities have taken to overcome this challenges/issues were

- prioritization of complaints,
- computerization,
- public day or fixed visitors hours for the 'top' officers,
- cell-phones to key municipal staff to resolve complaints quickly, and
- public awareness and preparation of service directory

The various **lessons/success factors** identified were

- devolution and delegation of responsibilities for speedy redress of complaints,
- building confidence of the citizen for the local government,
- ward/zone level consultations,
- effective leadership to ensure prompt action, and
- informing the complainant about the action.

7. World Wide Web as a Resource for Municipal Management

Ms. Penelope Price of the Asian Development Bank Institute, Tokyo made a presentation on

the *World Wide Web- A Key to Knowledge in the Next Millennium*. She stated that in the globalizing economy information and communication technologies (ICTs) will drive the economy in the coming years, and the city leaders need to be not only familiar with ICTs but also be able to use them as a resource for city management. One of the hallmarks of successful leadership would be in the use of the World Wide Web (www) in communication, learning, and collaboration. She demonstrated the use of the www with many examples. Participants were also encouraged to become familiar with the www through practical sessions that were arranged during the forum. A large number of city leaders took advantage of this opportunity. There was also some discussion to continue the Forum activities of sharing and learning through the means of electronic communication among the participating city leaders.

8. Concluding Session

Mr. S B Chua, Director, Capacity Building, ADBI, in his concluding remarks summarized the Forum proceedings and highlighted some of the key messages. He reiterated the need for a continuous dialogue among the city leaders of Asia and hoped that the cosponsors of this forum would support the next forum and the activities that would take place in the interim period. The representatives of the partner agencies, in their comments, thanked the ADBI and the Colombo Municipal Council for the excellent preparation and conduct of the Forum and expressed their willingness to support this activity in future. Click here to read the full text of his concluding remarks.

List of participants

Agenda