



## ADB Institute Forum on Municipal Management

*Tokyo, 16 -20 February 1998*

The Forum was aimed at assisting Local Governments in Asia in capacity building, with a focus on "Managing Change". It brought together Mayors, Deputy Mayors, Chief Executive Officers and other senior staff officials of 14 major cities from 9 Asian countries.

The Asian Development Bank's Strategy and Policy Office selected the Institute of Municipal Management in Australia, which is an organization of the Chief Executive Officers and other senior professionals of Local Councils all over Australia, to conduct the Forum. To assist in demonstrating the benefits of innovation and management reforms, 8 "Resource Persons", who are also successful leaders, including City Mayors and Chief Executive Officers, were invited to participate in the workshops and panels. Third, the consultants visited most of the participating cities and met many of the delegates to incorporate the problems they face into the Program.

### **Executive Summary**

The rapid urbanization of Asian nations over the past twenty years challenges political leaders and municipal managers to find new and more effective ways of managing their cities. Meeting these challenges has not been an easy task and continues to be a major factor in determining the city's success in overcoming infrastructure, economic and community development issues.

The Asian Development Bank Institute's (ADBI) first Municipal Management Forum provided the opportunity to discuss strategies that address the challenges of urban growth and development. The Forum program was developed by the ADB Strategy and Policy Office in Manila, with assistance from the Australian Institute of Municipal Management (IMM). The Forum itself was a combination of presentations by leading mayors and municipal managers from Asia and Australia, as well as facilitated sessions by the IMM consultants.

Combined with extensive discussions between delegates this format provided an excellent opportunity for mayors and city managers to share insights and ideas about new ways of addressing urban development issues. Citynet also provided Forum delegates with the opportunity of studying urban development issues in Tokyo.

The Forum was attended by mayors and senior municipal officials from Jakarta and Bandarlampung, Indonesia; Dhaka, Bangladesh; Colombo, Sri Lanka; Vientiane, Lao, PDR; Karachi, Lahore and Peshawar, Pakistan; Fuzhou and Shanghai, PRC; Bangalore and Mysore, India; Bangkok, Thailand; Phnom-Penh, Cambodia; Naga City, Philippines; The World Bank, Washington, USA ; Asian Development Bank Staff from Manila and other nations.

**The five major themes of the Forum were:**

[I. Change and Leadership](#)

[II. Corporate Strategy and Direction](#)

[III. Creating the Culture of Innovation](#)

[IV. Techniques for Change](#)

[V. Implementing and Monitoring Change](#)

[VI. List of Participants](#)

Key points arising out of the Forum are set out below. Together they provide a range of strategies from which municipal managers can choose to improve governance in their city.

## **I. Managing Change Through Effective Leadership**

A recurring theme throughout the Forum was the need for effective leadership in municipal management. The key note speakers were excellent examples of effective leaders who also stressed that leadership – engaging the hearts and minds of all people – was an essential process they should all be concerned with.

The leadership style that we are promoting in this Forum is ‘cosmopolitan’, that is, people who are comfortable operating across boundaries and who can forge links between organisations. These leaders must use their ability, crafts and vision to inspire action and empower others to act and to encourage people to form new and diverse goals that will improve the local economic development potential of this area so that everyone can benefit.

### ***Cosmopolitan leaders:***

- must have the vision, skills and resources to form networks that extend beyond their home base to bring benefits to their own group
- do not necessarily have to be well travelled global citizens – they should be broad thinking people who are highly committed to their community in a parochial manner
- must have open minds to be able to outreach to other people outside their current framework in an emerging global economy

The first guest speaker, Mr Keshav Varma, Manager of the Urban Development Sector Unit for East Asia and Pacific Region, World Bank, told of his efforts to revitalise the Indian City of Ahmedabad.

As the CEO of the AhmedabadMunicipal Corporation he was credited with rejuvenating this city council with an enhanced public image, high staff morale and a well defined strategic approach.

Mr Varma stated that in a context where the State was ambivalent and the needs of a city were great it was essential for the managers to be taken seriously and to behave accordingly. They needed to have conviction about what it was they were trying to achieve and to get some early runs on the board by ensuring the changes they were creating were visible. Specifically he stated that a clear vision was essential and that the following strategies must be met:

- Gaining support from the community
- Increase the quality of staff by external recruitment
- Develop strategic alliances with the private sector
- Develop a forward plan fro the city
- Introduce a quality program which listened to the people and improved the quality of services

- Ensured early success stories
- Developed a sense of community pride

The next guest speaker was also an example of a dynamic, cosmopolitan leader. Mr Richard Gordan, Chairman of the Subic Bay Metropolitan Authority, widely credited as the individual who ensured the long term future for the port after the withdrawal of the US Navy.

Mr Gordon's slogan is 'protect and preserve to prosper' reflecting a clear vision for the community. He also said leadership required faith in people, trust that they would do the right thing. We need to ensure people take ownership for their future.

He emphasised the need to be a strong man, but not to exercise a strong hand. 'You need to be in love with your people; to tell them the truth; and to be able to redraw the character of your people.'

He concluded that corruption happens because we have too many rules and regulations. Recognise those who make the effort to change. Don't move people around positions, make them change within.

Another example of the cosmopolitan leadership style was found in Mr Jesse Robredo, Major of Naga City. This was found in his presentation on the Productivity Improvement Program of Naga City, Philippines:

The program aimed to transform city government employees into genuine public servants not driven by rules and regulations, but by a common vision and a mission. To support and sustain this transformation, the program sought to improve or upgrade systems and procedures and fine tuned these to the needs, problems, and aspirations of the people to bring about adequacy, efficiency, effectiveness and equity in the delivery of public services amidst competing sectoral demands.

**Specifically, the program's objectives were to:**

1. set response time in the delivery of services to the barest minimum;
2. pursue specific projects and activities aimed at inducing and sustaining peak productivity levels in all departments and offices;
3. encourage employees to come up with viable ideas and suggestions to further improve productivity;
4. constantly upgrade the skills and competence of employees through the regular conduct of seminars, workshops, training and similar activities;
5. institutionalize a cost-reduction system and;
6. set up a feedback mechanism for the public

**The program focused on the four interlinking areas which determined local government productivity:**

1. provision of adequate services to meet the requirements of the population;
2. getting the optimum outputs with minimum expenditures;
3. capability to produce quality results as desired and planned; and
4. accessible and responsive services based on the principle of "the greatest good for the greatest number"

## II. Corporate Strategy and Direction

**Corporate Strategy and Direction are created and maintained by the development and adherence to:**

Corporate Plans Vision Statement

Mission Statement Corporate Goals

Program Details 5 Year Financial Plans

Year by Year Action Plans

Without direction, the organisation is like a ship sailing without a destination. In these rapidly challenging times, an organisation that is not improving is going backwards in real terms (compared to others). Therefore all organisations must strive to continuously improve.

For a Local Government Authority to be effective, it requires that the Council, the Community and the organisation are heading in the same direction. It also requires that within the organisation all departments and divisions are operating in a manner that assists the Local Government Authority of achieving its stated goals.

Plans by themselves achieve nothing. They are merely expression of dreams or aspirations. These plans must be transformed into actions. This requires the support and co-operation of all the people that are involved in the activities of the Council. The Implementation Plan for the Corporate Plan must be designed to involve representatives of all staff, in order that they feel they have an ownership in the process.

## III. Creating the Culture of Innovation

The 'Paradigm Shift' occurs when we ask: what's in it for us?

- \* Improved customer service
- \* Higher regard in the community rationalization of services
- \* Workers pride in performance
- \* Alignment of corporate initiatives
- \* Breakdown of traditional barriers between departments and between management and workers
- \* Process control and documentation
- \* An emphasis on quality improves productivity and the bottom line

Creating a customer focus works at two levels: A customer friendly way (individuals and groups) and a complaints management system working at multi-levels (Corp.> Services) and

in different locations.

Use complaints information to analyse processes. Officials must be accessible/part of process – one telephone number.

Mayor/officials available at specific time to meet customers.

Distribute a booklet – functions/contact officer/phone numbers.

- \*Concept of Customer vs. Beneficiary (Responsibility vs. Rights)
- Need to inculcate attitudes within the organisation
- Sharing of information essential
- Based on good internal information system

Planning > Execution > Monitoring > Evaluation > Review

### **Different cities demand different approaches**

- Need to improve accountability of staff
- Need shared vision > linked to operational framework
- Customer oriented information
- Transparency of process
- Citizenry give awards/incentives to officials
- (A forum of community leaders/representatives)

Centralized bureaucracy makes customer service difficult. Assumes mayor all powerful. Prioritization of services is needed. System of grievance procedure necessary. Must act on customer complaints

- Create the realization of the need for change
- Emphasise the Importance of leadership
- Change commences with a vision
- Mechanism for creating action plans from vision must be in place
- Importance of planning and planning process
- Changing organizational culture to one of customer focus
- Importance of monitoring change process

The field trips around Tokyo provided an opportunity to see how innovation in urban development was being managed in this large city.

### **A. RELOCATION & READJUSTMENT – Ikebukuro, Tokyo (1965-1998)**

Required large capital investment. Was a good example of how to deal with landowners. Highlights the challenge, something we should dream of. Similar to guided land development in Indonesia. Should be seen as a tool, a concept worth considering when assessing overall infrastructure costs.

### **B. NEWLY CONSTRUCTED HOUSING: Rainbow Bay, Tokyo.**

A truly eco-village. Cost of land on its utility. Odourless incineration of all waste at US\$1 per kilo of garbage!! Breaks the paradigms of city management. Meticulous with planning!

### **C. *FUTURE PORT CITY: Yokohama Urban Development Project.***

Claimed land Y2 trillion, 190,000 people, planned, modern city, joint-venture, agreement realized on land-use, phased development, multi-company development strategy (health, hotels, etc). Japanese Government gave full support.

## **IV. Techniques for Change**

A number of contemporary management techniques for change were discussed in the Forum. They included:

### ***TOTAL QUALITY MANAGEMENT: which requires***

- \* Teamwork
- \* Employee Involvement
- \* Customer Focus
- \* Capable People
- \* A System

### ***CONTINUOUS IMPROVEMENT PROGRAM: Has Four Key Elements***

- \* Focus on Customer
- \* Continuous Improvement
- \* Teamwork&
- \* Data and Measurement for decision making

### ***TOTAL QUALITY MANAGEMENT***

Making TQM work demands

- \* Understanding the need to change
- \* A willingness to change
- \* A vision to aim for
- \* A change of philosophy
- \* Executive Management Commitment

- \* An implementation plan
- \* Education and Training
- \* Change in management approach
- \* Involvement of everyone
- \* Measurement of process

## **V. Implementing and Monitoring Change:**

How do we determine the most appropriate performance management information to collect?  
Ask the following questions:

- Is it good for all?
- Is it useful – customer – organization?
- Is it Cost effective?
- Is it goal oriented?
- Can it be quantified?
- Easy/expensive to collect?
- Is it Politically acceptable?

### **Key Questions to be asked regarding effective financial management reporting are:**

- What is the importance of budgeting?
- Does the budgeting system used by your Council, assist in the decision-making process?
- Can services be evaluated through the Budgeting process?
- Suggest ways to use the various types of budgets?
- What is the difference between "input" and "output" oriented budgeting systems?

### **Budgeting Considerations would include:**

#### **1. Planning:**

Budgeting is an aid in making and coordinating short-range plans. In preparing the budget, managers must consider how conditions in the future may change and what steps they should take to cope with these changed conditions.

#### **2. Control:**

Once completed, budgets become a benchmark for controlling on-going activities. An analysis of the variance between actual and budgeted results may (1) help identify a problem area. (2) reveal opportunities: or (3) show that the original budget was unrealistic in some way.

#### **3. Evaluation:**

When preparing the budget, the process compels managers to evaluate the performance

of their responsibility centers.

#### **4. Education:**

As part of the budget process, managers must examine all the components that make up their portfolio, and consider how they will react to expected changes. In this way, managers are educated about the relationship that each activity has on their responsibility center, as well as how their areas relate to other centers in the organisation.

#### **5. Motivation:**

If the atmosphere is right, the budget process can also be a powerful force in motivating managers to work towards the goals of their responsibility centers and thereby the goals of the overall organisation.

This summary reveals that the Forum covered a wide range of municipal issues which provided delegates with many opportunities to consider in their attempts at improving their system of municipal management.

## **ADB Institute Forum on Municipal Management Workshop Participants**

### **Indonesia**

Ir. Eddy Heryanto	<i>Chief of City Planning, Bandarlampung</i>
A.J.P. Gustimigo	<i>Head of Local Development and Planning Board, City Planning Agency</i>
Maurits Napitupulu	<i>Head of Central Jakarta Development Planning Board (BAPPEKO Jakarta Pusat) for Central Jakarta</i>
Anshary Lubis	<i>Head of Subagency of Jakarta City Planning Agency</i>

### **Bangladesh**

Shahidullah Miah	<i>Secretary, Dhaka City Corporation</i>
Abdus Sattar Mian	<i>Deputy Secretary, Local Govt. Division, Ministry of Local Government, Rural Development &amp; Cooperatives</i>
Saleemul Huq	<i>Executive Director, Bangladesh Centre for Advanced Studies</i>

### **Sri Lanka**

Omar Z. Kamil	<i>Deputy Mayor, Colombo Municipal Council</i>
M.A.V. Perera	<i>Municipal Commissioner, Colombo Municipal Council</i>
W.A. Karunaratne	<i>Additional General Manager (Operations), National Water and Drainage Board</i>
K.W.K. Premadasa	<i>Treasurer, Colombo Municipal Council</i>

### **Lao, PDR**

Thongvanh Phan-Rajsavong	<i>President, Vientiane Urban Development &amp; Management Committee</i>
Oudone Vathanaxay	<i>Director of Urban Services Department, Vientiane Urban Development &amp; Management Committee</i>
Phaiboon Chanthamaly	<i>Engineer, Urban Administration Office, Vientiane Urban Development &amp; Management Committee</i>

### **Pakistan**

Anzar H. Zaidi	<i>Administrator, Karachi Municipal Corporation</i>
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Tasneem Ahmad Siddiqui *Secretary, Local Government, Government of Sindh*  
 Khalid Sultan *Administrator, Metropolitan Corporation Lahore*

Jamshedul Hasan *Director General, Project Management Unit - SUDP*

### **PRC**

Weng Fulin *Mayor, Fuzhou Municipal People's Government*

Wang Qing *Deputy Director, The Planning Commission of Fuzhou*

Li Hong *Deputy Director, Foreign Affairs Office,  
 Fuzhou Municipal Government*

Yin Yicui *Deputy Secretary General, Shanghai Municipal Government*

Zhang Peisheng *Chief of Investment Division, The Planning Commission of Shanghai*

Zhou Ying *Deputy Section Chief, Foreign Affairs Office, Shanghai Municipal  
 Government*

### **India**

V. Govindaraj *Principal Secretary to Government, Urban Development Dept*

Subhash Chandra Khuntia *Additional Commissioner, Bangalore Mahanagara Palike*

Amita Prasad *Commissioner, Mysore City Corporation*

### **Bangkok**

Ksemsan Suwarnarat *Assistant Permanent Secretary, The Bangkok Metropolitan  
 Administration*

### **Cambodia**

Chea Sophara, *First Vice Governor of the Municipality of Phnom Penh*

Benson Samay *Legal Adviser, Phnom Penh*

Teruo Jinnai *Financial Advisor, Phnom Penh*

### **Resource Persons**

Rod Oxley *General Manager, Wollongong City Council, Australia*

Asim Barman *Municipal Commissioner, The Calcutta Municipal Corporation*

Jesse Robredo *Mayor of Naga City and President, League of Cities of the Philippines*

Keshav Varma *Manager, Urban Development Sector Unit, East Asia and Pacific Region, The World Bank*

Nathaniel von Einsiedel *Regional Director*  
*Urban Management Programme, Bangkok, Thailand*

Richard Gordon *Chairman, Subic Bay Metropolitan Authority*

**Asian Development Bank**

Asad Ali Shah *Manager, AEWU*

Preben Nielsen *Manager, AWWU*

Jeffry Stubbs *Sr. Urban Development Specialist, AEWU Project Engineer, AWWU*

Graham Jackson *Project Engineer, AWWU*

Shakeel Khan *Sr. Project Implementation/Programs Officer, PRM*

Munawar Alam *Project Implementation Officer, INRM*

H. S. Soewartono *Project Officer, IRM*

Naved Hamid *SPO*

**Facilitators**

Barrie Beattie *Executive Director, Institute of Municipal Management, Australia*

Bryan Payne *Executive Director, Institute of Municipal Management, Australia*

John Martin *Sr. Lecturer, Institute of Municipal Management, Australia*