

# **Report on the Mayors' Forum**

*Cebu City, Philippines  
2-4 December 1998*

## Purpose of the Forum

Over a two and a half-day session, Mayors or their delegates of ten major Asian cities met to discuss and achieve four objectives.

- Building a relationship between the participating City Leaders
- Sharing information and experiences on strategic and municipal service issues
- Demonstrating support to the cities coordinators
- Clarifying how the benchmarking and continuous improvements will rollout in each city.

The Mayors heard from several leading cities on a number of key issues, visited the City of Cebu facilities, exchanged views with one another and were briefed by their coordinators on the project.

Apart from the Mayors of the participating cities:

Bandung	Indonesia
Bangalore	India
Cebu	Philippines
Colombo	Sri Lanka
Kuantan	Malaysia
Lahore	Pakistan
Peshawar	Pakistan
Semarang	Indonesia
Shanghai	Peoples Republic of China
Surabaya	Indonesia

there were three invited speakers. Mr. Asim Barman Municipal Commissioner of Calcutta (India), Mr. Terry Maher Chief Executive Officer of the City of Knox (Australia) and Dr. Asad Ali Shah Manager, Water Supply, Urban Development & Housing, Division East Projects Department, Asian Development Bank (ADB).

The Forum was opened at a formal dinner on the evening of the 1<sup>st</sup> December by Dr. Jesus Estanislao, Dean of the Asian Development Bank Institute (ADBI) and again on the following morning, introductory remarks were given by Mr. S. B. Chua Director, Capacity Building for the ADBI.

## Summary of Proceedings

On the first day of the Forum, Mr. Asim Barman, Municipal Commissioner for Calcutta set the scene for the Mayor Forum by providing significant insights into the problems facing his city and the actions taken to address those problems.

Calcutta, as a local government organisation and a large urban centre, has witnessed increasing pressure on its capacity to provide services stemming from unplanned population growth. This has come about by the city's attraction to the rural poor and refugees. Adding to this pressure is the lack of adequate authority to address people, infrastructure and resourcing problems, compounded by the confusion and bureaucratic

delays that occur when there are a multiplicity of Government Agencies operating within the municipal boundaries. Calcutta also suffers from the cultural practices within the community that for example, accepts as normal, garbage disposal into the street and exhibits a reluctance to pay for municipal services.

*Most Mayors attending the Forum identified with all these issues. They too, are battling the same problems and like the municipality of Calcutta, inherited a historic city infrastructure which has been overtaken by the demands of twentieth century living and a population double or treble its natural capacity.*

### **Issues can be successfully addressed**

These issues can be successfully addressed as Calcutta results demonstrate. Municipal Commissioner, Asim Barman outlined a range of actions which have been taken or are planned to be taken to improve the conditions and quality of life of the residents of Calcutta. Apart from the detail of the actions taken, there were several widely applicable principles to note.

Firstly, an integrated approach is needed to address the magnitude and endemic nature of the city's problems. Secondly, there is a desirable sequence of actions. Thirdly, not all problems can be solved by the city, Central and Provincial government must also become involved. Fourthly, imagination and innovation is called for to achieve a major breakthrough in problems involving cultural practices.

An integrated approach means addressing all facets of a problem, such as the financing, resource management, organisational capacity, levels of service, policy and authority and key performance indicators.

In terms of sequence, matters such as clarifying authority and responsibility need to be resolved early in any review program as it affects so many other remedial actions.

Next, to halt the unplanned growth of the city's population a longer-term solution was identified. This involved actions by Provincial and Central Government removing barriers to land ownership in rural areas, development of income generating opportunities in rural areas and providing access to amenities in rural areas that might otherwise only be available in a large city.

Finally, innovation and imagination is required. This is evident in how Calcutta handled solid waste. For solid waste the municipality created appropriate incentives for garbage collectors, computerised trip recording and load weighing to monitor performance and facilitate the introduction of incentives, invoked additional charges for non schedule collection, engaged private transport to move garbage and initiated collection of household waste from homes (rather than from streets).

### **Vision and leadership are essential to address municipal challenges**

A number of presentations by other cities followed the Calcutta perspective. For example, Shanghai provided some useful background on their programs to upgrade infrastructure and environmental conditions to cope with their rapid growth in population to its present level of around 13 million.

The key message emerging from the Shanghai briefing was that a vision is required for the city which provides the framework within which infrastructure developments can be prioritised and progressed. This was reiterated by the Deputy Mayor of Colombo as well as guest speaker, Mr. Terry Maher, Chief Executive Officer of the city of Knox, a satellite city in the greater Melbourne urban area in Australia.

### **There is an urgent need to rationalise accountabilities and authorities**

A constraining factor on the rate at which a city can progress lies in its scope of authority. Reference had already been made to this factor by the Commissioner of Calcutta. Just how significant this factor can be was illustrated from the experiences of the city of Peshawar. In that city, there are many agencies such as planning and development organisations, 'independent sub municipalities', Government (Provincial and Central) agencies and utility entities.

The consequence of this multiplicity of Government and quasi government entities leads to delays in decision making, responsibility for services but no commensurate authority or capacity to raise revenue (or user pays charges), waste (when roads are repaired only to be ripped up soon after by another utility laying its services) and marked differences in service levels even within the city. Peshawar was not alone on this issue. The City of Colombo is constrained by its physical boundaries and its authority to act without Provincial Government approvals of what could be regarded as merely municipal operational matters.

The key message was that city administrations must identify if they could plan and operate more effectively by rationalising the sharing of power and accountabilities and if so, to address this issue as a high priority. In the interim, as in Peshawar, a higher level of coordination has been put in place together with financial penalties that go some way to achieving a better outcome for the city's residents.

### **Governance also needs an overhaul**

A common occurrence in all municipal administrations is political interference. While elected representatives are vital to ensuring that the city is responsive to the needs of its residents, in many instances they do not confine themselves to strategic planning, policy setting and oversight of performance but instead become intimately involved in daily operations. Furthermore, the extension of party politics into municipal affairs often leads to needless opposition. The overall effect of political interference is low productivity, expedient decisions and erosion of accountability of municipal staff.

Attending Mayors were particularly interested to hear from the Deputy Mayor of the City of Colombo as that city had tackled this issue of politicisation of the city administration. Among the remedial actions mentioned, the attending Mayors were interested in the setting up of a committee structure to channel the interests of elected representatives, the appointment of opposition members as chairpersons of a number of these key committees, the use of committee chairpersons as a 'inner cabinet' irrespective of political affiliation and the use of citizen 'experts' as advisors on key policy areas of the municipal administration. When these actions are combined with establishing a unified senior management team with clear accountabilities, the scene is set to lift productivity, achieve consistent decision making and harness the energies of the elected representatives.

## **Deliberate and regular communications with stakeholders must occur**

In a number of addresses by Mayors, the need for excellent communications both within the city administration and more importantly between the city administration and its stakeholders was continuously emphasized. This is an important shift from past practices where little effort was made to keep stakeholders informed or to seek their input on critical matters affecting the city.

The Mayor of Cebu spoke on his demanding communication processes which ranged from regular press briefings, through access to him by a local radio program dedicated to municipal matters and weekly breakfast meetings with district (barangay) officials. The same theme was repeated by other Mayors who engage regularly in public meetings, special interest group meetings such as Chambers of Commerce as well as face to face sessions with residents to address their problems.

## **Upgrading staff skills is a key success factor in achieving change**

Municipal workforces have often been neglected when it comes to ensuring they have the requisite skills or require retraining to re-assign them to another function. Often too, training was reserved for senior staff who saw it as some form of reward for good work or merely a break away from their daily obligations.

Mayors attending the Forum agreed that upgrading staff skills was needed, that it was not a deferrable expense and should be available to all members of their workforce.

The President of Kuantan spoke on their investment in training and his views were confirmed by cities like Cebu, Semarang, Colombo and Lahore. Training in customer skills was seen as a high priority.

From the perspective of a staff member, the investment in training has helped a great deal to change the attitude and culture of the organisation. Although many of the participating cities have large workforces and training cannot reach them all quickly, the signs are evident that all levels within the organisation welcome the commitment to invest in their capacity.

## **Political will is needed for shock change**

To improve the conditions for many residents and workers within their municipality, some major changes are needed. These changes can create significant opposition and without the political will to drive them through, may falter and fail.

Examples of successful major changes were given by cities such as Lahore which has embarked on a major program to remove encroachments and to upgrade roads and drains. Removal of encroachments has meant demolishing illegal buildings that have been in place for a considerable time and affecting the livelihood of many citizens. Lahore also revealed that it funded a massive road upgrade from the sale of surplus assets rather than through the more traditional ways of borrowing.

What can be achieved with the will to succeed is impressive. In the words of the Lahore Chief Officer, “ the most important aspect of our experience is the realisation that honest, dedicated and motivated people can accomplish anything”

Mayors of participating cities acknowledged that the issues faced by Lahore applied to their cities too. They accepted that political will coupled with a clear vision for the city would be needed in order to successfully address the issues.

### **Municipalities must improve their access to and use of borrowings**

The magnitude of infrastructure required to service the expected 50% of the total Asian regional population who will live in urban areas by the year 2025 is staggering. Dr. Asad Ali Shah (ADB) pointed out to the attending Mayors that there would be 40 million new urban residents annually, that there would be 17 megacities (greater than 10 million residents) in Asia within the foreseeable future and infrastructure needs would hit \$292 billion by the year 2020.

Municipalities are beginning to think longer term about their funding capacity and the need for funding instruments such as municipal bonds. However, they also have had some unpleasant experiences with borrowing as the city of Bandung illustrated. In their case, borrowing took place to fund water supply service improvements. The present outcome is that the loan cannot be serviced as intended. The causes of this are many, such as devaluation of the currency, the inability to apply a revised tariff and delays in the overall process.

The ADB in reshaping its urban strategy has stated four major objectives. These are to a) maximise the economic efficiency of urban areas, improve the quality of life of urban residents, achieve more sustainable forms of urban development and reduce urban poverty. Implementing this strategy will mean support for integrated urban development projects, water supply, sanitation, transport, housing and finance.

It is expected that the Bank, along with other agencies will develop policy-based loans, provide support to private sector urban investments, conduct research on local government financing systems and advise municipalities on internal means of mobilising funding.

### **Privatisation offers scope to improve services**

There is a trend evident in the US, Europe and Australia for cities to let major contracts to private sector entities in providing services which traditionally the city's employees would carry out. This trend is now emerging in the Asian region.

Kuantan have outsourced solid waste collection and disposal, Lahore and Colombo have done likewise, as also has Calcutta. In some of these cases, the action was taken to introduce competition, to achieve immediate productivity gains and to overcome barriers to funding or staffing flexibility. Mayors at the Forum reported encouraging results from their privatisation efforts. Service had improved and costs were lowered. (Privatisation in this context refers to outsourcing service delivery while retaining final accountability for the provision of the service to residents and elected representatives).

Terry Maher, CEO City of Knox described in detail the way in which internal service units of the municipality had to compete with private sector providers in bidding for the provision of services. Over 50% of all expenditures within Knox had to be subject to this 'commercial testing' process. Experience in Knox has shown that internal units can compete effectively if given the opportunity to also improve their operating practices.

## Mayor support required for change programs

The final part of the Forum was for Mayors to meet with their coordinators who were being trained in how to apply benchmarking and continuous improvement management techniques.

Throughout the Forum it was apparent that Mayor support was critical in driving change programs. A good example of this was One Stop Shop services to business initiated by Cebu, the 100 day program driven by the incoming Mayor of Colombo and the quality certification for the municipality driven by the President of Kuantan. In fact all participating cities had examples of change which occurred due to the leadership efforts of the Mayor.

## Summing up

The major conclusions from the Forum can be stated to be:

- **Better ways of doing things** are not the sole province of large cities. Large cities can learn from smaller cities and vice versa.
- Although financial capacity is a constraint to improving services, **significant improvements** can still be achieved through changes in policy, operating practices, personnel skills and leadership.
- **Leadership** and setting a direction for the city, are two major success factors in lifting the service performance of cities. Many examples were provided of city leadership setting clear objectives and a style of management that has led to improved communications with residents, improved services and innovative methods of funding infrastructure and operations.
- Cities continue to become more and more important in influencing the quality of life in Asia but they are hampered by having responsibility without commensurate authority. For example, this applies to personnel management, taxing properties and borrowing. An urgent issue is to establish improved **power sharing** between cities, their provincial (or State) government and the central government.
- **Political will** is extremely important to take unpopular but necessary actions like clearing encroachments into public thoroughfares, changing citizens' solid waste disposal practices, changing and enforcing taxation regimes and road usage.

It is anticipated that a second Mayor Forum will be held around May-June 1999 at which progress with their improvement programs can be reported upon. Experience of cities in addressing issues such as lifting management skills and resolving power sharing will also be on the agenda.

Some papers are available from the Forum but those interested in the specific subject matter should contact Bob Hood at [acig@acig.com.au](mailto:acig@acig.com.au)