



# **Sustainable Urban Management IQC**

**USAID Quarterly Report XVIII**

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**Sustainable Urban Management IQC  
USAID Quarterly Report XVIII**

**April 1- June 30, 2004**

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**Task Order No.:** 11

**Task Order Title:** Core Management and Budget Skills for Indonesian Local Governments

**Period of Performance:** September 30, 2000 – February 11, 2005

**USAID Office/Mission:** USAID/ Jakarta

**CTO:** Jessica Tulodo

## **I. Introduction**

The International City/County Management Association's (ICMA) Building Institutions for Good Governance (BIGG) Program operates under USAID Strategic Objective 10: Decentralized, Participatory Local Government. To this end, it is designed to help USAID meet its four intermediate results (IRs):

IR 1: Appropriate Environment Established to Enable Effective Local Government

IR 2: Local Government Capacity Strengthened to Deliver Effective Services

IR 3: Participation Increased in Local Government Decision-Making

IR 4: Associations of Local Governments and Officials Established as Advocates

The implementation of the "Core Management and Budget Skills for Indonesian Local Governments" Task Order began on September 30, 2000. This report covers the period April to June 2004 (Quarter 15), summarizing the major accomplishments and challenges for the fifteenth quarter along with the planned activities for the next quarter. Throughout this report, Y3 will refer to Year 3 of the BIGG program and Y4 will refer to Year 4. LGU stands for local government unit.

## **II. Major Accomplishments**

### **Field Operations**

#### **K2K Model**

Performance Reporting Workshops: In April, the Team Leaders and Local Coordinators finished conducting the 2-day Performance Reporting workshops in the five Y3 K2K LGUs which had not yet received the workshop in the previous quarter due to the election schedule. (In the previous quarter, thirteen LGUs received the workshop). The five LGUs that received the workshop this quarter are as follows: Tangerang, Boyolali, Klaten, Bontang, and Kutim.

Preparation of K2K Model for Year 4: All Y4 Inti and Satellite LGUs have now signed their MOUs to participate in BIGG.

#### Training on Materials on Workshop A for the Local Coordinators:

In Y4, there are 6 new local coordinators and 4 new Inti staff, in addition to the existing local coordinators and Inti staff from Y3. While not a requirement of the work plan, the Field Operations team conducted a two-day TOM on Workshop A materials for the local coordinators in Bogor in April.

### Workshop A in the K2K Model:

The Field Operations and Training team conducted the two-day Workshop A for the 12 new satellite LGUs in May and early June 2004. The workshops were attended by an average of 27 persons per local government for two days for a total 662 training days. In Pasaman, no legislative members were able to attend the workshop due to an unavoidable scheduling conflict with the campaign activities for the legislative election in that local government.

### Deliverables:

As of June 30, 2004, 14 LGUs have submitted their draft budget calendars to BIGG (Bukittinggi and Balikpapan have not yet submitted their budget calendars), and 5 of the 14 LGUs have submitted their final budget calendar. Ten LGUs have submitted their draft Public Information and Involvement Plan (PIIP) to BIGG and five of these have submitted their final PIIP. BIGG has requested that all LGUs submit their final PIIP before the implementation of Workshop B in July.

### **Sleman Special Project**

On May 28, 2004, the Field Operations Team conducted a 2-day Performance Reporting workshop in Sleman. While this was not a requirement of the Task Order work plan, it was deemed an essential workshop for Sleman staff so that they could acquire the information they needed to help them prepare their performance budgets and better link it to the annual performance report and mayor's accountability report.

This quarter, a draft final report was prepared that describes the process, major findings, and recommendations of the Sleman Special Project. The final version of the report will be finalized and submitted by the end of the next report period.

The original goal of the Sleman Special Project to develop a financial reporting model was accomplished. This model completes a critical link in the planning-budgeting-implementation-reporting cycle. Above and beyond this, the Sleman Special Project served to help us develop a deeper understanding of critical issues facing Indonesian local governments and develop models to address those problems, namely:

1. The problems and depth of the current salary structure, from which a subsequent special project, PROFESI, grew out of.
2. The relationship between the planning and budgeting documents and processes, from which the Green Thread Model later developed.

Another outcome of the Sleman work was the use of customer surveys in the preparation of the Education Department's model financial report. The use of customer surveys are just beginning to change the mindset of the local government staff about the need to not just provide public services, but the need to provide the types and quality of services that citizens want.

A final workshop was conducted in Sleman on June 25, 2004 and attended by twenty Sleman staff.

## **Papua Program**

### Performance Reporting:

The Field Operations Team conducted a two-day Performance Reporting Workshop in each of the three Papua LGUs. Only one legislative member was able to attend the workshop in Manokwari due to a scheduling conflict with the campaign for local council members; though, the executive branch staff was extremely interested in the workshop. Forty eight staff attended the workshop with 26 staff coming from Bappeda and 19 from other departments.

### Workshop A for Kaimana, Papua:

Workshop A was conducted in Kaimana on June 22 and 23, 2004. The workshop was attended by 20 participants, including 5 local legislative council members that have not yet formally started their work with the local government.

## **Salary Restructuring Opportunity for LGUs**

The current local government personnel system in Indonesia needs some major changes in order to both improve the efficiency and effectiveness of the staff and to initiate a more equitable and stable system of remuneration for staff. BIGG's PROFESI program was initiated to move towards this goal. For example, moving honorariums away from their connection to particular projects and using the accumulation of these honorariums for equitable distribution to the staff would improve at least one aspect of the current local government remuneration system. This past quarter, several activities have helped move this process along.

## **Round Table Discussions**

Mayor/bupati and their staff from the following nine local governments participated in a Round Table discussion in Yogyakarta in May: Kabupaten Sukoharjo, Kabupaten Sleman, Kota Bukittinggi, Kabupaten Kebumen, Kota Balikpapan, Kabupaten Takalar, Propinsi Sulawesi Selatan, Kota Yogyakarta, and Kota Samarinda

The result of discussions between the heads of government resulted in the suggestion that each local government go back to their respective local government and discuss ways they believe they could solve the income restructuring challenge. BIGG would then process these responses and develop suggestions for changing the structure of local government incomes. It was further agreed that the visit to Malaysia would be critical to see the results of a more equitable and effective salary and personnel system. The follow-up review of these proposals from the participating local governments indicated a lack of understanding of the purpose of the PROFESI program. Most of the suggestions received by BIGG concerned the efforts of local governments to find ways to increase their revenues – so as to allocate the increase to salary subsidies to the staff. They all needed to be reminded that original goal of PROFESI was to make it possible for the government staff to focus their concerns and efforts on how to improve the services provided to the public instead of always needing to be concerned about finding other sources of income in the local government environment.

## **Visit to Malaysia**

This quarter, sixteen Indonesian local government officials and three ICMA staff traveled to Kuala Lumpur, Malaysia from May 17 to 20 to review and compare the Malaysian local government salary system to the one implemented in Indonesia. ICMA funded the participation of one official from each of the participating local governments while the local governments themselves paid for additional staff to attend.

Malaysia was chosen as a trip destination due to its similarities in government structure at the national, state, and local levels. The Indonesian delegation visited institutions that gave them information about the Malaysian governmental structure, civil service, and salary structure. Visits to two local governments were also included to give the delegation access to local government staff to determine their views on the current salary system. The Indonesians found that the income structure for local government staff in Malaysia is based only on the basic salary and several important allowances. They do not have the system of honorariums that is commonly used in Indonesia. The Indonesians also learned that the levels of starting salaries in Malaysia are sufficient to maintain a household. The beginning salary level depends on the position, but most positions begin with a base salary of roughly RM 800, which is equivalent to US\$ 208. While this seems quite low by U.S. standards, the household of a typical Malaysian government employee has very few living costs after the provision of housing, transport, hospitalization, and medical benefits. The main costs they face would only be for food and clothing.

In Malaysia, corruption is not viewed as being very common. Although there is an admission that corruption takes place, it does not express itself in the way management decisions are made. When corruption is exposed, the sanctions can be very harsh, including immediate dismissal from the civil service. This is a major difference from the situation in Indonesia where corruption is very common with local government officers and staff. Because it is so rampant, the available sanctions are rarely imposed in Indonesia.

## **Panel Discussion and Press Coverage**

Upon the delegation's return to Indonesia, the heads of three local governments (Kota Bukittinggi, Kabupaten Soekohardjo, and the South Sulawesi province) participated in a panel discussion at BIGG's national conference on why they believed there was a need for the PROFESI program.

The press release prepared for the national conference and the press conference at the national conference received a lot of attention from the press. As a follow-up to the exposure generated at the national conference, Geoffrey Swenson was invited to appear on the Metro TV program, *Metro Morning*, on May 28 to discuss the PROFESI program. This program had national coverage and drew the attention of many viewers. The possibility of an additional interview later in the year was also discussed.

## **Memorandum of Understanding**

A memorandum of understanding (MOU) indicating the steps needed to take part in the activity was also signed by the following participating local governments: Kota Bukittinggi, Drs. H. Djufri, Mayor; Kabupaten Sukoharjo, Bambang Riyanto, SH, Bupati; Kabupaten Takalar, Drs. Ibrahim Rewa, MM, Bupati; Kota Yogyakarta, H.Herry Zudianto, Mayor; and Kabupaten Sleman, Ibnu Subianto, Bupati

The implementation dates of PROFESI will be adjusted for each local government. Bukittinggi will begin implement the PROFESI program by August 2004 with one department as a pilot. Kabupaten Sukoharjo worried about the legal problems with moving the “honor” in the budget. They are quite committed to implementing PROFESI, but they indicated they would prefer to implement the program in 2005 for the whole government. This result would, of course, be even better than a pilot of one department.

## **Training and Publications**

One-day national conference: On May 25, BIGG conducted a one-day national conference for Y3 and Y4 LGUs to launch the fourth year of the program and introduce the new satellite partners to the BIGG program. Three discussion sessions were held. The first introduced participants to the importance of integrating the planning and budgeting decision-making processes and documents (which BIGG refers to as the green thread). Two LGUs served as resource speakers to introduce this topic. The second discussion session introduced the concept of combining the various forms of staff salary compensation into one budget category to increase staff productivity and minimize opportunities for corruption which BIGG refers to as the PROFESI program. Three LGUs discussed their recent commitment to implement this. The third discussion session introduced the topic of performance reporting.

A press conference was held during the national conference which resulted in good press coverage in local newspapers throughout Indonesia. The national conference was preceded by a welcoming dinner and awards ceremony for Y3 LGUs and the two association partners from APEKSI and APKASI.

One 4-day P2P Workshop for Y4 Papua LGUs: A 4-day P2P Workshop was held in Makassar for 6 LGUs in the Bird’s Head Region of Papua. Four LGUs attended the workshop. Kabupaten Sorong Selatan, and Kota Sorong did not send staff to the workshop despite having confirmed their participation. This was due to the fact that the newly formed local governments did not have telephone, fax, or email communication and were not able to send a message that their staff would not be able to attend the workshop.

Budget Clinic I: This quarter, BIGG’s Training and Field Operations Teams jointly designed and conducted seven 1-day Budget Clinics. Six of the clinics were conducted in the APEKSI Regions and one was conducted in Bali for the 9 Papua LGUs in the Bird’s Head Region.

The budget clinics provided an opportunity for LGU participants to ask questions, obtain new information, share their experiences in implementing performance budgeting, and network with

neighboring LGUs. The clinic setting fostered interactive discussion and problem solving so that each LGU could improve its knowledge and skills along with their PBB preparation and implementation. Participants were very enthusiastic about this clinic design because it was a combination of personalized assistance and new information that was widely applicable to all LGUs. They all requested more clinic sessions to help them develop their budgets, which they will receive in September and December.

There were 4 main topics covered, such as exploring the linkages between performance budgeting and planning (the green thread); how to write vision/mission/goal/objective/indicators (the red thread); indirect and direct expenditure; and performance measures. These topics covered a wide range of sub-topics which emerged from the participants' needs and interests such as: accounting; performance reporting; how to write indicators; how to move indirect costs to direct costs; and the linkage between performance-based budgeting and planning, accounting, and reporting. The clinic setting provided participants with maximum flexibility to focus on topics that were of greatest need and interest to them and allowed BIGG's Team to address a multitude of different training levels in one workshop design. Members of BIGG's Local Government Consulting Pool (the Training and Field Operations Team, university staff, and MOF) served as resource people at the clinic.

The clinic design also allowed BIGG's senior municipal financial specialist, Kay Spearman, to model consulting methods for BIGG's Indonesian staff, whereby the role of the consultant is not merely to answer local government staffs' questions but to facilitate and guide them through a series of questions to help them derive their own answers from their experiences. This moves beyond the model of a foreign consultant having all the answers to the Indonesian's questions. It models a behavior where Indonesian consultants consult with a foreign expert and then return to the LGUs to explain the model in their own words so that it is directly applicable to a local situation. This directly addresses the issue of BIGG's sustainability and moves BIGG and LGU staff further along the sustainable continuum that is part of BIGG's work plan.

PBB Assessment for Y3 Papua LGUs: BIGG's training and field operations team conducted a one-day assessment workshop on the performance based budgets prepared by the Y3 Papua LGUs. BIGG found the quality of the Papua LGU budgets to be on par with the budgets prepared by the LGUs in the K2K Model. In many ways, the Papua LGUs seemed to be more open to change than many other LGUs as they had expressed willingness to try new things. For example, Fak-Fak was the only LGU that stated their intent to change their account code structure so that program is above goal, which is the traditional structure used by most other countries, rather than Indonesia's placement of program below objective.

The format for this assessment workshop followed that of the other Y3 LGUs. BIGG made several recommendations on the draft and final (RASK/DASK) budget forms such as: only include one vision for each local government; include a numbering system for vision, mission, goal, etc; and only use output and outcome performance indicators. Each local government representative had an opportunity to examine the red thread in his/her budget. With the assistance of a team leader, each local government revised their vision, mission, goal, objective and performance indicators so that there was a logical flow among each of the elements in the

red thread. Then each local government staff person presented its revised red threads and shared what next steps they would take upon returning to their respective local governments.

APKESI's 2-day Performance Based Budgeting Workshop designed under the Association Model: This quarter, APEKSI conducted its first Own Source Revenue Workshop that was designed under the Association Model. The two-day workshop was held in Jakarta from April 21-22, 2004, and was attended by 47 participants. The number of participants who attended this workshop clearly reflects strong interest on the part of the association's members for training sponsored by the association. It also reflects the association's members' willingness to pay for training; and therefore, it ideally represents a solid potential revenue base for the association.

BIGG sent two observers from its Training team to observe the workshop and provide written feedback to APEKSI's workshop organizers (APEKSI's own staff) and trainers (two lecturers from the University of Indonesia). Most of the areas of improvement that BIGG identified centered around: 1) the heavily theoretical, lecture style presentation of the trainers used by APEKSI, 2) the lack of a Training of Trainers workshop for the trainers and facilitators, and 3) the lack of adequate seating capacity in the training room. Despite this, APEKSI made a very good first attempt at implementing this workshop on their own and BIGG/ICMA is highly supportive of the association and applauds their efforts. BIGG strongly encouraged APEKSI to conduct a Training of Trainers for future workshops and more carefully consider room capacity and seating arrangements.

Performance Budget Reference Manual: Last quarter, BIGG/ICMA issued the first release of the Performance Budgeting Reference Manual to the 33 Y3 LGUs. The first release contained a sample budget calendar, sample budget instructions, and sample public information and involvement plan.

This quarter, BIGG staff further developed the Table of Contents and drafted extensive questions and answers for all five sections of the reference manual. The entire manual was translated, edited, and will be distributed in July to the Y3 and Y4 LGUs with subsequent distribution to all Indonesian LGUs.

Publications and Other Activities: This quarter, the Training and Publications Team also completed the following tasks:

- Printed and distributed bilingual versions of The BIGG Picture edition 28 on IRG's *Decentralized Environmental Management for Yogyakarta (DEMY) Activity*.
- Developed upcoming edition of The BIGG Picture on *Introduction to Accounting* (by US STA Linda Ludwig).
- Developed upcoming edition of The BIGG Picture on *International Fund Accounting* (by US STA Linda Ludwig).
- Distributed the Local Government Consulting Reference Manual to all LGUs in Indonesia.
- Prepared and distributed a bilingual insert for BIGG's brochure to explain the Y4 activities.
- Updated BIGG's website with a program update, description of Y4 activities, and recent publications (including the Local Government Consulting Reference Manual).

- Prepared written bilingual documentation of all training events conducted in Quarter 14.

### **III. Challenges/Remedial Actions Taken**

New Draft KepMen: BIGG has heard from MOHA that it has incorporated BIGG's three primary recommendations that were made during the Y3 PBB assessments into an upcoming revision of the KepMen as follows:

1. Adding program and activity to the account codes.
2. Dropping benefit and impact indicators from the KepMen forms because they are long-term measures, whereas a budget is a one-year document.
3. Including a numbering system for vision, mission, goal, objective, program, activity, and indicator so that the relationship between them is clear (e.g., shows the red thread).

### **IV. Projected Activities**

#### **Field Operations**

- Conduct Training on Material for Workshop B and C for Y4 K2K and Papua LCs and Inti Staff
- Review and finalize deliverables of Budget Calendar and PIIP of K2K and Papua
- Conduct Workshop B for Y4 K2K LGUs
- Conduct Workshop B for Kaimana, Papua
- Collect and review deliverables of Budget Instruction of K2K and Papua
- Conduct Workshop C for Y4 K2K LGUs
- Conduct Workshop C for Kaimana, Papua

#### **Training and Publications**

- Conduct 2-day Performance Reporting workshop for Papua LGUs
- Observe and provide feedback to APKASI's PBB workshop that was developed under the Association Model
- Conduct Budget Clinic II in the 6 APEKSI regions and 1 for Papua LGUs
- Assist Field Operations Team with implementation of Workshops B and C for Y4 K2K LGUs

**Task Order No.:**05

**Task Order Title:** USAEP Municipal League Development

**Period of Performance:** September 30, 2001-September 30, 2005

**USAID Office/Mission:** ANE/USAEP

**CTO:** Winston Bowman

## **I. Introduction**

In support of USAEP's Urban Strategy and Urban Regional Activities Plan, four types of assistance are requested for nascent and established municipal support organizations and Asian municipal governments in targeted countries. The task order focuses on the following four areas:

Task 1: Advisory service to newly formed and established municipal associations and local government leagues

Task 2: Technical assistance to local governments participating in Resource Cities or other donor-funded technical programs

Task 3: Facilitation of information generation and information sharing; and

Task 4: Facilitation of Grants, Study Tours and conferences

## **II. Major Accomplishments**

During this quarter, ICMA continued to work closely with the city managers' associations in India to provide guidance in association development and to help each of the associations determine their technical and financial needs. Through the USAEP Task Order, ICMA will be distributing grants to the associations that will be used to build capacity and provide better services to their members. In order to prepare the associations for these grants, which will be distributed next quarter, ICMA conducted a grant proposal workshop and budget training session for the coordinators of the associations, in Ahmedabad from June 2-4, 2004. The coordinators were asked to come to the workshop with proposals/plans that were approved by the boards of their associations, explaining how they would use the grant funding. ICMA then reviewed the plans, determined how the grants would benefit the associations and worked with the coordinators to develop timelines for receipt of the funding and grant implementation.

Additionally, ICMA hired a specialist to conduct a training session on the grant proposal process, so that the associations would be better equipped to respond to proposals, develop sustainability strategies and implement programs. Coordinators were trained on how to identify proposal solicitation requirements, how to develop and monitor budgets, and how to build successful programs. The workshop was implemented to respond to the growing need of City Managers' Associations to identify funding sources, define funding objectives and foster relationships with organizations to solicit funding for association activities.

After the workshop ICMA received status updates from the associations on the filing of FCRA paperwork, which is the approval required from the federal government to receive foreign funding/grants from ICMA and other donors. Although many of the associations had begun the FCRA process, the response time from the federal government meant additional waiting time for receipt of the grants. Rather than delaying the distribution of grants further, ICMA procured the services of the Environmental Planning Collaborative (EPC), a local Indian NGO, to help

distribute the grant funding. EPC began working with ICMA and the associations in June to monitor and deliver the first installment of funding by July.

ICMA also received status updates from the following associations on quarterly accomplishments:

### **City Managers' Association of Karnataka (CMAK)**

- CMAK and the Karnataka Urban Infrastructure and Development Finance Corporation (KUIDFC) approved the solid waste management action plan template, which will be used as a standard document for the preparation of action plans throughout the state. Local governments throughout Karnataka will receive training on this template, so that solid waste management planning will be standardized.
- CMAK held its Managing Committee meeting April 12. During this meeting, the work progress, fund utilization and investment status were reviewed by the Board and the proposed work plan was accepted. In addition, the road map for each project was finalized and coordinator contracts were extended.
- CMAK released its second newsletter this quarter, and began developing and compiling information for the next newsletter (April-June 2004 edition.)
- CMAK conducted the second workshop in its leadership series, which was held on May 6. The workshop provided an opportunity to discuss innovative practices and NGO involvement in community projects. A training session was held on the preparation of a management Action Plan (MAP), with technical assistance from CRISIL. 80 participants registered for this training, which was an interactive session that involved the sharing of case studies, concepts, group exercises and final presentations delivered by each group. CMAK is planning its next leadership workshop at Belgaum, for the first week of August.
- CMAK has begun developing seven training sessions, in association with IDECK, on tendering procedures for solid waste management equipment purchase. During these sessions environmental engineers will be trained on the preparation of solid waste management action plans. In addition, CMAK will be facilitating frequent training sessions (in association with local NGO's in Karnataka) on computer applications and alternative technologies.
- CMAK's Annual Report is being prepared for circulation to CMAK members.

### **City Managers' Association of Maharashtra (CMAM)**

- In coordination with the All India Institute of Local Self Government (AIIILSG) and Directorate of Municipal Administration, CMAM organized a workshop on Solid Waste Management, April 7-8, 2004. During the workshop, cities presented their status on:
  - Awareness creation and planning
  - Waste minimization at source
  - Segregation, collection and transportation
  - Waste processing and disposal
  - Biomedical waste management and miscellaneous

CMAM is also in the process of signing an MOU with AILSG to document best practices related to solid waste management in Maharashtra. CMAM best practice documentation will focus on the transfer mechanisms from one city to other and sustainability of such initiatives. This documentation will be used to assist the government with development and issuance of solid waste management guidelines for the state.

- CMAM distributed its second newsletter.

### **City Managers' Association of Rajasthan (CMAR)**

- CMAR appointed a computer operator for the association in April. The computer operator will assist the coordinator in administrative tasks and will help build the sustainability of the association. The decision to hire another staff member was made during the Strategic Planning Session that was conducted in March, by CMAR and ICMA-India.
- CMAR and HCM RIPA, in association with NIUA, organized a two-day workshop on the status of solid waste management in Rajasthan Cities. The workshop was held on June 15-16 and was the first in a series of solid waste management workshops. 33 participants attended and at the end of the session, recommendations were prepared and submitted to the government.

### **City Managers' Association of Madhya Pradesh (CMAMP)**

- CMAMP has translated 11 best practices from various states into Hindi, in order to disseminate among the municipal corporations and municipalities.

### **Thailand-Environmental and Urban Management**

The Best Practices Symposium was originally scheduled to take place in March 2004, however, the symposium has been delayed and is now scheduled for August 2004.

### **Vietnam-Socialization of Solid Waste Management**

During this quarter, ICMA, in coordination with the Institute of International Education (IIE), conducted a study tour on solid waste management, for nine government officials from the People's Committee in Ho Chi Minh City, Vietnam. The study tour was conducted in India, from June 7-11, with logistical coordination by IIE and programmatic development by ICMA-Consultants, Mr. P.U. Asnani and Mr. Nguyen Hien. The delegation visited Chennai to learn more about contracting mechanisms made by the city for the collection and transportation of waste; Hyderabad to learn more about the involvement of low income groups (both men and women) in the primary collection of waste and the decentralized composting of municipal solid waste by local NGOs; and Bangalore to learn more about private sector involvement in municipal solid waste management. The study tour provided a unique opportunity for local government officials in Ho Chi Minh City to learn more about the benefits of privatization of solid waste management and integration of local NGOS in the solid waste sector.

The study tour also provided delegates with a greater understanding of how cities work contractually with local companies and organizations, through local laws. Ho Chi Minh City is currently in the process of redefining existing laws and writing new legislation that allows for greater participation of the private sector in solid waste management. ICMA is providing

technical assistance to the city in the development of this legislation, through Mr. Asnani, (ICMA Consultant), who has reviewed and edited existing laws to be more inclusive of private sector integration. Recommended changes and additions were submitted to the People's Committee in June. These recommendations will be incorporated into the new legislation, which is scheduled to be released in the coming year. The legislation assistance and study tour implementation was a coordinated effort to provide greater awareness of solid waste management issues to the People's Committee, while providing practical and useful assistance in legislation development for the improvement of solid waste service delivery.

In addition to the solid waste management activities in Ho Chi Minh City, ICMA began the feasibility study for the proposed implementation of the Coastal Cities Environmental Sanitation Project. The Coastal Cities Environmental Sanitation Project is a World Bank Initiative that is scheduled to be implemented in the coming year. ICMA has been asked to collect and analyze the baseline data of three coastal cities and to conduct a review of solid waste management (including septic tank emptying) needs over a 15-year planning horizon for the three project cities. This study was initiated by ICMA Consultant, Mark Koller, in June and will be completed in August. ICMA will compile the information in the form of a feasibility study and identify potential for private sector participation in solid waste management.

### **Sri Lanka**

ICMA and USAID are currently exploring opportunities for the expansion of the CityLinks partnership between Kotte, Sri Lanka and Travis County, Texas. The partnership between the cities is focused on solid waste management and budget/finance training. Through a series of technical exchanges, ICMA will provide assistance to Kotte that allows the city to develop practical tools to respond to environmental challenges. The first exchange was conducted in March 2004 and was successful in providing greater awareness of the environmental challenges and budgeting needs within Kotte. Kotte has requested additional technical assistance; as such ICMA and USAID are researching opportunities to leverage current available resources under the USAEP Task Order, with additional funding.

### **Philippines-Support to the League of Cities, Philippines**

In recognition of capacity building assistance needs within the League of Cities, Philippines (LCP), ICMA has proposed the development of a technical partnership between an association in the United States and the LCP. Through a mentoring relationship, LCP would receive hands-on assistance from another association in member services delivery, definition of board and staff responsibilities and development of association programs. ICMA would facilitate awareness building that would allow the LCP to better respond to member needs.

The LCP has expressed an interest in a partnership; however, they have been undergoing structural changes within the association. Once the structural changes have been implemented, ICMA will identify a qualified and compatible partner for the LCP and organize meetings in the Philippines to solidify the partnership.

### **III. Challenges/Remedial Actions Taken**

#### **India**

Distribution of the grant funding has been delayed due to federal restrictions within India. Each of the associations must file for FCRA approval, in order to receive foreign funding, which generally takes 3-6 months to receive. ICMA continues to assist, wherever possible, in the FCRA process, and has helped many of the associations submit the correct paperwork. The approval time, however, continues to delay grant activities and many of the associations have an immediate need for funding. To facilitate the disbursement of this funding, ICMA hired the Environmental Planning Collaborative (EPC) this quarter, to assist with grant distribution. EPC is a local Indian NGO that is able to transfer funding directly to the associations and will assist with the monitoring of programmatic activities related to the grants. ICMA plans to initiate the first deposit of funding, directly to the association, by July.

The release of funding will allow some of the associations to pay back-salary owed to their coordinators or hire additional staff to assist with the implementation of programmatic activities. Although coordinators are integral to the development of the associations, lack of funding or competing needs means that many associations are unable to finance coordinator salaries or hire more staff to account for increased membership driven activities. In response to the budget shortages, ICMA has agreed to allow associations to use partial grant funding for coordinator salaries or to hire research associates for specific programs, which is intended to alleviate some of the financial burden.

#### **Philippines**

Due to structural changes in the LCP, association activities in the Philippines are currently on hold. Once the new LCP board has been elected (June 2004) and institutional changes have been implemented, ICMA will facilitate the partnership for the LCP. ICMA is currently identifying associations with relevant technical expertise for the LCP.

### **IV. Projected Activities for the Next Quarter**

1. Distribute grant funding to city managers' associations in India and continue monitoring grant activities.
2. Continue to assist with the publishing of newsletters for each of the CMA's in India
3. Continue to provide guidance to the city managers' associations in India, on membership fee collection
4. Conduct the final technical assistance visit to Ho Chi Minh City, Vietnam to provide follow up/additional recommendations on privatization legislation.
5. Continue to provide in-country assistance to the People's Committee, through ICMA Consultancies.

6. Complete the feasibility study of the three selected coastal cities in Vietnam and submit final report to USAEP and the World Bank.
7. Identify a partner association for the League of Cities Philippines and develop an exchange schedule for the partnership.
8. Collaborate with Chulalongkhorn University to define and plan the best practices/innovations in local government symposium for Thailand.

**Task Order No.:** 10

**Task Order Title:** Information Communication Technology Applications in Support of Municipal and Local Development in Bolivia

**Period of Performance:** October 1, 2002 - June 30, 2004

**USAID Office/Mission:** USAID/Bolivia

**CTO:** Diego Ayo

## **I. Introduction**

During this final quarter, project staff focused on several activities, the establishment of the baseline study, the development of a strategy and the actual transfer of the portal to the Federation of Associations of Municipalities (FAM), and the completion of studies on how to address indigenous community and regional concerns from a municipal perspective.

## **II. Major Accomplishments**

### **Support to the First Latin American Congress of Municipalities**

Throughout the period, Enlared continued to operate its network of correspondents and publish municipal news items and columns, including its weekly on-line bulletin. Of significance was the online, live coverage of the First Latin American Congress of Municipalities carried out by Enlared staff in April. The coverage enabled municipal representatives from the Region who could not attend the conference and other interested individuals to virtually attend congress sessions. Four newspapers were developed specifically for the Congress and published daily during the Congress. The coverage received high acclaim from Congress organizers (the FAM and IULA/FLACMA – the International Union of Local Authorities/Latin American Federation of Municipalities and Cities). Enlared was also responsible for developing the on-line registry system for Congress participants and designing and hosting the Congress website.

### **Support to National-level Initiatives**

*Referendum and Municipal Elections:* Two CDs have been created to support the associations with condensed information presented in a didactic format.

Enlared contracted with the team of Dr. Xavier Albo and Dr. H.C.F. Mancilla to develop studies on how to address indigenous community and regional concerns.

### **Baseline Study and Transfer of Project to the FAM**

Following a direct invitation procurement process, a company was jointly selected by FAM and USAID to carry out a baseline study. The results of this study, submitted to FAM and USAID, served as information for the preparation of proposals for the Enlared bidding process.

A transfer strategy was established that was agreed upon with the FAM and USAID. This strategy had three specific activities:

1. An activity-by-activity transfer of capacities carried out daily in agreed upon sessions with the personnel that FAM designated for the process. One-on-one sessions were held regarding the

technological aspects of the Portal as well as those related to the administration of the news agency and the provision of training.

2. Enlared staff developed seven manuals covering all aspects of the project and transferred those to the FAM and other members of the Bolivian associative system during a workshop conducted June 3 and 4.

3. Enlared held a Closing Act on June 24 in which the associative municipal system and the public were transferred over general material on the project as well as the project's annual report and lessons-learned document, election and referendum CDs, and a collection of CDs of the work carried out in the course of three years, including a study on POAs.

The field office was closed on June 30, 2004. All equipment and supplies were transferred to the FAM.

### **III. Challenges/Remedial Actions Taken**

N/A

### **IV. Projected Activities for the Next Quarter**

ICMA will complete close-out of the project financials and submit a final invoice to USAID.

**Annex 1: Financial Information**  
*(will be submitted under separate cover)*