



Sustainable Urban Management IQC

USAID Quarterly Report XIX

July-- September 2004

Prepared for the U.S. Agency for International Development

**International City / County Management Association
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July1- September 30, 2004

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Task Order No.: 3

Task Order Title: Local Economic Development Speaker Series, Case Studies and Briefing Paper

Period of Performance: 7/9/04-1/31/05

USAID Office/Mission: Washington, D.C.

CTO: Edgar Thornton

I. Introduction

The purpose of this quick-response task order is two-fold:

1. **Speaker Series:** To conduct four ½ day panel discussions that provide a practical perspective on different aspects of local economic development, including what it is, who does it, why and how it intersects with other issues and sectors of development. The topics (and content) were provisionally agreed between ICMA and the Office of Urban Programs prior to signing this task order as follows:

Session One – The Framework for Economic Development and Creating Enabling Environments for Growth and Investment in Developing Countries

Session Two – Integrating City-Regional Economic Development and Strategic Planning Processes

Session Three – Tools and Techniques of Economic Development: What Works (and Doesn't)

Session Four – Financing Economic Development

2. **Case Studies:** To draft three short case studies (4-6 pages) drawn from ICMA's experience implementing economic development related programs. The case studies are intended:

- To provide a brief background on the program/project
- A description of ICMA's role
- To discuss the initial LED strategy and priorities
- To identify the key LED indicators of success (i.e., job retention/expansion figures, new investments, new jobs created, other indicators, etc.)
- To examine the program/projects' current state of affairs or next strategic plan focus
- To describe how the program evolved
- To summarize the key lessons learned

ICMA and USAID agreed that the case studies would address the following three examples of economic development initiatives:

1. The Johannesburg Development Agency (JDA). The JDA was established with USAID/ICMA support in 2000 to play a leading role in the economic revitalization of the inner city of Johannesburg, the primary commercial city of South Africa.
2. The Downtown Kingston Management District (DKMD). The DKMD received USAID/ICMA assistance from 1996 – 1998 in strengthening its institutional capacity to improve the business climate in downtown Kingston, Jamaica.

3. The Bulgaria Economic Development Consortium. Under the auspices of the USAID Resource Cities and CityLinks programs, ICMA and the Foundation for Local Government Reform have been working with a group of 14 Bulgarian cities to develop a cadre of skilled economic development professionals in each city and institute reforms and LED-related programs that certify them as good places to do business.

II. Major Accomplishments

1. Speaker Series:

- The first session of the four-part speaker series took place on July 28th. Jeff Finkle, Executive Director of the International Economic Development Consortium and Philip Dunlap, Economic Director for the City of Auburn, AL, served as panelists. Approximately 25 USAID staff and implementing partners participated in this first session, which received extremely high marks from participants for its relevance and usefulness.
- Planning began for the second session in the speaker series, which is scheduled to take place on October 26th. ICMA and USAID engaged in a number of discussions concerning the focus and content of this session.

2. Case Studies:

- First drafts of the JDA and DKMD case studies were submitted to ICMA. ICMA has provided comments to the authors, and anticipates submitting drafts of all three case studies to USAID in November.

III. Challenges/Remedial Actions Taken

Reaching a clear consensus on the specific focus of the second session in the speaker series was a challenge. ICMA and USAID staff expended a lot of time and effort discussing the content of the session. The focus and agenda continued to be redefined changed up until a few days before the session was scheduled to take place. Going forward, ICMA believes that it is critically important that a clear, mutual understanding of the specific focus and content for the two remaining sessions in the speaker series be agreed with USAID by mid-November, so that this experience is not repeated and unnecessary time and effort expended by either party.

IV. Projected Activities

1. Speaker Series:

- Conduct the second session on October 26th.
- Provide USAID with a brief summary of the session and of participant evaluations.
- Reach consensus concerning the specific goals and content for sessions three and four, and of the dates that these sessions will take place by mid-November.
- Based on the outcome of the above, begin planning for sessions three and four.

2. Case Studies:

- Submit first drafts of all three case studies to USAID for review.
- Based on USAID comments, prepare revised drafts.

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 July to September 2004 (Quarter 16), summarizing the major accomplishments and challenges for the fifteenth quarter along with the planned activities for the next quarter.

II. Major Accomplishments

Field Operations

K2K Model

Training on Materials (TOM) for Workshop B and C for Year 4 K2K and Papua Local Coordinators and Inti Staff: 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 B and C materials for the local coordinators from July 6 to 8, 2004 in Sheraton Bandara Hotel, Cengkareng, West Java. The TOM B and C were attended by 6 Inti staff, 17 local coordinators, 8 team leaders, and 3 training and publications staff, for a total of 34 persons. Because of the tight schedule and ticketing problems, Inti staff person from Balikpapan did not attend this TOM.

Workshop B K2K: The Field Operations and Training team conducted the two-day Workshop B for the 12 new satellite local governments in July and August 2004. The workshops were attended by an average of 29 persons per local government for two days for a total 710 training days.

Workshop C K2K: The Field Operations and Training team conducted the two-day Workshop C for the 12 new satellite local governments in July and August 2004. The workshops were

attended by an average of 29 persons per local government for two days for a total 694 training days.

Information Sharing K2K: The Inti local governments each conducted a half-day Information Sharing Workshop with their respective satellite local government partners in July and August 2004. Team leaders and local coordinators assisted with the facilitation of each workshop. Local government officials shared their experiences in preparing and implementing performance budgeting. Each workshop was attended by an average 65 persons for a total of 273 training days.

K2K Deliverables Status: BIGG has requested that all Y4 K2K LGUs submit their final budget calendar and public information and involvement plan (PIIP) before they received Workshop B in July.

Performance Reporting Workshop for Kabupaten Sleman: Since the staff of Sleman were involved in a Special Project in BIGG/ICMA's third year of implementation, they did not receive the Performance Reporting workshop that all other Y3 local governments received. Therefore, this quarter, the field operations team conducted a two-day Performance Reporting workshop for Kabupaten Sleman. This was not a requirement of the workplan, however, BIGG/ICMA felt it was essential that Sleman staff receive this workshop.

Papua Program

Performance Reporting:

The Training Team conducted a two-day Performance Reporting Workshop for six local governments in the Bird's Head region of Papua. Eighteen local government staff were trained at the workshop, which was held in Manado from August 5-6, 2004.

Workshop B for Kaimana, Papua:

Workshop B was conducted in Kaimana on August 10 and 11, 2004. The workshop was attended by 22 participants including the 5 elected local legislative members.

Workshop C for Kaimana, Papua:

Workshop C1 was conducted in Kaimana on August 11, 2004 and C2 in Sorong on September 30, 2004. The workshop C1 was attended by 24 participants, and C2 was attended by 25 participants (20 local legislative members and 5 Council Secretary Staff).

PBB Assessment for Y3 Papua LGUs

This quarter, the Training and Publications and Field Operations Teams conducted a one-day assessment workshop to assess the Y3 Papua LGUs performance budgets. While this was not a requirement of the workplan, BIGG/ICMA felt that this workshop would provide much needed input for the Papua LGUs to improve their Y4 budgets. Eleven local government staff from the three participating kabupatens - Manokwari, Kab FakFak and Kab Sorong attended this assessment workshop which was conducted in Bali.

Salary Restructuring Opportunity for LGUs

In June, five of the original nine local governments interested in the PROFESI (Program For Effective Staff Income) program signed an MOU to participate. Important PROFESI developments this quarter include the following:

- Firm commitments from three local governments (Kota Bukittinggi, Kabuapten Sukohardjo, and Kabupaten Takalar) to implement PROFESI.
- Appointment of technical teams within the participating local governments to implement the PROFESI program.
- Finalization of the PROFESI model and formulation for distribution of income subsidies (for Kabupaten Takalar).
- Introduction of the PROFESI program to the participating local government staff.

Two of the three local governments participating in the PROFESI program determined that it would be better for them to begin the implementation in the 2005 fiscal year on a city-wide basis as opposed to beginning with one or two departments during the last four months of 2004. BIGG/ICMA agreed to support them in this decision although BIGG will not be available to provide further assistance after February 2005 since its program will end at that time. In the meantime, Kabupaten Takalar is already implementing the PROFESI program in two departments from August to December this year – and will implement the program across all departments in 2005.

IRG's Decentralized Environmental Management for Yogyakarta (DEMY) Activity

This quarter, IRG presented its final report on its DEMY (Decentralized Environmental Management for Yogyakarta) activity regarding intergovernmental coordination on solid waste management and waste water management. The workshop was held on July 12 in Yogyakarta. The workshop focused on the presentation and review of two reports prepared for this final activity of DEMY: 1) Action Plan for Solid Waste Management in the Greater Yogyakarta Metropolitan Region and 2) Outline Strategy for Wastewater Management in the Greater Yogyakarta Metropolitan Region. Both reports were well received by the representatives of the Joint Secretariat for the three affected local governments of Kota Yogyakarta, Kabupaten Sleman, and Kabupaten Bantul. IRG's assistance through this activity was greatly appreciated by the Joint Secretariat since it provided them with the technical input. GTZ also made a promise to provide additional funding to support a follow-up project.

Training and Publications

Budget Clinic II: This quarter, BIGG's Training Team designed and conducted 7 one-day Budget Clinics. These one-day clinics are the second round clinics out of a three-part series. Six of the clinics were conducted in the APEKSI Regions and one was conducted in Makassar for the 9 Papua LGUs in the Bird's Head Region. All LGUs in a given APEKSI region were invited to attend the clinics in their respective areas. Budget Clinic II started this quarter and will be completed in the next. Budget Clinic II provides local government participants with an introduction to double entry accounting and an overview of how to use the Performance Budgeting Reference Manual recently produced by BIGG/ICMA. Clinic II also provides

participants with an opportunity to identify some of the problems they are having linking planning and budgeting processes and documents.

Workshop C2 for Province of South Sulawesi: This quarter, BIGG conducted a one-day workshop in Makassar for provincial staff from the Province of South Sulawesi. This one-day workshop provided senior level provincial officials with an understanding of the importance of performance budgeting for local governments so that they will be supportive to local governments as they implement performance budgeting. The workshop was attended by 85 participants including SEKDA; new heads of local legislative councils from 15 kota and kabupaten in the province of South Sulawesi Province; and Echelon 2 provincial staff. Materials for this workshop were adapted from BIGG's C2 workshop, which provides a broad overview to the 12 steps to preparing a performance budget. Staff from the University of Cendrawasih assisted BIGG staff with workshop facilitation.

Performance Budget Reference Manual: This quarter, BIGG distributed the Performance Budget Reference Manual to all local governments in Indonesia as well as posted the manual on BIGG's website.

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 29 on Data Collection and Analysis.
- Updated BIGG's website with a program update, description of Y4 activities, and recent publications (including the Performance Budgeting Reference Manual).
- Prepared written bilingual documentation of all training events conducted in Quarter 15.

Program Coordination

Joint Coordination Unit Activities – BIGG and PERFORM

BIGG and PERFORM gave presentations to the USAID Mission Director on August 19, 2004, to highlight program overviews and results to date. Four USAID programs that are all working with the local government of Probolinggo (namely BIGG, PERFORM, MBE and MSH) held a joint coordination meeting on September 14, 2004 to coordinate how the programs will work together in that local government. It was agreed that BIGG would take the lead to develop presentation materials for a follow-up meeting to be held in Kabupaten Probolinggo with local government staff. Participants at this follow-up meeting will discuss the coordinated activities supported by the four USAID projects in Kabupaten Probolinggo. In addition, BIGG took the lead to develop a clinic session that will bring together all four programs staff in one room (to be provided by Probolinggo's Department of Planning (Bappeda) to interact with each other and to provide joint discussions with any Probolinggo staff members who want to obtain information or technical advice with respect to implementation of project activities.

All four programs attended a joint follow up meeting at USAID's Jakarta office on September 24, 2004 to discuss the results of the Surabaya meeting and determine any further steps to be taken towards coordinating program activities. Each program presented additional information to

demonstrate how the individual programs are attempting to develop coordinated activities between two or more of the four USAID programs. One suggestion that emerged from this meeting was to bring in an outside consultant to review the coordination of activities that will take place in Kabupaten Probolinggo most likely in November or December 2004.

Coordination in East Kalimantan

This quarter, BIGG coordinated with PERFORM in East Kalimantan in two ways: 1) PERFORM joined BIGG's Workshop C to present participants with an overview of PERFORM's PDPP program and illustrate the integration of the planning and budgeting functions and 2) PERFORM worked with BIGG to review of department strategic plans, general policy directions, and strategy and policy documents that are used in budget preparation.

Coordination in Papua

This quarter, BIGG worked with NDI to train newly elected local legislative council members in the three participating local governments in Papua - Kabupaten Kaimana, Kabupaten Fak-fak, and Kabupaten Manokwari). BIGG's one day C2 workshop, which is directed a council members C2 workshop, was added onto NDI's 4-day training workshop in order to provide the new council members with a package covering their new responsibilities and an overview of performance-based budgeting.

III. Challenges/Remedial Actions Taken

No challenges and/or issues reported for this quarter.

IV. Projected Activities

Field Operations:

- Finalize receipt and review of the Budget Instruction deliverables.
- Complete the delivery of Workshop C2 for Bukittinggi and Sukoharjo.
- Conduct the second round of information sharing workshops, if needed.
- Observe the budget hearings in Y4 local governments before the budget is approved.
- Assist Y4 local governments with the preparation of the performance budget for their focus area before it is submitted to BIGG.
- Assist local governments in the PROFESI program with the preparation of and approval of a decree to implement the PROFESI program throughout the local government.
- Analyze the work load for each local government department and develop job descriptions for all positions within selected departments.
- Finalize the formula for distributing the income subsidy.

Training and Publications

- Complete the delivery of Budget Clinic II in 3 APEKSI regions (Balikpapan, Surabaya, and Medan).
- Design and deliver Budget Clinic III in the 6 APEKSI regions and for LGUs in the Birds' Head Region of Papua.

- Prepare The BIGG Picture on the *Introduction to Fund Accounting and International Fund Accounting* for publication.
- Conduct evaluation of BIGG's Program Models in preparation for final report.

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

India

During this quarter, ICMA conducted a roundtable meeting with the city managers' associations in Bangalore, India. The meeting was held in coordination with the Best Practices Symposium for the Bangalore-Reno CityLinks Partnership on September 30. Associations were invited to attend the symposium to learn about the one-stop shops developed by Bangalore and to determine whether the achievements of Bangalore could be replicated in their cities. The roundtable meeting was held on October 1 and included board members and coordinators from eight associations across the country. Each association was given the opportunity to share their experiences and successes, discuss the CMA movement and receive technical assistance on the development of staff roles and responsibilities.

The morning session consisted of an open dialogue on board responsibilities, facilitated by the Director of ICMA's CityLinks Program, the Director of Association Programs in India and the Vice President of ICMA's Board of Directors. During the roundtable session, each of the associations completed the Municipal Association Survey Index. The survey was created by ICMA to measure the development progress of an association and quantifies how successful an association has been at building financial solvency, developing advocacy platforms, creating association leaders, managing human resources and providing member services. After completion of the surveys, ICMA compiled the information and presented the findings in graphical format to the associations. The information was used to highlight each association's strengths and weaknesses to determine where future assistance was needed. The information also highlighted which areas associations could collaborate in, to make the CMA movement more successful.

In addition to the roundtable session, ICMA began distribution of grant funding to the associations this quarter. Each association will receive a total of \$5000, which will be used to

improve member services, develop association programs and hire additional staff, as needed. In coordination with the Environmental Planning Collaborative (EPC), ICMA is monitoring the distribution of funds and capacity building initiatives.

Thailand-Environmental and Urban Management

During this quarter, USAEP, ICMA, the National Research Center (NRC) and the Kenan Institute of Asia (KIASIA) began discussing future collaboration on the development of citizen surveys and the provision of technical assistance to city managers in Thailand. The National Research Center (located in Boulder, CO) is the organization that developed and owns the rights to ICMA's citizen participation surveys. NRC will send two representatives to Chiang Mai in November to implement a training workshop for city managers on how to structure and conduct citizen participation surveys. As a follow on to this training, ICMA will design a study tour to Boulder, Colorado for city managers that will focus on how various citizen groups, realtors, developers, the city government and the state government work together to define their development plan. Boulder, CO has been selected because it is a smart growth area that has used citizen surveys as a key part of their development agenda. Study tour participants will also work with NRC to develop their own citizen surveys for distribution in Thailand.

Vietnam-Socialization of Solid Waste Management

During this quarter, ICMA concluded the technical assistance it has been providing to Ho Chi Minh City, Vietnam. 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 has reviewed and edited existing laws to be more inclusive of private sector integration. In September, Mr. Asnani (ICMA Consultant) worked with the People's Committee in Ho Chi Minh City, as well as the Department of Natural Resources and Environment (DONRE) to finalize the recommended changes. Three districts within Ho Chi Minh City have expressed interest in including the recommended language changes to their legislation and recognize the need for working with local companies and organizations to make solid waste collection more efficient. The legislation assistance and study tour implementation (June 2004) 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 completed the first draft of 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 collected and analyzed baseline data of three coastal cities to conduct a review of solid waste management (including septic tank emptying) needs over a 15-year planning horizon for the three project cities. The study was conducted in July and the first draft of the study was released to ICMA and the World Bank for review in August. The final version of the study is scheduled to be completed in early November and will be translated into Vietnamese.

Sri Lanka

ICMA and USAID continue to explore 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 (LCP)

USAEP, ICMA and the LCP continue to explore technical assistance needs. 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.

III. Challenges/Remedial Actions Taken

India

The associations continue to have difficulties retaining coordinators, due to a shortage of funding for staff, challenging work environments and limited professional growth. The coordinators from CMAR and CMAU resigned from their associations in September and other coordinators have expressed future plans of resignation. ICMA continues to work with board members and coordinators in the associations to emphasize the need to better define staff roles/responsibilities, to pay salaries in a timely fashion and to provide professional development opportunities for staff members. ICMA also assists with the recruitment of new staff (when coordinators resign) and provides training (when requested) to newly hired association employees.

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, delayed grant activities. To facilitate the disbursement of this funding, ICMA hired the Environmental Planning Collaborative (EPC) last 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 initiated the first deposit of funding, directly to the associations in July. The release of funding allowed associations to hire more staff, develop more training programs for members and build institutional capacity.

Philippines

Due to structural changes in the LCP, association activities in the Philippines were on hold. The new LCP board was elected in June and ICMA has resumed discussions with USAEP/LCP on the implementation of future assistance. ICMA is currently identifying associations with relevant technical expertise for the LCP.

IV. Projected Activities for the Next Quarter

1. Distribute second installment of 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. Release the final version of the feasibility study and translate report into Vietnamese.
5. Identify a partner association for the League of Cities Philippines and develop an exchange schedule for the partnership.
6. Collaborate with KIAAsia and NRC on the implementation of training to city managers in Chiang Mai and Thailand, on citizen survey development.

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