

**Support to the ASEAN Regional
Environmentally Sustainable Cities Programme**

Summary Appraisal Report for the Project

"Clean Air for Smaller Cities"

1. Purpose of the Mission

The purpose of the Project Appraisal Mission was to update relevant information and verify the significance of the proposed project by the members of the ASEAN Working Group on Environmentally Sustainable Cities (AWGESC). Further objectives of the Mission were to develop ideas for selection criteria of pilot cities as well as to identify the potential for ensuring the long-term sustainability for activities started under this project.

This summary report shall serve the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH as the basis for eventually preparing a proposal to the German Federal Ministry for Economic Cooperation and Development for consideration and approval.

The mission took place in early November 2006 (Singapore, Indonesia and Thailand), end of November (Malaysia, Philippines) and end of January (Cambodia and Vietnam). In the case of Lao PDR, a meeting with the Focal Point took place during the international conference "Better Air Quality 2006" in Yogyakarta, Indonesia. Brunei and Myanmar have not been visited. The Mission had meetings with the Chairman of AWGESC (Singapore) and with the Focal Point's organisations, mainly the ministries or agencies responsible for the environment and in most cases also with representatives from cities.

Members of the Mission were Mr Hannes Cassens (only early November) and Mr Roland Haas, both from GTZ Head Office.

The Mission members wish to express their appreciation to the Focal Points and other representatives whom they met during the mission for their valuable support and the information provided.

2. Background of the Appraisal

Cities in Southeast Asia are at varying stages of development, yet they face similar problems. With a rapidly growing population and high rates of industrialisation and urbanisation, the demand for transport, water, energy and solid waste management infrastructure pose a serious environmental challenge to all ASEAN countries.

In March 2003, the ASEAN Environment Ministers endorsed the "Regional Environmentally Sustainable Cities Programme" (RESCP) and agreed to form an ASEAN Working Group on Environmentally Sustainable Cities (AWGESC) to drive this initiative. Singapore is the current Chair of the AWGESC. The Framework for Environmentally Sustainable Cities in ASEAN was developed in December 2003, with the vision "Towards Environmentally Sustainable Cities in ASEAN." Member countries have since then nominated 24 cities to participate in the implementation of the Framework. In 2005, the ASEAN Environment Ministers endorsed the ASEAN Initiative on Environmentally Sustainable Cities (AIESC), which replaces the RESCP and serves as an overarching mechanism for ASEAN cities to pursue environmental sustainability. This initiative goes beyond the scope of Clean Air, Clean Water and Clean Land, to include green and blue issues in the future.

The next step would be to operationalise the AIESC for the 24 participating cities, and use best practices to help these cities to develop and fine-tune their action programmes in implementing the Initiative.

Medium-sized cities have a vital role to play in national development. These are cities that stand between the mega-cities and small towns and villages, function to link together populations into an integrated national community.

However, medium-sized cities face a variety of serious problems, among which are the following:

- There is a tendency for these cities to be neglected in overall development planning and in national and international consideration;
- lack of capacities for generating sufficient local financial resources to attend to their problems or insufficient capacities to utilize the resources that are available to them;
- lack of strong and effective administrative structures, and adequate numbers of trained technical personnel;
- extensive environmental degradation.

At the 3rd Meeting of the AWGESC in 2005, the GTZ-representative of GTZ presented a project proposal jointly developed by NEA of Singapore (the Chairman of AWGESC) and GTZ entitled: "Support to ASEAN Regional Environmentally Sustainable Cities Programme (RESCP)", which aims to assist participating cities in AIESC to establish and implement action plans to address air pollution and urban transport challenges. The Meeting noted that the proposal is in line with the objectives of the Framework on ESC. Following up the decision of the meeting, ASEAN Secretariat submitted the project proposal to the German Ministry for Economic Cooperation and Development (BMZ) for their funding consideration.

The requested funding support principally includes:

- one international and one long-term regional (from ASEAN member countries) consultant for the total project period of 4 years
- local country experts/managers, one in each participating cities
- international and local short-term experts, working closely together in various fields (to be defined during the national and city workshops)
- funds for organising city, national and regional workshops and conferences.

3. Counterpart Organisation and Executing Agencies

The project partner is ASEAN and the responsible unit within the ASEAN Secretariat is the Environment and Disaster Management Unit (EDMU) of the Bureau for Resources Development (BRD). The ASEAN Secretariat (ASEC) in particular acts as a resource base, providing advice and information, in addition to coordinating the implementation of regional activities and programmes and servicing meetings of the ASEAN bodies. The ASEAN Secretariat plays an important role in ensuring proper coordination between activities of various other sectoral areas so as to promote synergy and avoid duplication..

The most important executing agency for the project will be the AWGESC. It works under the Chairmanship of the National Environment Agency (NEA) of Singapore. Under its guidance the Working Group has been working successfully. However, the effective support of NEA to the Working Group could be enhanced, if support were directly rendered to the participating cities. NEA has recognised the potential of the project in reinforcing its own involvement and has offered to host the regional head office of the project. Similar offers have been made by Malaysia and Thailand which would also be ideal hubs for regional activities. Due to its physical vicinity to NEA, the project appraisal mission would prefer Singapore as the project hub.

Since the project is directed to support smaller/medium sized cities, their administrations and the relevant national authorities are further executing agencies.

A project period of four years, followed by an “after-care” period of 2-3 years, would allow the self-propelling continuation of the project activities. After four years of project activities, comprehensive air pollution control plans will exist in at least 10 cities of the region and at least 7 cities are about to implement their plans. This creates a bulk of experience in the region which will secure the further continuation of efforts.

Additionally, it is envisaged to establish a network of urban authorities and experts dealing with air quality in the region. Further important partners for the long-term sustainability of the project activities will be national and international cities’ associations, such as the “United Cities And Local Government Organisation – Asia Pacific Regional Section” (UCLG-ASPAC) and Citynet - Regional Network of Local Governments for the Management of Human Settlements.

AWGESC works with Focal Points in each member country. These are representatives, mostly senior officials of national government bodies and belong to ministries of environment or environmental agencies. The project will take into consideration the selection of cities already nominated by the national governments to cooperate with AWGESC. However, additional criteria, such as city commitment, existence of at least rudimentary environmental plans etc. will be helpful to finally select the cities for cooperation with the project. It is planned to have two cities in each participating country (Cambodia, Indonesia, Laos, Malaysia, Philippines, Thailand and Vietnam) included in the programme. Some of the countries already have ongoing activities to clean the air of their metropolitan areas. Indonesia, Thailand and Philippines also have programmes for smaller cities, but without external assistance as these cities are usually not included in the international/funding partners’ programmes.

4. Results and Objectives

The envisaged results of the project are improved air quality in smaller cities and hence healthier living conditions for their inhabitants. The outputs consist in supporting city governments and national authorities in the development and implementation of clean air plans with the participation of relevant target groups (civil society). This leads directly to a further qualification of the personnel of involved authorities and consulting companies commissioned with part of the implementation. The participation of civil society and intensive public relations activities result in an increased awareness among the population of the need to improve air quality and the preparedness to support related measures.

Industrial and vehicle emissions will be reduced or at least the rate of increase will be slowed if the outputs of the project are used (direct benefit). The indirect benefits will result in a healthier population and a lower incidence of lost productive days in industry.

The results of the project can presently only be described in general terms. Specific results will be described during the action planning process for each city. The measures of the project will also make a direct contribution to reducing greenhouse gas emissions. Any reduction in fuel consumption, e.g. through improved public transportation systems will result in less emission of carbon dioxide.

The proposed **project objective** is: “Smaller and medium-sized cities are increasingly able to develop and implement measures to improve the air quality and contribute to sustainable city development”.

The **indicator** to measure the achievement of the objective could be that clean air plans (action plans) are available for at least 10 cities (200,000 – 1.5 million inhabitants) and in at least 7 cities the plans are under implementation. Indicators will be more specifically defined for each action plan of the cities. Monitoring systems will also be introduced to follow-up implementation compliance.

The **target group** of the project is the population of smaller and medium-sized cities of the ASEAN region. Intermediaries are decision makers and planners in cities and in authorities at national level as well as representatives of the private sector and non-government organisations.

Environmental protection strategies and policies form an integral part of the city development plans in most ASEAN cities. The project aims to contribute to these plans effectively.

5. The Project Concept

The project provides methodological, financial and technical support in the development and implementation of plans and programmes to reduce air pollution in smaller and medium-sized cities (200,000 – 1.5 million inhabitants) as well as to promote the establishment or the enhancement of existing expert information networks.

The methodological approach is directed towards target group participation.

National workshops will be organised jointly with the Focal Points in seven ASEAN countries (Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Thailand and Vietnam), during which the project rationale will be presented and the public will be sensitised for the issues relevant to environmentally sustainable cities. Participants will be city councils/local government representatives, national government (ministries responsible for housing, transport, public works etc), private sector representatives (transport operators, industry, consulting firms, construction companies etc), consumer and other associations, universities, media etc.

During the national workshops, a criteria-based final selection of the two pilot cities of that country will be made. Priority will be given to those cities which are already participating in AIESC.

Subsequently, the planning process starts in the two participating cities for each country with considerable participation of the private sector, universities, non-governmental organisations etc. If clean air plans already exist, they will be jointly reviewed and revised, if necessary. Such plans should include the measures, their justification, the responsibilities and the time frame for implementation, the total cost and benefits (as far as possible in quantifiable terms).

The project then assists the cities in the implementation of the plans. Where they do not yet exist, it could also involve base-line studies, e.g. air quality monitoring or transport demand analysis etc. for which the project provides mainly technical assistance. If substantial funds are required to implement measures, e.g. investment in public transport or funds for filter technologies for industries, the project would provide assistance in finding development bank assistance and preparing bankable documents.

A national steering committee should supervise and overview the progress of planning and implementation of measures in the participating cities.

The cooperation with the cities could start immediately after each national workshop and parallel to the preparation of national workshops in other countries. It is planned that all national workshops will have been carried out during the first two years of the project. Thereafter, full concentration on cities may take place.

Regularly, e.g. twice a year, a national progress review workshop will be organised to enable other cities in each country to benefit from the know-how. This could be in conjunction with other major cities' events (e.g. annual mayors' conferences). About once a year, the national experiences will be presented at international workshops. Preferably, they should be organised in conjunction with other conferences at ASEAN level.

The project will establish an overall Steering Committee which should include representatives of national and city governments, ASEAN Secretariat and GTZ. Furthermore, an Advisory Panel consisting of regional and international air pollution control experts will assist in project implementation.

The project will intensively cooperate with the Clean Air Initiative for Asian Cities (CAI Asia), an initiative jointly established by the World Bank and the Asian Development Bank (ADB). CAI Asia is presently going independent as an NGO but still cooperating with and financially depending on ADB. Other contributors to CAI Asia are governments and the private sector.

Close cooperation is also foreseen with the City Development Initiative for Asia (CDIA), an organisation recently (early February 2007) established by the ADB and the German Federal Ministry for Economic Cooperation and Development (BMZ). Although its mission is much broader than air pollution, it could play an important role in financing also air quality-related investments. The GTZ will be commissioned to execute the German part of CDIA.

Wherever applicable, the project will closely cooperate with existing cooperation programmes of other donors. The project will be also open for other donors or the private sector to contribute or co-finance measures either in other cities or in other sectors than air pollution control. It is hoped that the project organisation and its operational principles will be attractive enough to do so.

6. Contributions

6.1. Inputs by the German Side

The German side will provide the following inputs:

- 1 long-term expert as project director for a period of up to 4 years
- 1 long-term expert as assistant to the project director and knowledge management expert up to 2 years
- 1 regional expert as deputy project director up to 4 years,
- national/local experts for the management of clean air plans, monitoring and evaluation
- international, regional and local experts of up to approximately 70 expert-months
- sufficient funds to organise local, national and regional workshops for dissemination of experiences
- fund for the purchase of equipment in exceptional cases of up to € 100,000.

All inputs are still subject to the agreement of the German Government.

6.2. Inputs by the Partner Side

The ASEAN Secretariat shall

- facilitate the coordination/ implementation of the project,
- take active part in the Steering Committee's meetings,
- further support the AWGESC and its chairman in promoting sustainable urban development in the ASEAN Region.

The national and city governments shall

- provide sufficient counterpart personnel to set-up and implement air pollution control action plans in the participating cities (national and city level),
- provide funds as agreed in the plans in time (city and national level),
- support the cities in facilitating implementation of plans, e.g. legislation, budgeting (national level),
- provide travel costs (at least for transportation) for its personnel to participate in national and international (ASEAN region) workshops (national and city level).

7. Further Procedure

BMZ has in principle agreed to the project in its Verbal Note of December 2006. Based on the Agreed Minutes of Meeting (to which this report is attached), GTZ will submit a technical and financial proposal to BMZ. If it agrees with project details, it will commission GTZ with the execution of the project.

In the meantime, a final decision should be taken by the ASEAN Secretariat and the GTZ where the regional head office of the project will be set up. As already mentioned, Singapore seems to be the most appropriate location due to the vicinity to NEA, the organisation of the Chairman of AWGESC. Alternatively, Malaysia and Thailand may be taken into consideration.

An implementation arrangement between the ASEAN Secretariat and GTZ will be formally established after commencement of the project.