

## REPORT

### GOOD PRACTICE LABORATORY FOR EFFECTIVE URBAN INFRASTRUCTURE PROGRAMMING

20 - 22 November 2017 (Naga City, Philippines)

*Hotel & Venue: Villa Caceres Hotel*

#### ***Background and Objectives***

The CITIES DEVELOPMENT INITIATIVE FOR ASIA (CDIA) and the international cities platform *Connective Cities* and its initiators, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the German Association of Cities (DST) and Engagement Global GmbH / Service Agency Communities in One World (SKEW), in cooperation with the Municipality of Naga City, have organized the **Good Practice Laboratory for Effective Urban Infrastructure Programming** in Naga City/Philippines from 20 - 22 November 2017.

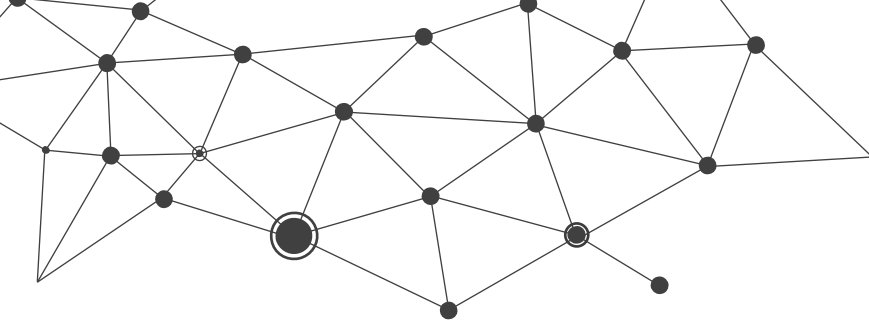
The purpose of the laboratory was to enable participants from selected Asian cities to develop urban infrastructure projects through effective planning, programming and mobilization of investments that contribute to sustainable development. The workshop supported specifically the planning of urban infrastructure through:

- Urban practitioners from Asia and Germany exchanged their experiences of different types of such projects.

At the end of the program, participants had a good understanding:

1. Of the institutional, technical and financial “ingredients” of infrastructure planning which enable the successful implementation of urban development;
2. Of the steps it takes to identify, prepare and implement urban infrastructure investments and design a feasible economic model for the project;
3. Of the initiatives, good practice experiences and different kinds of support available to strengthen competencies and skills of cities in preparing bankable urban infrastructure investment projects.

The workshop programme included presentations of case studies in plenary sessions, small group work exercises and discussions as well as site visits in Naga City.



## **Work Process**

In the first step, international participants from Germany and selected Asian cities presented case studies regarding the planning and implementation of urban infrastructure projects, and analyzed the specific local conditions and success factors for infrastructure development and financing options.

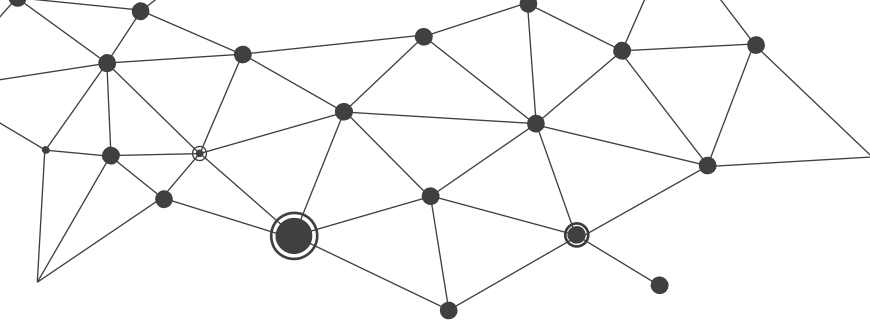
During the second step, participants from other Asian cities presented their pre-formulated project ideas on urban infrastructure planning in various sectors such as urban transport, drainage and wastewater, water supply or solid waste management.

In the third step, in the form of peer-to-peer advisory sessions, participants worked on recommendations for action focusing on specific aspects of their infrastructure projects, including the suitability to establish PPP arrangements. Each municipality incorporated this topic in the ongoing planning process.

## **Findings**

Based on the international experience and input the participants were enabled to understand that PPP is one of several funding mechanisms in urban infrastructure. PPP approaches (it is by far not only one approach) do offer alternative funding solutions – not only in a situation where public budget is limited, but also to enlarge ownerships and to improve efficiency and effectiveness of the project.

- [It will be a mistake if PPP model is only treated as to fill financial gaps]
- PPP does not apply in all local project situations.
- The type, size and characteristics of the projects as well as the existing enabling legal-political-economic environment affect the effectiveness of PPP model.
- Needs to be supported by strong leadership commitment, adequate capacity of all parties involved and shared understanding.
- Clear divisions of roles, responsibilities and benefits
- Mutual benefits (win-win scheme)
- Clear objectives and sources of revenues
- Accepted risks allocation by all parties
- Value for money
- Marketability/market-acceptability
- Supported by legal frameworks as well as political commitment
- Accepted social and environmental impacts
- Social inclusiveness guaranteed
- Project life-cycle (including O&M) to be considered



## ***Next Steps***

All representatives of the participating cities that have proposed projects and aiming to to get CDIA's support/ assistance were required to list the three immediate steps that they are planning to take after the workshop.

While this exercise resulted in a variety of immediate steps (ranging from “reporting to mayor/supervisor” (on the results of the workshop) to “changing enabling environment” (which actually will require a lot more detailed steps), it is meant to enhance all participants' commitment to apply what had been learned and acquired during the workshop into their individual work.

## ***Comments/Feedbacks from Participants***

- The workshop has enabled them to know more that PPP is possible in many different situations
- The workshop also got some participants to know that there are countries that established specific agency (The PPP Center of the Philippines) or state-owned company (PT SMI of Indonesia) to promote PPP
- There is a better understanding among participants about the variety of PPP models
- Participants also liked the workshop that is always active and interactive
- The participants in general also think that organization of the workshop is good and the agenda interesting (although some of them would like see more successful projects from CDIA)
- The workshop also connected people and allowed sharing of experience among peers
- The Mayor of Mardan has been inspired by the revitalization project of Naga River and will immediately conduct similar effort in Mardan City
- The participants in general agreed that the workshop exceeded their expectations but they also believed that follow-ups by all parties would be needed to make the workshop more meaningful for their practical project work.