



# CDIA Checklist for Inclusive Urban Infrastructure Development

**A Guide for Social Development Specialists and  
other Relevant Experts and City Officials**

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## CDIA

Cities Development Initiative for Asia

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CDIA is a regional initiative established in 2007 by the Asian Development Bank and the Government of Germany, with additional support of the governments of Sweden, Switzerland, and Austria and the Shanghai People's Municipal Government. The initiative provides assistance to medium-sized Asian cities to bridge the gap between their development plans and the implementation of their infrastructure investments. CDIA uses a demand-driven approach to support the identification and development of urban investment projects in the framework of existing city development plans that emphasize environmental sustainability, pro-poor development, good governance, and climate change.

## CDIA CHECKLIST FOR INCLUSIVE<sup>1</sup> URBAN INFRASTRUCTURE DEVELOPMENT

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### INTRODUCTION

Investments in urban infrastructure play a key role in addressing poverty in Asian cities. The long-term goal of CDIA is the promotion of sustainable, pro-poor, and inclusive urban development, leading to improved environmental and living conditions for all households in medium-sized Asian cities. All CDIA interventions aim at making an impact on the overarching development goals of:

- environmental sustainability,
- climate change adaptation and/or mitigation,
- urban poverty reduction, and
- improved urban governance.

*Urban poverty* is a multidimensional reality, and urban poor communities live with deprivations that have many shapes and forms. The “urban poor” are consequently defined not only by levels of income, lack of appropriate access to public (municipal) services, and general informality but also by other characteristics that may vary from country to country and from city to city in the Asian developing region.

CDIA defines “pro-poor urban development” as development that has direct and positive impacts on poor men and women and on the vulnerable and socially excluded population by improving:

- **equal access to municipal services** such as water, sanitation, waste management, transport, shelter, electricity, and protection against human-made or natural hazards. The poor are usually ill served by urban infrastructure, leading to a range of problems and exacerbating poverty.
- **equal access to resources**, such as financial resources, that generate employment or decent income possibilities. Targeted investments in strategic infrastructure provision or improvement, and promotion of small and medium-sized enterprises through provision of finance can stimulate pro-poor economic growth and development, leading to income generation and improved livelihoods for the urban poor. Pro-poor and socially inclusive infrastructure investments can also enhance the access of the poor and vulnerable to key assets such as land and property titles.
- **equal access to decision making**, which means participation and empowerment. The poor, including women and vulnerable groups, are generally not sufficiently involved in nor consulted on urban planning and infrastructure development. Community empowerment can be a key outcome of a well-managed project development process. Participation also provides an avenue for promoting gender equality and inclusiveness for minority groups.

CDIA is committed to ensure not only that all the projects it supports are developed in an inclusive manner, but also that a significant part of CDIA projects directly target the urban poor. Poverty reduction and the social inclusiveness of infrastructure investments supported by CDIA embrace both the targeted approach and the inclusive approach<sup>2</sup> (See Fig. 1).

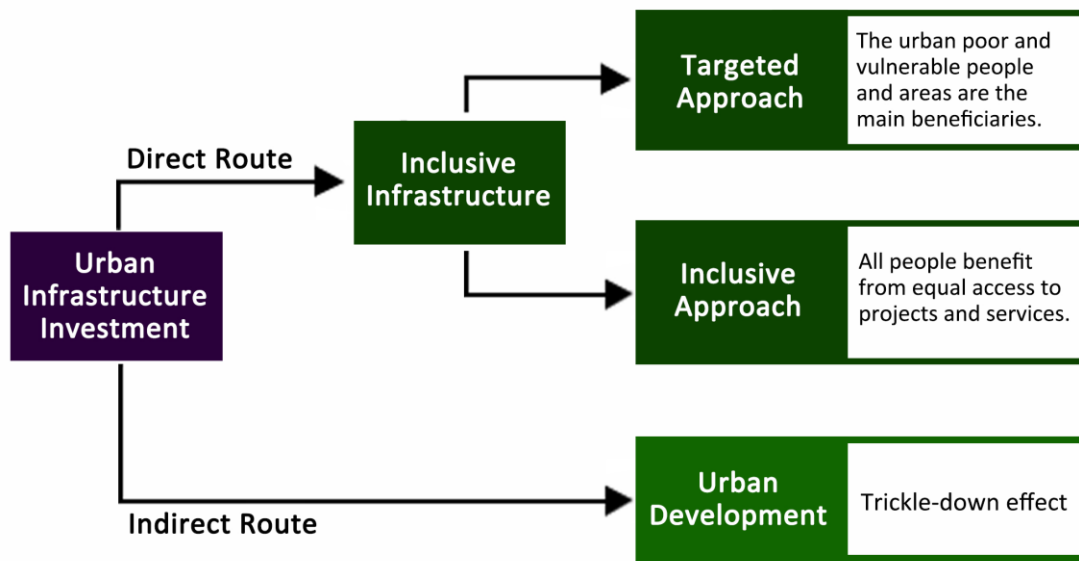
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<sup>1</sup> For the purpose of this Checklist inclusiveness includes issues related to gender and to vulnerable and minority groups.

<sup>2</sup> **Enhanced Inclusiveness Approach:** All people in the city benefit from equal access to infrastructure services networks. In order to make the overall system more inclusive, the percentage of poor beneficiaries is higher than the percentage of people living below the poverty rate. Benefits for the poor are perceived also through complimentary interventions.

**Targeted Poverty Reduction Approach:** The urban poor, poorly serviced, vulnerable areas and people are the main beneficiaries of the infrastructure projects. More than half of the beneficiaries are considered poor or disadvantaged people with low resources.

**Figure 1. Approaches to Inclusive Infrastructure Projects**



Complementary interventions employing both the targeted approach and the inclusive approach can be components of the same project or initiatives financed and implemented by other partners.

**CONSULTATIONS AND STAKEHOLDER INVOLVEMENT**

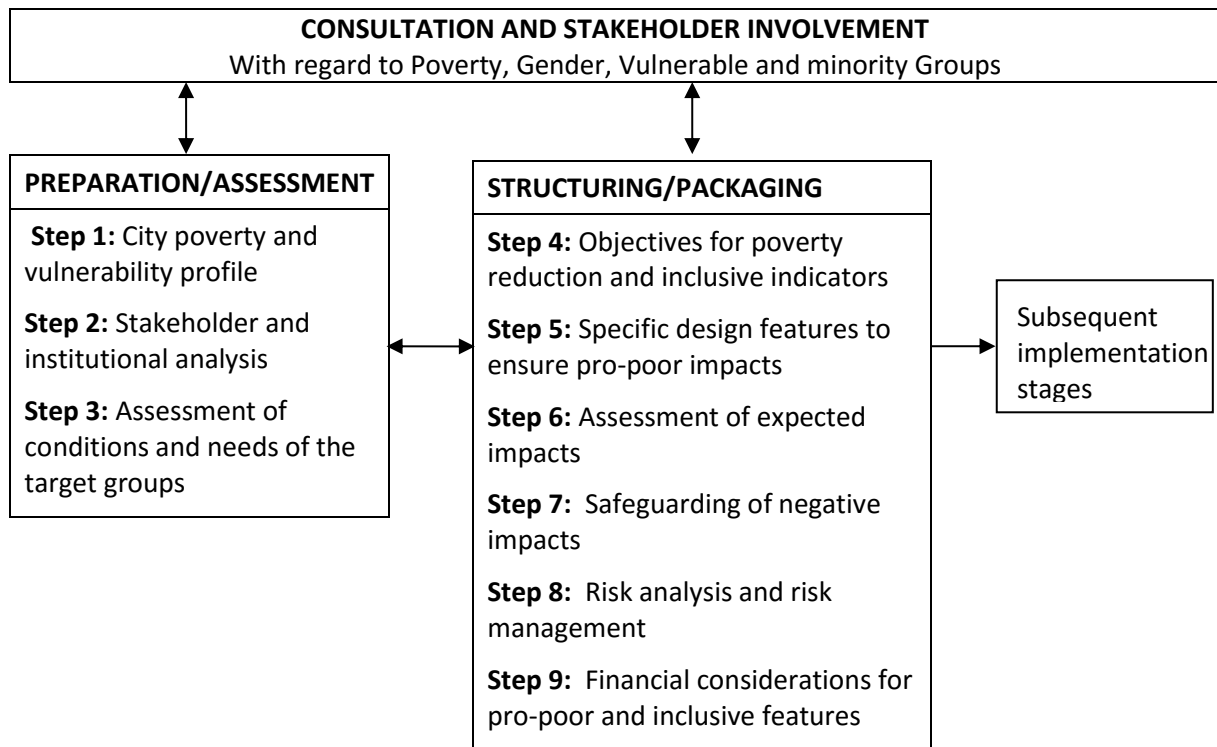
CDIA emphasizes the importance of public participation of both men and women, community involvement, and consultations throughout the prefeasibility study (PFS) process. Clear communication and transparency are essential, not only during project preparation but also in presenting and generating support for the proposed investments.

The PFS process should, to the extent possible and appropriate, build on existing structures for stakeholder involvement and community participation by, for example, linking up with community-based and nongovernment organizations active in the city and area.

**CHECKLIST FOR PRO-POOR AND SOCIALLY INCLUSIVE URBAN INFRASTRUCTURE DEVELOPMENT**

This checklist describes minimum requirements in the PFS process with regard to poverty and social development aspects, including gender. The checklist is structured around nine steps, corresponding to the stages in the PFS process (Fig. 2). Results should feed into relevant sections of the PFS report. Tables and matrices are meant to guide the consultants. Content-wise, the PFS should cover all aspects discussed in this checklist. It is, however, entirely up to the consultant to choose the appropriate format and to design the best way of responding to the questions raised in this checklist. Consultants are encouraged to use their professional judgment in taking steps *beyond* what is required in this checklist, especially in adapting to local circumstances.

**Figure 2. Steps for Inclusive Urban Infrastructure Development**



**STEP 1: CITY POVERTY AND VULNERABILITY PROFILE**

The extent to which the focus for the PFS has already been determined differs from city to city. Sometimes a city has requested support for a PFS on a very concrete and tangible project, and in other cases the request for support is more general, such as looking into a specific sector or geographic area.

The first step in this process is to conduct a situation analysis. One purpose of the general situation analysis is to assess if the proposed project is relevant and justified from a social and poverty perspective, and if necessary to try to influence the focus of the project in a positive direction. Another purpose is to make sure that relevant general data (such as the characteristics and the geographical mapping of poverty in the study area) are available up front, when many of the parameters of the project are determined.

The situation analysis should rely mainly on secondary data but can be complemented by short but concise data collection such as field surveys, focus group discussions, and/or interviews where necessary. The level of detail depends on the complexity of the intervention and on the availability of data.

This step is also intended to provide basic information on the circumstances within which the proposed intervention is to be introduced. It should provide an assessment of the relevance of the intervention to existing urban strategies and plans, e.g., city development plans.

The situation analysis should answer the following questions:

- How is poverty manifested, and what are the key characteristics of urban poverty in the city?
- Who are the poor (gender-disaggregated data)?
- In which ways are they poor?

- Identify specific target groups by accurately understanding who is “poor” or most in need. What are the levels of income poverty (gender-disaggregated data)?
- What is the poverty level in percent by the city/country definition?
- Where are the poor? What is the geography of poverty?
- What are the key infrastructure challenges facing the poor (considering constraints and barriers to women’s and men’s participation in project activities and access to the benefits)? What are the priorities of the poor in the context of improved urban (infrastructure) services?
- What are key social and gender issues with regard to urban infrastructure development?
- What baseline information is available, and what is its quality?
- What are the existing urban poverty reduction strategies, or other plans and strategies, and their relevance to poverty reduction and inclusiveness through infrastructure investments? What do existing urban development strategies and plans say about urban poverty and the need for investments?
- What are ongoing initiatives of relevance (by the city or by other stakeholders)?
- Based on this analysis, what should the PFS address to be relevant to poverty reduction and gender equality? What can be done to make the PFS more relevant?

## **STEP 2: STAKEHOLDER AND INSTITUTIONAL ANALYSIS**

To assess the potential poverty and socially inclusive impacts of an intervention, a clear understanding of the stakeholders and institutions that influence the planning and implementation and that are influenced by the intervention is necessary. In Step 3 it is therefore recommended to analyze stakeholders and institutions and include those that will be responsible for implementation or monitoring of the pro-poor features as part of the institutional arrangement for project implementation.

**Stakeholders** consist of agencies, organizations, groups, and/or individuals who have a direct or indirect interest in the development intervention or its evaluation. Target groups are the specific individuals or organizations for whose benefit the development intervention is undertaken. Target groups are thus key stakeholder groups for consideration. Four types of stakeholders can be distinguished:

- those who influence the intervention,
- those who are influenced by the intervention,
- target groups for the intervention, and
- intermediary/indirect target groups.

Stakeholders may be affected positively or negatively by the intervention, or may be able to influence the intervention in a positive or negative way. A stakeholder analysis tests assumptions about the interests of these social actors and their possible responses to the intervention.

A stakeholder and institutional analysis is done comprehensively and in a gender-sensitive manner for the project and should answer the following questions:

- With whom are the stakeholders involved?
- Who is/are the target group(s)?
- Who are the beneficiaries and who will lose out?
- What is the institutional landscape for urban poverty reduction?
- What are the different interests?
- What is the institutional arrangement to guarantee implementation and monitoring of pro-poor features?



### STEP 3: ASSESSMENT OF CONDITIONS AND NEEDS OF THE TARGET GROUPS

Having identified target groups for the intervention, the PFS will provide the necessary understanding of the needs of the target groups to ensure successful project design. This includes equal access to infrastructure services, living conditions, livelihoods, socioeconomic conditions, willingness to pay for municipal services, etc. as well as social (and gender) issues, cultural issues, etc. This analysis should be strictly in relation to the infrastructure project at hand. Strategies to cope with urban poverty and inclusiveness can also be discussed, both formally and informally.

The needs analysis should identify the basic needs, demands, constraints, and capacities of relevant subgroups in the population in relation to the scope of the project. This profile is an important input into the project design process, including the analysis of underlying development problems, objectives, and alternatives, and provides baseline data for monitoring the social impacts of the project on the relevant groups. The first step in constructing this profile is to identify the client/beneficiary population and any other populations that the project will likely affect. The second step is to identify subgroups within this population that may have different needs, demands, constraints, and capacities (based, for example, on gender, ethnicity, age, income level, and/or ownership of land or other assets). These should have been identified as part of the stakeholder analysis.

#### Assessing needs

Ask the following questions to assess needs:

- What is the current situation of the city's poor with regard to the proposed intervention?
- Describe in more detail the levels of coverage (of the infrastructure/service).
- What are the needs of the target groups in relation to the project?
- How do other city development plans relate to the poor? What can be done to extend benefits to the poor?

#### Assessing constraints

The analysis should identify the main factors that may limit access to services and equitable access to project benefits:

- What are the main challenges in accessibility, affordability, and usage of the proposed urban infrastructure?
- How are the poor currently using existing infrastructure? What is keeping the poor from reaching existing infrastructure and services?
- What are the obstacles for them to use existing infrastructure?
- What are important considerations in planning for new infrastructure provision?
- What are the potential constraints in accessing the proposed benefits and services? How will the project address them (considering constraints and barriers to women's and men's access to services)?
- What are the negative impacts of the project for the poor on the following?
  - Employment** (formal/informal): loss or restrictions, proximity to work opportunities
  - Assets:** land, housing, green areas, access to social services; increased need for services in industrial areas may result in shortages of the same in low-income areas
  - Safety:** widening of roads may narrow sidewalks; more speed on roads may increase accidents, etc.
  - Environmental:** increased vulnerability to disasters like floods

### **Assessing capacity**

Especially for projects intended to provide facilities or services to particular households or communities, it is also important to evaluate the likely ability of the households or communities to acquire, use, and maintain the proposed facilities or services:

- What are the citizens' ability and willingness to pay for services, where applicable (consider gender and vulnerability issues)?
- What are the established and future social and cultural patterns/issues of usage?
- What issues might impact the ability to access services (e.g., connection fees, land issues, legal issues, cultural issues)?
- What are key gender issues that are likely to be relevant to this project?

*For example: A bus rapid transit BRT project will not benefit the poor if the bus network does not cover the area where they live or if they cannot afford the bus fare. They will not use it if it does not take them where they need to go or at the hours when they need to go there. It might not help them if they are not allowed to bring tools or merchandise onboard or if it is culturally or socially unacceptable to use it. So, to design a pro-poor and socially inclusive project we need to know where the poor live, what the constraints of men and women are, what their willingness to pay is, where they need to go, when they need to go, how they need to go, etc. The needs analysis should seek to answer these questions while being careful not to generate unnecessary data that will not be of use in the project design (see other sectoral examples in the Annex).*

The analysis should focus on the poor both as users and as providers of infrastructure. Without this analysis, the project may inadvertently exclude particular groups or prevent them from accessing project benefits.

### **STEP 4: OBJECTIVES FOR POVERTY REDUCTION AND INCLUSIVE INDICATORS**

Within the framework of the proposed sector or project, develop objectives and indicators for poverty reduction and gender equity. Indicators can be both quantitative and/or qualitative. They should be easily measurable within the boundary of the PFS, and specific enough to be maintained in subsequent stages. Objectives can be general for the whole project, and specific for each component

The objectives, indicators, monitoring mechanisms, and assumptions and risks for poverty reduction should be part of or integrated into the design and monitoring framework for the project. Mitigation measures to respond to risks should be agreed upon and included in the report, as indicated in Table 1. As a guide in completing the table, the following questions should be answered:

- What are the desired objectives of the project?
- How can you measure the success of the project? What are your targets and specific indicators?
- How will you monitor the progress of the project? What are the documents that you need for monitoring?
- What are the possible risks attached to the project implementation? What are your assumptions?



**Table 1. Objectives and Inclusive Indicators**

Objectives	Performance Indicators/Targets	Data Sources/Monitoring	Assumptions and Risks
<p><b>Improved living conditions in slums</b></p> <p>Improvement of infrastructure in identified low income areas to benefit approx. 670.00 HH (water supply, sanitation, drainage by 2020)</p> <p>Improvement of infrastructure in other areas to benefit approx. 85.000 LIG by 2020</p>	<p>Establishment of approx. 3.300 neighborhood societies (1 per 25-30 HH for O&amp;M of community facilities, regular collection of charges by 2017)</p> <p>Post-project sustainability of 70% consumer societies</p>	<p>Feedback from NGO implementing the community mobilization</p> <p>Progress reports</p> <p>Project monitoring reports</p> <p>Independent evaluations</p>	<p>Availability of capable and committed NGO</p> <p>Effective community mobilization program</p> <p>Delay in establishment of community neighborhood societies</p> <p>Beneficiaries contribute to costs &amp; effectively maintain improvements</p>
<p><b>Improved living conditions in other income areas</b></p>	<p>3 women/other disadvantaged persons to be managers in each of the 3.300 neighborhood societies established by 2020</p> <p>200 women/disadvantaged persons to be trained for O&amp;M of community facilities</p>	<p>Project reports</p> <p>Independent evaluations</p> <p>Project reports</p> <p>Independent evaluations</p>	<p>Unwillingness of some women and other disadvantaged persons to become managers</p> <p>Trainees pass on their knowledge to others</p>

**STEP 5: SPECIFIC DESIGN FEATURES TO ENSURE PRO-POOR IMPACTS**

The ultimate goal of the situation, stakeholder, and needs analysis is to influence project design to be sensitive and relevant to the needs of the target groups. The PFS is expected to show in which ways a project has been specifically designed to ensure pro-poor impacts and to be gender sensitive. This should be done per PFS, where necessary breaking it down to subprojects to discuss pro-poor components. Pro-poor design features can include geographical targeting, household targeting, ensured affordability through fee adjustment or subsidies, design adapted to needs of the poor, involvement of the informal sector for job creation, etc. This step allows key pro-poor components to be given special attention in the subsequent project chain.

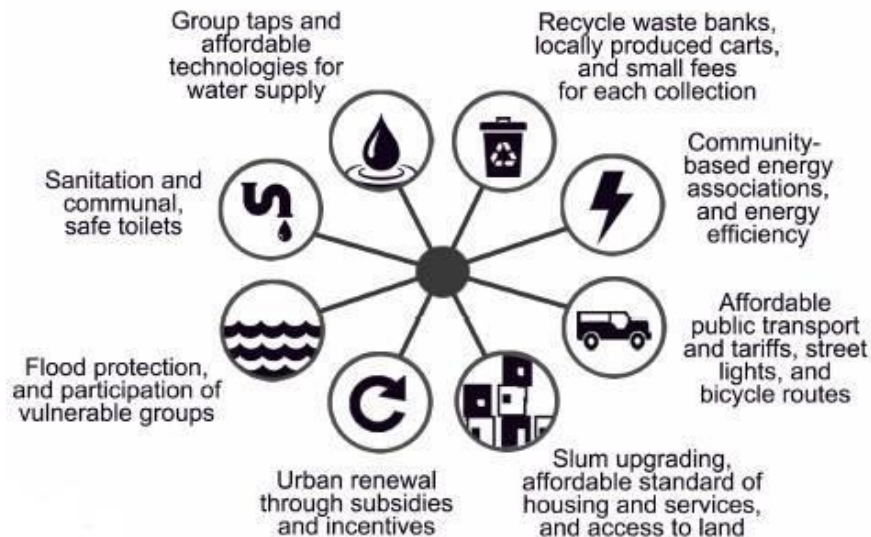
For projects to contribute to poverty reduction and social inclusiveness, the 5 A's must be pursued: availability, accessibility, affordability to the poor, acceptability by them, and adaptability for them (Fig. 3). The PFS should present an argument for how this has been considered and why the proposed (technical) option will be beneficial for the poor. As a guide to ensure the pro-poor and inclusive impacts of the projects, the following questions should be answered:

- What is the design about?
- Is the design affordable, acceptable, accessible, and adaptable to the needs of the poor? If not, what can be done to adjust the design features?
- Are gender and minority groups' needs and requirements considered?
- Are the requirements/interests of other partners considered?
- What design features can be included to maximize pro-poor impacts?

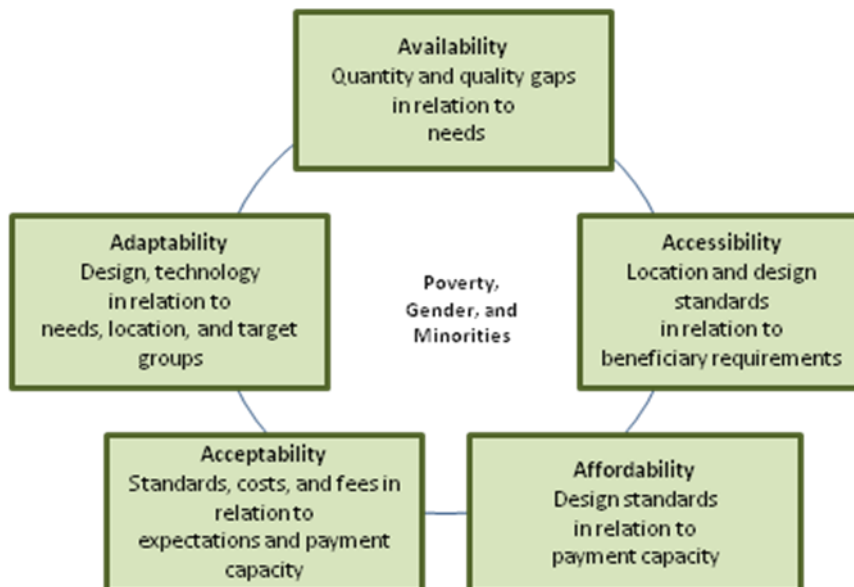
### Consideration of alternative design options

The PFS should discuss design options that would increase benefits to the poor. Different approaches to geographical targeting of an intervention must be explored and discussed (i.e., whom does it reach?). Affordability must be discussed when there is a danger that the access of the poor to services will be limited as a result of the project because of the pricing of goods and services. Different means of service delivery (such as different modes of public transport in the case of a transport project) should be explored.

**Figure 3. Inclusive Design Features in Urban Infrastructure**



**Figure 4. The 5-A Model: To ensure positive impacts on the poor with infrastructure investments.**



## STEP 6: ASSESSMENT OF EXPECTED IMPACTS

For each component/subproject of each PFS, an assessment of impacts on poverty reduction, envisaged with the proposed pro-poor features, should be made following Table 2. The assessment of impacts should be done in detail<sup>3</sup> during the PFS, and should be summarized for all the components/subprojects of the PFS by filling out the results of the assessment in Table 3.

The descriptive assessment should discuss expected direct positive impacts on the poor from the proposed project, both qualitative and quantitative. Care should be taken to avoid overstating the expected benefits. Most comprehensive urban infrastructure investments will, to varying degrees, lead to general improvements in overall economic development, which in turn will/could benefit the population at large. It is also assumed that most investments will generate employment opportunities in the short term as part of their implementation. While important, these indirect or temporary impacts are not the main focus of CDIA's impact assessment, which concentrates on direct impacts on poverty reduction through addressing the key infrastructure-related poverty concerns in partner cities.

The assessment should answer the following questions:

- Who are the beneficiaries of the project?
- Are the poor benefiting from the project/component? If yes, what is the estimated number of families that will benefit?
- What are the pro-poor features and what are the major impacts expected from their implementation (consider gender and vulnerability issues, formal or informal employment, access to services, empowerment, etc.)?
- How relevant is the proposed project, and how will the benefits be distributed among the target groups (gender segregated when applicable)?

The Initial Development Impact Assessment (IDIA) reflects the post-intervention status in order to facilitate monitoring and evaluating the impacts and relevance of the Pre-Feasibility Study (PFS) components for CDIA's four development impact areas. Social development specialists and other relevant experts will focus on the sections for poverty reduction and inclusiveness (Table 2), as well as good governance.

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<sup>3</sup> The level of detail should ensure clear and agreed-upon design features, expected direct impacts, and a realistic level of improvement.

TABLE 2: EXTRACT OF THE INITIAL DEVELOPMENT IMPACT ASSESSMENT (IDIA)

<b>PLEASE NOTE: IF THERE IS MORE THAN ONE PFS PROJECT COMPONENT, PLEASE FILL IN ALL DETAILS FOR EACH COMPONENT</b>			
<b>DEFINITIONS OF KEY CONCEPTS:</b>			
<p><b>Inclusiveness</b> = CDIA's inclusive approach targets citywide improvement of infrastructure or service networks by providing all people in the city with equitable access to services. Emphasis is placed on trying to extend benefits to vulnerable groups either directly or indirectly. The inclusive approach maximizes benefits to the poor by supporting complementary interventions</p> <p><b>Gender</b> = 'refers to the social attributes and opportunities associated with being male and female and the relationships between women and men and girls and boys, as well as the relations between women and those between men.' (<a href="http://www.un.org/womenwatch/osagi/conceptsanddefinitions.htm">http://www.un.org/womenwatch/osagi/conceptsanddefinitions.htm</a>)</p> <p><b>Gender Sensitivity:</b> CDIA aims at mainstreaming gender sensitive design features and aspects into its interventions.</p>			
<b>TITLE OF PRE-FEASIBILITY STUDY</b> ...			
<b>Development Impact: Poverty Reduction and Inclusiveness</b>			
<b>During the city application process the following were the anticipated impacts recorded in the CDIA Checklist for Internal Screening and Monitoring of Applications relevant to this project component:</b>			
<input type="checkbox"/>	Secure tenure for urban poor in living areas	<input type="checkbox"/>	Improved access to sources of income
<input type="checkbox"/>	Improved access to basic infrastructure (water, sanitation, solid	<input type="checkbox"/>	Improved protection from loss of resources/ security of sources of livelihood
<input type="checkbox"/>	Improved access to social services (basic health, education, etc.)	<input type="checkbox"/>	Equitable distribution (geographically) of public services throughout the project area
<input type="checkbox"/>	Affordable and equitable service fee and tariff structure	<input type="checkbox"/>	Other (please specify):
<input type="checkbox"/>	Less effort and time needed for securing basic services for the household		
<b>Are women stated as a specific target group?</b> <input type="checkbox"/> Yes (If yes, please specify below) <input type="checkbox"/> No			
<input type="checkbox"/>	Secure tenure for women headed households	<input type="checkbox"/>	Improved access of women to sources of income
<input type="checkbox"/>	Improved health of women and children	<input type="checkbox"/>	Other (please specify):
<input type="checkbox"/>	Improved access of women to social services (basic health, education, etc.)		
<b>Please explain changes to the anticipated impact of the infrastructure project component(s):</b>			
<b>Sector Project</b>	<b>Project Component</b>	<b>Anticipated Impact</b>	
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>		

**Urban Poverty and Gender Situation:** Briefly describe the urban poverty situation in the city (poverty level in % by measurement definition) in general and in relation to the infrastructure project component.

Sector Project	Project Component	Urban Poverty and Gender Situation
(e.g. Solid Waste Management)	(e.g. Landfill)	

**Does the component include specific pro-poor design features?**  Yes  No

**If yes, what are these specific pro-poor design features applied to ensure that the project contributes to poverty reduction?** Examples can be geographical targeting, household targeting, ensured affordability through fee adjustment or subsidies, design adapted to needs of the poor, involvement of informal sector for job creation, etc.

Sector Project	Project Component	Pro-Poor Design Features
(e.g. Solid Waste Management)	(e.g. Landfill)	

**Does the component include specific gender equality design features?**  Yes  No

**If yes, what are these gender equality design features applied?** Examples can be waste banks as a source of income, separate facilities on public transport, gender separated sanitation facilities, proper lighting of public transport shelters, equal access to capacity development programs, training for women community representatives, etc.

Sector Project	Project Component	Gender Equality Design Features
(e.g. Solid Waste Management)	(e.g. Landfill)	

**Are there expected positive and direct anticipated impacts on poverty reduction?**  Yes  No

**If yes, briefly describe these positive and direct impacts.** Be specific, and quantify benefits where possible. Indirect impacts and general economic development are not to be discussed here. Examples can be improvement in water supply coverage from 30% to 70% in informal settlements, reduced flooding for 150,000 urban dwellers on flood-prone land, etc.

Sector Project	Project Component	Positive and Direct Anticipated Impacts on <u>Poverty Reduction</u>
(e.g. Solid Waste Management)	(e.g. Landfill)	

<b>Are there expected positive and direct anticipated impacts on gender equality?</b>		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<p><b>If yes, briefly describe these positive and direct impacts. Be specific, and quantify benefits where possible. Indirect impacts and general economic development are not discussed here, although important. Examples can be improving basic levels of mobility for women, increased safety of usage of public transport for women, women's empowerment, etc.</b></p>			
<b>Sector Project</b>	<b>Project Component</b>	<b>Positive and Direct Anticipated Impacts on Gender Equality</b>	
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>		
<p><b>Briefly describe anticipated negative impacts that are likely to be a result of the project and how these may be mitigated and safeguarded. Examples can be resettlement and relocation as part of the project impacts, negative impacts on formal or informal employment, negative impacts on assets and access to services, negative impacts on safety.</b></p>			
<b>Sector Project</b>	<b>Project Component</b>	<b>Anticipated Negative Impacts and Safeguard Measures</b>	
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>		
<b>Estimated total number of beneficiaries of all project component(s):</b>		000,000	direct
		000,000	indirect
<b>Please estimate the number of beneficiaries belonging to the following vulnerable groups:</b>			
<b>Estimated number of <u>poor</u> beneficiaries of direct impacts:</b>		0	
<b>Estimated number of <u>female</u> beneficiaries of direct impacts:</b>		0	
<b>Estimated number of <u>children</u> among beneficiaries of direct impacts:</b>		0	
<b>Estimated number of <u>senior citizen</u> beneficiaries of direct impacts:</b>		0	
<b>Estimated number of <u>disabled</u> beneficiaries of direct impacts:</b>		0	
<b>Estimated share of poor beneficiaries in relation to total target population of proposed project component:</b>			
<input type="checkbox"/> < 20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 40-60% <input type="checkbox"/> 60-80% <input type="checkbox"/> >80%			
<b>If there is a major difference of beneficiaries in regard to a sector or project component, please provide the breakdown of a specific vulnerable group.</b>			
<i>(e.g. Solid Waste Management - 500,000 Transportation - 1,000,000)</i>			

**PLEASE NOTE: IF THERE IS MORE THAN ONE PFS PROJECT COMPONENT, PLEASE FILL IN ALL DETAILS FOR EACH COMPONENT**

**TITLE OF PRE-FEASIBILITY STUDY** ...

**Development Impact: Good Governance**

**During the city application process the following were the anticipated impacts recorded in the CDIA Checklist for Internal Screening and Monitoring of Applications relevant to this project component:**

<input type="checkbox"/>	Participation in decision-making and planning	<input type="checkbox"/>	Improved internal organizational structures and procedures
<input type="checkbox"/>	More equitable service fees and tariffs	<input type="checkbox"/>	More efficient organizational set-up / spin-off of utilities
<input type="checkbox"/>	Improved bottom-up planning processes & participation mechanisms	<input type="checkbox"/>	Improved inter-municipal or inter-regional cooperation
<input type="checkbox"/>	Transparency and accountability of city government	<input type="checkbox"/>	Better coordination with other government levels
<input type="checkbox"/>	Strategic orientation of city government and management	<input type="checkbox"/>	Other (please specify):
<input type="checkbox"/>	Better customer/client orientation of city services		

**Governance and Financial Management**

Does the municipal budgeting process incorporate stakeholder engagement practices?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Does the municipal has adequate organizational structures and procedures for project implementation and subsequent	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Has the municipal budget been balanced over the past 3 years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Has the municipality a sustainable debt servicing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the annual municipal budget being published?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Is municipal budget performance externally audited?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Please explain changes to the anticipated impact areas of the infrastructure project:**

Sector Project	Project Component	Anticipated Impact
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>	

**Urban Governance Situation: Briefly describe the dynamics of governance in the city with a focus on urban service provision and delivery. (Specifically comment on the following: Formal - informal structures and relationships in the city, Decision-making processes in infrastructure development i.e. who is involved and what role do they play, Level of public consultations on key infrastructure investments (formal vs. informal), Participation in the project development of investments, Inter-departmental cooperation on project development, Inter-agency coordination in project development, implementation, management and service delivery.)**

Sector Project	Project Component	Urban Governance Situation
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>	



<b>Does the component include specific good governance design features?</b> (Creation of a SPV, new administrative/management structures, e-governance tools for complaint management, structures for future public participation etc.)		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>If yes, briefly describe these elements:</b>			
Sector Project	Project Component	Good Governance Design Features	
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>		
<b>Are there expected positive and <u>direct</u> impacts on good governance?</b>		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>If yes, briefly describe these positive and direct impacts:</b>			
Sector Project	Project Component	Positive and Direct Impacts on Good Governance	
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>		
<b>Anticipated project risks related to governance and measures to mitigate this:</b> <i>Briefly describe key risks related to governance and which measures are suggested to mitigate these risks</i>			
Sector Project	Project Component	Risk Related to Governance and Mitigation Measures	
<i>(e.g. Solid Waste Management)</i>	<i>(e.g. Landfill)</i>		
<b>Estimated total number of beneficiaries of direct impact from all project component(s) on Good Governance:</b>		000,000	
<b>Please provide the breakdown on estimated number of beneficiaries based on individual sectors.</b>			
<i>(e.g. Solid Waste Management - 500,000 Transportation - 1,000,000)</i>			

## STEP 7: SAFEGUARDING OF NEGATIVE IMPACTS

CDIA aims to avoid negative impacts to the extent possible and to minimize/safeguard negative impacts where unavoidable. The PFS should discuss options for mitigating negative impacts as a first step, and, where negative impacts are inevitable, look at safeguarding these through (i) resettlement processes, and/or (ii) environmental safeguards or other compensation entitlements. The discussion of negative impacts and the agreed-upon safeguarding measures should be part of the PFS process.

In cases of safeguards/resettlement being carried out by the client city or another partner, the PFS should review and assess the appropriateness of these plans, and indicate possible impacts and implications for the financial viability of the investment. Costs of safeguards (especially relocation) must always be included in the economic and financial analysis of the project.

At the PFS stage it is also important to flag issues that will need to be studied further in the feasibility study. This flagging should include a clear description of such issues, the implications that these could have on the financial feasibility of the project/component, and what is then recommended for the feasibility study stage.

Negative impacts may particularly occur with infrastructure investments when the poor are not the direct or even indirect target beneficiaries, or when they are subjected to involuntary relocation. The most common negative impacts of infrastructure projects on the poor are the loss of assets, jobs, and livelihoods. The following aspects and safeguards need to be looked into and described:

- **Resettlement and relocation as part of the project impacts.** Participatory on-site and in-city relocation approaches that do not disrupt the proximity between living and working environments, nor the social links and networks of the poor, are recommended. Reasons for relocation need to be thoroughly analyzed, since in many instances, proper relocation tends to be more expensive and disruptive than on-site upgrading. If relocation is unavoidable, voluntary relocation should be sought by offering adequate compensation so that the situation of affected households will not be worsened.
- **Negative impacts on formal or informal employment.** Loss of employment or restrictions on small business operations, which are often the case when service delivery is formalized, and increased distance to work opportunities caused by resettlement or relocation mean increased transport costs.
- **Negative impacts on assets and access to services.** Consequences of relocation are seen in reduced access to land, housing, green areas, infrastructure, and social services. In settlement upgrading and urban revitalization projects, gentrification can be caused by the application of higher standards than those affordable to the poor, resulting in higher income groups moving in. Increased demand for services in industrial areas, for instance for water and electricity, may result in shortages of those services in low-income residential areas.
- **Negative impacts on safety.** Widening of roads and simultaneous creation of narrow sidewalks may encourage more speed on roads and an increase in accidents; informal modes of transport may be marginalized or pushed out.
- **Negative environmental impacts.** Occupation of fringe land can trigger increased vulnerability to disasters like floods, increased noise, air pollution, etc.

To be successful in safeguarding negative impacts, the following questions should be answered:

- What objectives, targets, and indicators are planned to measure progress against pro-poor objectives and expected impacts?
- What are the pro-poor project features? What indicators will measure them? How are they measured?
- What are the expected negative project impacts? What indicators will measure them? How are they measured?

#### **STEP 8: RISK ANALYSIS AND RISK MANAGEMENT**

The PFS should discuss social aspects that could jeopardize project implementation and impacts, and propose how these can be managed and mitigated. Mitigation measures should be included for each risk identified, including those in Table 1, which shows a detailed example of risks and mitigation measures.

In risk analysis and risk management, the following questions should be answered:

- What are the different risks and assumptions that should be expected from the project implementation?
- How can the risks be mitigated?
- What are the concrete actions that can be done in order to mitigate them?

#### **STEP 9: FINANCIAL CONSIDERATIONS FOR PRO-POOR AND INCLUSIVE FEATURES**

The PFS should explore costs and budgetary provision for the implementation of the pro-poor features included in the project. This issue should be discussed with relevant stakeholders through a transparent process. At this stage, the following questions should be answered:

- What is the project cost and what are the sources of finance?
- What is the financial and economic viability?
- Is the balance among technical, socioeconomic, and financial dimensions acceptable to the partners?

#### **FURTHER INFORMATION**

- CDIA Inclusive Municipality Guide 2016
- Guidance Note: Poverty and Social Dimensions of Urban Projects 2014 (<http://www.adb.org/documents/guidance-note-poverty-and-social-dimensions-urban-projects>)

## ANNEX 1: EXAMPLES OF SECTORAL INFRASTRUCTURE WITH PRO-POOR AND INCLUSIVE CONCERNS

### MOBILITY: TRANSPORT

It is important that new or improved existing roads and public transport systems and infrastructure are planned to avoid as much as possible the use of land that the poor occupy. Roads (motorized transport and pedestrian) should connect poor neighborhoods to the urban network, and these roads should have street lights and appropriate sidewalks for all and should consider the safety and other concerns of men, women, children, and vulnerable groups. Public transport should provide sufficient numbers of suitable buses on transport routes serving outlying areas and those where the poor live, and these routes should connect them with services and economic activities. Improvement of poor-friendly mobility elements, like widening sidewalks, provision of public lights, bicycle routes and safe parking places for bicycles, etc.



#### Box 1. Development of Palembang's Informal Public Transportation in Indonesia

The integration of the informal public transport with formal public transport in Palembang City was able to provide rural-urban linkages through the river transport system. Moreover, due to the low costs associated with informal public transport, the tariffs imposed are affordable, thus benefiting the poor and low-income population. IPT is also an important part for small scale and home-based livelihoods of the poor. It also provides more employment opportunities for low-skilled people.



Other benefits of IPT are as follows: 1) IPT is flexible. The drivers accommodate a variety of demands and uses; 2) IPT fills gaps. The drivers pick up where formal public transportation networks end and go where formal public transportation coverage is lacking; and 3) the drivers adjust routes, fares, and schedules based on needs of specialized user groups including students, women, informal vendors and the elderly (Source: K. Alkat, 2016).

### WATER AND SANITATION

Since women are the main users and managers of the water supply, ensure their participation in the design of the project. For the poor it is important that these basic services are accessible in quantity and quality, and that they are affordable. This is why it is important to consider various design options or gradual upgrading of infrastructure standards. For example, consider the initial provision of metered public taps, which can be later upgraded to group taps and then to individual house connections. If a 24x7 supply cannot be guaranteed, water needs to be available in close proximity and at times when women are in the house.

Pro-poor infrastructure needs to be easily manageable. For the poor it is important to use cost-effective technologies to keep operation and maintenance affordable. This also increases opportunities to generate employment for poor residents in operation and maintenance.

Public and communal toilets may be a medium-term solution and should ensure privacy and safety for women and guarantee effective operation and maintenance. Well-organized community/user groups can make a great difference for improved operation and maintenance, ensuring that places are clean, that there is light during the night, and that they are safe for women and children at any time, etc. Consultation with women and children and other users is necessary to ensure good operation and maintenance.



### Box 2. Water Supply System in Pimpri Chinchwad

The Pimpri Chinchwad water supply system which was done in cooperation with CDIA was able to supply Pimpri city with water 24x7. The families were able to have water without the need of storing them in containers.

Source: CDIA, 2016

## SOLID WASTE MANAGEMENT

For collecting solid waste from poor areas, conventional collection vehicles are often not suitable. Access and internal roads in slums are normally narrow and in poor condition. Locally produced carts often provide a good, durable, cost-effective solution. There need to be enough garbage collection points/containers and a reliable garbage collection schedule by the municipal system. Service payments need to be adaptable to local circumstances. Low-income households normally prefer to pay a small fee each time waste is collected rather than a monthly fee.



### Box 3. Solid Waste Management Collection in Guiyang, China

Two residents carry waste in a pushcart in Guiyang, China. This serves as a better mode of solid waste transfer than a truck. Aside from the minimal costs, it is more convenient to navigate in the streets of China. (Source: CDIA, 2016)

For the poor, and especially for those involved in informal activities in the solid waste management chain, the project is of importance when options are included to formalize these activities to generate permanent income and livelihoods for poor families.

## SLUM IMPROVEMENT

Although this type of project varies in magnitude, nature, and context, slum improvement is relevant to the poor when they are allowed to stay on the same land or are to be relocated to a nearby place so they can continue with their social networks and economic activities. Slum upgrading is relevant to the poor if they can pay for the standard of services (community services or individual connections; finished housing or core housing; wider roads and more displacement, or narrow roads and less displacement) to be provided and if the new infrastructure improves business opportunities and access to and from economic activities for the poor, women, and vulnerable groups.



### Box 4. Slum Upgrade in Agra, India

The CURE project is responsible for the slum upgrading in Agra, India. Through it several household were able to acquire access to basic services such as water and a steady and stable shelter. The residents, especially the women and children are able to have safe and secure spaces for their activities. (Source: E. Ringhof, 2016)



## ANNEX 2: SUMMARY OF DELIVERABLES PER PFS PHASE

PFS PHASES	PRO-POOR CHECKLIST	Summary PFS ACTIVITIES	Aspects / Groups
			Poverty, Gender and Vulnerability
	Inception report	<p>1. <b>City Poverty and vulnerability profile</b></p> <p>2. <b>Stakeholder and Institutional Analysis</b></p>	<ul style="list-style-type: none"> <li>- Kick-off meeting</li> <li>- Work &amp; communication plan</li> <li>- Data collection &amp; analysis</li> </ul>
Mid-term/ Interim report	<p>3. <b>Assessment of specific conditions and needs of target groups</b></p> <p>4. <b>Objectives for poverty reduction (Design &amp; Monitoring Framework, and Inclusive Indicators)</b></p> <p>5. <b>Specific design features to ensure pro-poor impacts</b></p>	<ul style="list-style-type: none"> <li>- Validation of data</li> <li>- Participatory assessment (consultations with potential beneficiaries)</li> <li>- Alternative options</li> <li>- Discussions with the Steering Committee</li> <li>- Presentation of the interim phase</li> </ul>	<p>3. How were the poor consulted to find out gaps, needs, requirements, affordability?</p> <p>4. How many people will directly benefit from the project? Estimate the No. of beneficiaries (in total), and 'poor', female, children, senior citizen and disabled beneficiaries. Develop Inclusive Indicators to enhance the project.</p> <p>5. In which specific ways will the poor directly benefit from the project? What measures should be done? e.g. measures to ensure the affordability through a subventions, local economic development, consideration of non-motorized traffic, etc.</p>
Draft final and final report	<p>6. <b>Assessment of expected impacts (Initial Development Impact Assessment – IDIA)</b></p> <p>7. <b>Safeguarding of negative impacts</b></p> <p>8. <b>Risks analysis and risk management</b></p> <p>9. <b>Financial considerations for the implementation of pro-poor and inclusive features</b></p>	<ul style="list-style-type: none"> <li>- Alternative Options</li> <li>- Design</li> <li>- Packaging</li> <li>- Ensuring the consideration of Development Impacts (submission of the IDIA and DMF with draft final report)</li> <li>- Final presentation</li> </ul>	<p>6. What are positive direct and indirect benefits for the poor from the project?</p> <p>7. If there are negative impacts what are the mitigation measures</p> <p>8. Are there any social risks?</p> <p>9. If there are pro-poor, inclusive features what is the cost of implementation?</p>



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