



ASEAN
AUSTRALIA
SMART CITIES
TRUST FUND
Asian Development Bank

ASEAN AUSTRALIA SMART CITIES TRUST FUND

2020 SEMI-ANNUAL PROGRESS REPORT



Australian Government
Department of Foreign Affairs and Trade





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ABBREVIATIONS

AASCTF	ASEAN Australia Smart Cities Trust Fund
ADB	Asian Development Bank
ASCN	ASEAN Smart Cities Network
ASEAN	Association of Southeast Asian Nations
ASUS	ASEAN Sustainable Urbanization Strategy
COVID-19	coronavirus disease
CSIRO	Commonwealth Scientific and Industrial Research Organization
DFAT	Department of Foreign Affairs and Trade
DMF	Design and Monitoring Framework
GESI	Gender Equality and Social Inclusion
LSIP	Livable Settlements Investment Project
M&E	Monitoring & Evaluation
OTJ	On-The-Job
SAPR	Semi-Annual Progress Report
SERD	Southeast Asia Regional Department
SEUW	Southeast Asia Urban Development and Water Division
SURF	Southeast Asia Urban Services Facility
TO	Task Order



OVERVIEW

On 1 April 2019, the Asian Development Bank (ADB) approved the establishment of the ASEAN Australia Smart Cities Trust Fund (AASCTF or the Fund) under the Urban Financing Partnership Facility. On 2 April 2019, the Government of Australia, through its Department of Foreign Affairs and Trade (DFAT), committed to contribute A\$20 million (about \$13.94) towards the Fund.

The Fund's envisioned impact aligns with ADB's Strategy 2030¹, with its operational focus on building livable cities that are green, competitive, inclusive, and resilient, and ASEAN's Sustainable Urbanization Strategy (ASUS)² which aims to promote high quality of life, competitive economies, and sustainable environments. The expected outcome of the Fund will be that through the adaptation and adoption of digital solutions, across three core functional areas (planning systems, service delivery and financial management), systems and governance in participating ASEAN cities are improved, in particular by way of:

- Strengthening city planning processes by enhancing the collection, storage, analysis and utilization of data on geospatial platforms.
- Promoting the use of integrated and smart network management systems to strengthen operational systems and to improve quality and efficiency of service delivery.
- Introducing integrated financial management information systems to improve institutional credit worthiness and fiscal standing.

The Fund acts as a mechanism for facilitating and channeling resources and financing for eligible projects, as well as activities agreed between DFAT and ADB for project preparation, implementation, and capacity development.

Through the adoption of digital solutions to improve the three core functional areas, and by addressing the cross-cutting issues throughout, the AASCTF will contribute to the following outputs: capacity development, partnership support, and investment grants with the intent that scalable and replicable best practices across ASEAN are identified (see Figure 1).

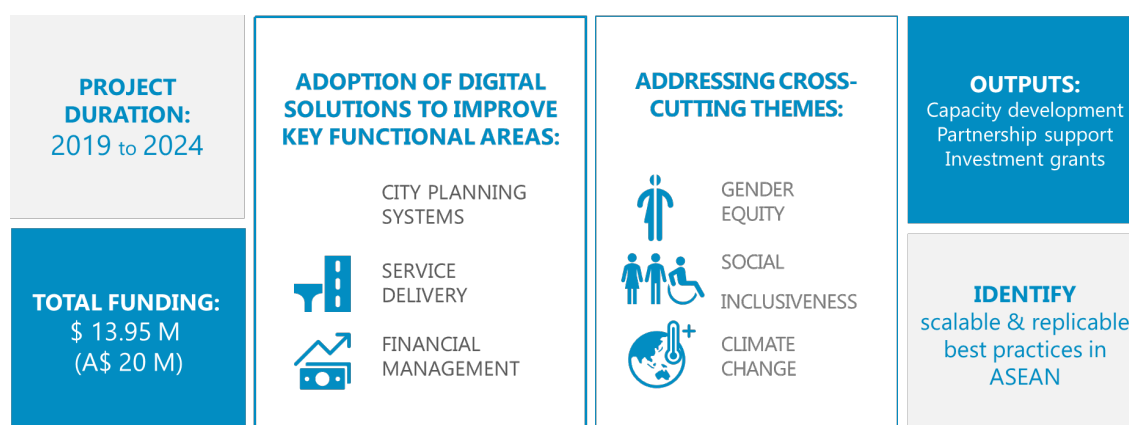


Figure 1. Overview of AASCTF.

¹ Asian Development Bank. 2018. Strategy 2030, Achieving a Prosperous, Inclusive, Resilient and Sustainable Asia and the Pacific. Manila.

² ASEAN Secretariat. 2018. ASEAN Sustainable Urbanization Strategy. Jakarta.



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To deliver envisaged results, the Fund will support capacity development of staff and stakeholders of participating ASEAN cities in the core functional areas by:

- Leading them through project design and preparation in select cities;
- Exposing them to the implementation of select innovative project designs; and
- Twinning them with mentor cities that would provide opportunities for further learning.

The Fund is currently scheduled to close on or before 30 June 2024.

This Semi-Annual Progress Report (SAPR) covers activities for the period April 2020 through August 2020.



HALF-YEAR IN REVIEW

This section is organized according the divisions in workstreams as set out in the overall workplan, namely:

- **Foundational Activities** refer to activities which are either preparatory (e.g. City Selection, Concept/ Task Order development, etc.) or overarching/cross-cutting (e.g. Gender Equality and Social Inclusion (GESI), Private Sector, Monitoring and Evaluation (M&E), etc.) the operations and guiding the strategic direction of the AASCTF activities.
- **Implementation Activities** refer specifically to activities undertaken in the pilot cities, including specific capacity development (e.g. workshops, training, etc.), technical assistance and investment grant targeted city interventions.
- **Influencing Activities** refer to widely targeted communication/knowledge sharing (e.g. knowledge platform, webinars, briefings, newsletters, videos, etc.) and regional twinning/networking activities.



Foundational Activities

CITY SELECTION

Identification of the participating ASEAN cities for AASCTF financing proceeded in the previous and current reporting periods in accordance with their alignment with those considerations identified in Figure 2 below.



Figure 2. City selection process.

During the first reporting period, April 2019 to March 2020, 6 first batch cities – Makassar (INO), Baguio (PHI), Battambang (CAM), Kaysone Phomvihane (LAO), Yangon (MYA) and Hue (VIE) – and 2 second batch cities – Penang (MAL) and Khon Kaen (THA) – were identified. The first batch cities have been the particular focus of AASCTF activities in the current reporting period, with good progress in advancing both Makassar and Baguio to project implementation phases and further good progress in identifying and developing entry points for potential pilot projects in the remaining 4 first batch cities. On the basis of consultations by the AASCTF Team with city government and key administrative staff, entry points for support have been identified in each of the 6 first batch cities. These entry points have to varying degrees also been consulted with DFAT Posts.

Less focus was placed on identifying entry points for collaboration in the second batch cities in the current reporting period. However, following discussions in August 2020 and further deliberations with DFAT's Thailand Post the decision was taken that Chonburi will replace Khon Kaen as a second batch city.

Furthermore, ADB in dialogue with DFAT has agreed in August 2020 to the addition of Vientiane (LAO) as an AASCTF participating city.



Figure 3. AASCTF participating cities.

CONCEPT/TASK ORDER DEVELOPMENT

Makassar, Indonesia

Task Order No. 01 (TO01): INO Strategic Urban Framework for Makassar City, was endorsed by Project Procurement Division in ADB on 27 July 2020. Using digital technologies, a Livable Cities Plan will integrate the City's many existing spatial plans under an umbrella framework focused on smart growth. The DFAT Posts in Jakarta and Makassar were consulted on the Task Order (TO).

Baguio, Philippines

Task Order No. 02 (TO02): PHI Baguio City Smart Flood Warning, Information and Mitigation System, was endorsed by Project Procurement Division in ADB on 12 August 2020. The project main outputs include next practice early flood warning using smart city solutions in retrieving and analyzing data and in warning the population and emergency brigades, as well as development of an action plan for flood mitigation via Nature Based Solutions (NBS). The DFAT Post in Manila was consulted on the TO.

Kaysone Phomvihane, Lao PDR

For Kaysone a series of consultations over the current reporting period have taken place with the University of Savannakhet (SKU) and with the private sector. The consultations have revealed a serious gap between the labor market demands and the graduated job seekers skill sets from both the university and the vocational training centers.

Subsequent consultations led to identification of a project idea, which targets the development of a labor market information system or related platform that includes digital matching tools for skills, together with the provision of high-demand skills development through e-learning modules.

The project intervention is planned in two phases which will be developed under two separate TOs. An initial 3-month pre-feasibility phase will demonstrate the viability of the project intervention. Under the condition that viability and feasibility are proven, a second TO with an upscaled project intervention will entail. The DFAT Post in Vientiane has been actively commenting on the preparation of the TO.

Battambang, Cambodia

An online workshop with the Battambang Provincial Government was held 5 June 2020, led by ADB under the AASCTF to discuss potential project interventions. Development and refinement of intervention ideas have been progressed and discussed with the city government and key stakeholders. By the closing of the current reporting period an assignment letter was sent to the Provincial Governor for Battambang Province for his endorsement and selection from among four proposed intervention options. A response to the letter is expected within September 2020, after which time the full TO will be developed in parallel to seeking the endorsement of the Central Government. The DFAT Post in Cambodia has been consulted on this TO.

Hue, Vietnam

During the current reporting period the development and refinement of intervention ideas have been well progressed. The proposed intervention options, as they currently stand, include: i) Smart 3D master planning suite including a digital exhibition space, ii) Smart micro-mobility including a green transportation network, iii) Mobility as a Service App and iv) Smart green development and riverfront upgrade. The ADB country officer now residing back in Vietnam, will present the project ideas to the city government within September 2020. Consultations with the DFAT Post in Hanoi are anticipated after this discussion with the city government.

Yangon, Myanmar

Due to local political assessment of large-scale investments, the city government is not currently able to assess and assist project proposals. The ADB country officer for Myanmar has recommended to put intervention ideas for Yangon on hold until the current situation is resolved. It is anticipated that in October 2020 discussions with both Yangon City Development Committee and the local DFAT Post can commence.

OVERARCHING/CROSS-CUTTING THEMES

During the reporting period, draft frameworks were enhanced for each of the three cross-cutting themes: (i) GESI; (ii) climate change; and (iii) private sector participation. Further work on the enhancement of, in particular GESI, is ongoing through September 2020. Moving forward, the frameworks are intended to guide the mainstreaming of cross-cutting themes across the Fund's activities.

Gender Equality and Social Inclusion

To respond to the different needs, priorities, experiences and opportunities of male and female project partners and beneficiaries, as well as encourage innovation in gender equality and social inclusion (GESI) mainstreaming, the draft framework initially developed to guide AASCTF activities has been further enhanced and operationalized into the GESI Strategy. Underpinning the GESI Strategy development is the appointment in August 2020, of a GESI Specialist to the AASCTF Core Team to drive the GESI agenda and actions through the AASCTF.

The GESI Strategy builds on the core principles to foster gender equality and social inclusion through the project cycle supported by AASCTF through a twin track approach in which GESI is mainstreamed in all project activities, along with the identification of specific, targeted activities at a strategic and city intervention level within the AASCTF action areas. The Strategy is currently being enhanced through a consultative process that includes representatives from DFAT and ADB, continuing through October 2020.

Entry points for GESI have been identified for ongoing AASCTF activities in Makassar and Baguio. This includes identifying the need for general capacity building and knowledge products on inclusive cities, in addition to tailored capacity development on GESI for specific sectors and interventions, specific city contexts, etc. Capacity building opportunities are currently being explored with The Asia Foundation, specifically looking at ways that AASCTF may develop their research on inclusive cities into digital training or capacity building materials.

Climate Change

Climate Change Mitigation and Adaptation is a high priority for the cities involved in the AASCTF pilot activities. On a planning level, reducing emissions from greenhouse gasses through changes in the energy, transportation and housing sectors, are important focus areas, as well as development of energy-efficient service delivery across all sectors. At the city intervention level, the preparatory work in Baguio will focus specifically on Climate Change Adaptation measures, as a new Flood Early Warning System together with a Flood Mitigation Action Plan will work to address and increase the city's resilience towards weather-induced flood hazard events. A webinar organised by the AASCTF Team, planned for 8 September 2020, will focus specifically on Flood Early Warning Systems and experiences across Australia and Asia.

Implementation of the climate change cross-cutting theme will be pursued at multiple levels:

- Strategic: a climate change framework has been developed for activities supported by AASCTF; and
- Operational: tools and approaches to identify entry points for both climate change mitigation and adaptation will be developed for activities implemented through technical assistance and investment grants.

Private Sector

In February 2020, ADB approached the Commonwealth Scientific and Industrial Research Organization (CSIRO) to identify opportunities for collaboration with AASCTF. Dialogue with CSIRO has been ongoing over the reporting period with three main areas being currently explored: (i) urban living labs; (ii) digital twins; and (iii) visual climate adaptation platforms. Collaboration is being considered at various levels, with a focus on knowledge sharing and pilot implementation. Already, as discussed above, a specific role for CSIRO has emerged and is being explored on the Makassar project intervention (TO01).

The AASCTF Team has held discussions with colleagues from the recently created ADB Ventures Financing Partnership Facility, which is working to de-risk, finance, and scale impactful technology solutions. The facility targets development impact through CleanTech, FinTech, and HealthTech solutions, and applies a climate and gender lens on all investments.

At the city intervention level, several entry points for private sector have been identified in the pilot cities, and will be pursued further during concept/TO development. For example, in Battambang, the development of a 'smart district' will include a hub for local smart labs and enterprises. In Kaysone, the possibility of partnering with the Savan-Seno Special Economic Zone Authority would open the doors for private companies to directly benefit from the AASCTF. Finally, in Hue, the water sector could provide opportunities for a partnership between Thua Thien Hue Water Supply Joint Stock Company and the Western Australia Water Corporation, building on their already established twinning arrangement.

Implementation of the private sector cross-cutting theme will be pursued at multiple levels:

- Strategic: a private sector engagement framework will be developed for AASCTF supported activities;
- Operational: the private sector will be considered as key stakeholders from the very initial stages of consultation with selected cities and a range of engagements will be explored; and
- Institutional: through close collaboration with ADB's Office for Public-Private Partnership as well as ADB's Private Sector Operations Department.

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Entry - Keep Right

เข้า - ชิดขวา
Entry - Keep Right

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Collagen
Tripeptide mg
10,000



Implementation Activities

CAPACITY DEVELOPMENT

No capacity development activities occurred during the reporting period.

TA PROJECTS

Makassar, Indonesia

Following the AASCTF Task Team mobilization in August 2020, a soft kick-off was held virtually on 6 August 2020 with participation of key city administration officials. A formal kick-off meeting, with participation of the City Mayor among other key stakeholders, is set to take place within September 2020. Due to the COVID-19 pandemic, special effort has been put into the work plan to ensure seamless and frequent correspondence between the international and national experts on the AASCTF Task Team. Also, the development of a digital stakeholder engagement tool within the project has been fast-tracked as this now plays an even stronger role in the project providing insights from stakeholder analysis.

The AASCTF Task Team is closely collaborating with the Livable Settlements Investment Project (LSIP) with a view to identify of an investment package (approx. US\$ 30M) to form part of the full LSIP loan package, scheduled for approval in 2021. The AASCTF Task Team is also collaborating with Future Cities Laboratory on utilizing Ur-scape and working to identify the level of integration of outputs in that regard. Furthermore, ADB is also now in the process of onboarding the CSIRO via a direct engagement (resource person) contract to collaborate with the AASCTF Task Team in providing direct inputs to the climate risk profiling of Makassar, as required to deliver a truly future-proofed urban framework.

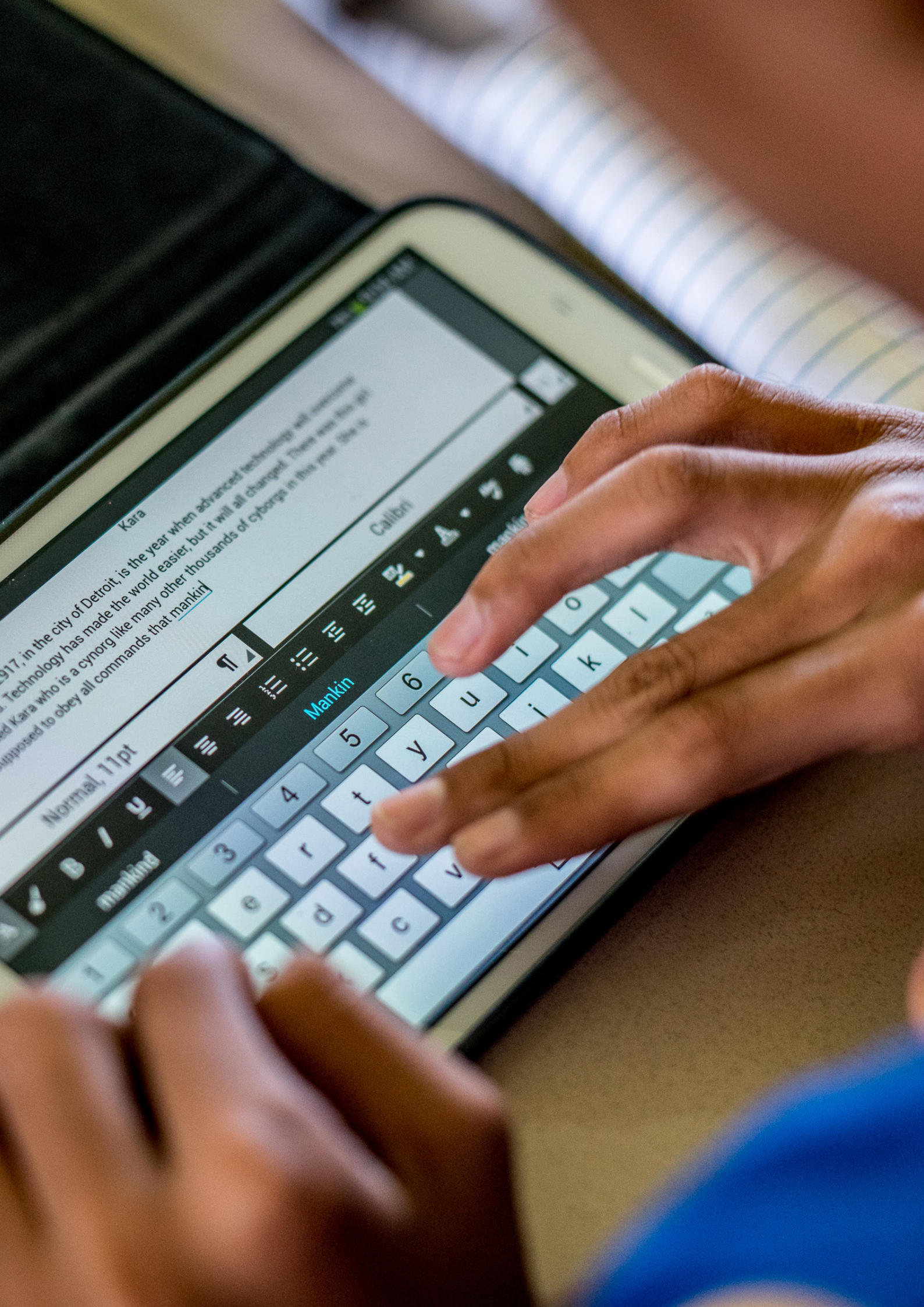
Baguio, Philippines

The AASCTF Task Team mobilized immediately following ADB endorsement mid-August, and is currently working according to the overall project timeline to be achieved within December 2021. A soft kick-off with key city administration officials followed by an official kick-off with participation of the City Mayor is scheduled to take place within September 2020.

Arrangements for the AASCTF Task Team to coordinate with the other ADB projects taking place in Baguio commenced with an introductory meeting and discussion (pre-TO endorsement) on 9 July 2020 with participation of Egis team leadership and city administration officials in order to identify means of utilizing data collection and analytical findings across the projects.

INVESTMENT GRANT PROJECTS

No investment grant activities occurred during the reporting period.



1977, in the city of Detroit, is the year when advanced technology will overcome
Technology has made the world easier, but it will all changed. There was this girl
Kara who is a cynorg like many other thousands of cyborgs in this year. She is
supposed to obey all commands that mankin

Mankin

Influencing Activities

COMMUNICATION & KNOWLEDGE SHARING

The communication and stakeholder engagement framework was finalized in May 2020, with the first phase of the communication framework initiated in June 2020 through agreed actions and tools.

In support of AASCTF's communication objectives as outlined in the Fund's Communications Strategy, social media channels for AASCTF were established on Facebook, LinkedIn, Twitter, and YouTube on 3 August 2020. This was preceded by the finalization of the Fund's Social Media Strategy in July 2020 to guide the use of these channels. Ultimately these channels are intended to help facilitate greater awareness for AASCTF's activities, to share knowledge, and to demonstrate the Fund's work in the region. The AASCTF Team has been extremely active over the last part of the reporting period in kick-starting the knowledge sharing activities, building an online following and actively engaging with an expanding online network and community. An overview of the current standing of the social media channels at the end of the reporting period is shown in Figure 4 below.

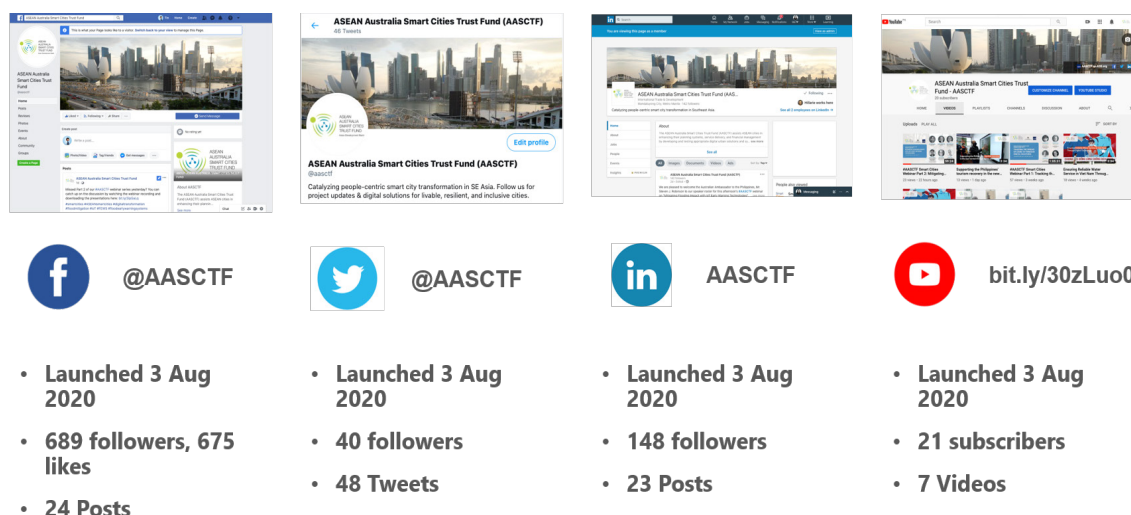


Figure 4. Overview of AASCTF social media platforms and basic statistics.

Content being shared on social media includes: webinar invitations, infographics, quote cards, and photos from AASCTF activities such as consultation missions and inception meetings (see Figure 5). The team is working on expanding the frequency and types of content being shared on social media as AASCTF activities increase.



Figure 5. Posts shared on the AASCTF social media platforms.

ASEAN Australia Smart Cities Webinar Series

During the reporting period, AASCTF initiated the ASEAN Australia Smart Cities Webinar Series to facilitate the sharing of smart, digital solutions that are helping cities around the world to improve their planning systems, service delivery, and financial management. The series currently consists of 6 webinars spaced out over a 6-month period (Aug 2020 to Jan 2021); each webinar focusing on a different digital solution directly derived from the AASCTF digital solution matrix (currently under revision). The first session was held on 18 August 2020 and focused on how big data is helping to track the spread of COVID-19 at city level. The session was well-attended (210 participants) and utilized interactive engagement tools such as audience polls, online Q&A, and digital evaluation forms with positive results and constructive feedback. The webinar recording and speaker presentations were also uploaded on ADB's Knowledge Events repository and shared through AASCTF social media channels.



Figure 6. Webinar 1 Promotional material.



Figure 7. Webinar 1 Zoom Banner.

Table 1. Overview of the ASEAN Australia Smart Cities Webinar Series statistics to-date.

Webinar Title	Participant No./ Attendance No.	Location of Participants	Nat/City Govt Participation	Gender Balance of Speakers	Overall rating of Webinar
Tracking the Spread of COVID-19 through Digital Solutions	210 / 59%	20 countries	31.6%	50%	10/10: 49% 8-9/10: 45% 6-7/10: 6%



Figure 8. AASCTF brief on 'Big Data for Covid-19 Tracking'.

Digital Solutions Briefs

To elaborate on the specific digital solutions highlighted throughout the webinar series and to maximize the learnings from the webinars, two-page briefs are currently being developed by the AASCTF Team, to ultimately be shared within the public domain.

Over the course of the reporting period, one (1) brief on 'Big Data for COVID-19 Tracking' has been successfully developed, uploaded on ADB's Knowledge Events repository and shared through AASCTF social media channels. Aside from presenting key learnings from the Fund's first webinar, this first brief sets out the opportunities, benefits and prerequisites for pursuing big data in tracking COVID-19, and presents two use cases of successful city-wide application of such technologies from Asia and abroad.

Digital Solutions Videos

Two videos showcasing how local governments have been adopting digital solutions to respond to the various challenges brought about by the COVID-19 pandemic have been produced, each featuring a pilot AASCTF city. The first video, published on the AASCTF and ADB YouTube channels and released through AASCTF social media channels on 6 August 2020, features the City of Makassar, highlighting their use of Ur-scape, a GIS-based visualization and data tool developed by the Future Cities Laboratory, in tracking and managing the spread of COVID-19 in the community. A second video released on 13 August focused on how the City of Hue's water utility provider is using digital technology to ensure safe and reliable water supply and encourage its customers to shift to digital payments to reduce physical contact in payment centers.



Figure 9. Thumbnail image from digital solutions videos.

REGIONAL TWINNING & NETWORKING

Over the course of the reporting period, the AASCTF Team held initial, informal talks with pilot city representatives on the needs for capacity development in accordance with the differentiated levels of engagement. Furthermore, consultations were held with the Smart Cities Council Australia New Zealand to develop ideas on how to operationalize the twinning approach. Work is ongoing to clearly elaborate the twinning process and the AASCTF Team has initially begun to reach out and discuss with potential mentor cities, in particular some that could be interested to take the role of mentor for Makassar or Baguio pilot projects.

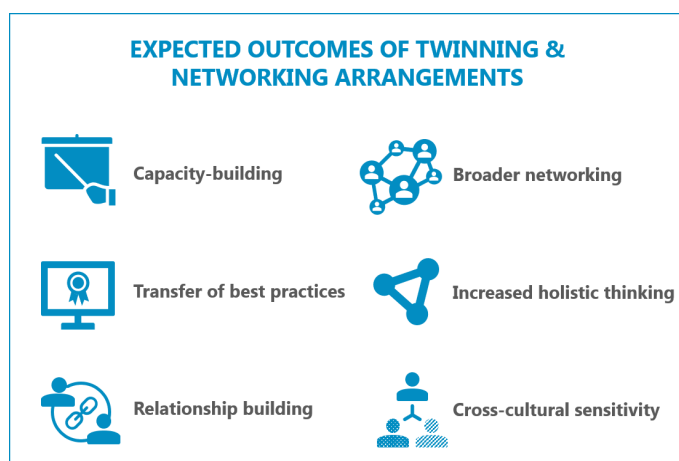


Figure 10. Expected outcomes of twinning and networking activities under AASCTF.



PROGRESS AGAINST DMF TARGETS

The AASCTF monitoring and evaluation (M&E) framework (i) ensures strategic alignment from high level goals to specific projects supported by the AASCTF; (ii) provides accountability on utilization of resources; (iii) generates an information base for communicating on progress, lessons learned and results and (iv) generates an information base for learning from implementation and results, success, and failure.

The AASCTF design and monitoring framework (DMF) identifies strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure.

The AASCTF DMF presented here is aligned with the original DMF presented in the 1st Annual Progress Report of April 2020. It is acknowledged that the AASCTF DMF is currently under review and revision and that the enhanced DMF will be presented in the 2020 Annual Progress Report to be delivered in the first quarter of 2021.

Figure 11 presents the four components of the performance framework guiding the DMF.



Figure 11. Four components of the performance framework.

OUTCOME/OUTPUT	PERFORMANCE INDICATORS
<p>Outcome:</p> <p>Systems and governance in participating ASEAN cities are improved using digital solutions</p>	<p>By 2025:</p> <p>a. Climate resilient and inclusive urban spatial data platforms improved and/or utilized in 5 participating cities</p> <p>b. Accessibility, quality and efficiency of selected services improved in 5 participating cities</p> <p>c. Creditworthiness improved in 5 participating cities</p>
<p>Output 1:</p> <p>Improved planning systems in participating ASEAN cities</p>	<p>By 2024, using digital solutions:</p> <p>1a. Urban spatial data platforms developed in 5 cities</p> <p>1b. Planning for climate resilience enhanced in 5 cities</p> <p>1c. Gender and social inclusive planning enhanced in 5 cities</p>
<p>Output 2:</p> <p>Improved service delivery in participating ASEAN cities</p>	<p>By 2024, using digital solutions:</p> <p>2a. Quality and effectiveness in selected service delivery enhanced in 5 cities</p> <p>2b. Efficiency in selected service delivery enhanced in 5 cities</p> <p>2c. Gender and social inclusive services enhanced in 5 cities</p>
<p>Output 3:</p> <p>Improved financial management in participating ASEAN cities</p>	<p>By 2024, using digital solutions:</p> <p>3a. Revenue collection systems enhanced in 5 cities</p> <p>3b. Financial management information systems enhanced in 5 cities</p> <p>3c. Financial inclusion for women and vulnerable groups enhanced in 5 cities</p>



ACHIEVED



IN PROGRESS



NOT YET AVAILABLE

Figure 12. Progress against DMF targets as of reporting period

ACHIEVEMENT UP TO REPORTING PERIOD	ACHIEVEMENT IN REPORTING PERIOD
Scoping missions identified potential use of spatial data platforms in 2 cities.	Potential use of spatial data platforms to improve systems and governance identified in 1 city: Hue; Work initiated in 2 cities: Makassar and Baguio.
Scoping missions identified potential areas of improvement in service delivery in 3 cities.	Preliminary work on support to 2 cities: Battambang and Kaysone. Work initiated in 1 city: Baguio.
Potential intervention identified in 2 cities.	Preliminary work on possible support to improve creditworthiness in 2 cities: Makassar and Baguio.
Preliminary work on possible support to 2 cities commenced.	Potential use of spatial and citizen engagement data platforms to improve planning systems in 2 cities: Hue and Battambang; Work commenced in 2 cities: Makassar and Baguio.
Initial scoping on potential support to 3 cities undertaken.	Preliminary work on possible support to improve planning on climate resilience in 2 cities: Battambang and Hue; Work commenced in 2 cities: Makassar and Baguio.
Following the AASCTF gender and inclusive framework, in all AASCTF cities specific attention will be given to ensure participation of women and disabled in AASCTF planning processes.	Preliminary work on possible support to improve gender and social inclusive planning in 3 cities: Battambang, Hue, and Kaysone; Work commenced in 2 cities: Makassar and Baguio.
Possible areas of support in 3 cities discussed with government.	Preliminary work on possible support to enhance service delivery quality and effectiveness: Battambang, Hue, Kaysone, and Yangon; Work initiated in 2 cities: Baguio and Makassar.
Preliminary discussions on possible areas of support in 3 cities undertaken.	Preliminary work on possible support to enhance service delivery efficiency: Battambang, Hue, and Kaysone; Work initiated in 2 cities: Makassar and Baguio.
Scoping missions in 3 cities have identified possibilities to enhance gender and social inclusive services.	Preliminary work on possible support to enhance service delivery efficiency: Battambang, Hue, and Kaysone; Work initiated in 2 cities: Makassar and Baguio.
Potential areas of support identified in 2 cities.	Work initiated in 2 cities with clear opportunities for digital solutions to upgrade solutions to upgrade revenue collection: Makassar and Baguio.
Potential areas of support in financial management identified in 2 cities.	Work initiated in 2 cities with clear opportunities for digital solutions to upgrade financial management: Makassar and Baguio.
Scoping missions in 2 cities have identified possibilities to enhance financial inclusion for women and vulnerable groups.	Work initiated in 2 cities with clear opportunities for digital solutions to enable focus on gender and informal settlements: Makassar and Baguio.

FINANCIALS

Resource allocation

TECHNICAL ASSISTANCE

A technical assistance grant of \$10 million was approved in May 2019 to support the Southeast Asia Urban Services Facility (SURF). Co-funded by ADB and other trust funds administered by ADB, SURF is a transaction technical assistance facility that supports developing member countries in Southeast Asia to improve urban services through technical, policy, and capacity development support for projects and investment programs in the urban development and water sectors. The AASCTF resources in SURF are earmarked to implement AASCTF activities only.

Subsequently, through a highly competitive process using ADB's quality- and cost-based selection procedure in accordance with the ADB Procurement Policy (2017, as amended from time to time), Ramboll Denmark A/S was selected to help ADB implement the majority of AASCTF activities. Ramboll commenced work in November 2019.

Ramboll's team is comprised of key experts in the areas of urban planning, geographic information system and digital technology, municipal finance, communication and graphics, outreach and capacity building, social development and gender, monitoring and evaluation, and project management. It is divided into a Core Team that has inputs through the Fund period and Task Teams that will be formed based on specific TOs to address the Fund's objective.

Besides supporting the overall implementation of the AASCTF, the Ramboll team will mobilize experts to carry out specific assignments in participating cities.

INVESTMENT GRANTS

No investment grants were approved during the review period.

DIRECT CHARGES

In this review period there was one (1) direct charge of US\$195,000 approved on 19 May 2020 to finance the development of a City Resource Mobilization (CRM) framework for Indonesian cities. The CRM framework will be a standardized template for analysis and identification of strategies for domestic resource mobilization, both internally and externally, to meet a city's medium-term investment needs. For internal resource identification and mobilization, the analysis will focus on raising more revenues through elements of tax and tariff reform, improved tax administration, land value capture mechanisms, and fee pricing, among others. For external resource mobilization, the analysis will develop a credit profile for the city by including and expanding on credit rating agencies' financial assessment for cities.

It is expected that the application of the CRM framework and its resulting recommendations will help cities to develop (i) financial management and creditworthiness; and (ii) a strategy for resource mobilization and prudent borrowing to meet medium-term infrastructure needs.

Fund Flow

CONTRIBUTIONS

The indicative total contribution from the Government of Australia, through its Department of Foreign Affairs and Trade (DFAT), for AASCTF is \$13.94 million (A\$20 million). The contribution is to be released in tranches with its last tranche envisioned in Q4 2022. The first tranche of funds released by DFAT on 31 May 2019 amounted to US\$4.51 million (A\$6,466,108).

COMMITMENTS

More than 70% of the expected total contribution from DFAT has been committed to date. A total \$10 million of which has been committed for utilization by SURF; US\$75,000 for a direct charge to support the Asian Livable Cities Forum on Digital Solutions for Livable Cities; and \$195,000 for a direct charge to support Indonesia's CRM Framework.

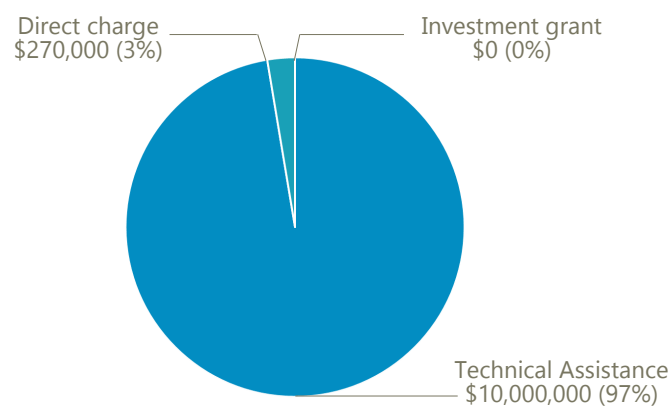


Figure 13. Commitments as of 10 September 2020

DISBURSEMENTS

Of the \$10.27 million committed, only about 7% (cumulative) have been disbursed as of 10 September 2020.

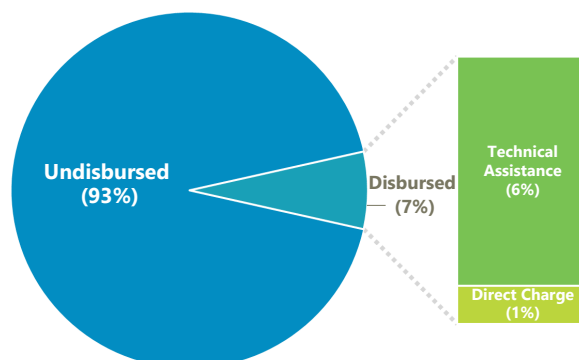


Figure 14. Disbursements as of 10 September 2020

⁴ A\$1 = US\$0.697 (exchange rate as of 30 June 2019).



WORK PLAN FOR FUND PERIOD

The work plan for the entire fund period is shown in Figure 15 below. The work plan is organised in accordance with the main activities regarding Trust Fund start-up, Foundational Activities, Implementation Activities, and Influencing Activities.

MILESTONES	2019			2020				2021				2022				2023				2024	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Trust Fund Start-up																					
1	Establish Trust Fund																				
2	Engage and mobilize consultants																				
3	Prepare and approve frameworks																				
Foundational Activities																					
1	City Selection																				
2	Concept/Task Order Development																				
3	Overarching/Cross-Cutting Themes																				
Implementation Activities																					
1	Capacity Development																				
2	TA Projects																				
3	Investment Grant Projects																				
Influencing Activities																					
1	Communication & Knowledge Sharing																				
2	Regional Twinning & Networking																				

Figure 15. AASCTF work plan for fund period.



WORK PLAN FOR REMAINDER 2020 (SEP-DEC)

Work under AASCTF is progressing along several streams with many key targets set out for the remainder of 2020, as summarized in Table 2 below.

Table 2. AASCTF enhanced work plan for remainder 2020.

Activities	Sep 2020	Oct 2020	Nov 2020	Dec 2020
Foundational Activities	City Selection » None Concept/Task Order Development » Kaysone TO (final) » Battambang Concept (LGU decision) Overarching/Cross-Cutting Themes » M&E Discussion Workshop (ADB & DFAT) » GESI Discussion Workshop (ADB & DFAT) » Enhanced GESI Strategy (draft) » COVID-19 discussion note (final)	City Selection » None Concept/Task Order Development » Kaysone TO (endorsed) » Hue Concept (final) » Chonburi/Penang (fact finding & city profiling) Overarching/Cross-Cutting Themes » Enhanced GESI Strategy (final) » Enhanced M&E Framework (final) » M&E Data Collection and Reporting Tools (draft) » Financial Management Strategy (draft) » Private Sector Engagement Strategy (draft) » COVID-19 Discussion Note (draft/final)	City Selection » None Concept/Task Order Development » Battambang TO (final) » Hue Concept (LGU decision) Overarching/Cross-Cutting Themes » M&E Data Collection and Reporting Tools (final) » Financial Management Strategy (final) » Private Sector Engagement Strategy (final)	City Selection » None Concept/Task Order Development » Battambang TO (endorsed) » Hue TO (final) » Yangon/Chonburi/Penang Concepts (final) Overarching/Cross-Cutting Themes » None
Implementation Activities	Capacity Development » None TA Projects » TO01 INO kick-off (official) » TO02 PHI kick-off (official) Investment Grant Projects » None	Capacity Development » TO01 INO Workshop 1 » TO02 PHI Workshop 1 TA Projects » TO01 INO Output 1 (draft/final) » TO03 LAO kick-off (official) Investment Grant Projects » None	Capacity Development » TO01 INO Workshop 2 » TO02 PHI OTJ Training Plan » TO03 LAO Workshop 1 TA Projects » TO01 INO Output 2 (draft/final) » TO02 PHI Output 1 (draft/final) » TO03 LAO Output 1 (draft/final) Investment Grant Projects » None	Capacity Development » TO01 INO Workshop 3 TA Projects » TO01 INO Output 3 (draft) » TO03 LAO Output 2 (draft) Investment Grant Projects » None
Influencing Activities	Communication & Knowledge Sharing » Webinar 2 » Digital Solutions brief (No. 2) » Video product: Baguio COVID-19 response » 3x/wk social media posts » Communication Discussion Workshop (ADB & DFAT) » Semi-Annual Progress Report Regional Twinning & Networking » Twinning operating procedures (draft)	Communication & Knowledge Sharing » Webinar 3 » Digital Solutions brief (No. 3) » Digital Solutions Matrix (enhancement & alignment w/ADB Analytical Framework) » 1st AASCTF Newsletter » 3x/wk social media posts » Video products (ideas/ plan finalized) Regional Twinning & Networking » Twinning/Networking questionnaires- mentor/pilot/recipient (draft)	Communication & Knowledge Sharing » Webinar 4 » Digital Solutions brief (No. 4) » 3x/wk social media posts » GESI-specific knowledge materials » Article: 'Principles of Smart City Financial Management' (draft) Regional Twinning & Networking » Twinning/Networking questionnaires-mentor/pilot/recipient (final)	Communication & Knowledge Sharing » Webinar 5 » Digital Solutions brief (No. 5) » 3x/wk social media posts » Video product #4 » M&E-specific knowledge materials » Article: 'Principles of Smart City Financial Management' (final) » Capacity-building options paper drafted on 'Financial Management' (draft) Regional Twinning & Networking » Questionnaires- mentor/pilot/ recipient (piloted – Baguio, Makassar)

Foundational Activities

CITY SELECTION

No city selection activities are foreseen in the period September to December 2020.

CONCEPT/TASK ORDER DEVELOPMENT

Even with delays due to the COVID-19 pandemic, prohibiting most travel till likely 2021, coordination with the local governments and key stakeholders will continue (largely unimpeded) through virtual meetings and correspondence.

Kaysone Task Order (Phase 1) is targeted to be endorsed, and the AASCTF Task Team mobilized, within mid-October 2020.

Battambang concept development is already well progressed but may require a further round of consultation with the government to confirm the scope related to the development of one or multiple of the proposed options at this stage. The Task Order for the project intervention is expected to be finalized in November 2020, with endorsement and AASCTF Task Team mobilization potentially within December 2020.

Hue concept development is still in the initial stages at this time and will likely require a few rounds of consultations given that at this stage the project has yet to be formally introduced to the city, let alone the specific entry points proposed. Although somewhat optimistic, the aim would be to have a Task Order completed within end-2020.

While concept and Task Order development for both Yangon and Penang are not foreseen to progress very much over the remainder of 2020, it is foreseen that with Chonburi this effort may likely be supported and even expedited due to the good and close contacts of DFAT Post in Thailand with the city. For now the aim is set to have concepts developed/finalized for each of these three cities by end-2020.

OVERARCHING/CROSS-CUTTING THEMES

A framework/strategy for Gender Equality and Social Inclusion (GESI) will be finalized in October 2020. Identified entry points for GESI in city interventions will be pursued through tailored and specific assessments and action plans.

The enhanced Monitoring and Evaluation (M&E) framework is targeted to be finalized in October 2020. Following this, M&E Data Collection and Reporting Tools (e.g. monitoring tool (activities tracker); dashboard and visuals; evaluation tools for Capacity Development and Knowledge Sharing activities and Twinning/Networking activities (questionnaires); evaluation guidelines and tools for Proofs of concepts/Pilot/Demonstration projects; reporting templates, etc.) are targeted to be developed within November 2020. M&E requirements are also progressively being integrated into knowledge and capacity building activities (e.g. evaluation survey for webinars) and Task Orders.

A strategy document for private sector engagement and Financial Management is planned for November 2020. A discussion note on pivoting the Fund's focus and operations in light of COVID-19 is also being developed with a target for finalization in October 2020.

Implementation Activities

CAPACITY DEVELOPMENT

A total of five (5) workshops are planned for the period September to December 2020 under the three (3) Task Orders; three (3) workshops associated with the Makassar (INO) TO and one (1) each on the Baguio (PHI) and Kaysone (LAO) TOs.

Additionally, under the Baguio (PHI) TO the AASCTF Task Team is set to deliver an On-The-Job Training Plan within November 2020.

TA PROJECTS

Makassar, Indonesia

In Makassar, the AASCTF Task Team is currently pushing ahead to complete the project within December 2020. An official kick-off with participation of the City Mayor and other key stakeholders is scheduled to take place within September 2020. Within October 2020 the Task Team should deliver the first output, Urban Situation Assessment Report. Within November 2020, the Task Team is set to deliver the second output, Urban Development Scenarios. And finally within December 2020, the Task Team is targeted to deliver the third and final output, Makassar Smart & Livable City Plan.

Baguio, Philippines

In Baguio, the AASCTF Task Team is currently working according to the overall project timeline to be achieved within December 2021. A soft kick-off with key city administration officials followed by an official kick-off with participation of the City Mayor is scheduled to take place within September 2020. The first deliverable on the project, the Baseline Assessment, is targeted to be delivered within November 2020.

Kaysone Phomvihane, Lao PDR

In Kaysone, the AASCTF is expected to mobilize within mid-October 2020 and shortly thereafter have an official kick-off meeting. The first workshop and associated first deliverable on the project is targeted for November 2020. A second deliverable regarding Samples of “e-learning/gamification” is set to be delivered in December 2020. The final workshop and third and final project deliverable (Pre-Feasibility Study) will wrap in January 2021.

INVESTMENT GRANT PROJECTS

No investment grant activities are foreseen in the period September to December 2020.

Influencing Activities

COMMUNICATION & KNOWLEDGE SHARING

AASCTF capacity building and knowledge sharing activities planned for the remainder of 2020 include webinars, digital solutions briefs, updated digital solutions matrix, video/multi-media products, social media posts, 1st quarterly newsletter, and twinning/networking questionnaires.

As part of the ASEAN Australia Smart Cities Webinar Series, a second session is scheduled on 8 September 2020, which will focus on Flood Early Warning Systems. For this second AASCTF organized webinar, Baguio pilot project is to be taken as a particular focus case. At this webinar the Australian Ambassador to the Philippines will give opening remarks and the Mayor of Baguio will partake and conclude the webinar. Four more webinar sessions are planned between October 2020 and January 2021 (see Figure 16).



Figure 16. An overview of sessions under the ASEAN Australia Smart Cities Webinar Series.

Additional 2-page briefs will be developed following the upcoming webinars, each featuring specific digital solutions presented and discussed during the sessions.

Following up on the initial progress made in the current reporting period by the AASCTF Team to develop a digital solutions matrix, the current thinking is to align the matrix with ADB's Sustainable Development Smart City Analytical Framework, which is itself closely aligned with ASUS. By way of a stronger linking to the analytical framework, the AASCTF sees the opportunity to shore up the overall approach to the project and enhance the cohesiveness and integration of the different workstreams and outputs under the project. It is targeted that the revision of the matrix will be achieved within October 2020, while the matrix itself is to be seen as a living document.

A third digital solutions video on how the Philippines is adopting digital technologies to restart and enhance its tourism sector in the new normal by utilizing digital tourism platforms and contact tracing methodologies to protect the health is scheduled to be released in September 2020. The AASCTF City of Baguio is represented in the video, featuring the Mayor of Baguio, presenting new digital solutions for city planning. Between October and December 2020, the ideas/storylines for the next set of video/multi-media products will be agreed, with a target set for at least one (1) more video to be developed within 2020.

AASCTF is also currently developing a bi-monthly newsletter as an additional outreach to its target stakeholders. The newsletter will serve as a digest of AASCTF activities and stories during the period and is scheduled to be released end of October 2020.

REGIONAL TWINNING & NETWORKING

For the second half of 2020, a city twinning framework will be developed focusing on describing the capacity development needs of AASCTF cities across Asia, as well as screening the interests among city representatives in potential mentor cities in Australia and Asia. The AASCTF Team is working to develop questionnaires to support the matching process, both on the side of mentor cities (interests focused) and on that of pilot/recipient cities (needs focused), with a clear target to deliver the questionnaires within the last quarter of 2020. In addition to integrating learnings from past and present ADB twinning initiatives, dialogue has commenced with the Smart Cities Council Australia New Zealand to investigate opportunities to collaborate within the twinning arena. Specific objectives and actions will be developed for each one-to-one twinning arrangement, as well as broader city networking activities (see Figure 17).



Figure 17. An overview of expected twinning activities.

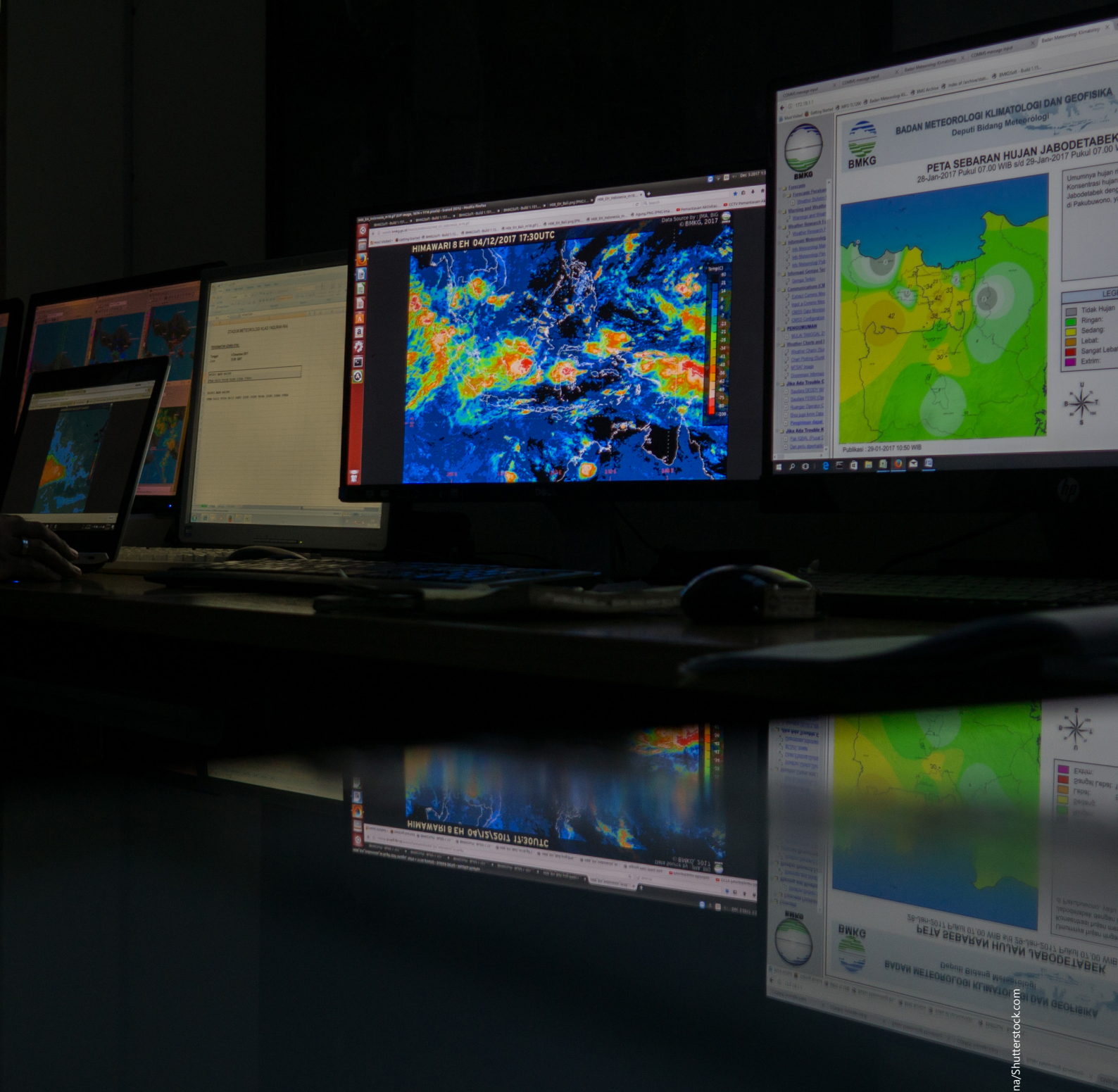


Photo: Pande Putu Hadi Wiguna/Shutterstock.com

RISKS AND MITIGATION

Table 3. Identified risks and mitigation measures over the fund period.

RISK	MITIGATION MEASURE
Change in political support of local governments	The cities selected to participate in AASCTF have significant collaborations with ADB (including ongoing of planned loans and grants). As such, ADB through the respective project officers, has a vested interest to maintain good working relationships with each of these cities and its political leadership.
Delays in completing procedures required to implement investment projects	<p>In many of the ASEAN countries, ADB cannot work directly with cities without proper endorsement by the national government. As the AASCTF uses an existing technical assistance facility for which countries have already provided No Objection Letters, technical assistance can start right away.</p> <p>However, for investment projects, other regulations govern ADB's ability to finance construction of pilots.</p> <p>Project officers responsible for selected countries will pro-actively collaborate with relevant national government agencies to ensure compliance with national procedures.</p>
Economic disruption has changed the ability and willingness of the private sector to engage	<p>Disruption has affected all economic sectors, ushering lesser/greater opportunities for digital innovation in cities. Disruption exacerbates existing inequalities, and AASCTF will work to ensure gender, vulnerable communities and the informal sector are embedded as outcome beneficiaries in all proposed investments.</p> <p>In this environment, the AASCTF appears more relevant, and will guarantee to provide a platform for cities to exchange ideas with the private sector.</p>
Lack of alignment with other DFAT priorities in country	DFAT Canberra is requested to introduce AASCTF to relevant officers in the respective DFAT posts after which ADB project officer will have further discussions on priorities and possible alignments. DFAT project officers to be kept informed through distribution of AASCTF progress reports and regular exchanges with ADB project officers.
Delays incurred due to COVID-19 pandemic	<p>The workplan for the remainder of 2020 considers that work will continue on a remote basis over this period due to COVID-19. Travel restrictions prevent missions from taking place which have been seen to cause delays in scoping activities and implementation start-up of Tasks Orders.</p> <p>Preparation of Task Orders is continuing. However, as ADB already has ongoing collaborations with the selected cities, data is being sourced from many of the AASCTF cities, and meetings can be arranged through videoconferencing.</p> <p>At the same time, ADB observes that COVID-19 provides a stimulus for cities to work smarter and recognize the importance of data management. While AASCTF is not geared towards emergency response, we expect that cities will seek AASCTF support to enhance their data management.</p>



ANNEX I: TASK ORDER DEVELOPMENT AND IMPLEMENTATION

APPROACH AND METHODOLOGY

AASCTF is working with different types of approaches and methodologies towards defining, designing, and implementing its city-focused activities. The approaches and methodologies applied in a certain city varies mainly according to:

- Level of intervention considered (bronze, silver or gold);
- Entry points, in terms of sector or themes as prioritized by local government counterparts; and
- Timeline of ongoing and planned ADB lending activities.

Agreeing on a project, and the stages leading to the development of this project to be supported under AASCTF, is a key outcome of the initial city scoping visits. It should be noted however that these approaches per city remains flexible to be able to respond to new opportunities and challenges which might occur in selected cities.

Depending on the complexity of the city and the existence, age and quality of the urban development plan for the city, the pathway to selection of investments under the AASCTF is provided in the diagram below.

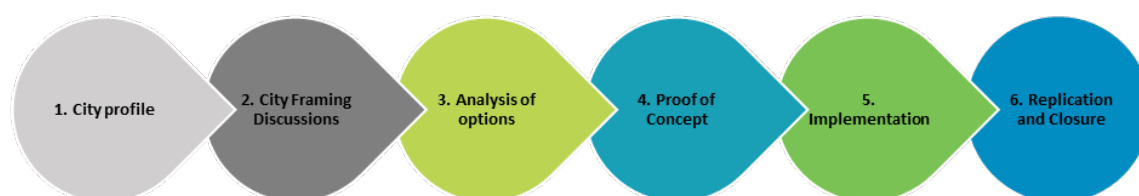


Figure AI-1. Overview of AASCTF 6-step approach for pilot intervention (Silver and Gold cities).

Currently AASCTF Team is working to further enhance and clarify the approach, where also the specific implications of the COVID-19 pandemic are being taken into consideration. Key to enhancing this overall approach is the alignment of such with ADB's Sustainable Development Smart City Analytical Framework (see Figure AI-2).

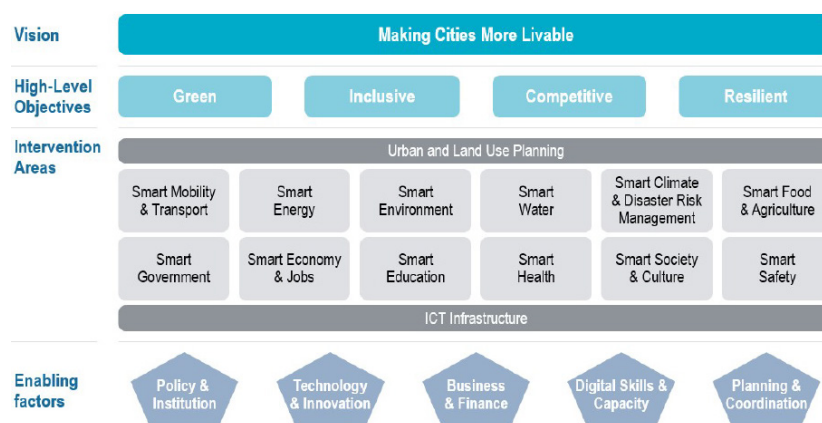


Figure AI-2. ADB's Sustainable Development Smart City Analytical Framework.

LEVELS OF INTERVENTION WITH AASCTF CITIES

To deliver the Fund's envisaged results, support will be delivered through three levels of intervention – bronze, silver and gold, with a deepening engagement at the gold tier. An overview of the current designation of participating AASCTF cities is shown in Figure AI-3.

COUNTRY	CITY	BRONZE	SILVER	GOLD
Cambodia	Battambang	x	x	
	Bavet	x		
	Kampot	x		
	Poipet	x		
	Phnom Phen	x		
Indonesia	Banjarmasin	x		
	Cirebon	x		
	Makassar	x	x	x
	Palembang	x		
	Sorong	x		
Lao PDR	Kaysone	x	x	x
	Luang Prabang	x		
	Pakse	x		
	Vientiane	x		
Malaysia	Penang	x	x	
Myanmar	Yangon	x	x	x
Philippines	Baguio	x	x	x
	Coron	x		
	El Nido	x		
	Metro Manila	x		
Thailand	Chonburi	x	x	
Vietnam	Gia Nghia	x		
	Ho Chi Minh	x		
	Hue	x	x	
	Phan Rang	x		
	Phan Thiet	x		

Figure AI-3. AASCTF city designation level.

Bronze

Cities in this group can participate in regional capacity development and knowledge sharing events. The events focus on exchange of experiences and expertise to improve planning, service delivery, and financial management to address urbanization challenges. These events will also engage relevant supra-national entities such as the ASEAN secretariat and national ministries. Questionnaires are currently being developed with the view toward understanding the needs of Bronze level cities. Bronze cities engagement will be viewed more from the lens of “networking” as opposed to more formal twinning. ADB and DFAT will utilize their networks and resident missions in the upcoming period to foster the links and necessary introductions to the Bronze level cities. Indeed, it is also clear that within the duration of the project it could be possible for Bronze cities to graduate to silver or even gold level cities.

Silver

Cities in this group present opportunities to ADB to complement and leverage both its ongoing and future projects. Technical assistance activities might also support the preparation of larger investment projects that may then be picked up by ADB as part of its project pipeline, by other financing partners, or by the private sector. This will result in AASCTF resources being able to leverage investments in larger projects. Activities will involve piloting small-scale interventions which could then be scaled up, as well as showcased and replicated in other ASEAN cities, through city twinning arrangements between AASCTF cities or with Australian cities.

Gold

Cities in this group will be small and investment grants will be used to support the development of demonstration projects. Gold cities are to be carefully selected, with consideration to the level of demand and support for the project from local stakeholders, as well as whether the national and provincial governments have the necessary capacity (technical, institutional and financial) to process and implement the grant project.

LINKS WITH ASUS, AASCTF AND CROSS-CUTTING THEMES

Based on the initial interactions with the first batch cities, Figure AI-4 summarizes the range of proposed approaches in these 6 cities.







































		Makassar	Baguio	Battambang	Hue	Kaysone	Yangon
ASUS Themes	Civic & Social						
	Health & Wellbeing						
	Security						
	Quality Environment						
	Built Infrastructure						
	Industry & Innovation						
AASCTF Output Areas	Planning Systems						
	Service Delivery						
	Financial Management						
AASCTF Crosscutting Themes	Gender						
	Inclusion						
	Climate Change						
	Private Sector						

Figure AI-4. First batch pilot city intervention links with ASUS, AASCTF and cross-cutting themes.



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ABOUT THE ASEAN AUSTRALIA SMART CITIES TRUST FUND

The ASEAN Australia Smart Cities Trust Fund (AASCTF) assists ASEAN cities in enhancing their planning systems, service delivery, and financial management by developing and testing appropriate digital solutions and systems. Digital solutions address vital cross-cutting themes such as social inclusiveness, gender equity & women's empowerment, climate change & environmental sustainability, and public-private partnerships. By working with cities, AASCTF facilitates their transformation to become more livable, resilient, and inclusive, while in the process identifying scalable best practices to be replicated across cities in Asia and the Pacific.



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