Assessment of CAI-Asia's Institutional Structure and Its Medium and Long-term Future

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Background

The Clean Air Initiative for Asian Cities (CAI-Asia) was established in February 2001 to become a network of cities, government agencies, the private sector, NGOs, academe and development agencies which promotes better air quality management (AQM) in Asia. Its primary objectives are:

    (a) to share knowledge and best practices on AQM
    (b) improve policy and regulatory frameworks at the regional level
    (c) promote integrated air quality management strategies; and
    (d) undertake selected pilot projects to address mobile, stationary and area sources of air pollution.

The first phase of CAI-Asia (2001-2004) which focused on raising awareness about AQM, facilitating knowledge sharing among its members and setting up the Network ended in December 2004. To evaluate its effectiveness and impact and to determine how it should move forward, a survey was conducted among the CAI-Asia members and subscribers to its listserv from October -November 2004. The results of this survey were presented during the Better Air Quality Management Conference in Agra, India last December 5-7, 2004.

While the survey focused on the effectiveness of the Initiative in terms of meeting the needs of its members and in achieving its objectives, the survey did not cover an assessment of its present institutional structure and its medium and long-term future. As noted during the past meeting of the Executive Council (ExCo), such an assessment would need to be undertaken to guide the planning of the Initiative for its 2nd phase (2005-2007).

Scope and Objective of the Engagement

The undersigned was commissioned by CAI-Asia to conduct a series of interviews with key stakeholders to ensure that the ongoing planning for the 2nd phase of the Initiative considers the different opinions of its stakeholders on the institutional structure of CAI-Asia and its development in the future. The Terms of Reference of this engagement noted that the interviews were supposed to cover the following:

    a)   the identity of CAI-Asia
    b)   the medium and long term perspective for CAI-Asia
    c)   the role of the CAI-Asia secretariat
    d)   the stakeholders' perspectives on the function and role of CAI-Asia, its governance, financing and day-to-day operations.

Twenty to twenty five interviews were supposed to be conducted with the following organizations and persons (initially identified and listed in the attached Terms of Reference *[Annex A]).*

Methodology

Reports on the activities of CAI-Asia were reviewed and meetings were held with the CAI-Asia secretariat in order to get an update and more thorough understanding of the workings of the Initiative over the past 3 years.

After some discussion, it was agreed that the interviews were not going to be very structured. However, certain questions raised in the TOR were to be answered in the course of a free wheeling discussion. Guide questions were thus prepared and subsequently submitted to the CAI-Asia's Head of the Secretariat and Coordinator for review and comments. The said guide questions were revised and finally approved. Attached as *Annex B* are the guide questions which were used for the interviews.

Six (30%) face to face interviews were held. The rest (14 or 70%) were done over the telephone. As much as possible, telephone interviews were recorded.

It was difficult to set the interviews given the hectic schedule of the targeted stakeholders. The guide questions were thus sent out by email and the stakeholders were encouraged to respond to them electronically. However, no one sent his/her response by email.

Profile of the Interviewees

Twenty stakeholders were interviewed from February 4 - March 22. Three (3) come from the private sector, four (4) from participating countries/cities, ten (10) from the donor community and three (3) from the CAI -Asia secretariat. Six are women while 14 are men. Attached as *Annex C* is the list of the interviewees.

General Findings and Conclusion

The various stakeholders are generally very satisfied with the present informal institutional structure, governance and day-to-day operations of the Network. They noted that it has effectively served its purpose of bringing in the different stakeholders and actively engaging them in AQM. It has also raised awareness about the importance of AQM and has encouraged and facilitated more information sharing among cities and countries in Asia. It is slowly establishing itself as the knowledge base for AQM in the region. Everyone wants the Network to continue as a regional alliance of various stakeholders.

Everyone also recognized the positive effect of having ADB and WB host the secretariat and strongly felt that they should continue to host the Initiative. Having these 2 well-known and prestigious institutions as hosts has boosted the profile of CAI-Asia and has given it credibility. This has made it easier to bring in private sector partners as well as mobilize funds. At the same time, the stakeholders also thought that both institutions benefit from hosting CAI-Asia.

Everyone recognized the importance of private sector involvement in the Initiative and agreed that efforts should be exerted to bring in more members from various industry sectors as well as small and medium enterprises within each city/country. A recommendation to recruit industry associations rather than individual companies will enable the Network to have a wider and more representative membership. This should be pursued.

The current working arrangement between the Executive Council and the secretariat was also considered generally satisfactory (70%). Some wanted the ExCo members to be more substantively engaged in the decision-making of the Network. Longer meetings and/or more frequent meetings were among the suggestions. The undersigned thinks that these suggestions have to be tempered with the reality that all the ExCo members are also very busy with their own work within their respective organizations or companies. It may not be realistic to expect them to spend more time on CAI-Asia work. It could be argued that electronic communication is now readily available and should be maximized. However, experience has shown that ExCo members hardly have the time to review documents sent to them by the secretariat. For example, the deadline for submitting comments on draft strategy and work plan was already extended yet when the new deadline came, only 2 comments were received. The same thing happened with the setting up of the interviews for this survey. Admittedly, it will be advantageous to the Network if the ExCo members are more actively and intensely engaged. The range and depth of the expertise and experiences of the ExCo Members will surely enrich the Network's work. How this can be achieved given the already hectic schedule of the ExCo members should be discussed in its next meeting. Hopefully, commitments can be secured to get the ExCo members more actively involved.

The stakeholders are very satisfied with the present secretariat. It was felt that the roles and functions they are presently undertaking are appropriate. The key role that the secretariat has played, not just in coordinating the activities of the Network but in bringing CAI-Asia to where it is now, was acknowledged by all. Some areas for further enhancing the work were put forward. Increasing the transparency of financial transactions should be attended to soonest since it will help build confidence in the Network. At the same time, ensuring feedback to stakeholders on how their comments/suggestions have been considered or not considered and why is also necessary in order to encourage stakeholders to continue to be involved in the Network's decision-making and planning process. Passing on the need to attend to the logistical requirements of holding the BAQ Conference to a contractor or the local host has already been started and should be continued. This will free the secretariat to attend to more substantive work.

However, there was no consensus on the need to transform the Network into a formal organization. This definitely calls for a more thorough study especially regarding the legal implications of such a move. How the multisectoral character of the Network (considered as one of CAI-Asia's strengths) can be maintained with government agencies and local governments as members of a formal organization requires more in-depth analysis. Another concern that needs to be studied is where and/or with whom such a regional formal organization will be registered. Being registered in one country

may constrain other government agencies and local governments from other countries from becoming members. If it will be transformed into an international NGO, the legal framework for countries in the region to join such an international NGO also needs to be further studied. If governments cannot become members and will just be invited as members, then the existing strength of the Initiative may well be lost. The other option of becoming an international NGO registered with the United Nations can also be explored.

This decision is also largely dependent on what the future thrusts of CAI-Asia work will be. If the Network wants to shift from awareness raising, sharing information and capacity building to more policy work and implementation of identified measures, then the argument for a formal organization becomes stronger.

On the other hand, being formal does not by itself mean that one can effectively engage government in policy discussions. That can only be done once a particular organization has reached a certain stature. While CAI-Asia is now becoming known in the region, it may still take some time before CAI-Asia reaches that point. This is not to say that it has to wait until that time before it pushes for policy reforms and actions on the ground. The undersigned recommends that the Network maximize its present linkage with WB and ADB to precisely do this. Both institutions already engage with government at the policy and program level. What needs to be done is for both institutions to really buy into CAI-Asia - meaning they must formally recognize it as part of their own work program and get buy in from their respective operational units so that CAI-Asia is not just considered a special project. All those working in related fields within these institutions in Asia should become champions for clean air. They should ensure that AQM is considered in their specific areas of work (transport, infrastructure, social development, etc). AQM should not be considered the work of the Environment or the Sustainable Development departments only. This highlights the strategic value of mainstreaming CAI-Asia work or AQM within each institution. CAI -Asia and the bank staff now involved in CAI-Asia should now more consciously market CAI-Asia and AQM within their respective institutions. Just as CAI-Asia is trying to reach as many external stakeholders, so too must it exert effort to reach out to internal stakeholders within the said institutions. How this mainstreaming can be done should immediately be discussed by CAI-Asia with the concerned officials and staff of ADB and WB. Considering its strategic value, this should be one of the priority focus of the work within the early part of this 2nd phase of the Initiative.

On membership, everyone agreed that all the stakeholders need to be represented within the Initiative. There is thus a need to improve city representation - get more cities to become active members and also strengthen local networks. The focus should be on having local networks that are hosted by existing local organizations already serving as local champions for clean air within a city or country. The practice of having it lodged with a donor-assisted project is not sustainable and does not develop a strong sense of local ownership. At the same time, the benefits of capacity building are not institutionalized since project staff may leave when the project ends. It is better to support staff within an existing local organization. It is recommended that this be another priority area for the Network given the fact that only if the cities are more

engaged, can we expect actions on the ground.

There was also no consensus on having governments recognize CAI-Asia. While others felt that this should be pursued, there were others who felt that this should just be allowed to evolve. While 55% wanted to strengthen the linkage with UNEP, it is noteworthy that 35% were non-committal because they were not familiar enough with UNEP. This finding should be made known and discussed with UNEP.

All the stakeholders realized that more financing options need to be explored to ensure the financial sustainability of the Network. While the membership can be expanded and more paying members encouraged, experience has also shown that membership fees alone are not enough to sustain an organization. The possibility of setting up a sizeable Trust Fund seems to be the most promising option. A group should be assigned to explore this option in more detail.

Admittedly, in just 3 years, CAI-Asia has emerged as an effective organization in raising awareness about AQM and the value of various stakeholders, cities and countries working together. It is now acknowledged as the information center for AQM in the region and is also building up the capacity of its members to deal with AQM issues and challenges. There is no doubt that such an Initiative is needed in the region and that the sharing of experiences and expertise across countries, cities and stakeholders will greatly facilitate the adoption of needed policy reforms and appropriate programs and projects.

The findings and recommendations from this survey provide a very fertile ground for determining the focus of the 2nd phase of CAI-Asia. This should now be thoroughly discussed by the ExCo, the secretariat and the Network's hosts – the ADB and World Bank. What is important to keep in mind is how one can build on CAI-Asia's current strengths and improve the same recognizing that at the end of the day, CAI-Asia can only really claim to be successful if it has improved the quality of the air and thus improved the quality of lives of the people in the region.

Detailed Findings

The following were the findings of the interviews:

I.   *On the Present and Future institutional structure of CAI-Asia:*

1.1 On the fact that CAI-Asia is an informal organization

There was a consensus that the present informal set up of CAI-Asia has made it effective. It has allowed CAI-Asia to actively engage as many stakeholders as possible, from the national and local government, the private sector, the NGOs, the academe and the donor community. Not only are various sectors involved, but they are also treated equally with no single sector dominating the Network. It was noted that being informal has made it easy for CAI-Asia to bring in partners who do not feel constrained by any legal requirements or who may be turned off by a formal organization. This means that any interested group can

easily join the Network. At the same time, it also means that they can leave anytime they please. In this case, it could also be considered a disadvantage.

One of the organizers of CAI-Asia pointed out that the Network was designed to be informal and inclusive considering that air quality management is a cross-sectoral issue which can only be addressed if all stakeholders are involved.

Someone noted that CAI-Asia is working well due to the fact that while it is a loose organization, it does have clear rules to guide its operations.

Everyone agreed that CAI-Asia has been successful in raising awareness about AQM in the region such that more countries and cities are now actively addressing the problem of dirty air. Through its ability to engage all stakeholders directly and through the listserv, it has encouraged more information sharing and has fostered more cooperation. It was noted that CAI-Asia has allowed stakeholders, including the grassroots, to give their inputs.

While everyone saw this informal nature as an advantage, 40% or 8 of the interviewees also noted that it also had its disadvantages. The primary disadvantage noted (by 5 interviewees) is the fact that it is difficult for CAI-Asia to raise funds and access donor funding from others (outside of ADB, WB and USAEP) on its own precisely because it has no legal identity. Another major disadvantage pointed out is the fact that it cannot enter into any formal agreements or even formal discussions with government which is important if policy reforms are targeted. Two stakeholders also think that CAI-Asia's ability to implement is weakened by its informal nature.

1.2 On the need to transform CAI-Asia into a formal organization

There as no consensus on this issue:

1. 45% (9) felt that the present arrangement was sufficient and that transforming CAI-Asia into a formal organization may in fact be counter productive and render the Network ineffective;
2. 10% (2) reserved decision on this issue and preferred that this matter be studied further;
3. 10% (2) thought that this decision should be determined by what the future objectives and plans of the Initiative are. They noted that the objectives of the 1st phase were to raise awareness, establish the network, build capacity and share information. An informal structure was appropriate to meet those objectives and that is largely why CAI-Asia has been effective. If the 2nd phase will focus on policy work and implementing programs and projects, these may best be done by a formal organization; and
4. 35% (7) thought that it will be advantageous for CAI-Asia to be transformed into a formal organization at this time.
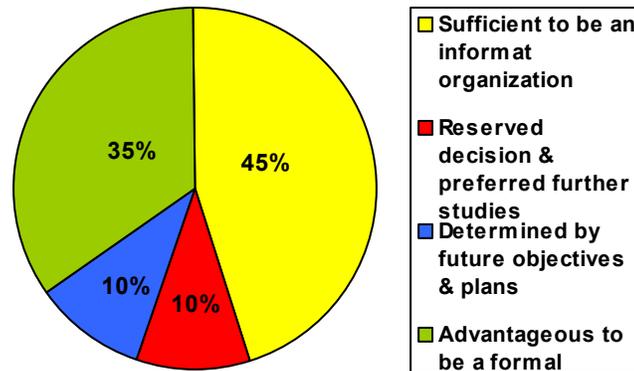
Figure 1 Need to transform CAI-Asia into a formal organization

Those objecting to the transformation raised the following concerns about a formal organization:

1. It may make the Network too bureaucratic and political;
2. It may pose bigger implementation problems;
3. It may raise legal issues with the different stakeholders including government agencies and local governments being members;
4. The rigidity of a formal organization may suffocate and turn off some stakeholders.

On the other hand, those who favored the transformation of CAI-Asia into a formal organization with a separate legal identity had the following reasons:

1. the private sector will see it as a more serious organization if it is formal;
2. it can only officially engage and influence government in policy discussions if it is a legal entity;
3. it can raise and access funds by itself.

Those who favor the establishment of a formal organization with a distinct legal identity offered the following options:

1. to be an international NGO with distinct legal status - registered with either an international body like the UN or registered within a country. It was noted that registering the regional initiative within one member country may raise some legal constraints from other members, esp. those from other national and local governments;
2. for CAI-Asia's functions or some of its functions to be absorbed by other international and/or regional bodies like UN ESCAP, UNEP or ASEAN
3. for an existing well-known and credible organization within the region such as the Korean Environment Institute (KEI) or the Asian Institute of Technology (AIT) to eventually assume the functions of CAI-Asia.

Another option forwarded was for the Clean Air Initiative for Asia, for Latin America and the Caribbean (LAC) and for sub-Saharan Africa to merge into one international NGO registered with the United Nations, similar to the International Union for the Conservation of Nature. It could then be serviced by 3 regional secretariats taking charge of aspects of the work which build on their individual strengths. For example, the websites could be managed by CAI-Asia while the capacity building activities could be coordinated by CAI-LAC. This way, the initiative as a whole can attend global meetings that deal with air quality issues and can be officially recognized. At the same time, those who want to work within a specific region or country can still be accommodated. This will allow for faster knowledge sharing since the experiences of the other regions, not just countries and cities within a region, can serve to guide the work of others. Hopefully, this will lead to more expeditious adoption and implementations of certain measures already tested in other regions and avoid the need to do things sequentially.

1.3 On the timetable for the transformation:
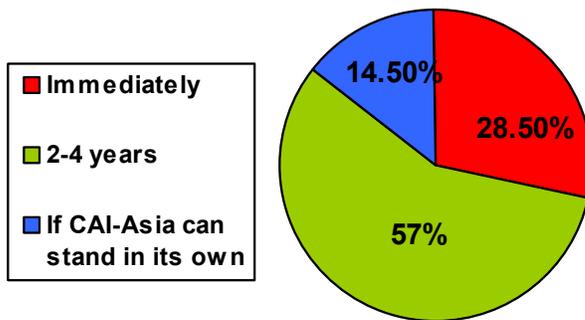
As to the timing for such a transformation, a whole range of opinions were recommended. 2 out of the 7 or 28.5% (those who think that a formal organization is needed) thought that the transformation process should start immediately. The other 57% suggest that this process be started in the next 2-4 years. One (14.5%) stakeholder felt that it should be transformed into a formal organization only if and when the ADB and the WB will step back and not host the Initiative anymore and only if CAI-Asia is already strong enough by then to stand on its own.

1.4 On how long CAI-Asia would be needed:

Everyone agreed that an alliance such as CAI-Asia continues to be needed. Given the extent of growth, urbanization and industrialization in the region, the fact that addressing air quality issues is a complicated issue and that there are many other countries and cities in Asia that are not yet members of the Initiative, it was

the consensus that CAI-Asia should continue.
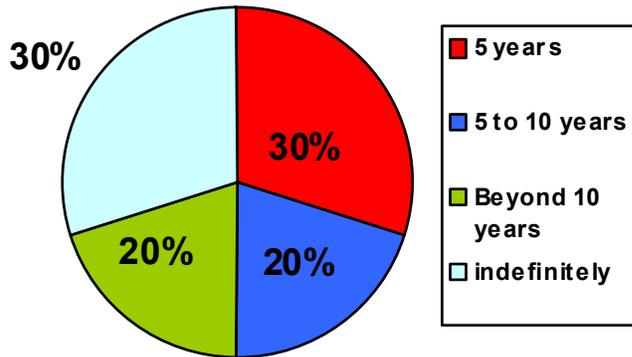
1. 30% felt that CAI-Asia would be needed for at least another 5 years;
2. 20% for the next 5-10 years;
3. 20% beyond 10 years ;
4. 30% believed that it would be needed indefinitely given the nature of the problem at hand.

1.5 On the value of having CAI-Asia officially recognized by governments:

There was no consensus on this issue. 35% were non-committal, 5% suggested that this be further studied, 5% were against it while 55% were in favor.
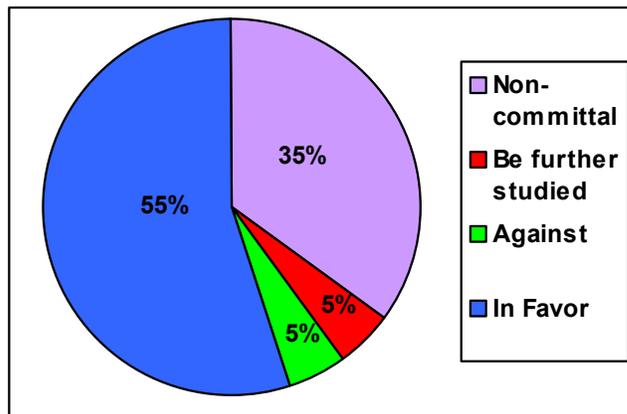
Those who saw value to CAI-Asia being recognized by governments, realized that to make an impact and also to fast track the mainstreaming of CAI-Asia's work, it is necessary for Ministers/Secretaries to pick up on the discussions and activities of CAI-Asia and/or be directly influenced by CAI-Asia's work. They thus felt that this track should be actively pursued.

Advantages noted include:

1. CAI-Asia is expected to become an even more formidable force in the fight for clean air if governments officially recognize it;
2. It will raise the profile of the Initiative and hopefully will attract more funders;
3. If the regional initiative is recognized, then its members, the cities, countries and local networks also benefit.

Options as to the role of CAI-Asia forwarded were for the Initiative to serve as the technical arm of formal international or regional organizations such as UNEP or ASEAN. It could also be the sounding board for AQM policies that would affect the region.

On the other hand, one stakeholder felt that CAI-Asia should not exert any effort to make this happen and should just leave it to governments and formal international bodies to acknowledge its work. He believes that when CAI-Asia becomes more effective and thus establish a reputation, then this recognition will automatically follow.

1.6 On the need to set up subregional CAI-Asia

Except for two stakeholders who had no opinion either way on this issue, there was general agreement (90%) that the present regional set up is sufficient since it already allows all the stakeholders concerned to deal with subregional issues. It was noted that while there may be some specific issues common within a subregion (like indoor air for China, India, Sri Lanka and Bangladesh and haze for the ASEAN member-countries), the concerned stakeholders of CAI-Asia can readily work together to share information and cooperate in addressing said issues without the need of forming a subregional CAI.
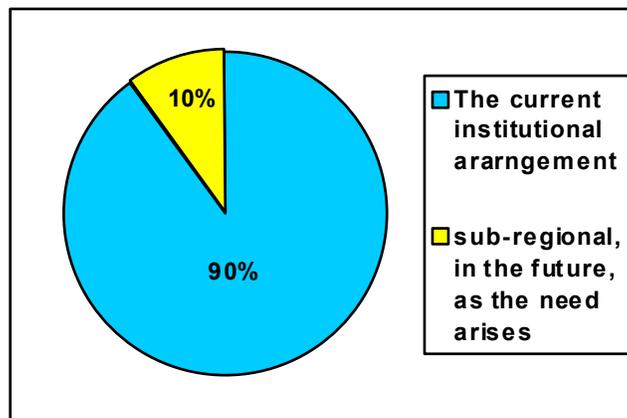

The fear of India dominating a subregional CAI for South Asia was noted by one stakeholder. Given the commonality of air quality issues and the situation of governments in the region, a regional cooperation was considered by 18 stakeholders (90%) as the best institutional arrangement.

Two stakeholders (10%) representing multilateral agencies pointed out that a subregional organization may be a possibility in the future. However, it should just be allowed to evolve as the need arises.

1.7 On the existing and future relationship of CAI-Asia with UNEP

Some stakeholders (35%) are not familiar with UNEP and therefore had no opinion about CAI-Asia's relationship with UNEP. 10% felt strongly that CAI-Asia should not link and work with UNEP. Based on their experiences, they had found UNEP to be slow to act and very bureaucratic, requiring too many paperwork before anything can be done. They were thus concerned that CAI-Asia may also become bureaucratic if it cooperates with UNEP.

On the other hand, 55% recognized the value of a formal international body like UNEP. They pointed out that UNEP's strength lies in its being an internationally established body that deals with Ministers and other high level senior officials of government. CAI-Asia's strength is that it is multisectoral and is rooted at the local level. However, most of those from government active with the Initiative are middle level officials.
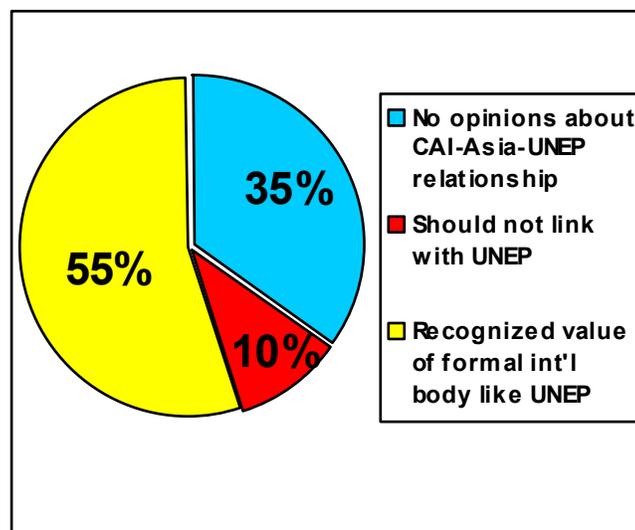
Since both work on AQM issues, cooperating with each other is seen to be mutually beneficial. UNEP can help influence decisions and serve as a catalyzer for needed policy reforms. It can also facilitate knowledge management while, at the same time, becoming more grounded and having access to the various stakeholders of CAI-Asia. For its part, CAI-Asia can tap into the data collection and monitoring capacity of UNEP plus its work on sustainability indicators while also contributing to the Environment Knowledge Hub which UNEP is presently establishing.

1.8 On the role of the private sector and how their participation can be optimized

Everyone saw the importance of having the private sector as members of the Initiative. No one objected to their involvement although some cautioned that

CAI-Asia should always strive to balance the possible business agenda of the private sector and the actual needs of the CAI-Asia members. It was noted that the private sector has so far not unduly influenced the agenda of the Initiative and that the strategies and business plan have been well-balanced.

Among the advantages cited for having the private sector as active members of the Initiative are:

1. they provide financial, logistical and technical resources;
2. they bring in the latest cleaner technologies;
3. they bring in the business perspective into any discussion and thus gives decision makers a complete picture of the impacts as well as the doability of proposed solutions. This is most important especially when discussing policies such as fuel and emission standards;
4. they allow CAI-Asia to have a complete directory of key stakeholders in AQM;
5. they can help disseminate the work of CAI-Asia to their own constituents and audiences;
6. they can support needed research and development (R&D) on various air quality management issues as well as pilot demonstration projects to test a given technology or approach.

It was also pointed out that since many air quality problems are caused by the private sector (transport, power and manufacturing sector), they should also be providers of solutions. Besides, it was noted that most of what government wants done are to be implemented by the private sector. It is therefore useful that they are engaged in the process of decision-making and planning.

There was also a consensus on the need to actively bring in more big private sector members from the power sector, the petroleum companies, vehicle manufacturers and other major air pollutive industries. At the country level, it was pointed out that efforts should also be exerted to recruit small and medium enterprises to become members of the local networks. A private sector stakeholder also recommended that more effort be exerted to get industry associations to be members, instead of individual companies. This way, CAI-Asia will get cross-sectoral members that are more representative of a given industry sector. This will immediately expand the reach of CAI-Asia.

II. *On Governance*

2.1 On the present working arrangement between the Executive Council and the Secretariat

There is general satisfaction (70%) in the existing governance structure of the Initiative. They find it workable and effective. However, 20% felt that decisions were being made by the secretariat since the Executive Council is not very involved. 10% were not sure about the governance structure of the Initiative and

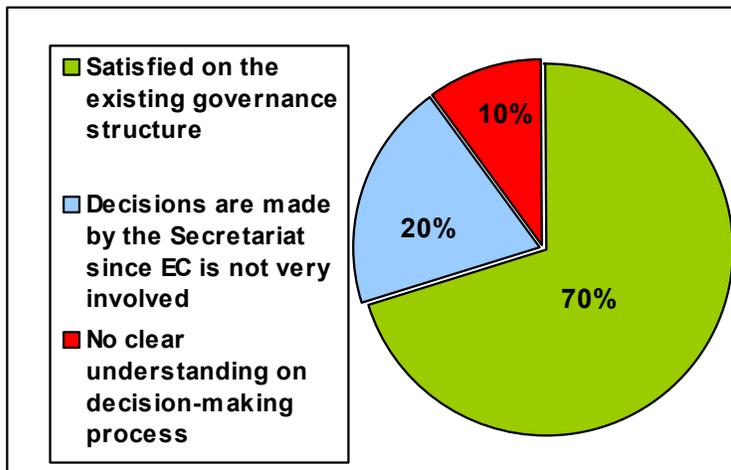did not have a clear understanding of the decision-making process.

Figure 7 On present working arrangement between the Executive Council and the Secretariat

Suggested areas for improvement include:

1. The Executive Council needs to be more actively engaged so that it can effectively provide directions and guide the crafting of the strategy and the work plan of the Initiative (35%);
2. The ExCo meetings should be longer to allow for more thorough discussions. It was noted that one day meetings to cover many substantive issues usually lead to rushed deliberations and decisions that are not thought through (35%). It was also suggested that ExCo meetings be held quarterly instead of semi-annually (10%).
3. The lack of city representatives in the Executive Council is a major gap (25%). This means that the ExCo membership is not fully representative of its constituency. Considering that the expected final output is action on the ground within cities so that the air quality is improved, this gap should be immediately addressed. It was however also noted that ExCo membership must be kept at a manageable level. Having too many members may make it unwieldy.
4. The flow of communications between the ExCo members and the secretariat on the one hand and with the members on the other hand needs to be improved (20%).
5. The Chairperson should take on a more actively role in promoting and representing the Initiative. It was noted that at present, it is the secretariat that largely represents CAI-Asia in international and regional fora (10%).
6. The ExCo should also have a role in assessing the work of the secretariat and should be more proactive in promoting the policy agenda of CAI-Asia (5%).

The choice of a chairperson from one of the participating countries was seen to be a very good move. This allows CAI-Asia to be headed by someone who really knows the region and is in fact well-grounded on the problems/challenges being faced by a participating country in the region. At the same time, having high

caliber people in the ExCo who are familiar not just with AQM issues but also with actual conditions in the region was considered a major strength of the Initiative.

2.2 On agenda setting

60% are satisfied with the present agenda setting process where the secretariat proposes the agenda (based on the demands on the members, issues raised during conferences and on its own assessment of what is needed) and the ExCo approves same. They found nothing wrong with having a pro-active secretariat that brings issues to the table for discussion and decision-making since the secretariat is staffed by well-informed people. It was noted that the secretariat does submit the agenda for ExCo approval but their pro-active stance is sometimes misunderstood. This is a matter of perception.
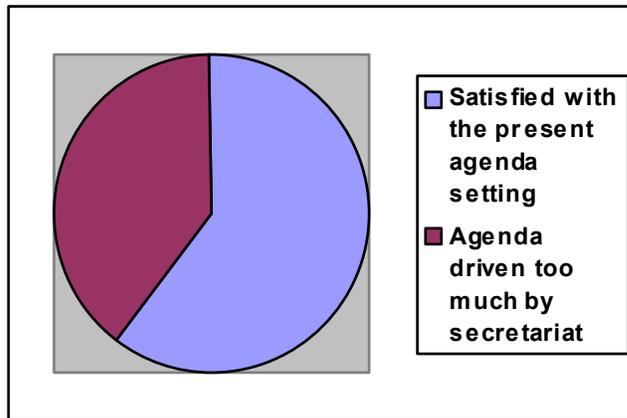
40% think that the agenda is driven too much by the secretariat. They noted that issues taken up during BAQs are good bases for developing the agenda. More consultation with the countries, cities and the ExCo should also be undertaken. To allow the ExCo members more thorough deliberation before approving the agenda, more exchange of information and more time for ExCo meetings were recommended. The move to try to identify needs and expectations through the recent survey was lauded as a means to be more demand driven. It was suggested that a system of getting more inputs from all the stakeholders and thus democratize the strategy formulation process be put in place. A feedback mechanism should also be established so that those who submit comments/recommendations will know if their inputs were considered or if not, and why. The strategy formulation for the 2nd phase of CAI-Asia provides an opportunity to start doing this.

The secretariat members pointed out that while the agenda may initially be proposed by them this does not mean that it is not demand driven considering that they are in constant touch with the members. While this may be the case, the perception of others that the agenda is driven largely by the secretariat needs to be addressed. As pointed above, this can be done through a better feedback

mechanism plus more time for ExCo discussions.

It was also noted by two stakeholders that there may be a perception by outsiders that ADB and WB are setting the agenda. While there is opportunity to do so, they think that both institutions respect the process within CAI-Asia and are not doing so.

2.3 On the advantages and disadvantages of having ADB and the World Bank as hosts of CAI-Asia

Everyone thought that having the ADB and the WB host CAI-Asia as a big boost to the Initiative. It was noted that the 2 institutions are the most appropriate hosts for such a Network. Advantages noted include:

1. given their reputation, their involvement gives CAI-Asia credibility;
2. it is easier for private sector to donate funds knowing that ADB and WB are behind this Initiative;
3. both institutions have funds (both grant and loans) which can be mobilized to support actual implementation of needed actions;
4. gives CAI-Asia quick access to a lot of technical experts and knowledge;
5. can tap a wider network since both banks have done a lot of work in the field of AQM and are well known;
6. the use of their administrative and financial systems makes it easier and cheaper for CAI-Asia to operate;
7. their strength in analytical work and policy influence on governments can be tapped by CAI-Asia;
8. easier access to other donors.

Majority (60%) saw no disadvantage at all to the close association of CAI-Asia with both multilateral institutions. However, some (40%) cited the following disadvantages or the perceived disadvantages by others not involved in CAI-Asia:

1. some possible donors may no longer provide support thinking that WB and ADB involvement is more than adequate;
2. countries and cities may become too dependent;
3. some may perceive that both Banks are dominating the Network and that CAI-Asia is not autonomous and is only serving the interest of both Banks;
4. others may expect both Banks to continuously provide support;
5. expectations of support in implementation may be too high;
6. some may feel negatively about the Initiative if they have had bad experiences with either institutions in the past.

The above refer to possible disadvantages to the Network for being closely associated with the ADB and WB. On the other hand, it was also pointed out that this close association may also be disadvantageous to the 2 institutions.

Some people may consider them fully accountable for all the actions or inactions of the Network. It is thus important to clarify that CAI-Asia, while supported and hosted by ADB and WB, is actually distinct from the said institutions.

2.4 On whether there is a need for ADB and WB to step back in the future

85% felt strongly that both Banks should not step back and should in fact, continue their present level of support for the Initiative. It was noted that the CAI-Asia and the local networks are not yet strong enough to stand on its own and may not survive without the support of ADB ad WB, especially in the next 3 years. It was strongly recommended that both Institutions continue to host CAI-Asia although room should be made to allow the entry of additional donors/partners who can also be more prominently involved. When CAI-Asia becomes strong enough and has established its reputation in AQM, then 15% felt that WB and ADB should step back to allow the Network to be autonomous.

2.5 On whether there are benefits to both institutions (ADB and World Bank) for hosting CAI-Asia

All those interviewed thought that hosting CAI-Asia is also beneficial to ADB and WB. Among the benefits cited are:

1. Allows the banks to have an impact at the city and national level;
2. Work in CAI-Asia has forged closer relationships between the staff of both institutions and among different sectors (environment, transport, infrastructure, etc.) within each institution;
3. Has also raised awareness of both Bank's efforts in AQM and has thus given them a higher profile and more visibility;
4. CAI-Asia offers opportunities to bring in stakeholders and has given the banks access to local networks;
5. Serves as a venue to possibly channel Bank resources to support implementation;
6. Has also given the Bank access to a pool of experts;
7. CAI-Asia is a source of information for the region.

2.6 On how ADB and WB can be more actively involved in CAI-Asia

Interviewees from both institutions agree that there is still much work to be done in order to mainstream AQM and CAI-Asia work within their institutions. Bank Staff now working with CAI-Asia see the need to do this in order to influence the operations of various operating units of both institutions. This way, AQM will be considered in the work of all concerned operating units and does not become the work of the environment unit alone. The impact of the work of CAI-Asia can also be maximized if there are more synergies built with other bank work. It is also important to have both institutions officially acknowledge CAI-Asia as part of their overall work program. Hopefully, by doing this, other units can also be mobilized to actively support the work of the Network, including fund raising.

A private sector representative also pointed out that many studies had been undertaken by ADB and WB on various aspects of AQM. Reports on pilot demonstration projects which tested a particular technology or intervention have also been prepared. Yet, many of these are not known to the members of the Network. He suggested that all these studies and reports be posted in the CAI-Asia website to make them readily available.

Both institutions could also be more involved in the analytical work for policy development and undertake more policy dialogue with government to effect the needed reforms. They both have the clout to engage with government at the highest level and can use their influence to push the work further.

2.7 On whether the operations of CAI-Asia follows the norms of good governance

Everyone agreed that CAI-Asia followed the norms of good governance, in terms of transparency, accountability, equity, efficiency and participation. However, some noted that there is some room for improvement, specifically in the area of transparency and feedback mechanism.

The inadequate transparency in financial reporting was a common problem raised by 30% of the interviewees. It was recommended that annual financial reports be published (similar to annual reports of corporations) so that everyone involved, including the donors themselves, knows exactly how the funds are spent. Said financial report should be disaggregated so that donors can actually track what happens to their donations.

Internal communications was identified by 15% of the stakeholders as another area needing improvement. Some are not very clear about how the different groups within the Network relate to one another, how the Network actually operates and what the work plan development process really is. A better feedback system which includes more frequent reporting was suggested.

III. On the day to day running of CAI-Asia

3.1 On the present operations of the secretariat

Everyone is very satisfied with the operations of the secretariat. Among the comments received were:

1. they are doing an excellent job;
2. they respond promptly to any query;
3. they are very hard working;
4. they are capable and easy to work with;
5. they are efficient and very reliable;
6. team members are highly qualified and committed.

However, two concerns were raised:

1. that the secretariat may be taking on too much and thus over extend itself and eventually be ineffective; and
2. that with most of the secretariat staff being hired as consultants through RETAs of ADB, there is sometimes some ambiguity as to what hat they are wearing and who they are representing, the ADB or CAI-Asia, when they talk to others.

It was suggested that the development of the work plan take into consideration the capability of the secretariat staff to support same. On the 2nd issue, it was noted that while this ambiguity may be useful in some cases, it may be confusing to others and may in fact also lead to incorrect expectations. It was thus suggested that it be reiterated that CAI-Asia is distinct from ADB.

3.2 On the main functions of the secretariat

The present roles and functions of the CAI-Asia secretariat were seen by all to be appropriate. They are not seen to be doing anything which is inappropriate for or inconsistent with being a secretariat. However, the following were recommended areas for improvement:

1. focus more on capacity building at the local level beyond just information sharing, with the secretariat hand-holding their counterparts at the national level (20%);
2. strengthen coordination with countries and cities (20%);
3. turn over much of the administrative support needed for major events like the BAQ to local partners (in the host country) or contract out the delivery of some services to a professional group. Since organizing a big event such as BAQ is very time-consuming and labor-intensive, this ties up the staff and decreases their ability to attend to other more substantive work. Hotel and transport arrangements, ticketing, confirmations and the like should no longer be done by the CAI-Asia secretariat. This was already partly done for BAQ 2004. This should however become the standard operating procedure (10%);
4. ensure more information flow among members in between major events like the BAQs (5%);
5. more closely monitor performance of CAI-Asia projects and partners (5%).

IV. *On the long-term financial sustainability of CAI-Asia*

To ensure the long-term sustainability of CAI-Asia, the following were recommended:

1. explore the possibility of setting up a Trust fund for AQM in Asia so that funding for activities of CAI-Asia are ensured and the Network can

slowly shift from being a grant taker to being a grant maker;

2. broaden the membership and get more bilaterals and private sector members especially big companies;
3. tap the European Union which is largely untapped now especially since CAI-Asia is promoting the adoption of EC policies in Asia;
4. identify services which CAI Asia can provide for a fee, such as training and publications;
5. hire a fulltime financial coordinator whose only function is to raise funds and mobilize other resources for the Network;
6. organize a composite team from ADB, WB and the cities who will focus on resource mobilization;
7. try to get multiyear commitments from the private sector instead of annual commitments, even if releases are actually done annually to allow CAI-Asia to plan ahead;
8. explore the possibility of asking cities to also contribute financial and provide other support such as the secondment of their staff to the secretariat for a given period of time;
9. within ADB, to work with Office of Co-Financing Operations (OCO), to identify and develop options for the setting up of a new Trust Fund;
10. encourage cities and local network to also undertake resource mobilization at the local level;
11. mobilize existing members to get more members.

V. Other comments

Some additional comments were provided by the interviewees in terms of direction and focus of the work of CAI- Asia. They recommend that CAI-Asia:

1. Put more focus on strengthening the local networks. There is a need to identify local organizations and individuals who could serve as the focal organization/champion for CAI-Asia in a particular country and/or city. This is critical considering that, at the end of the day, what is needed is for things to happen on the ground and for the air quality within a given city to improve.
2. Try not to take on too much. AQM is multifaced and very complicated. While many of the issues/challenges are inter-related, CAI-Asia must decide where it can make the most impact and focus on those rather than try to tackle all aspects of the problem. For example, transboundary issues and point sources of air pollution are gaps which have already been identified. There has yet been no decision on whether CAI-Asia will include these in its work plan. While research work is also needed, it was also suggested that the Network evaluate to what extent the Network's work plan and resources should be invested in research. Establishing linkages with other donors and other programs who are already doing research to influence their agenda to include AQM research needs may be more cost-effective. It was strongly suggested that these matters be thoroughly discussed during the next ExCo meeting. Parameters should

also be set to identify areas where CAI Asia can really make a difference. The recent inclusion of preventive measures such as non-motorized transport (NMT) and the promotion of mass transit through a bus rapid transit (BRT) were examples given of such areas where CAI-Asia (working with other partners) can play a catalytic role in the region.

3. Be conscious of the fact that success eventually be measured in terms of air quality actually improving. This again highlights the importance of linking and working more closely with countries/cities.

ANNEX A: LIST OF CAI-ASIA STAKEHOLDERS

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Asian Development Bank

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Clean Air Initiative for Asian Cities

Suzanne Billharz
Director for Program Coordination and Policy
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Samantha Constant
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Rob Cox
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Tang Dagang
Director
Atmospheric Environment Institute
Chinese Research Academy for Environmental Sciences (CRAES)

Marian Delos Angeles
Environmentally and Socially Sustainable Development
The World Bank

Dan Greenbaum
President, Chairman Working Group NAAS
Health Effects Institute (HEI)

Kong Ha
Chairperson
Clean Air Initiative for Asian Cities

Roland Haas
Chief Technical Advisor
GTZ - Malaysian-German Technical Cooperation

Leon Halliburton
Technical Manager Fuels - East Zone
The Shell Company of Australia Limited

Weijan Han
Manager, Research and Technology Programs
Ford Asia Pacific

Hal Harvey
Program Director for the Environment
The William and Flora Hewlett Foundation

Ronen Hazarika
Marketing Director Asia Pacific
Cerulean International

Fred Herren
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Ananda Mallawatantri
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US-Asia Environmental Partnership

Jojie Manalaysay
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Charles Melhuish
Lead Transport Sector Specialist
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Phan Quynh Nhu
Technical Support Services
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Daniele Ponzi
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Horst Preschern
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Paul Procee
Urban Environmental Specialist
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Anil Raut
Program Officer, Environment Pollution
EnvironmentNEPAL

Tim Rogers
Vice President, International
Clean Diesel Technologies, Inc

Ahmad Safrudin
Head
Joint Committee for Leaded Gasoline Phase Out (KPBB)

Jitu Shah
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East Asia and Pacific Region (Lead Environmental Specialist)
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Katherine Sibold
IES Program Manager
U.S. Environmental Protection Agency

Supat Wangwongwatana
Deputy Director General
Pollution Control Department

ANNEX B: GUIDE QUESTIONS FOR THE INTERVIEW

I. On the identity, function and role of CAI-Asia

1.1 CAI-Asia presently operates as an informal initiative of governments, business, NGOs, the academe and donor institutions. What do you think of such an arrangement (in terms of its advantages and disadvantages)?

1.2 Based on your assessment, how long do you think will there be a need for an initiative such as CAI–Asia?

1.3 Do you think that sometime in the future, CAI-Asia should transform itself into a formal organization with a distinct legal identity? Any specific ideas on what it can be and how this can be done? For example, do you know of some organization/s which can take over on some of the roles and functions of CAI-Asia?

1.4 There are some thoughts about having governments formally acknowledge CAI-Asia as part of their overall policy discussions and cooperation on clean air. Is this something that should be pursued? Why/Why not?

1.5 CAI-Asia presently deals with clean air issues at the regional level. Do you see a need for a sub-regional initiative?

1.6 At present, the private sector gives funds and is represented in the Executive Council of CAI-Asia. What do you see is the role of the private sector in CAI-Asia? How can we optimize their participation?

1.7 What do you see is the relationship of CAI-Asia and UNEP? What should it be?

II. On Governance

2.1 CAI-Asia is governed by the Executive Council and its day-to-day operations are run by the secretariat. How do you find this present arrangement? Any suggestions on how this can be improved?

2.2 Who do you think should set the agenda for the initiative? Who do you think is setting it now and how do you feel about that?

2.3 How can we marry the need to be demand driven and therefore responsive to the needs of its members and having a secretariat that proactively pushes some policies and activities which it sees from its vantage point of coordinating across countries and cities will go a long way towards achieving the goals of the initiative?

2.4 What do you think of the role of ADB and World Bank in supporting and hosting

CAI-Asia? What do you see are the pros and cons of such involvement? Do you see the need for them to step back at some future date? When? Why?

2.5 Do you think it is advantageous to CAI-Asia to be so linked with ADB and World Bank?

2.6 (For ADB and World Bank representatives) On the other hand, is it beneficial for ADB and World Bank to be hosting CAI-Asia?

2.7 Do you think CAI-Asia follows the norms of good governance (such as transparency and accountability, civic engagement and participation, equity, efficiency) in its operations? Any areas of concern or areas for improvement?

III. On Financing

CAI-Asia is largely funded by grants from the ADB, the World Bank, other donor agencies and the private sector. Some of its activities are also co-financed by member-government agencies and other donor-funded projects. Do you have any ideas/suggestions on how CAI-Asia can improve its financial sustainability over the short and medium term? Any examples of existing financing schemes that CAI-Asia should study and possibly adopt?

IV. Day to-day running of CAI-Asia

4.1   What do you think of the present functioning of the Secretariat?

4.2   What do you think are the main functions of the Secretariat now? What should it not be? Are there secretariat functions that are not being done? On the other hand, are there functions that the secretariat now performs which you think it shouldn't be doing?

4.3   The main responsibility for running CAI-Asia is currently lodged with a secretariat hosted by ADB and the World Bank. How do you find this arrangement? Any suggestions on how this can be improved? For World Bank interviewees, how do you think can World Bank be more actively involved in hosting the secretariat?

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