

CDS IN CHINA: A MANUAL

1. Introduction

The purpose of this manual is to provide Chinese cities with a practical guide to preparing for, carrying out, and using a City Development Strategy (CDS). It is based on experience with CDS in Guiyang (Guizhou Province) and the city cluster of Changsha-Zhuzhou-Xiangtan (Hunan Province), and on the worldwide literature on CDS. As the application of CDS expands to other parts of China, no doubt this manual will be updated to reflect a wider set of Chinese experiences.

2. What is CDS?

For the purposes of this manual, CDS has been defined as follows: The process of preparing a long-term vision of the city's future, from which is drawn a short-term action plan. The focus of a CDS is on strengthening economic competitiveness, but poverty reduction, environmental, urban structure, infrastructure, and financial aspects are also covered. The process is participative, involving major stakeholders from all segments of society. The product is a development strategy, designed to evolve as implementation proceeds and as the city's competitive position changes.

CDS takes many forms depending on the location, the context and the players, but there are perhaps five defining characteristics:

- the CDS process and product is owned by the city, not by a senior government, an International Financial Institution (IFI), or consultants;
- a CDS takes a long-term view, but culminates with a short-term action plan;
- there is significant participation of stakeholders in the process, and thus commitment to the product;
- the product is strategic in nature and multi-faceted; it is not dominated by a single issue nor is it embodied in a static document like a master plan;
- the process leads to new ways of thinking about the city's development and its sustainability.

Many Chinese cities have already begun to view themselves in a larger geographic and economic context and to assess what roles they can play in regional economies. This involves looking at their comparative strengths and weaknesses, and defining an ambitious yet feasible economic development strategy. In addition, cross-sectoral issues are being recognized and managed. Poverty reduction and environmental improvement are complex issues that many Chinese cities are coping with, guided in these cases by strong national policy frameworks and an overall commitment to sustainable development.

Rapid economic growth in urban China is creating opportunities to realize some of the proposals emanating from the CDS process, but the ongoing municipal finance system reforms leave cities in a position where they cannot finance their priority projects solely through traditional channels. Thus, an assessment of the municipal financial situation, and the identification of projects that can be financed through private sector or foreign loans are critical parts of a CDS study.

Major institutional constraints include the rigidity of the regular planning instruments – the master plan and the five-year plan. Further, lack of horizontal coordination among municipal departments and a general reluctance to share information make multi-sector initiatives difficult to implement.

3. Preparing for CDS

Prerequisites

There are a number of actions a city can take to prepare the ground for carrying out the CDS.

A city contemplating a CDS project should first assure that it has the necessary prerequisites. The city leadership, up to the highest levels, must be committed to the project. If successful, a CDS will introduce new perspectives on the city's problems and change the practice of urban management. Lower-level officials will not be able to make the institutional and process changes required. It is desirable if there is a "champion", a high-level official who takes a personal interest in CDS and drives the process. However, CDS can also be successful with the general support of a group of top officials as long as one official and a lead department are clearly designated as responsible for the conduct of the project.

Conduct of the CDS will require the dedication of resources, both human and monetary (see below). The availability of these resources should be assured before CDS begins.

There are normally several significant issues that the city is facing that can furnish themes for the CDS work and the impetus to get the job done. A few examples of the many possible issues are a changing economic base, social problems resulting from layoffs, serious environmental degradation, and lack of the fiscal capacity to tackle the city's problems. Such issues usually affect a number of groups in the community, thus opening the door for the development of a stakeholder participation process.

CDS is new in China, and some Chinese cities will lack the technical and monetary capacity to undertake such an initiative without outside help. Thus, a final prerequisite in many cases will be an external sponsor. CDS projects are usually spun-off from the work of the Cities Alliance, but channeled through an IFI or similar organization. These sponsors will normally provide the funds to hire consultants (both foreign and local), conduct public meetings, and disseminate the results.

Local resources

It is crucial to realize from the start that a CDS project will require substantial time commitments from top leaders, senior officials, and technical personnel. Large amounts of data need to be collected and analyzed, various planning and research reports reviewed and updated as required, meetings and discussion sessions organized, stakeholders identified and brought into the process, reports produced and reviewed, and the results brought to the city leadership for action. Completion of the development strategy will normally take a year, and to be relevant this strategy must be re-visited and revised regularly afterward. Thus, commitment of time for CDS must be for the long term.

A lead department of municipal government must be designated and be accountable for the proper conduct of the project. Often this will be the Development Planning Commission, since it is the department with the broadest mandate and the most comprehensive knowledge of conditions, trends, issues, and programs, particularly in regard to issues that cut across sectors and government departments. However, another department could be perfectly acceptable, especially if the most important issues relate to that department's mandate. Within the designated department, preferably one person is named to be the primary point of contact for CDS and given the responsibility of overseeing the project.

CDS is by definition comprehensive and will usually impact the operations of more than one department. Thus, the lead department must be supported by many others, and the commitment of the supporting departments must be assured in advance. Support of the Development Planning Commission, Construction Commission, Planning Bureau, Finance Bureau, Environmental Protection Bureau, Labor Bureau, and others will be essential. In addition, district and county governments will need to be brought in.

One way of assigning responsibilities for CDS could be as follows:

- Mayor or vice-mayor: attendance at major reviews, overall guidance, handling of recommendations, assuring access to people and data for the consulting team;
- Lead department: assures that supporting departments and its own divisions contribute what is required on time; collates and organizes material into a single city response; acts as host for the consulting team (provides office space, logistical support, etc.);
- Director or vice-director of lead department: acts as prime contact for CDS for the consultants, the sponsor, and other elements of municipal government, participation in major meetings, review of reports, day-to-day guidance, access to people and data;
- Experienced technical staff from relevant departments: total of 6-12 person-months.

Some CDS studies involve more than one municipal government/prefecture level city. In these cases, the provincial government would likely take the lead role, but should consider establishing a steering committee of the key provincial and municipal government agencies to facilitate cooperation and joint work with outside parties including IFIs and consultants. This steering committee should be designed to have a continuing role after the first CDS study is completed to assist with implementation, monitoring, and updating.

Total costs for a CDS study range from Y1-2 million. Under the Cities Alliance program, the external sponsor will contribute much of that, leaving the city to pay the salaries of the people mentioned above plus funding for office space, equipment and local transport. However, a CDS that ends after the initial effort will not contribute much to the city's development. The CDS process needs to be continued after the initial effort through research, stakeholder involvement, and project design.

External sponsor

Assistance from the outside can be invaluable because it introduces new ideas, experience from other cities around the world, and expertise in certain areas lacking in municipal government. As mentioned above, an external sponsor will often provide funding for the CDS study up to the point where an initial strategy has been produced. Finally, the external sponsor can help in the search for financing for the initiatives coming out of the CDS work.

In China to date, Cities Alliance and the World Bank have sponsored CDS projects, and they may well continue to do so. It is likely that the CDS process will result in World Bank loan projects in cities that have successfully completed a CDS and meet other conditions for Bank assistance. Other organizations may sponsor CDS projects in China in the future, including the Asian Development Bank, UN agencies, and foreign governments.

Consultants

Outside consultants are important for several reasons. They bring ideas, approaches, tools, and areas of expertise not available locally. CDS has been used for much longer in some other countries than in China, and few Chinese cities are aware of this experience. There is a body of knowledge about what works and what doesn't in economic competitiveness analysis, poverty reduction, and stakeholder participation. A consulting team that has worked on CDS in other contexts but is also familiar with Chinese conditions would be the best choice. The team will likely be composed of foreign, Chinese, and local consultants. The Chinese consultants will come from other parts of China that may have relevant experience, while the local consultants will be from the city and will contribute local knowledge and perspectives.

The consultants' role needs to be carefully defined. As discussed above, a CDS should be owned by the local community. Thus, a strong local administrative and management

structure for CDS should be in place, supported by the consultants. The consultants' terms of reference should specify what tasks they will be responsible for, what outputs they will deliver, and to whom they report in the local structure.

A consulting firm is responsible for producing a specific product, and normally it will assure delivery of that product with or without strong local participation. In such a case, the report may be of high quality, but there will be no sense of ownership on the part of the municipal government or the stakeholders. A consultant run CDS is quite possible where local officials are too busy, feel overwhelmed by the technical sophistication of the consultants, or are simply unwilling to actively participate.

Senior governments

The active support of provincial and national governments is preferred. Many issues identified in the CDS can only be addressed by a combination of local, provincial and national action. This active support can take the form of assigning one or more provincial or national level officials to the project, financial assistance, or regular review of the project and its results. Where this active participation is not forthcoming, however, a CDS can be successful if senior governments are at least willing to allow the process to unfold locally, and to discuss the constraints and opportunities created by provincial and national policies, guidelines, and regulations. A CDS should identify such policies, guidelines, and regulations, and the municipality should create opportunities to discuss its concerns with senior governments.

Stakeholders

Stakeholder participation in planning and urban management is not a structured part of the process in Chinese cities. Thus, the city needs to prepare for this by identifying key groups and the issues that concern them, and to decide what tools to employ to make participation meaningful. Groups will likely include municipal government departments; district, county and town governments; neighborhood committees; enterprises and industrial associations; unions; universities and research institutes; environmental groups; recognized experts in key fields; and associations of senior citizens, youth, and the self-employed. Special efforts should be made to involve non-governmental organizations (NGOs) that are just starting to emerge in China. The CDS process provides unique opportunities to build NGO experience, capacities, and networks. Possible tools are discussed in Section 6.

4. Scope

In other places, CDS has sometimes been focused on one major issue, for example, cleanup of a severely polluted water body, decline of a major industry, or emergence of a new economic opportunity. Chinese cities, however, generally have the capacity to undertake a comprehensive study. The five-year plan and master plan are multi-dimensional, and provide a basis for a comprehensive CDS. Comprehensive CDS studies

consider economic, social, environmental, urban development, financial, and infrastructure strengths, weaknesses and issues.

The advantage to a comprehensive approach is that sectoral links are identified and multi-sectoral strategies can be formulated. It will inevitably be found that an economic development problem, for example, cannot be solved without action on the environmental front, or that success in reducing poverty depends on a combination of development initiatives, retraining, and income support. Without doubt, the city will find that it lacks the fiscal capacity to pursue all the actions that might be considered important and will have to set priorities that range across sectors.

A key question is whether the study should cover the entire municipality or just the urbanized part. Where resources permit, it is generally better to cover the entire municipality so that the problems of rural parts of the region are part of the equation and spin-offs from urban economic development that could benefit the rural areas are identified. However, the extent to which rural economic development issues are addressed will depend on the available financial and human resources.

5. Potential problems

Lack of non-governmental organizations (NGOs)

Unlike some developing countries and many developed ones, China does not have many non-governmental organizations that are structured to participate in policy formulation and planning. There are some groups representing women, the self-employed, labor, and students, but their numbers and influence are limited compared to the NGO sector in many countries. Some environmental groups exist in Chinese cities, but they tend to be strictly local rather than part of a national network of environmental groups.

This fact makes stakeholder participation more difficult to organize. There is rarely a group that can officially represent the interests of a stakeholder, and groups or individuals willing to participate are not used to the kind of structured and continuing involvement with government departments that the process requires.

This constraint can be partially overcome by involving the stakeholder groups that do exist and using proxies in areas where there are none. Proxies would often be a government department responsible for the area of concern (e.g., EPB for environmental concerns, Labor Department for issues of layoffs, district governments and neighborhood committees for very localized issues). However, where there are emerging NGOs, they should be given every opportunity to become involved in the CDS process.

Lack of experience in stakeholder involvement

For many Chinese cities, the stakeholder sessions held as part of a CDS study will be a first experience. Consultation with certain non-governmental parties, such as enterprises, labor unions, and academics, is a traditional part of the process, but the more inclusive

and continuous participation inherent in CDS is not institutionalized and must be invented. That this can be done effectively is shown by the experience in Hunan and Guiyang, but the challenge of making it a normal part of the process after the initial project is completed remains.

Data deficiencies

Though considerable data can be found on the issues of interest to a CDS, it is not always consistent, it is often difficult to construct a time series permitting analyses of trends, and it usually has to be obtained from many different departments and consolidated in one database. There is particular concern about industrial structure data, information on fiscal capacity and debt, and data on social issues and urban poverty. The official responsible for the CDS project should have the power to assure that all relevant data is made available.

Lack of time of senior officials

Senior officials and technical staff in Chinese cities are very busy and may find it difficult to give to the CDS the time that it requires. The presence of a consulting team makes it easier for officials to allow the team to complete most of the work. The risks are that the CDS becomes a consultant effort and is not really locally owned (and thus is unlikely to be followed up). The municipal government should formally allocate a proportion of senior officials' time to the CDS project.

Expectations too high

Though a CDS is comprehensive, it cannot investigate all issues in depth; and, though a CDS leads to an action plan, the actions that can reasonably be taken are limited by resources and the need for cooperation from other parties. It is important that the municipality set realistic objectives for the CDS and communicate to all involved a reasonable set of expectations.

Definition of Objectives

Chinese cities tend to develop visions for the future of their city, on the one hand, and very specific targets, on the other. The middle part, a set of objectives and measurable criteria relating to those objectives, is often missing. CDS requires objectives, which may be general, criteria, which are more specific, and a monitoring program that uses the criteria to assess regularly how well the city is doing in meeting its objectives.

Rigidity of current framework

Though the five-year plan and master plan provide the basis for a comprehensive approach, they also limit the potential to introduce new initiatives that emerge from the CDS. Master plans in many cases attempt to define the future too tightly, leaving little room for adaptation and capitalizing on unforeseen opportunities. Five-year plans

normally include all significant investments expected over the period, and it is difficult to get approval for an initiative that is not already in the five-year plan. At the same time, five-year plans can include project proposals for which little preparation has been conducted and financing sources have not been identified.

6. Sectoral studies and tools

Economic

A key element of a CDS is the analysis of the city's competitiveness regionally, nationally, and internationally. A city's competitive advantages will be used to construct a development strategy and an action plan. The macro-economic numbers, available universally, are only part of the picture. Equally significant are a contextual analysis and an industrial structure analysis.

The contextual analysis studies the city's economy within regional, national and international contexts. It attempts to assess its strengths and weaknesses compared to other cities in its region and within China, with a view to identifying areas where it can compete and where it can find markets for its products and services. Further, opportunities for exporting internationally and attracting foreign investment should be identified. The contextual and competitiveness analysis together with the macro-economic analysis are also needed to assess environmental trends and pressures, infrastructure demands, fiscal capacity, social impacts, and trends in urban and rural poverty. Data available from city, provincial and national statistical yearbooks are used.

A useful tool for assessing national competitiveness is the datasets in the China Statistical Yearbook on output of major industrial products by province. This data, available over a long time period, can be used to calculate location quotients. Location quotients compare the province's share of national output of a given product to its share of national GDP.

Also important is a breakdown of the industrial structure by industrial sector, ownership, and size. Data is required on output, employment, and profitability, preferably covering a period of at least five years. Information on exports by sector and destination is also important. This is used to identify which sectors, and what kind of enterprises, are the keys to the city's economic future.

Industrial sector data is collected in all cities, and in most cases included in the annual statistical yearbook. Export data is less available and usually must be collected directly from the relevant departments. Unfortunately obtaining time series is difficult, since the categories and the enterprises included vary from year to year.

The analysis involves comparing industrial sectors and ownership categories on output (as a measure of the size of the sector in the city's overall industrial base), employment (as a measure of the sector's importance in providing employment), and profitability (as a measure of the degree to which the sector is viable and has retained earnings to re-invest). Profitability is best measured by pre-tax profits as a percentage of either output or sales.

Emerging sectors that are currently small but have high potential are identified through the published data and interviews with city economic development officials and enterprise managers (focusing on small and medium size enterprises that are shareholding or private). The importance of an emerging sector is assessed not just on its performance locally, but also on expected growth in demand for its products nationally and internationally.

Cluster analysis and development can be an important tool in assessing the competitiveness and future potential of a city's industrial sector. Cluster analysis focuses on interrelationships across industries and enterprises as suppliers, customers, and competitors, and the links between the enterprise sector and universities, training institutions, science and research institutes, government agencies, and NGOs. In some cities, the CDS can be used to transfer skills and experience in the application of cluster-based strategies, and to demonstrate the potential benefits of cluster approaches to economies, governments and businesses.

Poverty Reduction

Poverty reduction is considered a very important element of CDS. In Chinese cities, this issue has two major dimensions:

- Disparities between urban and rural populations in terms of income and economic opportunities, requiring programs designed to help the rural areas capture some of the economic spin-offs from rapid urban economic development; and
- Growing disparities among the urban population, as growing economies and industrial restructuring provide opportunities for some people and businesses but leave others behind, requiring income maintenance and retraining programs. Rural people who have migrated to the city are a special case where attention needs to be paid to their access to urban services and economic opportunity.

Rates of poverty and unemployment are available, but are known to be under-estimated. Efforts should be made to arrive at realistic rates. The coverage and adequacy of current income maintenance programs need to be evaluated. Spatial areas where poverty is concentrated need to be identified, and programs or projects identified to help such areas improve economic opportunities for their residents.

Education and Human Resources

The quality of human resources will be of concern in some cities that tend to lose young, educated people to other places, and formulation of a comprehensive human resource development program will be necessary. This might include better links between the universities and local enterprises, augmented training programs, and special incentives to attract highly qualified people. Information will be needed on academic enrollments at various levels, levels of education among the population, and the number and type of academic institutions.

Education can be looked at both to improve the quality of human resources and as an economic sector that has significant employment levels and output. Higher education, particularly, employs many people and makes a major contribution to the local economy in many cities.

Environmental

All Chinese cities maintain data on environmental conditions, usually stretching over a number of years. This makes assessment of water and air quality relatively easy, with the exception of groundwater for which data is sparse. Environmental targets are set in the five-year plan.

The first step in the CDS analysis is to assess the environmental targets against the requirements of the economic development strategy. In some cases simply meeting national guidelines for environmental quality will not be sufficient to allow the city to meet its economic objectives. A city trying to attract sophisticated investors and tertiary companies may find that it needs to set higher environmental targets.

The second step is to establish environmental trends over the last 5-10 years, and project future pollution levels given expected demographic and economic growth. Often the city will have already done this. The third step is to identify the current status of infrastructure in water supply, wastewater collection and treatment, and solid waste management. This should be followed by an assessment of current operational practices and maintenance levels to see if existing facilities can be made to operate more efficiently and to last longer. Finally, new infrastructure required to meet environmental targets should be defined and global cost estimates developed.

Urban development and transportation

The future form of an urban area and its transport requirements are usually laid out in the master plan, in the form of a set of development nodes and links between them. It is important to review this to see if it contributes to the achievement of economic, social, and environmental objectives, and to assess if the financial burden implied by the need to service new development nodes can be accommodated. There is a tradeoff between lower densities and development of new nodes, on the one hand, and the efficiency of providing urban services, on the other. In many cases, it will be less expensive to provide water and wastewater services to a tightly defined future built-up area, developed at fairly high densities. Further, public transit requires concentrations of population and economic activity to be efficient.

Each proposed new node and transport facility should be assessed in terms of its contribution to quality of life and economic development. Application of national norms regarding the ratio of roadway to land or the ratio of developed land to population should be avoided in favor of an approach that projects demand for various services and attempts to supply the facilities that will best meet this demand.

Tourism

Many cities will have well defined tourism development strategies designed to accelerate growth and restructuring, further diversify the service sector and provide job opportunities to young people and laid-off workers. CDS provides the opportunity to 1) fully integrate the tourism strategy with other economic plans and strategies; 2) identify the links between tourism development and environmental conditions, urban and rural poverty, urban development and transportation, infrastructure, and human resource development; and 3) assess the potential for synergies between tourism promotion and investment attraction initiatives.

Financial

The financial analysis should be designed to establish the city's fiscal capacity to undertake CDS implementation, through assessment of total revenues and expenditures (on and off budget), current and projected debt loads, adequacy of O&M funding, and institutional setup. Sources and types of financing for the priority projects should be identified, their debt payment schedules added to existing debt repayments, and the resulting cash flow reviewed.

Availability of a comprehensive database in the financial sector is often a problem, complicated by the existence of on and off-budget revenues and expenditures and the assumption of debt by quasi-public organizations for which the municipal government bears ultimate responsibility. The first task is the creation of a complete picture of the municipality's financial situation.

The financial analysis may result in the realization that not all projects considered priorities can be managed given the city's current and future fiscal capacity and its other financial obligations. In these cases, the investment program should be re-visited and new investment requirements reduced.

Cross Sectoral Issues

The CDS provides an important opportunity to explore horizontal issues that cut across sectors and subject areas. Many such issues have been mentioned above and are simply listed here:

- impacts of economic growth and industrial restructuring on water, air and soil pollution, and other environmental pressures;
- implications of economic and demographic growth and economic restructuring on infrastructure demands, government fiscal capacity, and the ability and willingness to pay for infrastructure services;
- importance of improved urban environmental quality to investment attraction, tourism development, and economic modernization (the trend toward higher value, more knowledge intensive goods and services);

- links between economic growth, modernization, and restructuring, on the one hand, and quality of life, social well being, and urban and rural poverty, on the other;
- Integrating government and business perspectives with citizen concerns through stakeholder participation.

7. Stakeholder participation

Modes of citizen participation include surveys, public meetings, workshops, focus groups, and for longer projects, task forces and commissions.

Surveys

A survey is an appropriate tool for citizen participation on topics where the population is already well informed and the government wishes to gather information from a large number of citizens. Surveys can be about issues important to all, such as the Master Plan, or about a specific facility or service, such as a park. Surveys can be a part of everyday government management, used to assess citizen satisfaction with government operation.

Surveys have to be carefully designed to gather the information that is being sought. It is necessary to define the target audience, those people whose opinion you want. It is advisable to test a survey on a small number of the target audience to be sure that people understand the questions and can provide appropriate answers. Surveys can be administered by mail, by telephone or in person.

Public Meetings

A public meeting is an appropriate tool for citizen participation where the objective is to inform people of an upcoming project or a looming problem, or where there is a well-defined project or issue affecting a specific neighborhood or group. Normally the concerned groups are invited, a government official makes a presentation of the project or issue, and people are asked to debate the matter. A public meeting can also be in the form of a radio or television show over a local station that allows the audience to call in questions.

Workshops

Workshops are appropriate for the higher levels of citizen participation. Careful selection of participants and a thoughtful design of the agenda produce a successful workshop. Workshops usually have a facilitator, a person who is responsible for designing the agenda and for working with the participants to help them reach consensus on their ideas. The most important task for the facilitator is to ensure that all participants get a chance to be heard.

Focus Groups

A focus group is a technique borrowed from business marketing. It is used to collect in-depth information about citizen opinions, and is most used to test proposed policies and actions.

Usually there is more than one focus group, but all are asked the same questions, and each session typically lasts one to two hours. A focus group comprises up to a dozen individuals chosen to represent the target audience. A facilitator meets with the focus group and asks their opinions about proposals. The questioning usually extends to why or why not an idea appears good to them.

Task Forces and Commissions

When the government seeks citizen participation in development of plans, it may require more involvement than a single workshop. For example, a series of workshops over a period of a year would be a typical format for citizen participation in developing a strategic plan for the community. In this case, citizens are asked to serve as members of a task force or commission so that the same people remain involved for the duration of the project.

Probably the best approach for a CDS study is to conduct a series of workshops culminating in the CDS product. As the process is institutionalized, a task force or commission may be a good instrument to assure continuing stakeholder input into the development of strategies and plans.

Frequently Used Techniques

A key to successful citizen participation is ensuring that each voice is heard. The following are some frequently used techniques to achieve this:

- Assure that all participants are introduced;
- Use written questions or comments. This can be done with technology if each seat has a computer terminal, but post-it note pads work well at a much lower expense;
- Divide the attendees into smaller groups of six or seven people each for intensive discussions;
- Go around the room asking every two or three people to formulate a joint response to a question; or the facilitator can simply call upon people who have not participated;
- Use techniques such as flip charts and brainstorming.

8. Training

The CDS process should capitalize on all opportunities for training. The consultants can provide workshops and seminars on analytical methods used in other places, and on

effective stakeholder participation techniques. Most importantly, local staff should have the opportunity to work intensively with the consulting team, learning about CDS and the methods used to conduct the sectoral studies.

Links to local training opportunities at academic institutions should be created, so that training programs can be designed to cover the needs of CDS and can continue after the consulting team has left.

Finally, wherever possible, exposure to foreign approaches to addressing the city's problems should be encouraged. This can be done through the preparation by the consultants of case studies or, more effectively, through study tours.

9. Institutionalization

The time will come when the consultants leave and the sponsoring organization moves on to other cities. If the study was successful, the city is left with a development strategy that suggests institutional and management changes, identifies priority projects and programs, and proposes a continuing program of research, analysis, formulation of strategies, and regular review of objectives and priorities. Though the report should be comprehensive, it will undoubtedly not cover all aspects to the depth the city would like.

The city must then decide how to proceed – who should be responsible for CDS continuation, which projects should be pursued in the short term, which management improvements should be put in place over the next few years.

It is desirable to begin with some CDS projects or management improvements that can be implemented quickly, in order to show progress to the departments and stakeholders who participated. These will be projects that have already been prepared and for which financing is readily available.

To keep the process going, the city could consider the following steps:

- Assign responsibility for continuation of CDS to a specific group in a key department;
- Assure they have the necessary resources, and assure the support of other departments by assigning the task of overall guidance to a vice-mayor;
- Consider creation of a Leading Group;
- Establish a continuing stakeholder participation process through creation of a stakeholder task force or commission with a mandate to conduct surveys, workshops and other events as the city's plans and strategies develop;
- Set up a monitoring system to track performance relative to the CDS objectives, and assign responsibility for monitoring to the best-equipped department;
- Start an intensive search for financing for key CDS projects from internal resources, senior governments, IFIs, foreign governments, and non-government sources;

- In selected sectors identified as key to success of the development strategy, establish a research program under the management of a department, a research institute, or a university;
- Attempt to secure technical assistance to introduce new approaches and experience from other cities;
- For selected priority projects, complete project preparation using internal resources with technical assistance from other Chinese cities and/or foreign sources.

CDS needs a permanent home in the municipal government and the CDS process, including regular stakeholder consultation, needs to become an integral part of city management. The proper place to house CDS will vary from city to city, but will often be in the Development Planning Commission due to the comprehensive nature of its mandate. Ways need to be found to link CDS with current statutory planning instruments – the master plan and the five-year plan.

The institutionalization of CDS makes urban management more comprehensive, outward looking, and inclusive of all important segments of the society. CDS will help the municipality establish goals and set priorities, and will assist in linking a long-term view of the city's prospects with short-term actions.