NATIONAL URBAN POLICY
ASIA AND PACIFIC REPORT

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NATIONAL URBAN POLICY:

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This study of the status and effectiveness of NUP in the Asia and Pacific region was undertaken by researchers from the Centre of Urban Research at RMIT, Melbourne Australia, on behalf of the UN Habitat Program. It focuses on surveying and assessing the current state of National Urban Policies in the Asia and Pacific region.

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FOREWORD

I am delighted to present the State of National Urban Policies Report in Asia and the Pacific, an assessment of urban policies in one of the fastest urbanising region of the world. The report is a valuable source of information, based on national case studies conducted by UN-Habitat.

The New Urban Agenda, the outcome document of Habitat III, as well as Agenda 2030 for Sustainable Development, recognise the transformative power of urbanisation as an endogenous source of development, prosperity and employment. Sustainable urban development does not happen by chance. It must be guided, harnessing the opportunities of urbanisation and mitigating negative external factors through comprehensive and coordinated urban policies, accompanied by the fundamentals of urbanisation – rules and regulations; planning and design; and a financing model. Within this new paradigm, the role of national governments in harnessing the opportunities of urbanisation is primary. National Urban Policies are recognized as a powerful instrument for governments to define an urban vision, engage stakeholders and coordinate policy sectors to enable and facilitate sustainable urban development.

The purpose of this report is not to provide a universal blueprint for national urban policies, but rather to gain an enhanced understanding of how governments in the region have addressed accelerating urbanisation, and more specifically, assess how national urban policies have been developed, highlighting their challenges, successes and innovations. Asia and the Pacific is a particularly interesting region for such case studies, due to its demographic size – despite being still less urbanised, its absolute urban population is higher than that of Europe and North America – and the variety of economic, cultural, political, and demographic situations it contains.

The region also finds itself at a pivotal time: while recent urbanisation was driven by major economic development concentrating in cities, and lifting millions of people out of poverty, it also came at a heavy social and environmental costs. Challenges today include addressing lingering socio-economic inequalities, with large populations still lacking access to decent housing and basic infrastructure, and facing the growing risks of climate change and environmental degradation. To face these, governments are overcoming institutional weaknesses and fragmentation and re-asserting their public leadership through integrated and collaborative policies to direct urbanisation in a more sustainable and inclusive way.

The report is part of a series of five regional reports assessing the state of national urban policies that complement the Global State of National Urban Policies Report, conducted in collaboration between UN- Habitat and the Organization for Economic Co-operation and Development. These studies are timely, as they follow up on Habitat III and Agenda 2030 for Sustainable Development, the Second International Conference on National Urban Policy, and accompany the World Urban Forum, held in Kuala Lumpur, Malaysia, in February 2018. I believe that this series of regional reports contributes to building empirical knowledge on the national urban policy process and will provide useful insight for academia, policy makers and practitioners to further refine guidance and practice in national urban policy development, thus contributing to the implementation of the global agenda on sustainable development.

Dr. Joan Clos
Executive Director, UN-Habitat

PREFACE

This National Urban Policy, Asia and the Pacific Report, was researched and written in 2014 and 2015, and is being published within a 2017-2018 series of regional reports on national urban policies. The data and analysis have not been updated, and will therefore not reflect the latest information about national urban policies in the region. However, the data gathered still provides a useful baseline against which to measure subsequent progress of national urban policies in light of new international agreements. Moreover, the structural analysis provided remains relevant to inform long term trends, and characteristic opportunities and challenges faced by the region in managing increasing rates of urbanization through national level policies. This report indeed identifies varying approaches within the vast diversity of geographic, demographic and economic contexts of the regions, such as anticipatory, remedial, and transformative policies. This last category is identified as a "new generation of national urban policies", characterized by a more proactive and integrated perspective to harness the synergies and dynamics of urbanization for wider national development goals.

This insight has since been rapidly confirmed and solidified in recent and major global agendas for sustainable development. Indeed, since 2015, urbanization has been increasingly recognized as a global agenda priority, and a national governmental responsibility. The Sendai Framework for Disaster Risk Reduction for instance acknowledges the vulnerability and responsibility of urban areas to climate change-related disasters. This was then confirmed by the Paris Agreement on Climate Change, in which cities are identified as key actors to participate in its implementation. Then, the 2030 Agenda for Sustainable Development dedicated one of its 17 sustainable development goals exclusively to cities, with SDG 11 advocating to "make cities inclusive, safe, resilient and sustainable". Finally, and most significantly, the first major international conference following these sustainable development milestones was the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), where the New Urban Agenda was adopted, advocating for proactive policies to leverage the dynamics of urbanization as instruments of sustainable development. This new emphasis on urban issues in intergovernmental frameworks and agreements signaled the increased responsibility of national governments in adapting, implementing and monitoring these global imperatives. National Urban Policies have consequently been identified as a key instrument for governments to articulate global imperatives, national development visions, and the successful management of urbanization. The Habitat III Policy Paper 3 on National Urban Policies for instance argued that "a national urban policy is a powerful tool for government to plan for and direct the many facets of urbanization and for it to be a net contributor to achieving the sustainable development goals". National urban policies have also been proposed as a key component for SDG indicator 11.a.1. The New Urban Agenda also states that its effective implementation will be anchored in inclusive, implementable and participatory urban policies, to be developed and implemented at the appropriate level (NUA: 86); and the Action Framework for the Implementation of the New Urban Agenda (AFINUA) places national urban policies as its first pillar.

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ACRONYMS

ADB	Asian Development Bank
AFD	Agence Francaise de Development
ASEAN	Association of Southeast Asian Nations
BAPENAS	State Ministry of National Development Planning
BKSA	Coordinating Board for Jakarta Metropolitan Area
BNUS	Bhutan National Urban Strategy
BRT	Bus Rapid Transit
BUF	Bangladesh Urban Forum
CBD	Central Business District
CC	Component City
CCVFV	Central Committee for Management of Vacant Fallow and Vacant Lands
CDPS	Comprehensive Local Development Plans
DFAT	Department of Foreign Affairs and Trading
DNSAS	Directorate of Water Supply and Sanitation
DPT	Department of Public Works and Town and Country Planning
DSPS	District Strategic Development Planning
DUDBC	Department of Urban Development and Building Construction
DUHD	Department Urban and Housing Development
EBMRD	Extended Bangkok Metropolitan Regions Development Committee
EIA	Environmental Impact Assessment
EPU	Economic Planning Unit
EQS	Environmental Quality Standards
FDI	Foreign Direct Investment
FEG	Framework of Economic Growth

FMB	Farmland Management Bodies
GDP	Gross Domestic Product
HUC	Highly Urbanised Cities
HUDCC	Housing and Urban Development Coordination Council
ICC	Independent Component City
IMF	International Monetary Fund
ISFs	Informal Settler Families
JICA	Japan International Cooperation Agency
KSPNN	National Policies and Strategies for Urban Development towards Sustainable and Competitive Cities for 2045
LGA	Local Government Act
LGU	Local Government Units
LOI	Letter of Instruction
MALCB	Militant Lands and Cantonment Board
MCTPC	Ministry of Communication, Transport, Post and Construction
MHMS	Minister of Health and Medical Services
MLHS	Ministry of Lands, Housing and Survey
MoAO	Ministry of Agriculture and Irrigation
MoC	Ministry of Construction
MoECA	Ministry of Forestry Department, Central Committee
MOECAF	Ministry of Environment Conservation and Forestry
MoNRE	Ministry of National Resources and Environment
MoPI	Ministry of Planning & Investment
MRT	Mass Rapid Transit

MSS	Minimum service Standards		**PNG**	Papua New Guinea
NCR	National Capital Region		**PNPM**	National programme for Community Empowerment
NEDA	National Economic and Development Authority		**PPC**	Provincial People's Council
NEP	New Economic Policy		**PUC**	Philippines Urban Consortium
NESDB	National Economic and social Development Board		**PUMA**	Planning and Urban Management Agency
NFPP	National Framework for Physical Planning		**RAJUK**	Dhaka City Development Authority
NGO	Non-government Organisation		**SEDP**	Socio-economic Development Plan
NLUC	National Land Use Committee		**SLRD**	State Land Records Department
NLUP	National Land Use Policy		**TDRI**	Thailand Development Research Institute
NMT	National Municipal League of Thailand		**TOL**	Temporary Occupation License
NPP	National Physical Plan		**TRX**	Tun Razak Exchange
NPPD	National Physical Planning Department		**UAC**	Urban Affairs Committee
NUDHF	National Urban Development Housing Framework		**UDA**	Urban Development Authority
			UDAA	Urban Development and Administration Authorities
NUDp	National Urban Development Program		**ULA**	Urban Local Authorities
NUDP	National Urban Development Programme		**UN-HABITAT**	United Nations Human Settlements Programme
NUDS	National Urban Development Strategy		**UNCRD**	United Nations Centre for Regional Development
NUP	National Urban Policy		**UNDP**	United National Development Programme
NUPA	National Urban Policy Agenda		**UNEP**	United National Environmental Program
NUUP	National Urban Upgrading Strategy for Overall Investment		**UNFPA**	United National Population Fund
ODA	Overseas Development Aid		**UNICEF**	United Nations Children's Fund
OECD	Organisation for Economic Cooperation and Development		**UOP**	Urban Operational Plan
			UPAP	Urban Policy Action Plan
PDP	Philippine Development Plan		**URA**	Urban Renewal Authority
PGA	Provincial Government Act		**VUDA**	Vietnam Urban Development Authority
PLUC	Provincial Land Use Committee		**VUF**	Vietnam Urban Forum
PLUP	Participatory Land-use Plan		**VUUP**	Vietnam Urban Upgrading Project

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SUMMARY

Over the past decade recognition has grown that the achievement of productive, sustainable and equitable urbanization requires increasing attention from national governments. This is particularly the case in contexts where the rate of urbanization is low and rapid growth of future urban settlements is anticipated. The United Nations, through the UN Habitat Program, has a longstanding commitment to improving the way urbanization is managed by national and sub-national governments. This includes establishing appropriate governance and legislative frameworks for guiding urbanization at the national level. A key feature of such framework is the development National Urban Policies (NUP). A new generation of NUPs has sprung up across the region with aspirations to address contemporary urban problems and plan future urban development.

Purpose of Study

The objective of this review is to survey, inform and evaluate national urban policies and strategies developed by national governments in the Asia and Pacific region. The purpose of the review is to assist UN Habitat and other national and international stakeholders involved with urban policy and management in pre-dominantly middle to low income countries. The research encompasses both a recent generation of NUPs in the region as well as a set of older national urban programs for urban development. A particular focus of this report is institutional structures, legal frameworks and foundations, and financial and technical capacity, oriented to promoting long-term policy development monitoring of urban problems and responses.

Source: www.eduplace.com

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INTRODUCTION

Stanley Market in Hong Kong © Flickr/Alan Watt

Although the Asia-Pacific is one of the least urbanized regions of the globe, when compared with North America and Europe, it is now one of the fastest urbanizing regions (World Urbanization Prospects, 2014). The urban population in the Asia-Pacific region in 2010 was reported at 754 million people, larger than the combined population of the European Union and United States of America (UNESCAP, 2013), and comprising approximately 45 per cent of the global urbanized population. Urbanization levels[1] vary between sub regions, for example, 70 per cent of the Pacific nations' populations live in urban areas (a high figure when Australia and NZ are included), and while South and South-West Asia have urbanisation levels around 34 per cent.

The urbanization level in the Asia-Pacific is expected to increase to 50 per cent by 2026 (UNESCAP, 2013) making urban growth and development major policy challenges for national and metropolitan governments.The graph below indicates the proportion of urban population for selected countries surveyed in the region. The graph expresses the rate of urbanization at a percentage for selected countries in the region. Countries that have already achieved a high level of urbanization, such as Singapore, typically experience a slower urbanization rate, whereas countries with low urbanization levels but which are facing rapid urban growth, such as Laos, East Timor and Nepal, have higher urbanization rates.

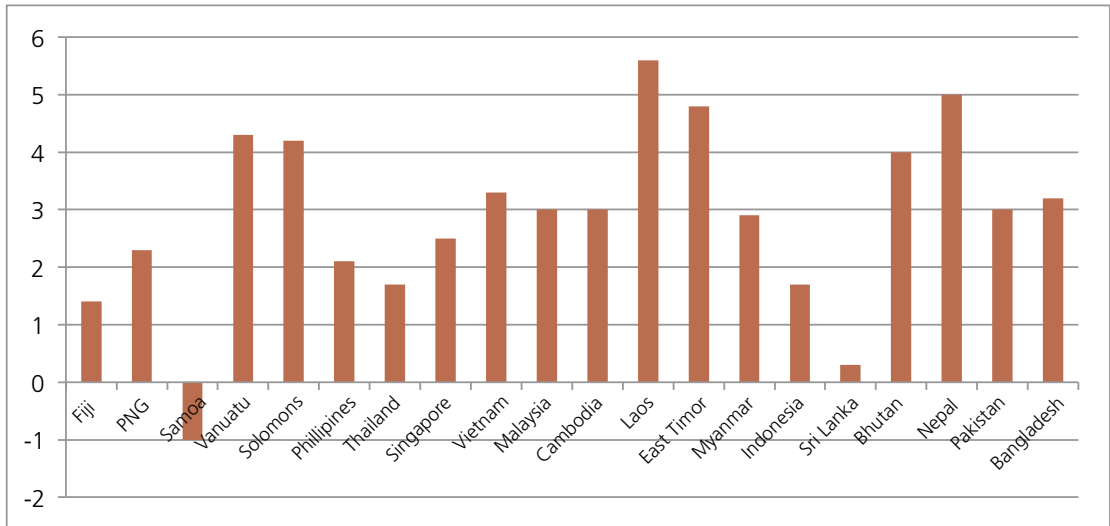**Figure 2:** Asia Pacific region proportion urban population (%) 2011
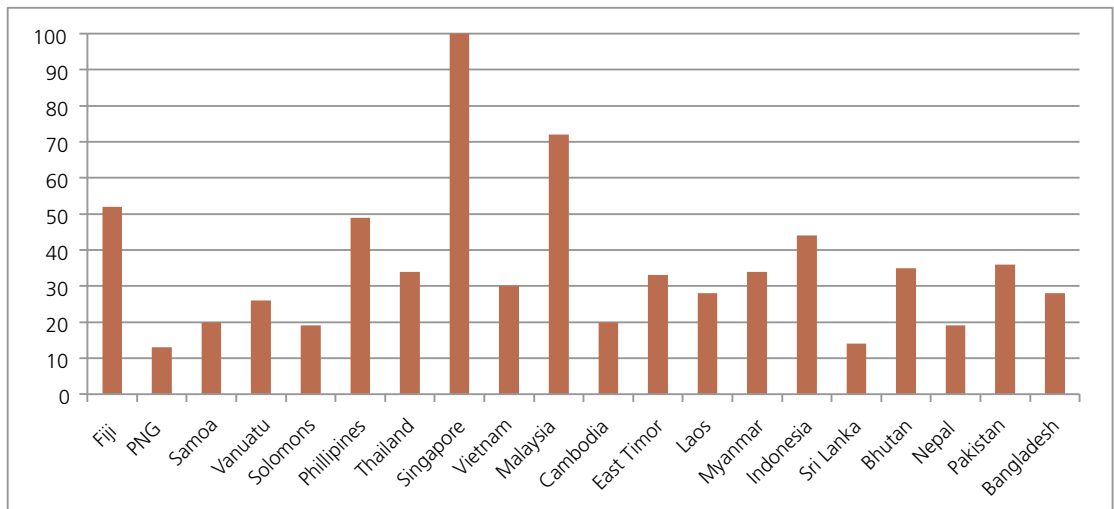
Above data sources from UN 2011 Population- Urbanization Index

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1   In this report the urbanization level refers to the proportion of a territorial population that resides in urban areas while the urbanization rate refers to the proportional change in urban population over a given period, typically annually.

The bar graph below presents the full range of urbanisation rates per annum for 2011 of countries selected for the survey.

Figure 3: Asia Pacific region rates of urbanisation per annum (%) 2011

Above data sources from UN 2011 Population- Urbanization Index

Expectations of an increase in the urban populations in the Asia and Pacific region bring both opportunity and challenges. On the one hand, the growth in urban areas across the region has the potential to improve economic and social conditions and development, as well as enable more efficient use of natural resources. Urbanisation is linked to economic performance with an array of evidence suggesting that cities contribute a disproportionate amount to national productivity growth and job creation (Turok, 2009). This phenomenon has been observed in the Asia-Pacific, where up to 40 percent of the region's population living in urban areas contributes 80 per cent of the region's Gross Domestic Product (UNESCAP, 2013).

Benefits from urbanization notwithstanding, concentrated urban development in regions with high population density may produce social displacement, urban poverty, precarious housing, unsafe water supply, inadequate waste management and sanitation and environmental deficits if not adequately managed. The Asia-Pacific region for example is now host to over half the world's slum population signaling a weak capacity to absorb urban population without housing and infrastructure deficits. Urbanisation has transformed traditional patterns of poverty in the Asia-Pacific region, as urban poverty now outstrips that of rural areas in population terms (UNESCAP, 2013).

The geographical location of many of the countries in the Asia-Pacific means they are exposed to natural hazards and risks and may face fragile environmental conditions that affect the lives of urban dwellers and pose challenges for policy makers. Nepal's earthquake in May 2015 is one recent reminder of the hazards that urban environments and urban planning must contend with. This includes the compounding of risk via poor building or planning regulation and policy. New environmental problems also pose new

challenges for national urban policies. Dhaka, a megacity in Bangladesh hosts 13 million people but is only elevated a few meters above sea levels. Consequently, small rises in sea levels have potential to engulf large urban areas, especially when combined by major weather events (UNESCAP, 2013).

The policy and planning problems of urbanisation have traditionally been dealt with through horizontally separated portfolios of urban initiatives such as land-use policy, housing policies, and infrastructural policies. However these sectoral approaches, whilst an important step in addressing serious problems and raising the profile of an urban agenda, are now being superseded by new generation of more widely scoped NUPs. Understanding how NUPs can provide for improved management of urbanisation and in turn support better economic performance and higher levels of human wellbeing in rapidly developing cities is an important question for governments across the Asia-Pacific region.

For the purpose of this study, this report adopts the definition adopted of National Urban Policy is offered by UN Habitat Program (2014) as "A coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative productive, inclusive and resilient urban development for the long term". The UN Habitat Program (2014) further expects that National Urban Policy should enable:

(a)   Identification of urban development priorities towards socially and economically equitable and environmentally friendly urban and territorial development

(b)   Guidance on the future development of national urban system and its spatial configuration, concretized through National and Regional Spatial Plans for territorial development

(c)   Enhanced coordination and guidance actions by national actors, as well as all levels of government in all sectors

(d)   Increased and more coordinated private and public investments in urban development and consequent improvements in following key areas: productivity of cities, inclusiveness and environmental conditions, subnational and local governments, financial flows, urban planning regulations, urban mobility and urban energy requirements and job creation.

Beyond the above definition, Turok and Borel-Saladin (2014) have highlighted the need for a broad definition of national urban policy, that includes "explicit decisions and actions by national governments to address the challenges and possibilities arising from the urban transition [expressing] what governments aim to do within their cities and towns…to make them function better –economically, socially and ecologically".

New Generation of National Urban Policy

A new generation of national urban policies, (NUPs) is emerging across the Asia-Pacific region that is more ambitious in scope and seeks to address urbanisation with a more comprehensive and integrated approach (Turok, 2014; UN Habitat, 2014). The new generation of NUPs acknowledges the complex urban matrix that involves multiple sectors, relationships, and networks, often overlapping, that shape urban development and the experience of urban inhabitants. It covers a wide array of policy directions, options, regulations and statutes, programs, governance configurations, and engagement with stakeholders. The increasing presence of the private sectors in some countries is another dimension which adds to the NUP policy matrix.

Underpinning the move towards new NUPs is the recognition that national governments are in a better position than municipal authorities to shape and assist urban populations in towns and cities across the national portfolio of urban settlements (Turok, 2009). The national authority is in an elevated position and can offer a wider view or 'big picture' perspective of sectoral or silo-based initiatives, and bring together spatial, regulatory and fiscal schemes and instruments involved in addressing rapid urbanization. It is also best placed to assess wider cultural and social issues that may emerge with rapid urban expansion, and are evident in countries within the Asia-Pacific. Subsidiary levels of government also have roles to play in managing urbanisation though. A key task for NUP is to ensure that all levels of government within a given national context have clear responsibilities for urbanisation and are adequately empowered and resourced to exercise these responsibilities.

Clarity in responsibility is also needed to avoid overlap in jurisdiction for urban policy which may occur through weak institutional organization, lack of suitable coordination, inability to mobilize resources effectively, territorially specific policies or sector-specific policies such as housing and waste management or disposal. National governments face challenges to adequately facilitate effective and coordinated national urban policy design and implementation. The task of developing clear guidelines, objectives and targets can aid and focus attention to addressing these challenges.

A cross-sectoral policy approach is fundamental to addressing the interrelated problems of urbanization and management (Turok, 2009). National Urban policies need to encompass the broad framework and intentions of governments towards their urban agglomerations, and how they can expect to function better economically, socially and environmentally better. National urban policies should be proactive, in order to avoid any future hazards and risks to the wellbeing of urban residents.

A street in Vientiane, Laos © Flickr/Thanate Tan

The link between national development strategies and attaching a high priority to urbanization has emerged as a key global milestone. The Paris Declaration and the Accra Agenda for Action, reflect on the development communities' demand for increased aid effectiveness and development effectiveness. The Paris Declaration of 2014, "City in Motion, People First!" added a firth priority and drew attention to goals directly related to comprehensive urban management. Goal five of the document sets out objectives "to integrated transport, health and environmental objectives into urban and spatial planning policies" (Paris Declaration, 2014). Integrating urban development, in conjunction with housing, transport, and environmental portfolio's is critical for national government addressing ongoing urbanisation holistically.

Report Outline

The remainder of this report appraises the current state of national level urban policy making in the Asia-Pacific. The report responds to UN Habitat's wish to identify how national governments are developing and applying national level perspectives on urban questions and the approach they are taking to policy development and interventions to improve national urban conditions. The key features of NUP addressed in the report were established by UN Habitat and include:

1. Current national urban policy goals and objectives

2. The relationship of national urban policy to the national spatial framework

3. The key policy instruments used to apply national urban policy

4. The key institutional arrangements used to enable national urban policy

5. The fiscal and organizational resources committed to support national urban policy and

6. The extent and nature of stakeholder inclusion in national urban policy formulation and application.

Methodology

The project is based around two sets of case studies, each corresponding to two major sections of this report. The first set comprises short survey case studies while the second set is compromised of longer detailed case studies. The survey case studies provide a regional overview of national urban policy across twenty countries to provide a broad perspective of current practice and general insights into the models used and their effectiveness. The extensive case studies are complemented by six detailed case studies which offer extended and more detailed appraisal of national urban policies in the selected countries. Project effort has been distributed approximately evenly across the sets of extensive and intensive case studies.

The methods used for the case studies were developed in accordance with the scope of the project and resourcing. Four specific sequential methods were used.

Literature Search

This task involved literature and policy search and collation. Policy literature was sourced via desktop electronic searches and includes digital databases such as Google scholar, Scopus to retrieve peer reviewed journals and research literature. The RMIT University library catalogue was also searched for key items. Electronic databases such as Dow Jones Factiva (newspapers) were searched to retrieve any feature articles on urban issues and policy announcements of any given country.

Website searches

This task involved reviewing and searching national and international agency websites, targeting urban planning agencies and authorities or government websites and universities that have relevance to national urban policy whether within individual

nations or encompassing multiple national contexts. Documents and data were captured through searches undertaken with the websites of key international agencies including World Bank, UN Habitat, Asian Development Bank, UNDP, and UNESCAP. Internet searches were conducted on government websites included in the survey to locate information of any urban planning agencies.

Database and Matrix

An excel database was established to capture relevant information on twenty countries in the region including basic background information and categorized against the project policy foci, including: relationship to national spatial framework, policy instruments, institutional arrangements, resources committed and stakeholder investment; five major case studies. This database drew primarily from the literature Interviews with experts in the region for fact checking.

Interviews

Interviews with key respondents from national government and academic institutions were a key part of the major case studies. Interviews were used to check the accuracy of information, and update any developments in urban policy. All major case study countries except Indonesia, due to time and availability constraints include material from interviews.

Study approach to NUP

The urban sector is wide-ranging, and research terms restricted solely to 'National Urban Policy' overlooks the ways that other forms of urban strategy are being formulated and implemented by governments. That is, some countries, although not having an explicit NUP, have adopted some form of urban framework, and have adopted urban policies through specific sectors such as housing or transportation, which in turn form the basis for guiding urban development. Often the network of these policies forms a wider urban framework. This indicates that can be addressed through broader terms such as: 'urban policy', 'urbanization', 'national planning policy', 'national urban development plan', 'urban development', 'urbanization', 'urban strategy', 'urban principles', 'cities' and 'urban governance'.

High Speed train station, China © Flickr/Richard Barton

The second 'intensive' phase of the project involved the production of six detailed case studies based on interviews with key informants in the region. The research team developed a draft framework for country selection that is based on whether the country has an NUP or urban framework, whether it is advanced, middle income or developing country, whether it employs policies of centralization or decentralization of urban governance, the duration of urban policies, rates of urbanization from high to low, and political conditions.

The case studies all include selected interviews with key respondents who have expert knowledge of NUP within the Asia Pacific region.

Research Constraints

There are two major constraints on the breadth, detail and accuracy of this project. The first concerns language and the second concerns access to information. The Asia and Pacific region is linguistically diverse, both between and within some countries, for example there are 800 languages just in Papua New Guinea. However governments tend to adopt a single language as its national language, through which it communicates policy initiatives. The research is somewhat limited to English language sources. In some countries, where English is not the main language, policy documents are in languages that the researchers are not competent in, and present difficulties for conducting effective searches of primary sources. For example Cambodia's urban policies were difficult to assess because websites were in Khmer and Indonesia's official government website is written in Bahasa, limiting the access to information for this study.

A second constraint on the research concerns limited access to information from desktop research. Some research and policy information is not available online and places a limitation on information gathering and assessments from desktop-based research. Moreover certain urban objectives may also not be published or gazetted by the government.

3
OVERVIEW OF NUP THEMES AND INSIGHT

Aerial view of Prot Villa, Vanuatu © Wikipedia

This section summarizes the broad findings of the report. It draws from the key themes used to guide the survey of NUP within the Asia-Pacific context to offer a wide overview of the scope and content of NUP and the insights that can be drawn from this analysis.

Evolution and extent of NUP Development

Although the level of development of NUP within the Asia-Pacific is highly varied in terms of focus on urban problems and scope of legislative or policy frameworks, all countries surveyed within this report are addressing urban problems in some way at the national scale, whether through NUP, housing policies or related policy agendas and frameworks. This observation suggests that the current and future challenges of urbanization are recognized to at least a minimum level by policy makers and political representatives. This is an encouraging sign for improved management of urbanization; governments can't respond at increasing levels of policy development if the most basic recognition of a problem and the need for a response is not present.

Once the recognition of urbanisation problems and need for a response is made then policy can proceed to a more developed phase of response. The extent to which this is occurring is highly uneven across the region. In part this reflects the very heterogeneous set of countries located within the Asia-Pacific region and their extent of urbanisation pressures and needs. Few global regions contain such a varied diversity of national histories, population and demographic patterns and processes, social and economic development trajectories, governance and democratic capacities, and technical and financial capabilities, as are found within the Asia-Pacific. The NUP needs of small Pacific states with relatively small national populations and modest scale urban centres are likely to be very different in scale and complexity from those of large, economically more advanced

nations, such as Malaysia, the Philippines, Vietnam or Indonesia, which host large megacities. And even among sets of countries, small or large, advanced or developing, a high degree of heterogeneity is observed. Indonesia and the Philippines share some coarse comparabilities in geography and population but are very different in terms of their urbanization patterns and policy approaches. Indeed within almost any sub-classification that could be created to organize the various countries included in this report a high level of diversity in NUP development would be observed.

The recognition of the breadth and diversity of national contexts and the position of NUP within these contexts makes two related observations relevant. First, every country wishing to develop an NUP necessarily does so within the context of its own national conditions and development trajectory. This in turn implies the need, in each instance, for each country to undertake careful analysis of national demographic, economic, spatial, and governance patterns, the thoughtful specification of the role and effect of urbanization within these trends, and the significance and contribution of urbanization to national objectives and goals.

Second, the diversity of NUP raises the need for caution about 'templating' of policy transfer from one context to another or treating one NUP as 'better' than another. Rankings, to the extent these could be reasonably constructed, have little place in sensible evaluation of NUP across the Asia-Pacific region. The content of an NUP that is relevant to one country will only ever be partially transferable to another jurisdiction. This is especially so for specific spatial planning around settlement structures, however this insight also extends to the role of particular planning instruments within policy frameworks and the match between regulatory mechanisms and national and sub-national governance arrangements. This is not to say however that countries cannot learn from each other. Rather that any policy learning must occur in the context of local conditions.

A final observation is that the diversity in national geography, history, economic and political development within the Asia-Pacific in turn results in a great deal of diversity in terms of governments' capacities to develop and implement NUP. This is not solely a technical policy question in terms of a country having the skills necessary to undertake rigorous analysis and policy development. The question of NUP capability extends to wider national governance arrangements and policy frameworks. Some Asia-Pacific countries operate governance frameworks that reflect previous colonial or post-colonial phases of national development. For many nations the contemporary governance challenges are less related to this historical context than to the growing demands of a globalized economy and the increasingly important role of urban labour markets and housing provision and infrastructure networks, and the intra-national and international mobility of labour, goods and information. Many of the more globally connected national economies, such as Malaysia or Indonesia are increasingly recognizing the significance of major infrastructure that facilitates this global connectivity as a major challenge that their NUPs must address at city and regional scales. There are few countries that would not benefit from strengthening of their urban governance frameworks.

Malacca Waterway, Malaysia © Flickr/Hadi Zaher

Goals and Objectives of NUP

One of the key features of any National Urban Policy is its purpose, scope and objectives. There is a high level of diversity among NUP in Asia-Pacific countries in terms of purpose, objectives and scope. Almost all countries are using NUP as a means of managing urbanization pressures they are facing, however the precise focus of NUP in terms of urban conditions is highly context dependent. Many countries are using NUP both in a technical sense, to manage urbanisation more effectively, as well as in a broader sense, in which urban policy is used to achieve national goals across a range of urban-related portfolio areas including economic and human development, improved provision of housing and basic infrastructure and services such as water, sewerage or healthcare service. Many are adding concerns for environmental sustainability and resilience to potential risks, such as climate change into NUP. In some respects therefore NUP are playing an integrative role. Although cities and urban areas make up a minority of land-area in most Asia-Pacific countries, they are accommodating an increasing share of population in all nations. Governments are therefore ble to use cities as the sites through which to develop and integrate policies aimed at improving urban economic prosperity, social inclusiveness and cohesion and environmental sustainability.

The strategic purpose of NUP is broadly similar though highly diverse among countries in terms of national development goals. Some countries at low levels of urbanization, for example Bhutan or Laos, are using NUP in an anticipatory way to establish frameworks for management of expected future urbanization. In many cases the main objective is to avoid problems of informal settlement formation and weak land-use planning and spatial coordination. This may be at the level of an individual urban area, though a number have taken a national perspective in recognizing that multiple urban areas may grow simultaneously with implications for the national pattern of urbanization.

A number of countries are deploying NUP in a remedial sense, in that they have experienced high rates of urbanization, often producing large and extensive urban centres, but which has been accompanied by insufficient management effort to ensure the resulting development is coherent, coordinated and adequately serviced. This includes not only provision of elementary planning for land-use distribution – including legal frameworks for land ownership as well as regulation of development activity - but also delivery of basic infrastructure where it is currently lacking: roads, water, sewers, energy networks and in many instances housing and community services. Such delivery is sometimes accompanied by planning frameworks that also overcome representative deficits by including urban communities in decision making.

Many countries in the Asia-Pacific are also using NUP in a transformative sense. This group, which is not necessarily limited to the more economically developed nations, is using NUP as a tool to support national economic and social transformation. Such transformation is often one of transition from a predominantly rural population to a predominantly urban population, but is often connected to further national goals around human and economic development and improved governance arrangements. Some countries, particularly those with relatively higher levels of economic development are deploying NUP in support of accelerated economic development. In some instances, such as Indonesia, NUP is supporting governance reforms which aim at decentralizing decision making power to cities and regions. Thus NUP can be used as a mechanism through which countries reshape not just the form of their development and the quality of their urban housing and infrastructure at the sub-metropolitan or metropolitan scale, but can be deployed in the service of wider national goals around the way that political decision making is undertaken and the scales and distribution of responsibility at which this occurs. Countries that have oriented NUP to

this wider developmental ambition and have the capacity to effectively implement their NUP program are likely to be more successful in managing urbanisation in support of national goals than those that have more circumspect or less capable strategies. There is scope for greater attention as to how NUP can be used to shape wider national objectives.

NUPs and Spatial Frameworks

Any degree of economic and social development at the country level necessarily has an internal geography. Some locations within a country see greater concentrations of economic activity of particular types than others. This may be due to particular advantageous geographic features such as a suitable trading location, or historical factors, such as the seat of national government, or for reasons of economic advantage around exploitable resource availability. Such economic concentrations are often associated with concentrations of human populations as people move to sites of greater employment seeking opportunity to sell their labour power. The differential distribution of population in response to economic, social, and sometimes cultural, factors produces an internal spatial pattern. Countries may choose to, or attempt to, organize their internal spatial development through a national spatial framework that seeks to coordinate government development policy goals with strategies dedicated to particular spatial objectives. Typical national level objectives include achieving a balance of population across regions to enable stronger governance and reduce disparities in service provision, better linking hinterlands containing agricultural production zones with their markets in major cities, or seeking to discourage migration to ensure the rate of urban development in major centres remains manageable. In order to be coherent and effective, any NUP needs to include a spatial perspective that links economic, social and environmental objectives to the distribution of population and economic activity.

Many countries in the Asia-Pacific are using NUP in coordination with a national spatial framework that seeks to achieve particular goals in relation to population distribution, governance, and urban management. The extent to which spatial frameworks are incorporated within NUP is however uneven across the region. Most countries have some form of settlement or administrative classification system that identifies the national settlement structure and forms objectives around the current and desired patterns. Some of the more economically advanced nations in the Asia-Pacific have explicit spatial frameworks that are harnessed to national economic development goals and strategies. Vietnam, for example, operates a national urban classification system with improved linkages – typically roads - between specified classes of urban centres viewed as a major policy goal. In such a context an NUP can be used not solely to advance the development of cities as isolated urban islands but to integrate them into a national network of cities. The Philippines, for example, is using a spatial framework to improve the balancing of regional development given the high concentration of population in metropolitan Manila.

In some jurisdictions, particularly those with less extensive major urban centres, the extent of national spatial strategy is focused primarily in terms of urban-rural linkages. The Solomon Islands, despite not having a formal NUP, nonetheless includes in its National Development Strategy the objective of improving linkages between major markets - urban areas - and rural production zones. In Vanuatu, a major focus of the national Land-use Planning policy has been to improve the economic viability of rural areas to reduce migration pressure on urban centres, particularly Port Vila.

Although a spatial framework can provide the necessary cohesion for an NUP such frameworks are however dependent on governance structures and multiple policy strands. In most jurisdictions, especially physically larger countries with sizeable populations, any attempt to coordinate population

and economic development at the national scale requires astute appreciation of population dynamics and economic processes. Shaping these dynamics to produce a preferred spatial structure in turn requires a high level of coordination between multiple levels of government, within and between various policy strands, particularly economic and planning policy, and the capacity to implement coordinated policy directions. Without such coordination, spatial development is likely to be shaped by organic or ad-hoc population and economic dynamics. This coordination however is complex and requires dedicated policy effort. Even economically advanced countries may struggle to implement a national spatial framework within their NUP if their wider internal policy architecture is not suited to this degree of complex national-scale spatial policy coordination.

Policy and institutional instruments for NUP

The need to deploy NUP according to the specific contextual characteristics of a given country means that NUP cannot simply be templated by copying models from elsewhere and applying them without a high level of adjustment. A high level of variation in the way that countries are applying NUP in the Asia-Pacific can be observed. The needs of small island Pacific states are very different, at least in scale but often complexity, to those of large socially, economically and culturally diverse nations situated across highly variegated geographies. Approaches thus range from NUP that seek a mid-level degree of policy coordination within existing portfolio structures to NUP that have stand-alone status and a high level of policy force within national policy frameworks. It is difficult to separate the policy components, instruments and mechanisms of an NUP from the institutional arrangements that a country has through which such instruments may be applied. An NUP may be highly conceptually advanced in terms of scope and application but if it lacks the institutional capacity to be implemented then it is unlikely to be successful in achieving its objectives.

This institutional capacity is likely to be complex in any situation and the countries within the study region vary widely in terms of their national urban and institutional architecture. In many of the larger more populous nations of the Asia-Pacific region, such as Indonesia, the Philippines or Bangladesh, sub-national governance is critical to NUP especially where decentralization is a national policy objective. Ensuring that subordinate government levels have the capacity and inclination to implement national policy is thus a key element of the policy framework.

Some basic elements of NUP are broadly observable across countries that have stronger NUP frameworks. These include a dedicated national-level policy explicitly designated as the country's 'urban' or 'urbanisation' policy and a clearly defined schema by which this policy can be applied, typically via some form of spatial framework. An NUP may be internally comprehensive or may include coordination with or purview over further portfolio or policy areas that address issues such as housing, transport and infrastructure, land, environment and resources, such as water as well as more recent concerns such as climate change risks. Some countries support their NUP via legislative mechanisms that give the policy legal status. This is likely to produce stronger policies, though success is dependent on the degree of compliance which may be difficult to achieve where implementation is delegated to other or lower areas of government.

There are advantages and disadvantages with centralized NUP that include all areas of concern within their ambit in contrast to those which take more of a coordinating role. For example, centralized NUP can ensure internal coherence of their schemes but may not have sufficient connection, and thus policy buy-in, to other areas on which they are dependent. This is especially the case where urban policy depends on land and housing policy for its effectiveness. Conversely an

NUP may be designed explicitly to recognize that internal comprehensiveness is difficult to achieve and thus deliberately seeks a coordinating rather than a driving role.

The extent of centralization of NUP varies markedly within countries depending on their particular urban context and governance arrangements. Nations with multiple levels of government typically seek to use these arrangements to deliver NUP, often with a division of powers according to the level of government that is best suited to the policy task. For example, national governments are necessarily best suited to the national perspective and the overall country needs around the scale and distribution of economic and human development. This national perspective may be expressed in a formal national policy that is then given reality via meso and local government scales. Within many Asia-Pacific countries, however, metropolitan governance is increasingly recognized as a key level for planning and management of urbanisation including through metropolitan level urban plans. This is not a simple task however with administrative boundaries forming key instrumental components of NUP. Administrative boundaries that do not encompass whole functional urban areas are unlikely to generate well-coordinated planning instruments. Conversely those that take too broad a regional administrative focus may lose focus on core urban problems. These questions are thus difficult to separate from the institutional structures through which the matters that NUP addresses are managed.

In summary, to be effective an NUP is likely to require the following spatial components: a) a clear national level perspective on preferred spatial urbanisation patterns (and conversely the distribution of preferred non-urban patterns), typically via an explicit national spatial urban strategy or plan; b) a technical spatial perspective in the form of an urban classification and settlement hierarchy accompanied by functional or

preferential designation of urban objectives to key elements within this hierarchy. This may include spatial infrastructure development objectives and designations; c) administrative arrangements that provide for both horizontal coordination of urban policy areas at the relevant scale whether internal to the NUP or using NUP as the coordination point; and d) administrative arrangements that allow for appropriate designation of responsibilities for effective application of policy at relevant governance scales. A strict assessment according to these criteria would suggest that relatively few nations within the Asia-Pacific are achieving this objective; however some are making progress towards this broad approach.

Financing National Urban Policies

Few areas of public policy can be effective if they are not supported with the necessary level of fiscal resourcing. The UN Habitat Program (2014) has encouraged increased and coordinated private and public investment in urban development to support NUP. The financial needs of an NUP may range from very little to large scale expenditure depending on how the policy is strategically crafted. Responsibility for financing may be centralized at the national scale or delegated to subordinate regional, metropolitan or municipal governments. Within most Asia-Pacific governments the portfolio areas with the greater levels of resourcing tend to be the more influential and capable in achieving policy goals, though this is not a firm pattern. For example, an NUP that seeks to operate through cross-portfolio coordination may require relatively modest direct resourcing if it acts to harness the spending across other portfolio areas, or levels of government, to support urban policy objectives. Such a policy model though would depend on a high degree of coordination to ensure policy elements are agreed at high levels of national government or with clear agreement of different levels of government in a multi-level system.

Conversely a fiscally strong approach to NUP may be effective through the centralized ability to command and deploy financial resources to programs or infrastructure. However the control of both finance and policy can itself lead to problems of effectiveness if a strong agency is deployed to implement policy through spending on programs or infrastructure which challenge the domain of other portfolio areas.

A further dimension of the financing question is the extent to which Asia-Pacific governments directly fund NUP related programs and infrastructure or rather seek to draw finance from other sectors such as NGOs, financial institutions and private partners. Where NUPs seek to draw funding from NGOs this is likely to be more flexibly allocated to programs that strengthen governance, policy capacity and implementation capability, as well as direct physical investment. A common model of financing, especially for program based urban policy interventions is to use packages of contributions from various parties to generate larger sums that can be targeted to particular strategic objectives. This is often the case where national governments partner with international donors, such as the Japan International Cooperation Agency or financial agencies such as the World Bank or Asian Development Bank. For example, the Philippines Partnership for Urban Poverty was funded by the Japan Fund for Poverty Reduction while the country also participates in the Urban Climate Change Resilience Fund, a partnership between the ADB, UK Department of International Development and the Rockefeller Foundation. Indonesia has received funds for various urban projects, including neighbourhood upgrade and slum redevelopment, from the ADB, World Bank, Islamic Bank and assistance from Australian, Korean, Japan China, Germany France and the Netherlands.

Private finance is more likely to be biased toward particular project interventions where the economic return on investment is easier to quantify and apportion, especially where such investment has a

profit dimension. This may also bias infrastructure toward user charge based financing arrangements. Private finance however depends on strong governance to ensure that funding is allocated to its ostensible purposes. This may in turn require attention to issues such as corruption or the effectiveness of public institutions, at varying levels, in achieving programmatic objectives. The private sector is drawn into land development activities with a public good dimension in which proceeds are apportioned clear tenure and legal frameworks are likely to be necessary to ensure that the agreed return and distribution is achievable. Thus governance improvements may be important precursors to improved private involvement. This can extend also to compliance around taxation revenue; strong legal and institutional powers are needed to ensure expected revenues from urban development schemes involving private actors are realized. There is no single model that will satisfy all instances of NUP financing and thus the arrangements in any instance should be crafted to the needs and capacities of a given national context.

Within the Asia-Pacific there is broad heterogeneity in relation to the financing of NUP and associated interventions. Some countries possess strong governance arrangements that permit the raising of taxation revenue for urban policy financing, where others suffer from weak institutional arrangements struggle to raise necessary revenue across any portfolio area. This latter problem is especially the case in countries that have experienced major disruption such as conflict in which governance processes have broken down or are in the process of reconstruction. Nepal and Sri Lanka, for example, each face the task of rebuilding their overall national governance framework, which is a necessary precursor to a specific focus on urban questions and revenue needs.

In many jurisdictions the capacity of municipalities to raise revenue to finance urban services and projects is a major urban policy issue. Municipalities are often faced with the task of coordinating and developing local scale urban development but often lack the financial resources to achieve this, especially in contexts where multi-level budgetary allocation processes do not sufficiently account for urban improvement. Countries that recognize this problem and directly address it are likely to have stronger urban policies in general. The Bhutan National Urban Strategy for example, includes strengthening of municipal taxation powers as a key part of its policy approach to addressing urbanisation pressures. Fiji for example has sought to improve local council financial access, while expanding municipal administrative boundaries, through a dedicated national fund to address informal settlements.

In some jurisdictions, financing for urban development planning and infrastructure is organized through centralized cost-sharing arrangements targeted to specific programs. For example, the Vietnam government's Vietnam Urban Upgrading Project (2004-2014) focused on four major cities and totaled $417 million, of which one third was provided by the national government, and the remainder by international contributors and local sources. Recurrent investment in Vietnam is however the reserve of the national Ministry of Finance which distributes the national budget to sectors and projects often handled by other ministries, such as Transport.

Whether a country organizes its NUP financing via centralized or decentralized revenue streams, by partnering with international partners, or encouraging private investment is perhaps secondary to the task of ensuring NUP is financed in some way. Although different financing models can have risks and benefits the key task is to provide NUPs with sufficient resources to achieve their objectives. As with other aspects of NUP surveyed in this report there are indications that finance is one of the weak points in NUP development. Much greater attention will need to be paid to financing as NUPs continue to evolve as means of resolving urbanization challenges.

Stakeholder involvement in NUP

Stakeholder involvement is an important but often overlooked dimension of NUP in the Asia-Pacific. By its nature any NUP will operate across an array of: national policy portfolios, levels of territorial government and portfolios within these; industry sectors and organisations; civil society groups; and varying geographical territories. Achieving an agreed set of national goals will necessarily require a policy development and preparation process that is able to call upon and assimilate the interests and insights of each of these major national groups. Achieving a shared vision through clear stakeholder engagement is crucial to implementation, especially in contexts where central government does not control the levers of delivery or regulation. Poor stakeholder involvement and commitment can lead to fragmented or weak implementation of NUP.

However the extent of stakeholder involvement in any NUP development process is likely to be highly dependent on national contextual factors in relation to the historical extent of democratic governance and participation in political affairs, the strength of civil society groups, particularly urban professionals and the presence of industries with clear urban interests, such as infrastructure providers. It is not possible to provide a template model of stakeholder involvement – the nature of any national stakeholder engagement process will be dependent on a raft of factors including not least the scope and objectives of the NUP in question.

The review of NUP in the Asia-Pacific shows that many countries within the region have deliberately undertaken extensive stakeholder consultation and participation in relation to their development of NUP. However as with other areas of NUP development this is highly uneven and contextually dependent. Bhutan for example undertook extensive stakeholder engagement around its NUP development including consultations with minority communities as well as various agencies at national to municipal levels of government.

Samoa successfully established its Planning and Urban Management Act following an extensive consultation with stakeholders over a six-month period. Bangladesh which is one of the more populous nations in the Asia-Pacific held a national Urban Forum in 2011 to draw a broad array of urban stakeholders into a conversation about the country's rapid urbanisation. This in turn drew on the international World Urban Forum model. As this report notes that event was important in setting the strategic direction for the country's approach to national level urban policy. In some jurisdictions the complexity of national governance arrangements at various scales can make stakeholder involvement in NUP similarly complex. The Philippines for example, has operated a multi-stakeholder model of policy development which has included an array of governments at varying levels, multiple agencies, a raft of NGOs and international donors. The approach to NUP in the Philippines has meant this stakeholder mix has been drawn on across a number of intersecting urban policy domains, including urban development, urban poverty, and climate change. More recently the Philippines has established a national Urban Consortium to provide a forum for stakeholder conversations about urbanisation and NUP.

In some countries NUP stakeholder involvement remains limited though the reasons for this may be various. For example, Vanuatu's stakeholder involvement remains largely centralized, in part due to the limited familiarity of land-owners with urban planning concepts. In Myanmar where democratic and participatory government is still at an embryonic stage, the extent of stakeholder involvement in the country's equally preliminary national level urban policy development activity is itself limited. In some jurisdictions, consultation has focused on particular aspects of urban policy. Thus for example, Timor L'Este undertook extensive workshops and consultations in the preparation of its 2003 National Housing Policy. And the extent of stakeholder involvement in NUP may vary according to the level at which policy is developed. In

Cambodia, decentralization policies are considered to have increased local participation, especially at village level, where communities are given a high level of planning responsibility assisted, but not directed, by professional experts.

Future challenges and risks

Most NUP are grappling with the demands of managing urbanisation in a remedial or anticipatory way and aim to improve existing conditions for current and future urban residents. Many of the nations surveyed face serious challenges and risks from climate change. The most serious climate risks relate to inundation via sea level rise or flooding. Many of the countries in the Asia-Pacific have extensive urban development in coastal zones that are exposed to sea level rise. These urban areas are often located around the deltas of major river systems that further expose them to seasonal flooding. In addition many coastal locations, especially island states in the western Pacific, are exposed to typhoon or cyclone hazards, which may be exacerbated by climate change. The most exposed nations to such risks include Bangladesh, Myanmar, Vietnam, the Philippines, the Solomon Islands, Vanuatu, Fiji and Samoa.

Although it wasn't a specific focus of this study the extent to which climate change is being included in NUP deserves mention. In Fiji, urban areas and housing were identified as key concerns within the country's Climate Change Policy of 2012. Samoa identified disaster management and climate change as among the areas that needed to be dealt with by the Planning and Urban Management Agency set up in 2002. Vanuatu has included climate change and urban vulnerability assessments into its NUP development effort. Vietnam hosts some of the most climate affected cities in South East Asia,

though this issue is more the domain of the Ministry for Environment rather than Ministry of Planning, and most climate change responses tends to focus on rural areas.

The scale and seriousness of climate change impacts makes it imperative that nations affected by this problem incorporate improved policy responses into their NUP. Climate change is likely to greatly exacerbate the challenge of dealing with high rates of urbanisation and addressing major existing problems such as poverty and inadequate service and infrastructure provision. The costs of dealing with climate change, whether through preparatory efforts or through post-impact remediation risk consuming valuable financial resources that could be directed to overall urban improvement if a resilience perspective is not included in urban policy and planning at the local, regional and national scale.

Traffic in Manilla, Philippines © Wikipedia

4

SURVEY OF REGION AND SHORTER CASE STUDIES

SOUTH ASIA

Sri Lanka – Bridging the gap between policy and action

Sri Lanka is an island state with a current population of 20 million (UNFPA, 2012). Sri Lanka currently has a low level of urbanization, compared with its South Asian counterparts, but anticipates significant rapid urbanization in the future. Sri Lanka's urban population is expected to grow from 4 million to 6.5 million by 2030, an expansion that will be the equivalent of 30 per cent of the total current population (Pariatamby & Tanaka et al., 2014).

According to a government policy document in 2010, the country had approximately 35 per cent of people residing in designated urban areas (Government of Sri Lanka, 2010). However, definitions of urbanization are debatable. The classification of Sri Lanka's urban areas is based on their administrative functions rather than on population size or employment structure. Areas that were originally counted as urban included municipal councils, urban councils, and town councils. The 13th Amendment of 1987, which created the pradeshiya sabhas (rural councils) by amalgamating previous rural and town councils, led to the reclassification of 87 town councils from urban to rural and reduced the country's urbanization figures (World Bank, 2012). Recent urban figures suggest an urbanization level of 18 per cent (World Bank Development Indicators, 2014).

The Colombo Metropolitan Region produces approximately 45 per cent of Sri Lanka's GDP (World Bank, 2012, p.34). Sri Lanka's urban sector is considered an outgrowth of its export economy and is based in Port Colombo. Overall, the Sri Lankan economy is dominated by the services sector, which accounts for 56.87 per cent of GDP and currently employs 41.5 per cent of the population (World Bank Development Indicators Databank, 2014a). Industrial activity has overtaken agriculture, now comprising 32.46 per cent of GDP, compared with 10.70 per cent of GDP for agriculture (World Bank Development Indicators Databank, 2014a).

Contemporary urban problems in Sri Lanka include a lack of basic amenities, poor physical environment and low levels of ownership of relatively substandard dwelling. Affordable urban housing for low income groups still remains a challenge. Based on the 2011 survey of commercial capital, Colombo, an estimated 68,812 households live in 1,499 underserved settlements, equivalent to more than half the city's population (Government of Sri Lanka Urban Development Authority, 2011). These settlements tend to be small and scattered, and about 74 per cent of them have less than 50 housing units. Other cities have around 10–15 per cent of their urban housing stock at substandard quality.

In addition, housing amongst the urban poor is characterised by shanty settlement, resulting in effects including poor sanitation and drainage in urban zones. Sri Lanka possesses a unique network of a highly dense road network, but these road networks have been poorly maintained within cities. Improvements to the local urban road networks suffers from a lack of maintenance funds (World Bank, 2012).

One of the key factors driving urban expansion in parts of Sri Lankan cities is poor regulatory framework for land use and management. The source of this problem lies in the fact that the state is the primary land owner in urban areas, and most land that can be developed is owned by the government. The lack of an efficient and comprehensive land registration system is another weakness of the land management system. Processing times for permits are lengthy and registration and stamp duty fees are high (World Bank, 2012).

The World Bank has recommended that Sri Lanka's current NUP Urban Vision should facilitate market-based land disposal and development (World Bank,

2012). However, private developers predominantly cater for upper-middle income groups concentrating on condominiums or land sub-division and sale. The World Bank has recommended the government increases its knowledge and policy capabilities around land-use plans, infrastructure development and provide realistic financial plans to support sale of land (Kelegama, 2013).

In addition to its urban problems, Sri Lanka's natural environment is fragile and vulnerable to natural disasters. Most of Sri Lanka's urban centres are clustered around the coast and support 25 per cent of the population who live 1km from the coast on an area that constitutes only 5 per cent of the total country land mass. This coastal proximity adds to the environmental vulnerability of Sri Lanka's urban regions (World Bank, 2012).

The December 2004 tsunami destroyed large parts of Sri Lanka's coastal infrastructure including roads, railways, power and telecommunications, and water supply. The country suffered an overall loss of assets estimated at 4.4 per cent of its GDP which necessitated costly reconstruction. Overall, 450,000 people were affected by the disaster with more than 35,000 lives lost in Sri Lanka. Moreover 100,000 houses were damaged and destroyed, and hundreds of thousands of people were displaced seeking refuge in urban centres around the country and overseas (UNEP, 2005).

Sri Lanka's urban population is distributed among 134 cities and towns. Colombo is the capital and hosts 20 per cent of the country's total population. In addition, the country possesses 6 cities with a population in excess of 100,000. Urbanization has been the greatest in South West regions, particularly Colombo, which has experienced rapid expansion of several settlements on the fringes of the Colombo Metropolitan Region. The middle-sized towns have a population of 20,000-50,000 and are among the fastest growing part of the country's urban settlements (World Bank, 2012).

The Sri Lankan government has looked to urbanization to rejuvenate its cities, aiming to make them more business friendly and supporting a growing middle-class population (Kelegama, 2013). Some of the challenges confronting national urban policy identified in the report include the limitation of resources of Urban Local Authorities, low density sprawl, and bottlenecks in connective and sufficient municipal financing (World Bank, 2012).

Sri Lanka's first comprehensive national urban policy framework was introduced in 2010 in the Mahinda Chinthana (Urban Vision) formulated by the former Mahinda Rajapaksa government. This NUP was framed as part of the government's aspirations to transform Sri Lanka into an economic centre between the East and West or the "Pearl of the Asian Silk Route" (Government of Sri Lanka, 2010). It aimed primarily at economic advancement, intending to increase the status of Sri Lanka from lower income to an upper-middle income country. These aims were coupled with more concrete objectives, such as implementation of large infrastructural development such as electricity generation, water supply and irrigation, roads and transport, rejuvenation of agriculture and strengthening the public services (Government of Sri Lanka, 2010). Conflict resolution with the Tamil Tigers was also an express element of the Mahinda Chinthana.

Furthermore, the NUP sought to address institutional ambiguities and problems by instituting a review of complicated and lengthy planning procedures, rules and regulations. The intention behind this is to accelerate master plans and implement regulations to support clarity for investors in key urban areas. The Mahinda Chinthana thus sought to streamline these processes to reduce ambiguity and create certainty for investment (Government of Sri Lanka, 2010).

However, in January 2015, a newly elected government introduced a new policy for the

development for spatial planning in the country, and which subsequently replaced the Mahinda Chinthana. The plan includes a Megapolis plan for the country's western province as well as 2500 cluster villages, 45 economic development zones, 11 industrial and technological development zones for the rest of regions. A key objective of the megapolis plan, according to the Ministry of Policy Planning and Economic Affairs, is to separate the western region. The selection of western region by policy makers is applied by its comparative advantage in relation to other regions in the country. The objective of the separation is to therefore promote a higher growth which can benefit the western region as well as other regions through backward integration.

Other policies that continue to be operative and supplement that new NUP include the National Physical Planning Policy 2011-2030, to address the spatial planning and connectivity of its cities. The objectives of the spatial policy have been focused on the promotion of integrated planning, of economic, social, physical and environmental aspects of land planning, to conserve natural environment, as well as historical buildings and architecture, and to facilitate acquisition of land to enhance connectivity (Government of Sri Lanka National Physical Planning Department Website, 2015).

In terms of urban structure, the government's document System of Competitive Cities Vision, aims for the connection of five regions including Colombo, North-Central, Southern, Eastern and Northern Regions, as well as the development of nine metropolitan cities – Anuradhapura, Ampara, Batticaloa, Colombo, Dambulla, Hambantota, Jaffna, Pollonnaruwa and Trincomalee. These cities are intended to be well connected and environmentally sustainable. Strengthening the individual identity of the cities is also an aim of Sri Lanka's National Urban Strategy and a key part of the government's strategy for social integration (World Bank, 2012).

Housing Policy is addressed in the Adequate and Affordable Urban Shelter for All Policy, and is also a component of Sri Lanka's National Urban Strategy. The government's policy was intended to cover the backlog of 600,000 housing units and build up to one million new houses by 2020 (Kelegama, 2013; World Bank, 2012).

In terms of urban governance arrangements, the government established the National Physical Planning Department (NPPD) in 2001. The department came into existence through legislation under the Town and Country Planning (Amendment) Act in 2000, and replaced the former Town and Country Planning Department. The new department runs under the umbrella of the Ministry of Urban Development and Construction and Public Utilities.

Sri Lanka's urban governance is managed primarily through local authorities (Municipal Councils Urban Councils and Pradesiya Sabha), some of which were established under colonial administration as early as 1823. The number of Municipal Councils today is 23, a number that has increased from just 3 at the time of independence in 1948. However, moves by government in 1987 to create Provincial Councils to act as intermediaries between national and local agencies ultimately resulted in alienating local level agencies, resulting in poor institutional coordination. Furthermore legislation vests planning authority in national agencies, whereas the provision of services is directed to local authorities. Major urban infrastructure and services are the purview of central government, such as the Urban Development Authority (UDA) and para-statal agencies, leaving only a limited infrastructure role for local or municipal authorities.

Whilst there are limited attempts by local authorities to invest in infrastructure and service delivery, due to lack of resources, the Urban Local Authorities (ULA) focus primarily on maintenance rather than capital development, which has caused further problems for effective urban development and service provision. Service delivery by ULAs is also

dependent on funding transfers from the central administration, and constrains the ability of ULAs' to initiate urban development themselves. One of the possible policy directions put forward by Urban Vision is the raising of bond and private sector finance for urban development. Another obstacle is heavy administrative oversight of local authorities by central government. Staff appointments to local authorities must be approved by central government, resulting in frequent gaps in human resources both in numbers and specific technical expertise. It is common for ULAs to be short of up to 10 per cent of approved positions (Gunawardena, 2012).

National Urban Policy in Sri Lanka is at an interesting phase. Weak institutional arrangements and policies however need to be clarified, especially those between the national, provincial and local level in order to facilitate more effective, cross-sector urban development. Urban local authorities tend to focus on maintenance rather than urban development. Consequently, urban planning tends to be planned, financed and implemented, by sectoral ministries, which is inadequate to deal with the multi-sectoral nature of urbanization and urban growth, and the policy and investment needs it generates. The implementation, monitoring and evaluation of the new MegaPolis policy will be critical to enhancing national urban development in the coming decade.

BHUTAN – BUILDING DEMOCRATIC GOVERNMENT FOR BASIC URBAN PLANNING

Although Bhutan readily draws international attention for its invention and use of the Gross National Happiness Index, as a measure of national wellbeing, the country's rapid urbanization has increasingly become a focus abroad and at home. Bhutan's urban population in 2005 was 31 per cent of its total population, and is expected to increase to 50 per cent by 2020 (Royal Government of Bhutan, 2012). Between 2000 and 2005 the urbanization rate was high at 7.3 per cent per year, and outstripped the average annual population growth of 3 per cent. In 2012 the World Bank estimated Bhutan's rate of urbanization increasing at 3.85 per cent per annum. Within the country, Bhutan's capital city, Thimphu, has an urbanization rate that is markedly higher than national level, at 12.6 per cent per annum (Royal Government of Bhutan, 2012).

Today however, Bhutan is undergoing a period of major economic and political change. In the

Colombo Harbour, Sri Lanka © Wikipedia

economic sphere, the country is moving from a predominantly subsistence rural economy to a modern urban society. In 2008 the country opened itself up to the world economy and joined the World Trade Organisation (ADB, 2013). Today, Bhutan's economy is predominantly industry-based, accounting for 42 per cent of GDP, followed by the service sector, making up 41 per cent of GDP and employing 29.1 per cent of the population (World Bank Development Indicators Databank, 2014b).

In the political sphere, within a decade, the country has also experienced major reform, moving from an absolute to a constitutional monarchy. Bhutan's first democratic election was held in 2007 (ADB, 2013). These reforms also included the election of a legislature and a prime minister. These changes have altered the institutional landscape for national urban policy and policy-making more generally.

Bhutan's urbanization is characterised by three main problems: the deleterious effects of rapid urbanization on urban services (including water shortages, lack of sanitation and waste disposal); the limited availability of land; and unbalanced urbanization.

Land shortages have led to soaring rental and land prices. Contributing to this problem is the government's economic strategy of sustaining its agricultural economy to stabilise food security. These policies increase the demand for land, further complicating the issue of land allocation and usage (Royal Government of Bhutan, 2008, p.22; Walcott, 2010). Poor urban planning contributes to inadequate housing policy for the urban poor and exacerbates environmental degradation. The steep inclines of Bhutan's topography mean that the country's cities are often vulnerable to landslides especially if development is not adequately built to accommodate geomorphic hazards (Royal Government of Bhutan, 2008).

Bhutan's settlement and urbanization patterns are distinctively formed as a result of the challenging physical environment, namely the limited amount of flat land. Forest covers 7 per cent of the land and one-tenth of land is glaciated, leaving one fifth uninhabited and uncultivated (ADB, 2013). The majority of flat land is located along river valleys and between the steep mountains and found in the Southern tier of the country. The Royal Government of Bhutan has strict rules that do not allow, the percentage of forest cover to drop below 60 per cent – restricting the availability of land. As a result, there is approximately 8 per cent of potential land situated on slopes less than thirty degrees available for conversion to support growing urban populations (Walcott, 2010, p.85). Data from Bhutan's 2005 population Census recorded 4 towns - Samdrupjongkhar, Wangdue, Gelephu and Phuentsholing - had a population ranging between 5,000 and 20,000, and 56 towns with a population less than 5,000.

The spatial policy found in the National Urban Strategy of 2008 aims to organise and coordinate the development of urban settlements at the national level. These plans involve demarcating an urban hierarchy to provide a framework for policy development. This comprises seven important cities: Thimpu, Gelephu, Phuentsholing, Samste, Bumthang, Gyalposhing; 16 dzongkhag (district) centres; 12 medium towns; 23 small towns and four major transport and development 'corridors'. In addition, the spatial policy also outlines the main economic functions of each settlement area. The villages and towns and their corresponding rural activity are also described in the spatial policy (Royal Government of Bhutan, 2008).

Bhutan developed a National Urban Strategy (BNUS) in 2008 to guide urban management systems and specifically encourage "balanced and equitable regional development" (Royal Government of Bhutan, 2008, p.1). This vision reflected Bhutan's development strategy outlined in Bhutan 2020: A Vision for Peace, Prosperity and Happiness (Royal Government of Bhutan, 1999). The aims of the

BNUS include democratisation and decentralising governance, poverty alleviation, and facilitating private investment. The BNUS proposed to change institutional arrangements with the aim of harmonising competing sectoral policies in housing, employment, transport, local governance and municipal finance. The BNUS advances a set of recommendations to improve local government systems such as increasing capacity through municipal finance and changing institutional arrangements (Royal Government of Bhutan, 2008). In addition, one of the key objectives includes increasing quality of life for urban populations while maintaining local culture, values, and traditions. The NUP further highlights the preservation of natural environment and heritage as a cornerstone of urban development.

Notably, Bhutan's Department of Agriculture has attempted to address, and to some extent curtail urban migration by focusing attention on rural economic and settlement viability, such as by improving roads and enhancing local education. The recent stagnation of agriculture and farming has provided a major impetus behind migration towards the country's urban centres, especially its primary cities. Employment in cities has also attracted rural migrants, particularly in the civil service, which comprises a large share of urban employment. For example, half of all workers in Thimphu, and 44 per cent in the second largest city Phuntsholing, occupy jobs in the civil service. Bhutan's government has even created 'alternative urban centres' close to areas with greatest population loss and commercially viable settings as a means of attempting to balance rural-urban population distribution (Walcott, 2010, p. 84).

The Bhutan Urban Development Program under Department of Urban Development and Housing and Ministry of Works and Human Settlement, has implemented development plans for 10 secondary towns with assistance from the World Bank. The legal instrument used was Bhutan's

Land Act 1979 which enabled land acquisition and provided compensation mechanisms for land and other properties affected by any activity. This Act was superseded by the Land Act 2007, which empowered the autonomous National Land Commission to issue ownership certificates to register land (Royal Government of Bhutan, 2012a).

On a national level, the Department of Urban Development and Engineering Services (DUDES) aimed to establish regional offices staffed by qualified planners in regional centres. It also allowed for the creation of Special Development Authorities which was proposed as mechanisms in regional centres to empower and oversee public-private partnerships for urban development management (IMF, 2010). One of the institutional developments outlined included mechanisms of accountability through reporting, disclosure and participatory channels.

Urban governance in Bhutan has been mediated through a number of regulations, most of which are aimed at decentralising urban management to the local level with the purpose of empowering local authorities to generate income. The Local Government Act of 2009 was the first move in developing a system of local and municipal governance in Bhutan. The Building Urban Development Act was an addition to planning regulations and was proposed as part of the BNUS. The Thromde Act (Municipality) of 2007 contained provisions for creation of autonomous forms of local government, including sources of revenue.

As of 2010 urban amenities were still inadequate to meet the needs of the growing urban population, and required upgrading and expansion. Safe, reticulated water supplies were provided for 20 towns; however piped sewerage and treatment facilities supported only 2 towns. Solid waste management was also poor, operating in only 13 towns (IMF, 2010, p.128). However the government introduced the Waste Prevention Management Act 2009, and the Waste Prevention and Management

Regulations 2011 to further address waste. (UNCRD, 2013).

The country's Road Sector Master Plan plans the road sectors programs to the year 2027, and focuses on connectivity (ADB, 2013, p.36). The gradual construction of road networks has been promoted to improve connectivity between urban centres, for both economic and local population, especially between Thimphu and Phuntsholing. However the construction of roads remained slow as construction had to be undertaken across mountainous geography yet also relatively inexpensive. Although road density doubled between 2005 and 2011, an important aspect to landlocked country, the new roads are mostly unpaved, and vulnerable to landslides and blockages.

The Royal Government of Bhutan has also outlined the need for human resource development to improve the system of local government units. In 2012, the Government introduced Thromde Finance Policy to empower local government to raise revenue and mobilise resources for urban initiatives, such as through levying taxes (Royal Government of Bhutan, 2012).

Social exclusion has been identified as a major urban policy problem in Bhutan's cities, and has been addressed through stakeholder mapping to widen participation of minority groups on fringes of society. The BNUS has involved a series of extensive consultations with government agencies, districts, authorities of Thimphu City Corporation, and other stakeholders. The central government has examined the possibility of coordinating donor investment in the urban sector, including World Bank and the Asian Development Bank. The BNUS itself outlined the need for greater participation of communities in public policies and planning, especially City governments (Royal Government of Bhutan, 2008).

Overall, the impact of Bhutan's NUP, the BNUS, has been mixed. Whilst Bhutan's urban strategy lays the basis for effective national urban policy, the country's economic and technical capacity has meant that implementations of the strategy have been slow to address urban problems. Furthermore, the relatively small populations of towns limit the viability of local government. Bhutan's new institutional arrangements are not yet optimised given they are still in the establishment phase. The fact that local government agencies and municipalities are fairly new also creates problems around establishing norms and standards for basic service.

View of Tashichodzong, Bhutan © Wikipedia

Nepal – Urbanization Under Political Reconstruction

With a population of 26.6 million, Nepal is one of the least urbanised yet fastest urbanising countries in the South Asian region. Nepal, comparable to Sri Lanka, has 17 per cent of its population living in urban areas. The country has experienced , since 1970, a steady annual population growth of 6 per cent and went from being 13.9 per cent urbanized in 1954 to 17 per cent in 2011 (World Bank, 2013). However, the recent National Urban Development Strategy (Government of Nepal, 2015) released by government in February 2015 recorded an urban population of 38.3 per cent of the national total population. Nepal's annual rate of urbanization is high and significantly exceeds the average rate for South Asia as whole at 2.7 per cent per annum. The Kathmandu Valley is one of the fastest growing metropolitan regions in Asia, with more than one million inhabitants (Government of Nepal, 2015).

Whilst having a relatively low level of urban population, the contribution of Nepal's urban areas to the country's GDP is disproportionately high. Agriculture comprises 34 per cent of economic activity whilst employing two thirds of the workforce (World Bank Development Indicators Databank 2014c). In contrast, the service sector accounts for 50 per cent of GDP, and employs only 20 per cent of the population. Half of all manufacturing employment is located in non-municipal areas (Government of Nepal, 2015). Overall, urban areas in Nepal generate around 62 per cent of the country's GDP – double the equivalent level in 1975. The Kathmandu Valley metropolitan region was estimated to contribute to 23.4 per cent of national GDP (Government of Nepal, 2015). It is clear that Nepal's urban economy is outgrowing its rural counterparts despite the slow rate of economic restructuring undertaken by Nepal (World Bank, 2013).

A significant factor in Nepal's urban development is the prolonged political instability that has impacted the country institutional operations and governance.

In the mid-1990s, a people's guerrilla movement ousted the country's constitutional monarchy and a Maoist insurgency impeded Nepal's economic growth in particular through deterrence of private investment capital. With the aim of emulating the success of China, and to a lesser extent Bangladesh, the new Maoist government introduced an industrial policy in 2010 that promotes industrial growth with the aim of establishing special economic zones to foster inward investment (World Bank, 2013).

An important feature that distinguishes Nepal's urban setting from other countries in the region is the country's mountainous geographical location which poses a significant obstacle to urban development. Possessing the world's ten highest mountain peaks including Mount Everest, Nepal has become a popular tourist destination (UNCTAD, 2011), but has faced difficulties connecting its towns and cities with adequate transport. Nepal's location is on an acute seismic hazard, making the country prone to earthquakes, as occurred in early 2015. Nepal is as vulnerable to earthquakes as Haiti, adding further complications for urban planning and development of emergency services (World Bank, 2013; ADB, 2011).

Nepal's rapid urbanization is driven by a range of factors. Kathmandu has the largest net inflow of migration among urban areas, which were also driven by insecurity stemming from political instability (World Bank, 2013). Urban expansion is characterised by the growth of existing urban settlements and the increase in the number of urban areas (UN Habitat, 2011). Rural-urban migration is the largest contribution to urbanization in Nepal, with 77 per cent of urban migrants born in rural areas (Government of Bhutan, 2015).

The rapid urbanization of Nepal is creating a rapid transition in spatial structure, characterised by fast-growing population density in Kathmandu valley, along the main highway and close to the border with India, its main trading partner. Kathmandu and

its urban periphery account for one third of Nepal's urban population. Kathmandu Metropolitan City is the only urban centre with a population exceeding 1 million, and is growing at a rate of 4 per cent per annum. The rate of urbanization in Kathmandu is comparable to Dhaka in Bangladesh, South Asia's largest megacity, which is growing at a rate of 3.5 per cent annually. Medium cities in Nepal, ranging 100,000-300,000 in population, are growing at a rate of 3 per cent, and smaller cities tend to be growing slightly higher at 3.6 per cent. In addition, a number of small urban growth centre are beginning to appear on fringes of major highways (World Bank, 2013).

Nepal has had land use and physical development plans in place for all five regional centres since the 1970s. However recent plans for Kathmandu Valley have not been implemented. The lack of comprehensive land management of urban land areas has meant planning is guided by individual agency decisions rather than a wider cross-sectoral planning to meet policy goals (UN Habitat, 2011).

Rapid urbanization has produced high land prices and resulted in unaffordable housing, corresponding to an increase in squatter settlements. According to the Nepal Land and Housing Developers' Association, land prices have risen 300 per cent since 2003. Nepalese squatter settlements have grown from 17 to 40 between 1985 and 2010, comprising approximately 7 per cent of Nepal's total urban population. Land management has become a major policy issue. Agricultural land is largely uncontrolled and has started to adversely impact surrounding natural environment. Poor regulation and weak controlling mechanisms has allowed untrammelled land development power to market forces, resulting in haphazard growth (UN Habitat, 2011).

Rapid urbanization also presents a challenge for the Nepalese government through increasing the strain on infrastructure. Infrastructure within the country is deficient, especially in provision of power supply, solid waste management, access to piped water, and sewerage. With the lowest road density in South Asia, Nepal has additional problems for connectivity between cities for both residential and commercial purposes (World Bank, 2013).

Although Nepal has experienced rapid urbanization for some years, urbanization has not been a major focus of policy and government until very recently. Until 2007, Nepal did not have any explicit national urban policy. By and large, urban policy was enunciated through the five year National Plan documents which were implemented by the agency of Urban Development and Building Construction through urban development plans. The Local Government Act of 1999 had an important effect on the urban policy environment by promoting local level, or municipal, governance as key mechanism for urban projects. These changes in effect, reorientated the former unitary system of governance, to a more Federal structure. Urban policy and development has since then relied on institutional cooperation between various agencies involved with urban planning.

These earlier changes brought limited improvement in urban management and in practice their implementation was weak and partial. Urban policy as a result was formulated as a combination of sectoral policies, rather than a harmonious and unified plan (Karki, 2005). For example, the National Shelter Policy in 1996 was the first effort to undertake national housing survey, but remained ineffective as no agency was delegated to implement the resulting policy (UN Habitat, 2011).

Nepal took is first steps towards a strengthened approach to NUP in 2006 when the new government released the New Vision Paper. The New Vision document outlined integrated physical infrastructure and compact settlements as key component of urban development strategy alongside affordable shelter. Housing became

a concern in 1996 when the government had adopted a National Shelter Policy, which surveyed national level housing provision and squatter settlements. The Vision even identified programs to address issues of squatter settlements (UN Habitat, 2011).

In 2007 the Nepalese government produced its first National Urban Policy, prepared by the Ministry of Planning and Public works. The NUP identified main issues to address through its policy, including: structurally unbalanced urbanization; weak rural-urban linkages; environmental degradation; ambiguous national policy, including no horizontal linkages between intuitions; urban poverty; and weak municipal capacity (ADB, 2011). The NUP outlined how weak rural-urban linkages resulted in poor physical structure, environmental degradation, inadequate basic services such as drinking water and solid waste, and squatter settlements. Ambiguous national policy constrained effective planning procedures and implementation. Social inequity expressed as urban poverty, unemployment, and lack of basic services were highlighted. Finally, weak municipal capacity, and similar deficits in administrative, financial and technical capacity hampered urban development (Karki, 2005; ADB, 2011; UN Habitat, 2011).

The three main objectives of the 2007 NUP were (1) a balanced national urban structure (2) a healthy and economically vibrant urban environment and (3) effective urban management (ADB 2011). The key policy aim was to achieve better urban management and economic efficiency of urban regions, and advance regional areas such as Pokara as potential economic centres to complement the Kathmandu Valley. The strategy advanced in the NUP was to use national macro-level planning to achieve balanced national urban structure and strengthen local administrations and well as enhance local potential and opportunities to contribute to urban management (World Bank, 2013).

In addition to the NUP, the government also released the National Urban Water Supply and Sanitation Sector Policy of 2009 which set out targets and guidelines for achieving equity in service delivery of urban water services including waste water. The policy discourages central subsidies for operation, and encourages private sector participation and involvement of users. This policy in particular sought to address Kathmandu's water supply, which had the worst urban water quality in Nepal (World Bank, 2013). Moreover, in 2014, the Ministry of Urban Development drafted a National Water Supply and Sanitation Sector Policy (Government of Nepal, 2014).

At the national level the Department of Urban Development and Building Construction (DUDBC) is the main urban planning agency and was established in 1962. In 1987 the Department created further specialised sections including the Department of Housing and Urban Development, and continued to specialise through to 2000. Today the DUDBC has three divisions including an Urban Development Division, Housing Division and Building Division. The Urban Development Division within it has a physical planning section and an Urban Environment section. Since 2002 the Department has assisted in preparing Period Plans for up to 17 municipalities which are positioned as the main bodies identified in Nepal's NUP, to undertake urban management. The Department's key roles and responsibilities include safe, economical and environmentally friendly building construction, affordable housing and sustainable urban development. The urban development division also has a committed to develop conservation of cultural, religious and historical heritage sites. The Department has however suffered with inadequate human resources.

The creation of Ministry of Urban Development in 2012 was a major development in institutional architecture to target urban development and growth on a national level (South Asia Urban Knowledge Hub, 2015). A key aim for the

establishment of the Ministry was to improve the synchronicity between Nepal's Municipalities in terms of physical development good governance. It was also expected that the Ministry would be able to address haphazard urban growth, degrading urban infrastructures. The Ministry has a range of organisations under it including Town Development Fund to assist municipalities with urbanization projects and Nepal Water Supply Corporation which provides drinking water supply services for twenty-three urban areas.

A major feature of the 2007 NUP is the strengthening the capacity of municipalities to plan and manage integrate development, and prepare master plans to be administered by central and regional authorities. The passing of Local Government Act (LGA) in 1999, which transferred urban planning from more local to mid-tier level authorities, significantly changed the intuitional arrangements of the country and for urban development more specifically (Devkota, 2012).

Prior to the LGA 1999, there were 58 municipalities with a minimal role in urban development. Urban development was operationalized under the Town Development Committees, a total of 172 around the country, which were accountable to the Ministry of Physical Planning and Works, and played an important part in development plans during the early 1990 (Devkota, 2012).

However, the LGA 1999 undermined the Town and Development Committees, by making them subordinate to another tier of urban governance, the Municipalities and Village Development Authorities which were tasked with carrying out town development plans. After passing of the LGA in 1999, municipalities took charge of provision of serviced plots for housing development, road, drainage, solid waste management, market centres, bus terminals and water supply. This is less systematic in practice than the Act anticipates; municipalities do not possess the resources to upgrade projects and often rely on

central government and donor agencies for larger infrastructural projects.

Financing for urban resources and services is also unclear and uncoordinated. Furthermore, the passing of further legislation to alter institutional arrangements has not successfully clarified roles and functions between them. For example in 2006 the government passed Provision of Private Sector Investment in Construction of Infrastructure and Operations which aimed to promote private investment for public sector initiatives (UN Habitat, 2011; Devkota, 2012; World Bank, 2013). It is not clear however on the relationship between private sector and public sector in managing this area.

Furthermore, municipal authorities are limited in their ability to mobilise local resources and are highly dependent on external sources for capital spending. Municipal finance is generated from collection of integrated property tax, including property rental and delivery municipal services, and share of local development tax (UN Habitat, 2011; Devkota, 2012; World Bank, 2013).

The multiple channels of investment funds from central and local governments do not form part of a coherent strategy. Notably, in 2010-11, The Global Competitiveness Report (World Economic Forum, 2010) ranked Nepal as the country with the least competitive infrastructure among 139 countries surveyed. Factors such as limited connective infrastructure, geographic constraints, and unreliable power supply made up the index. Access to piped water in urban areas declined from 68 per cent to 58 per cent from 2003-2010, solid waste collection is also low and only undertaken in municipalities in Nepal (UN Habitat, 2011; Devkota, 2012; World Bank, 2013).

In February 2015, the Ministry of Urban Development released a further National Urban Development Strategy (NUDS) to complement the pre-existing NUP from 2007. The NUDS recognised the "lack of concrete operational strategies" of

the previous NUP, despite its strengths in raising awareness of growing urban issues in Nepal (Government of Nepal, 2015). The NUDS aimed to develop benchmarks and formulate strategies to address urban problems by applying principles of sustainability, inclusivity, resilience, and efficiency to cities. Some of the milestones include more concrete goals such as 2 per cent of investment of annual GDP to urban servicing. This includes urban infrastructure, expanded access to piped water, supply of sewerage in all core areas, total electrification of households reliant on alternative sources, and high speed internet availability in large and medium towns (Government of Nepal, 2015). The timeframe for the latest policy is the next 15 years, with broad strategic emphasis on connectivity between rural-town areas, infrastructure through service delivery and private sector contributions, and improved transportation and provision of affordable safe housing, at the core of the strategy (Government of Nepal, 2015).

In terms of stakeholders for the 2007 NUP, local governments in several cities have begun the process to include NGOs and slum dweller organisations to address urban development. There are a number of municipalities that have engaged NGOs to monitor the slum settlement situation through surveys of housing and living conditions. There remains little participation however by local people in decision-making and guiding of urban policy. Other stakeholders such as international financial institutions such as Asian Development Bank and Japan Fund for Poverty Reduction have been involved with the Integrated Urban Development Project which produced a series of reports on urban development to inform ADB loans (ADB, 2011).

Improving institutional arrangements is viewed as key element of the NUDS, including greater coordination between the Ministry of Urban Development and Ministry of Federal Affairs and Local Development. Alongside this accountability mechanisms, research and a stronger legal basis for urban developments are noted.

Whilst Nepal has made some major policy advances in the creation of its NUP by outlining the scope and need for urban development to meet growing urban demand, its fragmented and disharmonious institutional framework limits the prospects of effective urban governance. Further factors include the relatively low proportion of elected bodies, an underdeveloped civil society, poor coordination between government ministries, and uncertainty about the dynamics of the new federal system. Since 2004, the state has not been able to undertake a local body election, indicating a level of dysfunction in governance structures and continuing political volatility. In addition, the focus on municipal level for urban service delivery remains constrained by a lack of revenue finance. New strategies need to be developed to streamline and harmonise capital financing and enhancing municipal borrowing capacity as country moves from unitary to Federal system. Since NUDS has just been released the impact of the policy needs to be monitored and developed.

Market in Kathmandu, Nepal © Wikipedia

Pakistan – Challenges of governance and coordination

Pakistan is both one of the most urbanised and most rapidly urbanising countries in South Asia and is likely to host one of the largest urbanised populations in the world in the coming two decades (Yuen & Choi, 2012; Pakistan Government Habitat Agenda III, 2015). In 2000 the proportion of people living in urban areas in Pakistan grew to 37 per cent from 17 per cent in 1951 (UNICEF, 2013). By 2030, Pakistan's urban population is expected to grow from 50 million to 130 million, a point at which urban population will equal rural population. If these predictions are fulfilled, it will make Pakistan one of the largest urbanised nations (Ghani, 2012; Haider & Badami, 2010; Yuen & Choi, 2012).

Pakistan's annual rate of urbanization rate is high, at 3 per cent per annum (Kugelman, 2013), the fastest paced in South Asia. The rate of urbanization exceeds national population growth which is recorded at 2.7 per cent (Haider & Badami, 2010). Urbanization in Pakistan has been the fastest in the South Asia region, exceeding that of other countries, such as India, Bangladesh, Afghanistan and Sri Lanka, (Yuen & Choi, 2012).

Urbanization is not a recent phenomenon in Pakistan and like its other geographical comparators in South Asia, such as Bangladesh, periods of urbanization have historically been linked to geopolitical conflict and economic insecurity. During the year of Partition in 1948, approximately 6-8 million Indian Muslims crossed the new defined border to enter newly declared Pakistan with many settling in urban areas. The Pakistan-Indian conflict which punctuated the period 1965 and 1971 further resulted in waves of Indian-Muslims migrating to urban centres in Pakistan. These conflicts were also coupled with some reverse urbanization from Pakistan's cities, such as of Hindu's moving to urban areas in India. In the more recent period, comparable geo-political factors have been at play, such as the anti-Soviet insurgency

which led to migration of Afghans into North-western Pakistan (Kugelman, 2013).

Pakistan's cities however, have exerted an attractive influence on migrants, despite difficult living and social conditions, because housing, infrastructure, public services and economic development in rural areas are much less advanced. Pakistan's major cities such as Karachi and Lahore are national leaders on such development measures as adult literacy or measles vaccinations, compared with provincial areas (RAND Corporation, 2014).

After avoiding a balance of payments crisis in 2013, according to the IMF, Pakistan has managed to stabilise its economy, but faces challenges to its national security and foreign policy. Pakistan has been managing Taliban militants and terrorist threats in some of its provinces, a feature that has detracted investments in the country. Pakistan is also home to one of the largest refugee populations in the world with over 1.7 million Afghan refugees living in the country (UNICEF, 2013). On top of this, Pakistan has also been subject to many natural disasters and flooding that has impeded its economic development and contributed to unplanned urban growth.

Pakistan's cities make a proportionally high contribution to the country's GDP, with 78 per cent of economic product produced in cities in 2011 (Pakistan Government, 2011; Yuen & Choi, 2012). This level is well above other countries such as India, where cities contribute 58 per cent of GDP, and by comparison, Latin America's ten largest cities which contribute around 30 per cent of respective national GDP. Pakistan's largest city, Karachi, contributes 95 per cent of Pakistan's foreign trade (Yuen, 2012). The Vision 2030 (Government of Pakistan, 2007), the Vision 2025 (Pakistan Government, 2014) and Framework of Economic Growth (Government of Pakistan, 2011) for Pakistan emphasises how cities have become the primary engines of growth

and development. The FEG proposes the creation of urban centres in Pakistan able to compete on the international stage (Ghani, 2012). Industry constitutes 21 per cent of GDP, and the service sector makes up 54 per cent of GDP (World Bank Development Indicators Databank, 2014d).

Pakistan is one of the most urbanised countries in the South Asian region with 40 per cent of its population (in excess of 1 million) urbanised in 2014. Pakistan's urban population is concentrated amongst 10 urban agglomerations, Karachi, Lahore, Faisalabad, Rawalpindi, Multan, Hyderabad, Gujranwala and Peshawar, Quetta and Islamabad (Government of Pakistan UN Habitat Agenda III, 2015). Karachi and Lahore are among the world's most densely populated cities (Yuen & Choi, 2012). Expert predictions suggest that the number of cities with more than 1 million people in Pakistan will increase from 9 to 17 by 2015 (Yuen & Choi, 2012).

Pakistan's urban problems and management pose many challenges, including infrastructure deficit, density and quality of urban living conditions and urban crime. Urban poverty reached 14.1 per cent of the urban population (ADB, 2014). The proportion of urban residents living in slum settlements is estimated at 35 – 40 per cent (Yuen & Choi, 2012). Urban services such as liquid waste and solid waste management reveal the poor state of urban systems in place in Pakistan's cities. Statistics show that just 1 per cent of all waste water is treated in Pakistan, with the rest dumped in ravines, streams and rivers. In addition, metropolitan governments recover less than 50 per cent of all solid waste in cities, resulting in informal disposal, often on city streets.

Another contributing factor to Pakistan urban problems is the lack of clear land use policy for development constrains effective urban renewal and development in Pakistan. Urban land in Pakistan is classified under three categories: state land; privately held land and land subjected to communal

rights under customary law. Generally, 20-40 per cent of urban land in Pakistan is under state ownership, but this is not a major issue for land development in itself, as other Asian countries such as Singapore and Hong Kong have similarly have high state land ownership rates.

However, slow land development processes and unclear policy often results in a shortage of land that cannot keep pace with growing demand in the large cities for industrial and commercial sites as well as residential purposes. Both the acute shortage of land and increase land market prices have constrained the pace urbanization in Pakistan's major cities. For example, Lahore has experienced more than 100 per cent increase in nominal land values over the last two decades in both residential and commercial areas (Yuen & Choi, 2012).

Despite the prominent role of cities and urbanization in Pakistan's economy and society, the national government has not committed to a National Urban Policy, with urban issues addressed on an ad hoc and project-by-project basis. Urban matters are dealt with via key planning economic documents, Vision 2030 and Framework for Economic Growth in Pakistan (Government of Pakistan Planning Commission, 2007). The Vision document proposes the creation of urban centres in Pakistan as competitive nodes in the economy, with other knowledge economies, but urbanization is still largely framed narrowly in this way.

Despite the lack of clear, comprehensive policy, the Pakistan government in 2011 introduced a Task Force on Urban development, to review the prevailing urban conditions and establish principles for consensus on national urban policy. The Task Force was chaired by an urban planner and architect and held several meetings by Planning Commission. The Taskforce acknowledged the uncoordinated state of urban planning in Pakistan, and the lack of clear, urban management system (Yuen & Choi, 2012).

In April 2014 the Federal government made further plans for national urban development and put forward plans to establish Urban Planning and Policy Centre at the Planning Commission in Pakistan with the aim of promoting sustainable urban development. The Minister for Planning and Development noted that the agency would pursue a Karachi Circular Railway and Bus Rapid Transit (BRT) system to improve public transport. The BRT system has been implemented in Lahore, Rawalpindi and Islamabad, covering 50kms and supporting more than 700 buses. Currently, the BRT system is under construction in Multan and the government plans to implement further BRT systems in Karachi and Peshawar in the near future. The Government has also initiated work on construction of 27km long dedicated signal-free corridor for train mass transit system in Lahore. Similar projects are also planned to be initiated in Karachi which is the largest metropolis of Pakistan (Urban Gateway, 2014).

Pakistan has embarked on major transformations of its state institutions in both political and judicial structures. Devolution was initiated and driven by the Musharaf government with the 18th Amendment to the Constitution, which came into effect in July 2011. The new framework involved new power-sharing arrangements between federal and provincial areas (UNICEF, 2013).

Pakistan however suffers from weak institutional and legislation arrangements that hamper effective urban policy, and potential national policy, to be addressed. The lack of clear legislative framework, such as the absence of the comprehensive statutory frameworks and regulation at national or provincial level, means that control of urban development is governed by a multitude of different Acts and Ordinances. On top of this, different tiers of government perform different urban planning functions, often resulting in two conflicting urban plans. For example the Punjab has several different agencies involved in planning each with its own operating rules, from local government through to districts. Whilst there are agencies such as the Punjab Housing and Town Planning Agency, which is tasked with establishing a unified system of urban planning at the provincial and local levels, the jurisdictions of different agencies often compete with the agency (Yuen & Choi, 2012).

Although the Government introduced the Local Government Ordinance in 2001 as a means of clarifying institutional frameworks between different tiers of government it has had mixed success. The Ordinance was part of a devolution strategy, intended to establish a new system of municipal governance, enable power for local decision-making, community engagement, and assume responsibility for service delivery (Yuen & Choi, 2012).

However federal government institutions, such as Militant Lands and Cantonment Board (MLACB) and Pakistan Railway have routinely by-passed the laws, resulting in further uncoordinated urban management. Historically, cantonments were administration units during the early days of British rule in Pakistan and over time transitioned from hosting an exclusively military function to hosting civil populations. The Cantonments Act on 1924 was a milestone, introducing a representative local government system and the creation of Cantonment boards with equal authority to city municipal boards. The cantonments today have a mandate to manage land, provide municipal services, and levy taxes for revenue. The MALCB is a department that controls all cantonments.

Local government planning has vacillated between devolving authority to local levels and re-centralising control over local governance (Haider & Badami, 2010), resulting in continuing uncertainty. The resources deployed by different tiers of government are therefore often hampered by uncoordinated and short-term responses.

In addition, the lack of clear institutional arrangements for devolution in public service delivery has hampered the financing of urban projects and urban management, particularly at the local government level. Municipal authorities rely on transfers from provincial governments and have little capacity to generate their own resources through taxation. Some operational problems are stark. For example, in 2010, Lahore had fewer than 100 operational traffic lights, resulting in severe traffic congestion. In this area, however, the Pakistani government responded in the city of Lahore by constructing a signal free road network. A signal free 30 km canal bank road is already operational while around 40 km part of Ferozepur road in Lahore is mostly signal-free. A plan to make Lahore's three major arteries, Mall Road, Jail Road and Gulberg Main Boulevard, signal-free is in the pipeline. In addition, the government has also initiated work on widening and building signal free 24 km Islamabad expressway.

In other sectors, services remain poorly resourced. More than 50 per cent of Pakistan's population does not have access to toilets, another 20 per cent share toilets with others. In the capital of Islamabad a planned city, even affluent communities face chronic water shortages (Haider & Badami, 2010). Local governments often possess scarce resources, and little technical capacity in manpower and expertise and have limited effectivness (Haider & Badami, 2010).

While the intent of devolution to local government was to empower rural communities by widening the input into decision-making process, the very same communities are not necessarily participating in the process. This problem of subsidiary engagement has its roots in the legacy of historical experiences of colonial authority. Under colonial regions, local government formed the mechanisms for governance from non-representative centres.

Overall, Pakistan has a fragmented and uncoordinated urban planning framework which is an obstacle for the development of effective urban management. Unclear jurisdictional areas contribute to unclear relationships between all the agencies, and instructions, horizontally and vertically (Yuen & Choi, 2012; Haider & Badami, 2010). The result is the absence of a holistic overarching vision for cities, such as Karachi, or for managing urbanization as a nationally significant problem.

The lack of organisational and analytical capacity in terms of skilled personnel, and availability of financing, together with the absence of long-term strategy for urban management, is a major weakness of Pakistan's urban planning environment. In the absence of strong and coherent frameworks development tends to follow a haphazard pattern.

Although the national government has begun to address the development of an NUP this is at best in the preliminary stages, and urban management in the country remains a provincial subject. At the federal level the National Housing Policy and Slum Improvement Policy has been approved by the government. At the provincial level Urban Policy Units have been created to improve urban governance, focus on achieving integration of urban planning and target capacity development of line Departments. This arrangement is leading to improve organizational and analytical capacity of urban institutions. To give a long-term strategy, strategic development and master plans of cities are being prepared. New financial mechanisms like Public-private private partnerships are also being explored.

Traffic in Islamabad, Pakistan © Flickr/kami rao

SOUTHEAST ASIA

Singapore – From national development to economic productivity in a city-state

Singapore has a unique urban context, as compared with other countries in the region. As a city-state it is effectively 100 per cent urbanised. The most salient feature of Singapore's urbanization is its population density. In 2007 there was roughly 4.8 million living in 700 km2 (Ling & Kog, 2013), making it the smallest nation-state in the Southeast Asian region (Yuen, 2011). The main urban issues in Singapore today involve managing high population density, in the context of land scarcity and supporting continued high levels of economic development.

After emerging as a major manufacturing and financing economy after independence in 1965, Singapore has recently positioned itself as a tourist destination, including developing Changai Airport,

a major transit stop. Singapore however has high levels of air pollution, similar to levels of European cities. Singapore possesses a fully paved road network.

Due to its geographical position in the southern end of the Malay Peninsula, Singapore occupies a central role in regional trade and commerce. Originally serving as a port city for the British Empire, Singapore after independence looked to attract foreign investment to build its manufacturing and export oriented economy during the 1960s. Post-war industrial economic development and prioritisation of urban planning within a constrained landform catapulted Singapore into the ranks of the world's most urbanised nations. Currently agriculture accounts for 0.03 per cent of GDP, service sector accounts for 75 per cent GDP and Industry sector at 25 per cent of GDP (World Bank Development Indicators Databank, 2013).

Singapore has pursued clear urban planning and management strategies since the 1960s. At this time the state introduced a number of urban policies responding to economic development. As Singapore's economy expanded and industrialised after WWII, the country faced numerous urban problems such as inadequate urban infrastructure, unemployment, housing shortage, and a loss of natural vegetation (Yuen, 2005).

During this period, much of Singapore's national urban management planning was undertaken through the 1958 Master Plan, established under British control (Government of Singapore Urban Redevelopment Authority, 2015). The 1958 Master Plan introduced regulation of land through zoning, creation of planned new towns, and management of the land for a period of 20 years, with five yearly reviews. This framework provided a national spatial plan for Singapore that designated spatial areas for housing, schools, and infrastructure. This approach contrasted sharply with the less attentive approaches to urbanization adopted many other Southeast Asian neighbours at this time (Yuen, 2005).

The legislative foundation for Singapore's urban planning was the Town and Country Planning Act 1947 which was introduced when Singapore was still a colony and aimed to regulate land use to national and regional policy (Yuen, 2005). The Act was established through the passage of the Planning Ordinance, leading to a central planning body which oversaw the preparation of the Master Plan. This legislation established for the first time that the development of any land must require the permission of the central planning authority, and strengthened the centralised administration of national urban policy in Singapore.

Government policy however had many shortcomings in dealing with rapid urbanization, and the squatter settlements appeared at the margins of the city took in the 1960s. Consequently,

the Singapore National government undertook considerable responsibility for organising public housing. The Housing and Development board was established in 1960 and vested with a wide array of legal, land development and financial powers to implement housing policy. Singapore centralised all public housing functions under a single authority and circumvented the problems of multi-sectoral or cross-agency implementation (Yuen, 2005). In the contemporary era Singapore is regarded as a success story in the provision of affordable housing. Since 1960, nearly all of Singapore's squatter settlements have been cleared and most of Singapore's residents have secure tenure, including home ownership in state-provided housing.

The issue of urban identity and racial tension too had been a historical as well as a contemporary problem in Singapore. Under British colonial rule, separate housing areas were allocated for different ethnic communities and settlers, including Europeans, Bugis, Arabs and Chinese. From as early as 1822, Singapore under British control was divided into ethnic districts, with Europeans generally given best land, location and infrastructure (Yuen, 2011). Some problems of ethnic relations have emerged in contemporary times, as high levels of immigration put pressure on areas with pre-existing high population density. Immigration has been central to population growth in Singapore, and has continued to rise over the last two decades. Census data for the period 1990-2000 show that almost half of the total population, 46 per cent, were non-residents (Cheung, 2005).

The Concept Plan of 1972 embodied ideas of creating a more liveable city by increasing the housing options, creating greenery, improving transportation and connectivity, and enhancing identity of the city. Compared to its predecessor, the Concept Plan involved more collaboration across different areas of urban management and policy (Cheung, 2005).

Consequently, in October 1972 the Singapore government set out a statutory scheme to carry out a program of urban renewal and passed the Urban Redevelopment Authority Bill in 1973 to assist the project. The Urban Redevelopment Authority (URA) is Singapore's national planning authority and manages land use and conservation. The body was formed in 1974 under the Department of Urban Renewal. Urban decay had reached acute levels in the 1960s, and urban planners, together with the United Nations, met to discuss an urban renewal program for the city-state. The Planning Minister, who is in charge of physical urban planning in Singapore, is the final level of authority in this development arrangement.

Today, the most constraining issue for urban development and effective policy in Singapore is the scarcity of land for urban development. While future land reclamation can make more land available, the limit of available land has resulted in vertical rather than horizontal expansion. Building upwards however has limits, and can impact the quality of life such as access to open and recreation space, depending on the density and configuration of development. Singapore's highest point is 165m above sea level, and most businesses, airports and ports are 2m above sea level, making climate resilience a new question for future urban planning (Yuen, 2011; Cheung, 2005). A new set of changes taking place in the global economy is forcing Singapore to readjust its economy and urban make-up, by offering higher quality urban infrastructure and services and better accommodating population growth.

A key theme of Singapore's current national urban strategies is a focus on identity comparable to those found in other advanced nations. The 2001 Concept Plan focus on making Singapore a great place to "live, work and play". Its vision is to become a world-class city with more leisure and recreation activity. For example, the Singapore government has reclaimed land at Marina Bay to integrate the building of resorts, a casino, theatres, exhibitions centres and art-science museums (Government of Singapore Urban Development Authority Website, 2015).

The more recent Master Plan of 2008 and Concept Plan (Quality of Life) produced in 2011, reiterate this liveability theme, alongside sustainable development objectives as expressed in the Singapore Green Plan of 1992, which reviewed all areas of environmental concern. The Design Building Scheme of 2005 has allowed developers to design public housing with the input of private developers. As a response to land scarcity and population growth, the Singapore government has started to further look at master plans for underground land use (Government of Singapore Urban Development Authority Website, 2015).

In 2014, the Singapore government made amendments to the Master Plans, formalised in the Master Plan 2014 and Planning Act 2014. Key focus of this plan is to outline detailed plans for land use and land use intentions, zoning and plot ratios for residential and commercial areas, as well as areas that have a mix of both (Planning Act Maters Plan Written Statement 2014). The Act also encompasses designated national parks, and nature reserves (Planning Act Maters Plan Written Statement 2014). The government also released Enabling Master Plan 2012-2016, which aimed to create an inclusive city and focused on people with disabilities (Government of Singapore Urban Redevelopment Authority Website, 2015).

The key priorities of the URA urban renewal project included clearing slums, improving infrastructure, resettling business affected by redevelopment and selling land to the private sector for redevelopment.

During the 1990s Singapore became a major proponent of decentralisation and privatisation of public service delivery which poses questions of governance and coordination. There are signs however that national coordination is on Singapore's urban policy agenda (Yuen, 2005). In August 2014 the Prime Minister announced the establishment of a Municipal Services Office to coordinate efforts of eight public agencies to deliver municipal services. Similarly in May 2014, the government released plans to restructure the public bus industry to one agency that will provide and fund all bus operating systems, and monitor fare systems (Tan Bin Shin, 2013).

Collaboration between public and private sections is increasingly recognised as important to Singapore's next phase of development, including public-private partnerships and greater accommodation for business input. The Master Plan of 2003 reflects these changing arrangements, where business now has greater flexibility and choice of location. Engaging a wider array of opinion and views is also part of new Development Guide Plans.

Transport infrastructure and networks have markedly improved over the course of the last four years. The objective to achieve effective land transport systems that is cost-efficient was pursued through several avenues. These included expansion of road network, development of mass rapid transport, light rails and alternatives to private cars. Environmental management has made major advances in Singapore.

Although urban physical developments have taken place in a coordinated and orderly manner, many critics have raised the 'cookie-cutter monotony' of high-rise public housing. As a result the Singapore

government has focussed on identity and liveability in much of its urban planning. In 2011, most Singaporean public housing dwellings were without air conditioning. Nonetheless, the success of Singapore urban policy meant it has started to export its urban planning and management solutions to other developing countries such as China and Vietnam. In 2009, the World Bank-Singapore Urban Hub in Singapore was established. In sum, Singapore's national level urban policy broadly reflects a transition from a national development program with an urban focus, to managerial policy program to ensure economic efficiency and productivity via the coordination of land development with wider urban priorities.

Singapore skyline © flickr/Eustaquio Santimano

Thailand – urbanization and centralised governance

Thailand has recently become an upper-middle income country. In 2013 the World Bank recorded an urban population level of 48 per cent (World Bank Development Indicators 2014), representing a 3 per cent gain on the 2006 level of 46 per cent (ADB, 2006). During the 1960s Thailand underwent rapid urbanization and industrialisation, partly due to major infrastructural projects as the economy developed. Projections that the urban population would overtake rural population by 2008 however were confounded by the 1997 Asian Financial Crisis, which reduced overall economic growth and slowed the pace of urbanization (ADB, 2006). The rate of urbanization in Thailand is relatively slower than some of its counterparts, at just 1.6 per cent per year, compared to countries such as Laos which has seen rates of 4.4 per cent and overtook Thailand in 2012 (Chanawongse, 2005).

Thailand has 77 provinces, nearly 2000 municipalities and 32 cities, but urbanization is highly uneven. Bangkok, the country's primary city, grew from more than 5 million in 1990 to 10 million at the beginning of the century. The distribution of the urban population in Thailand is heavily concentrated in Bangkok. If urban population is restricted to Bangkok, the city's population is 6 million. However once peri-urban areas and satellite towns and cities are included, Bangkok's urban population expands to 11 million. Urban sprawl in the region has led to inappropriate land use.

Following a monarchical system for many hundreds of years, Thailand experimented with a brief period of liberal democracy in the early 20th Century. Modernisation initiatives came from the Thai monarchy, including converting waterways and canals to roads and rail, as well as shaping government in metropolitan Bangkok (Ratanawaraha, 2013). The first elections held under the Thai Constitution of 1997, was won by Thaksin Shinawatra's party. However between 2006 and 2007, the country was run by a military dictatorship. Following the dictatorship, the Thai political crisis continued until 2011, when Pheu Thai won the election and Yingluck Shinawatra become the Primeminister. Another military coup in 2014, overthrew the Prime minister. Recent political instability and military coup of 2006 have created a great deal of uncertainty about future prospects for current government.

Today Thailand is one of several economically advancing nations in the Southeast Asia region, and has experienced economic development much earlier in the past half century than its neighbours Cambodia, Laos, and Burma, (Dhiravisti, 2009). The 1960s in particular was a period of significant change in Thailand's urban economy, especially in Bangkok, driven by industrial policies enshrined in the government's National Economic Development Plan of 1961 (Ratanawaraha, 2013).

Over the last three decades, Thailand has adopted a fairly laissez faire economic policy which has facilitated the development of industrial manufacturing and the service sector within the Bangkok Metropolitan area. The top industries in Thailand include textiles and garments, tourism, beverages, and agricultural processing. The service sector dominates the Thai economy and accounts for 46 per cent of GDP and employs 39 per cent of the population, followed by industry at 42 per cent of GDP and then agriculture, contributing 12 per cent of GDP (World Bank Development Indicators Databank, 2014e).

Haphazard urban expansion, inefficient land use and unplanned urban growth have also resulted in an expansion of informal settlements, which have in turn created problems for service delivery, transport and agricultural productivity. In 1981 major tracts of land on the fringe area of Bangkok were transferred to land reserves for private developers but resulted in reduced access to affordable housing

for low-income urban population. In addition, environmental pollution, and flooding reduces the quality of life in the urban areas. Problems with wastewater and solid waste remain major issues in urban settlements. In 2005 just 60 per cent of solid waste was being disposed of to an adequate standard (ADB, 2006).

Recent rapid urbanization has led to a number of urban problems in Thailand. High population density and inadequate public transport have made Bangkok's urban transport systems among the most congested in the world (ADB, 2013). Only 40 per cent of all daily person-trips in Bangkok use public transport and only 4 per cent of trips utilise mass rapid transit (MRT) rail systems. Until the mid-1990's, the government supported investments in the Bangkok urban expressway network, but the priority has shifted to expanding the MRT network. But the effects of prioritizing MRT has led to stagnation of the Bangkok's bus system, with a bus fleet more than twenty years old (ADB, 2013).

While the Thai government has sought to relieve congestion in major cities, such as Bangkok by encouraging economic activity in small cities 100 miles from the city, these efforts have had relatively little impact (Dhiravisti, 2009). During the 1970s the Thai government established policies directed at slum clearance and relocation of people. These policies were later replaced by slum upgrading programs which were considered more consistent with the aspirations of the urban poor (Guerra, 2005). By the 2000s, however, informal settlements began to emerge around the fringes of secondary cities in Thailand. In 2000 1,208 informal settlements containing 2 million people were recorded by the National Housing Authority (Shirley, 2013).

In 1991 the Thai Development Research Institute (TDRI), together with the United Nations Development Programme, funded a National Urban Development Framework Study of Thailand.

The strategy for addressing rapid urbanization in Thailand was a new institutional arrangement at the national level, the Extended Bangkok Metropolitan Regions Development Committee (EBMRD). This urban authority was intended to undertake overall strategic planning for the entire Bangkok region, and to coordinate and plan developments, and remedy the many institutional overlaps. As of 1994, the proposal for EBMRD to coordinate between agencies, evaluate major infrastructure projects including privatised projects however, had not been adopted (Robinson, 2011).

The 1997 Constitution marked a significant shift in Thailand's institutional arrangements and urban policy and advanced the policy of decentralisation. This had the effect of creating new institutional entities at the local scale. Both the Decentralisation Act of 1999 and Decentralisation Plan of 2001 increased the number of municipalities from 149 to 1129. Consequently, major reforms were underway to transfer previously centralised civil service staff to local governments.

Local governments prepare their own budgets, but like many nations in the Asia-Pacific region these bodies have difficulty in generating adequate revenue to plan and deploy resources effectively. State enterprises play a significant role in urban service delivery despite ongoing decentralisation, such as water, electricity, major roads, and waste water. In 1997, 58 per cent of infrastructure spending was undertaken by national enterprises. Thailand has implemented a series of municipal urban projects such as waste recycling in Phicit municipality in 2005 and saving paper project, to improve the environmental performance of urban areas (JICA, 2007).

Thailand also has the National Municipal League of Thailand (NMT), which was designed to become the "consultative voice of municipal development in Thailand". The NMT plays a role in bringing information on issues relating to local government,

building capacity for staff of municipal government, conducting research on laws and regulation relating to municipal government and communicating advice to local governments (Federation of Canadian Municipalities, 2008).

As of 2006 Thailand did not possess an overall national urban strategy or explicit national urban policy. Thai policy has not addressed urbanization for many years, despite sustained urbanization, and has maintained what the Asian Development Bank describes as a 'cautious' approach to urban development (ADB 2006). The main institution that develops urban policy in Thailand is the Bangkok Metropolitan Authority (BMA) which was established in the 1970s. It is comprised of 50 districts and 169 subdistricts, each of which has a representative from its administration that sits on the BMA Council that approves development plans (Pranee Nantasnama DPT, 2013).

At a national level, the National Economic and Social Development Board (NESDB) responsible for economic and social development, and Ministry of Interior and Department of Public Works and

Town and Country Planning (DPT) is responsible for spatial planning in BMA region. In 2002 the Thai National Cabinet mandated the DPT to develop a comprehensive land use plan for the country.

The year 2000 marked a turning point and the Thai government's concern about infrastructure, housing and planning for mega infrastructure investment projects increased (ADB, 2006). The DPT produced an Urban Planning Policies document in 2002 which aimed to make Bangkok a compact city through better land use planning, and improve accessibility to transport to reduce automobile dependency. It also aimed to develop the provinces surrounding Bangkok through the creation of new economic zones, establish the operation of transport and logistics services, and conserve floodway areas. The policy also outlined an agreement with ASEAN to develop land transportation networks, including developing railway infrastructure (Government of Thailand, 2002). The government planned to introduce a '1 million housing project' through the Community Organisation Development Institute in the Ministry of Human Security.
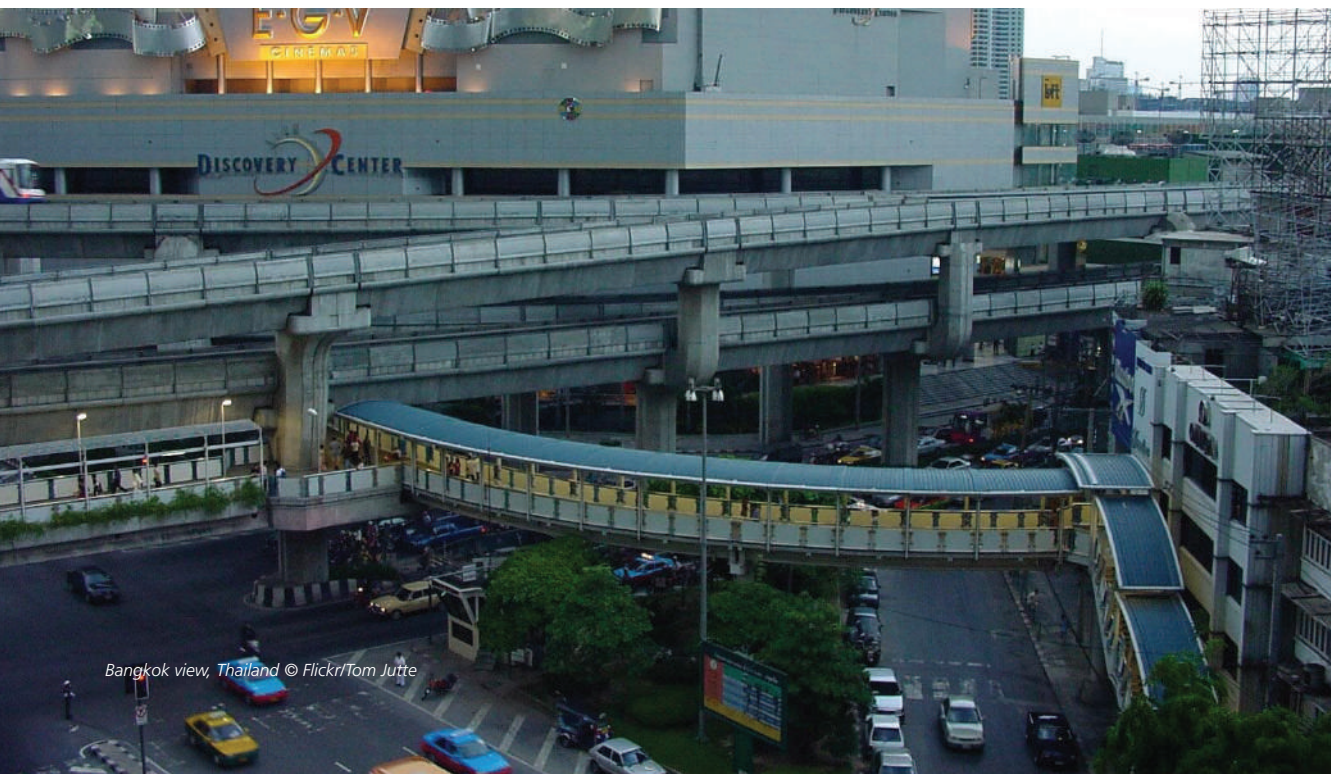
Bangkok view, Thailand © Flickr/Tom Jutte

In 2007, the Bangkok Metropolitan Administration released a Global Warming Action Plan for 2007-2012. The policy acknowledges that the Bangkok Metropolitan areas is one Thailand's major centres of socio-economic activity and produces the equivalent of 14.86 million tons of CO_2 emissions. The Global Warming action plan aimed to reduce Bangkok's total GHG emissions by 15 per cent below current status quo. The policy initiative highlighted expanding mass transit and improvements to the traffic system such as encouraging usage of public transport. The Action Plan also aimed to increase the efficiency of solid waste management and water treatment plants and expand park areas (Bangkok Metropolitan Administration, 2007).

The Asian Development Bank during the 1990s provided a loan to improve Bangkok's Urban transport System. The project helped to strengthen the role of the Office of Transportation Planning and expanded bus transportation and road networks. The Project was completed in 2002 (ADB, 2005).

Alongside the devolution of authority in 1994 has been financial responsibility which has resulted in a highly fragmented urban area, with little between the municipalities (ADB, 2006). Alongside these issues, peri-urbanization falls within the jurisdiction of local rural-focussed administrations. Although the government released a document called "Urban Planning Policies in Thailand" outlining urbanization as part of its overall economic and development goals, very little progress has been made at advancing this far as a national urban policy. Thailand's municipalities continue to face difficulties attracting qualified and skilled staff (Yap Kio Sheng, 2010). Generally, local governments have opted to build on the training of their current staff rather than wait for increased staff or availability of financial resources to hire more staff.

In summary Thailand faces a number of major urban issues concerning servicing of its major cities, principally Bangkok, providing adequate housing,

and coordinating governance and services. The relatively low rate of urban growth combined, still places pressure on the country's urban resources. Whilst decentralisation was adopted under the constitution in 1997, the attempts were fairly limited in practice to implement it, and many functions that were decentralised, have now been reversed and placed under the ambit of the central state.

East Timor - Focusing on the basics post-independence

East Timor achieved national independence in 2002 and though possessing a small population of 1.12 million, has a high population growth rate of 2.5 per cent per annum. Urban drift, like in many post-conflict societies, is a prominent feature of contemporary East Timor (Scambary, 2013) with the capital, Dili, the country's largest urban centre. East Timor is ecologically fragile with poor soil fertility and an uneven geology and geography. These conditions mean that water runoff from steep slopes has become potentially destructive to rural and urban areas alike, and is likely to be exacerbated by global warming. Dili, the capital city, hosts 16 per cent of the overall population, only 193,500 people (Stead, 2014). Internal migration is the main driver of urbanization in Dili, and with 50 per cent made up of rural youth seeking employment.

East Timor is one of the newest states in Asia and its patterns of urbanization have been inextricably shaped by successive intervention by colonial Portuguese rule (1500-1975) and Indonesian occupation (1975-1999). Recorded information on urbanization in East Timor dates as far back as mid 1800s when the country was under Portuguese rule. Between 1769, when Dili was founded as the capital of East Timor, and 1860, urbanization was just 2 per cent of the total population. Urbanization rates throughout this period remained largely unchanged. However, the Indonesian occupation 1975-1999, led to increased urbanization, as

political, economic and social factors began to destabilise rural areas. As a result, the proportion of people living in urban areas increased to 18 per cent by 1996 (Araujo, 2010).

Agricultural production has dominated East Timor's economy, but the sector has faded over the last ten years as the focus of economic activity has shifted to commercial ventures into major oil and gas deposits. In May 2002, East Timor and Australia signed the Timor Sea Treaty which potentially provides the basis for the development of all major oil and gas deposits between Australia and East Timor. Given the royalties from the East-Timor oil, there is the possibility that economic development and revenue for domestic infrastructural projects could assist urban development and planning (WaterAid, 2010).

The first independent population Census of East Timor in 2004 found 19 per cent of the national population lived in urban areas. Subsequent political conflict in East Timor post-independence however

has impacted on urbanization such as the 2006-2007 political crises that left 150,000 displaced and 5000 houses damaged or destroyed (Pequinho, 2010). These events have raised the importance of understanding East Timor's urbanization, which has often been marked by gang-conflict based in urban settlements (Scambary, 2013).

Urban poverty is a major problem in East Timor, which possesses one of the highest rates of poverty in Asia, with rural poverty more acute than urban areas. In 2010 more than 40 per cent of the estimated population lived below the national poverty line with 85 per cent of this number living in rural areas (Araujo, 2010). Employment prospects, particularly in Dili, are uneven and unemployment is common. Urban areas however still fare better than their rural counterparts. Of all urbanites in Dili, 92.2 per cent occupy the highest wealth quintiles, and 91 per cent enjoy safe drinking water, while just 57 per cent rural dwellers experience a similar level of service provision (McWilliams, 2014). On the other

Dili harbour, East Timor © Wikipedia

hand, figures from East Timor's census indicate that as much as 50 per cent of Dili's population may be residing in information settlements (Scambary, 2014).

Land disputes and conflict are growing problems associated with urbanization in Dili, alongside lack of adequate housing. These factors have created the social conditions for the rise of gangs concentrated around the city (East Timor Law and Justice Bulletin, 2013).

After the civilian unrest of the late-2000s, many displaced Timorese returned to Dili but often to other areas than they previously occupied when they found their original dwellings had been reoccupied. These disruptions have led to squatter settlements, and a rise in land claims. As a result, there have been ongoing issues with land management including land claims arising via varying social groups including disputes dating from pre-colonial through to Indonesian era. Land dispossession has concentrated land ownership in the hands of a few groups, the Catholic Church, the state agricultural company and a mestizo elite of mixed Portuguese and indigenous descent.

Land administration poses problems for urban development as land titles were destroyed during the militia violence in the late 1990s (Australian Government Department of Parliamentary Library, 2001). In 2002 the new state and government drafted a number of legislative measures to regulate land claims and management, including the Civil Code and Transitional Land Law. However by 2013 the legislation had still not been passed (Stead, 2014). Examples of land conflict between people and national government have also emerged, such as Aitarkan Laran, where a forced eviction by Timorese government has been openly contested by local people (Stead, 2014).

Due to East Timor's recovery from recent political crisis, the objective of nation-building and governance capacity building, rather than explicit

National Urban Policy, has been a priority. Urban issues are primarily addressed through housing development which was identified as an area in which government marked as a priority, resulting from the displacement of two thirds of the population and the destruction of 40 per cent of the national housing stock after Indonesian rule. Civil servants with expertise in housing also fled during Indonesian occupation, constraining the technical capacity of the government to create an effective national housing policy. Dili saw 50 per cent of its buildings destroyed and experienced extensive damage to physical infrastructure including the port and airport (UN Habitat, 2005).

Urban problems have begun to be addressed through the government's national planning strategy, rather than through a specific urban portfolio. For instance, the national government in 2002 prepared a National Development Plan, which committed the government to ambitious targets that exceed the Millennium Development Goals, including providing 'safe' water to 100 per cent of urban households and 80 per cent rural households by 2002 and to establish a centralised sewage system in all urban areas. Despite this overall situation, small attempts were made together with international institutions such as UNDP to address urban housing and upgrading in Dili. However as of 2010 Timor Leste did not have any policy on urban planning, housing planning or a master plan (Pequinho, 2010).

The period between 1999 and 2002 during which East Timor was administered by the UN established a system through which the needs of urban and rural communities were divided through legislation. The Decree law 4/2004 Water Supply for Public Consumption, for example, empowered the government to maintain overall responsibility for access to portable water but legislation distinguished between service provision in rural and urban areas. In addition, the Law National Directorate of Water Supply and Sanitation (DNSAS) were allocated the task of managing the

provision and maintenance of water to urban areas, specifically Dili and 12 other districts. Rural water supply has tended to be delegated to a community level (WaterAid, 2010).

In 2003, a National Housing Policy was prepared by the UNDP, Department of Public Works and Housing and Ministry of Transport, through a survey administered by NGOs. Regional and national workshops consultations were held on housing issues leading to a draft housing policy and urban housing strategy (UN Habitat, 2005).

During the early years of government, each ministry and sector had a separate Sector Investment Program (WaterAid, 2010). In 2005 the government developed a Sector Investment Program (SIP) which showed that of the total number of houses in urban areas just 58 per cent were made from permanent materials. A further 82 per cent of houses in urban areas in Dili didn't have twenty-four hour access to clean water, and 24 per cent of urban houses in Dili did not have toilet facilities (Pequinho, 2010). In 2008, the government moved to a more national and cross-sectoral approach to water, through setting up Timor-Leste Rural Water, Sanitation and Hygiene Sector Strategy 2008-2011 which outlined roles and responsibilities of various sector actors.

Numerous actors have been involved in shaping East Timor's responses to urban problems with the National government of East Timor, including Australian government such as AUSaid and USAid, and NGOs such as WASH. There has also been a significant encouragement from the World Bank for local communities to participate in the post-independence rebuilding effort.

As urbanization is anticipated to continue in East Timor, the development of a national urban policy will be crucial for addressing urban challenges. The moves by government to address certain sectoral issues, such as water, more holistically are a positive sign in this regard and which lay the basis for similar approaches to national urban policy. However a lack

of revenue, and clear institutional arrangements, that explicitly prioritise urbanization will need to be developed in order to adequately address urban problems in East Timor.

Cambodia – A long journey to urban based development

Although Cambodia is one of the least developed and least urbanised countries in Southeast Asia it has recently experienced rapid urbanization, primarily via rural-urban migration. In 2008, the total population was 13.4 million and 19.5 per cent of the population was urban, and increased to 21.5 per cent 2013 (Royal Government of Cambodia, Ministry of Planning, National Institute of Statistics, 2013). The dynamics of urban drift however have been an under-researched aspect of Cambodia's development (Flower, 2012). Cambodia is currently experiencing a period of re-urbanization after a long period of urban stagnation that arose from earlier periods of political crisis. A study undertaken by Pannasastra University, funded by the ADB, concluded that urbanization is expected to increase from the current level of 30 per cent of the total population, to 44 per cent by 2040. Overall however Cambodia remains at a relatively early stage of urbanization compared to neighbours such as Thailand and Vietnam.

During the early 1960s, rural and urban growth rates were roughly equal, and urban growth rates began to increase towards the end of the decade (Khemro, 2006). However the period of Khmer Rouge in the 1970s rule, which resulted in the genocide of 2 million people, had a profound impact on the country's development. The pursuance of policies such as forced mass evacuation from the cities such that Phnom Penh saw population loss of nearly 2 per cent just days after the Khmer Rouge takeover.

Cambodia experienced another round of political turmoil immediate following the Khmer Rouge arising from invasion by Vietnam. During these

events urban infrastructure was destroyed and the nation's human capital greatly diminished, not least via the death of third of the national population during Khmer Rouge (Khemro, 2006).

Currently Cambodia's urban areas generate 50 per cent of national GDP, emphasising the contemporary importance of urban areas to the country's economy (ADB, 2012). Services contribute the greater share of GDP, at 43 percent. Industry comprises 32 per cent of GDP and employs 18 per cent of the population (World Bank Data, 2014). Agriculture still occupies a significant place in the country's economic activity, while only contributing 27 per cent of the share of total GDP, employs 51 per cent of the population GDP (World Bank Development Indicators Databank, 2014f).

During the 1990s Cambodia's economy was liberalised and underwent major restructuring. The country experienced a growth rate of 7 per cent per annum during this period. Between 1993 and 2003 agriculture declined from 46 per cent of GDP to 31 per cent while industry, stemming from the expansion of the garment industry, increased its share of GDP from 13 per cent to 29 per cent (Khemro, 2006).

Cambodia's urban expansion is happening at a much faster rate than urban infrastructure development, resulting in growth of informal settlements, service deficits in water and sanitation, transport congestion and dispersed urban development (Khemro, 2006). In 2007, according to the Phnom Penh capital administration, the urban poor communities account for about 25% of total population in Phnom Penh (Statistical conditions in Phnom Penh Poor Peoples Communities, December 2007). This percentage however has decreased over the last year.

Cambodia's levels of urban poverty are amongst the highest in the Southeast Asian region and subsequently one of the most visible aspects of the effects of unplanned urbanization. Urban conditions

are characterised by poor housing conditions, insecure tenure, and the absence of state administered social support programs or schemes. There is a pressing need for national urban planning given the increased development and settlement strain placed on the periphery of Phnom Penh and several border towns.

Cambodia is administered via 24 provinces and municipalities, with Phnom Penh as the capital city. Phnom Penh is almost 10 times bigger than the rest of all cites in the country together. The second largest city is Siem Reap, with a population of 264,000 (National Institute of Statistics, 2011).

The government introduced a National Spatial Policy in 2011 to balance urban expansion toward rural areas, and address unplanned urbanization (Royal Government of Cambodia, 2011). The mechanisms to achieve the policy included consensus on planning hierarchy and methods of planning (Royal Government of Cambodia, 2011).

While Cambodia has ample land resources, there are many constraints that undermine the effective utilisation of these resources. These barriers include demographic pressures, land rights and tenure questions, unequal landholdings and increasing landlessness. In 2000, approximately 12 per cent of the rural population was landless (Khemro, 2006). The Land Reform Law of 1992 attempted to provide 'social land concessions' but was ineffectively managed, and ultimately damaged prospects for land use to cater for dual demands of urban development and claims from local population to land. For instance although the land law allowed the poor rights to apply for land titles, the lack of awareness over procedure for requesting title limited the volume of land claims (Bristol, 2007).

Although the Prime Minister in 2003 committed to change the attitude of the government to squatter settlements and forced evictions, over the last few years, mass evictions in Phnom Penh and throughout Cambodia have occurred, with little or

no recourse to political or judicial avenues (Khemro, 2006; Bristol, 2007; ADB, 2012). In 2011, the World Bank suspended all new lending to Cambodian government due to a land dispute around the Boeung Kak New Town Project. Funding was resumed after 12.4 hectares of land was reallocated to affected residents (Paling, 2012).

The Royal Government of Cambodian enacted legislation, Circular 03 Resolution of Temporary Settlement, in May 2010 to address temporary settlements, which illegally occupied land owned by the state. The legislation was pursed as a means to deal with insecurity of the urban poor, and provide a process through which squatters occupying of public land could be relocated. The implementation has taken place in Battambang since 2010 and implementation has commenced in Phnom Penh, and is labelled a 'pro-poor' policy option.

Furthermore, the government in May 2014 passed the National Housing Policy to address issues of land tenure and policy. The policy identifies housing as an important social and economic asset and notes the expectations of rapid urbanization, creating a greater need for more formal urban housing. The Universal Declaration of Human rights and International Covenant on Economic, Social and Cultural Rights are rights framework adopted by the government. Some of the objectives include formulating data on housing demand, disseminating options to access housing and finance option for the construction of housing for low and medium income earners. The Housing Policy also promotes the Circular 03 resolution by the Cambodian Government (Royal Government of Cambodia, 2014). The Green Development

Traffic in Phnom Penh, Cambodia © Wikipedia

Plan 2012-2030 also addresses the need for social inclusion and climate resilient cities.

In 2013, the Cambodian government made its first moves towards a national urban policy, with the introduction of the Capacity Development for Urban Management Project (Minister Chhun Lim, 2014). This program expressed a shift in the Cambodian government's attitude towards urban problems and issues. The first part of the project was to provide direct training to local administrative staff at provincial and municipal levels.

In addition, the policy also aimed to strengthen institutions on all tiers of government and to facilitate urban policy implementation. The project was conceived as part of the Rectangular Strategy Phase III 2014-2018 which recognised urban development as a national priority. The Capacity Project was also framed along similar lines to previous government responses to urbanization, namely decentralisation. These policies provided local authorities increased responsibility for managing urban growth, including infrastructure and services (Minister Chhun Lim Speech, 2014).

As part of the Capacity Project, the government is in the process of developing a National Urban Development Strategy 2014-2018 (NUDS), which will be finalised by the end of 2015. This project was supported with technical assistance of the Asian Development Bank and the National Policy on Spatial Planning of 2011 (discussed above) to guide urban development, such as the creation of new urban centres. The NUDS also aimed to address balanced and fair socio-economic development and address poverty reduction (Minister Chhun Lim, 2014; Khemro, 2006).

A key institutional influence on urban policy in Cambodia is administrative decentralisation and the role of local and municipal agencies carrying out urban governance. Traditionally the Ministry of Land Management, Urban Planning and Construction oversee land use, urban planning,

land conflicts and construction projects. Since the government adopted the Strategic Framework on Decentralisation and Deconcentration in 2005 however, it has provided newly formed municipalities and provincial governments with greater decision-making powers. The Prime Minister also announced that investments under 2 million would be under the guidance and authority of local agencies (Khemro, 2006). Local agencies receive only technical assistance to help formulate and implement policies and budgets are planned and managed by local governments for all urban projects. As a result, there is very little intervention from the central government, which largely plays a monitoring and supervisory role. Substantive moves to decentralisation have been slow however, placing constraints on local capacity to manage urban development.

The central government has created a number of new agencies to facilitate the development of an NUP. An example is the District Strategic Development Planning (DSPS) which for the first time produced planning manuals distributed in a local language. The DSPS aims to delegate responsibility for local land use to district levels in accordance with the decentralisation policy. In addition, in order to increase its capacity to deal with the cross-sectoral nature of urbanization, the government has established a National Committee for Land Management and Urban Planning.

Infrastructural development such as roads and bridges in Cambodia is the responsibility of three institutions: The Ministry Public Works and Transport, Ministry for Rural Development, and Engineering Corps of the Ministry of Defence. The majority of infrastructure in Cambodia is funded by donor grants which substitute for national and local capital investment (Khemro, 2006). The distinction between state and municipal funding of infrastructure is ambiguous (ADB, 2012). Privatisation has been used increasingly

by municipal governments to provide services. In Phnom Penh, waste collection and waste treatment are already managed by private concessionaires and public transportation will soon be provided by private companies. In Phnom Penh, 95 per cent of urban residents are served by waste collection services (Khemro, 2006). However in other cities, waste collection services have wider coverage, for example, in Sihanoukville the rate is about 40 per cent. Informal settlement areas rarely have access to solid waste collection.

Decentralisation is considered to have increased the involvement of local participants at a grass roots level, especially at a village level where people devise plans between themselves, professional experts, and with government staff acting only as trainers and facilitators and coordinators. The 2002 commune election is considered an expression of the widening base of participants for urban management. The Participatory Land-use Plan (PLUP) is another mechanism through which the Cambodian government is addressing land tenure and increasing stakeholder involvement. There has been a growth and diversification of international involvement in urban planning and development in Phnom Penh, including intra-Asian connections such as Japan International Cooperation Agency (JICA) and Western donor aid through international finance capital (Paling, 2012).

Although urban infrastructure provisions have improved, it is still unable to cope with the demand from growing cities and towns. The towns are hampered by a lack of managerial capacity and inadequate local revenues. In addition, both the scarcity and low qualifications of staff in municipal authorities inhibit the capacity of municipal authorities to carry out assigned responsibilities. Alongside this, due to low remuneration for staff, many rely on additional income to support themselves. Institutional capacity to respond to challenges of urbanization are also inadequate, with municipal councils fairly new and under-developed, they require greater support to play the role

entrusted to them by national governments (ADB, 2012).

Ineffective policy implementation and governance challenges also hamper effective urban development and capacity. Ranked as the most corrupt of all ASEAN countries by Transparency International, corruption in Cambodia impedes the facilitation of capital development on a daily basis. The political instability surrounding the contested election in 2013 has also generated ongoing problems for legitimacy and disillusionment towards government planning, including urban programs (Transparency International, 2014).

Overall, Cambodia is taking some of the necessary steps to manage its urban problems at the national scale but remains constrained by the governance and economic deficits experienced in recent decades, as well as the relatively low level of urbanization within the country.

Laos – Strengthening the capacity for urban planning within a development context.

Laos has undergone a major urban transition since the mid-1980s (Sharifi et al., 2014). Overall, 20 per cent of Laos' population lives in urban areas, but the definition as to what counts as 'urban' in Laos has long been ambiguous. There was no administrative differentiation between urban and rural areas until fairly recently (UN Habitat 2002). Rates of urbanization and urban growth have been difficult to establish in Laos due to the lack of consistent data and research. However recent estimates in 2011 define the urbanization rate in Laos at 4.9 per cent per annum (Sustainable Mekong Research Networkb, 2011). This rate is almost double Southeast Asia as a whole, where urbanization continues at a rate of 2.38 per cent, per year.

The main processes of urbanization have involved rural-urban migration. There has been moderate growth on the urban fringes, some of which was

composed of out-ward migration to suburbs away from major city centres. Managers of garment industries reported that seasonal migration was also a feature of urban trends in Laos, where workers returned to rural villages for several months during harvest periods (Mabbit, 2005).

Tourism has become increasingly important to Laos' economy, with the overall service sector making up 41 per cent of GDP. Laos' economy also has a sizeable industrial sector, accounting for 31 per cent of GDP. Industry has overtaken agriculture, but agricultural sector makes up 28 per cent of GDP, and employs 85 per cent of the population (World Bank Development Indicators Databank, 2014g). As a member of ASEAN, Laos' integration into international markets has been accompanied by improved roads, more reliable power networks and digital communication.

Despite a decade of economic growth, many households still lacked access to basic health, education, and services such as clean water, sanitation and electricity (Mabbit, 2005). A survey in 1996 by the *Vientiane Integrated Urban Development Project* found that 63 per cent of the households relied on a system of soak pits for waste water disposal. The same survey also showed that 34 per cent of households used a septic tanks for excreta disposal and 2 per cent directly discharged human waste directly in to the drainage system (UN Habitat, 2002).

Around 93 per cent of Vientiane residents had access to electricity supply in 1997 (UN Habitat, 2001). However some strides have been made in the supply of electricity have been made over the last decade, with 90 per cent of the country now having in 2014 (World Bank). From 2005 and 2010, safe drinking water rates increased from 63 per cent to 69 per cent. Moreover, cell phone density and internet remains relatively low compared to other ASEAN member countries, but overall Lao's communication index was higher in 2010 than Cambodia's and Myanmar's (OECD, 2014).

Even though Laos graduated to a lower-middle income country in 2006 (OECD, Structural Notes) poverty remains widespread. According to the Asian Development Bank Asia Pacific Indicators 2012, there has been a decline in the percentage of people in Southeast Asia living under the poverty line (USD 1.25 per day). The poverty gap has narrowed, with less people living under the poverty line, but nonetheless, in absolute terms, they remain poor (OECD, 2014). According to the OECD (2014), Lao PDR's poverty incidence was high, at 27 per cent, above Myanmar (25 per cent in 2011), but lower than Cambodia (32 per cent), and well above Vietnam (13 per cent).

Laos' mountainous terrain, which comprises 70 per cent of the land area, has had a significant bearing on the country's settlement patterns. Laos' National Statistics Centre estimated that in 2000 there were 962 urban villages, with a total combined population of 985,000 (Lao People's Democratic Republic, 2007). Urban centres are located on low-lying land, but are prone to regular flooding from the Mekong River. Flooding has resulted in the destruction of many roads that connect urban zones (Lao People's Democratic Republic, 2007; UN Habitat, 2001). The city of Pakse, located in the province of Champasak, is one of the major contributors of the country's GDP, and experiences a high frequency of flooding (UN City, 2014). Climate-related flooding has an impact on local trade, and family-run businesses, as well as the main cash crop, coffee.

Land-use and management has become a major mechanism to address urbanization, as a result of land scarcity. For most the period, since the end of French colonial rule, land management has been centralised under the State. However subsequent changes have implemented a land registration system and the issuing of titles to all land holders to facilitate private sector investment and development (UN Habitat, 2001).

It was not until 1975 that the first urban planning project was initiated by the Laos PDR, in the form of a Master Plan, which was supported by the UN Centre for Housing and Settlements and completed in 1991. During French colonial rule, several urban plans and maps were generated of the main urban centres. After independence further maps and plans were prepared to Vientiane between 1959 and 1963.

Although Laos has made steps in identifying urbanization and urban issues, as well as addressing urbanization through many institutional channels, there is currently no explicit national urban policy. Urban plans generally tend to be prepared in accordance with the strategy outlined by the Ministry of Communication, Transport, Post and Construction.

There are two main types of urban planning, the Master Plan, and Detail Plans. The Master Plans, in principle should cover each urban area, and are the main instruments to guide urban planning. Detailed plans on the other hand are produced on a case by case basis and are not limited to all urban areas. There also exist sector-specific plans such as the JICA-supported *Master Plan for Comprehensive Urban Transport in Vientiane Capital* which was prepared in 2006, and viewed as a model that could replicate in other cities (Lao People's Democratic Republic, 2007).

The Master Plan of 1991 has been used as a model for all subsequent Master Plans in Laos. The content of the Master Plans include access to roads, showing vacant land and built-up areas, densities per zone, and drainage plans. As of September 2007, 113 out of 139 districts in Laos had Master plans (Lao People's Democratic Republic, 2007).

During the 1990s the Government of Lao, like many other Southeast Asian states in this period, decentralised the responsibilities for urban development from Ministerial levels to local urban authorities (UN Habitat, 2001), significantly

transforming urban governance in the country. Prior to the policy of decentralisation, the Ministry of Communication, Transport, Post and Construction was in charge of urban planning in urban and rural areas, as well as financing public sector investment in urban areas through annual budget allocation to provincial tier of government. In 1995, the government moved from this institutional arrangement to a decentralised system, creating new Urban Development and Administration Authorities (UDAA) to manage urban jurisdictions. The UDAAs are tasked with enlarging revenue for urban infrastructure, managing land control, and arranging construction, renovating and maintaining urban infrastructure (Lao People's Democratic Republic, 2007).

The move to local units however did not erase the government's commitment to regulate and supervise urban management and planning at a central level through maintaining Ministry of Communication, Transport, Post and Construction (MCTPC). Within the MCTPC there is the Department of Housing and Urban Planning which is responsible for urban planning. The body outlines strategic plans, regulations, and inspects and monitors plans. The Urban Research Institute is the main technical agency that carries out physical plans and urban planning of Lao and has five divisions, town planning, engineering and mapping, training and cooperation, research, and administration and personal. Road maintenance has also recently been added to the Institute (Lao People's Democratic Republic, 2007).

The government of Laos has implemented a number of legislative and regulatory policies to bolster its decentralised strategy of urban development and planning. The Law of Urban Planning 1999 laid out legal principles to effectively guide urban planning in Lao for national, provincial, regional and urban areas. The law states that towns and cities should be connected and compatible with each other. The Land Law in 2003 gives some land use planning

tasks that are currently also being conducted by the new Land Management authority structure. The Lao government has also introduced legislation as part of the Law on Local Administration (2003) to create new municipal structures which will add another dimension to institutional arrangement and coordination of urban policy (Lao People's Democratic Republic, 2007). The Land Law also anticipated the need for partial development of urban centres; improve existing infrastructure and facilities, land plotting and sub divisions and renovation of ancient building sites.

Urban planning in Lao is marked by little participation from local residents. Whilst there is legislation in place to mandate public consultation during the Master Plan preparation process, such as the Regulations on Urban Planning 2006, which specifies a minimum of two rounds of consultation, in practice very few ever attend. Key stakeholders tend to still be dominated by government and planning authorities, and international agencies, with little local resident input.

A lack of institutional coordination and overlapping mandates has hampered the development of

a national urban policy in Laos. Overlapping jurisdictions, involving different agencies and tiers of government requires clarification, in order to improve urban planning. For example the lack of coordination between land titling registration and road construction, has meant that newly titled land has often been resumed for road construction. Alongside this, budget constraints have also been a challenge for the implementation of master plans. Provincial and District-level land management authorities do not have adequate network of district offices and staff trained in land managements or appropriate equipment to enable undertaking new tasks (Yap Hioe Sheng, 2010).

In summary, Laos is a country that has an underdeveloped national governance framework and relative poor resourcing for housing, urban development and infrastructure. The country is facing increasingly rapid population growth that it is not ideally situated to manage nationally, notwithstanding recent efforts to add cohesion to national policy efforts.

Traffic in Laos © Flickr/Aleksey Gnilenkov

PACIFIC

Fiji's – Urban Policy yielding mixed results

As of 2007, over half of Fiji's population resided in urban areas and today Fiji's urban population is growing faster than its rural counterpart (UN Habitat, 2012). In statistical terms 47 per cent of Fiji's population is rural and 53 per cent is urban (UN Habitat, 2012) and estimates based on the latest census survey expect urbanization to increase to 60 per cent by 2030. The pace of urbanization in Fiji, growing at 2 per cent, has not however been as acute as other parts of Asia that have exceeded 4 per cent (Republic of Fiji, 2004). Nonetheless, Fiji has experienced rapid urbanization over the last decade which has increase of 5 per cent since 2002 (Republic of Fiji, 2011). Fiji's urbanization has been driven by a combination of rural-urban migration, expansion of urban boundaries or 'sprawl' and a natural increase in the urban population itself (Naidu & Reddy, 2003; 128). Internal migration from the sugar growing areas to urban areas in particular, has been a major source of increased urbanization.

The contribution of urban areas to GDP is approximately 60 per cent (Jones, 2005), with Suva accounting for 37 per cent of GDP, elevating the importance of urbanization for its future economic prospects. Fiji's economy is predominantly resource based, and contributed up to 50 per cent of the country's employment and 30 per cent of GDP in 2003. In addition, Fiji's economy is distinctive from other pacific island countries through its diversity (Jones, 2005). The agricultural sector accounts for 10 per cent of GDP, industry 20 per cent and the service sector 68 per cent (World Bank Development Indicators Databank, 2014i).

Fiji's rapid urban growth however has created a number of problems. These difficulties include poverty and crime, placing a significant strain on urban infrastructure including sanitation, traffic congestion, housing, unpaved roads, water and waste disposal, in addition to a growing informal sector, such as road-side vendors (Naidu & Reddy, 2003: p.131).

Today there are fifteen urban centres in Fiji, two of which are cities, Suva and Lautoka. Due to its geographic location, Fiji's urban settlements are also highly vulnerable to natural disasters. The natural geography of Fiji, a group of over 330 islands with mountainous interior, has meant that many urban centres are located on the coast, and thus highly vulnerable to natural hazards such as cyclones and rising sea levels from climate change. In 2009, 2012 and 2013, Fiji experienced damaging floods which caused extensive damage and losses to coastal centres (UN Habitat, 2012).

During the pre-colonial era however, the majority of Fiji's population lived in rural areas and village. After British acquisition, anti-urban policies towards ethnic Fijians were implemented, and eventually became a contributing factor towards growing communal divisions (Prasad & Mohanty, 2013). Like other pacific island nations, urbanization in Fiji gained momentum in the 1960s, particularly after independence, and Fiji's urban population steadily rose to 70 per cent (Naidu & Reddy, 2003). Fiji's urbanization levels were reversed however after 1980s when a series of military coups precipitated major emigration from the country and its urban centres.

Fiji's land tenure arrangements also pose significant dilemmas for the development of a national urban policy, as 90 per cent of land is under native tenure system. Similar to other pacific nations, Fiji has three types of land ownership, native, crown and freehold, with urban areas comprised of a mix of native and freehold land. The trend towards high-cost land on the limited freehold land has escalated informal squatter developments on both native and crown land. A report in 2006 found

182 squatter settlements in Fiji, of which 60 per cent are concentrated in the Suva-Neurosis urban regions (Mohanty, 2006, p.3), resulting in the deterioration of housing conditions and damaging impact on environmental areas. The expansion of peri-urbanization has also led to dilemma for national governments, as these areas are located just on the boundary of Municipal Councils, placing them often beyond the jurisdiction of the Council. Urban settlements located on native land are not permitted to access urban services, but they are regardless, tapped by local people.

In 2004, Fiji recognised the necessity and benefits of a national urban policy and introduced an Urban Policy Action Plan (UPAP) in 2004 and the National Housing Policy in 2011 to address growing urban issues. Prior to the UPAP, no comprehensive system for setting urban objectives existed, and urban development operated at a macro level (Republic of Fiji, 2004). Consequently, the UPAP explicitly noted that urban growth required institutional coordination to "improve urban management and an effective and efficient urban development sector, which meets national, metropolitan and local needs" (Republic of Fiji, 2004, p.3).

The UPAP was launched in tandem with the government's wider *Strategic Development Goal* (Republic of Fiji, 2003) which was based on improving political stability and economic growth. As such the SDP set out targets to increase economic growth by 5 per cent GDP growth per year and reduce poverty by 5 per cent per annum in line with Millennium Development Goals, and promote "spatial equity", through focussing on rural development of outer islands.

At a national level, the National Planning Office is responsible for national sector planning. Fiji has 13 Municipal councils, headed by a Special Administration appointed by the central government and answer to the Ministry of Local Government and Urban Development, Housing and Environment.

Weak legislative and regulatory frameworks, however, have contributed to weak urban planning. Like many countries in the Pacific region, the councils are significantly under-resourced, and have a limited number of qualified staff (UN Habitat, 2012). Even where planning controls exist, such as land use, they are often inadequate or not enforced. The Town Planning Act in 1946 and Subdivision Act were the legal frameworks introduced to physically plan 12 incorporated areas in Fiji. Whilst the Act provides in principle support for town planning on a Municipal level, currently, only Suva City Council has been able to secure a town planner, with other councils relying on engineering or building staff to enforce town planning schemes (UN Habitat, 2012).

The UPAP also aimed to improve urban infrastructure and services including affordable land supply and responsible institutional and regulatory policy frameworks to manage urban development. As a result, the Fijian government has created the National Solid Waste Management Act in 2005 to better improve urban infrastructure. In 2006, the government implemented the Liquid Waste Management Action Plan in 2006, which oversees 11 public sewerage systems. Most recently, the creation of the Fiji Road Authority in 2012 assumed responsibility for all roads, both municipal, and arterial across the country for the first time (UN Habitat, 2012).

Updated in 2011, the strategic goals of Fiji's NUP included expanding the capacity of local and central government in meeting mandates and stakeholder needs through devolution of Ministry and Local Government and Urban Development. In addition, Fiji's evolving national urban policy sought to increase the accessibility of councils for finance through the creation of a funding facility to upgrade squatter settlements and extension of municipal boundaries (Royal Government of Fiji, 2007).

The *National Climate Change Policy,* designed by the Fijian government was published in 2012, and advanced calls for a more integrated approach

involving all sectors of the economy and identified urban areas and housing as key sites for policy intervention. The policy also canvased a series of strategies that address urbanization such as improving building codes, managing urban waste and pollution (Republic of Fiji, 2012).

Fiji's *Green Growth Framework* outlines an overarching vision for the country's long-term development and is intended to extend the Roadmap for Democracy and sustainable Social and Economic Development, 2009-2014. The aim with the roadmap is to guide future national planning and the strategy has ten thematic issues including waste management, particular in the area of urban waste, and national law management framework (ADB, 2014).

The UPAP has yielded mixed results, with strengths in areas of specific types of urban infrastructure.

The construction of the new Rewa river-bridge and the regional road between Tamavua and Nausori are examples of urban infrastructure informed by Fiji's UPAP. Policy responses have vacillated between either removing squatter settlements, to upgrading settlements (Shirley and Neill, 2013). Despite advances, urban housing policies designed to address squatter settlements through upgrading have proven less successful.

Fiji's NUP remains hampered by economic constraints, institutional weaknesses and recent political instability. Political volatility since the mid-1980s had had a severe impact on the economic and technical capacity of national government to respond effectively to urbanization. The initiative of UPAP as part of Fiji's Strategic Development Program however indicates major steps towards the development of addressing urban issues and mechanisms to deliver a national urban policy.

Market in Suva, Fiji © Flickr/le post

Kiribati – Seeking policy coherence amidst urban challenges

Kiribati is one of the least developed countries in Micronesia, and the total population of South Tarawa was 50,182 at the time of the 2010 population census (Government of Kiribati National Statistics Office, 2010). Concerns about overcrowding in south Tarawa have been a focus since the 1990s. Formerly, South Tarawa was comprised of 16 villages, whereas now, it is one continuous urban area administerd by two local governments.

As early as 1993, the South Pacific Regional Environment Program commissioned a report to address potential resettlement strategies for the area. The government established the 'South Tarawar Urban Management Committee', to design the 'settlement strategy' and address issues identified in the report.

The Government of Kiribati has initiated a number of urban management initiatives, many of which have been supported by donors. Examples include in 1996, strengthening institutional programmes to raise the capacity of land management and urban planning. The project aimed to improve administration, facilitate land use and growth plans for urban development, establish new processes for improved urban planning, and undertake legislative changes to enhance land subdivision systems.

Between 2005 and 2008, resettlement programs were undertaken to enable people from South Tarawa to move to Kiritimiti islands, however these had limited success. In 2007, an 'urban renewal scoping study' was pursued, which led to the creation of the Urban Management Unit under the ambit of the Ministry of Internal and Social Affairs. As a means to strengthen local councils, an infrastructural program was also pursued. Finally, a housing development program for civil servants in 2008 was also undertaken.

However, many of the initiatives lacked adequate consultation with communities and therefore did not clarify the needs and priorities of local people when preparing plans and budgets. Consequently, inadequate investment in provision and maintenance of basic services, and gaps in service delivery emerged.

The *Kiribati Development Plan 2012-2015* identified a number of issues for the focus of national policy, including limited national capacity to address the increasing urbanization. The strategies identified to address urbanization include strengthening urban development policies, and enhancing land planning for sustainable urban growth, promote and enhance public awareness on the issues of urbanization, and to protect the urban environment (Government of Kiribati, 2012).

Other regulations such as Environmental and Land Planning Acts and the Squatters Act of 2006, introduced mechanism to compulsory acquire state land occupied by squatters. The planning legislation is noted by Colleen Butcher-Golloch to be an out dated blueprint master plan, aimed at controlling rather than enabling development (Butcher-Golloch, 2012).

The government is still seeking coherence and comprehensiveness in the area of urban management, and continues to face overcrowding in south Tawara, and the challenges of providing sufficient sanitations and fresh water supplies to these areas.

Papua New Guinea – Long history of urban development

There is no other part of the world where urbanization has been as recent and pronounced than in Papua New Guinea. Despite having one of the lowest urbanization rates in the Pacific region, a figure of 13 per cent, PNG hosts the largest urban population of all Pacific Island countries (UN

Habitat, 2010). PNG hosts a total population of 7 million, and also encompasses many organised social groups which are also reflected in high levels of linguistic diversity. In early 2012 the PNG Office of Urbanization estimated that the total urban population of PNG was greater than the entire populations of Polynesia and Micronesia, reaching approximately 1.2 million people, roughly 45 per cent of the urban population of Pacific Island Countries (Jones, 2012).

Preceding the colonial encounter, no urbanization had occurred in PNG. During colonial rule the local Melanesian population was refused entry into towns, a policy which continued up to the Second World War. After the war, Melanesians were granted access to take up residence in urban locations, but even then they were only granted limited access through acceptable employment contracts (Connell and Lea, 2002).

In the *Development Strategic Plan of 2010-30*, the PNG government outlined urbanization as an important part of building national GDP and improving human development (Jones, 2012). The strengthening of PNG's trade agreements with its Asian Pacific neighbours is also set to expand Port Moresby, PNG's chief urban, administrative and economic centre (UN Habitat, 2010).

Urbanization in PNG has placed significant pressure to urban infrastructure and the rise of squatter settlements. PNG has the largest concentration of squatter and informal settlement in the pacific region. In 2006, the National Capital District Commission estimated that 40 per cent of Port Moresby's population were living in squatter settlements. This figure increased to 45 per cent by 2010. UN Habitat recorded that of PNG's urban settlements, 20 planned settlements, and 79 unplanned settlements are amongst urban areas, and 44 are unplanned on state land and some 37 on customary land (UN Habitat, 2010).

The unplanned nature of squatter settlements has resulted in poor infrastructure and urban servicing for these areas. These conditions are further exacerbated by high unemployment. Particularly in

Kids playing in a neighbourhood in Kiribati © Naomi

Port Moresby, with more than 50 per cent living in settlements unemployed. A persistent feature of the squatter settlement is urban security in squatter settlements. Many of the urban settlements have self-generated forms of governance based on tribal and ethnic factors, when compounded with the lack of urban services, have led to explosive intra-tribal clashes (Jones, 2012).

Historically, the lack of effective political will and institutional leadership has been a major barrier for urban development in PNG. Although the government introduced urban policies in 1973 such as the government White Paper, *Self-Help Housing and Settlements for Urban Areas*, and the National Planning Office released *Managing Urbanization in PNG* in 1997, little progress was made in regards to implementation. During the 1980s and 1990s, anti-urban perspectives and pro-rural development disposition dominated amongst government officials. These perspectives viewed urbanization as wholly detrimental (Jones, 2012). Growing urban problems such as pressure on services and infrastructure were thus perceived as a problem to be alleviated through reducing the flow of rural-urban migrants and focussing on rural development programs. Alongside the negative material consequences of urbanization, urban living was also viewed as undermining traditional culture and values of rural village life.

However since 2000, the anti-urban biases within PNG have gradually shifted. National urban management and governance became an issue in 1999 when prominent parliamentarians lent political support to the issue. As a result, a Special Parliamentary Committee was created in March 2000 to focus on urbanization and social development of growing urban areas. The early-mid 2000 saw a series of ministerial and state-led initiatives as well as pilot projects to plan and improve access to customary land in urban centres, such as freeing customary land in Port Moresby and the Taurama Valley (Jones, 2012). The culmination of these advances on a state level was the launch of PNG's

NUP in 2010. In 2012 the first National Urban Forum was also held which brought together 800 delegates from PNG and overseas together. Key themes addressed included, land issues and customary land ownership. Connections between urbanization and economic strategy were made in the government's *Development Strategic Plan* and the National Urbanization Policy 2010-2030, widenned scope of stakeholders involved in urban governance such as NGO's.

PNG is made up of 19 provinces and a National Capital District where Port Moresby is located. It has the largest number of towns and cities out of all Pacific Island Countries, including three formally declared cities, Port Moresby, Law and Mt Hagan, and 17 towns. Port Moresby is a major centre for urbanization with seven urban villages located along its coastal strip (UN Habitat, 2010). Contemporary patterns of urbanization over the last decade in PNG have been fashioned by a combination of population growth and rural-urban migration. Between 1980 and 2000, the average growth per annum of Port Moresby was 4 per cent, with 58 per cent of the District's population migrating from other provinces (Jones, 2012).

The lack of affordable housing and sufficient available land to meet urban demand has been identified as driving squatter settlement expansion. Primarily customary land arrangements that govern PNG and much of Port Moresby and its developable land are a major constraint towards urban development of vacant land. Up to 97 per cent of PNG's land is under customary title (Australian Government DFAT, 2008).

The lack of cooperation and often conflict between different institutional structures has also proven a stumbling block for urban development. For example, the NCDC, the main governmental authority in Port Moresby accountable to the Ministry of Inter-Government Relations, and the Department of Lands and Physical Planning,

have often made conflicting decisions and plans over land use (Jones 2012). PNG adopted its first National Urban Policy in 2010 under the Somare Government, with the help of the Australian Government, and was finally launched two years later by Prime Minister Peter O'Neill in 2012. The four pillars of the NUP included enabling a framework for policy implementation, capacity building, infrastructure and service upgrading, and urbanization challenge fund (Independent State of Papua New Guinea, 2010). The document also outlines a set of "implementation components" that include provision of infrastructure and services, development of sites and services requiring mobilising land, enhancing rural growth centres, building capacity at local and regional levels and urban management policies and programs (Independent State of Papua New Guinea, 2010).

The *National Urban Policy 2010-2030* focused on urbanization from two perspectives, benefits of urbanization and difficulties arising from unmanaged urbanization. The categories outlined in the NUP cover issues such as the contribution to GDP from urban areas, raising key social indicators such as income, and health compared to rural areas, and spatial dimensions to align with economic plans. The latter category looked at poverty, squatter and informal settlements, and finally law and order issues and potential governance issues resulting from the needs of urban population (Jones, 2012).

The NUP is now a legally binding document to guide development of all urban centres. The areas identified by the NUP include: the provision of primary infrastructure and services; the development of sites and services on State and customary lands; the development and rejuvenation of provincial and district service centres; building capacity to better manage urbanization, urban management and development, and the development of national urbanization and urbanization management policies and plans.

The government Ministry of Internal Government Relations is responsible for the supervision, support and resourcing of all urban governments in PNG. The Office of Urbanization and its director are also pivotal in urban governance, decision-making and policy in PNG. The Office of Urbanization in 2010 made moves to assess the specific form, structure and socio-economic distinctions associated in PNG's "village cities" – a mixture of traditional norms and values associated with rural migrants and their kinship groups are pronounced in the urban context (ADB, 2012).

Urban government is empowered through the Organic Law on Provincial and Local Level Government which set out budgets and plans, but these committees are weak and have little linkages to the National government. Whilst urban governments report to the Ministry of Local Government, they are less responsible to take action on issues such as informal settlements, which is compounded with a lack of financial resources. The lack of capacity of urban governments has resulted in the involvement of NGO and community-based organisations, but with little coordination (UN Habitat, 2012). The *Physical Planning Act* gives provincial governments planning responsibility because city councils lack the capacity to plan, including the areas traditional land and settlements (UN Habitat, 2012).

The *National Transport Plan* focuses on roads and improvement of communication networks. There are approximately 30,000km of road in Papua New Guinea, of which 8,460 km are National Roads, 4,216km of which the government proposes to maintain (Australian and PNG Government Partnership, 2012). In Port Moresby, expenditure has focussed on arterial roads, neglecting feeder and local access roads, leading to severe deterioration (UN Habitat, 2012).

In February 2015, PNG revised a National Population Policy 2015-2024. The policy recommends more balanced urban and rural development, however the new revised policy recognised that "migration, urbanization and population distribution patterns

contribute to, rather than detract from sustainable development" (PNG Government 2015, p.15). The document also notes the urbanisation is higher than available data suggests. The population policy highlights how spatial considerations and the urban structure will continue to be a focus for urban development plans. In addition, the revised population policy also aims to achieve universal primary education, increasing adult literacy, especially for women, protecting the environment from degradation and enhancing employment opportunities for new entrants (PNG Government 2015, p.15).

The underlying principles of the population policy include principles of national sovereignty, as well as Universal Declaration of Human Rights (1948), that addresses rights to education, and freedom of movement within the boundaries of the state. Population is addressed according to the Bucharest principles (1974), which aspire to treat questions of population as integrate to sustainable development, rather than a standalone issue (PNG Government 2015, p.19).

Stakeholder engagement informing PNG's NUP has involved international organisations such as the European Commission which produced an urban profile, in addition to another urban profile jointly developed by UN Habitat and the National Capital District Commission of Port Moresby (UN Habitat, 2012). The urban profiles corresponded with themes outlined in the PNG's NUP, as part of planning and pushing national recognition of urbanization by the government PNG (UN Habitat, 2012). National roads, ports, markets and services plans are jointly pursued by the Australian and PNG government.

Within PNG, decision-making and planning is highly centralised and residents of informal settlements are not very involved in decision-making processes. No formal mechanism exists to incorporate informal settlements in decision-making resulting in increased alienation of people from the central government (UN Habitat, 2010), a significant barrier to successful urban governance and management.

Although the NUP of 2010 brought to view key issues and policy to address growing urban issues in PNG, implementation has been slow. The persistence of problems resulting from the PNG's governmental condition, a "fragile state" (ADB, 2012), remains an obstacle for policy, with for instance poor institutional coordination needed to manage the inherent cross-sector nature of urban problems. The persistence of land issues, such as the rise of urbanization of land that is under customary title and of increasing value has created disputes. In addition, whilst the financing of some urban projects is facilitated by AusAid, PNG's largest donor, these projects have not been integrated as part of a national plan for NUP.

On the other hand, the development of NUP has meant the potential for urbanization to bolster PNG's economic future, has meant urbanization is an issue that is routinely emphasised by National government. Urbanization has been conceived as a modernising influence, facilitating the transition from traditional societies and development in PNG (Jones, 2012). Despite the increased dialogue and public focus on urban issues in PNG and the launching of PNG's NUP, a significant milestone, urban policy remains by and large sidelined in practical policy terms.

Port Moresby, Papua New Guinea © Wikipedia

Samoa – Broad framework for urban policy established

Over the last fifty years the country's population has doubled, going from 97,000 in 1950 to 176,848 in 2001. The Samoa Bureau of Statistics recorded the total population in 2014 at 192, 067, with an urban population of 36, 151, a proportion of 19 per cent (Samoa Bureau of Statistics, 2014). The growth rate of the country is approximately 2.3 per cent per annum. Like other countries in the Pacific region, Samoa has experienced rapid urban change over the last decade. The rate of urban development in Apia, Samoa's capital city however is difficult to establish due to the ambiguity of urban-rural boundaries (Jones, 2010). Urbanisation however is expected to be slowed, due to high emigration flows.

In terms of spatial distribution, the bulk of Samoa's population is spread between the countries two main islands, 76 per cent in Upolu and 34 per cent in Savaii. Samoa's settlement pattern is characterised by a rapidly urbanizing population concentrated in Apia, the capital city of Samoa located on Upolu Island, and the surrounding 370 rural villages (Fuata ' I, F, 2012). Approximately 52 per cent of the total population lives in Apia, or along the coastal corridor between Apria and the Faleolo International Airport.

The importance of Apia to Samoan economy has been a critical key factor pushing greater attentiveness on urban matters on a government level. In 2000 the total GDP for Samoa was estimated to be $777.3 million. Of this $537.2 million, approximately 70 per cent, is estimated to have been generated either directly or indirectly by economic activities based in Apia urban areas (Jones, 2010). There are no major economic centres outside Apia, resulting in an increased prominence of the city as both political and economic arena. Access to secondary schooling, hospitals, employment and income and portal for overseas emigration have provided incentives for youth migration to Apia (Fuata ' I, F, 2012).

Population growth, in conjunction with rural-urban migration in Samoa has led to the emergence and acceleration of urban issues. These include dense concentration of urban population, impacts on land usage, infrastructure management, and lastly matching community need and increasing the role of the urban economy. The rise of peri-urban settlement in Apia is an emerging problem, with increased pressure on land availability and planning, and the rise of new villages such as Vaitele village. Urban governance projects, seeking to establish Sustainable Urban Management Plans to guide existing land use, in accordance with strategic objectives, have been attempted. New urban towns have also developed, such as Saleologa on the island of Savaii.

The issue of land tenure in Samoa has been significant in continuing to shape settlement patterns of the urban context within Samoa. Today the land tenure system in Samoa is categorised into three classes, public which accounts for 16 per cent of all land and reserved for public purpose, freehold land which is 4 per cent in Samoa and held for a simple fee, of which large tracts are present in Apia and lastly, customary land, which accounts for 80 per cent of all Samoa. Customary land can be developed by its owners or in accordance with the *matai* (chief) but it cannot be subdivided or sold for freehold development, thus severely constraining its development. As a result, the urban configuration of Apia is defined by freehold properties interspersed with villages of customary land (Jones, 2010).

The urban environment in Apia is also impacted by climate change and geographical climatic conditions such as tropical storms and cyclones. The majority of urban as well as rural developments are situated along the coast, with 98 per cent of the population living within this coastal plain and around Apia. The city is regularly dealing with annual wet season flooding that disturbs land use and settlement (Fuata ' I, F, 2012).

Samoa introduced a *National Urban Policy in 2013* titled *Sustainable Resilient and Inclusive City* (Government of Samoa, 2013) after a series of urban reforms was initiated in Apia to deal with increased urban concentrations. In particular the urban concentrated by 1990 comprised a third of the total national population. The Samoan government envisions its NUP as a step towards redressing institutional weaknesses that hamper urban governance and development. The mechanisms identified in the policy document to achieve the goals of the NUP include preparing best practice guidelines for government authorities, preparing city development strategies, responsibility of developing and finalising Apia spatial and urban plans and introducing zoning regulations (Government of Samoa, 2013).

The Samoan government established the Planning and Urban Management Agency (PUMA) in 2002. It was intended as the main agency responsible for planning and management of urban issues in Apia as well as the development of Samoa's NUP. The agency was established as part of the Ministry of Lands, Survey and Environment, to deal with both peri-urban and urban issues in 2002, and since then, PUMA has been internationally recognised (Jones, 2007). PUMA is run by a board which coordinated with other ministries and public authorities that meets every month, and is made up to 10 members. These include five government representatives and five community representatives (Government of Samoa, 2013).

The agency set up new offices, and identified key areas such as strategic planning, urban services, and regulation such as environmental impact assessment, disaster management and climate change. PUMA recommended legislation such as the *Planning Urban Management Act* in 2004 and the *Waste Management Act* in 2010 as mechanisms to address the problems of rapid urban development. Together with the Ministry of Natural Resources and Environment, PUMA can

also administer the *Taking of Land Act*, a piece of legislation introduced in 1964 to acquire land for public use (Grant, 2008).

Service delivery to urban areas is highly uneven. There are high levels of water provision and access to main roads. A survey found that 94 per cent of households in Apia urban areas had piped reticulated water as well as accessibility to main roads. However there is no sewerage system for the urban area of Apia or elsewhere in Samoa. Until fairly recently there did not exist a solid waste household collection service for Apia as well as the other two main Islands, indicating the urban waste problems. Waste in Apia used to be disposed in mangrove swamps, having a disproportionate impact on urban dwellers most of whose housing settlements were located near these areas (Storey, 2005).

A key aspect of PUMA's success has been extensive consultative undertaken by the Samoan government with all urban stakeholders over a period of six months. The programme built on a two-way consultative model between village council representatives and the Ministry of Home Affairs, responsible for national policies. PUMA's pioneering methodology has been discussed as the basis for developing more extensive NUPs and raised the potential of applying similar practices to other Pacific Island Countries (Storey, 2005). The consultative methodology revealed why Samoans had been so resistant to changes in urban governance, in particular, the issue of land management. As a result, it was followed by passing of legislation in 2004 that stimulated integrated land use and planning (Storey, 2005).

To some degree, Samoa has been a pioneer of urban governance in the Pacific region since the early 2000, through establishing an urban agency that is able to drive policy planning and coordination on urbanization. PUMA represents a move away from the piecemeal urban management

and *ad hoc* responses to urban management. Earlier attempts to deal with urbanization focused on specific urban planning projects such as lack of pedestrian footpaths, building works on flood prone lands, and continual unearthing of infrastructure but often overlooked integrating service provision into planning.

However while there have been these significant steps, Samoa's NUP still lacked effective institutional coordination and basic services such as sewerage to assist urban development and require urgent attention. Time will tell as to the whether the institutional gaps are filled with the unfolding of Samoa's NUP.

Solomon Islands – Initiating urban development policies

The Solomon Islands possesses one of the highest urban growth rates in the Pacific, approximately 4.7 per cent per annum, a figure which exceeds its national population growth of 2.3 per cent. A census conducted in 2009 showed that 20 per cent, or one fifth, of national population in the Solomon Islands were living in urban or peri-urban area. If the current urban growth rates are sustained, the proportion of the population living in urban areas is expected to increase by 5 per cent to 25 per cent by 2020 (UN Habitat, 2012).

Public space in Apia, Samoa © Flickr/Jason Argo

Natural population increase has been part of urbanization in the Solomon Islands, but internal inter-urban migration such as from the largest island Malaita, to Honiara in the Guadalcanal province, has been a major driver that underpinned increased urbanization (Solomon Islands Government, 2009; Lacey, 2011). In 2011, the population of the capital city Honiara was 78,190, and has been growing at a rate double the national average, at an annual average of 6 per cent (Chand & Yala 2008). Natural disaster such as the Tsunami in 2007 destroyed significant parts of Western Solomon Islands, and led to many villages seeking assistance through migration to urban centres. The emergency refuge in Gizo, an urban centre, now operates as an informal settlement (Lacey, 2011).

In the capital city, urban population growth outstrips employment in the formal sector (UN Habitat 2012) resulting in much of the urban population dependent on the informal sector for employment. In 2006 urban poverty exceeded rural poverty by 20 per cent (ADB 2012). This phenomenon has also been captured by analysis of poverty completed by the World Bank (Lacey, 2011).

Urban growth has led to significant strain on Islands' already exhausted urban amenities. Urban service provision and infrastructure such as roads, drainage, power, housing, solid waste management and sanitation have all suffered from an expansion of urban population (UN Habitat, 2012).

Urban housing has taken a 'shanty-like' or 'slum' like form, with high density of people share a limited number and range of urban facilities, resulting in poor health outcomes such as infections and parasitic diseases. In Honiara city, informal settlements are growing at 6 per cent per annum, and represent about 35 per cent of the city's population. Towns are serviced by taxis and buses, however, bus operators in Honiara design their own routes, leaving some parts completely without services, and hampering mobility of people in the urban cities. Roads are also inadequately

maintained, not clearly marked or well-lit (Lacey, 2011; UN Habitat, 2012).

The Ministry of Lands, Housing and Survey (MLHS), which is responsible for administering land regulation and urban policy, identified the consequences of peri-urban growth in 2006. The effects included high housing densities, increased demand for basic services (sanitation, schools, water, health clinics), and environmental degradation, poor sanitation, increased crime and increase of squatters, expected to effect half the city in a decade.

Urban issues in the Solomon Islands have also been a contributing factor to recent periods of civil unrest. Between 1999 and 2003, a period locally referred to as 'the tensions' erupted (Lacey, 2011). The conflict eventually drew the attention of the Australian government, who decided on a course of intervention through deploying security forces (known as operation RAMSI). While the tensions are formally over, 2006 saw the re-emergence of political riots and uneasy political stability (Lacey, 2011). These events have not stimulated greater interested in urban issues and management, but stifled urban planning and investment in the Solomon Islands.

Overall, 87 per cent of the land in the Solomon Islands is held under customary land tenure arrangements. Ownership and rights are therefore outside of governmental and legal systems. Solomon Islands towns however are located on state land, which was historically acquired by colonial government from customary landowners. Land administration was largely inherited from the colonial period before independence in 1980, but a lack of finance and administration has meant a deterioration of the land system. Limited land supply hinders provisions of housing and acquisition of traditional land is expensive and traditional land owners from peri-urban areas are relactant to lease their land (Chand & Yala, 2008).

Most of the growth of informal settlements in the Solomon Islands is taking place on land with limited value, disputed title or customary title, generating insecurity for housing (Chand & Yala, 2008). In Honiara, informal settlements have spilled onto customary land, but national government capacity to respond is curtailed by customary arrangement for land use (UN Habitat, 2012).

In January 2015 the newly elected government of the Solomon Islands announced the need for a national urbanization policy in a policy statement. The statement highlighted the need for land management and urban management for expanding Honiara, and included a study of urbanization, public consultations, national conferences on urbanization policy and formulation of national urbanization policy (Solomon Islands Government, 2015). Prior to this, some steps had been taken to address urbanization through infrastructure, land use and health ministries, but no overarching national policy.

In 2010 the Minister of Health and Medical Services (MHMS), released a statement on behalf of the national government that promised to address "healthy urbanization" as part of *its Health and Strategic Plan*. Urbanization was discussed as an "irreversible trend", indicating government acceptance of urbanization as a permanent feature of the country. The MHMS sought to identify local councils, such as Honiara City Council as a key agent in meeting urban challenges, as part of the proposed plan. The *National Development Strategy 2011-2020* set out to both develop rural areas and improve market linkages to urban areas.

In 2010, urban land use was addressed with the government setting up a task force and implementing policy of *Rural Advancement* to improve governance of publicly owned urban land and urban land markets. The government of the Solomon Islands offers a temporary occupation license to settlers, via the Commission of Lands, with annual rental payments, but settlements

have become a permanent feature, with dwellings constructed without planning and coordination for services. During civil unrest, these systems suffered a breakdown (Chand & Yala, 2008). Recently, Honiara has also been experimenting by converting the temporary licences into fixed term estates with leases of fifty years.

On the whole, urban management remains addressed in a piecemeal fashion across a wide range of national and local institutional structures. The Solomon Islands have yet to develop a definition of urban areas, as in lieu of one, they refer to centres with high population density and cash-economy. The National Statistics Office regards Honiara as a peri-urban area (UN Habitat 2012). Despite this, the national government acknowledges the growing urban demand, and in 2012, with UN Habitat, engaged in developing Urban Profiles of the Solomon Islands and Honiara as a beginning of formal urban policy development.

The *Local Government Act* (LGA) and *Provincial Government Act* (PGA) empower local councils to manage urban centres. The *Town and Country Planning Act* empowers Honiara City Council to provide urban management. The Minister for Home Affairs has the power under the LGA to both establish and dissolve the Honiara City Council, and the Minister for the Provincial Government has power under PGA to establish provincial government (UN Habitat, 2012). However revenues collected from local towns do not provide a sufficient source of finance for capital works. Local government revenue that is collected hence fails to make any significant impact on service delivery (UN Habitat, 2012).

Local authorities are responsible for the collection and management of solid waste, but these are poorly maintained and often depend of external donor support such as the Japan International Cooperation Agency (JICA) for upgrades. The Solomon Islands Water Authority provides water to 54 per cent of urban households, and relies

on current financial support from Japan of $200 million, for repairs to the aging system.

In 2014, major flooding also adversely impacted urbanised areas, and the Ministry of Environment, Climate Change and Disaster Management, among others, worked collaboratively to deal with assistance to disaster affected people.

Decision-making within key institutional structures in the Solomon Islands is top-down with very little scope given for collective involvement and participation or urban management. In 2000 to 2007 a pilot project was undertaken within the broader land administration project funded by AusAID. It advocated a participatory approach to inform, educate and involve informal settlers in the reform process, and supported a government program to convert TOLs into fixed-term estates, which have an initial lease of 50 years (DFAT, 2008).

While the national government is responsible for the development of major urban and rural infrastructure and services, weak investment and coordination has depreciated urban infrastructure. In addition, local authorities have meagre resources and technical capacity to effectively plan. Despite rapid urbanization rates, the fact that the bulk of the Solomon Islands population, 75-80 per cent, remains in rural areas, is a key reason why the national government has been slow to act on urban issues and develop an integrated National Urban Policy. The lack of a national and strategic framework to guide urban development, with integrated investment plans for infrastructure is a major weakness of the Solomon Island's national urban development. However the recent announcement by the government is a strong indication of the role and national priority of national urban policy.

Housing in Malaita, Solomon Islands

Vanuatu – Confronting the urban challenge

Vanuatu, like its counterparts in the Pacific region is experiencing rapid levels of urbanization over the last decade. In 1999 the urban population in Vanuatu reached 21 per cent of the national population, a size one third larger than its levels in 1989. The average rate of urbanization during this period was recorded at 4 per cent (Chung and Hill, 2002), a rate that outstripped rural growth in the country recorded at 1.9 per cent (ADB, 2011). Recent census data take in 2009 showed that the total population of Vanuatu increased by 25.4 per cent. In 2012, 30 per cent of the population have taken up residence in urban areas, a size that nearly doubles that of rural areas (Republic of Vanuatu Government, 2012).

Vanuatu has recently experienced recent growth in tourism and services alongside construction (DFAT, 2008). These types of economic activity are located in urban areas which has increased the prominence and importance of urbanization to the national economy.

Urbanization has created a number of challenges for Vanuatu. The expansion of informal settlements, harbouring approximately 30-40 per cent or population, is especially pertinent, with population density averages at 200/ha (Storey, 1998). The high cost of formal housing construction, lack of affordable credit to low income families and slow pace of land administration and regulation impeding land usage, have been the main drivers of these urban, informal settlements. These dynamics have meant urban areas suffer from unplanned growth and little to no coordination over plans for urban infrastructure and services is the norm (Chung and Hill, 2002).

Responses to urbanization from the central government have significantly evolved over the last decade. In 1998, the Vanuatu Government viewed rural-urban migration, as an aberration. The draft population policy stated, "Greater efforts will be made to promote range of diversified economic activities in rural areas which will contribute to rural development and a retardation of rural-urban migration" (Mecartney, 2000). However by 2009, Prime Minister Natapei noted that "In Vanuatu the government has come to take the view that perhaps it would be more strategic to think in terms of better management of urban growth...and the government would welcome any policy direction relating to better urban policy planning and management in Vanuatu" (UN Habitat, 2009).

Vanuatu is an archipelago of 83 islands. It has six provinces, and two main urban centres, Port Vila, the capital on the island of Efate, with 70,000 inhabitatnts and Luganville, a smaller town. Urban development in Vanuatu suffers from uncertain land tenure arrangements. Vanuatu has a dual system of land tenure, one inherited from colonial history and one based on unmodified customary system (Haccius, 2011). All land is under customary tenure which is inalienable (except in Ni Vanuatu) but may be leased or acquired by the State for public purposes. However problems arise over disputed land, and acquired land must be compensated, which is costly. In total roughly 9.3 per cent of the land is leased and 89.7 per cent un-leased (Corrin, 2012). Land use is governed by the Vanuatu Department of Lands and Natural Resources, which prefers a policy of land acquisition than leasing for infrastructure projects.

Most of the informal settlements in Vanuatu are located on land where tenure is disputed. There is a significant presence of peri-urban areas in Vanuatu, such as the Blacksands, which is host to the largest and most established informal settlement in Port Villa. There are also other areas such as Manples and Erakor that lie outside of Municipal authority and jurisdiction and formally managed as rural settlements (Storey 1999), presenting problems for effective urban management and service delivery.

In 2002, the government of Vanuatu forbade leases on government land until land is adequately serviced with electricity, water, drainage, and sewerage. Yet the Municipal councils have insufficient resources to provide these services. In addition, some traditional owners, fearing a loss of control, are unwilling to allow construction of permanent houses, hindering plans for urban development (Chung and Hill, 2002). Few planning permits have ever been issued by the city council and little enforcement of existing requirements associated with land use, no real attempt or capability to plan for growing informal settlements and urban periphery (Connell and Lea, 2002).

Vanuatu does not currently have an NUP, but some steps have been taken to lay the basis for future NUP policy development. The national government outlined the need for a National Urban Policy and NUP policy statement in the *Draft Vanuatu Land Use Planning and Zoning Policy* for the first time in 2012. Prior to this, the central government had raised issues of urbanization in some of its sectoral planning policies in areas such as land. The Urban Lands Act 1994 defines the boundaries of "urban lands" and recognises the need for public land to support urbanization, infrastructure and services. It also allows urban zones to be created on the island of Tanna and in the towns of Norsup and Lakatoro on the island of Malekula (Australian Government DFAT, 2008). In *The Vanuatu Land Sector Framework 2009-2018* urbanization and urban planning are listed as part of key areas of development.

The priorities outlined as policy directive for the development of an NUP include developing land use planning in urban and peri-urban areas (including municipalities and provincial areas), creating protocols for stakeholder consultation in land use, incorporating demographic projections into planning and infrastructure considerations, and incorporate climate change and urban vulnerability assessments (Republic of Vanuatu, 2012).

In terms of institutional arrangements, the NUP policy statement in 2012 committed itself to the establishment of an Urban Affairs Committee (UAC) to take responsibility for NUP development. This is a major advancement, as prior to this there was no central, coordinating agency exclusively tasked for facilitating urban development. The capital city Port Vila is divided into two broad types of administration – customary and municipal. The municipality of Port Villa authority extends only to its boundaries and has no control over development beyond that region (Mecartney, 2000).

The Physical Planning Section within the Department of Local Authorities is tasked with preparation, monitoring and review of all physical plans for provincial governments. It also has the task of providing planning advice to government committees and departments. The Department also has the responsibility to promote appropriate legislation.

Under the *Decentralization and Local Government Regions Act* 1994 municipal councils have responsibility for the management of solid waste within council areas (ADB, 2014). Shefa Province is nominally responsible for solid waste management in peri-urban areas, but it does not have solid waste collection of disposal systems. Financing for services such as solid waste management comes exclusively from tipping fees and waste collection fees enforced by Port Villa Municipal Council, rather than National or Provincial Budgets (ADB, 2014).

The nature and extent of stakeholder involvement remains highly centralised. Land owners have little familiarity with town planning systems or practices, increasing cautious attitude towards bureaucracy. The Town Clerk makes decisions relating to urban

planners, and town planners act as advisers, indicating the way in which institutional structures are highly centralised. In 2000, the staff in the physical planning section consisted of 2 people (Mecartney, 2000).

Despite some positive steps, Vanuatu's NUP has not progressed much and there is currently no legislation that provides for national oversight or direction on matters of urban infrastructure, housing, policy and/or poverty. Physical plans for Port Vila and Luganville have not been adopted largely because of doubt over their appropriateness. The human and financial capital and capacity to effectively use existing regulatory tools are either not available or not sufficiently used in central and local government. In addition, significant environmental legislation is often circumvented due to deficient solid waste management systems. Overall, the government has little capacity to provide low cost, affordable housing or influence the development of informal settlements

View of Honiara, Solomon Islands © Flickr/Jenny Scott

5
MAJOR CASE STUDIES

Vietnam – Urban policy in evolution with national development

Background conditions and evolution of policy

The current population of Vietnam is 85.5 million, and there is much speculation about the country following in China's footsteps in terms of economic progress, as well as policies to promote the rise of mega-cities (World Bank, 2011, ADB, 2012). Vietnam's urbanization level is low, but in the next ten years, is expected to double to 52 million (ADB, 2012). In 2009 the urban population of Vietnam made up 29.7 per cent of the national population, a figure much lower compared to other comparably advanced Asian countries (Nguyen and Tung, 2013).

Vietnam has experienced a period of rapid urbanization since economic changes with the Doi Moi reforms in the late 1980s. Since 2009, Vietnam has experienced a continuous increase in urban growth, with urban populations increasing 3.4 per cent per year, compared with a rural increase of only 0.4 per cent (Nguyen and Tung, 2013). Vietnam's urban population is expected to grow by 40 million by 2020 and set to represent 45 per cent of the national population (Iftehkar, 2009).

Urban areas make a significant contribution to the country's economic development, generating 70 per cent of the national GDP. Most of the economic growth flows out of the country's service sector in the largest cities, and industrial development drives development in emerging urban cities (ADB, 2012). Ho Chi Minh City (HCMC) even without its extended metropolitan region, contributes 19 per cent of the country's national GDP.

Vietnam's economy is currently dominated by the industrial and service sectors which have been major attractors for rapid urban migration. Vietnam's Industrial sector includes labour intensive, export-oriented manufacturing, accounts for 39 per cent

of GDP, and employs 21 per cent of the population. The service sector accounts for 43 per cent of GDP and employs 32 per cent of the population. Agriculture only contributes 18 per cent of GDP (World Bank Development Indicators Databank, 2014i).

A key moment in Vietnam's national economic development, which drove urban growth, was the introduction of Doi Moi economic reforms in the mid-1980s. The reforms were largely based on attracting increased Foreign Direct Investment (FDI) particularly in Ho Chi Minh City. Increased FDI has been a significant factor in Vietnam moving from being one of the poorest countries to Amiddle-income country. Over a twenty year period, the Vietnamese economy has grown at an annual average rate of 7.1 per cent in real terms, ending 2010 (World Bank, 2011).

Vietnam experienced a deep economic and social crisis between 1975 and 1988. The American war and occupation of the South of Vietnam, a trade embargo by the international community, two regional wars, including one against the Cambodian Red Khmer (1978) and one against China (1979), all had lasting effects on the country. The collapse of the Soviet Union in and the subsequent withdrawal of economic assistance further impacted the Vietnamese economy (Nguyen and Tung, 2013).

The period between 2004 and 2009 marks the highpoint of rural-urban migration as the reforms resulted in a relaxing of constraints towards migrants, as a source of industrial labour. Rural migrants moved to cities located in the county's 'Southern key economic region' such as Ho Chi Minh City, and other provinces such as Binh Duong, Long An, and Dong Nai (Nguyen and Tung, 2013). Ho Chi Minh City absorbs an average of 80,000-100,000 economic migrants every year, and its metropolitan area is projected to reach a population of 10 million by 2025, a figure based on conservative estimates (Nguyen and Tung, 2013). Migrant workers make-up 50-70 per cent of the

total labour force in Vietnam's southern industrial areas and have sharply boosted population figures in these regions, from 10.0 million in 1990 to 15.6 million in 2007 (Nguyen and Tung, 2013). The impact of the Global Financial Crisis in 2008 momentarily reversed migration trends, however when the economic situation recovered, migration flows to large cities resumed (Nguyen and Tung, 2013).

Urban poverty fell in Vietnam between 1993 and 2006 from 25 per cent to 4 per cent of the urban population, and poverty among the rural population declined from 66 per cent to 22 per cent (ADB, 2012). The reduction in poverty in major cities such as Hanoi and Ho Chi Minh city however obscures national trends, whereby other smaller cities such as those located in the central provinces, the Mekong Delta, northern border and central coast all experience significantly higher urban poverty rates. The other factor complicating data on urban poverty reduction is the under-reporting among transitory migrants from rural areas who have temporary urban residential status (ADB, 2012).

The influx of people moving into Vietnam's cities however, has not neatly correlated with greater inequality reduction nationally. Whilst the national poverty records were reduced after the economic reforms came into existence and rapid urbanization gained pace, the gap between rich and poor has widened.

Large scale urban migration and inadequate planning have led to strains on urban infrastructure and services in Vietnam since the late 1980s and extensive ex- and peri-urban development. Housing construction and illegal occupation of public lands are common in urban areas, and high population densities are also typical.

Urban services and infrastructure are often inadequate to cope with the urban influx, leading to problems of waste disposal, sewerage, access

to drinking water, and environmental pollution. Infrastructure ageing and deterioration is a further factor exacerbating these problems. In addition, the residential registration system (KT), which classifies the residential status of migrants as permanent or temporary, limits the access of new migrants and their children to basic urban services, posing further quality of life problems (Nguyen and Tung, 2013). Vietnam also faces increased risks from the impacts of climate change, including flooding and rising sea levels (Iftakhar, 2009).

While still at a mid-phase of urbanization nationally, Vietnam has nonetheless undertaken many improvements in access to basic services. Da Nang and Ho Chi Ming city, the provinces with the largest urban populations possess the highest household electrification rates of 100 per cent. However in terms of water and sanitation, access remains limited, with sanitation deficits estimated as reducing GDP growth by 0.5 per cent annually. The *Law of Environment* legislation of 2005 and *Law of Water Resources* of 2012 created regulatory mechanisms for the water sector (World Bank, 2013) and have been seen as laying the basis for the development of a comprehensive national urban water policy.

Vietnam has seen some significant improvements in the area of transport connectivity in the urban areas that have fostered economic development. In particular, there has been increased capacity for the movement of trade goods and urban development in the major corridors for this movement. While this promotes economic growth, it can also add to pressure on urban areas (ADB, 2012).

Vietnam's cities are among the most affected by climate change and sea level rise in Asia, with the country's extensive coastline especially exposed to climate-related risks. Ho Chi Minh City is especially vulnerable as it is located on a low-lying position in the Mekong Delta. As a result much of Ho Chi Minh City could be inundated in the future which would

have severe impact on future urban development and expansion. Floods in Hanoi during November 2008 were the worst of the past 25 years and demonstrated the climate-related risks faced by the city (Iftakher, 2009).

Studies that have taken into account the approximated sea level rises until the end of this century predict that at least half of Ho Chi Minh City's administrative area would be inundated with flooding, threatening 666,000 inhabitants or close to 12 per cent of the city's population. Urban flooding will have major impacts on the built environment, including housing, infrastructure, and drainage, which may produce conditions for the spread of infectious disease. The quality of urban living in Vietnam's major cities is thus potentially undermined by the effects of climate change (Eckert, 2009).

Hanoi city centre traffic, Vietnam © Flickr/Nick Cloke

Relationship to National Spatial Framework

Another key element of Vietnam's urban governance is the urban classification system, established in 2001 and revised in 2009 (World Bank, 2011). The system is based on a hierarchical model comprised of six classes of urban centres. Vietnam is divided administratively in 58 provinces and 5 major cities, Ho Chi Ming, Hanoi, Da Nang, Can Thos and Hai Phong. Urban growth has been most pronounced in the two largest cities Hanoi and Ho Chi Minh City, with estimated populations in 2006 of 3.1 million and 6.2 million respectively, and have a special status in the urban system. The large cohorts of unregistered migrants however are unlikely to be accounted for in these figures and may inflate the actual urban population by up to 2 million in Ho Chi Minh City.

Enhancing linkages between regional cities has been a key aspect of government policy to promote balanced urban spatial patterns. The key focus of national spatial policy are the economic centres, large urban areas and the emerging secondary cities and towns. Vietnam's urban expansion has involved some suburbanization and spill over into agricultural areas. New urban developments have emerged as a result of foreign investment on the outskirts of some cities (Iftakhar, 2009). The expected outcomes of this regionally sensitised spatial policy are to curb migration to the largest metropolises and to strengthen connections between rural and urban areas (ADB, 2012).

The historical legacy of wars, regime change and weak local administration has created management problems for Vietnam's urban centres, especially in regards to land administration. After independence in 1945, the Democratic Republic of Vietnam introduced three types of land ownership, state, private and cooperative ownership. After colonisation large tracts of urban land were confiscated from the colonial authorities, and in 1980 all rights in land were vested with the state.

In 1998 urban land administration was prioritised with the Land Law, to reconcile urban needs with land legislation which had hitherto focused on rural concerns. Local authorities became responsible for zoning, regulations and land use disputes. Land has been allocated on the criteria of income and non-income producing activity (Australian Government Department of Foreign Trade and Affairs, 2000).

By 1999 though, only 11 per cent of urban households in Hanoi had received land certificates, due to many urban occupiers not having access to the necessary title documents recognised by land management authorities. In 2000, roughly 90 per cent of land users were unregistered. The tensions between people's ownership and private land tenure have also produced some challenges for effective urban governance especially where the interests of residents intersect with those of industrial or urban development actors (Australian Government Department of Foreign Trade and Affairs, 2000).

Current Policy Goals and Objectives

As urbanization has become a central element of the Vietnam government's strategy for economic growth, urban planning and management has become a focus for government, but the country does not have an explicit NUP. Nonetheless, the World Bank (2011) noted the growing recognition of urbanization and its contribution to the national economy by the Vietnamese government. The government's new *Socioeconomic Development Strategy 2011-2020* aimed to promote industrialisation and urbanization in parallel, concurrently with social inclusivity.

Despite a lack of a clear and explicit NUP, the *National Urban Development Programme* (NUDP) for the period 2012-2020 has become the key guiding policy for national urban development, approved by the Prime Minister on November 2012. The goals of the NUDP up to 2015 include attaining 65 per cent of permanent houses for urban

dwellers, increasing the public transport usage to meet increasing demand, increasing the supply of clean water, improving the draining system in urban areas, and improving the collection of solid waste material in accordance with environmental standards. Lighting for alleyways and streets around urban-dwellings is also a major focus. Increasing public green areas for some urban areas is also another key goal until 2015. Beyond 2015, the policy aims to develop all the same areas but to improve accessibility and quality of service provision in urban areas. For example, aims to improve drainage system, and solid waste to 80-90 per cent of all urban areas.

Prior to this, the Ministry of Construction in 1995 prepared a nationwide Vietnam Urban Sector Strategy Study with the ADB, UN-Habitat and UNDP. The study covered institutional issues, urban population, growth trends, urban planning and municipal finance. Later in 1998, the Vietnamese government addressed rapid urbanization with the introduction of a formal urban policy known as the *Orientation Master Plan for Urban Development*, administered by the Ministry of Construction (Wilmoth, 2002).

The master planning approach sought to establish agencies to bring social, economic land use and physical planners in a coordinated and directed fashion. Schemes arising from this policy included the Master Plan for Hanoi, which had a population of 2.8 million in 2011 and focused on creating cities 'by design', arranging the city around five satellite towns linked to Hanoi's CBD. It also entailed building new transport links to facilitate intra-urban mobility. However the policy was viewed as not providing effective strategies for sound urban planning and management.

Consequently, the Vietnam government revised the plan, and introduced in 2000 the Vietnam Urban Upgrading Project (VUUP) for the duration of 2004-2014. The policy targeted four major cities including Nam Dinh, Hai Phong, HCMC and Can Tho. The central priority of the VUUP was

to upgrade low income housing in areas such as Hanoi. This included Thanh Cong which was an illegal settlement sited on a rubbish dump, housing 700 household and in which infrastructure was provided by the residents themselves (UN Habitat, 2013). The VUUP was financed at a total cost of $417.49 million, with the government of Vietnam providing $148.53 million. Other funding included international agencies such as the World Bank who contributed $222.47 million, Japan and local communities. A total of 865,000 residents were direct beneficiaries. The project was viewed as enhancing the institutional capacities within Vietnam to undertake such reform projects.

The Vietnam Urban Forum (VUF) held between 2000 and 2001 provided a space for policy making dialogue and became operational in 2003 with a Memorandum of Understanding signed by key stakeholders in government, and multilateral donors such as the World Bank, ADB, UNDP and some bilateral donors. Since then other international organisations such as UN Habitat and JICA joined.

After the launch of the VUF in 2004, the government approved in 2009 the *National Urban Upgrading Strategy and Overall Investment Plan* (NUUP) for urban upgrading to the Year 2020. Initially developed by UN Cities Alliance and the Ministry of Construction, the NUUP sought to regularise informal land and housing markets, upgrade services and housing, and place certification for land in the hands of local government.

The NUUP has two major objectives: to enhance institutional coordination, and develop a detailed national plan focused on slum prevention and upgrading. The first objective proposed to establish the VUF as the central coordination mechanism for urban development. The second objective was to develop a detailed implementation Strategy for National Urban Upgrading Program. The underlying objective of this component was to demonstrate the ability of national approaches to informal settlement

upgrading. The detailed plan was developed through the *National Program Framework* for urban upgrading and slum prevention. The Program outlined improvements to institutions, legal frameworks, regulation, financing and advocacy on the part of the national government, via local governments and communities. This Program involved three phases that included stocktaking and consultation, development of the national program operation framework component, and project administration and supervision.

The *Orientation Plan for Urban Development* for 2025 was approved in 2010 and aims to develop a complete network of all national urban centres, with modern physical, social infrastructure, a good quality environment and quality of life standards, advanced architecture and economic competitiveness (ADB, 2012). The plan sets out eight goals. First, is giving high priority to urban areas in the key economic regions until 2015. From 2015 to 2025, the focus will move to secondary cities with the aim to stimulate economic growth. Second, for Vietnam's cities to be competitive with other global centres; third, to focus on service and tourist development in national urban centres; and fourth, for coastal cities to become strategic transit links for international market. The fifth goal is to improve regional management such as services, cultural facilities and tourism. The sixth goal is to develop a national system for urban development and environment by strengthening land management, and with the final seventh goal to update and expand national transport and communication networks (ADB, 2012).

Methods of Implementation – Institutional arrangements, policy instruments, resources committed

Vietnam has had a fairly recent history of centralised planning. The administrative structure of Vietnam is split across four levels: central, province, district and commune or ward. The urban population is dispersed amongst 100 urban centres at the

province and district levels, with special status ascribed to the major metropolitan regions of Hanoi and Ho Chi Minh City.

The National Assembly is the state's legislative body and is responsible for approving the budget. The Executive arm consists of the government headed by a Prime Minister and members appointed by the National Assembly. The Communist Party operates all levels of administration and is the only political party in the country.

Key institutions responsible for urban policy and development are the Ministry of Construction (MoC) and the Vietnam Urban Development Authority (VUDA) (ADB, 2012). Other institutions are involved with urban development planning in Vietnam, but are less directly prominent. These include the Ministry of Planning and Investment, which allocates the State's budget and approves the country's five-year economic development plans. The Ministry of Finance distributes the state's budget to sectors and projects, and the Ministry of Transport, which manages roads express ways, railways and other transport facilities. The Ministry of National Resources and Environment has some input in urban development but is largely focussed on rural areas. In particular, the relationship between impact of climate change and climate resilience and the urban poor has become a key focus for this agency (ADB, 2012; Iftakhar, 2009).

The MoC is responsible for technical oversight of the sector and manages construction and material, housing, public works, architecture and development planning (ADB, 2012). Beneath the MoC is the National Institute for the Urban and Rural Planning responsible for preparing spatial plans for provinces, small cities and towns of national importance such as industrial and military zones. The MoC has a hierarchical tiered structure with a range of institutions working under it. For example, the Departments of Land and Housing, Planning and Investment, and Construction Works, are all involved. Other additional agencies include

the Inspection Office and there are associated institutes such as the colleges of architecture (Iftakhar, 2009).

VUDA, operating under the MoC, has a primary planning role, and prepares national Master Plans, urban development projects and urban development strategies. VUDA also produces legal documents and policies in relation to public investment and urban development, urban management models and monitors the implementation of the urban regulations it issues. VUDA also supervises the local governments urban Master Plans, approves plans and evaluates Master Plans prepared by local governments (ADB, 2012).

At the provincial level, urban planning is administered by the Provincial People's Council (PPC) which has its own executive body, a People's Council Committee. These government entities are responsible for the delivery of municipal services and infrastructure development under the authority of the Ministry of Construction. The Council's work is reviewed by the Department of Planning and Investments and Department of Finance, as is the case for all government bodies' auspices by the provincial government (ADB, 2012).

The centralised planning model involves budgeting deliberation between central and provincial government. The Ho Chi Minh City government, like other local governments, has no legislative power and in budgetary terms Ho Chi Minh City has to remit its revenue to the central government (Nguyen and Tung, 2013). The 1980s *Doi Moi* reforms however brought about the devolution of political powers and responsibilities from the central state to the provinces. For example the share of national expenditure allocated to sub-national levels increased from 26 per cent in 1992 to 48 per cent in 2002.

Over the past 15 years, the Vietnamese government has increased the role of the private sector in urban development. The Ministry of Construction has

undertaken joint urban development ventures with the private sector and offers consultancy services to generate revenue. These ventures include new urban developments and industrial parks financed by foreign investment while joint ventures are have become major form of private sector involvement in Vietnam. Many of these developments are built on reclaimed low lying lands, particularly in Ho Chi Minh City (Iftakhar, 2009).

An example of this sort, Saigon South, in Ho Chi Minh City, was approved in 1994 and established on the outskirts of the city, fully financed via private investment. It was intended to support between 500,000 and 1 million people with residential, educational, commercial and other facilities. However, land acquisition and compensation has been a central issue as land price inflation took place after development. Official corruption has resulted in delays in the processing of construction permits, resulting in low-income informal housing appearing on parts of vacant land. Legislation has been passed to stop this from happening by forcing private developers to build within one year of land acquisition (Iftakhar, 2009).

More recently, in 2009 the Vietnam government introduced the *Law on Urban Planning* to plan

urban related activities and place increased emphasis on private sector involvement and participatory planning. This involvement includes evaluating, approving and adjusting urban plans, and organising the implementation of urban projects.

Vietnam currently has a comprehensive legal framework for environmental sanitation that includes waste water management (World Bank, 2013). This legal regime is comprised of a myriad of laws, national strategies, decrees, executive decisions and programs. Policy reviews of this area however have noted the lack of synchronisation between these components which has created overlap and gaps in policy. For example, there have been conflicting targets around environmental protection in legal regulation documents for wastewater collection between the various Ministries (World Bank, 2013).

Moreover, there are many wastewater projects that are being implemented without regard to an overall plan. For example *Decree 88* requires cities to prepare wastewater plans, but sanitation planning is not integrated into wider urban development and master plans (World Bank 2013). Effective and detailed technical planning guidelines for planning,

Flooding in a slum, Vietnam © Flickr/garycycles

consultation and evaluation of urban sanitation projects are also weak or lacking. The end result is the construction of Wastewater Treatment Plants in an ad-hoc manner, without regard to a holistic city-wide or national perspective (World Bank, 2013).

Cross-cutting urban policy issues are key weak points in Vietnam's urban governance and system. The lack of linkages between the SEDP five-year economic plans, spatial plan and sector master plans have resulted in limited urban infrastructure investment and constrained ability for local government to provide municipal services (ADB, 2012). The role of urban managers as administrators rather than facilitators also hinders adaptive and innovative urban management.

Nature and extent of Stakeholder Involvement

The stakeholders involved with Vietnam's urban development beyond governmental agencies include a range of international agencies such as UN Habitat and the United Nations Development Program and an expanding private sector. UN Habitat has been working in Vietnam on a Mekong Region multi-country programme on water and sanitation. The UNDP runs programs on energy conservation and efficiency and has joined with other international development agencies to get approval for an 'Energy Efficient Building Code'.

Major external funding from international agencies for urban infrastructural projects include the Asian Development Bank and Agence Francaise de Development (AFD) directed at water supply and sanitation in secondary towns. The Australian Agency for International Development (AusAid) provides funds for water supply, wastewater sanitation, public transport and housing in metro areas. The World Bank funds a host of sectors including water, wastewater and sanitation, drainage, roads, climate change adaptation and urban upgrading. The Japan International Cooperation Agency provides funding for wastewater and sanitation and transport (ADB, 2012).

Interestingly, while there has been a decline in the total Overseas Development Assistance (ODA) to developing countries overall, Vietnam's levels of ODA have actually increased. There are six banks that account for more than 80 per cent of total ODA. The government has made commitments to addressing the management of ODA through cooperating with development partners to supervise the usage of ODA, address corruption, devolve more responsibilities to the local levels, streamline investment procedures, establish operating a national monitoring and evaluation system for ODA programs and develop cost norms for ODA-funded construction projects (ADB, 2012).

Despite these strengths in institutional capacity such as the proposal of VUF, there is still a lack of donor coordination in the urban development sector. The VUF was expected to play a role in addressing it, but has not been highly active in recent years. The MoC has attempted to revitalise the VUF and encourage dialogue between development partners and government, but it is unclear whether these attempts have made significant advances.

Overall strengths and weakness

Despite such a centralised system, there remain coordination difficulties and often overlapping roles between central and provincial levels in Vietnam. For example the MoC and MoNRE (Ministry of National Resources and Environment) carry out land-use planning, but implementation is often on a first-come-first serve basis and requires petitions from either Ministry for any revisions.

There are three main types of plans that are developed by the national government of Vietnam. These include Socio-economic plans by the Ministry of Planning & Investment (MoPI), sectoral plans by Ministries such as water, infrastructure, roads electricity, sewerage and spatial plans. The spatial planning process followed in Hanoi and Ho Chi Minh City is based on centralised approval, with final approval granted by the Prime Minister's office.

Common deficiencies of the centralised top-down policy development include problems of coordination between different Ministries and agencies. These can led to process delays and legislation may be interpreted differently by different agencies, leading to further coordination delays in approval, which affects the private sector as well. For example sector plans are sometimes included in socio-economic plans, resulting in confusion as to responsibility and roles between institutions, ministries and agencies. Compounding these problems is the fact that Master Plans are not mandatory, such that they are often ignored and not implemented precisely, resulting in informal development occurring outside the formal plans.

Although the country's infrastructure has improved over the last decade, for Vietnam to further advance to an industrialised and modernised country by 2020 will require a high level of additional capital investment. The proportion of annual national investment into infrastructure is currently around 10 per cent of GDP. Other sources of finance for infrastructure investment are Overseas Development Agencies which fund 40 per cent of capital infrastructure investments and the private sector which provides 15 per cent of all infrastructure

investment. Local governments face particular financing issues as their borrowing capacity is low, though they can issue bonds through PPCs or borrow from the international market with the approval of central government (ADB, 2012).

Vietnam's provinces are relatively smaller than is typical in similar countries and their individual resources and budgets are dispersed and uncoordinated which limits effective urban management and service delivery. One of the most common sources of finance for provinces is land development, and revenue collections from land which constitute the budget. In 2008, nearly 20 per cent of Ho Chi Minh City's budget and 30 per cent of Da Nang's budget were financed through land sales in 2006.

Urban planning and governance is not yet cross-sectoral in Vietnam, and weak institutional coordination has hampered effective and coherent urban governance. For example the socio-economic development plans that are administered by the Departments of Investment Planning, Land Use and the urban Master-Plans under the Departments of Construction, and Transport and Infrastructure, have little coordination between them. As a result there are often inconsistent data and projections for

View of Saigon, Vietnam © Flickr/World Bank

planning. Coordinated urban management is not operating effectively in Vietnam (Wilmoth, 2006).

Budget constraints and poor cross-sectorial planning constrain urban policy in Vietnam. Numerous bureaucratic and sectorial decrees make guides to planning hard to administer, impeding the implementation of master plans (Wilmoth, 2002). Local governments have few options to create their own revenue and rely on transfer from the national government.

Devolution has not empowered the next layers of government and districts resulting in urban planning decisions restricted to narrow levels of national and provincial tiers of government (World Bank, 2011). Local governments also have a poor understanding of the nature of urbanization in Vietnam and lack skills to develop appropriate policies that adequately respond to the shifts towards market economy (Yap Kioe Sheng, 2010). However, the Ho Chi Minh City's People's Committee has developed a body, HIDS, to integrate socio-economic development planning with urban master planning, which is an important advance in Vietnam. Despite involvement of the private sector, the MoC is at an advantage as it occupies a structurally powerful position, with connections and capacity to access information; the Ministry thus remains the foremost actor in the built environment sector.

In summary, the NUDP itself forms only a basic guideline for national urban development and guidelines for provincial and local approaches have not materialised. As a result, the policy is somewhat passive on a national level and local processes continue to occur in a spontaneous manner. Serious deficiencies persist concerning coordination, and both vertical and horizontal linkages in the institutional framework. As a result, NUDP suffers from a lack of appropriate action plans, and limited mobolisation of finance for urban development. Urban management, as a result, lags behind actual development.

Myanmar NUP - Urban policy under political transition

Background conditions and evolution of policy

Myanmar has a total population of 51,486, 253 (Republic of the Union of Myanmar, 2014) and a low level of urbanization with one third of population living in urban regions and two thirds living in rural areas. However, the accuracy of this figure is uncertain as 'urban' areas are those officially declared as such. In many areas, these designations are more than half a century old, and in some cases the state of urbanization bears no correlation to the official designation.

The urban figure is expected to rise to 36 per cent by 2030 (ADB, 2013). Whilst the rate of urbanization is slow, urbanization has increased steadily during the second half of the twentieth-century. In 1950 only 16 per cent of Myanmar's population was urbanised, and increased to 28 per cent by 2000 (UN, 2001). The rate of Myanmar's urbanization is also considerably lower compared to other countries in Southeast Asia, at an urban growth rate of just 1.3 per cent per annum (ADB, 2013), but is still significant. Myanmar's large cities are expected to grow by 4.1 per cent per annum (McKinsey, 2014, p. 89).

In recent years, Myanmar has however experienced rapid growth in industry, exports and natural gas, particularly in capitalising on the country's natural and mineral resources. Globally, the average GDP growth was 3 per cent per annum, during which Myanmar's growth was low, at only 1.6 per cent per year. However over the last two decades the country has experienced modern acceleration of GDP growth, largely as a result of expanding population (McKinsey, 2014, p.2).

Currently Myanmar is at a transitional moment in its economic and political development. After decades of isolation and centralised governance

arrangements, the country is beginning to liberalise its political and economic system. These shifts, together with improved relationships with its neighbours, herald significant changes for the country and the wider SE Asia region. Myanmar's strategic location as a potential land bridge between South and Southeast Asia holds enormous opportunities for economic and social development. Rich natural resources and energy provide another opportunity to assist with urban development, as the country develops economically (ADB, 2013). The OECD has noted that the country's young population, the natural resources in minerals, and fertile land provide multiple economic development opportunities (OECD, 2014).

Myanmar's economic opportunities however emerge after decades of underdevelopment. The United Nations Human Development Index (2013) ranks Myanmar low on this measure at 149 out of 187 countries. In 2010, the recorded mortality rate for children under 5 years of age (66 per 1,000 live birth) was considerably higher than anywhere else in Southeast Asia (13 in Thailand, 35 in Indonesia and 54 in Lao). In Myanmar, 26 per cent of the population lives below the poverty line, compared with 13 per cent in Vietnam, and poverty is heavily concentrated in rural areas: 85 per cent (ADB, 2013). This current situation sits in stark contrast with the historical period when Yangon was a model city for Asia (ADB, 2013).

One factor that contributed to Myanmar's poor economic development was the imposition of economic sanctions that led to major withdrawal of investment from the country. The sanctions by many countries were a response to the suspension of democratic rights by the Military junta that gained power in 1962 and remained in power till 2011 (Black et al., 2013). Under the Military Junta, much of the international investment, as well as assistance from the Asian Development Bank and the World Bank were withheld (ADB, 2013).

Although a nominal civilian government was installed in 2011, after a general election in

2010, the military maintains considerable influence and involvement in domestic politics, including an allocated quota of 25 per cent of seats in the national parliament. Some of the reforms introduced by the government included democratic participation, as well as economic reforms such as unifying the multiple exchange rate system. The steps to transcend military rule, and re-build democracy, were accompanied by an economic agenda of liberalisation and market-oriented policies such as inviting foreign direct investment and the creation of special economic zones. The government also introduced a National Development Plan, for the duration of five years, 2012-2016 that involved changes to investment and financial sector, including policies addressing townships and districts (ADB, 2013). These economic policies have opened the country up after a decades of isolation (Black et al., 2013).

Official government policy emphasises the need for rural-based development and poverty reduction, but more recent rapid urbanization has generated a myriad of urban challenges in Myanmar which add to the complex challenges it navigates in this pivotal transitional period of national economic and social development. Until 2011 there was no formal urban planning undertaken, and no holistic conception of urban development. The Town Planning Department of Yangon Municipality was created in 2011, and spatial plans are only now being developed by other major cities throughout Myanmar (primarily by central government). However, urban planning and development is still fragmented and very much undertaken on a sectoral basis, without strong coordination mechanisms between ministries and departments including those responsible for infrastructure, tourism, industry, economic development and the environment.

There have been recent positive developments however, and indications that the Government of Myanmar is aware of the need for integrated urban development. These include the President's pronouncement in 2012 that urban plans must be

prepared for all major cities throughout the country, and the preparation of the draft National Urban and Regional Planning Law and National Housing Law (expected to be passed by parliament in 2015).

Major problems facing cities in Myanmar include severe under-investment in key urban infrastructure services such as water supply, electricity, sanitation, drainage, transportation, waste water and solid waste management. Consequently there are large deficits in urban systems and services throughout the country. Control over revenue and spending is still largely centralised, which means municipalities are limited in the ways that they can respond to these shortfalls. One of the major issues prevailing in the urban sector is the lack of updated urban laws and regulatory mechanisms for urban areas which resulted in haphazard infrastructure development.

In large parts of Myanmar's two largest cities, Yangon and Mandalay, poor infrastructure provision has meant there are water points for only every 80 households. These problems are especially pronounced in the resettlement areas that emerged as a consequence of relocation and housing programs in both the 1960s and 1990s (ADB, 2013). Residents of these areas consequently improvise self-supply and in peri-urban areas use rain catchments to provide for their water needs. Reticulated water supply in the main cities is often unreliable and vulnerable to contamination (ADB, 2013).

Myanmar is considered likely to be the second hardest hit country by climate change related extreme weather events in South East Asia. Climatic conditions mean that Myanmar's urban infrastructure is vulnerable to natural disasters, such as the devastating 2008 cyclone Nargis which left between 1 and 2 million people homeless (ADB, 2013). Post-disaster recovery placed pressure on communities and government agencies to address damage and reconstruction. The lack of relief supplied to villages in the aftermath led to outmigration as the only viable coping mechanism, and many migrants looking for employment in Myanmar's urban areas, with the cities of Yangon and Pathein receiving the most internal migrants.

Downtown Yangon, Myanmar © Flickr/World Bank

Relationship to the National Spatial Framework

Myanmar is administratively divided into seven states and seven regions. The states largely encompass hilly mountainous areas populated by ethnic communities while the seven regions cover plains predominantly inhabited by people of Bamar ethnic origin. Myanmar is the largest mainland country in Southeast Asia and possesses a strategic advantage through its location as a potential land bridge between south and Southeast Asia. In 2009 there were 31 urban centres of more than 100,000 people.

The contrast between Myanmar's primate city and other urban centres is illustrated through comparing Yangon, which hosts 7.3 million residents, and Myanmar's third largest city, Mawlamyine, which has a population of 1,232,221 (Republic of the Union of Myanmar, 2014) Nay Pyi Taw is the official capital, and has a population of 1 million but is located between Myanmar's largest city, Yangon, and Mandalay. Urban centres tend to be concentrated in low-lying regions of the country's central dry zone and coastal areas. Beyond Yangon and Mandalay, the towns and their rural hinterlands are closely interdependent.

The new government in 2012 introduced a land reform program, whereby it assumes responsibility for land use management within urban areas via the Ministry of Home Affairs. Under the previous military regime, land was frequently acquired by the military without compensation. However, as part of the enactment by the new government, farmers may seek compensation for land if they can demonstrate has been utilised. Land disputes have emerged however, because of the general absence of certified titles. Farmers thus still lack land tenure security and are subject to government crop prescriptions (Hiebert & Nguyen, 2012).

Property booms in Yangon have increased land prices, which range between US $1000 to $3000 per square foot in the city centre. Prime land

outside city centre ranges from US $800 to $1500. Informal settlements have rapidly expanded in major cities (ADB, 2013). A large proportion of urban population lives in substandard housing, 39 per cent, higher than Vietnam, Thailand and Indonesia (McKinsey, 2014; 89).

The government has also prepared a National Land Use Policy, driven by the Ministry of Environment Conservation and Forestry (MOECAF) which conducted a series of public consultations. The policy aims to guide national Land Use Policy with the cooperation of other Ministries and to guide the new development of National Land Use Law for 2015.

Current Policy Goals and Objectives

Myanmar does not currently have an explicit National Urban Policy. To date, the economic objective of the Government of Myanmar has been explicitly to pursue people-centred development, primarily through agriculture, tourism and trade. However there are a number of relevant policies supporting sustainable urban developments and signs that the government is increasingly aware of the role of urbanization in economic and social development.

Myanmar has a Comprehensive Development Vision (with a major focus on rural development) and produces 5-year National Development Plans that address States' and Regions' Development Plans, as well as various village, township and district plans, industrial development plans, investment plans, and financial sector development plans (ADB, 2014, p.4).

Although there is no established or explicit National Urban Policy in Myanmar, key ministers have made public announcements highlighting the necessary future policies on urban matters. In November 2014, the President addressed a *National Workshop of Urban Housing Policy and Planning* and told participants that the workshop should lead to the

development of a national urban policy, legislation and regulations covering the entire nation. An NUP was specifically identified as a means of addressing and capitalising on anticipated rapid urbanization. The mooted NUP would cover three areas: urban design, urban legislation; and, financing for cities, at a local level. In addition, greater coordination between the Union (central government) and local administrative entities was identified as a key mechanism to facilitate an effective NUP (UN Habitat, 2014). The President of the Union urged respective regional and state governments to draft Municipal Acts in accordance with the Constitution that would allocate budgets to urban programs (Lwin, 2012).

Various government departments are working to prepare urban plans for cities throughout Myanmar. The central government, through the Department of Urban Housing Development, are responsible for the preparation of plans for approximately 50 secondary cities (excluding Yangon, Mandalay, and Nay Pyi Taw).

JICA, working in close collaboration with Yangon City Development Committee and in consultation with the Department of Urban and Housing Development, has developed a 40 year master plan for Yangon. The city has a population of 5 million, on an area of 1,535 sq. km and is demarcated by 445 townships, of which 33 are municipal areas. The draft urban plan for Yangon City aims to upgrade drainage, urban transportation, and drinking water. As part of the plan to deal with traffic congestion, the project proposes the development of public transport by means of Bus Rapid Transit and an urban railway. The plans also encompass upgrading for the special economic zones in Thilwa and improving traffic congestion through the construction of overpasses. The Ministry of Construction introduced the National Spatial Development Plan that includes reserving land for future urban development.

Methods of Implementation – Institutional arrangements, policy instruments, resources committed

Under the 2008 Constitution, the Republic of the Union of Myanmar consists of seven states and seven regions, six self-administered zones or divisions and one union territory, with the capital Nay Pyi Taw. Decentralisation has been a major policy focus of the Union since the 2008 constitution, and involved the devolving of duties and responsibilities from national level to regions and states. Decentralisation however has not been as thorough compared with some other Southeast Asian countries. Prior to 2011, the central government delegated limited authority to only three cities, Yangon, Nay Pyi Taw and Mandalay. Myanmar has established a system of local self-governments, and has established Development Committees for each township which is chaired by the local Mayor (Htun, 2012; ABD, 2013). In 2011 however, Myanmar did not have an urban planning Act that defines the activities to be undertaken under an urban planning program, nor was the role of principal agencies involved in urbanization defined (ABD, 2013). A draft Urban and Regional Planning Law has been prepared and is expected to be passed by Parliament in 2015.

While each township has a Development Committee which is responsible for town planning, water supply, sanitation, road construction and maintenance, in practice the township Development Committees are implementers of programs designed by Ministries at a national level (ABD, 2013). As part of the ongoing process of decentralisation, the government has recently announced its intention to create urban planners within local government in 73 secondary cities who will be responsible for plan preparation. However there is limited control over finance at the local level. Due to economic sanctions in the 1980s that resulted in the withdrawal of external financial support from international financial institutions and agencies, the national government has been the sole source of financial assistance for urban management.

The Ministry of Construction, the Department of Public works and the Department Urban and Housing Development, (formerly the Human Settlement and Housing Development) plan urban development. The DHSHD implements urban and regional plans, oversees property development, manages government buildings and housing estates, plans and develops water and sanitation systems. In 2012 the DUHD with the support of UN Habitat and the Government of Norway established an Urban Research and Development Institute with the vision of being the "leading urban institute in Myanmar promoting balanced urban development through innovative partnerships for capacity building, research and knowledge management."

The key way in which urban policy in Myanmar is being developed is through formulating urban laws and regulations or strengthening of existing laws, rules and regulations and sectoral planning. These include the *Environmental Policy 1994*, the *Environmental Conversation Law 2012*, the *Environmental Conservation Rules 2014,* the *Myanmar Investment Commission Law* and the *Environmental Impact Assessment (EIA)* to be set up submitted during 2015 to Cabinet. The Urban and Regional Planning Law, to be passed in 2015, will make provision for a wide set of regulations governing planning and urban development.

Myanmar's National Adaptation Program of Action for climate change was established as an initiative to promote sustainable development and address poverty alleviation for poor communities in the country. The program was planned with the United Nations Environment Program and executed by the Department of Meteorology and Hydrology, and the Ministry of Transport of Union of the Republic of Myanmar (Republic of the Union of Myanmar 2012). The NAPA specifies 32 priority activities for effective climate change adaptation for eight sectors/themes including agriculture, early warning systems, forest, public health, water resources, coastal zone, energy and industry and biodiversity (Republic of the Union of Myanmar, 2012).

The present government has a number of sectoral plans underway with a strong environmental focus to improve Myanmar's urban problems. In 2011 the Ministry of Construction with international agencies such as UN Habitat and Myanmar Earthquake Committee, Myanmar Geoscience Society and Myanmar Engineering society has been working to amend the building code to improve environmental standards, respond to the impact of climate change and mitigate the effects of natural disasters such as earthquakes. The National Building Code (provisional) has been formulated by the Ministry of Construction and the Myanmar Engineering Society with the support of UN Habitat and is now in the process of rolling out to implement through an established legal framework.

Questions of urban heritage conservation have become a prominent focus of urban development agencies in Yangon, given the colonial architecture of the city has been largely unmodified since the 1950s. This focuses and presents both opportunities and challenges. The opportunities are for a first generation of planners to create planning controls and incorporate ideas to develop and maintain heritage cities while the challenges concern their need to act despite the lack of existing programs that can offer guidance. Currently the Yangon City Development committee, in collaboration with the Yangon Heritage Trust are undertaking this work, including the development of the first zoning map for downtown Yangon.

There is currently no formal legal comprehensive framework, guidelines or processes for the management of change affecting Yangon's urban heritage. However, there are some cultural heritage laws which provide statutory protection for places of heritage significance such as the Protection and Preservation of Cultural Heritage Regions Law 1998 and the Antiques Act 1957, both designed to protect ancient monumental sites. However, because the law applies to places older than 100 years old, it means that significant urban heritage in Yangon is not captured by the legislation. The

1998 law does not contain the necessary flexibility to properly ensure the protection of diverse and evolving urban heritage in Yangon.

In 2013 however, the Yangon Heritage Trust helped draft Myanmar's first urban heritage conservation law. This was submitted to the regional Government in May 2013 and enabled, for the first time urban heritage places such as buildings, parks, streetscapes and conservation areas to be considered under the scope of heritage items.

A number of national and municipal agencies have been involved in trying to establish a waste management strategy and environmental Quality standards (EQS). These include the Ministries of Environmental Conservation and Forestry (MOECAF), City Development Committees, the Nay Pyi Taw Development Council, Yangon City Development Council and the Mandalay City Development Council. There have also been attempts to promote 'green cities' in the context of a green economy. A 'Green Economy' is defined as an economy where economic prosperity is accompanied by ecological sustainability. It is unclear what form these initiatives will take and how or when they will be implemented.

Water supply in particular, has been identified by the Asian Development Bank (2013) as a key weakness within Myanmar's urban service provision. One problem concerns the quality of water. Although water is generally available the threat of local pollution from either used domestic or industrial untreated water can threaten water sources, especially those that flow downstream.

Access to water is also a barrier for many urban dwellers. A study by JICA in 2003 found that 50 per cent of the urban population were supplied with water via pumping stations, tube wells or reservoirs (ADB 2013). Women are the primary collectors and users of domestic water usage and add a gendered element to urban problems in Myanmar's cities. The JICA study proposed a 10 year program to improve groundwater facilities and develop surface water systems to increase the volume of available drinkable water. The total cost was estimated to be $140 million (US dollars), and has not been implemented (ADB, 2013).

Township Development Committees are responsible for solid waste management. These Committees have a pollution control mandate over both household and industrial hazardous waste. However, in the majority of cases, solid waste management are disposed of in uncontrolled dump sites. There are some domestic NGOs involved in this effort, typically in partnership with international organisations such as United Nations Environment Program and United Nations Children's Fund (ADB, 2013).

The only conventional reticulated sewerage system in Myanmar is located in Yangon's central business district. As a result, much of the city has open effluent and seepage from septic tanks and latrines that flow into natural waters and drainage. The chronic lack of infrastructure in this area has aggravated health risks to urban dwellers and households (ADB, 2013).

Informal settlements have rapidly emerged in major cities to which the government has responded with large scale infrastructure and resettlement projects. During the past two decades, the DUHD has developed 250,000 sites and serviced plots for around 1 million people in Yangon. Since 1993 the government has been promoting the development of industrial zones and a strategy for employment, improved livelihoods and opportunities and family relocation. Recently Myanmar's major cities have allowed the construction of multi-unit apartments and condominiums, which, without adequate service provisions such as water supply, sanitation and flood control, could intensify urban risks and hazards (ADB, 2013). The Government has prepared a draft Condominium Law, which is expected to be passed by the end of 2015. This law will represent the first formalisation and the regulation of condominium ownership arrangements and set out practices and systems for governance.

Nature and extent of Stakeholder Involvement

After economic sanctions were imposed in Myanmar, there were very few development partners active in the country and most agencies that maintained a presence included humanitarian aid, especially after Cyclone Nargis devastated the country in 2008. UNICEF maintained involvement in rural water supply and sanitations, and conducted a hygiene sector review. UN Habitat has a role in post-Cyclone Nargis water rehabilitation programs and has employed concepts such as community action planning. Since 1988 Australia provided humanitarian assistance with United Nation agencies and NGOs and JICA has the most prominent role in urban development, developing the Urban Development Program for Greater Yangon (2013). JICA has assisted to prepare urban development plans for Yangon and offers technical assistance and financial support.

As international assistance is re-emerging in Myanmar, and as the country opens itself to political and economic influences, the Asian Development Bank has recommended the national government reconsiders the design of the international assistance programs. These include enabling a sustained policy dialogue, designing and implementing project arrangements through a single agency, maintaining a focus for operation of agencies of water and sewerage companies, and adopting best practices drawn from other countries in the region. The Asian Development Bank suggests that the Phnom Penh Water Supply Authority in Cambodia and the Manila Water Company in the Philippines are models of good practice in water supply. Key steps toward better practice in this area include streamlining governance and institutional arrangements, improving operational performance, improving financial performance, and expanding service to those on low incomes (ADB, 2012).

To date there has been minimal engagement with wider stakeholders in the urban sector. Given the country's recent political history, consultative and participatory governance are still at a nascent stage in Myanmar, and both the public and government are attempting to identify the ways that stakeholders can engage constructively. This is particularly so in the urban sector where there has been no formal conception of planning, urban development or the right to the city more generally. However strong mechanisms are in place which could feed into the urban development and planning process, including elected Township Development Supporting Committees at municipal level and a strong administrative system with nominated representatives at a micro scale ("head of hundred households").

Overall strengths and weakness

Changing institutional arrangements driven by decentralisation have created uncertainty about jurisdictional responsibility for and oversight of urban development and planning. For example, there are overlapping functions between the Ministry of Construction- the Department of Urban Housing Development, which has urban planning responsibilities, and the Ministry of Agricultural and Irrigation (MoAI), State Land Records Department (SLRD), Farmland Management Bodies (FMB), Ministry of Environmental Conservation and Forestry (MoECA), Forestry Department, Central Committee for the Management of Vacant Fallow and Vacant Lands (CCVFV) and Department of Human Settlements and Housing Department (DHSHD), the City Development Committees that manages land reform. Even where functions do no overlap and there is discrete responsibility, coordination between different jurisdictions in an urban setting – and the recognition of the spatial component of different sectors such as forestry and industry- is proving difficult.

Another example of the lack of coordination in this sphere concerns regional and state governments. Under the new constitution the Regional and State governments have the right to submit a State Annual Budget Bill to their respective areas.

Centralisation however denies local urban authority from seeking finance elsewhere and there has also been little private investment in urban services, unlike some other Southeast Asian countries. Even though MoC is responsible for urban development, it has overlapping responsibilities due to an inadequate delineation in certain areas such as water resources. Staff, skills and data shortages are further obstacles to effective urban management (ADB, 2013).

Transparency and public sector accountability also poses a problem for the evaluation and monitoring of infrastructure services in Myanmar's urban regions. As a result, Myanmar residents have become essentially self-sufficient due to the lack of urban service provision. The strong demand for urban services is thus a key issue for mitigating urban problems, particularly in informal settlements.

The absence of reliable disaggregated socioeconomic data is another constraint on the development of sound urban policy in Myanmar. It is both an impediment to developing policy as well as monitoring any policy that is implemented. The government and development partners require greater information and data such as standard demographic information to support effective analysis and policy making, but support (including technical assistance) from donors for urban issues is not forthcoming.

Myanmar's urban development is also constrained by a weak economic base which despite having made major advances in recent times, is starting from a low level of development which limits the funding available to support urban policy. Whilst urban governance is under the oversight of local urban development committees which have the ability to raise local revenue through a broader range of mechanisms such as property taxes, and charges, there is a lack of survey analysis that monitors government income and expenditure. Without such information it is near impossible to

effectively determine the actual financial strength of urban agencies to provide services.

Overall Myanmar is in the early stages of an opening up of both national governance and political arrangements and preparedness to accept foreign trade and investment. Much of the country's urban infrastructure dates from the immediate post-colonial period of the 1950s and is inadequate to meet the needs of a growing, increasingly urban population.

Although some governance improvements have been made, much greater clarity of responsibility for urban issues across levels of government will be required, as will new investment to redress severe infrastructure backlogs and inadequacies. This may need to be managed in the context of preserving some of the valuable heritage of the 20th Century, which gives Myanmar a distinctive position within the wider South East Asian region. The development of a systematic approach to urbanization and creation of skilled body of urban professionals will be critical to achieve sustainable urbanization for Myanmar.

Bangladesh – Awaiting endorsement for comprehensive national urban policy

Background conditions and evolution of policy

Bangladesh is one of the most densely populated countries in the world and is rapidly urbanising. The rate of urbanization in Bangladesh is 4 per cent per annum and if sustained into the future, could potentially transform Bangladesh into wholly urbanised country (Government of the People's Republic of Bangladesh, 2011). The 2011 census recorded Bangladesh's population at 156.6 million people, of which 28 per cent were considered urban though the current figure is recorded at 34

per cent (World Bank Development Indicator, 2014). Although this is a relatively low urbanization level, urban growth projections by the UN anticipate an additional 86.5 million people living in urban centres by 2030 (Islam, 2012).

The expectation of the scale of urbanization for a country the size of Bangladesh poses huge challenges (Islam, 2012). According to the United Nations Development Program, Dhaka, which is currently the ninth largest city in the world (UN World Urbanization Prospects, 2014), is projected by 2025 to be the fourth largest metropolitan area on the planet, after Tokyo, Mumbai and Dehli (UN World Urbanization Prospects, 2007).

The contribution of cities to Bangladesh's economy has increased, and the urban sector currently makes-up 45 per cent of GDP (Government of the People's Republic of Bangladesh, 2011), reflecting the trajectory of economic growth over the last two decades. Urban economic activity is largely in the export and service industries which have grown considerably over the last ten years. Approximately 80 per cent of Bangladesh's revenue comes from export-oriented garment factories, mostly concentrated in Dhaka, the country's largest city (Commonwealth Sectariat UNCTAD, 2011; Islam et al., 2013).

However, while manufacturing has expanded in certain areas, overall, Bangladesh's economy is predominantly service-based. The service sector accounts for 56 per cent of GDP and employ 37.4 per cent of the population and the industry accounts for 28 per cent of GDP yet employing only 14.5 per cent of the population. Nonetheless, approximately 48 per cent of Bangladesh's population remains engaged in agricultural economic activity which accounts for 16 per cent of GDP (World Development Indicators Databank, 2014).

House boats in Bangladesh © Flickr/World bank

Historically, urbanization in Bangladesh was shaped by periods of political conflict in the wider sub-continent. In 1901 only 2.4 per cent, roughly 700,000 people, lived in urban areas in what was then British India. By 1941, still fewer than 4 per cent lived in urban areas. It was not until 1947 that urbanization gained momentum as South Asia became independent of British control and Bangladesh emerged with political status of East Pakistan (Islam, 2006). Large-scale migration of Muslims from India to urban areas between 1951 and 1961 underpinned initial post-British urban settlement expansion. The high point of urbanization was between 1961 and 1974. At this stage, the rate of urbanization was enormous at 137 per cent.

Rural-urban migration currently makes up around 50 per cent of urban growth in Bangladesh. Cities such as Dhaka have experienced even higher rural-urban growth at 74 per cent. Recent rural-urban migration has been a result of recent socio-economic factors including landlessness, poverty, unemployment and natural hazards (Islam, 2006). Rural-urban migration is partially gendered, with women making-up a large proportion of rural-urban migration, drawn into the garment industry (ADB, 2011).

Bangladesh is also considered one of the most vulnerable countries to global warming and sea level rises. Sea water is encroaching through coastal riverbanks, increasing salinity of soil, and reducing the cultivability of lands for seasonal crops. Coastal lands are being made unproductive as a result of sea level rises. As a consequence of these problems, coastal dwellers face increasing levels of arsenic in drinking water which is entering food crops. Families without employment are heading to the cities in search of work, often settling in informal housing and placing demand on public facilities such as electricity, water and transport.

Bangladesh is vulnerable to routine flooding that is likely to be exacerbated by climate change, placing a greater strain on urban services. These environmental problems threaten to erode gains in poverty reduction that have been achieved over the last ten years. Some research suggests that disaster aid such as those from government and non-governmental organisations has hindered rural-urban migration. Through providing basic services, aid assistance encouraged residents to stay in disaster-affected areas after the April 2004 tornado (Bimal Kantu Paul, 2005). However, political will is often a barrier to accessing the funds necessary to provide sufficient resources and capacity, especially on the local government level.

Unplanned and rapid urbanization in Bangladesh has created problematic socio-economic and environmental consequences which threaten to undermine productivity if left unmanaged (Government of the People's Republic of Bangladesh, 2011). For example, the state of physical infrastructure is poor, with little investment in basic urban services such as transport, drainage, drinking water, and waste disposal. Reticulated water is available in only one third of municipalities and typically for 2-4 hours a day.

Poverty is highly prevalent in urban settings and the chronic lack of affordable housing has contributed to an increase in the number of informal settlements. In a 2005 Census of Urban Slums, the total informal settlement population in the six biggest Bangladeshi cities was 5.4 million, compared with the total urban population of 15.5 million. However as UNICEF has noted, there are important differences between slum settlements across issues such as population density, housing quality, environmental services, governance, and security of tenure (UNICEF, 2010). Informal settlements are economically important; within Dhaka, 63 per cent of all employment was informal in the mid-2000s (UN Habitat, 2003).

Poor traffic management, lack of transport and weak public transport create chronic congestion in Dhaka, hindering the city's productivity and economic potential. The private sector plays a major role in the transportation sector but often does not comply with the traffic rules due to a lack of efficient compliance monitoring arrangements (BUF, 2011), contributing to traffic congestion. Pedestrian walkways are also not adequately provided or managed in urban Bangladesh and public walkways are often highly congested (BUF, 2011).

In addition, health and wellbeing within informal settlements is typically poorer than other neighbourhood districts. Children under five living in informal settlements have higher mortality than for the country as a whole. Poor health due to inadequate sanitation, insufficient nutrition and overcrowding are serious problems of urban areas. There is also a lack of social support for the urban poor to access primary health care, and primary health care is mostly provided to rural areas (ADB, 2011). In sum Bangladesh faces a raft of serious urban problems linked to high rates of urbanization, poverty and inadequate governance, planning and service provision.

Relationship to National Spatial Framework

Even though Bangladesh has a relatively low level of urbanization compared to other countries in South Asia, there is a considerable degree of spatial imbalance between the different urban centres. The four largest cities, Dhaka, Chittagong, Khulna and Rajshahi, together contain 56 per cent of the country's total urban population. The spread of urban population across these cities differs greatly. Dhaka and Chittagong are the fastest growing urban centres. In 2001, Dhaka was the largest Bangladeshi city, with a population of over 15 million people – a megacity on many international measures. It is also the most centrally accessible city in the country being located near

the country's geographic centre and adjacent to major waterways. Chittagong is the second largest city,built around a major port on the Bay of Bengal, with a population of 4 million people. Khulna, the third largest city, has 1.2 million residents and is followed by Rajshahi with 700,000 residents. (Islam, 2012; Gupta, 2010).

The Bangladesh Census Commission classifies urban areas into four categories: Megacity, Statistical Metropolitan Areas, Pourashavas (municipalities) and Other Urban Areas (Mutahara, 2005; Islam, 2012) which function as the urban hierarchy. The megacity of Dhaka is itself an agglomeration of several urban areas, including Dhaka City Corporation area, six Pourashavas and a number of urban villages. In 2001, the Census Commission recognised 522 urban centres (Islam, 2005).

Land administration and urban land management in Bangladesh is made complex by governance and tenure arrangements and high population levels. Although Bangladesh is an industrialising mixed economy, it has a long history of federal and semi-feudal land tenure arrangements. Basic types of urban land tenures include non-de-facto tenure, private free hold which is predominant, public freehold, public leasehold, private leasehold and community ownership. Cooperative ownership, charitable and religious (Wakf) and abandoned property and none-resident vested property also exist. These arrangements however have been noted as inadequate for the provision of housing of low-income groups, and the availability of land in general poses a problem for land use policy and wider spatial policies needed for balanced urbanization in Bangladesh. Uneven access to land can exacerbate uneven population distribution.

The *National Land Use Policy* of 2001 aimed to optimise the use of land and water as a way to address issues of land scarcity. The mechanisms proposed in the policy included providing guidelines for usage of land for the purpose of agriculture,

such as crop production, aquaculture, and the rearing of livestock, as well as commercial and industrial infrastructure and capital such as railways and highways.

In addition the NLUP policy aimed to transform land administration by introducing the certification of land ownership system which records all land used by each household in a single document. Zoning land for different purposes such as commercial or agriculture was also a key aspect of the NLUP (Hossain, 2015). Further policies with a focus on land use in Coastal areas have also been adopted including, a *Coastal Zone Policy* in 2005, a *Tsunami Vulnerability Map* 2005, and a *Coastal Development Policy* in 2005.

The centralisation of land administration policy by the national government also does not involve all the local government institutions, such as the city corporations or the pourashavas (secondary towns) to transfer unused land held by the government ministries and powerful elite in the country (BUF, 2011). The laws governing land use and tenure are complex. Generally, the land laws regulate urban land tenure allows two systems of land ownership, freehold and leasehold, the latter which is used for public and private land management. The *Non-Agricultural Tenancy Act* of 1908 deals with public land for urban use but is complex to interpret and requires legal advice (BUF, 2011). Overall the legal framework covering tenure and use of land for urban development is highly complex and inefficient.

Some urban land development and planning is carried out by agencies such as RAJUK, a capital development authority, under the Ministry of Housing and Public Works. However there is poor coordination between this agency and municipalities (ADB, 2011).

Current Policy Goals and Objectives

Currently, Bangladesh does not operate a National Urban Policy, but is in the process of finalising a draft NUP that was initiated in 2006. This NUP has been drafted and redrafted and Ministries such as Local Government Ministry Housing are key institutions that will be involved in the implementation of the policy if it is approved. The draft policy indicates that the Bangladeshi government has been aware of the problems associated with rapid urbanization for some time, and is in the process of developing an explicit NUP.

In the absence of a finalised NUP, Bangladesh has been implementing elements of the draft NUP through the Five Year National Development Plans. The first plan was produced in 1973 and the country is currently applying the 7th development plan while finalising the 8th plan for 2015-2021. In these plans, urban problems are allocated resources to address major issues, such as designating planning regions and extending infrastructure (Mahatara, 2005).

As part of the Five-Year National Development Plans, the Bangladesh government has addressed urban issues through a range of sector-based policies. From the 1990s the government gave a sharper focus and direct engagement to urban problems. It subsequently adopted a *National Housing Policy* in 1993 and undertook a *Bangladesh Urban Shelter Sector Review* alongside a *Bangladesh Urban Sector National Programme Document* in 1994 that was intended to guide balanced urban development. The *National Housing Policy* in 1993 has currently been revised and is presently under the consideration of Cabinet for approval. In 2001 the government also introduced a *National Land Use Policy*.

In addition to the five-year national plans, the government also looks to *National Habitat Reports* including in 1976, 1996 and 2001 prepared by the United Nations Habitat Program to guide its urban strategy. These documents offer guidance for urban policy on matters such as housing and facilitating urbanization rather than limiting it.

The Bangladesh Government, via Cabinet, also undertakes occasional ad-hoc decisions relevant to urban strategy.

The draft *National Urban Policy of 2011* outlines twelve objectives, and other major themes and policy dimensions that covering a wide range of aspects. The objectives include enhancing optimum utilisation of land resources to meet increased demands; developing authority at a local urban level and strengthening local governments to enable them to lead urban planning and infrastructure planning and service provisions.

In addition, protection and preservation of the urban environment and water bodies, good governance to enhance urban amenity, improving transparency and accountability and ensuring regionally balanced urbanization were highlighted. Poverty eradication and redressing inequality is also a major issue identified in the NUP document, alongside aspirations to include all sections of community, including women and the poor, in participatory decision-making and implementation processes (Government of the People's Republic of Bangladesh, 2011).

Urban land management is identified as another key area for Bangladesh's Draft NUP. Transport planning, site planning, subdivision and building regulation are proposed to address issues of environmental degradation as well as to intervene into land markets in order to facilitate private investment. Specific zones, such as economic zones, are to be promoted through land-use planning. Controlling urban expansion and managing prime agricultural land through implementation of regulatory reforms was also recognised as a focus.

Methods of Implementation – Institutional arrangements, policy instruments, resources committed

There are many agencies and institutions involved in Bangladesh's urban sector, and coordination is often difficult. The Local Government Division and Ministry of Local Government, Rural Development Cooperatives has the authority for overall policy guidance. However this administrative unit often lacks staff, financial resources and skills (ADB Country Partnership 2011-2015). In addition, service provision in Bangladesh is run by different urban administrative levels, but is the responsibility of Municipalities. The City Corporations provide finance for sanitation, solid waste disposal, roads, streetlights, traffic maintenance, and slum improvement. For major cities such as Dhaka and Chittagong, water however is provided through quangos like the Water and Sewerage Authority which manages water supply and waste treatment and disposal (Islam, 2012).

As part of a push towards decentralisation, the Bangladesh government has established new legal mechanisms. This includes the Local Government Act 2009, and the Right to Information Act 2009. The *Right to Information Act* 2009 improves the transparency and accountability in all public, autonomous, statutory and private organisations with the aim of curbing corruption and enhancing good governance. The Local Government Act 2009 was also intended to enhance community participation, transparent and accountability of public officials. It has been used by citizens to obtain the benefits from public programs that provide vulnerable groups with healthcare, education and allied services. This legislation has also been used to support environmental campaigns against illegal building construction and to grant access to land records. Despite the enactment, this legislation has not been operationalized in total (BUF, 2011).

The current *Sixth Five-year National Plan 2011-2015* includes a strong focus on urban strategy and includes improving local government via service delivery and accountability, improving the

legal framework for local governments with the Pourashava Act and City Corporations Act in 2009 and improving civic participation, especially for women and the poor. (ADB Country Partnership Strategy 2011-2015). The government also set itself the target to provide all urban areas with full sanitation and safe water by 2015. In the water sector, the government introduced the *National Sanitation strategy* 2005, *Pro-Poor Strategy* in 2005 which were sector-based policies to complement the *National Policy for Safe Water Supply and Sanitation* set up in 1998 as a means of addressing this urban issue (ADB, 2011).

The meeting of global Millennium Development Goals, in health-related areas, is a government priority, and was expressly stated in the Sixth Five-Year Plan. The plan included a number of strategies to improve urban health including standardising services offered by secondary and tertiary hospitals, developing public-private partnerships with health providers, and contracting non-government organisers to operate urban primary health care services in selected city corporations and municipalities (ADB, 2011).

Financing for urban projects is supplied by external international agencies. The Asian Development Bank is a major partner in urban development in Bangladesh. The areas in which the ADB is involved include urban infrastructure, water supply, sanitations, and solid waste management. The ADB financed an Urban Primary Health Care Project in 1997 with $40 million and has agreed to continue to support the government to improve municipal infrastructure (ADB, 2011).

In the area of spatial planning objectives the draft *National Urban Policy* proposes a pro-compact city development as a way to deal with land scarcity. It also emphasises better integrated and connected urban systems, through physical and virtual connectivity. The last two foci of the draft NUP involve enhancing social inclusivity through

emphasis on a participatory society and climate resilience, to match with the country's climate adaptation policies.

Institutional changes are a central focus of the draft NUP, with the aim of making local government key drivers of local urban planning and enhancing their function as local urban authorities. One of the key policy instruments used in Bangladesh's NUP is to improve income sources of local government and reduce the independence of traditional system of planning and budgetary allocation made by the central government. Local government is entitled under the NUP to a share of national tax revenue and is encouraged to raise its own funds for urban management. In addition, revenue is to be generated through issuing bonds for developing infrastructure facilities or borrowing from commercial banks for investment in profitable ventures. Increased training and staffing capacity of local urban authorities was also listed a priority for NUP (Government of the People's Republic of Bangladesh, 2011). Among Bangladesh's major cities, Dhaka has seen the most public investment.

Bangladesh's draft NUP intends to enhance participatory decision-making processes in urban development in which the central government, local government, private sector and civil society all contribute to planning deliberations (Government of the People's Republic of Bangladesh, 2011). The NUP also addresses the need to improve transparency and accountability through the publication of annual Development Reports. The NUP lists an 'open-door' policy to public transparency and participation in terms of access to council meetings, independent auditing, disclosure laws, and codes of ethics for local governments (Government of the People's Republic of Bangladesh, 2011).

The Draft NUP however does not however propose a monitoring or evaluation framework to assess progress against urban objectives such that

problems may arise if the policy is pursued without such a review component. The collection of data to assess the impact of policy changes, and programs is crucial to reviewing the success or failure of the policy.

On a national level, the NUP proposes the formation of a National Urban Development Council to coordinate and monitor urban development. It outlines the need to set up a capable urban planning department in every municipality with the responsibility to prepare new plans for infrastructure, master planning, and local authorities. The Council can draw on the assistance of an Urban Development Directorate as the principal national urban planning agency and also guidance from the Local Government Engineering Department to engage private expertise.

Nature and extent of Stakeholder Involvement

The main stakeholders involved in the formation of the draft NUP include Central Government Ministries and agencies, local urban authorities, which include elected leaders, plus professional academic bodies, civil society groups such as NGOs and international development partners such as the UN Development Program. Women's groups also had input into the draft NUP.

In addition, the Bangladesh Urban Forum (BUF) has also been held to bring a broad base of actors and stakeholders together to address issues of Bangladesh's rapid urbanization. The BUF was modelled on the global World Urban Forum in 2010 which brought together Government, civil society, academia, development partners and representatives from poor communities to participate in global collaboration networks on urban issues. The BUF in 2011 brought together stakeholders from the national civic sphere together, including eminent urbanization scholars, Chairman of the Parliamentary Standing Committee on Land, representatives from the Local Government Division

and Ministry of Housing and Public Works (BUF, 2011).

The agreed BUF vision was to 'make cities and towns work for all' by ensuring basic services for all urban citizens and by reducing spatial social imbalance and inequality through a focus on disadvantaged groups. The programmatic objectives of the BUF were to promote the sharing of experiences among urban stakeholders and management, especially in areas involved in reducing urban poverty; create common understanding on policy and institutional capacity in urban governance and the public sector for international development partners; raise public awareness of growing importance of urban issues, polices and plants and bring together stakeholders from central and local government, with private sector and academics (BUF, 2011). Overall the BUF in 2011 was an important moment in bringing together for the first time an array of urban sector stakeholders to discuss strategic approaches for balanced urbanization.

Stakeholders who participated in the Bangladesh Urban Forum also identified the rule of law as an issue in urban areas. In particular, the inappropriate exercise of rule of the law was identified as being responsible for producing corruption, violence and other social ills which generated a high level of insecurity for urban residents and civic life overall. According to the Global Liveability Survey by the Economic Intelligence Unit, Dhaka was ranked the worst liveable city amongst ranked 139 out of 140 cities and scored 38.7 out of 100 on measures of social and political stability.

Overall strengths and weakness

Bangladesh has made important initial steps in developing a clear national urban policy, but issues remain in regards to its timing, implementation, coordination and effectiveness. As a result of the lack of the finalisation of the NUP there

have been no resources deployed to support its application. The strengths of the draft NUP are its comprehensiveness and realism and its weakness however are the exclusion of a time frame.

Bangladesh has a history of strong centralised government but government has recently made reforms to introduce decentralisation and empower local government in urban administration. Decentralisation however is still in its initial stages and municipalities do not enjoy autonomous authority over spending and rely on budgetary transfers from the central government. This limits their ability to act effectively in redressing basic urban problems.

Local urban bodies are considerably weak financially and cannot raise the necessary funds. They are also incapable of innovating new sources of revenues. Major infrastructural projects are prepared and implemented by central government agencies or by city authorities without extensive participation of local people. Many of these projects are financially backed by foreign development agencies, which lack transparency (Islam, 2012).

In addition, the number of agencies involved in different dimensions of urban policy makes effective coordination of urban policy difficult to achieve. The Ministry of Local Government is in charge of both urban and rural local government, but agencies under the Ministry of Works, the Ministry of Land and the Ministry of Communications are also involved in urban planning, and relationships between these institutions is unclear. Dhaka was also noted to demand very different governance structure because of the range and multiplicity of agencies involved in planning and implementation of different services. As a result, the structure of government responsibilities conflicts between various departments, as well as levels of governments. Greater attention to governance coordination will be needed if Bangladesh is to improve its urban policy capacity.

Philippines – Comprehensive design and fragmented urban development

Background conditions and evolution of policy

The Philippines is ranked as a middle income economy and is a highly urbanised society, with 326 cities and urban municipalities (ADB, 2008). The current urbanization in the Philippines reached 48 per cent, nearly half the population (ADB, 2014). The annual rate of urbanization from 2010 was 4 per cent (2007-2010) and the national growth rather was 1.9 per cent (2000 -2010). By 2030, the Philippines' urbanization level is expected to jump to 77 per cent. The contemporary level of urbanization contrasts with 35 years earlier when the 1980 urban share of population was 37.2 per cent (ADB, 2014).

Urban areas in the Philippines play a disproportionate role in the generation of the country's economic wealth. Cities produce more than 85 per cent of GDP, higher than many other countries in Asia (Government Philippines, 2009). According to the Asian Development Bank (2008), cities have contributed this proportion of economic activity since 2000. In the period immediately prior to the financial crisis in 2008, the Philippines' economy had been growing at nearly 5 per cent annually (ADB, 2014).

The Philippines is considered a newly industrialising economy and is in the process of transitioning from a traditional agricultural economy to one based on services and industry. The Philippines is one of Asia's fastest growing economies and is situated within a second tier of 'emerging' economies, similar to countries such as Indonesia and Malaysia (ADB, 2012). The service sector contributes 57 per cent of the GDP of the Philippines, while industry makes up 31 per cent. In contrast, agriculture only constitutes 11 per cent of GDP (World Bank Development Indicators Databank, 2014k). Despite

Typhoon Yolanda which wrought major devastation to parts of the country in 2013, economic growth nonetheless accelerated by 7.2 per cent (World Bank, 2014, p.5).

The current period of rapid economic growth in the Philippines is in contrast to the slow economic development that characterised the second half the twentieth-century. During the 1950s expectations that the Philippines' industrial sector, ranked second only to Japan, would continue to grow were unrealised and by the 1960s the country's economic output had stagnated. The Philippines dropped behind Japan, Singapore, Taiwan and Malaysia on income measures. These economic problems were further entrenched in the 1990s, as the country became the worst economic performer in the region (Choguill, 2001) despite an increasing population, which grew at a rate of 2.5 per cent per year between 1980 and 1996.

The factors underpinning urban growth in the Philippines include high birth rates and internal migration, as well as the reclassification of some administrative zones into urban areas. Urbanization has been highly uneven with secondary cities often experiencing faster rates of growth than major centres, though some regions such as Mindanao have witnessed declining levels of urbanization (ADB, 2014). Much of the Philippines urban expansion has happened via peri-urban settlements and suburbanization.

The Philippines faces major gaps between the needs of urban population and availability of urban services. In most Philippine towns, road networks are poor, and mass rail transport is only available in the largest city Manila (Magno et al., 2013). Many of the country's urban poor live in informal settlements without adequate supply of water or access to sanitation, solid waste management, and face insecure tenure. Evaluations conducted by the Philippines Housing and Urban Development coordination Council (HUDCC) found that urban

households had limited or complete lack of access to basic services.

Whilst the share of the national urban population living in informal settlements declined from 54.3 per cent in 1990 to 43.7 per cent in 2009, the absolute number of inhabitants living in settlements actually increased, given population growth. There are at least 1.5 million informal settler families (ISFs) in the country, and 39 per cent are located in Metro Manila (National Housing Authority, 2015). The location of these settlements tends to be in precarious and insecure areas such as adjacent to railroads, steep slopes or near riverbanks which adds to vulnerability to physical and natural hazards. In addition, problems of poor service delivery are most acutely felt in secondary cities which continue to grow the fastest.

The poverty rate in the Philippines has been increasing, including in urban areas (ADB, 2014). In 2009 the poverty rate was 26.5 per cent, increasing from 24.9 per cent in 2003, which underscores the fact that progress in poverty reduction is comparatively modest relative to other countries in the Southeast Asian region (ADB, 2014). The relationship between economic growth and poverty reduction is not as strong as is presumed. Economic growth has not provided sufficiently sustainable employment for low-income vulnerable groups (ADB, 2014). Employment rates have been declining since 2003, with much of this decline in skill-intensive industries, exacerbating the income inequality gap (ADB, 2014).

The archipelagic geography of the Philippines encompasses 7107 islands within three major island groups, and with many urban settlements situated on coastlines. The Philippines' 832 coastal cities and municipalities host 60 per cent of the national population (ADB, 2014). Due to its extensive coastal settlement patterns, the Philippines is one of the most vulnerable countries to the impacts of climate change. Natural hazards such as flooding are a

recurring problem and likely to be exacerbated due to a lack of urban infrastructure and maintenance (Navarro, 2014) as well as environmental degradation, such as soil erosion. According to the World Risk Report in 2012, the Philippines ranks third globally in combined disaster risk exposure and vulnerability, after Vanuatu and Tonga (United Nations Institute of Environment and Human Security). In 2014 the World Risk Report recorded increased threat of disaster in the Philippines, both nationally and for urban areas and it is now the second after Vanuatu (United Nations Institute of Environment and Human Security). The Philippines largest city, Manila, for example, which is at risk of cyclones, floods, and earthquakes, has nearly 12 million inhabitants, and one of the highest urban densities in the world.

Responses to urban problems and development in the Philippines have evolved along four distinct historical phases; the pre-Spanish period (prior to 1521), the Spanish period (1521-1898), the American era 1898-1946, and the post-independence era from 1946 to the present. Urban expansion was already an issue during American rule and has continued the post-war period (Magno et al., 2013). Urban development and urban problems have been particularly complicated as Manila was the second most devastated city in the world after Warsaw in Poland at the end of the war (Berman 2010).

Urban development and planning in the aftermath of WWII was necessarily extensive. The National Urban Planning Commission was created in 1946 was to assist rebuilding cities, but became ineffective as powerful local governments overturned regulations and recommendations (Navarro, 2014). The Marcos government period of 1972-1976 built some arterial roads connecting regional cities and municipalities with Manila, via a *Physical Development Framework,* but these developments were halted in the late-1970s due to lack of finance and rising inflation. After

the removal of the Marcos regime in 1986, the Philippines government underwent sweeping changes including decentralisation of its institutional and government structures. These changes continue to influence the quality and conditions of urban management in present day Philippines.

The first move towards a national urban strategy occurred in 2000 via the *National Urban Policy Agenda* (NUPA), which sought to formulate comprehensive plans in areas of urban land use and housing. Following the establishment of this agenda, the government managed urban issues through the *National Urban Development and Housing Framework* 1999-2004 (NUDHF).

The NUDHF of 1999-2004 was the first comprehensive national urban policy in the Philippines. Article III, Sec 6. (RA7279 or the Urban Development and Housing Act) provides for the formulation of a National Urban Development and Housing Framework to be formulated by the Housing and Land Use Regulatory Board under the direction of the Housing and Urban Development Coordinating Council in coordination with all local government units and other concerned public and private sectors.

Such Framework shall refer to the comprehensive plan for urban and urbanizable areas aimed at achieving the objectives of the Urban Development and Housing Program. In the formulation of the framework, a review and rationalization of existing town and land use plans, housing programs, and all other projects and activities of government agencies and the private sector which may substantially affect urban land use patterns, transportation and public utilities, infrastructure, environment and population movements shall be undertaken with the concurrence of local government units concerned.

The NUDHF was established with the express purpose to facilitate economic activity, develop and strengthen local economic comparative advantage and improve

the quality of life for urban residents (Navarro, 2014). The Urban Development and Housing Act was enacted in 1992 to begin comprehensive urban development through housing programs. Programs were also envisioned to empower local government units to address urbanization issues such as the inventory of lands for socialist housing and identification of housing beneficiaries.

Relationship to National Spatial Framework

The Philippines national urban settlement structure comprises 33 cities, 16 of which are located in the National Capital Region, including Manila, and four of which host more than 1 million inhabitants. The National Capital Region (NCR) is completely urbanised, and is the most densely populated area in the country (ADB, 2012). The government has identified 12 of its major metropolitan areas as the country's leading industrial, financial, and technological centres and the main hubs for international trade.

The national system of Philippine cities is governed though a decentralized form of government. After the passage of the Republic Act 7160, also known as the Local Government Code of 1991, cities became responsible for the preparation and implementation of their respective land use plan and development plan. Their fiscal and taxing powers were also enhanced and accountabilities to perform the delivery of public goods within their political jurisdiction were expanded. The country also embraced the concept and practice of metropolitanization and gave birth to Metro Manila (the biggest urban agglomeration), Metro Cebu, Metro Iloilo, among others. There are 12 metropolitan areas in the Philippines.

Cities are classified into three categories: Highly Urbanized Cities (HUCs), Independent Component City (ICC) and Component City (CC). HUCs have a minimum population of 200,000 inhabitants and an annual income of at least USD11.63M (based

on 2008 constant prices). ICCs are independent of the province, and as such their charters ban residents from voting for provincial elective officials. It should have a minimum population of 150,000 and annual income of USD3.48M. CCs are considered part of the province in which they are geographically located and therefore, residents vote to provincial elective officials. There are 144 cities in the Philippines of which 35 are considered highly urbanized cities (League of Cities of the Philippines).

Among the identified metropolitan areas Metro Manila is the most densely populated, and Metro Cagayan is the least dense. Manila has been the main political and economic centre of the Philippines since the Spanish colonial period. Manila is considered a mega-city, with a population that exceeds 10 million. Many of the Philippines' urban settlements are primarily concentrated along the national highways, especially the Maharlika Highway.

Urban land is scarce in the Philippines and with nearly 65 per cent of the total land area classified as forest land (ADB, 2014). The *National Framework for the Physical Planning: 2001-2030* (NFPP) was developed as a long term plan the sets guidelines for land use. The main aims of the NFPP include enhancing food security, maintaining environmental stability, rational urban development including encouraging sustainable growth of cities and large towns, spatial integration that seeks to link consumption and production areas through appropriate infrastructure, encouraging private-public partnerships in developing the country's resources, and market orientation as means through which to allocate use of land and physical resources (Republic of Philippines, 2001).

In addition, the Physical Plan operates with the economic development plan produced by the government in power. Some of these land developments include export processing zones and industrial estates and residential subdivisions. However inefficient land use policy and

administration have resulted in delays in awarding development permits (ADB, 2014).

The strategies outlined in the NFPP to deal with unbalanced urban migration include the promotion of national dispersion through regional concentration, strengthening of urban-rural linkages, resource area-based development, and the installation of mechanisms for effective regional development (NFPP 2001-2030*)*. One feature that distinguishes the latest NFPP from previous national policies is a shift from a role-specific hierarchy of settlement to one that encourages local development initiatives. This shift consequently places a greater emphasis on the need for local authorities to have input over planning policy guidelines.

The policy also emphasises competitive and strategic industrialisation as a cornerstone of national physical planning. As part of this theme, the policy recommends a review of existing industrial areas and whether they should be maintained, expanded or transformed for alternative activities (Republic of Philippines, 2001).

Infrastructural development is given a prominent position in the NFPP, which acknowledges its enabling role in both economic processes and a guide to urban and rural development. Infrastructure, such as transportation, communication, energy, water resources and social infrastructure, is also identified as the key link between production, protection and settlement in the national development of the country. Promoting transport systems and linkages for goods and people is recognised as a major priority for the archipelago. In addition, the social value of infrastructure, such as expansion of access to basic services, is also a means to ensure sustainable development patterns into the future (Republic of Philippines, 2001).

The country follows a hierarchy of planning system. At the national level, the Philippine Development Plan (PDP 2011-2016) is the blueprint for economic development for the entire country. The National Framework for Physical Planning (2001-2030) serves as the framework through which the planning and management of the country's land and other physical resources are guided at the national and sub-national levels. On the other hand, the National Urban Development and Housing Framework (Republic of Philippines Housing and Urban Development Coordinating Committee, 2009) provides the national policy framework for improving the performance and efficiency of the country's cities and urban areas. These plans and policy documents complement each other, anchored on the shared vision and principles of sustainable inclusive growth and development with social equity. The National Land Use Committee (NLUC) and Provincial Land Use Committee (PLUC) were also established to support and safeguard the land use planning of cities and municipalities.

Through the enactment of the Local Government Code of 1991, LGU's are mandated to prepare their Comprehensive Local Development Plans (CDPs) and their Comprehensive Land Use Plans (CLUPs) consistent with the national and sub-national policies, goals and objectives indicated in the governing framework of plans/policies.

Current Policy Goals and Objectives

The current framework for a national urban policy in the Philippines is set out in the *National Urban Development and Housing Framework* (NUDHF) 2009-2016 (Republic of Philippines Housing and Urban Development Coordinating Committee, 2009). Importantly the NUDHF explicitly seeks to address 'drivers' rather than 'symptoms' of urban problems (NUDHF, 2009). There are three stages that comprise the NUDHF: first, defining and describing current urban systems such as trends and problems; second, identification of the internal and external drivers of the urban system; and third, determining strategic implications for

policy (Republic of Philippines Housing and Urban Development Coordinating Committee, 2009).

The updated *NUDHF 2009-2016* includes five goals (1) Urban competitiveness (2) Poverty reduction through enhancing rural-urban linkages (3) Affordable housing through streamlining housing development programs (4) Sustainable communities through market-based incentives and (5) Performance-orientated government to enable LGUs to become more economic independent from central government's internal revenue allocation scheme (ADB, 2014).

The Urban Competitiveness goal aims to increase economic productivity and efficiency in urban industrial regions. The main focus is on export-orientated industry in the cities of greater Metro Manila, Cebu and Davao (ADB, 2012). The objective of poverty reduction is identified as another NUDHF goal, to be addressed by enhancing rural-urban linkages between rural producers and urban consumers. In addition it seeks to improve labour mobility and connectivity among rural producers as well as consumers (ADB, 2012).

The third NUDHF element of housing affordability aims to improve local economic investment programs, improve and make more efficient land use for affordable housing projects, and streamline housing development (ADB, 2012).

The fourth element, sustainable communities, has a strong environmental focus, to encourage sustainable planning, green buildings, climate change adaptation, and disaster risk management. The main mechanism identified to deliver sustainable communities is market-based incentives and disincentives to reach these outcomes (ADB, 2012).

The final NUDHF element, performance-orientated governance is about re-casting institutional arrangements involved with urban governance and management in the Philippines. The key aim with this element is to provide incentives to local governments to become less dependent on the national internal revenue allocation system in order to make them more financially independent. The objective seeks to increase revenue streams through greater use of public-private partnerships, encouragement of performance-based local governance and supporting metro jurisdictional cooperation ADB, 2012).

The main reference for urban development direction is the Philippine Development Plan (2010-2016) which contains directions on urban development and housing including the following:

1. Formulate an action plan implementing the National Urban Development and Housing Framework (NUDHF) 2009- 2016, to achieve urban competitiveness and sustainability, housing affordability, poverty alleviation, and effective and performance-oriented governance through a participatory process; and

2. Prioritize slum improvement under a policy of maximum retention and minimum dislocation; and vigorously implement the National Slum Upgrading Strategy through a *National Slum Improvement Action Plan for 2011-2016* that comprise specific targets, programs and activities to provide secured tenure to urban informal settlers, especially those in danger areas.

In addition to the Philippine Development are a host of laws in the areas of finance, physical planning laws, and laws conferring power to particular agencies. On the financing side, Republic Act 7835 provides for a Comprehensive and Integrated Shelter and Urban Development Financing Program by increasing and regularizing the yearly appropriation of the major components of the national shelter program or the "The Comprehensive and Integrated Shelter Financing Act of 1994"

Among the stated policy of the state in the Act is to undertake, in cooperation with the private

sector, a continuing program of urban land reform and housing which will make available, at affordable cost, decent housing and basic services to underprivileged and homeless citizens in urban centres and resettlement areas and in recognition of the role of housing as catalyst of economic growth and development, and to strengthen, promote and support the component activities of housing production and finance.

Other related laws provides for an institutional framework for national physical planning. An wxample is the Executive Order No.770 Amending Letter of Instruction (LOI) 1350 otherwise known as "Providing the Institutional Framework for National Physical Planning". LOI 1350 institutionalized land use and physical planning in the country and created the National Land Use Committee (NLUC). The order amends LOI 1350 to strengthen the NLUC by elevating it into a National Economic and Development Authority (NEDA) Board Committee, making it the highest policy-making body on land use.

Then there is Executive Order No 230, mandating the NEDA as primarily responsible for the coordination of development planning and formulation of continuing, coordinated and fully integrated social and economic policies, plans and programs both at the national and regional levels toward the achievement of sustainable economic growth coupled with an equitable distribution of income and wealth.

The functions of the (NEDA Board) NB-NLUC is to formulate a national physical framework plan and other inter-sectoral policies and programs that guide the rational utilization and management of the country's land and other physical resources, and the preparation of sub-national physical framework plans. The national physical framework plan shall integrate relevant sectoral as well as regional socio-economic and physical framework plans and policies.

The *National Framework for Physical Planning: 2001-2030*, evolved from the National Physical Framework Plan (NPFP), which was prepared by the National Land Use Committee (NLUC) in 1992 and adopted as a planning document through Presidential Proclamation No. 65, entitled "Approving the National Physical Framework Plan for 1993 to 2022". The National Framework for Physical Planning (NFPP) provides the analytical parameters for the planned allocation, use and management of the country's land and other physical resources. Among the principles that guide the formulation of the NFPP is rational urban development, i.e., encouraging the sustainable growth of cities and large towns while complementing the growth of rural areas by adopting alternative urban development approaches.

Methods of Implementation – Institutional arrangements, policy instruments, resources committed

The Philippines is a unitary state, with the exception of Mindanao which is an autonomous region. At the national level, urban development has suffered from a lack of strong national agencies to assume urban strategy, development and planning. An array of institutions is involved in urban development and governance, creating problems of coordination, overlapping roles and responsibilities, domestically and internationally.

The Philippines political system provides for national elections every six years, with local government polls as well as national elections for half of the Senate seats are also conducted every three years. This mismatched national-local cycle can result in problems of long-term vision and strategic planning. Corruption is a serious problem in the Philippines and has generated volatile legislative patterns (ADB, 2012). Parochial interests including influential landed elite, a number of powerful

families and weak public institutions, characterise the Philippines' political system (ADB, 2012). Poor accountability mechanisms, on national and local levels also colour the way governance structures can influence urban management.

The National Economic and Development Authority (NEDA) is the Philippines government's central planning agency and prepares 30-year long term development plan (ADB, 2014). The Central Bank Governor and Union of Local Authorities of the Philippines as well as several National Cabinet members sit on the NEDA board. The central agency for urban development in the Philippines is the Housing and Urban Development Coordinating Council (HUDCC) and is responsible for formulating the country's national urban strategy 2009-2016.

The most recent NUDHF strategy, as prepared by the HUDCC (with UN Habitat , and UNDP) identifies the need for improved vertical and horizontal connections amongst institutional agencies involved in urban problems, and brings different sectoral plans under a single comprehensive plan.

A backlog of housing development needs, a weak political mandate and lack of revenue and fiscal power has meant that HUDCC has been limited in the administration and delivery of housing (ADB, 2014). As a result the HUDCC is a weak instrument for improving institutional coordination at a national level, and a different institutional mechanism has been recommended, such as the formation of a Department of Housing and Urban Development (ADB, 2014).

Decentralisation has been considered a success, though new problems of planning, coordination, effective implementation and the operation of regional-scale infrastructure have limited economic competiveness (ADB, 2014). Vertical and horizontal coordination between organisations remains patchy, producing weak linkages in planning and fragmented policy directions.

Decentralised urban governance has been a key area of the Philippines' national urban strategy since the early-1990s. Devolution in the Philippines was adopted in recognition of the dispersed nature of the Philippines archipelago and the diverse needs of the populations across the island groups. The *Local Government Code* in 1991 transferred fiscal and administrative process to local government units (LGUs) and made LGUs responsible for urban management and delivering urban-specific services (ADB, 2014).

Coordination problems between institutions, especially at the metropolitan level, has resulted in weak planning and delivery of services and infrastructure. To address systemic problems of urban spatial coordination, the national government undertook 'metropolitanization' to create more coordinated authorities that could address common problems of urban environments, through concerted planning and the pooling of resources (World Bank 2005). Despite these changes, the political autonomy of metropolitan mayors and the transfer of power to metropolitan authorities has led to weak coordination and planning arrangements between the national and metropolitan levels (ADB, 2014).

Land use policies, especially those relating to urban development are produced within an uncoordinated and poorly managed administrative framework. Although land use planning has been devolved to LGUs, data on urban land use is managed by several, overlapping administrative units, which can create fragmentation in management and plans. The LGUs were also tasked with preparing comprehensive land use plans to be enacted through zoning legislation. However the capacity of the LGUs to carry out these roles varies greatly across local governments and regions (ADB, 2014).

Government financing institutions, principally the Land Bank of the Philippines and the Development

Bank of Philippines, are the key sources of medium and long-term loans for LGUs. These sources of revenue have been relied upon far more than the private sector, as they have the additional advantage of leveraging access to concessional overseas development aid. The Asian Development Bank has noted that private financial institutions are reluctant to fund LGUs due to their poor credit worthiness. A number of factors are responsible for this including the unpredictable nature of their revenue base and revenue raising capabilities, weak resource mobilisation capacity, insufficient information about their financial status including transactions and projects management, poor cost-recovery processes and systems, and a lack of capacity to adequately plan or oversee projects (ADB, 2012).

Compounding this situation is the disjuncture between the increasing statutory responsibilities of the LGUs versus their resource capacity. Under the Local Government Code of 1991, the role of LGUs has increased, with greater responsibility to plan and manage local development. However many local governments did not have adequate resources to support their expanded activities. Urban institutional arrangements in the Philippines have been further complicated by the partial process of the government's decentralisation policy, which left many national agencies still responsible for local issues, such as shelter (ADB, 2008). Furthermore, a number of LGUs have struggled to established clear policies, guidelines and a reliable information base, for strategic urban planning.

The lack of clear relationship between institutional agencies involved in urban development is reflected in the debate over budget allocations between local and national level. For example there is debate between local and national government over what exactly constitutes 'internal in the Internal Revenue allotment system (IRA). The IRA is an intergovernmental mechanism that operates to provide central government funding for LGU activities, at a proportion of approximately 40 per cent, alongside other attempts to raise their own

revenue. The dependence of LGUs on IRA funding as a source of revenue is diverse and ranges from 20 per cent to 80 per cent of all LGU revenue. However, disputes over budget allocations have occurred between local government and national government over the meaning of 'internal'. The current Aquino government's interpretations of 'internal' have been the source of contention, leading to debate in the Senate and litigation in challenging the determination of IRA internal funding (ADB, 2014).

In general LGUs spend more money on administering the collection of taxes than the money acquired from tax revenue itself, producing more inefficiency in the urban administrative system and hampering their capacity for urban service delivery. This has consequence for other intermediary bodies that are reliant on the flow of funds to implement urban development (ADB, 2014).

Despite the deployment of sector based projects with international agencies and donors to address urban poverty, these have had mixed success. For example, the *Development of the Poor Urban Communities Sector Project* set out to provide shelter financing and micro-credit facilities for urban poor families. However, the project was marred with delays, and hesitancies of microfinance institutions to participate (ADB, 2012).

Many ADB-funded urban projects in the Philippines have experienced loan cancellations, typically due to their inability to use funds according to allocated schedules (ADB, 2012). Such urban projects have also been haphazard and many have not been completed due to financial constraints. Since 2000, the ADB and the HUDCC and LGUs have been engaged in preparing the project. The focus of this project is informal settlement rehabilitation and redevelopment; however the Department of Finance withdrew its support for the project, fearing insufficient capacity of the Social Housing Finance Corporation (the borrower) to collect loan arrears and withdrew in 2009. Such experiences indicate

the need for improved governance within the urban sector especially around program delivery (ADB, 2012).

Nature and extent of Stakeholder Involvement

The national policy of decentralisation has resulted in a complex array of stakeholders in the urban development sector. Such urban actors include the national and local governments, central bank authorities and international multilateral actors and regional agencies. The World Bank, for example, has been involved in the Philippines urban sector for more than six decades and between 1961 and 2007, lent Metro Manila a total of US$3.5 billion. Other multilateral agencies involved in the urban sector include the Asian Development Bank, the European Commission (via the European Investment Bank), the Cities Alliance, UN Habitat, and UNICEF. Bilateral finance by major aid agencies in Australia, USA and Japan have also contributed to financing of urban sector (ADB, 2012).

Place-based state development actors such as the Bases Conversion and Development Authority and the Export Processing Zone Authority pose unique challenges for LGUs (ADB 2012). Such agencies were created as a policy instrument to develop export-orientated growth, and found in 130 countries in the world (OECD, 2006) requiring inter-organisational cooperation and coordination.

The Asian Development Bank has operated a "Country Partnership Strategy" in the Philippines since 2011 aimed at supporting high, inclusive, and sustainable growth, with a focus on infrastructure, the environment, and education (ADB, 2011). The ADB's intervention framework is termed the Urban Operational Plan (UOP) and was launched in 2011 at the Asian Urban Forum. The ADB has listed Transport Strategy, Energy Strategy, Agricultural and Natural Resources Strategy, Water Supply and Municipal Infrastructure, and Public Sector

Management as areas of intervention, and funding (ADB, 2014).

Programs such as the *Strategic Private Sector Partnership for Urban Poverty* (STEP-UP) have been examples of resource mobilisation in the area of urban poverty. The program was financed by the Japan Fund for Poverty Reduction and was established to improve basic services for 5,823 households (36,000 individuals) in 8 selected municipalities in Metro Manila (ADB 2011). The executive agency was HUDCC. The initial pilot program proved too ambitious in scope given the number of communities targeted. Private sector contributions fell short of the target level, and the lack of resources among the LGUs hampered the implementation of the project (ADB, 2008). A key assumption of the project was that government and NGOs could not effectively address urban poverty in the city. The starting point of the program was therefore to introduce private sector participation in the effort to reduce urban poverty (ADB, 2011).

An *Urban Climate Change Resilience Trust Fund* has been established as a partnership between the ADB, the UK Department of International Development and the Rockefeller Foundation, which aims to scale up response to building urban climate change resilience in Asia, including the Philippines. A key component of this project is the focus on strengthening city-level planning systems and multi-stakeholders engagement, including the urban poor; with "climate smart" urban planning (ADB, 2014).

Over the last eight years, the intersections between urban development and climate change have led to urban forums that have involved a number of different stakeholders. Beyond government agencies such as the HUDCC and LGUs, are a range of international institutions, NGOs, media, academics and businesses that have attended events such as the Philippine Urban Development and Climate Change Forums with UN Habitat. Some of these organisations include MTK Institute

for Sustainable development, steel plant Union Galvasteel Corporation, University of the Asia Pacific andUP School of Urban and Regional Planning (UN Habitat, 2009).

The Philippines Urban Consortium (PUC) was formed to provide a forum for constructive dialogue among stakeholders in urban management. Alongside national government agencies, local government and the World Bank also participated in the Consortium.

Overall strengths and weakness

Despite the attempts to create a more comprehensive and coordinated policy framework, NUP in the Philippines suffers from institutional misalignment and inadequate financing. The relationship between LGUs and Metro Manila Development Authority in particular, has been problematic and plagued with conflict, crippling service delivery to urban areas (Magno, 2013).

On a national level, overall expenditure on urban infrastructure lags urbanization. Analysis by the

Asian Development Bank found that only 3 per cent of GDP per annum made up total expenditure on urban projects, which is well below the requirement of 5-10 per cent GDP per year estimated as necessary for South Asian cities (ADB, 2012). These financial and economic constraints limit the Philippines capacity to improve its urban planning and infrastructure delivery.

At the local government scale, municipal authorities struggle to obtain urban finance, including from the private sector, due to unpredictable revenue base, insufficient information of their financial operations, and weak resource mobilisation. Whilst there are some strong aspects to local-government arrangements, in terms of an official cost-sharing policy between the national and local government for financing development projects, the availability of the fund is unpredictable. The consequence is chronic under-investment in necessary urban infrastructure projects (ADB, 2012). Resources overall are thus highly inadequate for the needs of large, poorly serviced and rapidly growing cities.

Magat power plant, Phillipines © Flickr/Statkraft

Institutional capacity is also a weakness in urban development and implementation. The lack of LGU capacity has very significant consequences for urban service delivery, planning, monitoring and management. Some of the key areas hampered by this lack of capacity include urban transport, expansion of informal settlements. For example, solid waste management suffers from port disposal and uncollected waste, and LGU have little capacity to plan and struggle to comply with legislation such as Ecological Solid Waste Management Act 2000.

Whilst there is extensive legislative and policy design, this is not matched with a strong institutional framework, which suffers from fragmentation. Recommendations for change could include better information systems that could help create more efficient land use and integrate urban development. It could also have flow on effects to financial capacity, by improving efficiency of property tax collection (ADB, 2014). Wider improvements in coordination among national, local and NGO agencies are further necessary.

Strengthening tax revenue is a potential solution to address economic shortfalls and increase spending in infrastructural development. These may include cost-sharing principles, grant loans and equity to promote local ownership. But until institutional arrangements are re-aligned and clarified, revenue gathering mechanisms will likely prove inadequate relative to need.

Malaysia – Urban development as a means for economic advancement

Background conditions and evolution of policy

Malaysia is one of the most urbanised developing countries in the Asia-Pacific. Recent data by the World Bank (2015) found that, with 53 per cent of its national population living in urban areas, Malaysia is of the most urbanised countries in the South East Asia region. Urban population growth

is high, at 4 per cent per year (World Bank, 2015), though this rate is down from the 4.2 per cent per annum experienced in the 1960s (Peng, 2005).

Over the last decade projected urban growth has exceeded the Malaysian government's expectations. In 2008 the urban population of Malaysia had reached 49.9 per cent according the statistics compiled by the World Bank. Malaysia's *National Physical Plan 2010-2020* estimates that by 2020 the urban population would increase to 18.8 million people, 70 per cent of the total population. These predictions have turned out to be conservative estimates as by 2010, the urban population of Malaysia was recorded at 20.8 million people (Almselati et al., 2011). Moreover, the Malaysian government has updated its definition of an urban area, from 1,000 residents to 10,000. This latter figure provides a more realistic assessment of urbanization levels in the country (Duflot, 2012). That the country witnessed continued urban growth despite this more conservative definitional shift demonstrates the strength of the urbanization trend.

The growth of industry and the development of the industrial sector from the 1970s supported a major expansion of cities. Like many other South East Asian nations, large scale urbanization in Malaysia began to occur under British colonial rule. After national independence in 1957 the pace of urbanization in Malaysia slackened, but recovered in the 1970s, and rapidly increased in 1980s as the Malaysian economy expanded with the introduction of a New Economic Policy (NEP) oriented to the export sector (Duflot, 2012). Multinational industrial activity is largely based in urban areas such as the major cities (Siong, 2008).

Further economic plans shifted the government's strategy to expand beyond industrial areas to service and electronics sectors, as well as the tourist industry (Duflot, 2012; Manaf, 2009). During this period the Malaysian government also sought to manage ethnic relations in Malaysian society and

deal with multi-ethnic participation in the economy, which coincided with strong migration to urban areas (Duflot, 2012).

Contemporary Kuala Lumpur is a significant financial centre in the Islamic sphere and many international banks and telecommunication companies have established offices in Malaysia. The Malaysian government has recently gazetted plans to further enhance the profile of the city as a centre of international trade and investment. As part of these plans, the government intends to create an international financial district with 11 new buildings, an area known as the Tun Razak Exchange (TRX), with the aim to compete with regional economic powerhouses Singapore and Hong Kong. The latest Global Centres Index (March 2015) found Kuala Lumpur was ranked 38, showing the challenges for the government to advance this project. Unlike other cities like New York and London, which are ranked 1 and 2 respectively, Malaysia has met the growing demand of Islamic financial services for the region and globally. The TRX project is seen as a crucial element to the government's economic plans to become a high-income economy by 2020.

Malaysia is considered a middle-income country with the services sector accounting for 50 per cent of the GDP, employing 59 per cent of the active population and industry comprising 41 per cent of total GDP and employing 28 per cent of the active population (World Bank Data 2014). Malaysia's urban growth has been driven by a number of different factors such as natural increase, rural-urban migration and reclassification of rural areas to urban areas. However, the rate of rural-urban migration has been considerably higher than natural increase (Duflot, 2012). Kuala Lumpur holds 20 per cent of the national population and contributes 30 per cent of the nation's Gross National Income (Ministry of Land, Infrastructure, Transport and Tourism Japan).

The majority of people living in Malaysian cities enjoy a better standard of living to their rural counterparts. Overall, approximately 96 per cent of Malaysians have access to clean water and sanitation facilities. New housing estates are typically planned with good quality infrastructure such as education services, recreation facilities, roads, sewerage and telecommunications (Siong, 2008). More than 78 per cent of the urban population have access to basic needs and have well-planned infrastructure and including roads (Almselati et al., 2011).

However despite urban transformation and advantages and opportunities in cities, Malaysia has been coping with effects of rapid urbanization including overcrowding, environmental degradation, weak institutional coordination, and a deterioration of urban infrastructure (Yousof, 2013). The problems of urban expansion, infrastructural constraints and inadequate social amenities have generated poor living conditions for urban dwellers. Over-crowding in urban areas can create unproductive and inequitable living conditions, and contributes to urban poverty that affects vulnerable groups and places a strain on urban infrastructure.

The rise of informal settlements has also created problems for urban development. Although housing supply exceeds demand, the same is not true for the urban poor (Malaysian Government, 2006; Salfarina et al., 2011). In addition, the impact of rapid urbanization on social and health problems is also a challenge. Communicable diseases, poor public transport and breakdown of social institutions such as the family undermine the growth of cities (Yousef, 2013).

Environmental degradation is also an urban problem as rapid urbanization contributes to water demand and generates increasing waste volumes in urban areas. Poor management of these issues also exacerbate problems and have even led to a worsening of water quality in cities (Yousef, 2013).

Traffic congestion, environmental problems and brownfield areas, the loss of inner city amenity can also arise from issues of non-compliance to existing development plans. Inadequate public transport has also resulted in a high proportion of private vehicle ownership, placing demand on roads and creating congestion and undermining air quality (Almselati et al., 2011).

Most urban centres in Malaysia lack a distinct identity and character. The increase in the number of cities without a cosmopolitan identity has resulted in a homogenisation of these urban areas. Free market economic policies have also resulted in relatively uniform design and uncreative layouts undermining the cities' amenity and liveability. As rapid urbanization continues, conservation and preservation of heritage buildings becomes a challenge (Government of Malaysia, 2006).

Since independence Malaysia's responses to urbanization have been developed via the government's national planning documents contained in *The Malaysia Plan*. The country produced its second plan for 1971-1975 and is operationalizing its tenth plan for the period 2011-2015. The second plan focused on the growth the 3 major growth centres, and the third plan, 1976-1980, included a master plan for regional development of urban centres and master plans for Johor. The implementation of the Town and Country Planning Act 1976 (Act 172) resulted in implementation of structure plans in Malaysia, which included key diagrams and written statements to guide urban development.

By the fifth Malaysia Plan, all states had structured plans and urban renewal programs for regional development centres. The fourth plan, 1981-1985, proposed the "New town movement'" which included new settlements on the fringe of cities such as Kuala Lumpur. The focus of urban policy by the fifth plan, 1986-1990, had shifted from "place prosperity" to "people prosperity". By the 1990s the urban development ambition was the balanced

development of the economy and to creating a more harmonious and equitable society (Siong, 2008).

Urban development took some new turns during the late-1990s in Malaysia particularly with the country's implementation of the Multi-media Super Corridor (MSC) in 1996. This plan spearheaded a deliberate effort to shift the economy towards knowledge-based industries. Another example was the Federal Government Administration Centre that adopted prevailing sustainable development planning doctrine (Siong, 2008). This joint economic and governmental planning effort led to the development of a major new metropolitan centre south of Kuala Lumpur comprising a digital economy precinct 'Cyberjaya' and a new government precinct 'Putrajaya'. In designing these new urban zones, attention was given to environmental considerations such as retaining the natural topography, quality control of storm water, and open space and the preservation of water bodies.

The Malaysian government adopted the *Local Agenda 21* programme aimed at strengthening sustainable development at a local level via pilot programs involving local authorities, local communities and other community-based organisations. Building on this initiative, the government ran the Sustainable Urban Development Project in 1999 in the cities of Kuching and Kota Kinabula to improve management of solid wastes, land use and natural resources. The program was considered a success due to the effective coordination among various levels of government in the provision of services. The Local Government Act 1976, in particular, is identified as providing clear mandatory and discretionary functions of governments. The existing institutional structure helped facilitate a successful implementation of the SUD project (Siong, 2008).

In the late 1990s, the Director-General Department of the Town and Country Planning noted that a

key weakness was the gap between policy-making and data (Economic Planning Unit, 1998). Without extensive and detailed knowledge, the building of capacity on national, state and local levels to address urban conditions, identify trends, and formulate policy, will continue to be hamstrung and inadequate. The government's Economic Planning Unit (EPU) developed data series to measure certain indicators such as education, safety and income. However at the micro level within cities, there is little information to measure urban quality of life (Government of Malaysia Economic Planning Unit, 1998).

The eighth plan, 2000-2005 emphasized regional development, particularly integrating the states of Sabah and Sarawak into the national economy. As part of the eighth plan, the *National Physical Plan* was the first developed to outline spatial dimensions to sectoral distribution of national resources and *a National Land Use Policy* (Siong 2008). The NPP looked at regional and inter-city planning, as a way to guide overall development of the country, with the aim of achieving the status of a development country (NPP 2005). The objective of the *National Spatial Framework 2020* is to establish Kuala Lumpur as the major urban development site, supported by three regional nodes, Georgetown, Kuantan and Joho Bahru (NPP 2005).

The tenth Malaysia plan 2011-2015 notes that Malaysia is at a critical juncture in its developmental journey, and change is driven by two primary factors, global competitiveness and successful government-led strategies to raise the country from middle, to high income country. These aims accord with Malaysia's *Wawasan 2020* (Vision 2020) policy launched in 1990, to become a developed country by 2020.

Unlike previous Malaysia plans, the tenth plan does not provide details on planned public sector or private sector investment structure for the period, but rather, broad general directions of infrastructure development. The areas identified include transport,

including Mass Rapid Transit system to enhance public transport, and build better roads to provide access between ports. Telecommunications (increasing household broadband), improvements to the energy sector (New Energy Policy focussing on market based energy pricing), increase sewerage coverage, and ensuring quality water supply (Government of Malaysia, 2011).

Urbanization and urban policy is addressed through the framework of "Concentrated Growth" and "Inclusive Development" (Government of Malaysian, 2011). In highlighting these two issues, cities are identified as the key contributor to economic advancement, rather than the traditional nation-state. The attraction of cities, stated in the plan, is not only employment opportunities but vibrant and liveability. Accordingly, the tenth plan emphasises enhancing liveability through addressing crime, and improving public transport in major urban centres. The notion of "work and play", similarly found in Singapore's urban plans, is also proposed as part of the conceptual framework for national urban policy.

Relationship to National Spatial Framework

Malaysia is comprised of 11 states in Peninsular Malaysia, and Sabah and Sarawak on the north-western coast of Borneo Island (Peng, 2006). Peninsular Malaysia is more urbanised than the regions of Sabah and Sarawak in which less than 50 per cent of the population is urbanised (Duflot, 2012).

Malaysia has 19 urban areas with more than 100,000 people, one urban area of more than 5 million people (Kuala Lumpur), and two between 1 million and 5 million people, namely George Town and Johor Bahru (World Bank, 2015). In 2010 Kuala Lumpur was the eighth largest city in the South East Asian region, larger than comparators such as Jakarta or Manila (World Bank, 2015).

Urbanization between 1970 and 2004 was more balanced amongst all of Malaysia's states, rather than the contemporary centrifugal urbanization of mega-cities like Kuala Lumpur. In 2000, all states in Malaysia had at least one third of their population residing in urban areas. Kuala Lumpur is the most urbanised with 100 per cent, followed by Selangor 88.3 per cent and Penang with 79.5 per cent. Johor Bahru has been impacted most acutely by rapid urbanization in Malaysia, taking advantage of its location across a narrow strait from Singapore. Consequently, Johor Bahru's urban population has overtaken George Town and Ipoh to become the second largest city in the country (World Bank, 2015).

The primary city of Kuala Lumpur poses problems for Malaysia's policy of balanced urban growth through decentralisation. In 1972, Kuala Lumpur was declared as Federal Territory and its boundary was increased to over 90 sq. km. The expansion of this boundary resulted in an increase in the cities total urban population, jumping from 0.65 million in 1970 to 1.3 million in 2000 (Siong, 2008). Planning policies in the 1970s however encouraged the development of other urban agglomerations such as Joho Bahru and Georgetown, and industrial development in Ipoh. Industrial towns such as Kelang Valley also helped reduce pressure on Kuala Lumpur. Despite massive growth in Kuala Lumpur, data from the late-2000s suggests that the city's urban population has marginally declined (Siong, 2008).

Conflicting land use such as illegal factories not equipped with proper infrastructure has resulted in poor management in urban zones. As part of the Federal Constitution, land is administered by the State Authorities, which has ultimate although authority, leaving the Federal government to legislate land matters. Land administration in Malaysia is overseen by Peninsula Malaysia and the States of Sarawak and Sabah on the island of Borneo.

The Malaysian government's *National Physical Plan* is a long term national level plan for the period until 2020 and advances polices to determine the direction of physical development and conservation areas within Peninsular Malaysia. The NPP guides overall development of the country with the aim of achieving a developed national status. The first NPP was prepared and legislated under Country Planning Act in 2005. It mandated a review after five years of its introduction and was launched 2010.

Current Policy Goals and Objectives

The Malaysian government has released its second NPP in 2010 to guide spatial planning and land-use. Malaysia practices a "plan-led development system" where land and building development requires approval from the Local Planning Authority (NPP-2, 2010). Other goals highlighted in the NPP include addressing climate change, sustainable urban structure, biodiversity, and developing green technology. The NPP-2 also lays out clear plans for the urban structure of Peninsular Malaysia, where urbanization is designated to occur in four major towns Kula Lumpur, George Town, Kuantan and Johur Bahru. The central strategy is to pool resources to a few main urban settlement areas that have the greatest potential for employment growth (NPP-2 2010). The NPP-2 defined the size of Kuala Lumpur area. Complementing the national physical planning policies are Metropolitan Planning systems, which set out blue prints for cities such as Kuala Lumpur.

Prior to this, in 2006 the Malaysian government released a National Urban Policy (NUP) under the Federal Department of Town and Country Planning for Peninsular Malaysia and the Ministry of Housing and Local Government. The NUP had been developed as part of Malaysia's eighth National Plan. A key motivation for the introduction of an NUP in Malaysia was the pattern of unplanned and mismanaged urbanization. The effect of

unplanned urbanization was being felt in a number of ways such as contributing to a less competitive urban economy, deterring local and foreign investment into the economy, and producing urban unemployment which resulted in an increase of crime and poverty that undermined urban security.

The goal of Malaysia's NUP is explicitly aimed "to create a visionary city with a peaceful community and living environment through sustainable urban development" (Government of Malaysia, 2006, p.31) and was conceived as part of Malaysia's wider goal to be a developed country. This goal was consistent with that outlined in the *Vision 2020* policy document. The NUP outlined the overall ambition to generate economic development and share national prosperity equitably, provide urban services, utilities and infrastructure, emphasise safety in cities, ensure design and quality of urban fabric is sensitive to local cultural traditions, focus on the preservation and conservation of the environment, promote social development, eradicate urban poverty and support innovative technological advances (Government of Malaysia, 2006).

Malaysia's NUP identified six objectives: (1) to develop a planned, quality, progressive and sustainable city; (2) develop and strengthen a competitive urban economy; (3) create a conducive environment in order to encourage social development (4) eradicate urban poverty, (5) strengthen the planning, implementation and monitoring system and (6) enhance urban management and administrative institutions.

The 2006 NUP was comprehensive and detailed in its approach to urban problems. The NUP outlined thirty policy "thrusts" which advanced policy goals, mechanisms for delivery and identified appropriate government agencies that would be responsible for establishing the NUP.

The first "thrust" identified in the document is the development of an efficient and sustainable development that provides clear guidelines for the urban system. The first policy of the NUP therefore is to create a basic framework that all other urban development policies will operate through and adhere to, including the *National Physical Plan*, and that all urban development plans will be monitored for progress. In addition, urban development will be based on a settlement hierarchy and involve an urban profile study as a key information base (Government of Malaysia, 2006).

Another element of this thrust of the NUP was to prepare and publicise all development plans of urban areas, including the Structure Plans, Local Plans and Special Area Plans. The aim of this aspect of the policy is establish comprehensive plans on all levels of government monitor their progress and coordinate implementation. The NUP also sought to establish a comprehensive land use database at state and local levels (Government of Malaysia, 2006).

The fifth major policy direction envisions a compact city through balanced land use patterns within urban development. Hence the scheme aims to require a social impact assessment of development activities, ensure employment zones are close to residential areas and served by recreation facilities, promote housing development within the urban centres and ensure light industries do no create environmental pollution or generate high traffic levels (Government of Malaysia, 2006).

A focus on monitoring the capacity of towns and cities in the country is another component of Malaysia's NUP. The document recommends establishing urban growth limits based on its carrying capacity for each town in the Local Plan, and review urban growth limits with an appropriate timeframe (Government of Malaysia, 2006).

Urban renewal of certain areas within the urban boundary is another major element of the policy. The NUP identified certain areas such as brownfield areas, polluted areas for urban renewal and redevelopment and encouraged the establishment of new agencies to support urban renewal, while encouraging private sector involvement through joint venture schemes. Further recommendations included establishing green areas as buffer zones to limit urban development that impinges on environmentally sensitive areas and prime agricultural areas (Malaysian Government 2006).

The Malaysian NUP encourages the development of recreational areas through the adoption of a National Landscape Policy that prepares landscapes. The parameters set out in policy designated that recreational areas, such as sports facilities, were to face bodies of water or open spaces. Standards relating to the provision of open space and recreational areas were to be developed in a further sub-document (Malaysian Government 2006).

The second thrust of Malaysia's NUP is the development of an urban economy that is "resilient, dynamic and competitive" (Government of Malaysia, 2006, p.35). As part of this thrust, the NUP lists five policies to achieve these objectives. These policies include the development of value-added knowledge based economies, the economic development of major and minor settlement centres, specialised towns developed according to economic advantages - such as tourism, industry or communications - employment opportunities for low income groups irrespective of race, urban poverty eradication, development of urban areas according to a multi-racial identity (Government of Malaysia, 2006).

Thrust five focuses on the "creation of a conducive, liveable urban environment with identity" (Malaysian Government 2006; 80-83). This part of the NUP promotes the adoption of a *National Housing Policy* as a basis for the housing provision,

aims for *Zero Squatters*, ensures transit houses for migrant labour, and increases urban safety through the *Safe City Program.* Policy thrust five also features a strong focus on urban heritage including enforcing the National Heritage Act *and* other relevant Acts. Environmental problems are also addressed via reviews of standards and guidelines on water, air, and noise pollution (Government of Malaysia, 2006).

The focus of the third and fourth thrust of the NUP is the development of urban infrastructure. The third thrust aims to build an integrated and efficient urban transportation system. The policies in this area include development of user-friendly, efficient public transport, traffic management and roads between and within urban areas. The fourth thrust of Malaysia's NUP concerns the provision of urban services, infrastructure and utility through a range of policies. These include improved traffic management services, development of more comprehensive road access to enhance mobility, developing a centralised sewerage treatment system for urban areas, improving the provision of quality water treatment facilities and networks, and enhanced electricity and telecommunication networks. It also identifies provision of broadband internet according to the National Broadband Plan. In addition, a solid waste management policy is proposed. A major objective is to encourage new actors in the provision of urban services such as the NGOs and private sector (Government of Malaysia, 2006).

The NUP seeks to increase accountability and evaluation capabilities. The NUP recommends ensuring all development plans adhere to NUP and proposes to monitor the implementation of development plans to balance land use planning and development. The NUP also intends to include village areas and development in towns as part of urban development (Government of Malaysia, 2006).

A further issue identified and addressed by the NUP is the threat to heritage and conservation areas. The NUP raises nine measures to deal with the degradation of heritage areas including preparing an inventory of urban heritage areas, upgrading the capacity of the implementing agency for heritage areas and buildings, prepare a management plan for urban heritage buildings, increase public awareness about the value of cultural heritage, and improve cooperation between parties in order to implement heritage restoration projects (Government of Malaysia, 2006).

Methods of Implementation – Institutional arrangements, policy instruments, resources committed

Malaysia is governed by a three-tier system that includes federal states and local levels. The Federal agency involved with urban planning is the Federal Department of Town and Country Planning. On a state level, there are 14 state Departments of Town and Country Planning, and 151 Local authorities at the local level. Within the Federal Department of Town And Country Planning is a 'National Urbanization Policy Unit'. At the central government level, Ministries, Department and Agencies develop the national perspective on areas such as the Malaysia's tenth Plan 2010. In addition, Malaysia's 5 year plans and sectoral policies are developed at the national level. Below this are the State authorities and regions, creating Master Plans, and some sectoral policies. Local planning authorities interact with the State Planning authorities.

The sixth policy thrust of Malaysia's NUP is enhancing urban governance. The NUP proposes four policies to address urban management, including: strengthening the institutional capacity of urban administration; promoting good corporate governance that is transparent; involving members of civil society and the general public in urban governance, and using innovative technology in urban planning, development and services management. The mechanisms identified to facilitate

improvements in the area of governance include, organisational restructuring, increasing staff levels and capacity, expanding services at the local level, reviewing and coordinating urban administration legislation, and establishing specialised training. The good governance objective includes measures such as adopting Key Performance Indicators for firm monitoring, enhancing practice transparency and implementing a National Integrity Plan (Government of Malaysia, 2006).

The Local Government Act *1976* identified two major functions of local government: mandatory and discretionary. The mandatory functions include critical responsibilities such as refuse collection, street lighting and activities relating to public health. The discretionary functions include amenities, recreational parks, housing and commercial activities. The explicit legal provisions include local planning authority, various forms of licensing authority, the power to impose some taxes, undertake building, housing and commercial construction, perform urban planning and management tasks, oversee traffic management and plan and provide public utilities.

The pressure of rapid urbanization over the last decade has expanded the roles of Local government to include efficient service delivery and employment generation, maintenance of public places, drainage management, road maintenance, landscaping, tourism promotion, urban renewal and beautification programs, infrastructure development and supporting facilities that can facilitate industrial development. However, the lack of financial and physical capacity limits the extent to which local governments can play a role in urban development (Rashid, 2012).

Key policies connected to the NUP include the adoption of a *National Housing Policy* that contains a 'zero squatters' policy to end informal settlements (Malaysian Government 2006). The policy is established to plan all levels of government, federal,

state and local with the objective of attained adequate and affordable housing. The policy outlines the role for Government and the private sector to build housing for low-income families.

Environmental sustainability, including urban regeneration through rehabiliyation of polluted areas is also an area of focus of the NUP. Further policies include the Safe City Program which was established in 2004 by the Cabinet and the National Council for Local Government which ordered major local authorities to apply it. The program was established to prevent crime, particularly gang-related theft, through implementation stages for the period 2009-2013.

The NUP explicitly encourages financing some through joint ventures between the private sector and the government for urban renewal as well as identifying new sources of revenue and improving financial management (Malaysia Government 2006). For example, the *Solid Waste and Public Cleansing Act* of 2007 paved the way for the federal takeover of solid waste management and the privatisation of solid waste handling. In 2001 there were 155 disposal sites under responsibility of Local authorities in Malaysia (Manaf, 2009) and as recently as 2009 landfilling was the only method for the disposal of Malaysia's solid waste. Even though several agencies such as the State Department of Environment and Municipal Councils are involved in waste management their functions are always overlapping and unclear. There is still no dedicated agency to coordinate management of solid waste (Manaf, 2009).

Key challenges that emerged for the implementation of the NPP-2 in Malaysia include: weak monitoring of capacity, lack of database for strategic zones and urban centres, lack of suitable policy indicators, poor incorporation of NPP-2 into sectoral policies and therefore lack of comprehensive budgetary allocations.

Nature and extent of Stakeholder Involvement

Malaysia's NUP sought to include greater levels of local community participation than previous urban policies by ensuring all local authorities establish a public relations unit, and encouraged local authorities to establish programs to increase participation. The NUP sought to implement the *Local Agenda 21*, a set of plans developed at the Rio Earth Summit in 1992. *Local Agenda 21* has been used as a program of cooperation between private sector, local authority and communities to manage sustainable development (Yuen 2005). Alongside this administrative development, the NUP encouraged private companies and non-government bodies to contribute to public amenities, and promote NGO participation in urban environment management.

The *Town and Country Planning Act of 1976* promote the participation of a wider range of stakeholders in urban development and strategy. As part of the legislation, there is a requirement as stated by the law that requires public participation in the preparing of structure plans and local plans in Peninsular Malaysia, but not Kuala Lumpur. In Kuala Lumpur, as stated in the *Federal Territory (Planning) Act* 1982, Malaysia's NUP advances a number of policies aimed at increasing data and records of the urban system. These include the preparation of an urban code to govern all local authorities, adopt the NUP definition of urban areas to identify urban areas, establish an urban profile to increase information database. Alongside this, the NUP proposed to impose social impact assessment when undertaking planning for development activities.

Overall strengths and weaknesses

The strength of Malaysia's National Urban Policy lies in its comprehensiveness and detail. The policy identifies relatively clear objectives, sets out the policies to achieve these objectives, identifies measures and mechanisms through which these policies will be pursued, and lists the different agencies that will be involved in each policy. This provides a high level

of clarity about the purpose of the policy, its goals and objectives, implementation and, to a degree, its evaluation and monitoring. However there is limited information available regarding implementation of the NUP and the processes operating to monitor and evaluate its effectiveness.

Given the expanded scope of local government in urban planning and urban service provision, and the demands placed on these units through rapid urbanization, establishing sound fiscal policies will be critical for Malaysia to achieve the objectives outlined in its NUP.

Indonesia - urban connectivity across the Archipelago

Background conditions and evolution of policy

Indonesia possesses a complex geography, comprising an archipelago of 17,000 islands, with the size of 5 million km², 60 per cent of which are water bodies (Republic of Indonesia Habitat III, 2014). In addition, the country also hosts 600 local indigenous communities reflected in the varying cultures and ethnic diversity. Currently 53.7 per cent of Indonesia's population resides in urban areas (Yap Kio Sheng, 2010; McKinsey, 2012), a figure projected to grow to 65 per cent by 2025 and 71 per cent by 2030 (McKinsey, 2012, p.4). The rapid pace and scale of urbanization in Indonesia and future projections have created a considerable impetus for the national government to improve its response to these anticipated changes.

Indonesia has experienced fast-paced urbanization which has led to the urban population doubling from 56 million to 128 million between 1990 and 2010 (ADB, 2012). In 2011, Indonesia's urban population exceeded its rural population. Census data in 2010 indicated that the proportion of Indonesia's urban population was just below 50 per cent (Republic of Indonesia; 15) of its total national population of 238 million (ADB, 2012).

Unparalleled economic growth, tied to foreign direct investment in places like Jakarta and its surrounding areas, has been a major source of increasing urbanisation (Republic of Indonesia Habitat II, 1996). Rapid economic development, triggered by the deregulation of economic policies during the 1980s, brought with it greater flows of people into the metropolitan and urban areas, raising incomes, and changingthe country's housing needs and market.

Indonesia's cities are longstanding major contributors to the country's economic growth and development. Indonesia's economy is manufacturing oriented and industrial activity accounts for 43 per cent of GDP and employs 21 per cent of the population, whilst agriculture contributes to 14 per cent of GDP. The growth in the service sector is also significant, comprising 43 per cent of GDP (World Bank Development Indicators Databank, 2014). Indonesia has become the world's second largest producer of palm oil, after Malaysia.

Although Indonesia was affected by the 2008-2009 global economic recession the impact was relatively less severe when compared with some other countries. The reason for this relatively modest impact was the scale of the domestic market which buffered the national economy from the full effects of the crisis. Being less dependent on international allowed Indonesia to cushion some of the financial effects. Indonesia also managed to recover quickly after the slowdown.

Today, greater Jakarta contributes 25 per cent of the nation's total GDP, highlighting the importance of urbanization to Indonesia's economy (Firman, 2014). Megapolitian and metropolitan cities in Java and Bali islands contribute the highest proportions to the country's GDP. The economic growth of Indonesia's medium and small cities is less significant (Republic of Indonesia Habitat III, 2014).

Urbanisation in Indonesia was marked by unbalanced distribution, and acute urban

densities and congestion in major cities. During the 1990s, urban services struggled to provide clean water, electricity and telecommunications. Household waste created issues such as "black water" and significant health issues such as faecal contamination of water supplies (Republic of Indonesia Habitat II, 1996).

Most large cities, during the 1990s, also suffered from inadequate systems for disposing municipal waste. Vehicle emissions became the largest contributor to air pollution. Housing was a major focus of government intervention, with the aim or improving the quality and availability of affordable housing (Republic of Indonesia Habitat II, 1996). Urban management was complex and decreasing financial assistance undermined the capacities of national institutions to provide adequate services (Republic of Indonesia Habitat II, 1996). The emergence of decentralisation policies were relied on to fill the gap.

Today, urban challenges include demography, land-use and planning, environmental protection, governance and legislation, urban economy and housing and basic servicers (Republic of Indonesia Habitat III, 2014). In terms of spatial planning, densely populated urban areas in city centres and peri-urban areas require development, and more balanced spatial planning. In 2013, 70 per cent of Indonesia's total population - approximately 167 million people - was living on the island of Java, which comprises only 7 per cent of the total national land area (Winarso & Saptono 2013).

Harmonising and integrating different regions that are becoming more urbanised is a key challenge for the goal of sustainable urban development. The growth of the urban population over the last four decades and its anticipated increased creates the need for a more rigorous census and data collection process to monitor demographic changes. Good governance and legislation are also weak, particularly in the areas of land-use and planning, especially in areas such as medium cities

that are expanding. Participatory urban governance although it faces engendered a stronger sense of urban solidarity also major challenges in the future (Republic of Indonesia Habitat III, 2014).

Indonesia's dispersed archipelagic geography makes transport links between the islands and regions vital to national coherence and connectivity. Providing for inter- and intra-metropolitan connectivity is a major infrastructure challenge while urban traffic congestion is also a systemic problem in Indonesia (ADB, 2012). Although the largest cities of Java, Sumatra and Sulawesi have extensive road-based internal transport networks, and a secondary rail links Java and Sumatra, the smaller islands have poor and fragmented road networks. In the large urban areas of Java and Sumatra roads are highly congested, leading to environmental degradation, especially regarding air quality, and poor mobility which undermines economic productivity (ADB, 2012).

Historically, Indonesia has had a number of significant urban development programs over the last few decades. In 1991, the country had a Social Rehabilitation of Poor Areas Programme, supported by the private sector. The programme aimed to supply social services for disadvantaged groups, targeting orphans and the elderly, as well as providing physical infrastructure to improve footpaths, roads, bridges, and public toilets. In addition, the Urban Regional and Planning Programme, which operated as an umbrella for several related urban and regional activities, provided guidelines for spatial plans (Republic of Indonesia Habitat II, 1996).

Earlier, in the 1980s, the country had Physical Planning Units, which provided local governments with technical assistance and preparation plans. The earlier Transmigration Programme was a voluntary resettlement programme, which promoted balanced urban development, and reduced village-urban migration by moving rural residents to more productive locations.

In 1985, the Indonesian government developed a *National Urban Development Strategy* (NUDS). The NUDS however, struggled to cope with the rapid pace and scale of urbanization (Sarosa 2006). In response the government introduced the Integrated Urban Infrastructure Development programme during the 1980s to address urban service provision. The Integrated Urban Infrastructure Development Programme also improved urban clear water piping, draining and city wide waste management. Finance for the programme was sourced for different places.

In 1996 the Indonesian government adopted the UN Habitat agenda on urban development which then informed the sixth, five-year development plan under the country's national planning strategy. However, the intervening economic crisis in 1997 severely impacted Indonesia's economy, resulting in increased poverty and political disruption which saw longstanding President Suharto step down in 1998 (Winarso & Saptono 2013). These pressures brought a new wave of government responses to urban planning and policy.

Significantly, Indonesia's national urban development strategy was influenced by the major institutional realignments that occurred under the decentralisation program of the late 1990s. After the end of the Suharto regime in 1998, many of the national development plans were restructured. These constitutional amendments widened democratic participation in Indonesia's political decision-making and reiterated decentralisation as a principle of national governance.

The aim of decentralisation was bound-up with a spate of democratic reforms which followed after an extended period of centralised political power. Democracy and decentralisation have resulted in increasing pressure on local government for better urban public services. In 2014, Indonesia engaged in direct elections for the fourth time since the end of the Suharto dictatorship, national, provincial, and municipal positions. In 2014, another election brought a new President to power, Joko Widodo, succeeding Susilo Yudhoyono who governed for ten years.

Housing in Manado, Indonesia © Flickr/Matt Kieffer

Relationship to National Spatial Framework

The scale of Indonesia's recent urban transformation is illustrated through the expansion of its major cities in the second half of the twentieth-century. Jakarta, the capital of Indonesia also referred to as the Jabodetabek city-region, grew from 150,000 in 1900 to 28 million in 2010 (Tjiptoherijanto & Hasmi 2005). In 1950 Jakarta was the only Indonesian city with a population of 1 million but the country now hosts 12 cities of at least this size, with seven located in Java and with Jakarta as the largest among them. Today, Jakarta is one of the largest metropolitan areas in Southeast Asia, and is typically described as a megacity (Winsarso & Saptono 2013).

Urban development remains concentrated in Java's large cities, including Jakarta, Surabaya, Bandung, and Semarang. Other highly populated cities outside of the island of Java include Medan, in North Sumatra. Alongside this, other regions outside Java such as Riau and East Kalamatan also experience significant urbanization (Firman 2014).

Rapid urbanization has changed land-use in Indonesia. Property development and prices increased in the early 1990s, leading to the creation of high-rise shopping complexes and hotels, which often replaced once slum areas (Firman 2004). Peripheral urban development around large cities has encroached on many of the most productive and fertile agricultural lands. The lack of planning enforcement and weak monitoring of land use planning in urban area also significantly contributes to deterioration of urban green areas (UN Habitat 2008). Only about half of the urban land in Indonesia is registered in the government's website based registration system, administered by the National Land Board. Problems arise with land certification, and inconsistencies between prices and time frames. Uncertain land status influences the effectiveness of spatial plans.

In 2011, the Indonesian Government has emphasised the importance of spatial balance among its seven island regions in the *Master Plan for Expansion and Acceleration of Indonesia's Economic Development* 2011 which has the overarching aim of advancing Indonesia's economic growth. The 2011 Master Plan focuses on three main pillars including: first, establishing six economic corridors based on the comparative advantage of each region of the country; second, promoting connectivity within Indonesia and the ASEAN region; and third, improving human resources, science and technology. However, this has been noted as dedicating little attention to mapping out an implementation and monitoring plan for the policy (Strategic Asia, 2012).

Nonetheless, the *Master Plan* has stimulated central and subnational agencies to consider urban development more strategically and reduce the dominance of the island of Java (World Bank, 2012). One proposal that was considered was to move the capital city from Jakarta. However recent experience from Brazil, Nigeria, and Pakistan shows that moving the capital city had very little impact on urban development (World Bank 2012). The emphasis in *Master Plan* on leveraging Indonesia's economic activity means the main spatial strategy is the promotion of economic corridors.

Other countries have attempted more stringent and aggressive spatial strategies to regulate and balance growth, such as controlling internal migration (China and the Soviet Union), or creating economic zones (Vietnam). Indonesia does not see urban migration as a negative phenomenon. Evidence highlighted that if properly managed, urbanization contributed to economic growth.

Whilst the urban concentration of the Jakarta Metropolitan Region poses some problems and challenges, most national urban growth is expected to take place in secondary towns (World Bank 2012). In particular the small and intermediate

urban centres with populations between 100,000 and 1 million that have recently been growing more rapidly than those in Java. These areas have assumed greater economic roles through connections to extractive industries, such as oil palm plantations, timber, coal, oil and gas. These sectors have been identified as offering the potential for the creation of balanced urban development (Firman 2014).

Spatial Plan of Jabodetabekjur

The first major spatial laws were introduced in 1992 under the Suharto regime, but were amended in 2007 with a new spatial planning law. The first law was considered irrelevant to Indonesia's institutional moves towards decentralisation, and poor implementation also led to its abandonment. The new planning law originated from the central government and Ministry of Public Works.

Unlike its predecessor, the new spatial planning law, in line with new decentralisation laws provided explicit authority to provincial governments and district governments in spatial planning. The spatial planning law was passed in 2007 and enabled respective governments to draft spatial plans. The new spatial law however takes account of rapid urbanization in the Greater Jakarta area, and introduces concepts not previously found in spatial planning documents. It includes greater controls for zoning, and planning permits. As part of the new law, principles of accountability and minimal standards of service were included (Hudalah and Woltjier 2007). In addition the Act contains transport plans, green space plans and information pertaining to the informal sector of the economy. As part of these plans, a goal of securing 30 per cent of the city land as open space (city parks, cemeteries), is also present.

In order to support the government's vision of a stronger national urban system, the Directorate General of Spatial Planning within the Ministry of Public Works announced the creation of Technical

Implementation Units (UPT) in all provinces (except Jakarta) to assist local governments to improve spatial planning and land-use management. In order to strengthen the legal basis for land-use management the central government also worked on a draft law (Sarosa, 2006).

Following this, the Indonesian Government has also introduced a national spatial development plan known as *Recana Tata Ruang Nasional* to promote balanced urban development in 2004 (Rukmana, 2015). In the National Development and Planning System, each level of government must create a long-term development plan for the duration of twenty years. However, the National Spatial Development Plan (Rencana Tata Ruang Wilayah Nasional, 2008) was never fully integrated into the Indonesian Government's investment and infrastructure priorities and was ineffective in providing for significantly improved infrastructure. The Coordinating Board for spatial plan, on a regional and national level was also unsuccessful as investment and infrastructure priorities overshadowed discussion and concern with urbanization and regional disparities (Firman, 2014).

Over the last decade, the government has introduced a range of legislation on urban and spatial planning in Indonesia The law on *Spatial Management* 2007 replaced the previous law on *Spatial Management* 1992. This law enables local government to develop local regulations and plans that are crafted to local needs, rather than based on plans determined at the national or provincial levels. This updated law was enacted to support improved urban management, even though it wasn't expressly stated as an urban planning Act.

Current Policy Goals and Objectives

The *Long-term National Development Plan 2005-* 2025, provides guidance on policy for basic services for all members of society. The country's National Development Planning Agency's (BAPENAS) *National Medium-Term Development Plan* set a target of 6.3-

6.8 per cent annual GDP growth from 2010-2014 (ADB, 2012). Indonesia also has a 20 year *National Long-Term Development Plan*, which outlines the overall visions and plans for the country's development (Ministry of Land, Infrastructure, Transport and tourism Japan, 2015).

Indonesia's national urban policy is found in the *National Policies and Strategies for Urban Development towards Sustainable and Competitive Cities for 2045* (KSNPP) released in 2015. The policy is prepared by State of Ministry of National Development Planning (BAPPENAS). The aim of KSPPN is to improve urban services in the national system including transportation, solid waste, improving the provision of clean water supply, public health facilities, and greater environmental protection.

The strategy proposed to achieve increased urban service provisions includes internationalisation of metropolitan areas, and for small cities to have greater rural-urban linkages (Republic of Indonesia, 2014). The strategy for a stronger national urban system is underpinned by an emphasis on improved rural-urban linkages, especially between small cities, which was a feature of earlier NUPs, as well as international connections with the major cities (Republic of Indonesia 2014, p12). The*, Indonesia National Report for Habitat III Preparation*, identifies that the factors considered to best assist in sustainable cities are 'socio-cultural', with the centrality of sustainability principles to change lifestyles and community practices (Indonesian Republic, 2014).

The KSPPN also prioritises the improvement of urban services for the national system as a whole. Some of these services identified in the KSPPN include transportation, energy, clean water supply, solid waste, and public health and education facilities. The national urban system is to be strengthened through sub strategy of internationalisation of metropolitan areas.

The Indonesian government is currently considering applying the *New Urban Agenda*. Some of the key aspects of the new agenda include improving urban demographic data including information on the composition of cities according to employment, age, education level, and access to city services. In terms of land development, the Indonesian government recommends as part of the New Urban agenda, expanding vertical land developments, improving control of land speculation, and implementing more environmentally friendly urban design such as "green city" (Indonesian Republic 2014; 101).

Today, management of urbanization in Indonesia is not aimed at preventing urbanization, but to take economic advantage of it. Current policy frameworks, contrast with the transmigration programs under the Suharto era.

Methods of Implementation – Institutional arrangements, policy instruments, resources committed

The agency responsible for planning is the National Development Planning Authority (BAPPENAS) and practical implementation of the board's plan was overseen by the Director General of the Spatial Planning of Ministry of Public Works. The objectives of the plan include providing guidelines for effective planning, with the view of creating a national land strategy. All cities are classified into one of four categories, including national central city, inter-region central city, regional central city or national strategic central city (Japan Ministry of Land Infrastructure, Transport and Tourism, 2015). However urban governance is directed primarily at the local level, as a result of institutional re-alignments.

Indonesia has experienced major governance and legislative reform over the last decade, which has established new norms, and values, in its institutional architecture. The amendment of the

constitution in 1998, which ended in 2002, brought changes between the national and local level, as well as to urban governance. In terms of legislative hierarchy, regulations that are created at the lower level of governance cannot contradict regulations at the higher levels. In terms of urban governance, regulations have four dimensions, (1) local management institutions, (2) laws on local fiscal capacities (3) laws on the managements of natural and human resources and (4) laws on people and society (Republic of Indonesia Habitat III, 2014).

Administrative changes, after 1998, altered both urban governance and management of urban areas in Indonesia. Some 62 urban areas were designated as cities in 1998 and have been since changed to 'autonomous' cities, of which 93 have been designated (Republic Indonesia, 2014). The two main legislative vehicles for decentralisation included Law No. 22 1999 on *Local Governance* which concerns regional governance, and elections, and associated issues of local political accountability. Law No. 25/1999 *Law on Fiscal Balance between National and Local Government* introduces are fiscal arrangements, where local revenues were generated from within the autonomous jurisdictions. This legislation focuses in particularon decentralisation to the third tier of government, namely cities.

From 2001 onwards, legislative strengthening of local governance transferred an array of government obligations and functions to the local level, leaving only areas such as national defence, security, the judicial system and monetary affairs to the national government. Fiscal decentralisation aimed to provide the necessary financial resources for local governments to fulfil an expanded set of urban responsibilities. Decentralisation resulted in the reassignment of 2.3 million staff from 4,000 departments all implemented in 1 year (Sarosa, 2006).

Government decrees sought to improve coordination between government agencies involved the Jakarta Metropolitan Area. The

Decree of the Minister of Home Affairs Regulation No.6 2006, and *Presidential Regulation No.54* 2008 regarding spatial management of the capital area, were one such attempt. The decrees however lacked clarity around issues of responsibility, authority and coordination limiting the effectiveness. The lack of specification of which Ministry has authority to coordinate urban management in the area remains a problem (World Bank, 2012).

The government in the last decade has introduced a number of laws pursuant to its national urban policy goals. The law on *Protection and Management of the Natural Environment 2009* replaced similar laws from 1997. The new law serves as a basis for addressing environmental degradation and issues of carrying capacity relating to urbanization and economic development. The policy is positioned not only to react to current levels of pollution, but also to control environmental degradation and serve a basis for development planning.

The law on *Housing and Human Settlements of 2011* replaces an earlier law that was not effectively implemented. The new law promises to strengthen institutions, foster amalgamation of housing and urban areas, and simplify complex land allocation processes. This legislation also provides funding to housing agencies for housing supply and informal settlement remediation. Climate change Adaptation, was also actioned in 2007, and set out plans for greenhouse gas mitigation at a local level (Republic of Indonesia Habitat III, 2014). A draft law on urbanisation is currently under review, particularly for provincial and district governments to manage urban areas within their administrative jurisdictions.

In terms of finance, decentralisation has changed revenue arrangements for urban governance. In 1995, Indonesia invested approximately 5 per cent of its GDP on infrastructure but by 2000 this level had dropped to 2 per cent. Local governments typically spend 25 per cent of district level budgets

on infrastructure, but expenditure of capital programmes for urban areas is still low (World Bank, 2012). There exist no national laws on environmental protection, housing, settlement, water resources, water supply, and sanitation (World Bank, 2012).

Decentralisation has also given local government powers to collect property tax. While this strengthens local governments' funding base, and reduces demand on national revenue pools, the tools needed to effectively manage tax collection remain underdeveloped. An associated governance problem concerns the institutional arrangements for infrastructure development, management and financing. For example, there have been cases where the costs of completed projects exceeded original financial models by more than double, and which have raised questions around accountability and transparency of the planning and delivery processes. The law on the *Balance of National and Regional Public Budget 2004* regulates sources of local government incomes and the allocation of public financial transfers from the national to the local level (Republic of Indonesia Habitat III, 2014).

Private enterprises have played greater role in urban affairs in Indonesia since the 1990s, including through housing developments and even providing public services such as water supply, waste process management and toll roads. Privatisation has been an attractive procurement option in Indonesia for basic infrastructure and public services, as national and local budgets are limited. Public finance capacity is relatively lower now than in the period prior to the 1997 crash (Firman, 2014).

Nature and extent of Stakeholder Involvement

Whilst public participation has increased in policy-making since the Suharto era in some areas, this is generally not the case. Over the last decade, Indonesia has introduced the concept of Green city

in its urban reform agenda, and has reached out to stakeholders beyond national and local government in this realm. In 2011, 60 of 491 regencies and municipalities across the nation agreed to join the Green City Development Program. The participants were selected according to a set of criteria including demonstrating leadership and good performance in urban spatial planning, design or management. These initiatives suggest a good level of participatory and inclusiveness of the Green city Development Program, and urban development (Kirmanto, 2012).

Under the government of Jokowo Wododowo, the participation of NGOs in urban development has also been a positive development. Organised by the NGO Kota Kita, the Indonesian Urban Social Forum is an annual event that serves as a forum for civil society organisations, government officials, students and academics from across the country. It raises issues around current practices, promoting collaboration, and developing a common vision for Indonesia's urban future. The third urban forum in December 2015, involved representatives of City governments in the preparations (Kota Kita, 2015). The Indonesian Government has often worked with international donors to fund urban infrastructural projects. NGOs play a major role in disaster risk management, such as the International Red Cross, the National Search and Rescue Agency and religious organisations.

The PNPM Urban Program which operates in all urban areas of Indonesia, and is aimed to increase public participation. The objective of the program is to improve local-level governance and service delivery. The program also incorporates social protection, infrastructure investment to promote pro-poor growth and credits for small micro enterprises (World Bank Urban Poverty and Program Review, 2013).

The Asian Development Bank has participated in a number of urban projects in Indonesia. In 2008, the

bank participated in the Neighbourhood Upgrading and Shelter Sector Project, with financing of $68.6 million. The purpose of the project was to upgrade slum tenements and provide new housing for its beneficiaries. Particular attention was paid to conditions of the urban poor, coordination with local government. The ADB however evaluated that its plan of pro-poor spatial planning at a community-level was ambitious, citing the lack of political will and commitment on the part of local governments as major barriers.

Other stakeholders beyond the government and ADB include the World Bank, the Islamic Development Bank and bilateral assistance from Australia, Japan, Korea, China, Germany, France, and the Netherlands. The Australia government, through AusAid, funded the Indonesia Infrastructure Initiative Project II (ADB 2012) with the aim of increasing access to piped water for urban households. The World Bank has supported the road sector and the AusAID in road transport.

Overall strengths and weakness

The paradigm shift of decentralisation has had a contradictory impact on Indonesia's NUP. On the one hand, it has allowed provinces, regencies (rural municipalities), and cities to develop and be responsible for their own development planning also shifted decision making model from a top-down to a participative model, opening the possibility of policy and planning being more responsible to local needs. In addition, members of civil society have become more vocal about their role in development processes and have established urban forums to provide an additional input and participation in development. Some areas such as South Sumatra and Riau have flourished within the new institutional environment, accessing greater revenues than in the past (World Bank, 2013; Bunnell, 2013).

On the other hand, the weakness of Indonesia's institutional capacity at national and local levels

remains a problem in the implementation of the new decentralisation policy (Yap Kio Sheng 2010). The increased number of provincial and district agencies has posed monitoring and coordination problems for the central government. The number of Provincial governments has risen from 26 prior to decentralisation to 33 now while the number of municipal and district governments has increased from 314 in 1998 to 440 at the end of 2005 (OECD 2008). National shortage of public sector administrative skills hampered local governments, especially in remote urban areas of Indonesia. Problems of financing, monitoring and evaluation have also been challenges for service provision by government units dealing with rapid urbanization (Saraso, 2006).

Within Jakarta, weak coordination between government agencies is a major factor hindering planning for urban development. Although the BKSP Jabodetabek Metropolitan Authority has operated since 1976, this body had limited resources and powers to fulfil its coordinating responsibilities. Consequently, a Planning study was undertaken to assess the problems and guide future development in Jabodetabek. Despite these steps, the plans were never instituted as a legal statutory plan. As a result the scheme operated merely as an advisory plan and never formally adopted by the West Java Provinces. The outcome was that the BKSP has not been able to effectively coordinate urban development, or provide a plan for national level policy makers (World Bank, 2012).

Overall, Indonesia's urban development has become a key element of its national development. But policy-making and implementation could strengthen with new urban planning and land management agenda to respond to high population pressures in the urbanised areas.

A new perspective on developing infrastructural systems with maritime functions has immense potential. Sufficient green spaces are also an important component of future national urban

development. If the country can ensure that local levels carry out urban governance in line with the national development goals and legislation, in terms of land, and involve the wide public, further benefits can be acquired for the city's populace.

Furthermore, legislation such as the Law on Minimum Service Standards (SPM) exists for each urban service sector, and if coupled with capacity development, would also bridge the gap between legislation and effective service delivery. Improving the capacity of local government to address housing needs, slum upgrading, and procurement of land for construction of affordable housing could assist lower income groups. Increasing cooperation, between cities and region, and between countries in the Asian-Pacific could also facilitate greater knowledge based for urban development practices (Republic of Indonesia Habitat III, 2014).

Traffic in Jakarta, Indonesia © Flickr/Mufid Afif

6
EVALUATION

Earthquake in Nepal © Flickr/DFID

Status of NUP

Making definitive statements about NUP is difficult because of the heterogeneity of the region in terms of economic development, history of political disruption, level of urbanization, governance, and history of urban policy. However, as NUP is considered more than a simple policy document, but more broadly as a national urban strategy, the full range of a country's urban development is captured. Below is a key that describes the status of NUPs ranging from 1 to 5.

Key	Stage
1	Prefeasibility
2	Diagnostic
3	Formulation
4	Implementation
5	Monitoring and Evaluation

There are four countries in the regional survey that are at stage 5, monitoring and evaluating their NUP or national urban strategies. These countries include **Philippines** (NUDHF 2000-2016), **Fiji** (UPAP 2011), **Malaysia** (NUP 2006; Updated Spatial Policy 2011) and **Singapore** (Master and Concept Plans). All countries have a high level of urbanization, above 50 per cent, except the Philippines which is 48 per cent and about to become predominantly urban.

Of all the countries surveyed, the majority of countries are at the implementation. The countries at the implementation phase include **Sri Lanka** (Mahinda Chinthana 2010), **Bhutan** (NUP 2008), **Nepal** (New Vision Paper 2006; NUP 2007; NUDS 2015), **Papua New Guinea** (NUP 2010-2030), **Indonesia** (National Spatial Planning 2008; *National Policies and Strategies for Urban Development towards Sustainable and Competitive Cities for*

2045), **Thailand** (1985 NUDS; 2002 Urban Policy) **Samoa** (NUP 2013), **Cambodia** (National Urban Development Strategy 2014-2018), **Lao** (Master Plans and Urban Upgrading), and **Vietnam** (National Urban Development Program 2012-2020). Some of these countries have developed a new generation of NUP in the last decade, while others have strengthened existing national urban development policies such as Indonesia. Thailand had a National Urban Development Strategy (NUDS) in 1985, and subsequently released urban policy documents in 2002 and urban upgrading programs, and there has been no comprehensive overall NUP since 1985.

Countries that are still in the formulation stage include **Bangladesh**, which has drafted an extensive national urban policy, but has not been passed by the Cabinet. The **Solomon Islands** is also at a formulation stage. A newly-elected government has acknowledged that whilst having very under-developed urban policy, had stated the need to address expected expansion of its capital city (January 2015).

Pakistan, **Myanmar** and **Vanuatu** are at the second diagnostic stage of NUP development. All of these countries have struggled until fairly recently with political disruptions, such as civil war, and end of political and economic isolation in Myanmar. Pakistan also struggles with confronting security problems and threats in some of its provinces. Nonetheless Pakistan has an Urban Development Taskforce (2011), which acknowledges the need for urban monitoring and future urban development.

East Timor is the only country in category 1, the prefeasibility phase. East Timor's focus on capacity building after end of occupation and civil unrest, has been a major reason for the country's focus on governance and state-building.

Assessment

(a)   Goals and Objectives

The goals and objectives of NUP vary depending on the specific needs of each country. However the interconnection between NUP and the country's aspirations to improve its developmental status is a key feature of many urban policies. For example Sri Lanka identifies urban growth with investment growth and pushing Sri Lanka from a lower income country to upper-middle economy. It is also noted that rapid urbanization can actually have a deleterious effects on the existing state of economic productivity, such as noted by Bhutan's urban development strategies. NUP is thus envisioned as a way to avoid, going backwards, as well as advancing forwards. Malaysia has given urban policy a prominent position in the country's overall national economic development in its latest plans.

Reducing social inequity is regularly cited in NUPs as a key objective, either reducing urban poverty, or improving access to urban services such as transport, water, and waste. These features of NUPs are seen as critical to advancing the country's economy, and creating socially vibrant cities. Inclusivity features in many NUPs, focusing on both socio-economic indicators, and also the social identity of urban settlements. Urban housing development has been a focus on some urban upgrading programs, as a means to improve social inequity, and reduce urban poverty. For example, Singapore focusses on social identity, as well as Malaysia and Sri Lanka in their respective NUPs. Many of these countries also cite managing ethnic populations in urban areas causing urban insecurity. The social identity of the city is viewed as a way to overcome these tensions amongst the urban populations.

Environmental protection of green areas, recreation, and mitigating the effects of climate change also features in the goals of an NUP in this region. The impact of global warming on the frequency and intensity of flooding in many coastal Asian and pacific cities is another problem that NUP identify

and address. Bangladesh, Myanmar, Indonesia, Vietnam, all confront major flooding to their mega-urban centers, brought about by sea level rises from climate change. Other countries such as the Philippines and Nepal contend with high risk of natural disasters and hazards.

Urban expansion into green areas has often been a source of environmental degradation, and concurrently has reduced the livability of the urban settlements. The integration of environmental protection standards, such as Myanmar, disaster management schemes in Philippines, and greenhouse-gas reduction as key components of NUP is evident. These environmental aims have become a major objective in many NUPs countries across the region, whilst being tailored to deal with specific problems and threats encountered in each country.

(b)   Spatial Structure

Spatial policy is often coupled with themes of connectivity between cities, and the desire for compact-cities. For example, Indonesia's National Spatial Development Plan outline that 30 per cent must be kept green areas, and cannot be developed into urban settlements. Indonesia also has a policy that outlines balancing urban development between its cities, to disperse expected urban concentrations in Jakarta. Similarly, Nepal's NUP identifies the need for national balanced planning, and rural-urban linkages forming a way to create more dispersed urban structure.

Land policy has a prominent place in national urban development, as it determines the capacity of governments to manage land resources for urban settlements. In Pacific Island countries land tenure arrangements has been a major issue for effectively managing urban expansion. In some South-Asian and south-east Asian countries, land policy has often been poorly management, resulting in long

delays for land-use planning permits resulting in increased costs. Of course, land scarcity itself, in a country like Singapore and Bangladesh, which have dense populations occupying small land masses, creates further need for clear and effective land administration for urban development, as well as innovation.

(c) Policy Instruments

A common feature of NUPs is that they are tied to national economic strategy and seen as a potential for economic growth. Where NUP is ties to economic functions, we see stronger and better urban policies, than when urban policies are an adjunct or optional extra. The most effective NUPs coordinate urbanization policy with economic policies and plans instead of in a counter-posed fashion. NUP is sometimes integrated into financial and budgetary long-term plans, such as Malaysia's NUP which is developed with the government's national plans. Other policy instruments include financial, infrastructural, spatial, sometimes housing, transport plans and environmental policy. Fiscal policies too that allocates budget resources for urban development is also a feature of some of the policy instruments that complement or are integrated into NUPs.

Developing solid legal foundations and laws has also been a feature of strong NUPs in the region. Legislation relating to creating new urban agencies for government, land reform, decentralization, and urban service services such as waste management, and financing of urban policy is a key element of building strong institutional relationships and links between all actors involved with national urban development. Some countries are undergoing a rapid process of change in their political and legal structures, such as Myanmar, which limits the development of strong urban policy foundations. Other countries like Vietnam, experience different kinds of legal-related urban problems. As we

have noted for example, different agencies each interpreting urban planning legislation differently, resulting in contradictory plans.

(d) Institutional

On an institutional level, many countries in the region recognize the need for coordinated, multi-level governance, with the national perspective developed at the top, to be implemented and carried out by local government. However many countries have complicated historical legacies, such as Bangladesh and Pakistan where power-sharing between national governments is still developing. Institutional complexity, with often over-lapping and unclear governance arrangements have been a constant problems in many areas of urban governance across the region.

Urban leadership is more pronounced in some countries than others, such as the existence of policy statements by government's officials, or urban forums that involve government officials discussing urban matters with other stakeholders. Malaysia's Economic Planning Unit has released papers and reports on the need for urban indicators and statistics to assist its urban development. Bangladesh's urban forum too is key expression of the commitment to building urban leadership, and disseminating ideas about the government's developing urban agenda. Similarly, Vietnam has established urban forums as a way to develop urban leaders and create a wide range of stake holder participation.

(e) Fiscal Requirements

Achievement of NUPs can only be assumed where resourcing of key instruments are adequate to the task. The areas involved with NUP include policy instruments and research development, agencies, staffing, organizational resources, and adequate taxation and funding capabilities. Often

taxation policies may exists to provide revenue for urban policy, but the taxation collection is poorly administered, lacks authority, and as a results ends up being more costly than any revenue received. The Philippines is an example that demonstrates the problems with a poor fiscal and resourcing capability, leading to slowing urban management, and even costly and lengthy litigation.

A further issue in fiscal arrangements for NUP arises when revenue provided by international donor partners and private investment are mismanaged leading to slow down the execution of urban development. For example, in the Philippines due to slow bureaucratic governance processes, funding from the Asian Development Bank for urban projects has resulted in the donor organization withdrawing funds.

Often, despite the existence of comprehensive policies, there is a mismatch between the policy development at the top and the progress on the ground. For example, Vietnam's 2012 NUP forms only a basic guideline, and has yet to yield major urban development on the ground. Similarly, Nepal, which has developed an extensively comprehensive national urban policy, initially in 2007 and 2007, updated in 2015, still has not made any progress in delivering these policy objectives. These efforts will clearly be further hampered after the major earthquake that has destroyed a great deal of infrastructure.

7

CONCLUSIONS AND RECOMMENDATIONS

What has emerged from the regional survey and the discussions that accompanied the major case studies with central government and academics is that urban policy confronts major challenges. Across the region there are some common problems confronting the urban development in the Asia and Pacific. Although many countries in the region do no possess a high level of urbanization, the anticipated rates of urbanization in the coming decades is reasonably high, particularly in countries such as Laos, Nepal, Bhutan, Cambodia, Malaysia, Vanuatu and the Solomon Islands. On the other end of the spectrum, are countries such as Samoa, which has a negative rate of urbanization and is an exception to the general rates of rapid urbanization occurring across the region.

The effects of rapid urbanization, whilst depending on level of urbanization and urban development in each country, generally present similar problems such as spatially unbalanced urbanization, with increased urban populations located to primate or major metropolitan cities; urban density such as urban slums, shared housing and inadequate infrastructure and urban service provision to meet the challenge of rapidly urbanization.

These problems are further compounded by environmental issues stemming from geographical vulnerability, impact of global warming with flooding and increased risk to natural disasters and hazards. The ability of national governments to manage these complex and often interrelated challenges comes in the context of institutional weaknesses such as poor coordination, and the lack of clearly defined roles and responsibilities for undertaking and implementing policy, both vertically, between national and local units, and horizontally between departmental and ministerial units, and local government units. These weaknesses often lead to poor governance in areas such as land management, spatial policy, taxation and urban service provision.

Many countries have formulated urban development strategies, strengthened existing urban strategies or introduced a new generation of national urban policies which have been endorsed, in most cases, by central government. Where a National Urban Policy or framework has been developed the clearer the guidelines for national and local government to coordinate and implement policy responses and initiatives. When NUP is tied to the country's overall economic development, in clear long-term and mid-term plans, the more prominent and integrated urban issues and policies are found.

It is recognized by most countries that have urban policies that national spatial policy is a central policy tool for guiding and planning urban expansion. Although the national policies differ from country to country, in terms of their sophistication and development, as well as historical development, it is recognized that possessing a clear urban structure for urban expansion, clear statements, and plans designating what areas can be urbanized and what cannot be developed into urban zones.

The move towards decentralized public administration has been a feature of institutional arrangements of NUPs. Some of these processes have not been fully completed, resulting in partial decentralization, and further complexity in intuitional settings. NUP works more effectively where there is a clear link between national level policy arrangement and governmental agencies, which also extends to financing and resourcing local government to undertake urban development for their respective jurisdictions. As countries move from formulation to implementation, or conclude their implementation phases, monitoring and evaluation will be critical for developing further in-depth knowledge for sound national urban policy and development.

The challenges that confront the region in the coming decades are significant, both in terms of rapid urban population growth, ecological fragility, and institutional governance. Developing coherent and comprehensive policy is a touchstone to tether all sectors involved in urban policy to deal with these challenges. If NUP and national urban strategies can be delivered in this manner, the changes of seizing the economic opportunities of urban growth can be harnessed.

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This report aims to survey, evaluate and inform the development of national urban policies in Asia and the Pacific. The region, despite being one of the least urbanized, is one of the largest and most populated, and its recent but fast-paced urbanization will affect the lives of millions of people.

The Asia and the Pacific region today is therefore a very interesting source of information on the scope and diversity of national urban policies for sustainable urban development. Its urban transition has been sparked by globalization and rapid economic growth - of which cities were the epicenter - and largely driven by foreign direct investment and private sector initiatives. While this transformation greatly reduced poverty and improved livelihoods, it also brought about negative social and environmental externalities, such as exacerbated socio-economic and spatial inequalities, inadequate provision of adequate housing and infrastructure, and environmental degradation and increased vulnerability to disaster and climate change risks, which constitute urgent challenges facing governments of Asia and the Pacific today.

Through a series of minor and major case studies, the report explores how and why national urban policies are deployed through a wide variety of economic, social, cultural and political contexts. With a focus on institutional structures, legal frameworks and foundations, financial and technical capacity, and stakeholder engagement, it highlights how national urban policies can be used as a transformative instrument for national development goals.

The report is part of a series of five regional reports assessing the state of national urban policies that complement the Global State of National Urban Policies Report, conducted in collaboration between UN- Habitat and the Organization for Economic Co-operation and Development. These studies are timely, as they follow up on Habitat III and Agenda 2030 for Sustainable Development, the Second International Conference on National Urban Policy, and accompany the World Urban Forum, held in Kuala Lumpur, Malaysia, in February 2018.

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