

Urbanization in Asia and the Pacific

Proceedings of the Ministerial Conference
on Urbanization in Asia and the Pacific.
United Nations ESCAP, Bangkok
27 October to 2 November 1993

UNITED



NATIONS

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND PACIFIC

Economic and Social Commission for Asia and the Pacific

**Proceedings of the Ministerial
Conference on Urbanization in Asia
and the Pacific**

*Bangkok
27 October to 2 November 1993*

UNITED



NATIONS

New York, 1994

ST/ESCAP/1334

The designations employed and the presentation of the material of this publication do not imply the expression of any opinion on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries. Mention of trade names of commercial processes does not imply their endorsement by ESCAP.

Preface

It has been estimated that by the beginning of the next century more than half of the world's population will live in cities. In Asia and the Pacific, the urban population almost tripled between 1960 and 1990 and continues to grow at a very high rate. This rapid urbanization puts immense pressure on the urban fabric and has led to disparities in human development. Although, there seems to be a positive correlation between the level of urbanization and economic growth, there is still a need for measures to attenuate the negative effects of urban expansion. Against this backdrop, the Economic and Social Commission for Asia and the Pacific adopted resolution 46/2 of 13 June 1990 on urbanization strategies in the ESCAP region -- towards environmentally sound and sustainable development and management of urban areas. In that resolution, the Commission called on the secretariat to organize a ministerial-level conference on urbanization.

The Conference was held in Bangkok from 27 October to 2 November 1993 and was divided into two parts: preparatory meetings and the Ministerial Meeting.

The preparatory meetings, which took place from 27 to 30 October, included the following: Preparatory Meeting of Senior Officials, Symposium of Local Authorities, Symposium of NGOs, Symposium of the Media, and a meeting of the Bureau of the Steering Committee of the Network of Research, Training and Information Institutes on Human Settlements in Asia and the Pacific (TRISHNET). These meetings were attended by representatives of 34 ESCAP members and associate members, as well as of several United Nations bodies and specialized agencies, and intergovernmental and other organizations.

Each of the above groups met separately for two days (27 and 28 October) to deliberate on the documentation proposed for the Conference, including six issue papers, the regional action plan, and a paper on the Asia-Pacific Urban Forum, and to identify the areas where concerted action was required. On 29 and 30 October, all groups met in the **Asia-Pacific Urban Forum**, to discuss the various issues related to urbanization and, in

particular, the ways and means to articulate the roles of the various groups and action required in terms of goals, courses and responsibilities so as to be able to face the challenges posed by the increasing urbanization of the ESCAP region. This gave ample opportunity for interaction among the different groups and proved highly successful in terms of initiating dialogue among a variety of urban actors. Participants agreed that the **Asia-Pacific Urban Forum** should become a biennial event since it provided an arena for groups with often diverging goals to exchange ideas and try to harmonize their objectives in order to become more effective in their action. An important part of the **Asia-Pacific Urban Forum** was an in-depth review of the Regional Action Plan.

The Conference endorsed the Regional Action Plan on Urbanization and adopted the Bangkok Declaration on Sustainable Urban Development and Management in Asia and the Pacific. As indicated above, both the Regional Action Plan and the Bangkok Declaration were reviewed and accepted by the representatives of local authorities, non-governmental organizations, human settlements research and training institutes and the media who attended the Ministerial Conference. Furthermore, the Regional Action Plan was later adopted by the Commission at its fiftieth session in New Delhi.

The Regional Action Plan and the Bangkok Declaration are included in these proceedings, together with the final reports of the various meetings, as well as the issue papers which served as the basis for the deliberations of the Conference. I hope that this compendium will provide a solid framework for the formulation of urban policies and projects that will further the economic, social, and political growth of the region.



Rafeuddin Ahmed
Executive Secretary

CONTENTS

Preface	i
---------------	---

PART ONE

Report of the Ministerial Conference on Urbanization in Asia and the Pacific	1
---	----------

I. Organization of the Conference	1
II. Issues, policies and challenges of urbanization	6
III. Consideration of the Ministerial Declaration	13
IV. Adoption of the report	14

PART TWO

Ministerial Declaration on Sustainable Urban Development and Management in Asia and the Pacific	15
--	-----------

PART THREE

Regional Action Plan	21
-----------------------------------	-----------

ANNEXES

I. Report of the Preparatory Meeting of Senior Officials	55
II. Meeting documents	81
III. Photo and painting exhibition	157
IV. Opening statements	159
V. List of participants	171

PART ONE

**REPORT OF THE MINISTERIAL CONFERENCE
ON URBANIZATION IN ASIA AND THE PACIFIC**

I. ORGANIZATION OF THE CONFERENCE

1. The Ministerial Conference on Urbanization in Asia and the Pacific was held at the Economic and Social Commission for Asia and the Pacific, Bangkok on 1 and 2 November 1993.

Attendance

2. The Conference was attended by representatives of the following members and associate members of the Commission: Afghanistan, Australia, Bangladesh, Bhutan, China, Democratic People's Republic of Korea, Fiji, France, Guam, India, Indonesia, Iran (Islamic Republic of), Japan, Kiribati, Lao People's Democratic Republic, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Netherlands, New Zealand, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Republic of Palau, Russian Federation, Samoa, Islands, Sri Lanka, Thailand, Tonga, Tuvalu, United Kingdom of Great Britain and Northern Ireland, United States of America, Vanuatu, and Viet Nam.

3. The following United Nations bodies and specialized agencies were represented: United Nations Children's Fund, United Nations Development Programme (UNDP), United Nations Population Fund, United Nations Centre for Human Settlements (Habitat), International Labour Organization, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization, and the World Bank.

4. The following intergovernmental organizations were represented: Asian Development Bank and the Commission of the European Communities.

5. The following organizations were also represented: Asian Institute of Technology, International Union of Local Authorities, United States Agency for International Development, United Towns Development, Hiroshima University, Kobe University, Matsuzaka Women College, International Council of Women, and Disabled People's International.

Opening of the Conference

6. The Secretary General of the United Nations, in his message, stated that while approaching the twenty-first century, urbanization was emerging as a major challenge. As populations became more urban, the strains of adaptation were considerable. Nevertheless, urbanization offered great opportunities. Development and urbanization could go hand in hand if the process of urbanization was well managed. However, human and financial resources had been insufficient to meet rapidly increasing demands for shelter, infrastructure and services in many cities, which had adversely affected their productive capacities.

7. He suggested that, to ensure a positive urban future, it was essential that both policy formulation and programme implementation were broad-based, participatory and environmentally sustainable. In order to attain that, new policies had to be evolved and new partnerships established. He commended the fact that, in addition to the Ministers, several other important urban actors, such as local authorities, non-governmental organizations, the media and research and training institutes, were involved in the Conference.

8. The Executive Secretary of ESCAP, in his opening statement, expressed his profound gratitude and sincere appreciation to His Excellency Mr Chuan Leekpai, Prime Minister, Royal Thai Government for consenting to open the Conference amid his pressing duties of state. He also thanked His Excellency General Chavalit Yongchaiyudh, Minister of Interior and the officials of the Ministry of Interior and the Ministry of Foreign Affairs for their generous cooperation and valuable support to the many preparatory arrangements that preceded the Conference.

9. He stated that urbanization was one of the major challenges facing countries of the Asia and Pacific region. The process was inevitable and it would particularly affect the low-income countries that were least prepared to cope with it. In most Asian cities serious shortages of land, shelter, infrastructure and services had led to overcrowding and congestion, worsening environmental degradation and the proliferation of massive slums and squatter settlements which were symptomatic of rapid urban population growth. He indicated that a hard look at the emerging new perceptions of the city was necessary. That implied the initiation of poverty alleviation programmes, the introduction of environmental reforms, the decentralization of administrative functions and resources to local levels, and the

participation of major actors in the urbanization process at all levels of policy making and implementation.

10. He drew the attention of the delegates to the conclusions of the report *State of Urbanization in Asia and the Pacific, 1993* and its specific recommendations. He expressed the hope that the Conference would help initiate the policy changes required to cope with the urbanization challenges in the promotion of economically efficient, environmentally sustainable, socially just, politically participatory and culturally vibrant urban areas.

11. He informed the Conference that concurrent with the Preparatory Meeting of Senior Officials, held at Bangkok from 27 to 30 October 1993, three symposia of representatives of local authorities, non-governmental organizations and the media and a meeting of research and training institutes in human settlements had been held and made proposals for their respective roles in the urbanization process.

12. The Prime Minister of Thailand, Mr Chuan Leekpai, in his opening address welcomed all the delegates to Thailand and wished them a pleasant and productive stay in Thailand.

13. He stated that the rapid growth of urban areas, the persistence of urban poverty and the decline of the urban environment were problems and concerns shared by all. Therefore, the Conference was timely as it provided the opportunity to exchange experiences, discuss and formulate appropriate policies and strategies for the future.

14. He stated that Thailand had experienced very rapid urbanization, most of which had been concentrated around Bangkok, resulting in problems that needed to be addressed urgently. The Government had identified a number of priority action areas, such as the establishment, under his chairmanship, of the Bangkok Metropolitan Regional Committee. The Government attached great importance to the urban environment and far reaching programmes had been designed and were being implemented to address related issues. Urban poverty was another issue which the Government was addressing by upgrading programmes for congested urban areas and squatter settlements, by improving infrastructure and health facilities for poor communities, by implementing programmes to support

employment creation and skills development, as well as by assisting in the establishment of community organizations.

15. He emphasized the need for an integrated and coordinated approach to the problems of urbanization and the need for commitment to pursue related activities in order to bring about the best solutions in a shorter time. The Prime Minister stressed that in discussing the problems of urbanization, a closer look at the linkages between urban problems and rural poverty was needed so that undue financial burden and negative externalities were not passed on to the rural sector. In that context, the Government had acted to implement a number of measures to improve the countryside and had pushed for large-scale land reforms. It had encouraged private investments in different zones through tax incentives which had succeeded in increasing the amounts of investment in such areas.

16. The Prime Minister then declared the Ministerial Conference on Urbanization in Asia and the Pacific open, and expressed his confidence that the Conference would be successful.

Exhibition

17. The Prime Minister visited the exhibition on urbanization which was organized by ESCAP and held in conjunction with the Ministerial Conference. The exhibition was a visual presentation of the state of urbanization in the region. Photos, maps and captions attempted to dramatize the main topics of the Conference. He also viewed the paintings of 19 schoolchildren who participated in a competition on the theme of Urbanization.

Election of officers

18. The Conference elected HE General Chavalit Yongchaiyudh, Honourable Minister of Interior, the Royal Thai Government, Chairperson.

19. The following were elected Vice-Chairpersons: HE Eng. Ahmad Shah Ahmadzai, Minister for Housing and Town Planning, Afghanistan; Right Honourable Brian Leslie Howe, MP, Deputy Prime Minister and Minister for Housing, Local Government and Community Services, Australia; Honourable Rafiqul Islam Mia, Barrister-at-Law, Minister for Works, Bangladesh; HE Mr T.

Tobgyel, Minister for Communications and Social Services, Bhutan; HE Mr Li Zhendong, Vice Minister of Construction, China; HE Mr Militoni Leweniqila, Minister for Housing, Urban Development and Environment, Fiji; HE Mr P.K. Thungon, Minister of State for Urban Development, India; HE Mr Radinal Mochtar, Minister of Public Works, Indonesia; HE Mr Abbass Ahmad-Akhundi, Minister of Housing and Urbanization, Islamic Republic of Iran; HE Mr Bouathong Vonglokhom, Minister for Communication, Transport, Post and Construction, Lao People's Democratic Republic; Honourable Dato' Dr Ting Chew Peh, Minister, Housing and Local Government, Malaysia; HE U Khin Maung Yin, Minister for Construction, Myanmar; HE Mr Bal Bahadur Rai, Minister for Housing and Physical, Planning, Nepal; Honourable John Jaminan, MP, Minister for Housing, Papua New Guinea; HE Mrs. Milagros I. Llanes, Undersecretary, Department of Social Welfare and Development, Philippines; HE Mr A.A. Babenko, First Deputy Minister, State Committee for Construction and Architecture, Russian Federation; HE Mr Leafa Vitale, Minister for Public Works, Samoa; Honourable Mr Chandra Ranatunge, Minister of Construction and Building Materials, Sri Lanka; Honourable Tomu Sione, Minister for Home Affairs and Rural Development, Tuvalu; Honourable Charlie Nako, Minister of Home Affairs, Vanuatu; Honourable George Ngirarsaol, Minister of Commerce and Trade, Republic of Palau.

20. Dr Sung-Woong Hong, Vice President, Korea Research Institute for Human Settlements, Republic of Korea, was elected rapporteur.

Adoption of the agenda

21. The Conference adopted the following agenda:

1. Opening of the Conference.
2. Election of officers.
3. Adoption of the agenda.
4. Urbanization policies, perspectives and challenges in Asia and the Pacific.
5. Report of the Preparatory Meeting of Senior Officials on:
 - (a) Urbanization trends, patterns and impacts; urban economy and productivity; urban poverty; urban environment; financing urban infrastructure and services; and the institutional framework for effective management, development and planning of urban areas;

- (b) Draft regional action plan;
 - (c) The Asia-Pacific Urban Forum;
 - (d) United Nations Conference on Human Settlements (Habitat II): preparations at the regional and country levels.
6. Ministerial declaration on urbanization in Asia and the Pacific
 7. Other matters
 8. Adoption of the report

II. ISSUES, POLICIES AND CHALLENGES OF URBANIZATION

22. The Conference expressed its gratitude to the Prime Minister of Thailand for opening the Conference. It expressed its appreciation for his thought-provoking and inspiring address which had set the tone for the deliberations in the Conference. It also expressed appreciation to the Government and people of Thailand for the kind hospitality extended to all participants.

23. The Conference expressed appreciation to the secretariat for the comprehensive and high-quality documents prepared for its consideration.

24. The Executive Secretary, in his introduction to agenda items 4 and 5, stated that the report of the Preparatory Meeting of Senior Officials, which was before the Conference, dealt with major issues of concern in the field of urbanization. It had identified a number of critical issues that had to be taken into consideration in future policy decisions for facing effectively the challenges of urbanization. The Preparatory Meeting had also considered a draft regional plan of action which recommended a number of national and regional actions to address social, environmental, and other problems, and a series of actions to realize the potential of urbanization. The regional action plan, as revised by the Preparatory Meeting, had been submitted for consideration by the Conference.

25. To promote better understanding among various urban actors and with a view to institutionalizing the consultative process, the representatives of the various group meetings held in conjunction with the Preparatory Meeting of Senior Officials, joined the Preparatory Meeting of Senior Officials to discuss issues of

common interest. That marked the beginning of a forum of all actors which was termed the Asia-Pacific Urban Forum.

26. The Executive Director of the United Nations Environment Programme, in her message, expressed satisfaction that the Conference offered an opportunity for the policy makers in the region to be aware of the issues, problems, and opportunities associated with rapid urbanization. Their presence at the Conference demonstrated their commitment to addressing those issues and shaping more productive and equitable societies for the twenty-first century. She indicated that the United Nations Centre for Human Settlements (Habitat) was prepared to devote its resources to support the members and associate members of ESCAP in the preparation and organization of policy fora and consultations involving key actors and stakeholders and in documenting and reporting success stories of cities, communities and the private sector in improving living and working conditions in the context of the United Nations Conference on Human Settlements (Habitat II), to be held at Istanbul, in June 1996.

27. The Administrator of UNDP, pointed out in his message that among major global initiatives, the Urban Management Programme in Asia and the Pacific, with core funding from UNDP, aimed at building capacities for policy and programme formulation at the national and municipal levels in the areas of land management, poverty alleviation, infrastructure provision, municipal finance and administration, urban environmental improvement and support to the civil society. Another global programme which UNDP launched at the United Nations Conference on Environment and Development, held at Rio de Janeiro, Brazil, in June 1992, was the Local Initiative Facility for Urban Environment to promote "local-local" dialogue to improve the urban environment. He noted that a cross-sectoral approach, institutional partnerships and grass-roots participation were the keys to sustainable human development, the new paradigm of people-centred development which was environmentally, economically, politically and culturally sustainable.

28. The Chairman of the Preparatory Meeting of Senior Officials presented the report of that Meeting. He indicated that the basis for the discussions were a series of issue papers prepared by the secretariat covering the following topics: urbanization trends, patterns and impacts; urban economy and productivity; urban poverty; urban environment; financing urban infrastructure and services; and institutional framework for effective management, development and planning of

urban areas. Those were essentially extracted from the *State of Urbanization in Asia and the Pacific, 1993*, which served as a background document for the deliberations.

29. He indicated that while the report contained several conclusions and observations, the main recommendations were embodied in a comprehensive regional action plan which could serve as the basis for policy formulation and action at both the country and regional level. He also indicated that the Meeting had agreed to a draft declaration sponsored by the Government of Sri Lanka, which would be presented for the consideration of the Ministerial Conference.

30. The Conference expressed its appreciation to the senior officials for their comprehensive assessment and careful review of the urbanization situation in the region. It felt that the issues discussed were appropriate and timely, and constituted the major concerns of both developing and developed countries. The Conference was in agreement with the main findings and recommendations of the senior officials and endorsed their report, which appears as annex I of the present report.

31. The Conference recognized that urbanization was inevitable and unavoidable and one of the central features of social and economic change currently and in the future. That required rethinking policies that attempted to control urbanization and adopting policies which were designed to manage the urban transition so that the positive features of urbanization could be emphasized to help welfare and economic growth, while protecting and improving the environment, alleviating poverty and preserving the cultural and historical heritage. The Conference noted with interest that the Government of Afghanistan was formulating a comprehensive urbanization policy, together with the country's reconstruction and rehabilitation policy. It also noted that in Myanmar the level of rural-urban migration had been relatively small due to the Government's emphasis on agricultural development

32. The Conference emphasized that it was necessary to encourage spatial distribution of urbanization and to extend the process to the entire range of urban settlements by involving megacities, large cities, and intermediate and small towns, by making use of their potentials and by managing them in an efficient and equitable manner. In that context, the Conference noted with appreciation the efforts of China, the Republic of Korea and Thailand towards not only the effective management of megacities but also the functional reinforcement of

provincial cities. The Conference also noted that, in Indonesia, an act had been promulgated in 1992 which provided for a spatial management framework for a national urban system which focused on the development trilogy of growth, equity and stability.

33. The Conference felt that a decentralized system of management which recognized the respective roles of various actors, including different government departments, local government, non-governmental organizations, and community-level bodies, was better suited to meet the challenge of urban growth and urbanization. The Conference urged that the legal and institutional structures of local governments be strengthened and that local authorities obtain access to adequate trained personnel and financial resources by transferring certain taxation powers to them. The Conference noted with appreciation the efforts of the Governments of Bhutan, India, Indonesia, the Islamic Republic of Iran, Myanmar, Nepal, and the Philippines in implementing policies for decentralized and devolved powers to local authorities. The Conference also felt that there was a need to review the framework of legislation, regulations and procedures and to undertake changes to facilitate the process of urbanization and to avoid over-regulation. That also had a bearing on better utilization of the potential of the private and the informal sector in most economies.

34. The Conference believed that decentralized management and decision-making should take place within a strategic framework established by national governments, that reflected an integrated approach to the economic, social and environmental aspects of urban development. In that respect, the Conference noted with appreciation the national demonstration programmes described by a number of delegations, such as Australia's "Better Cities" programme.

35. The Conference recognized that an efficient land and housing market was important, and finance policies for urban development should have the overall objective of creating self-sustaining systems which could deal with the main issues of delivering land, infrastructure and services at the required level and at affordable costs. In that context, the Conference agreed that adequate infrastructure was vital to increasing productivity. The Conference noted that Malaysia, in an effort to encourage private sector participation in the provision of low-cost housing, had adjusted planning standards, expedited plan approvals and provided public land on which an element of cross-subsidy could be realized for the lowest income groups.

To increase the productivity of the megacities, the Government of India had initiated a comprehensive infrastructure development programme.

36. The Conference agreed that investing in human capital was an effective means of enhancing productivity and advocated removal of obstacles to labour mobility, particularly those relating to a segmentation of the labour market.

37. The Conference observed that economic growth *per se* was not sufficient to reduce poverty. It recognized that greater urban productivity and the resulting income generation would contribute to poverty alleviation as long as policies to ensure income distribution were also introduced. Supportive government policies and target-oriented programmes such as those designed to 'raise the income-earning opportunities of the poor, to improve their health and education, and to increase access to urban land, shelter, and environmentally sound communities, were crucial to poverty alleviation. The Conference recognized the initiative taken by the head of Indonesia to launch a national poverty alleviation programme aimed at improving the economic conditions of the poor. The Conference noted with interest the Philippines' policy on poverty alleviation which focused, *inter alia*, on an urban land reform programme, under the Urban Development and Housing Act of 1992. The Conference also noted the efforts of Bangladesh and Pakistan in addressing that issue through their housing policies and slum improvement programmes, especially the decision of the Government of Pakistan to declare the construction sector as an industry.

38. The Conference felt that there was strong need to integrate environmental considerations into national, regional, and urban development planning. The greatest prospect for effective environmental management in low-income settlements in cities involved strengthening the local government and empowering the urban poor. Non-governmental organizations could be valuable intermediaries between Government and community-based organizations in low-income settlements. The productivity of many cities in the ESCAP region were increasingly adversely affected by traffic congestion, water, air and noise pollution, and the poor suffered the most from those adverse impacts. In that context, the Conference noted with appreciation that Indonesia had initiated nationwide programmes for clean city, solid waste clearing, clean river and blue sky Programmes. Similarly, it noted that Pakistan had adopted a national conservation strategy.

39. The Conference noted that one of the major causes of environmental degradation was inappropriate economic policy. Industrial growth, combined with inadequate infrastructure for the disposal and treatment of waste and inadequate institutional mechanisms to ensure environmental protection, led to environmental degradation and inappropriate pricing of urban services and resulted in inefficient allocation and inequitable distribution. The Conference noted with interest that Australia planned to use pricing and charging to address the problem.

40. The Conference agreed that the institutional framework for urban planning and management was vital for the changes needed to meet successfully the challenges presented by the urbanization process. There was an urgent need to undertake institutional reforms by facilitating the participation of local authorities, the private sector, NGOs and community groups in urban planning and development. Those reforms should be combined with human resources development programmes aimed at enhancing local government capacities.

41. The Conference endorsed the regional action plan on urbanization as agreed to by the Preparatory Meeting of Senior Officials and supported the recommended areas of priority action for facing the challenges of urbanization. It urged members and associate members of ESCAP, and regional and international organizations to make sincere efforts to implement it. In that context and as a mechanism for the effective coordination of regional activities, the Conference agreed to the establishment of an interorganizational committee on urbanization, as contained in the regional action plan.

42. The Conference noted with appreciation that an innovative aspect of the Preparatory Meeting of Senior Officials was the convening of the Asia-Pacific Urban Forum, where representatives of the symposia of the local authorities, media, non-governmental Organizations and the Meeting of the Bureau of the Steering Committee of the Network of Training, Research and Information Institutes in Human Settlements in Asia and the Pacific (TRISHNET) were present. The Conference agreed that there was considerable scope for making the policy making process at the country level more participatory through national urban fora. The Conference agreed that the Asia Pacific Urban Forum should convene every two years, with the next meeting to be held in 1996, prior to the second United Nations Conference on Human Settlements (Habitat II).

43. The Conference noted, from the statement of the Vice-Chairman of the Symposium of Local Authorities, that local governments should have constitutional and legal protection. There was a need for a strong coordinating mechanism that involved all actors and that had a pivotal role for local authorities, through which a common vision of the city's development could be achieved. National governments should respect the prime planning role of the local authorities. The capacities and capabilities of local authorities to manage increasingly complex cities needed to be strengthened. That included increasing professional and technical human resources, and building capacities of cities to improve the management of their finances. National governments should devolve and decentralize authorities to the local government with commensurate resources and develop rational strategies for revenue sharing.

44. To further strengthen the cooperation between cities and NGOs, the Conference recognized the role being played by the Regional Network of Local Authorities for Management of Human Settlements (CITYNET) and the need to support indigenous institutions and networks, including CITYNET. In that context, The Conference noted with appreciation that the Government of Japan had supported the activities of CITYNET and would continue that support in the future.

45. The Conference listened with interest to the statement of the Chairman of the Symposium of the Media and noted that, to be able to convey and explain information on urban development, journalists needed more training and education. The Chairman urged Governments to be more open to journalists for interview and briefings, and to improve information systems, including data banks, government documents and publications. He also recommended that publications such as *Urban Environment News*, produced by ESCAP, and the news-clipping exchange service provided by ESCAP and the Asia-Pacific Forum of Environmental Journalists should be continued.

46. The Conference listened with interest to the statement of the Chairman of the symposium of NGOs, and noted that present systems of governance of cities were too centralized, with power concentrated in the hands of a few. That resulted in the exclusion of affected communities from the decision-making process. It also contributed to the inequity prevalent in many cities where a large number of urban dwellers were marginalized. That could be changed if institutions and mechanisms were devised at the local and national level which were truly participatory,

accommodating the views of communities at all levels of decision-making, project design and planning. Governments needed to understand the strengths and potential of urban actors, including NGOs, so that an effective partnership could be forged.

47. The Conference also listened with interest to the statement of the Chairman of the Meeting of the Bureau of the Steering Committee of TRISHNET, and noted that the Network was established at New Delhi in September 1993. He stressed the importance of improving the urban informal sector by providing work-cum shelter units with essential infrastructure at the community level, by alleviating poverty, by providing urban services on a cost-recovery basis, by phasing out mechanisms for subsidies in urban programmes and the role of NGO's, especially in organizing saving groups within the community to mobilize their savings. Those had been identified by TRISHNET as priority areas for research. TRISHNET planned to promote and facilitate exchange of information, and strengthen the research and training activities in member countries to effectively manage the urbanization process.

48. The Conference noted with appreciation the offer of the Republic of Korea to base TRISHNET at the Korea Research Institute for Human Settlements.

III. CONSIDERATION OF THE MINISTERIAL DECLARATION

49. The Conference deliberated on the draft ministerial declaration endorsed by the Preparatory Meeting of Senior Officials which was submitted for consideration by the Conference. It expressed its appreciation for the work done by the senior officials and agreed that the draft declaration reflected properly and adequately the need to address effectively the challenges of urbanization, and to promote regional cooperation among members and associate members of the Commission. The Conference adopted the Ministerial Declaration and decided to call it the Bangkok Declaration on Sustainable Urban Development and Management in Asia and the Pacific. The Declaration appears as annex II to the present report.

50. The Declaration called for the second ministerial conference on urbanization to be held in 1998. It also called for ESCAP to prepare an updated report on the state of urbanization in time for the second ministerial conference. In that regard, it

expressed its appreciation to the Government of Sri Lanka for offering Colombo as a possible venue for the second ministerial conference.

IV. ADOPTION OF THE REPORT

51. The Conference adopted its report on 2 November 1993.

PART TWO

MINISTERIAL DECLARATION ON SUSTAINABLE URBAN DEVELOPMENT
AND MANAGEMENT IN ASIA AND THE PACIFIC

We the members and associate members of ESCAP, convening at the Ministerial Conference on Urbanization in Asia and the Pacific, held at Bangkok on 1 and 2 November 1993;

Bearing in mind that the fundamental objective of development is human development and that our goal is to, within a participatory framework, promote economically efficient, environmentally sustainable, socially just, and culturally vibrant urban areas;

Guided by the various important decisions taken in the fields of Human Settlements Development and in related areas by ESCAP and international bodies and agencies, particularly:

Resolution 268(XLIV) on Shelter Strategies for the Year 2000, adopted by the Economic and Social Commission for Asia and the Pacific in April 1988;

Resolution 43/181 on the Global Strategy for Shelter to the Year 2000 adopted by the United Nations General Assembly in December 1988;

The Langkawi Declaration on the Environment adopted by the Commonwealth Heads of Governments Meeting in Malaysia 1989;

Resolution 46/2 on Urbanization Strategies in the ESCAP Region - Towards Environmentally Sound and Sustainable Development and Management of Urban Areas, adopted by the Economic and Social Commission for Asia and the Pacific in June 1990;

Ministerial Declaration of Environmentally Sound and Sustainable Development in Asia and the Pacific, adopted by the Ministerial-level Conference on Environment and Development in Asia and the Pacific in October 1990, and the Regional Strategy on Environmentally Sound and

Sustainable Development in Asia and the Pacific endorsed by the Economic and Social Commission for Asia and the Pacific in April 1991;

The Jakarta Plan of Action on Human Resources Development in the ESCAP Region, adopted by the Economic and Social Commission for Asia and the Pacific in April 1991, through resolution 274(XLIV);

The Manila Declaration on a Social Development Strategy for the ESCAP Region Towards the Year 2000 and Beyond adopted by the Fourth Asian and Pacific Ministerial Conference on Social Welfare and Social Development in October 1991;

Recommendations and conclusions of Agenda 21 adopted by the United Nations Conference on Environment and Development (UNCED) in June 1992;

The Bali Declaration on Population and Sustainable Development adopted by the Meeting of Ministers of the Fourth Asian and Pacific Population Conference in August 1992;

Recognizing that countries of the Asian and Pacific Region are undergoing demographic, economic, social, cultural and environmental change from predominantly rural to urban;

Realizing that Governments of the region will increasingly emphasize on urban development policies and will therefore positively encourage its further research;

Recognizing that urban economies are and will remain significant contributors to economic development of countries of the region;

Realizing the extent and magnitude of urban poverty and the fact that specific government interventions are necessary to alleviate poverty and empower the urban poor;

Noting that for urban development to be sustainable, urban environmental issues need to be tackled on an urgent basis;

Recognizing that the United Nations General Assembly, aware that deteriorating urban living conditions would require a radical change in the ways and means of addressing human settlements issues, in resolution 47/180 adopted in December 1992 decided to convene the United Nations Conference on Human Settlements (Habitat II), with the objective to adopt a general statement of principles and commitments and to formulate a global plan of action;

Recognizing that there is no universal prescription for successful urban development, in order to achieve success, urban development and management policies need to be designed and implemented in accordance with each country's specific situation and conditions;

1. **Urge** member countries to:

(a) **Study** the various options available and undertake steps to formulate and implement national strategies and action plans on urban development which:

(i) seek to distribute the benefits of economic and social development over a wider range of human settlements and across different sections of the society;

(ii) promote sustainable development through an integrated and long-term approach to spatial planning, covering economic, social and physical aspects;

(iii) enhance the productivity of urban economies by removing unnecessary regulatory constraints to the efficient functioning of land, labour and financial markets, subject to relevant social and environmental concerns;

(iv) enhance policy decision making, social and economic empowerment of women and urban disadvantaged groups, specially the poor; and

(v) preserve the cultural and historical heritage and improve the urban environment;

(vi) mitigate the effects of natural disasters;

(b) **Review and strengthen** coordination between agencies and departments within each level of government - national, sub-national and local - and between the

various levels of government to ensure an integrated approach to decision-making with regard to urban development;

(c) **Recognize** housing construction as a productive sector of the economy;

(d) **Recognize** that all urban actors, namely, national governments, local authorities, non-governmental and community based organizations, the private/commercial sector, research and training institutes, the media and other members of society, have an important role to play in decision making for effective urban development; sincere and effective measures, including institutional, should be undertaken to ensure cooperation between all actors. Such measures should include establishing "urban forums" at the national, sub-national and local levels, as outlined in the Regional Action Plan on Urbanization;

(e) **Strengthen** the roles and capacities of local authorities, so as to enable them to assume decentralized executive and fiscal powers, improve the planning, development and management of urban areas and effectively deal with urban poverty and environmental issues;

(f) **Initiate** measures to improve collection and dissemination of urban information and support research in such issues as: urban biases, urban poverty, urban environment, pricing of urban goods and services, impacts of regulations and standards governing urban areas, and integration of updated and definitive quality of life indicators in urban research;

(g) **Improve** the effectiveness and transparency of monitoring and evaluation mechanisms to measure the success of urban policies and action plans;

(h) **Study and implement** measures to improve resource allocations in the urban sector, including diverting resources from economically unproductive sectors, keeping in mind the needs of the urban poor and other disadvantaged groups in urban areas where this is a concern;

2. **Urge** the agencies and organizations of the United Nations System and other bilateral and multilateral agencies to further enhance the level of financial assistance and also improve coordination in their assistance activities at the country and regional levels and between the country and regional level programmes;

3. **Endorse** the concept of a regional urban forum along with the Ministerial level conference on urbanization and recommend that the forum include representatives of national urban forums;
4. **Urge** member governments, multi-lateral and bilateral agencies and donors to support regional networks identified in the Regional Action Plan on Urbanization and facilitate the formation and strengthening of similar networks at the country level;
5. **Endorse** the Regional Action Plan on Urbanization as supported by the Preparatory Meeting of Senior Officials and representatives of other group meetings held in conjunction with the Ministerial Conference on Urbanization;
6. **Decide** that this Declaration shall be called the Bangkok Declaration on Sustainable Urban Development and Management in Asia and the Pacific;
7. **Urge** all concerned, including multilateral and bilateral organizations, member governments and donor countries to fully support the Regional Action Plan on Urbanization;
8. **Call** upon all members and associate members of ESCAP to actively promote broad-based participation in the preparatory process for HABITAT II, the 1996 global conference on human settlements, as a means for advancing the principles and implementing the activities adopted in the Regional Action Plan on Urbanization in Asia and the Pacific;
9. **Further urge** members and associate members of ESCAP to appoint focal points to monitor annually the progress in implementation of the Regional Action Plan on Urbanization for review by the urban forums in their own countries and by the Asia-Pacific Urban Forum, when it meets in 1996.
10. **Request** the Executive Secretary to convene a Ministerial-level Conference on Urbanization and the Asia-Pacific Urban Forum in 1998 to review the progress in the implementation of the recommendations contained in this declaration and the Regional Action Plan on Urbanization;

11. ***Further request*** the Executive Secretary to present an updated Report on the State of Urbanization in Asia and the Pacific to the Second Ministerial-level Conference on Urbanization 1998.

PART THREE

REGIONAL ACTION PLAN ON URBANIZATION

Introduction

1. The Regional Action Plan on Urbanization responds to a call by the Governments in the Asian and Pacific region for new approaches to urban issues, emphasizing the multisectoral nature of those issues and the need for coordinating various government organizations and involving actors other than national Governments in the formulation, development and implementation of urban programmes at the local, subnational, national and regional levels. The issues raised and the recommendations formulated in the draft regional action plan are in consonance with Agenda 21 of the United Nations Conference on Environment and Development.
2. The draft of the Plan was reviewed by the ESCAP Task Force on Urbanization Strategies in Asia and the Pacific, the Inter-organizational Task Force on the Preparations for the Ministerial Conference on Urbanization and its Follow-up Activities, and the Intergovernmental Expert Group Meeting on Urbanization in Asia and the Pacific.

I. GOAL AND OBJECTIVES

3. The goal of the Regional Action Plan is to improve the quality of life in urban areas, and promote and facilitate economically efficient, environmentally sustainable, socially just, politically participatory and culturally vibrant urbanization in the region through reoriented policies and management of urban development. The objectives of the Plan are as follows:
 - (a) To assist countries in formulating, implementing, monitoring and evaluating urban development and management strategies;
 - (b) To harmonize the relevance of regional programmes and country-level actions;

(c) To promote cooperation and collaboration in addressing urban issues at the regional and subregional levels among international organizations and donor agencies, national and local-level governments, non-governmental, community-based organizations, the private sector and research and training institutes.

4. Within the framework of the foregoing goal and objectives and by directing attention to poor and other urban disadvantaged and vulnerable groups, the regional action plan assigns priority to the issues outlined below.

II. MAJOR ISSUES

A. Urbanization trends, patterns and impacts

5. Demographic trends in Asia and the Pacific show that the countries of the region are in transition from being predominantly rural to being predominantly urban. It is projected that by the year 2020, over 55 per cent of the population will reside in urban areas. This trend, which may be irreversible, will increasingly be a factor in social and economic change. Thus Governments need to recognize the importance of urbanization and formulate policies that are aimed at managing it.

1. Understanding the demographic and spatial impacts of urbanization in the ESCAP region

6. To maximize the potential and minimize the negative impact of urbanization, Governments first need to understand the demographic characteristics of urbanization and the related policy implications. Urbanization in the region has led to the growth of mega-urban areas that spread beyond the political and administrative boundaries of metropolitan areas. These areas often encroach on prime agricultural land, by introducing a pattern of land use in which residential developments are mixed in with industrial estates and agricultural land. The provision of infrastructure and services in these large urban agglomerations poses a major challenge. Such a challenge is also present in some secondary and smaller cities that have expanded beyond their political or administrative boundaries.

7. Urban areas in the ESCAP region are often defined in political or administrative terms that do not capture their functional characteristics accurately. Moreover, the statistics on the extent of urbanization are often understated because

they do not take into account the urban populations that have moved beyond metropolitan boundaries into outlying areas that are neither covered by urban regulations nor serviced adequately with urban infrastructure.

2. Understanding the relationship among rural society, urbanization and economic development

8. National-level data in the ESCAP region support the generalization that economic growth and the level of urbanization are closely related. Most Governments of the region are undergoing structural adjustment and adopting economic policies that are more open and emphasize the growth of exports or import-substituting manufacturing, financial liberalization and less regulated economies. These policies accelerate urbanization by increasing the flow of goods, people, commodities and information to centres.

9. Moreover, there is evidence that education among the rural population, coupled with higher levels of income and easy access to urban areas, increase both permanent and temporary migration to urban areas. Studies have also indicated that rural-urban linkages are greater than had been assumed. Governments, therefore, need to develop physical and economic development policies that take into account the whole human settlements system rather than just rural development or urban development policies in isolation.

3. Understanding the need to develop institutional responses to urbanization

10. Institutional change is needed urgently for the effective management of the urbanization process. This change should have the following elements: decentralizing political and revenue-generating capacity to local urban governments; reshaping existing local authorities; enhancing human resources at the local and subnational levels of government; and creating new urban planning mechanisms or, alternatively, improving the cooperation and joint management of existing local authorities for the effective management of extended metropolitan regions and system with new focus, such as structures with informed community participation. At the national level, Governments may need to establish or strengthen national departments for urban development and macro planning to ensure the effective

formulation and implementation of urbanization and economic development policies.

B. Urban economy and productivity

11. The secondary and tertiary sectors of the national economy operate more efficiently in cities than in rural areas, owing primarily to agglomeration and economies of scale. Furthermore, because secondary and tertiary goods enjoy better terms of trade than most primary goods, particularly agricultural goods, cities in the region have been contributing a greater share of the national economic product. This relation between cities and secondary and tertiary economic activities has contributed to the rapid increase in urbanization in the region. As countries of the region move towards structural adjustment, market liberalization, and reduced government controls, the economic forces driving urbanization may increase. The debate on planning in most countries has shifted from efforts to control or reverse urbanization to the consideration of the type of urban growth that can contribute efficiently and sustainably to national development. Given the socio-economic and demographic trends in the region, even moderate increases in the efficiency of cities are likely to have significant benefits for the national economies. The greatest challenge for Governments of the region is to ensure that their physical, environmental, social and economic development policies complement rather than contradict each other, as has often been the case in the past.

1. Understanding the relationship between urban productivity and national economies

12. Greater efficiency and higher productivity in urban areas can be achieved by increasing the productivity of the component land, labour and capital markets of the urban economy. There is still debate in economic and planning circles about whether, for a given set of inputs, productivity is greater in urban or in rural areas. It has been contended that in many countries of the region there has been a bias in development planning towards urban areas. Residents and businesses in urban areas are said to enjoy subsidized public goods and services at the expense of rural residents and producers. In addition, Governments are said to underprice agricultural goods, particularly staple foods, deliberately to the benefit of urban residents. While these claims were undoubtedly true in the past, most Governments in the region today are moving towards structural adjustment and market

liberalization. Urban bias, therefore, continues to lessen. It is, however, still necessary to research the extent and forms of urban bias and how this bias can be removed. While there are indications that, even without subsidies, urban areas remain more productive than rural areas, primary research is needed to prove this.

2. Increasing the efficiency of urban labour markets

13. The efficiency of urban labour markets can be improved by increasing the factor mobility of labour and reducing labour market segmentation. It is therefore necessary to identify and change domestic policies that significantly impede geographical and sectoral mobility or increase the segmentation of labour markets. Mechanisms will need to be developed to provide an appropriate safety net for labour in the informal sector.

14. *Geographic barriers to labour mobility.* Some countries of the region had previously established barriers to the geographic mobility of labour. Such barriers have now been largely removed. Some policy makers at the local and national levels believe, however, that improving the conditions of the urban poor, for example, by regularizing squatter settlements, would lead to an excessive increase in rural-urban migration. There are also countries that believe certain restrictions on labour mobility are still necessary.

15. *Sectoral barriers to labour mobility.* As the production and service sectors become more specialized, some segmentation of the labour markets occurs. Governments can ensure improved sectoral mobility in the labour markets by changing policies and removing regulations that hamper labour mobility artificially. Such policies include subsidizing capital-intensive industries more than capital-efficient labour-intensive enterprises, or using excessive regulation to make entry into the formal labour market difficult. Segmentation can also occur because of government policies that provide easier access to jobs for selected groups in society.

16. Governments can ease labour mobility effectively by investing in human capital. This entails increasing access to basic or primary education and information. While increasing literacy is an important goal in itself, improved

access to higher levels of education, particularly technical and entrepreneurial training, should also be provided for social and economic reasons.

3. Urban land markets

17. Increasing the access to urban land at competitive prices will, in the long run, be one of the most important government interventions leading to the sustained growth of urban economies. Improving the access to land depends primarily on two major factors: bringing already serviced land on the market and providing new serviced land. However, to guarantee access to land and basic infrastructure for the urban poor, State intervention would be necessary since exclusive dependence on market mechanisms would not be adequate for meeting their needs.

18. *Inappropriate government regulation.* Government policies should contribute to increasing the overall efficiency and environmental sustainability of the city by providing adequate land for infrastructure, services, parks and other amenities. Some government interventions, however, are inappropriate. Planning, zoning and land ceiling regulations, for example, can remove developed or developable land from the market. Similarly, cumbersome procedures for registering the transfer of titles can restrict the availability of land and contribute to an increase in land prices.

19. *Provision of developed land and urban infrastructure and services.* The inadequate or slow provision of land serviced with infrastructure leads to an increase in prices. The provision of infrastructure is an issue which most Governments need to address urgently. Public infrastructure and services, such as roads, mass transit systems, water supply and sewerage, solid waste management, and telecommunications, are essential intermediate goods that facilitate the production and consumption of urban goods and services. Inefficiency or inadequacy in their provision may seriously affect the cost of doing business in cities and thereby slow down the urban economy. The major constraints on the provision of urban infrastructure and services are inadequate and inflexible policies and planning, excessively high standards, and inadequate access to finance.

20. *Land as a consumption and production good.* Land and housing must be considered both production and consumption goods. This is particularly true for lower-income groups. Studies have shown that small businesses, which provide

economic sustenance to a large number of the urban poor, often combine residence and business premises. Therefore, zoning regulations that restrict the use of land for both economic and residential purposes could increase the cost of doing business.

4. Urban capital markets

21. In the process of urbanization, large amounts of capital are needed to permit a variety of sectors to grow and modernize. Three of the most important areas affected by the allocation efficiency of capital markets are housing, infrastructure and services, and small business sectors.

22. *Housing finance.* In the national accounts of most developing countries, urban housing and supporting infrastructure account for as much as 20-25 per cent of the total gross investment. In most of these countries, however, only 10-20 per cent of the investment in housing is financed through formal sector loans. The reason for this is that Governments find it politically expedient to impose upper limits on returns on housing loans, which makes such loans unattractive to commercial banks. Protection against, or tedious procedures associated with, repossession of residential housing used as collateral for housing loans also deters commercial banks from entering the mortgage market. Rent control is another well-intended social intervention that can produce a shortage of housing and inequitable distribution of the available stock, which is the opposite of the intended result.

23. Owing to resource constraints, government subsidies are limited and not sustainable. This limitation of access to conventional housing finance affects particularly the lower-income groups, for whom housing is both a consumption and a production good. Increasing access to formal housing finance for these groups would contribute greatly to urban economic growth.

24. *Infrastructure investment.* Urban infrastructure and services are intermediate goods that contribute greatly to urban economic growth. Several studies have shown that the effective provision of environmental health infrastructure and services results directly in human capital development, for example, by improving health conditions and labour productivity.

25. Another major constraint to urban productivity is the lack of adequate transport and telecommunication infrastructure and services. Most cities in the region suffer inadequacies in this area; in certain cities, it threatens to undermine economic growth. Inadequate transport infrastructure is not only expensive for firms doing business in urban areas but also detrimental to resource conservation and the environment.

26. Most public infrastructure and services are subsidized explicitly or implicitly. The subsidies often benefit upper-income groups and reduce, in particular, the ability of local governments to generate not only sufficient revenues to cover the operational costs of maintaining infrastructure and services but also the capital costs for developing new ones.

27. As the provision of most urban infrastructure and services is the responsibility of local governments, there is need to strengthen their ability to manage and finance these. This can be done through the adoption of multifaceted strategies of cost recovery, devolution of financial and executive powers, and developing partnerships among all actors.

28. *Providing access to capital for small businesses.* Small firms in most developing cities form the backbone of the economy, creating jobs far more efficiently than large, capital-intensive industries. However, their expansion and development are hindered by inappropriate regulations, particularly those that restrict their access to formal credit. This may, among other interventions, call for a reduction in the government red tape required to set up and register small businesses. Access to formal capital for these firms may also need to be facilitated.

5. Enhancing the capacities of governments, non-governmental agencies and communities to develop and manage urban areas

29. Three of the major constraints on the improvement of urban development and management are the lack of coordination among different government agencies and of cooperation between government and non-government actors, the lack of adequate technical and managerial human resources, and the lack of sufficient information and data. Governments need to examine and improve their institutional infrastructure to ensure coordination among various departments and agencies so as to provide urban infrastructure and services effectively. Strategies that involve the private sector in the provision of urban infrastructure and services and recognize the constraints of doing so also need to be developed. There is urgent need to increase investment in human resources development and management, especially in urban planning and management. Improved coordination, institutional structures and human resources will still not suffice if there is a lack of accurate and reliable information on urban issues. Countries need to devise strategies to improve their urban information systems, particularly at the local level.

C. Urban poverty

30. In the past decade, although most countries of the region have experienced above average economic growth, fuelled largely by industrial and commercial development, the incidence of poverty in urban areas has increased. As the rural-to-

urban transition takes place, the majority of the population will reside in urban areas, making poverty an urban issue. In fact, in some countries of the region, the percentage of the population living below the poverty line in urban areas has exceeded that in rural areas.

31. While urban poverty is a growing and visible phenomenon, it is an issue affecting urban and rural areas. The issue of poverty alleviation should not be segmented into urban and rural; it should be tackled within a holistic development plan that encompasses the urban and rural poor.

32. Governments also need to recognize that poverty is a persistent phenomenon even in the richest countries of the region. Absolute poverty levels in some countries may have decreased, but relative poverty levels have increased. Furthermore, poverty in the region varies in its levels, structure and specific social, political, and economic manifestations.

1. Understanding the dimensions of poverty

33. Despite the magnitude and persistence of urban poverty, a majority of Governments in the region do not routinely collect data on either the levels of absolute poverty or relative income inequalities. Moreover, existing criteria for measuring poverty do not take into account its various manifestations. In many countries, the cut-off lines for delimiting poverty levels are arbitrary and, in some cases, manipulated for political reasons. Poverty emerges from constellations of political, economic and social forces that produce conditions of extreme economic vulnerability and insecurity from which there is often no escape.

34. Successful experience has shown that economic growth is an important but not a sufficient condition for poverty alleviation. Government interventions, usually in partnership with communities and other actors, are crucial for poverty alleviation.

35. The growth of urban poverty has only recently received serious attention. There is an urgent need to gather information on urban poverty and to study its many manifestations. There is also need to examine successful experience in urban poverty alleviation and derive lessons from it for policy formulation.

2. Structural adjustment and poverty

36. Countries of the region are undertaking structural adjustments to improve the productivity of their economies and remove government-induced distortions. The liberalization of markets and the removal of subsidies will affect adversely not only the poor but also such vulnerable groups as children and the elderly. In the short run, in fact, structural adjustment threatens to make the poor even poorer.

Although, in the long run, structural adjustment may contribute to alleviating absolute poverty, Governments still need to develop safety nets to ensure that care is provided to the vulnerable groups in society.

3. Improving the environment and habitat of the poor

37. Environmental and housing conditions in poor settlements have a direct impact on the productivity of the poor. Poor living conditions lead to poor health, which results in not only loss of working days but also higher medical costs. Investing in the improvement of the environmental and health infrastructure in poor settlements would contribute considerably to poverty alleviation. Furthermore, for a considerable number of the poor, housing is not only their shelter but also their workplace. Improving housing conditions would lead to more productive working conditions and the accumulation of capital.

38. Improvement in the living conditions of the urban poor is constrained by their lack of access to land. Most studies have shown that once tenure of land is secured, through various forms of long-term tenure, people invest in improving their housing and settlement conditions.

4. Providing access to financial resources

39. Several studies in urban and rural areas have shown that one of the major causes of perpetual poverty is the lack of capital resources beyond the sustenance level. The poor are often forced to rely on usurious informal lending mechanisms that do not allow them to accumulate capital and, in a number of cases, deepen their poverty. Providing them with access to capital at market rates would contribute greatly to breaking the cycle of poverty.

40. Government interventions that depress the cost of labour should seek consensus through the recognition of collective bargaining and the right of labour to organize, which would provide opportunities to the poor to accumulate capital.

5. Investing in human capital

41. In addition to poor housing and environmental health conditions and the lack of capital, the poor are constrained by conditions that restrict human capital development. The major obstacle to human capital development is the lack of access to basic, vocational and entrepreneurial educational facilities and to basic health care and nutrition. The development of human capital also involves facilitating access to information on rights, laws and markets.

6. Organizing and developing the community

42. Successful poverty alleviation programmes have shown the crucial need for organizing communities and promoting their development. In this process, the vital role of non-governmental organizations (NGOs) as advocates, organizers, policy and programme formulators, implementers and community developers must be recognized. Organized communities can substantially increase their capital, both financial and human, by pooling their resources. This also allows them to bargain collectively, and on a better footing, with those having greater power in society. The most successful programmes have been those in which community organizations and initiatives have worked in cooperation with and are supported by government programmes.

7. Addressing the problem of working and street children

43. The problem of the large and increasing number of working and street children and out-of-school youth in cities of the region demands attention. Support to working and street children through the non-governmental sector and street-based programmes should be given priority, particularly in the area of non-formal and vocational education. Such programmes address the current problems of the most deprived urban children directly and help break the cycle of poverty for future generations.

8. Enhancing the capacity of local governments

44. Community organization in itself is often not enough to solve the problem of poverty. To tackle the problem successfully, communities, NGOs, local and national governments, research and training institutes, the private sector and other actors need to work together. This requires a fundamental change in government planning and implementation procedures, making them more responsive to the needs and desires of the people. It requires that Governments, rather than being the sole providers of infrastructure and services, also become facilitators for the poor in improving their own conditions.

45. The most important interaction between the poor and the Government takes place at the local and grass-roots levels. Consequently, there is an urgent need to enhance the capacity and capability of local governments to address poverty. This calls for improved human resources and the devolution of executive and financial powers to the local level.

D. Urban environment

46. Urban growth has a number of positive impacts on the environment and human well-being. For example, the per capita cost of providing energy, health care and other infrastructure and services is lower in urban centres. Furthermore, urbanization has historically been associated with declining birth rates, which reduce population pressure on land and natural resources.

47. Nevertheless, despite the positive aspects of urban growth, the environment in most cities in the developing countries of the region is deteriorating rapidly. Among the major environmental problems plaguing urban areas are air and water pollution and growing volumes of waste, including hazardous waste.

48. The declining quality of the urban environment results in the poor health and safety of urban residents, particularly the urban poor, and decreasing levels of urban productivity. It often causes irreparable damage to natural ecosystems in cities and surrounding areas.

1. Inappropriate incentive systems

49. The economic policies of many countries of the region emphasize "growth-first" strategies that essentially liberate polluters, both firms and individuals, from paying for the cost of the pollution they cause. The cost of cleaning up therefore becomes external to the polluters. Development plans emphasize the provision of economic infrastructure giving little attention to the need for infrastructure to cope with the environmental consequences of economic growth. This is inefficient and will prove expensive in the long run. Curative measures cost far more than preventive measures. Moreover, deteriorating environmental conditions have significant adverse impacts on human well-being and productivity.

2. Inappropriate pricing of resources and services

50. Subsidized prices for water, energy, and other inputs to industries and individuals lead to the overuse of these inputs. They also lead to the inefficient and inequitable distribution of these inputs. This, in effect, subsidizes upper-income groups while the urban poor lack access to environmental infrastructure and services. The inability of local governments to recover costs sufficiently and finance services locally results in misallocation between capital and recurrent expenditure, leading to greater reliance on the transfer of funds from the central government.

3. Inadequate government response

51. While many countries of the region have formulated environmental legislation and regulations, their implementation and enforcement have not been given adequate emphasis. Environmental protection agencies or departments often lack the resources to monitor and enforce legislation satisfactorily. Furthermore, environmental legislation is often based on models from developed countries. Enforcement of such legislation is, in many cases, too costly for the local economies.

52. The incorporation of environmental considerations in development planning is hampered by the lack of coordination among various government departments. In many instances, environmental ministries or agencies have little or no political influence. Furthermore, the lines of authority and responsibility of the myriad agencies involved in urban development are frequently not clear, adding to lack of coordination and, in certain cases, mismanagement.

53. The level of government most directly responsible for providing environmental infrastructure and services is the local level. However, the ability of local governments to fulfil this responsibility is limited. Therefore, local governments need to be strengthened in terms of human resources, executive powers and financial resources to meet the challenge of protecting urban environments.

4. Improving information-gathering on the urban environment

54. The successful protection and improvement of urban environments is dependent on accurate and comprehensive data on environmental conditions and their impacts. In most cities of the region, such data are not collected adequately. To formulate and implement effective policies, governments, especially local governments, need reliable information on the prevalent conditions.

5. Involving people in urban environmental management

55. Environmental awareness in the region is, on the whole, low. The number of NGOs trying to create environmental awareness and to play an advocacy role has grown. Increased awareness of environmental costs would contribute greatly to the development of the political will to internalize environmental costs and to charge the real cost of resource use and conservation.

56. The urban poor, in many countries, suffer the most from both modern and traditional environmental risks. Government efforts to provide housing and environmental infrastructure have not improved their conditions significantly. Several NGOs, however, have been able to assist the poor through alternative

development approaches that seek to empower communities to improve their conditions by using their own resources. However, their impact has been limited. In addressing the plight of the urban poor NGOs and Governments urgently need to explore cooperative and collaborative arrangements.

6. Privatizing environmental services

57. Many Governments are considering the privatization of environmental services, such as the provision of water and energy and the collection and treatment of wastes. Privatization may be an effective means of solving some of the inherent inefficiency of government operations, but there is need for caution in this transition. Government agencies overseeing the private sector firms need to be strengthened to ensure that these firms are operating in a truly competitive environment. Furthermore, while the privatization process is under way, Governments have to ensure that equity considerations are met, because private firms might not be willing to service poorer areas of the city in which the potential profits are limited.

III. REVIEW OF CURRENT ASSISTANCE PROGRAMMES

58. Agencies and organizations of the United Nations system, together with other multilateral organizations, such as the Asian Development Bank (ADB), and bilateral donors, such as Australia, Canada, Denmark, France, Germany, Japan, the Netherlands, Norway, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America, have been involved extensively in providing assistance to countries of the region in urban development and management. In the past, however, this assistance has concentrated mainly on environmental issues, housing and infrastructure development. It has been project-based and sectoral rather than cross-sectoral.

59. In the preparation of the present regional action plan, an attempt was made to survey ongoing and planned assistance programmes at the regional and country levels. Although both multilateral and bilateral organizations were requested to provide information on their regional and country-level projects, the majority of responses received described assistance programmes that were funded and implemented by agencies of the United Nations system and the ADB. Consequently it was decided to limit the scope of this review to the assistance programmes of these agencies.

A. Assistance at the country level

60. The analysis of assistance at the country level showed that the assistance provided to national and local governments was predominantly technical assistance

aimed at strengthening managerial, planning and policy formulation capacity. Except for the assistance in planning, most assistance was for developing and updating master plans. Technical assistance in national and local capacity-building was linked to the provision of infrastructure, land and housing. The lending programmes of the World Bank and ADB also placed an emphasis on the provision of infrastructure and housing.

61. The trend, particularly in the technical assistance programmes, was towards a more intersectoral approach. Several projects, for example, dealt with infrastructure in a comprehensive way, linking the management of water supply, sewerage, drainage and solid waste and combining these with the strengthening of local and national authorities. This positive trend needs to be emphasized and strengthened.

62. The analysis also showed that in some cases coordination among the programmes of the various agencies of the United Nations and affiliated agencies needed to be increased. This was particularly so for the technical assistance and lending programmes of various agencies and organizations. The analysis also showed that the involvement in country-level programmes of groups other than the national and local governments, such as NGOs and community-based organizations, was severely limited, except in the case of programmes implemented by the United Nations Children's Fund (UNICEF), in which such organizations were considered to be major partners in planning, development and implementation.

63. Although UNICEF and the World Health Organization (WHO), the United Nations Development Programme (UNDP) and the United Nations Centre for Human Settlements (UNCHS) had some programmes that addressed poverty alleviation and the provision of urban health services specifically, this was not the focus of most of the other projects and programmes. This focus could be sharpened by combining and coordinating the efforts of UNICEF and WHO with the programmes of other implementing agencies.

64. The analysis also showed that the country-level programmes did not emphasize urban research and information systems. The collection of information was often limited to the needs of specific projects, without taking into consideration the need for a sustained comprehensive urban database. The emphasis of programmes was on product delivery rather than on developing self-sufficiency in addressing issues.

65. In research and training there was also very little emphasis on building the capacity of research and training institutes to carry out urban research and to develop sustained training programmes on their own. Research and training were carried out on a project-by-project basis.

66. Assistance to countries in developing intersectoral and comprehensive national strategies on urbanization and urban development was also found to be very weak. Assistance seemed to be provided on an ad hoc basis without any overall development plan or policy.

67. UNDP is supporting 64 projects amounting to US\$ 120 million in countries of the Asia and Pacific region. Furthermore, country-level coordination in this field, as in other substantive areas, is the responsibility of the United Nations resident coordinator.

B. Assistance at the regional level

68. Regional assistance in urban issues has been sectoral, concentrating primarily on housing, land management and building materials. Since the mid-1980s the focus of regional assistance has become more comprehensive and cross-sectoral. In the United Nations system, four organizations have been particularly active in providing regional assistance: ESCAP, UNDP, UNCHS, and the World Bank.

69. While the executing agencies have sought to ensure that regional programmes are relevant to the needs of the countries of the region, the link between national-level actions and regional programmes has been weak, with only a marginal impact at the country level. One of the main constraints has been the inability to follow up the initiatives of regional programmes at the country level, and vice versa. Regional programmes are usually implemented through regional exchanges of experience and technologies, training, policy discussions, documentation and comparative research studies. These programmes are useful as they provide valuable information and expertise to participants and act as catalysts for technical exchange among developing countries. Their impact, however, is usually limited to the participants. The reports of seminars and training workshops are often rather brief on substantive issues because they do not include the full text of the technical papers that were presented. Regional comparative research and documentation usually do not reach a wide circle of practitioners at the country level. There is a need to ensure coverage of substantive issues and the wider dissemination of the results of the regional programmes among officials and practitioners at the country level.

70. Coordination between various regional activities has been difficult to achieve. There is strong need to coordinate regional programmes and to ensure that they build upon each other rather than duplicate each other's efforts.

71. Two promising regional initiatives are the Urban Management Programme for Asia and the Pacific (UMPAP), funded by UNDP, and the Ministerial Conference on Urbanization in Asia and the Pacific, organized by ESCAP.

1. Urban Management Programme for Asia and the Pacific

72. In its fifth intercountry programme 1992-1996, UNDP has identified four components for funding under UMPAP. These are the Metropolitan Environmental Policy Framework, implemented by the World Bank; the Urban Management Programme (Asia) implemented by UNCHS, the Intraregional Participatory Urban Management Programme, implemented by ESCAP; and the Asia-Pacific 2000 Programme, executed by the Office for Project Services of UNDP. The 10 countries that are the initial focus of UMPAP are Bangladesh, China, India, Indonesia, Malaysia (host country), Nepal, Pakistan, Philippines, Sri Lanka and Thailand. This, however, does not preclude the inclusion in the programme of other developing countries from the region.

73. *Urban Management Programme (Asia)*. Implemented by UNCHS, this component will concentrate on policy consultation and building the capacity of urban institutions, principally local and national governments as well as research and training institutions. The Programme comprises regional and subregional training workshops and seminars on urban issues and participatory management, assistance to select municipalities in developing action plans, and the provision of consultancy services to identify and solve critical urban concerns faced by local and national governments. An important project under the Programme is the establishment of a network of urban management experts from the Asian and Pacific region.

74. *Intraregional Participatory Urban Management Programme*. ESCAP, together with the Regional Network of Local Authorities for the Management of Human Settlements (CITYNET), will implement this component, which is directed mainly at technical cooperation among developing countries (TCDC) and networking. The major activities of the component include enhancing networking and cooperation through local-local dialogues among city authorities, NGOs and community groups in urban poverty alleviation, and setting up an inventory and clearing-house of innovative local projects, expertise, facilities and resources. A network of regional research and training institutes has been set up as part of the networking efforts, and relevant training and information packages are being developed.

75. *Metropolitan Environmental Policy Framework*. The World Bank, through this component, will help the developing countries of Asia and the Pacific to comply with the commitments under Agenda 21. The focus will be on the development of sustainable metropolitan policies and practices. The component will address urban management issues by establishing local steering committees comprising trained environmental staff in five major cities in Asia: Beijing, Bombay, Colombo, Jakarta and Manila. Among the projects undertaken by these local teams will be country

case-studies on the management of environmental quality and cross-country analyses.

76. *Asia-Pacific 2000*. The Asia-Pacific 2000 Programme will provide financial, technical and administrative support to urban NGOs and NGO coalitions that work on a wide range of issues, including poverty and the environment. Among the key activities to be undertaken by the Programme are the following: the development of a current awareness service on urban issues for all actors in the region, the strengthening of NGO networks and capacity through support for urban resource centres, database development, management training and the development of rapid appraisal and monitoring tools for community-based action.

77. The executing agency of UMPAP is the UNDP Office for Project Services in association with UNCHS, ESCAP and the World Bank. These agencies will in turn work with various public and private sector institutions and other United Nations agencies at the country level. UNDP Kuala Lumpur serves as the designated field office. The secretariat of the Programme is located there. The Programme is coordinated by a Programme Steering Committee composed of UNDP (chair), UNCHS, the World Bank, and ESCAP in association with CITYNET and representatives of Governments, local authorities, private sector interests and NGOs from the 10 participating countries on a rotating basis. The Committee is scheduled to meet every six months to discuss programme overlaps, scheduling and the performance of the programmes. Two sessions of the Committee have already met: the first was held at Colombo in December 1992 and the second at Kuala Lumpur in June 1993. At those sessions, it was decided that the UMPAP secretariat would prepare and maintain a calendar of meetings of the Programme and other regional meetings of the implementing agencies. It was also decided to develop a joint database of publications, contact persons, experts and projects to facilitate the dissemination of information at the country level and promote coordination. Component programmes were also reviewed and inter-component coordination for specific activities was discussed.

2. Ministerial Conference on Urbanization

78. At its forty-sixth session, held in Bangkok in 1990, the Economic and Social Commission for Asia and the Pacific adopted resolution 46/2 on urbanization strategies in the ESCAP region — towards environmentally sound and sustainable development and management of urban areas. In the resolution, the Commission expressed deep concern about the alarming rate of urbanization in the region. While recognizing the economic and social benefits of urbanization, the Commission also drew attention to the acute problems accompanying urbanization.

79. The Commission urged all members and associate members to formulate and implement strategies for urbanization, urban development planning and management. It also requested the Executive Secretary of ESCAP to prepare a report on the state of urbanization in the region and to develop a regional action plan to assist members and associate members in addressing the social, environmental and other problems and the potential presented by rapid urbanization.

80. The Commission also decided to convene a regional conference on urbanization to review the state of urbanization and the regional action plan on urbanization. The Commission at its forty-seventh session, held at Seoul in 1991, decided to convene the conference at the ministerial level.

81. To ensure the full participation of other agencies and organizations in the planning and convening of the Ministerial Conference on Urbanization, ESCAP convened a consultative meeting on the establishment of an inter-organizational task force on the preparation for the Ministerial Conference on Urbanization in Asia and the Pacific. The meeting, held at Bangkok in September 1992, was attended by representatives of UNDP, UNCHS, UNICEF, AP 2000, WHO, USAID (United States Agency for International Development) Regional Housing and Urban Development Office, and representatives of the Governments of France, Japan and the Netherlands.

82. The Task Force that was established at that meeting had the following objectives: to assist ESCAP in the preparations for the Ministerial Conference on Urbanization, and to review and coordinate the necessary follow-up activities emanating from the Conference.

83. The Task Force, at its first meeting held at Bangkok in September 1992, approved its terms of reference as well as an outline of the regional action plan on urbanization. At its second meeting, held at Bangkok in July 1993, it reviewed the plan discussed its contents extensively.

84. The Ministerial Conference was expected to provide policy guidelines on planning, designing and implementing regional assistance programmes to follow up its recommendations and decisions effectively.

IV. ACTIONS AT THE COUNTRY LEVEL

85. The issues discussed above are interlinked and cross-sectoral. Policies and programmes to address any one of the issues would undoubtedly affect the others. For example, urban land policies would have an impact on productivity, the environment and poverty. To emphasize these interlinkages, the recommendations and proposals for action outlined in this section are cross-sectoral in nature. They

are neither comprehensive nor applicable in their entirety to all countries of the region. However, they present an integrated approach to urbanization. Governments may wish to adapt this approach to the particular situations they are facing.

Recommendations and proposals for action

Recommendation 1. Formulate and implement urbanization strategies and policies

86. To achieve the objectives of the Regional Action Plan, a comprehensive and sustained region-wide initiative is required. Such an initiative can only succeed at both the regional and national levels on the basis of a firm commitment by all Governments, in collaboration with other partners in development, to address urban issues in a dynamic manner through multisectoral programmes. Central to this effort should be the formulation and implementation of national strategies and action plans on urbanization, urban development, management, and disaster mitigation that address the issues outlined in section II above. When formulating urbanization strategies, policies and action plans, Governments should keep in mind that cities do not function in isolation and that they have economic, social, physical and cultural linkages with rural areas and other urban centres. Consequently the concept of urban systems should be emphasized in urbanization strategies and policies.

Proposals for action

(a) Urban development and management action plans should be given due priority within the context of overall development planning;

(b) Special attention should be given to the problems of mega-cities;

(c) Policy and planning bodies for urban development and management should be established at a high level to ensure that urbanization, urban development and management are given appropriate recognition within the context of national development plans;

(d) Plans of action, strategies and policies should be formulated and implemented at the national, subnational, local and community levels with the participation of both government and non-government actors. They should focus on increasing the productivity of urban areas while at the same time preserving the unique character of the city and ensuring the sustainability of the environment and the alleviation of poverty in urban areas.

Recommendation 2. Reform economic policies and resource allocations

87. Economic activities in urban areas contribute over 50 per cent of the national gross domestic product (GDP). Therefore, the effectiveness and efficiency of urban markets and investments need to be improved. Inefficient markets and resource allocations are not only detrimental to urban productivity and the urban environment but also contribute to entrenching urban poverty. It is important to balance reliance on market mechanisms with strategic government interventions in order to ensure that both equity and efficiency objectives are achieved.

Proposals for action

(a) Governments should review their physical, economic and social development policies and undertake measures to harmonize them; in this context priority should be accorded to the preparation of long-term spatial-physical plans with emphasis on natural disaster mitigation at national, subnational and local levels;

(b) Governments should eliminate urban bias from national and local fiscal and monetary policies wherever it exists, and ensure that wealthy urban residents are not subsidized at the expense of the urban poor and rural residents;

(c) The costs of investment in and the operation of urban infrastructure and services should be recovered wherever possible by charging full user charges and taxes, and by capturing the increased value of land as a result of public investments;

(d) As full-cost recovery would undoubtedly affect the urban poor adversely, Governments should adopt flexible approaches for urban poor communities and provide carefully targeted subsidies, possibly including cross-subsidizing policies that mitigate the effects of these policies on the poor and other disadvantaged groups;

(e) Governments should review and reform policies so as to internalize the costs of resource use and pollution in the urban economy;

(f) Resource allocations to economically and socially unproductive sectors should be diverted to meeting the basic needs of the poor and to investment in urban infrastructure and services. Equal attention should be given to new capital expenditure and the maintenance of existing infrastructure and services in allocating resources;

(g) Fiscal or financial policies that segment the capital markets should be replaced. In particular, policies that restrict the flow of capital to small business should be replaced by proactive policies that encourage this sector;

(h) Governments should identify and reform policies that artificially impede the geographical and sectoral mobility of labour or exaggerate the segmentation of labour markets;

(i) Cities need to develop comprehensive transport policies. A portion of revenues from vehicle, petroleum and diesel taxes should be used to increase support to public transportation. A unified transport agency should be established for large cities, with a decisive role for the local government;

(j) The efficiency of capital markets should be improved so that increased resources can be available for the financing of urban infrastructure.

Recommendation 3. Promote intragovernmental coordination and cooperation

88. One of the major obstacles to achieving efficient and equitable urbanization patterns is the lack of intragovernmental coordination. Local, subnational and national strategies and action programmes can succeed only if all concerned ministries and other government agencies, at all levels, harmonize and coordinate their efforts in the urban sector and ensure the participation of other actors, such as community-based organizations and NGOs, research and training institutes, private sector businesses and the media, in the process of planning and decision-making. There should also be coordination and cooperation at the policy, programme and project levels.

Proposals for action

(a) Governments should create coordinating mechanisms at the national, subnational and local levels with adequate authority to be effective;

(b) These mechanisms should ensure that the aims and objectives of strategies and action plans are pursued systematically and in an integrated manner, and that all relevant ministries and other agencies are fully involved in the effort;

(c) Where such mechanisms already exist they should be strengthened for the effective implementation, monitoring and evaluation of national policies, strategies and action plans;

(d) In addition to lateral coordination among agencies at various levels, Governments should also ensure vertical coordination among the national, subnational and local levels;

(e) Governments need to review their institutional structures and, wherever possible, delineate clear responsibilities and spheres of action, with emphasis on decentralizing functions to the level closest to the people;

(f) National Governments should encourage and facilitate the active participation of other actors, particularly local authorities, NGOs and community-based organizations, research and training institutes and the media;

(g) Each group of actors should establish its own networks or other inter-organizational mechanisms to represent its views and provide expertise in the formulation and implementation of initiatives at the local, subnational and national levels;

(h) The precise partnership role to be played by each actor should be determined in close consultation among and between the various networks or other inter-organizational mechanisms and the government coordination mechanisms at the local, subnational and national levels;

(i) The roles of each actor should be determined to maximize their comparative advantages;

(j) Networks or other inter-organizational mechanisms of each group of actors should be encouraged to develop their own programmes in support of local, subnational and national programmes on urbanization and urban development and management;

(k) Regular consultations among the various groups of actors should be organized to institutionalize the process of cooperation and collaboration and to ensure that the views of each group of actors are considered in the formulation and implementation of urban action plans. These consultations at the local, subnational and national levels could be termed "urban forums".

Recommendation 4. Strengthen local authorities

89. The provision of urban infrastructure and services, as well as environmental monitoring and enforcement, should mainly be the responsibility of urban local governments, as this level of government is more intimately linked to urban life than government at the subnational and national levels. Currently, too many agencies are involved in regulating the functioning and development of cities and providing services to citizens. There is need for a strong coordinating mechanism

through which a common vision of the city can be achieved. Consequently, Governments need to strengthen the capacity and capability of local governments to interact effectively with urban citizens and meet their needs, within strategic frameworks established by national Governments.

Proposals for action

(a) Governments should undertake efforts to streamline and define the responsibilities of the various agencies and departments involved in urban development and management and, wherever appropriate, devolve the responsibilities for urban management and development to the local level;

(b) The devolution of responsibilities must be accompanied by commensurate financial resources and powers, and steps must be taken to strengthen the institutional, technical and managerial capacities of local governments;

(c) The financial resources of urban local governments should be strengthened by both facilitating access to institutional funding and capital markets, and rationalizing revenue-sharing among national, subnational and local governments. Subnational and national governments should agree to pay property taxes (rates) to local government like other property-holders;

(d) Local governments should reduce the costs of running their administrations and of collecting revenues from existing sources. Various strategies such as tax mapping, privatization, and improved assets management should be adopted wherever appropriate;

(e) Governments should ensure the stability of local government structures by introducing legal and constitutional reform to recognize local authorities and by democratizing the political process at the local level; participatory mechanisms should be developed through which citizens can influence local-level decision-making;

(f) The quality — and if necessary quantity — of the human and technical resources at the local government level should be strengthened to make these resources more responsive to the needs of the clientele, particularly the urban poor and other disadvantaged groups in society, and specialized training should be given to municipal managers and workers at all levels;

(g) The development of the human resources of other local actors should also be facilitated to promote the integrated and comprehensive response of society to the challenge of urbanization. Community-based organizations and private sector agencies should be encouraged to provide such services, wherever they can do so more effectively;

(h) Local governments should play a pivotal role in coordinating the activities of various agencies regulating the functioning and development of the city and providing services to the citizens;

(i) The capacity of cities to assess the risk of and deal with natural and man made disasters should be enhanced. Cities should develop disaster mitigation and relief policies and strategies.

Recommendation 5. Invest in human capital

90. The goal of urban development and management policies, strategies and plans of action should be to improve the quality of life of urban citizens. All measures that contribute to improving the environment and sustainability as well as the efficiency of cities contribute towards that goal. Governments also need to make interventions specifically focused on developing human and community capital. This not only involves investing in education, primary health care and the provision of safety nets to mitigate the impacts of structural readjustment, it also means giving the people greater control over governance, especially at the local and sub-local levels.

Proposals for action

(a) Governments should invest in the education and training as well as retraining of the present and future urban labour force, particularly in basic education and vocational and entrepreneurial training;

(b) Governments should ensure the provision of basic health care, especially for the urban poor, with emphasis on primary health care and preventive measures in particular centres for maternity and child care. Attention should be given to developing urban environmental health policies in line with the Healthy Cities Programme approach of WHO;

(c) Governments should remove restrictions on and facilitate the organization of urban poor groups and labour for collective bargaining and the improvement of basic services;

(d) Governments should formulate and implement urban development strategies that emphasize learning from people and encourage and help them to find solutions to their own problems;

(e) In view of the structural adjustments necessary to increase the efficiency of national and urban economies, Governments should develop safety nets that are specifically targeted to meet the basic needs of those affected most adversely by these adjustments.

Recommendation 6. Improve urban information and research

91. The effective formulation and implementation of urban strategies, policies and plans are highly dependent on accurate, comprehensive and timely information. As most urban issues are interdisciplinary, urban planners and policy makers require access to sectoral data, including economic, demographic, social, geographic, environmental and natural resources data. Furthermore, before policies to address several urban issues are formulated, further research is required so that there will be a better understanding of the multidimensional nature of the issues.

Proposals for action

(a) Governments should assist local governments in establishing urban information systems at the local level;

(b) Governments should improve their information and data-gathering systems, making them more accurate and relevant to urban issues and disaggregating and relating data to sub-local or neighbourhood levels;

(c) Governments should undertake steps to increase transparency and encourage the free flow of relevant information, not only among the various ministries and departments but also among communities, NGOs and the media;

(d) Research and documentation of city profiles, urban developmental needs and related issues should be undertaken on a participatory basis by research institutions, NGOs, communities, and national, subnational and local governments, leading to a process of learning together;

(e) Governments, the private sector and other actors should facilitate and support research on the following:

- (i) The economic, social demographic, environmental and physical dimensions of urbanization;
- (ii) The linkages between urban economies and national economies;
- (iii) The extent, causes and impacts of all forms of migration;
- (iv) The dimensions and facets of urban poverty;
- (v) Successful poverty reduction programmes;
- (vi) The environmental costs of urban socio-economic and physical development;
- (vii) Appropriate environmental standards and regulations;
- (viii) The impacts of economic restructuring, including the privatization of urban infrastructure and services;
- (ix) Urban productivity issues including assessment of marginal productivity;

- (x) Measures and impacts of subsidies in urbanization;
- (xi) Studies on quality of life in urban setting;
- (xii) Gender issues in urbanization;
- (xiii) Functioning of informal sector including linkages with formal sector;
- (xiv) Management of mega-cities;
- (xv) Pricing of infrastructure and services;
- (xvi) Resource mobilization for financing urban development;
- (xvii) Urban violence;
- (xviii) Urban health issues and AIDS.

(f) The facilities of the Network of Research, Training and Information Institutes in Human Settlements in Asia and the Pacific (TRISHNET) and its member institutes should be used fully for research and training activities.

Recommendation 7. Monitor and evaluate urban development policies and plans

92. Policy-making and planning for urban development and management are ongoing processes. To ensure that optimum programme effectiveness is achieved and maintained, procedures should be instituted to monitor and evaluate urban development policies and plans on an ongoing basis.

Proposals for action

(a) Urban information systems should form the basis for continuous monitoring and evaluation of the progress of urban strategies, policies and action plans;

(b) Monitoring and evaluation should be carried out undertaken at the local, subnational and national levels;

(c) Monitoring and evaluation should be carried out by the local, subnational and national urban forums, including NGOs, local authorities, research and training organizations, the media and the private business sector, in order to increase the transparency of decision-making and the implementation of the action plans.

V. ACTIONS AT THE REGIONAL LEVEL

93. While the recommendations and actions outlined in section IV above are the responsibility of various levels of government as well as other actors, these actions can be facilitated by actors at the regional level. Regional assistance can include the establishment of a regional database, information exchange, human resources

development, the promotion of joint and comparative research in urban issues, and the formulation and implementation of action plans.

94. As discussed in section III above, several agencies are undertaking programmes at the regional level to assist countries in addressing urban issues. Under UMPAP, for example, 10 countries will receive assistance at various levels in the governmental and non-governmental sectors. In selected countries and cities, assistance will be provided in urban poverty alleviation, urban planning and management, and urban environmental management. The UMPAP should be expanded to the Pacific and other small island States. Assistance under the UMPAP programme needs to be expanded and complemented by other regional assistance programmes, particularly those that concentrate on the following: (a) assisting countries in incorporating environmental health issues in urban planning and management; (b) the formulation and implementation of national strategies for and action plans on urbanization; (c) reviewing and rationalizing institutional structures to address urban issues effectively; (d) subnational area planning; (e) promoting experience, methodology and technology-sharing in urban environmental and infrastructure management on a wider scale; (f) undertaking both basic and applied research on various critical urban issues; (g) education and training; and (h) the development of international referral systems in the field of urban management.

95. To assist countries in achieving the goal of efficient and equitable urban development, the following three types of regional action are required: regional assistance in support of national- and local-level programmes on urbanization and urban management; regional research and development; and coordination and cooperation at the regional level. The modalities and approaches for such action are elaborated below.

A. Linkages between regional- and country-level programmes

96. To increase the relevance and follow-up of regional assistance at the country level, as well as to enrich the country-level programmes through relevant regional inputs and experience, strong and effective linkages between assistance programmes at the regional and country levels are essential. Several attempts have been made in the United Nations system to improve coordination among its various programmes, including collaboration and coordination between the country-level programmes and the regional programmes. In the Asian and Pacific region, UNDP has encouraged the establishment of practical linkages between UNDP-funded regional- and country-level programmes. To make the linkages between the programmes of the regional and country levels more effective, a more participatory mechanism should be developed at the country level.

97. One way of achieving the two objectives of promoting a more participatory approach and improving the flow of information could be to share information at

the regional level on all ongoing and planned country-level projects. The regional programmes can then review the activities of each of the projects and suggest appropriate regional activities in support of those projects. These could be in the form of regional training workshops, policy seminars, and study visits on topics of relevance to two or more country-level programmes. Similarly, copies of the regional programmes of various United Nations agencies would be sent to the executors of the country-level projects so that they could select regional activities in which their projects could participate beneficially. To keep the country-level projects up to date, the calendar of regional activities being developed by the UMPAP secretariat could be forwarded to them. The role of the resident coordinators of the United Nations programmes, who are usually the resident representatives of UNDP, would be pivotal.

98. In addition to developing linkages between regional- and country-level programmes, linkages between global programmes in the urban sector need to be developed, particularly with the Local Initiative Facility for the Urban Environment (LIFE) financed and executed by UNDP which is being implemented in Pakistan and Thailand. LIFE is a funding mechanism to enable local governments, communities and NGOs to undertake environmental improvement through grass-roots involvement and initiatives.

B. Regional research and development

99. To assist countries in their efforts to understand the process, concepts and nuances of urbanization, and to evaluate and predict the impacts of various macro and micro policies and actions, as well as learn from each other's experience, would require some research programmes at the regional level. The research undertaken could be comparative, focusing on a selected number of representative countries. It should aim at documenting and comparing the experience of the selected countries and providing general methodologies and policy guidelines. This research should not be an end in itself. It should be a catalyst for similar research in other countries of the region.

100. The areas of research in which assistance needs to be provided have been identified in section IV above. Regional programmes can assist by promoting comparative and collaborative research in these areas. Regional research studies should be carried out with the active involvement of human settlements and research and training institutes from the region so as to build their capacity and capability for research. The usual practice in the United Nations system of engaging individual consultants, sometimes from outside the region, should be reduced in favour of institutional contracts with research and training institutes within the region. In this connection, a regional network of human settlements research and training institutes should be actively involved in developing regional research

programmes. Regional research should be carried out with the active involvement of TRISHNET.

101. Regional research activities should not be limited to research and training institutes. The active involvement of and partnership between these institutes and the national and local governments, as well as NGOs and community-based organizations, should be promoted to encourage cross-fertilization of ideas and to develop cooperative and collaborative relations between these organizations.

C. Coordination and cooperation at the regional level

102. Just as coordination and cooperation are necessary for the effective formulation and implementation of plans and programmes at the local, subnational and national levels, they are equally important at the regional level. Coordination and cooperation are particularly necessary among agencies and organizations, both within and outside the United Nations system, which are active in providing assistance to countries.

1. Inter-organizational mechanism for coordination

103. Considering that a number of United Nations and other international and regional organizations/agencies would be involved in the implementation of the action at the regional level, there would be need to ensure effective coordination and cooperation among the various agencies and organizations that are providing technical and financial assistance in the urban sector. In view of this, it is proposed to establish an inter-organizational committee on urbanization in which all United Nations, international and regional agencies/organizations could participate, as well as regional networks involved in dealing with urban issues, donor countries, representatives of member countries by rotation, as well as regional non-governmental organizations. The specific objectives of such an inter-organizational committee would be the following:

(a) To review and coordinate the necessary follow-up activities emanating from the Ministerial Conference on Urbanization, particularly the Regional Action Plan and the declaration;

(b) To facilitate cooperation among major United Nations and international and regional agencies and organizations involved in urbanization and urban management issues so as to make the maximum use of scarce resources and avoid duplication of effort;

(c) To promote joint activities involving two or more agencies/organizations.

104. The inter-organizational committee could be chaired by the Executive Secretary of ESCAP. At its first meeting following the Ministerial Conference, the committee might wish to elect a vice-chairman and work out its detailed terms of reference. The committee could be serviced by the ESCAP secretariat in cooperation with the office of the vice-chairman. The committee should meet at least twice a year; the meetings would be convened by ESCAP and usually held in Bangkok, unless another agency or organization offered to host it.

105. One of the first tasks that the committee could undertake would be to prepare a schedule of ongoing and planned regional activities so that conflicts in scheduling among the participating organizations could be avoided. This would also assist in coordinating activities that overlap with or duplicate other activities, as well as areas in which cooperation between different agencies can be strengthened. The schedule of activities would also provide an overview of regional activities and assist members and associate members in identifying the relevance of the various programmes to their country programmes. Under the UMPAP, some work on the coordination of a schedule of activities has already been initiated and this could be expanded to cover other agencies, organizations and Governments in the region.

2. Asia-Pacific urban forum

106. To strengthen regional cooperation between different national urban forums, a regional urban forum has been proposed that will comprise national and local urban governments, NGOs, the media, academics, research and training institutes as well as international and regional organizations. The forum, to be known as the "Asia-Pacific urban forum", would serve as a platform for all actors to exchange ideas and experience and to discuss policy approaches and options that should be pursued in solving specific urban issues requiring urgent attention. It could also discuss the modalities of cooperation between various actors, and identify programmes involving cooperation among two or more actors. Furthermore, it could serve as a mechanism for reviewing ongoing regional assistance programmes and their relevance to countries, thus making regional assistance programmes more transparent and demand-driven.

107. The Asia-Pacific urban forum could be convened once every two years if funding was available. However, based on the establishment of national, subnational and local urban forums, the forum could be considered ongoing rather than a biennial regional meeting. Members and associated members would be requested to appoint focal points to monitor annually the progress in implementation of the Regional Action Plan on Urbanization for review in the urban forums in their own countries and in the Asia-Pacific urban forum, when it meets in 1996. The UMPAP Programme Steering Committee of UNDP and the ESCAP inter-organizational committee on urbanization for Asia and the Pacific could report their regional assistance activities to the forum for discussion. This

would provide valuable inputs into the regional programme and ensure that it remained relevant to the needs of the countries of the region.

108. The Commission, at its forty-seventh session, held at Seoul in 1991, endorsed the proposal to establish an Asia-Pacific urban forum. The Ministerial Conference on Urbanization recognized the forum formally at the forum's first meeting held in conjunction with the Conference.

D. Support to regional networks

109. There are several regional networks in the region, targeted to different urban actors. Some of the more important regional networks are: CITYNET, Asia Coalition for Housing Rights (ACHR), Asia-Pacific Forum of Environmental Journalists (AFEJ) and TRISHNET. These networks are a means by which members exchange experience and information, provide advisory services, and organize regional training seminars and workshops. They maintain close relations with the various entities of the United Nations system. The regional networks are indigenous institutions that are active in providing regional assistance. Their important role should be recognized and further strengthened by involving them more in regional activities. Some regional activities of international organizations could be subcontracted to these networks to strengthen their institutional and human resources capacities and capabilities. There are already strong linkages between ESCAP, UNDP, UNCHS, CITYNET, ACHR, AFEJ, and the International Union of Local Authorities (IULA). Moreover, UMPAP has identified CITYNET, ACHR, AFEJ and TRISHNET as networks that would be strongly supported by the participating agencies.

110. The strengthening of these networks should not be limited to their capacity to service their own members but should also improve their capacity to interact with similar networks and with networks of other actors. Furthermore, to ensure that the linkages between regional-level actions and national-level actions are strengthened, these networks should be encouraged to form national networks of their actors or, if such networks already exist, to collaborate closely with them.

VI. PRIORITIES AND TIME-FRAME

A. Priorities

111. While the Regional Action Plan promotes an integrated approach to addressing the issues of urbanization, urban development and management, it is not comprehensive in scope. Its seven recommendations and 40 proposals for action represent a carefully defined set of priorities, in keeping with the main urban concerns of members and associate members in the region.

112. The criteria used for priority-setting are: (a) economic growth and the efficiency of the urban system; (b) concern for disadvantaged groups in urban societies; (c) environmental soundness and the sustainability of urban development; and (d) coordination, cooperation and participation at the local, subnational, national and regional levels among various urban actors.

113. Further delineation of these priorities within the overall framework of the Regional Action Plan will follow with the formulation of specific programmes and projects in accordance with the proposals for action. Such priority-setting will be the responsibility of the various national, subnational and local government ministries and departments, agencies and organizations in the nongovernmental sector, and the various United Nations bodies and agencies and other intergovernmental organizations participating in the implementation of the Regional Action Plan at the regional level.

114. It is noted that in the past decade the ESCAP region has accumulated a wealth of experience, information and expertise in the field of urban development. Without excluding the use of international resources, special consideration should be given to the maximum utilization of the available regional resources for the benefit of capacity-building in the region.

B. Time-frame

115. The Regional Action Plan requires a time-frame covering a sufficient number of years to ensure its effective implementation. As efficient, equitable and sustainable development and management of urban areas is a long-term process requiring an extended period to allow for the reformation of existing policies, an appropriate time-frame for the Plan would be from 1994 to 2000. As planning, implementation and monitoring are ongoing processes, it is proposed that meetings of the regional urban forums be held every two years, with a ministerial-level conference being convened as mid-term and terminal reviews in 1998 and 2001. National performance audits on human settlements should be presented at such mid-term and terminal reviews. The United Nations Conference on Human Settlements (HABITAT II) scheduled to be held in Istanbul from 3 to 14 June 1996, may be used as another reporting forum.

116. The first phase, to be completed by 1995, would lay the basis for subsequent implementation of the plan. It would include activities that could be undertaken within known budgetary sources, conforming to existing planning and programming cycles. Among the major activities to be undertaken during this phase would be the establishment of the necessary institutional framework at the national, local and regional levels, the formulation of local, subnational and national action plans and the preparation of preliminary studies and pilot projects.

117. The second and third phases would concentrate on the formulation and implementation of a coordinated series of urban sector programmes at the local, subnational, national and regional levels. In the second phase, to be completed by 1998, it may be necessary to add budgetary resources to the urban sector to initiate the additional programmes. While the first two phases would concentrate on planning, policy-making and policy implementation activities, the third phase, to be completed by 2000, would concentrate on broader structural and institutional changes arising out of the first and second phases of the Regional Action Plan.

ANNEX I

**REPORT OF THE PREPARATORY MEETING OF
SENIOR OFFICIALS**

CONTENTS	Page
I. Organization of the Meeting	
II. Consideration of issues	
Review of the state of urbanization and related issues:	
A. Urbanization trends, patterns and impacts	
B. Urban economy and productivity	
C. Urban poverty	
D. Urban environment	
E. Financing urban infrastructure and services	
F. Institutional framework for effective management, development and planning of urban areas	
III. Draft regional action plan	
IV. Asia-Pacific Urban Forum	
V. United Nations Conference on Human Settlements (Habitat II): preparations at the regional and country levels	
VI. Consideration of draft ministerial declaration on urbanization in Asia and the Pacific	
VII. Adoption of the report	

I. ORGANIZATION OF THE MEETING

1. The Preparatory Meeting of Senior Officials preceded the Ministerial Conference on Urbanization in Asia and the Pacific, and was held at Bangkok from 27 to 30 October 1993.
2. The Meeting was attended by representatives of the following members and associate members of the Economic and Social Commission for Asia and the Pacific (ESCAP): Afghanistan; Australia; Bangladesh; Bhutan; China; Democratic People's Republic of Korea; Fiji; France; India; Indonesia; Islamic Republic of Iran; Japan; Kiribati; Lao People's Democratic Republic; Malaysia; Mongolia; Myanmar; Nepal; Netherlands; Pakistan; Philippines; Republic of Korea; Republic of Maldives; Republic of Palau; Samoa; Russian Federation; Sri Lanka; Thailand; Tonga; Tuvalu; United Kingdom of Great Britain and Northern Ireland; United States of America; Vanuatu; and Viet Nam.
3. The following United Nations bodies and specialized agencies were represented: United Nations Children's Fund (UNICEF); United Nations Development Programme (UNDP); United Nations Population Fund (UNFPA); United Nations Centre for Human Settlements (HABITAT); International Labour Organization (ILO); Food and Agriculture Organization of the United Nations (FAO); United Nations Educational, Scientific and Cultural Organization (UNESCO); World Health Organization (WHO); and the World Bank.
4. The following intergovernmental organizations were represented: Asian Development Bank (ADB) and the Asian Productivity Organization (APO).
5. The following organizations were also represented: Asian Institute of Technology (AIT); International Union of Local Authorities (IULA); United States Agency for International Development (USAID); United Towns Development (UTD); Hiroshima University; Kobe University; and Matsuzaka Women College.
6. During consideration of agenda item 6, Asia and Pacific Urban Forum, representatives of the Symposia of the Local Authorities, Media, Non-governmental Organizations and the Meeting of the Bureau of the Steering Committee of the Network of Training, Research and Information Institutes in Human Settlements in Asia and the Pacific (TRISHNET) were also present.

Opening of the Meeting

7. The Executive Secretary, in his opening statement to the joint opening session of the Preparatory Meeting of Senior Officials, the Symposia of the Local Authorities, Non-governmental Organizations and of the Media, and the Meeting of

the Bureau of the Steering Committee of TRISHNET, welcomed the delegates attending the Meeting and expressed his sincere gratitude to His Excellency General Chavalit Yongchaiyudh, Honourable Minister of Interior, the Royal Thai Government for having consented to inaugurate the joint opening in spite of his other duties of state. He thanked the Governments of France, Japan and the Netherlands for their financial support which facilitated the organization of the Ministerial Conference and preparation of the documentation for the Conference, in particular the preparation of the Report on the State of Urbanization. As part of the preparatory work for this Conference, the secretariat had organized a number of consultative meetings and workshops, participated by representatives of all major actors involved in urban affairs to identify and examine critical issues of concern to be reflected in the substantive documents and the Report on the State of Urbanization, which were placed before the senior officials for their consideration.

8. He further stated that as the first Ministerial Conference on the subject, the Conference provided a unique forum to share the regional experience in tackling the problems of rapid urbanization at the highest level of policy makers and created the opportunity to discuss pressing issues which were of concern at the national, sub-regional and regional levels.

9. The Executive Secretary further stated that as a response to the challenge of rapid urbanization, a draft regional plan of action, which suggested ways of addressing the social, environmental and other problems, as well as means of realizing the potentials of urbanization, had been prepared. He invited the delegates to review the draft plan at their respective group meetings and suggest modifications, as necessary, for subsequent consideration and endorsement by the Ministers.

10. He expressed confidence that with their collective wisdom, the Meeting would provide valuable guidance for national level actions and further promote regional cooperation for better management of urbanization in Asia and the Pacific.

11. His Excellency General Chavalit Yongchaiyudh, Minister of Interior, Royal Thai Government, in his inaugural statement, extended a warm welcome to the delegates attending the joint opening of the Preparatory Meeting of Senior Officials and other group meetings.

12. He stated that Thailand had experienced rapid urbanization over the last decade, which coincided with the country's rapid economic development. It was expected that Thailand would be 40 per cent urbanized by the year 2000.

13. The Minister informed the Meeting that one of the major challenges facing Thailand was related to the fact that much of the urbanization had taken place around Bangkok. Being the focus for economic growth, the metropolitan region

accounted for over 50 per cent of Thailand's gross domestic product and three-quarters of value added in manufacturing. The Government was aware that this rapid and geographically concentrated urbanization was creating problems, in terms of infrastructure, traffic and environmental problems such as air pollution and contamination of canals and rivers, and that the shortage of housing for the low-income groups still continued to be an issue of major concern that had to be addressed.

14. He further stated that to improve the quality of life in the city and the productivity of urban centres, the Government had taken a number of priority actions in the current National Economic and Social Development Plan (1992-1996). In order to tackle the problems related to urban environment, ambitious programmes were being implemented to improve water supply systems, waste water treatment and urban drainage. Air pollution being largely related to traffic problems would be addressed in conjunction with the urban transportation problem, as well as through increased monitoring and control of emissions by industrial enterprises, utilizing principles such as "polluters pay".

15. He informed the Meeting that since large investment were required for urban infrastructure, Thailand was increasingly embarking on a programme of privatization in the delivery of urban infrastructure and services.

16. In declaring open the Preparatory Meeting of Senior Officials and other group meetings, he wished the meetings success.

17. The Executive Secretary launched the report, *State of Urbanization in Asia and the Pacific 1993*, using an audio-visual presentation. He stated that urbanization was a complex process, and as such general prescriptions to solve all problems were not possible. The report therefore endeavoured to provide guidelines to assist member and associate members of ESCAP in the formulation of urbanization strategies. The report contained critical reviews and analyses of five major areas, trends and patterns, urban economy and productivity, urban poverty, urban environment and urban research. In order to face the challenge of the future a separate section, "Towards a Sustainable Future", was also included.

18. The report stated that urbanization was inevitable and a radical policy shift was necessary to replace earlier policies. It also stressed the fact that more effective management capabilities had to be created. Government/private sector partnerships should be encouraged and strengthened. All major actors active in urbanization activities should be involved in formulating policies and strategies.

19. The study also indicated that, while urbanization was inevitable, and necessary, it could result in serious problems, if it was not properly managed. Those included

urban poverty, traffic congestion, air pollution, improper handling of waste and inadequacies in provisions of water supply and sanitation.

20. The report also identified a need to continue to refine knowledge of these issues by intensified research in these areas. Further research was necessary in areas such as rural-urban interaction, linkages between economic growth and poverty reduction and environmental degradation and pricing mechanisms. Further analysis was necessary of the way in which specific national conditions affected and shaped the urbanization pattern of a country. Research in those areas, however, would not lead to better management, unless it was followed by formulation of more effective urban policies.

21. The Executive Secretary called for concerted efforts aimed at making our cities socially just, environmentally sustainable, politically participatory, economically productive and culturally vibrant. For that it was essential to broaden our vision to a more participatory process of policy and strategy formulation and involve all actors essential for implementation of these policies. Governments, therefore, should play the role of a facilitator, motivator and protector while other actors could be entrusted with the role of implementors, which would lead to a new era of public and private sector partnership in the management of the urbanization process.

Exhibition and painting competition

22. The Executive Secretary then invited His Excellency the Honourable Minister of Interior to open an exhibition on urbanization, which had been organized in conjunction with the Ministerial Conference. In his opening speech he stated that the exhibition could be characterized as a visual representation of the state of urbanization in the region. Photos, maps and captions attempted to dramatize the main topics. Some of the photographs highlighted the important role played by the informal sector to alleviate poverty in cities.

23. He stated that a painting competition among child artists had been organized by CITYNET in schools in Bangkok, Colombo, Islamabad, Manila, Shanghai and Yokohama, on how they perceived their city and its impact on their lives. Paintings by winners of first three prizes in the cities were displayed at the exhibition and a panel of judges had found a painting from Shanghai as the best. Paintings from Colombo and Shanghai were awarded second prize and a painting from Bangkok was found to be the third best.

24. The Executive Secretary then requested the Honourable Minister of Interior to award the prizes to the winners.

25. The Honourable Minister then cut the ribbon and declared the exhibition open to the public.

Election of officers

26. The Meeting elected Mr W. D. Ailapperuma, Secretary, Ministry of Housing and Construction, Sri Lanka, chairperson, and vice-chairmen, Mr K. Padmanabhaiah, Secretary, Ministry of Urban Development, India; Mr J. T. Teaiwa, Permanent Secretary, Ministry of Housing, Urban Development and Environment, Fiji; Mr Prinya Nakchudtree, Deputy Permanent Secretary for Interior, Ministry of Interior, Thailand, and Mr Soeyono, Assistant II, State Minister for Public housing, Indonesia and rapporteur, Mr B. P. Chhetri, Director General, Department of Housing and Urban Development, Nepal.

27. The Chairman, in his opening remarks expressed his sincere gratitude to the honour bestowed on his country and himself by electing him Chairman of the Preparatory Meeting of Senior Officials.

28. He stated that a unique opportunity was at hand to deliberate on critical issues of concern and suggest practical solutions to the problems. The Meeting provided an opportunity for sharing of experience among countries and he hoped that delegates would take full advantage of the opportunity.

Adoption of the agenda

29. The Meeting adopted the agenda as presented below:

1. Opening of the Meeting.
2. Election of officers.
3. Adoption of the agenda.
4. Review of the state of urbanization and related issues:
 - (a) Urbanization trends, patterns and impacts;
 - (b) Urban economy and productivity;
 - (c) Urban poverty;
 - (d) Urban environment
 - (e) Financing urban infrastructure and services;
 - (f) Institutional framework for effective management, development and planning of urban areas.
5. Draft regional action plan.

6. Asia-Pacific Urban Forum.
7. United Nations Conference on Human Settlements (Habitat II): preparations at the regional and country levels.
8. Consideration of a Draft Ministerial Declaration on Urbanization in Asia and the Pacific.
9. Other matters.
10. Adoption of the report.

II. CONSIDERATION OF ISSUES

REVIEW OF THE STATE OF URBANIZATION AND RELATED ISSUES

A. Urbanization Trends, Patterns and Impacts

(Item 4(a) of the agenda)

30. Following the adoption of the agenda, the Chief of the Division of Industry, Human Settlements and Environment introduced the main points of the issue paper E/ESCAP/PSMCU/2 on urbanization trends, patterns and impacts. By the year 2020, the Asian and Pacific region would attain a level of urbanization of 55 per cent. This would involve the addition of 1.5 billion people to the urban centres of the ESCAP region. Thus, Governments needed to focus on urbanization as one of the central features of social and economic change in their societies at present and in the future. It involved rethinking policies that had attempted to prevent urbanization, or at least control it, and adopting policies which were designed to manage this urban transition so that the growth-generating features of urbanization could be emphasized to help the economic growth and welfare of their countries. Government policies towards urbanization in the region needed to be reformulated. Basically it involved an understanding of four main issues, namely, the demographic features of urbanization, the relationship between urbanization and economic development, the relationship between urban infrastructure and economic growth, and the need to develop institutional responses to this rapid urbanization.

31. Considering the past urbanization trends and patterns in the countries of the ESCAP region and taking note of their positive and negative impacts, the Meeting agreed that:

- (a) The process of urbanization in the ESCAP region was inevitable and unavoidable. According to the estimates, the urban population of this region would increase from 991 million in 1990 to a little over 2.4 billion by the year

2020. In view of the vast opportunities that the process of urbanization offered, it was in the interest of national governments to manage it in an efficient and equitable manner. It was noted that attempts in a few countries to curb urbanization had proved counter productive.

(b) Urbanization was a highly complex process, involving demographic, economic, social, and physical changes. Apart from migration and reclassification of erstwhile rural settlements into urban, in several countries, exogenous factors such as the changes in the pattern of international demand for certain goods and services (for example carpets in Nepal) or factors such as the internal security had led to an increase in population of cities and urban areas. Similarly, in many countries, extended metropolises had become dominant phenomena on their economic space. It was thus important to study continually the process and phenomena of urbanization, particularly with respect to forces that promoted and spurred it and also those that brought about changes in the spatial distribution of urban population.

(c) Owing to the differences in the concept and definition of "urban", the estimates of urban population in Asian countries were not strictly comparable. It was reconsidered that ESCAP should organize an expert group meeting to examine issues relating to the definition of "urban", to assist in working out comparable estimates of urban populations.

(d) Given the scale and dynamics of urban growth in the ESCAP region, it would be necessary to encourage distributed urbanization, making use of the entire range of urban settlements involving mega-cities, large cities, and intermediate and small towns. Concern was voiced in respect of the inordinate growth of a few mega-cities in several Asian countries which, in many cases, had come to account for a disproportionately large share of national outputs. Questions were raised regarding the costs of providing infrastructure and services in mega-cities compared with those in small and intermediate cities and also about the negative externalities in them. The Meeting, however, reiterated that different sizes of settlements possessed different potential, and it was therefore necessary to make use of that potential, and manage it in an efficient and equitable manner.

32. The Meeting noted the crucial linkages between urbanization and economic growth. In order to further those linkages, it was necessary to enhance the level of investments in urban infrastructure by generating resources within the urban areas, for example, by developing efficient systems of land and property management.

33. Considering that Asian countries had pursued different styles and modes of managing cities and towns, and taking note of experiences with those and, in

particular, with various centralized and decentralized modes of city management and governance, the Meeting observed that:

(a) Decentralized patterns which recognized the respective roles of various actors, including the different departments of governments, non-governmental organizations, and community-level bodies, were better suited to meet the challenge of urban growth and urbanization;

(b) It was important to have appropriate mechanisms for planning and development at metropolitan-regional levels. It did not consider formal governments at regional level necessary for addressing planning and development problems.

34. Noting Asian countries' extensive procedures, legislations and regulations for regulating the process of urbanization, and reviewing specific experiences of countries such as India in respect of legislations relating to land ceilings, and rent control, the Meeting noted that:

(a) There was a need to urgently review the entire framework of legislation, regulations and procedures and undertake such changes as would facilitate the process of urbanization. Many cities were over-regulated (for example, land and shelter) which constrained the energies of urban areas from being fully realized;

(b) Cities needed to be made more competitive. In that regard, the role and potentials of the private sector were particularly highlighted. It was agreed that the private sector had a vital role to play in urban development which for historical reasons, had not been fully realized.

(c) There was a need to pay special attention to human resources development, particularly education and health, where investments, combined with investments in other infrastructure and services, could contribute immensely to the process of urbanization.

35. Taking note of the changing employment structure in Asian countries, the Meeting observed that:

(a) The informal sector had made important contributions to the economy of Asian countries; however, their growth and development were often hampered by the extreme rigidity with which their problems were addressed. In view of the fact that there could be limits to absorbing the incremental urban labour force in the formal sector, it was necessary to give strong support to the informal sector by facilitating its access to credit, skills, and training.

(b) There was a need in the Asian countries to integrate better the work places with residential developments, as it related to economic productivity of the urban informal sector.

B. Urban Economy and Productivity

(Item 4(b) of the agenda)

36. The main issues contained in the paper E/ESCAP/PSMCU/3, "Urban economy and productivity", were introduced by the Chief of the Division of Industry, Human Settlements and Environment. That paper indicated that economic growth was the basis for any future development. However, it was necessary to see that growth, efficiency and productivity were not the only goals to pursue, but that those of equity, sustainability and people's participation were equally important. Since labour was a core factor of production and since wage differentials were closely related to worker's productivity, which in turn was influenced by education and human resources development, it was vital for Governments to minimize hindrances to labour mobility and invest in human capital. In order for the urbanization process to be efficient and productive, large capital investment in infrastructure was required. Governments could play important roles in simulating market choices when private markets did not exist and in ensuring, through regulations and otherwise, that investment was directed where it was needed and that capital was employed productively. In that context, Governments should also recognize the important role that the informal sector could play and encourage them to participate fully.

37. The Meeting agreed in principle with the opinions and recommendations set out in document E/ESCAP/PSMCU/3, but wanted to see the relationship between some of those and the proposals in document E/ESCAP/PSMCU/4 clarified.

38. There was a call for more attention to the importance of a strengthened urban economy to support rapid urban growth and development, currently and in the future. At the same time the issue of measuring marginal productivity had to be addressed.

39. The Meeting recognized that greater urban productivity, and the resulting income generation would contribute to poverty alleviation as long as policies to ensure income distribution were also introduced.

40. The Meeting recommended that Governments should adopt a clear and transparent policy to enlarge economic opportunities for all groups and increase the complementarity between informal and formal sectors and between large, medium and small scale economic activities. However, assistance to the small scale business sector should be carefully targeted.

41. Attention was also called to the demonstrated abilities of the poor to help themselves once properly organized. The scope for their employment and contribution to the economy in the service sector was emphasized.

42. The issue of labour deserved specific attention, as it was a source of many conflicts. The Meeting advocated clear and transparent policies regarding minimum wages and the development of partnerships between employers and employees to enhance the attachment to the economic unit on which they depended.

43. Investing in human capital was seen as an effective means of enhancing productivity. The removal of obstacles to labour mobility, particularly those relating to a segmentation of the labour market was another way of enhancing productivity..

44. The Meeting felt that the two issues dealt with separately in the document, namely housing and land, should be treated together. The provision of housing also had links to the development of industrial estates and other sources of employment, since long distances between residence and work imposed heavy load on infrastructure and consequently, led to the loss of urban productivity.

45. The housing sector was seen as a productive sector in several ways. It was a source of employment for relatively unskilled labour, particularly when its backward and forward links to other sectors was taken into consideration. The home was also frequently the workplace for many in the informal sector, and zoning restrictions preventing that needed adjustment. Zoning was recognized as an important planning tool and it had to be applied in a manner that enhanced productivity rather than obstructed it.

46. It was recognized that current standards and building regulation in that area were often unattainable for a large section of society and therefore needed to be adjusted, but it was cautioned that standards and rules ensuring safety and health and maintenance should not be sacrificed. In that connection, it was also made clear that there was considerable scope for streamlining bureaucratic procedures in several areas, such as by registering small enterprises, obtaining building and land development permits, land transfer and registration. Those measures would facilitate a more effective and competitive market. In that connection, the Meeting also advocated improved access to finance for the informal sector.

47. An efficient land and housing market depended on adequate supply and access to finance. Finance policies for urban development should have the overall objective of creating self-sustaining systems which could deal with the main issues of delivering land, infrastructure and services at the required level and at affordable costs. Governments' role in enhancing supply would be through developing land with infrastructure for urban expansion and stimulating the development of finance institutions providing mortgage credit. Current practices of subsidized housing

loans often resulted in early depletion of resources and subsidies only reaching, not only few, but not necessarily the most needed, with the consequence that a majority of the poor paying above market interest rates because of lack of collateral.

48. There was in fact a general need to facilitate market mechanisms that would produce correct pricing of all goods and services, by gradually removing subsidies and eliminating price distortions in housing, land infrastructure and service provision.

49. That would not prevent Governments from participating in provision of public goods and services, but it had to be done on market principles and primarily to strengthen the markets where they were weak or non-existent.

C. Urban Poverty

(Item 4(c) of the agenda)

50. The discussion on urban poverty was initiated by the Chief of the Division of Industry, Human Settlements and Environment who indicated that the paper on responding to the challenge of urban poverty highlighted the fact that, with urbanization, poverty was becoming an increasingly urban issue. It further indicated that poverty was widespread throughout the Asian and Pacific region, and it had a variety of social, economic and political manifestations. Urgent measures, therefore, should be taken by Governments to alleviate poverty in the region. Those included: urban land policies that did not exclude, directly or indirectly, the poorer segments of the population; community activation by engaging in partnerships with grass-roots organizations; and enhancing the roles of municipal governments and fostering democratization.

51. The Meeting recognized that as the share of national populations living in cities in the region increased, poverty was becoming an increasingly urban issue. The Meeting also observed that urban poverty issues were inseparably linked with overall poverty issues in both urban and rural areas. Nevertheless, the Meeting agreed that urban poverty had become one of the most crucial urban issues that needed special attention and prioritized treatment at all levels.

52. It was recognized that economic growth per se was not sufficient to reduce poverty. Supportive government policies and target oriented programmes such as those designed to raise the income-earning opportunities of the poor, to improve their health and education, and to increase access to urban land, shelter, and environmentally sound communities had been crucial to poverty alleviation.

53. The Meeting agreed that the main thrust of policies related to employment, production and income should be towards reducing the vulnerability of the poor

who faced exploitative hiring practices, who were systematically denied access to the means of production, credit and markets, who faced discrimination on the basis of gender and age. The Meeting also agreed that welfare maintenance policies could be very important sources of relief from some of the worst aspects of poverty. However, they should not be used as substitutes for efforts either to enhance income or to improve habitat.

54. It was agreed that the idea of the city as an "economic space" for generating advances in material welfare could not be separated from the idea of the city as a "life space" that housed people, sustained the natural environment along with the expansion of the built environment, and nurtured community life. Cities that could reduce the tensions between economic and life space could also overcome the undesirable separation of production from consumption and begin to solve problems of poverty while pursuing strategies of economic growth.

55. The Meeting agreed that the inherently anti-poor biases of structural adjustment programmes required counter-balancing programmes to support low-income households directly through employment and wage-maintenance, nutrition, health and education services. In addition, community-level provision of basic infrastructure was as crucial as macroeconomic policies directed toward economic growth.

56. The Meeting urged that poverty alleviation efforts should give more attention to the following topics that had been missing from the agenda: access to basic household assets such as urban land and housing, an equitable distribution of private and public resources, and income that were sufficient to satisfy such basic needs as food, shelter and clothing.

57. There was also a need for land reforms that made use of such tools as distributive land inheritance and transfer laws, tax measures that discourage speculation, land banking and pooling programmes, housing credits, land readjustment schemes and tenancy reforms would benefit the community at large as much as the poor.

58. It was recognized that land policies aimed at poverty alleviation, particularly the provision of security of tenure, could have significant implications for the legal, social, economic and health conditions of the urban poor.

59. The Meeting emphasized that government-community partnerships could have important potential gains in reversing the production, welfare, and habitat-related issues of poverty. Such partnerships would require the enhancement of the capacity of municipal governments to establish the institutional capacity to address critical issues of the moment. They would also require the active involvement of non-

governmental organizations and other civic organizations in poverty alleviation activities.

60. The Meeting agreed that there was a need to develop and strengthen the data collection and data monitoring efforts at the regional, national, and local levels so that systematic and useful data on urban poverty could be generated for effective policy review and formulation.

D. Urban Environment

(Item 4(d) of the agenda)

61. The issue paper on managing the urban environment served as the basis for the deliberations concerning urban environment. The Chief of the Division of Industry, Human Settlements and Environment noted that the paper focused on the fact that an increasing proportion of population in the ESCAP region would live in cities and that the magnitude of the problems stemming from the reinforcing interaction between poverty and environmental deterioration was increasing in the urban centres. Therefore, there was a manifest need to integrate environmental considerations into national, sub-national, and local development planning. The greatest prospect for effective environmental management in low-income settlements in cities, however, involved strengthening local governments and empowering the urban poor. Non-governmental organizations could be valuable intermediaries between government and the community based organizations in low-income settlements, to create linkages between communities and the wider political process. International agencies could contribute significantly to that goal by expanding and targeting their education and training programmes and development assistance, in the form of appropriate environmental technologies, especially to low-income communities.

62. It was observed that urban growth had a number of positive impacts on the environment and human well-being. Higher population densities in cities meant lower per capita costs of providing energy, health care, infrastructure and services. Moreover, urbanization had been associated historically with declining birth rates, which reduced population pressure on land and natural resources. Despite those positive impacts, almost all major cities of the ESCAP region were increasingly plagued by environmental problems.

63. It was recognized that urban environmental problems affected the ecological integrity and amenities of urban areas, as well as the health, safety, and productivity of the urban population. Hence the issues involved in managing the urban environment were many and complex, and spanned a wide range of spatial scales. An effective urban environmental management strategy required a holistic

and inter-disciplinary approach to capture the cross-media and cross-jurisdictional effects.

64. The Meeting discussed the impacts of urban environmental degradation and observed that the greatest threat to health and safety in cities of the ESCAP region came from water and air and noise pollution, especially at the household and community levels. The productivity of many cities in the ESCAP region was adversely affected by traffic congestion and water pollution.

65. The Meeting agreed that it was the poor who suffered the most from adverse impacts of environmental problems. Environmentally sensitive sites such as steep hillsides, flood plains, dry land, or the most polluted land sites near solid waste dumps and next to open drains and sewers were often the only places where low-income groups could live without the fear of eviction. In the Pacific islands, the poor were more vulnerable to natural environmental problems and natural disasters, including hurricanes and rise in the sea level.

66. It was observed that, in many instances, the urban poor were caretakers of the environment through their work, such as street-cleaning for the Government, and scavenging for materials for recycling and for use in their own housing. There was a need to provide support to the poor in terms of heightening their access to environmental resources and improving their efforts to cope with the environmental conditions of their households and communities.

67. The Meeting agreed that one of the major causes of environmental degradation was inappropriate economic policy. Industrial growth, combined with inadequate infrastructure for disposal and treatment and inadequate institutional mechanisms to ensure environmental protection, led to environmental degradation. Inappropriate pricing of urban services resulted in inefficient allocation and inequitable distribution.

68. The Meeting also agreed that implementation and enforcement of anti-pollution laws in practically all developing countries in the ESCAP region were weak. In some, they were even non-existent. The effective application of environmental impact assessment was hindered by insufficient awareness among decision makers of its importance and by legal and institutional constraints, the shortage of expertise, information and experience, and the lack of appropriate environmental data. Effective implementation and enforcement of environmental regulations was also hindered by poor coordination among a multitude of government agencies as well as the lack of resources of most local governments.

69. It was recognized that national governments could take important steps toward alleviating urban environmental problems by formulating appropriate urban environmental health policies to support urban services to protect public health.

They could also stress the long-term effects, for example, of pollution of underground water table. They could strengthen the legal and institutional structures of local governments and ensure that local authorities had access to adequate trained personnel and financial resources to perform essential environmental services.

70. The Meeting supported the view that city governments should be given the necessary resources to carry out integrated, environmentally-sound urban planning and management. Spatial, cross-media, intersectoral and inter-temporal relations must all be taken into consideration. The focus should be on key aspects, such as land- and water-use planning.

71. The Meeting supported the view that effective urban environmental management required the judicious selection and combination of both regulatory and economic implementation instruments, the design and implementation of appropriate, low-cost technologies, and innovative cost recovery schemes with provisions for cross-subsidizing the poorer groups.

72. The Meeting recognized the scope for involving the private sector in a cost-effective and efficient manner and pointed out that the most critical step in obtaining effective and efficient private sector involvement was to strengthen the technical capacity of the local government so that it was better able to develop, negotiate, manage, monitor, and enforce a contract agreement.

73. The Meeting agreed that community-based organizations and non-governmental organizations had made important contributions to addressing local-level environmental pollution problems. The Meeting urged that city governments nurture and assist community-level projects through direct support to grass-roots organizations and more innovative joint government-community programmes.

74. The Meeting supported the view that environmental quality and pollution control were not expensive luxuries to be pursued only when a country became rich enough. Human welfare depended, *inter alia*, on economic development and environmental quality. Certain environmental impacts were not reversible, and some environmental pollution problems could be reversed only in the very long term and at high costs.

75. The Meeting concluded that given that an increasing proportion of the population in the ESCAP region would live in cities and that the magnitude of the problems stemming from the reinforcing interaction between poverty and environmental degradation was increasing in the urban centres, there was a manifest need to integrate environmental considerations into national, sub-national, and local development planning. The greatest prospects for effective environmental

management in low-income settlements in cities, however, were strengthening the local government and effective participation of the urban poor.

E. Financing Urban Infrastructure and Services

(Item 4(e) of the agenda)

76. The Chief of the Division of Industry, Human Settlements and Environment briefly introduced the main points of the issue paper on financing urban infrastructure and services. The main thrust of the paper were the principles for making urban finance systems more efficient and responsive to the needs of the population. These principles included: local level resource mobilization by local governments; improved local administration of current revenue sources, better cost assessment and collection of local taxes and user charges; well-designed subsidy systems that balanced the objectives of assisting the poor against cost recovery and efficiency; and partnerships of local authorities, non-governmental organizations and local communities.

77. The Meeting strongly supported the thrust of document E/ESCAP/PSMUC/6. As the range of infrastructure and its importance as a prerequisite for urban productivity were agreed by the Meeting, the discussion focused on means of ensuring its adequate and efficient provision and maintenance.

78. The Meeting reiterated the need to strengthen local authorities' revenue base by transferring certain taxation powers to them from central governments, in order to enable effective infrastructure provision. However, as experience had indicated that in some cases, local governments had yet to apply fully the taxation powers vested with them, there was a need to research that problem and guide local authorities in effective collection methods. Some countries were gradually raising local governments' share in property tax revenues, but as rates were comparatively low and valuations below real values, the effective revenue was still low. Another problem noted was the ability of local authorities to make effective and efficient use of the scarce finance available for capital improvements.

79. The Meeting recognized the trend of governments, particularly central governments to withdraw gradually from the role of provider and act instead as a facilitator. That implied that other actors would have to step in, and the private sector was the prime candidate for that role. That called for a balancing of public control of standards of infrastructure and service provision with the private profit motive, a new role for public authorities that required new skills, negotiating techniques and contract formulation. Local governments should also make use of technological innovations applicable to urban management such as urban information systems in particular by incorporating geographic and land information systems.

80. The need to balance costs and revenues would in most cases lead to an increase in user fees, and to avoid a socially lopsided distribution of that new cost burden, a system of progressive fees was proposed, whereby small consumers of, for example, water and electricity, would pay lower rates than the more affluent who tended to consume more. That had the added benefit of penalizing excessive consumption of scarce resources. For many poor who currently had to resort to water vendors or power supply through third parties, that would most likely imply real savings.

81. The potential for employment generation in small firms supplying urban services on contract to the community was also recognized as a benefit of privatization of services, as was the perception that communities were likely to be better covered with a more efficient service. Privatization did not necessarily imply a complete hand over to the private sector. There was a wide range of possible contractual arrangements from public/private ownership of municipal installation or partnerships in operation to public ownership but with privately managed and maintained services. The scope for sharing service provision in a city among several small contractors would give rise to healthy competition among them and potential for making efficiency comparisons among them.

82. The Meeting made the important observation that the integrated approach to infrastructure provision should not get lost in privatizing various sectors. That was particularly essential when the catchment area of certain services went beyond existing municipal boundaries.

F. Institutional Framework for Effective Management, Development and Planning of Urban Areas

(Item 4(f) of the agenda)

83. The Chief of the Division of Industry, Human Settlements and Environment indicated that the issue paper on institutional framework for effective management development and planning of urban areas focused on the fact that the institutional framework for urban planning and management was vital for the introduction of the changes needed to meet successfully the challenges presented by the urbanization process being experienced by the ESCAP region. The paper emphasized that some of the questions that needed to be addressed by national governments in their attempts to harness urbanization in the service of national development included: the ability to devise and enforce decentralized urban planning and management policies through institutional reform and strengthening managerial capacity; intergovernmental links and coordination; decentralization and devolution of powers and resources; and popular participation and involvement of NGOs.

84. Noting that (a) the current patterns of urban development were inefficient; (b) there was often a tendency in countries to intervene in the market where interventions were not necessary; (c) cooperation between agencies responsible for functions such as planning, legislation, and implementation was weak; and (d) there was excessive concentration of planning and decision-making authority at central levels, the Meeting agreed that:

(a) There was an urgent need to undertake institutional reforms where the central governments should facilitate the participation of local authorities, private sector, NGOs and community groups in urban planning and development;

(b) Governments should seek and promote partnerships with community-based organizations engaged in supporting self-help efforts in activities related to land, housing, and services.

85. The Meeting further agreed that since human resources were unevenly distributed between different levels of governments, there was a need to assign high priority to enhancing local government capacities.

86. The Meeting noted that fostering coordination among governmental agencies was often a difficult task; it was therefore necessary to devise and introduce appropriate regulatory and implementation processes which would bring about better coordination.

87. The Meeting took note of the problems that often arose in the decentralization of financial and administrative process to local authorities. It took particular note of the fact that local authorities did not always exercise the powers they already enjoyed; they were often not able to price appropriately their goods and services, or collect revenues. However, national governments should aim at strengthening local authorities by enhancing their planning, implementation and monitoring capacities.

88. Decentralization should therefore be evolutionary rather than abrupt; it should focus on the most capable local governments and target technical assistance to those most in need of it. Improved financial management and project implementation was closely linked to a clear allocation of responsibilities and effective monitoring.

89. The Meeting agreed to involve community groups and NGOs as partners in the development process.

III . DRAFT REGIONAL ACTION PLAN

(Item 5 of the agenda)

90. The Chief of the Division of Industry, Human Settlements and Environment indicated that the draft regional action plan on urbanization responded to a call by Governments of the region for new approaches to addressing urban issues, emphasizing the multisectoral nature of those issues and the need for coordinating various government organizations and involving actors other than national governments in the implementation of urban programmes at the local, sub-national, national and regional levels. The objectives of plan were: (a) to assist countries in formulating and implementing urban development and management strategies; (b) to harmonize the relevance of regional programmes to country-level actions; and (c) to promote cooperation and collaboration in addressing urban issues at the regional, sub-regional, national and local levels among international organizations and donor agencies, national and local level governments, non-governmental and community based organizations, the private sector and research and training institutes.

91. The Meeting therefore found it most relevant that representatives of those very actors had also been given an opportunity to examine the draft in detail and suggest amendments felt necessary, seen from their perspective. In effect, that was an example of the participatory policy formulation process advocated by the plan.

92. The plan was built on a review of the major issues in urbanization and a review of current programmes at the regional level in support of national action, which was the emphasis of the plan.

93. For action at the country level, it contained seven recommendations, each followed by a series of suggested actions that could be taken in pursuance of the recommendations. The recommendations addressed the following broad areas:

- (a) Formulate and implement urbanization strategies and policies;
- (b) Reform economic policies and resource allocations;
- (c) Promote intragovernmental coordination and cooperation;
- (d) Strengthen local authorities;
- (e) Invest in human capital;
- (f) Improve urban information and research; and
- (g) Monitor and evaluate urban development policies and plans.

94. It was well appreciated that the recommendations and their supporting proposals for action constituted a set of options that had to be prioritized by each country.

95. The plan also addressed regional actions to be taken in support of the seven recommendations. Those regional actions should concentrate on: (a) assisting countries in incorporating environmental health issues in urban planning and management; (b) the formulation and implementation of national strategies for and action plans on urbanization; (c) reviewing and rationalizing institutional structures to address urban issues effectively; (d) subnational area planning; (e) promoting experience, methodology and technology-sharing in urban environmental and infrastructure management on a wider scale; (f) education and training; and (g) undertaking both basic and action research on various critical urban issues.

96. Considering that a number of United Nations and other international and regional organizations should be involved in the implementation of the regional action plan, the Meeting recommended that such action be coordinated by an interorganizational committee on urbanization to be chaired by the Executive Secretary of ESCAP and serviced by the ESCAP secretariat, which was to convene as soon as possible. At its first meeting, it should adopt its terms of reference and elect a vice chairman.

97. The draft regional action plan, as amended by the Preparatory Meeting of Senior Officials and representatives of other group meetings held in conjunction with the Ministerial Conference can be found in part three of the present report.

IV. ASIA PACIFIC URBAN FORUM

(Item 6 of the agenda)

98. The Asia Pacific Urban Forum was convened on the 29 October 1993. It consisted of the senior officials, representatives of the media, NGOs, local authorities and TRISHNET, United Nations bodies and other organizations. During the preceding days each of the symposia had deliberated on the state of urbanization and related issues with a view to determining how each group of actors they represented could contribute to sustainable urban development and what their role in the implementation of the regional action plan could be. Presentations were made by the chairman of each group and in the ensuing discussion a coordinated structure of involvement was elaborated for consideration by the Ministers.

99. The Forum recognized that local authorities were important actors in the overall development process, and that their prime role in urban governance needed to be recognized as they represented the level of government closest to the people. Their financial, institutional and human capacities and capabilities needed to be strengthened to deal with urban issues more effectively. It was also stressed that their active involvement in the Urban Forum was essential.

100. Considering that NGOs maintained very close and intimate contacts with communities and the people at the grass-roots, the Forum recognized that they were in a good position to identify the real problems of the communities. However, the approach that people should organize themselves with NGOs providing, when necessary, financial and/or technical support, should not be overlooked. The Forum further recognized that NGOs needed to be active members of the Forum and should be involved from the very beginning in planning, formulation and implementation of policies and maintenance of infrastructure and services.

101. The Forum recognized the important role that could be played by the media in shaping public opinion and in policy formulation, as well as creating awareness about the problems and potential of urbanization.

102. It was recognized that urbanization was a complex subject, therefore the journalists and the professionals working in the mass media need to be exposed to the terminologies and concepts in the field of urbanization to improve the quality of their articles. To improve the quality of writing, a competition on articles covering specific urban issues could be supported. The Forum also recognized the needs for improved access for the media to various types of information to be provided by other essential actors in the Forum.

103. The Forum stressed the need for the integration of research and training as an important component in the development process; it recommended that research and training programmes should be demand-driven and participatory in their scope. The Forum welcomed the establishment of TRISHNET as well as its active involvement in the Urban Forum. TRISHNET should focus its activities on meeting the training needs of other actors.

104. The Meeting appreciated innovative effort of ESCAP in bringing together a broad cross-section of urban actors to debate on the issues that would be brought to the attention of the Ministers.

105. As could be expected, widely diverging views were presented by the spokesmen of the various groups when each highlighted their respective potential contributions to a better urban future and, in particular, how they would like to see the regional action plan amended.

106. The Meeting, however, recognized that that was indeed the purpose of urban forums as proposed in the regional action plan, and endorsed the usefulness of such forums at the national level. It was through such interaction, in a spirit of mutual accommodation, that a truly participatory policy formulation process would prosper and assume relevance.

107. The Asia-Pacific Urban Forum could then be used to strengthen regional cooperation between different national urban forums, particularly as a platform for all actors to exchange ideas and experiences, and discuss policy approaches and options that should be pursued in solving specific urban issues that required urgent attention. It could also discuss modalities for cooperation between various actors, and identify programmes involving cooperation among two or more actors. The Asia-Pacific Urban Forum could serve as a mechanism for reviewing ongoing regional programmes and their relevance to countries, thus making regional assistance programmes more transparent and demand-driven.

108. The Asia Pacific Urban Forum should meet at appropriate intervals and in conjunction with future ministerial conferences on urbanization.

109. The representative of UNDP welcomed the concept of the Asia Pacific Urban Forum, its participatory nature and its commitment to sustainable urban development. UNDP looked forward to working in partnership with the various groups represented at the Forum in the implementation of the urban agenda in the region.

V. UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (HABITAT II): PREPARATIONS AT THE REGIONAL AND COUNTRY LEVELS

(Item 7 of the agenda)

110. The representative of UNCHS informed the participants that a second United Nations Conference on Human Settlements (Habitat II) would convene at Istanbul from 3 to 14 June 1996. Habitat II would consider two central themes: (a) sustainable human settlements in an urbanizing world and (b) adequate shelter for all.

111. The Meeting noted that those themes had been proposed to help countries focus on common issues and to harmonize their country reports which should contain national housing indicators, national urban indicators, and a national plan of action. National shelter indicators developed by UNCHS would be made available shortly, while urban indicators were being developed in cooperation with the World Bank. It was stressed that country reports should be prepared in an open process and should involve as wide a range of national groups and constituencies as possible. The Meeting welcomed the important role of the media envisaged by the UNCHS secretariat in publicizing the preparatory process and building in the awareness of the general public on human settlements issues.

112. It urged members and associate members of ESCAP to ensure high-level representation of their respective ministries at the first substantive meeting of the preparatory committee in Geneva in April 1994.

VI. CONSIDERATION OF DRAFT MINISTERIAL DECLARATION ON URBANIZATION IN ASIA AND THE PACIFIC

(Item 8 of the agenda)

113. The Meeting deliberated on the draft ministerial declaration prepared by the informal group; it endorsed the draft and decided to forward it for consideration and adoption by the Ministerial Conference on Urbanization in Asia and the Pacific to be held at Bangkok on 1 and 2 November 1993.

VII. ADOPTION OF THE REPORT

(Item 10 of the agenda)

114. The Meeting adopted its report on 30 October 1993.

ANNEX II

MEETING DOCUMENTS

A	Urbanization trends, patterns and impacts	83
B	Urban economy and productivity	89
C	Urban poverty	101
D	Urban environment	117
E	Financing urban infrastructure and services	129
F	Institutional framework for effective management, development and management of urban areas	141
G	Asia-Pacific Urban Forum	147
H	United Nations Conference on Human Settlements (Habitat II): preparations at the regional and country level	151

A. Urbanization Trends, Patterns and Impacts

Note by the secretariat

Introduction

52. By 1990, 45 per cent of the world's population lived in urban areas; of this urban population, almost 42 per cent lived in the Economic and Social Commission for Asia and the Pacific (ESCAP) region. By the year 2020 62 per cent of the world's population will live in urban areas; and the ESCAP region will contain almost 49 per cent of that urban population, and will have obtained a level of urbanization of 55 per cent. An additional 1.2 billion people will be living in the urban centres of the ESCAP region. All discussions of urbanization trends therefore contain two inescapable facts: first, the process of urbanization is inevitable, and second, it involves a very large number of people who now reside in urban areas or will move to urban areas over the next 30 years.

53. These two facts pose major challenges to the Governments of the region, who need to focus on urbanization as one of the central features of social and economic change in their societies now and in the future. This involves rethinking policies that have attempted to prevent urbanization, or at least control it, and adopting policies which are designed to manage this urban transition so that the growth-generating features of urbanization can be emphasized to help the economic growth and welfare of their countries. This represents a major rethinking and reformulation of government policies towards urbanization in the region, involves an understanding of four main issues:

- (a) The demographic features of urbanization;
- (b) The relationship between urbanization and economic development;
- (c) The relationship between urban infrastructure requirements and economic growth;
- (d) The need to develop institutional responses to this growing urbanization.

Issue one: understanding the demographic features of urbanization in the ESCAP region

54. All demographic evidence indicates that already the ESCAP region is well-advanced in the transition from predominantly rural to predominantly urban societies. By the year 2020 the urban population in the ESCAP region will have grown by more than two billion people to reach a level of urbanization of 55 per cent. There will be a sharp division between countries that will have exceeded, or are approaching, a 50 per cent level of urbanization, namely, Australia, Brunei Darussalam, Indonesia, Japan, Malaysia, New Zealand, the Philippines, the

Republic of Korea, Singapore and Thailand; and China, Fiji, the Islamic Republic of Iran, Pakistan, the rest of South-East Asia, South Asia and the Pacific countries which will make up some 9 per cent of the urban population of the ESCAP region in the year 2020. However, throughout most of the ESCAP region, the majority of the population will live in urban areas. Given the importance of these urbanization trends, it is important that Governments in the region develop an understanding of the demographic characteristics of urbanization. This involves developing effective systems of urban definition that can capture accurately the functional characteristics of urbanization, including the size and density of the urban population, the increase in non-agricultural activity, the growth of urban services and the physical extent of the urban environment. Most definitions of "urban" in the ESCAP region are based on administrative/political criteria that do not recognize the functional characteristic of urbanization, and as a consequence, the extent of urbanization is often underestimated.

55. This issue of definition is further compounded by the fact that the growth of urban areas in the ESCAP region is leading to the emergence of very large urban agglomerations whose proportion of the total urban population has increased over the past 30 years. More than one half of Thailand's urban population resides in Bangkok, and one third of the urban populations Bangladesh, the Philippines and the Republic of Korea reside in Dhaka, Metro Manila and Seoul respectively. Jakarta, Karachi and Tehran have almost one fifth of their nations' urban populations.

56. This process of large city growth is accentuated further by the tendency for urban areas to spread outwards, even beyond the boundaries of the so-called agglomerations of metropolitan areas. These have come to be labelled extended metropolitan regions. This physical expansion of cities often extends to first-class agricultural land and is characterized by a mixed pattern of land uses, such as for residential developments, industrial estates and leisure centres. The growth of large urban agglomerations poses major challenges for the provision of urban infrastructure such as transport, waste removal, energy and water.

57. There is still much debate over the future demographic features of urbanization in the ESCAP region. Most demographic evidence supports the view that as the level of urbanization increases, the contribution of urban natural growth and inter-urban migration will be the major contributors to city growth. Most of the developing countries of the ESCAP region are characterized by the continual importance to urban growth of net rural to urban migration (between 40-60 per cent); however, slowing rates of net rural to urban migration and falling rates of natural growth will lead to a slowing of urban growth rates in the next 20 years. However, given the overall size of urban populations, this will not lead to a significant reduction in the demands placed on Governments by the presence of very large urban populations.

58. Thus it is important to research carefully the demographic features of the urbanization process in order to provide the information necessary for informed policy formulation.

Issue two: understanding the relationship between urbanization and economic development

59. If Governments are to develop policies that can cope effectively with the urbanization transition in the ESCAP region, then it is important that they develop a better understanding of the relationship between urbanization and economic development. It is a well-established axiom in much of the development literature that economic development and urbanization are closely related. By this it is meant, at the macro level, that structural change (defined as the shift of employment from agriculture to non-agricultural sectors) and the change in the contribution of various sectors to gross domestic product, is associated in a similar manner with increases in the level of urbanization and growth of national wealth. This is not to say that urbanization is the cause of economic growth, but rather to indicate that the two are closely associated, providing mutual, interacting stimulus to development.

60. Most macro data in the ESCAP region support this generalization, since the countries that have experienced the most rapid economic growth rates also have higher urbanization levels, whereas those with slower growth rates continue to have large sectors of their population engaged in agriculture, and have relatively low levels of urbanization. Even for some countries, such as Indonesia, that have experienced rapid growth of manufacturing in the past decade, a significant proportion of the population remains in agriculture. Employment generation in manufacturing and higher income service occupations in urban areas is a major problem for many Governments in the ESCAP region. Increasing employment in the informal sector of urban areas and non-agricultural occupations in rural areas may offer short-term solutions to this problem, but in the long term increasing urban income must be generated to create employment opportunities.

61. In the current phase of global developments most Governments of the region are adopting more open economic policies that emphasize the growth of export-oriented manufacturing, financial liberalization and less regulated economies. These policies, often labelled as structural adjustment (although there are big variations between countries), seem to accelerate the process of urbanization. Often they are associated with the global increase in the flow of goods, people, commodities and information, which emphasizes the spatial centralizing tendencies as reflected in the growth of large metropolitan regions.

62. In the past, the reaction of Governments to the growth of large cities was to see the process as a drag on economic growth. The only too visible symptoms of

urban poverty — environmental degradation and squatter settlements — reinforced such a view. Therefore, Governments have often adopted macroeconomic policies that have been designed to keep people in rural areas. Such policies include small-town development, increasing agricultural productivity, new land development, and restricting population movement. These policies have been motivated by a wide range of national policies, including increasing agricultural income and exports and improving the quality of life of people in rural areas. However, the results of such policies, which have attempted to keep people in rural areas, have not been very successful. All evidence suggests that increasing the income and level of education of rural populations accelerates migration. This phenomenon, coupled with the greater access to urban areas that is now possible through all means of transport, has led to an increase in rural populations seeking employment opportunities in urban areas. In some cases this movement does not involve permanent relocation from rural areas; indeed, there has been a growth in rural-urban linkages that involve increased movement and exchanges of people, goods, services and information back and forth between rural and urban areas.

63. These developments emphasize that while there is no need for Governments to cease investment in rural areas, it is more important that Governments do not consider urban and rural development as totally different processes, because linkages between rural and urban areas are a significant part of the development process.

64. Unquestionably, the inevitability of urbanization in the ESCAP region and the positive role of cities in economic growth mean that Governments will have to reorder their investment priorities so as to give greater attention to urban areas. Failure to undertake this revision of priorities will in the end be very harmful to the region's economic growth and the greater welfare of its populations.

Issue three: understanding the relationship between urban infrastructure requirements and economic growth

65. The inability to provide efficient transport systems, sufficient housing, energy and waste removal systems, poses major challenges to national, regional and municipal governments in terms of funding and management. Too often the provision of efficient infrastructure is seen in terms of the problems this involves, yet there is increasing evidence to suggest that investment in infrastructure, both by the private and government sectors, facilitates the efficiency of cities and facilitates economies of scale, location and centralization that accelerate economic growth. For many Governments and international agencies, providing efficient urban infrastructure is a very challenging task that is expensive and involves major capital loans and fund-raising. There is also a wide variety of information concerning the development consequences of investment in infrastructure, particularly with respect to costs and benefits. Too often Governments engage in subsidized infrastructure

provision that is not cost-recoverable. Research is needed to provide solid policy-oriented information on the consequences of urban infrastructure development. Many Governments in the ESCAP region are caught in a major policy impasse on the issue of urban infrastructure development. They recognize that efficient infrastructure must be provided to prevent cities from becoming a drag on development, yet it seems to be beyond their fiscal capacity to meet the demands of the large and potentially large number of people for efficient urban infrastructures. As a consequence they adopt *ad hoc*, piecemeal strategies which provide temporary and often inadequate solutions. Many developing countries of the ESCAP region will have to fund their urban infrastructure requirements out of internal, and in many cases, local urban-generated capital. Thus it is absolutely necessary that Governments develop an efficient system of land and property management that will provide the basis for an urban tax system that will provide urban and/or national governments with revenue that can be used to generate loans from capital providers such as banks. For many ESCAP members and associate members the present systems of urban revenue generation are very inefficient and until these can be improved urban infrastructure needs can be tackled only in a partial manner.

66. Some researchers have argued that in the early stages of urbanization, when the proportion of low-income dwellers is high, the informal systems of urban service and infrastructure provision should be emphasized. Certainly, for countries such as Bangladesh, China, India, and Indonesia, there seems little option but to encourage these people-based delivery systems in the short term, but this does not eliminate the need to create efficient systems of urban revenue generation.

67. Given the size of the urban population in the ESCAP region it is unlikely that national governments will be able to resolve the problem of providing adequate urban infrastructure using national or international capital sources. Instead, they will have to devolve political decision-making and revenue-generation capacity to the level of urban administrations, a more that will involve substantial institutional changes.

Issue four: understanding the need to develop institutional responses to growing urbanization

68. Implicit in the assumptions that are described here is the need for institutional change to carry out the efficient management of cities in the Asian and Pacific region. This institutional change involves three major dimensions:

(a) The decentralization of political and revenue-generating capacity to the level of local municipal administrations. The traditional role of the national state in the ESCAP region is very strong, both historically and in the most recent period of nation-building, but as a larger proportion of the population comes to live in urban areas, it will be necessary to devolve administrative and income-generating capacity

to the level of local urban authorities. In many countries of the ESCAP region this will involve creating new urban administrations or reshaping existing ones. It will also involve human resource development, with the emphasis on training, to develop efficient management;

(b) For larger urban areas such as the extended metropolitan regions, a new type of regional government might have to be created to coordinate between and plan for the many urban administrative units that occur within these regions;

(c) There might be a need for national governments to set up national departments concerned with urban developments and macro strategy. This will not be an easy task, given the entrenched power of existing demands, but certainly it could be seen as a logical development, as a growing number of people in the ESCAP region come to live in urban areas.

Addressing the issues

69. Urbanization is bound to play a significant role in future of the ESCAP region, therefore it is imperative that Governments in the region recognize this fact and develop policies to improve the quality of life of the people in the ESCAP region. This requires urgent government action which rests upon an understanding of the issues identified in this paper and in the chapters of the state of urbanization report.

B. Urban Economy and Productivity

Note by the secretariat

1. Urbanization in developing countries is a paradoxical phenomenon. Cities spearhead economic development, transforming society through extraordinary growth in the productivity of labour and promising to liberate the masses from poverty, hunger, disease and premature death. At the same time, however, the growth of cities imposes great burdens, which some see as evidence of a decline in the quality of life, even as national output is rising. The expansion and transformation of a country's output generates demand for more workers with more diverse skills, concentrated in a few centres of specialized output.
2. In most countries of the Economic and Social Commission for Asia and the Pacific (ESCAP) region, markets are often misregulated and legislation is outdated and ineffectively enforced, giving rise to constraints on labour, financial and land markets. The growth of the informal sector is not viewed productively by national and local governments, reducing its contribution to national productivity.
3. In formulating an urban policy framework for the coming decades, countries need to see that growth, efficiency and productivity are not the only goals to pursue, but that those of equity, sustainability and people's participation are equally important. These goals are not to be viewed as conflicting alternatives but as interdependent goals that must go hand in hand.
4. Increasing national incomes should be a major goal of Governments. However, policy makers must evaluate critically the kind of development proposed: its purpose, its impact, who benefits and who suffers because of it, and whether other options exist which might be more equitable and more sustainable.

Issue one: labour

5. One of the fundamental functions of cities is to assemble the labour supply in an easily accessible, central place where it can be employed productively. Rural to urban migration and, at a later stage, inter-urban migration, have been defining characteristics of economic development in all countries of the world. Migration is thought to be the instrument by which the benefits of urban growth are spread outside the cities. Relatively small changes in total urban labour demand can give rise to large changes in migration rates because migration is the accommodating flow which brings the urban and rural labour markets into equilibrium.
6. In many traditional models, rural to urban migration runs the risk of reducing national productivity because more urban workers cannot be gainfully employed. Many of the assumptions underlying the dual labour market model of the 1970s,

which assumed that urban wage levels were segmented between modern and traditional activities in ways unrelated to productivity differentials, have not been sustained by closer empirical studies. In particular, wage differentials, both among urban occupations and between city and rural occupations, have been found to be closely related to worker productivity, as evidenced by education, skills, and other embodied human capital, rather than being the product of arbitrary market segmentation between traditional and modern sectors.

7. In this context, it becomes vital for Governments to minimize obstacles to labour mobility, in particular, those related to the segmentation of the labour market. It is necessary to eliminate policies such as the subsidizing of capital intensive industries and the restriction of entry into the formal sector through excessive regulations that artificially hinder labour mobility. Governments can facilitate labour mobility by investing in human capital. Many studies show that in most developing countries private and social rates of return to education and training are high. Primary education is particularly important both from a social and an economic point of view. Indeed, the rate of return to primary schooling exceeds that from all other levels of education. Unfortunately, despite the concentration of modern education facilities in cities, not all urban areas have universally better access to schooling. Even where average primary school enrolment is relatively high, intra-urban inequalities often deprive poor families of elementary schooling. These non-economic barriers to human capital formation perpetuate income inequality and lower the productivity of the urban labour force by preventing children growing up in cities from receiving schooling.

Issue two: housing

8. The urbanization process requires a large amount of capital investment in housing, infrastructure, such as transport, water supply, and other network systems, and industrial and commercial facilities. The efficiency in the allocation of capital for urban investments and the efficient operation of these systems once installed are important elements in national productivity. Moreover, the way in which urban investment is financed will influence the efficiency of market allocations of capital throughout the economy.

9. Housing construction activities can make several important contributions to the urban economy. Housing construction is a labour-intensive activity capable of providing direct employment for a substantial number of relatively unskilled labourers to build houses and the related infrastructure on site. Considerable indirect employment opportunities are also created through the housing sector, which has strong backward and forward links to a variety of other sectors that require minimal imports and are labour-intensive as well. Such sectors include the building materials industry, the transport sector and, in the long run, the maintenance and repair of housing. In addition, new housing generates growth in

indirect employment through an increased demand for amenities such as schools and health clinics. The housing construction sector, with its high demand for unskilled labour, plays a major role in providing gainful employment and a training ground for relatively unskilled rural workers entering the urban economy.

10. The contribution of the housing construction sector to a country's urban and national economy can be measured in terms of its share in increasing the gross domestic product. Residential housing construction accounts for as much as 20 to 30 per cent of the gross fixed domestic capital formation in most developing countries. The true impact of housing in this respect is probably greater than these data suggests because self-help construction and commercial activities by independent contractors very likely are undervalued or simply not reported.

11. The housing sector can be a powerful engine for domestic financial development. However, most houses constructed in the cities of Asia are marginal settlements built by small land developers or by the occupants themselves. Financing by sources other than officially recognized banks and lending institutions is used for over 80 per cent of the housing investment in many developing countries. Evidence in many developing countries shows that access to finance rather than the supply of finance, is the critical problem in extending housing loans to individuals. The need for guarantees of loan repayment puts most conventional sources of credit for housing construction out of the reach of the poor. Governments should recognize the central role of financial institutions apart from those officially recognized and should mobilize resources to make them more effective. It is important to note that the lack of financing has led to a lower level of housing investment than would have occurred if financing were available. It has also led to overcrowding, lower quality housing units, and the proliferation of shanty towns.

12. Asian countries have taken very different approaches to integrating mortgage and infrastructure finance into national credit markets. The experience in India, Malaysia and Thailand demonstrates that mortgage financing can be integrated into a financial sector strategy to raise the level of domestic savings and to increase reliance on market allocation of capital.

13. There is no reason to separate housing finance from the rest of the national financial system. The housing finance sector, in fact, presents one of the principal opportunities for increasing the efficiency of urban growth. On the lending side, the institutions can increase the efficiency of national investment by increasing the flow of mortgage credit to those who are willing to borrow at market rates to build housing. They can also serve as models for the liberalization of other parts of a controlled financial system.

14. Similar opportunities exist to help finance local infrastructure investment by developing municipal credit institutions. Traditionally, these institutions also have provided highly subsidized credit for local infrastructure projects, frequently coupled with central government grant monies. As in the housing sector, the consequence is that relatively few local authorities receive large subsidies, while many others receive nothing and are unable to carry out their infrastructure projects. Infrastructure financing arrangements that lend funds to local authorities at near market rates, for projects chosen by the local authorities, would lead to a greater volume of total investment, while reducing the directive role of central government.

Issue three: land

15. Land is the third element of the urban production function. In the long run, one of the most important contributions that public policy can make to local economic development is to control the overall urban cost structure. A lower urban cost structure can, by lowering production costs, increase the economic competitiveness of both the urban areas and the country as a whole.

16. The Government's key lever in lowering urban costs is its land development policy, including the simplification and rationalization of land and building regulations and the provision of additional infrastructure investment to increase the supply of developable land. The more efficiently local authorities can manage each of these functions, the lower will be the cost of living and of doing business in the region.

17. Given the levels of demand, land and housing prices will be determined primarily by supply conditions. Public policy can do a great deal to influence the supply, and hence the prices, of both developable land and finished housing. Infrastructure investment in urban road and water networks will augment the effective supply of developable land parcels. Other public actions can constrain land or housing availability. Such constraints include planning or zoning regulations that prohibit growth in certain areas, legal rules that remove land from the development market, building regulations that make it uneconomic to develop some parcels, or a scarcity of infrastructure provision that leaves land areas without road access, water, or electricity. Legal issues of land transfer, land registration, and public land acquisition also can help to increase prices. In some countries of the region it may take as long as seven to ten years to complete a formal land sale, making it virtually impossible to match land supply with current market demands. Constraints such as these almost always have a public objective behind them, but in tight land markets they will drive up land and housing prices. The cost impacts typically are underestimated by public officials or ignored altogether. The result is overregulated urban land markets that impose net costs on the economy.

18. Besides restrictive planning and zoning regulations, government-imposed development standards also raise land and building costs. Development standards typically also require, a strict separation of commercial and industrial land uses from residential uses, thereby imposing substantial costs on small-scale enterprises. Additionally, zoning plans often are prepared by physical planners without any analysis of the cost implications for either the residential or business sectors.
19. Registering and transferring land titles is also a problem. There are inadequate public records of land ownership. High stamp duties and capital gains taxes, together with additional legal impediments, provide a strong disincentive to register private land sales in the formal sector. These and other transaction requirements delay the process of land assembly, adding to the cost of development.
20. Land prices are one of the best measures of the efficiency of an urban economy. A well-functioning land supply system implies that land prices are rising at roughly the rate of incomes. In most Asian cities, however, land prices have been rising at a much faster rate, due to a variety of factors including private speculation and public policies that unreasonably limit the amount of land that can be supplied to the market. These restrictive land supply policies range from slow development or slow sale of publicly owned lands to planning and regulatory restrictions on private land development and inadequate public infrastructure supply which prevents the opening of new land for urban use. Rapid increase in real land prices reduces urban productivity by increasing the cost structure for all economic activity.
21. Furthermore, access to land is a key issue for the poorer segments of the population. It is also closely related to the income-earning potential of households that cannot avail themselves of automobile transport and who may find even daily bus travel a heavy burden on their incomes. In most cities in Asia the poor make great sacrifices in order to live near places of work in central parts of urban areas. They choose to live in highly polluted areas or in areas of constant flooding to be near industries, ports and places of heavy commerce where work as day labourers or petty entrepreneurs can be sustained. They occupy government and private land illegally or pay rents that are kept low because of the absence of even the most basic infrastructure, just to be near places where they have higher potential for earning daily incomes. Governments, fearing that assistance to people in such places will be taken as *de facto* legitimization of squatter and slum areas, find themselves refusing to service what are in some cases very large sections of the city. As a result, the economic potential of households is diminished by poor health related to environmental deterioration, and loss of time and energy to daily tasks of obtaining water, fuel and other basic necessities for sustaining households.
22. Land and shelter also provide secure space to generate economic opportunities to support households through self-provisioning of food, home industry and

communal exchange outside of the market. Studies on Asian cities show that one fifth or more of the household income in poor communities is obtained through non-marketed production and exchange. These activities are crucial to the economic sustenance of large segments of the urban population in most Asian cities, and without land and shelter they are extremely difficult, if not impossible, to sustain. Without a secure or constant place to stay, personal possessions and productive assets cannot be secured, and energy that could have been devoted to earning incomes is exhausted by the daily demands simply to find shelter, food, water and attend to personal hygiene.

23. In almost all metropolitan regions of Asia, the potentially high economic value of land in central urban locations is translated into rapidly rising land prices and increasingly intensive land-use conflict as urban economies accelerate. In such high growth cities as Bangkok, land development in the centre has pushed the poor to the outer fringes of the city and is leading to extraordinarily long commuting distances to established places of work. Many who were able to find better housing at the metropolitan fringe have actually given it up and moved back to slum areas where access to work is easier. Squatting, or sidewalk dwelling in the case of such cities as Bombay and Calcutta, becomes the affordable alternative.

24. Governments have viewed the habitat problems of the poor as shelter or housing questions rather than as land or locational ones related to production and income generation. Thus publicly-sponsored urban redevelopment projects have, in the name of improved housing, displaced a large number of people from their centrally-located communities. A lot of the new housing stock provided through government programmes goes to middle-income households rather than to the targeted lower-income populations. Even when the poor families manage to stay, the new high-rise apartments do not allow for the storage of carts or other business paraphernalia required to carry on the many micro-enterprise activities of the poor. Access to land is therefore a critical issue not only in terms of ownership and tenure, but also in specific terms of where the poor must locate to secure an income in the city. Nevertheless, declining access to the core of the city has become the reality almost everywhere.

Issue four: infrastructure and housing standards

25. One of the most important infrastructure sectors for urban productivity is the urban transport system. Congestion of urban transport networks has become a major obstacle to personal mobility and trade in most metropolitan areas of the world, but the problem is especially acute in Asia. A study by the Japan International Cooperation Agency estimates that Bangkok, for example, loses as much as one third of its potential city product due to travel delays caused by congestion, and this could rise to 60 per cent if no significant remedial measures are taken. Some of the strategies Asian metropolises may follow include:

(a) Aggressive use of congestion pricing to limit traffic demand. Congestion has reached such serious proportions that new road construction, even if economically feasible, cannot solve the problem in time;

(b) Mixed strategies involving rail mass transit and new road construction. Although it is unrealistic to look to either heavy or light rail systems as the principal carriers of traffic in middle- and lower-income Asian cities, the rapidly growing volumes of traffic dictate that these be included as part of the urban transport plan in the biggest urban areas;

(c) Advance planning and construction. Transport, like most public works, has to be offered in large blocks. Construction of major new networks far in advance of demand can be wasteful of capital resources, especially when intended to open development of outlying areas that might not be built up for many years. However, the practice of delaying major works, due to lack of resources, until demand exceeds the capacity of existing systems can be even more wasteful. Demand in these cases can be projected with relative certainty. Failing to start new works until existing systems are severely overcrowded implies that, during the time lag, conditions fall below their former level and progressively deteriorate.

26. Building and infrastructure standards are established to ensure structural safety and to safeguard the public health of the population. Most standards and regulations in many developing countries in the ESCAP region, however, have either been inherited from the colonial past or imported from the developed countries with little or no modification to make them relevant to the conditions of the host countries. These standards are usually not suitable to the local resources constraints because they require technologies which have to be imported and are capital-intensive.

27. Many government-imposed standards can raise land and housing costs. For example, development standards and regulations in Uttar Pradesh, India, are found to be an important factor in the total costs of new housing projects. Although design standards such as excessive road widths, large tracts of public open space, and large plot sizes are desirable site features, they add to land and housing costs and make housing inaccessible to even middle class families. Only the top 5 per cent of all urban households in Uttar Pradesh could afford to locate in projects built to these standards.

28. A substantial proportion of the urban population in the ESCAP region cannot afford "standard" housing and the current standards and regulations are either indifferent to their needs or are affecting them negatively. Most housing construction activities by the low-income population is incremental in nature and are carried out by households and communities over an extended period of time, investing in its improvement if and when funds and resources are available.

Governments should recognize this incremental building process and modify official building standards and regulations that demand the completion of a "standard" unit before occupancy. This disregard for a fundamental characteristic of low-income housing is a major constraint limiting the efforts of the urban poor to improve their housing conditions.

29. The problem of excessive housing standards is accompanied by a tendency to insist on infrastructure standards that are higher than necessary, sometimes doubling the cost of service delivery. The result is poor access to physical infrastructure systems such as water supply and sanitation, particularly among the low-income population. Per capita unit costs of providing water and sanitation services generally have continued to increase despite the development of less expensive technologies. Only a drastic revision of design standards to reduce construction costs sharply is likely to offer hope of providing even minimal levels of municipal services, such as clean water and sanitation, to extensive low-income urban neighbourhoods.

30. A full-scale attempt to solve the urban sanitation problems in developing countries in the ESCAP region would require huge increases in investment only if Governments insist upon adopting water-borne sewerage, which is the conventional form of urban sanitation. However, conventional sewerage is inappropriate for use in low-income communities because of its high costs, which are in turn the result of the use of inappropriate construction standards.

31. World Bank research has demonstrated that a wide range of household and community systems could greatly improve sanitation conditions at costs affordable to the urban poor. The solutions involve low-cost, locally manufactured hardware (plumbing, sanitary sheds, concrete caps for pit latrines) that can be installed using labour-intensive techniques. The central technologies range from improved ventilated pit latrines to simple modifications of standard sewerage designs that reduce diameters, excavation, inspection chambers, and other standard specifications. The total annual cost per household of several of these options was only one tenth to one twentieth of the cost of the conventional sewerage systems. Most require far less water for their efficient operations, and it is possible to install one of the lowest cost systems initially and then upgrade it gradually.

32. The introduction of appropriate technologies, and the methods of selecting them, are therefore more institutional than technological issues. One of the future challenges is to delineate specific actions that could be taken to eliminate the different motivations behind unnecessary high standards and to extend low-cost appropriate technologies to low-income communities hitherto unserved.

33. Care must be taken, however, not to take the critique of housing and infrastructure standards too far. Firstly, Governments are still required to establish

minimum building requirements, particularly with regard to safety, otherwise private development interests will override the public interest in minimizing social costs and negative externalities of private development, which include congestion, multiple forms of pollution, environmental deterioration, and displacement of socially desired land uses that by their nature do not generate income streams for land owners. In areas subject to earthquakes and other natural disasters a longer-term view of housing and infrastructure construction must be taken than market signals would indicate. Secondly, by failing to set standards, the State is abandoning its role in raising the quality of housing for the poorest segments of the population by withdrawing legal and other protection to tenants and renters in slum areas.

34. Thus, although in many instances standards are inappropriately high and rigid, Governments do have a significant role in managing the urban habitat, particularly with regard to minimizing the negative social and environmental impacts of private land development. This role may, however, be best played in cooperation with citizens at the municipal and neighbourhood levels rather than through the usual processes of top-down planning.

Issue five: the informal sector

35. In most Asian cities the informal sector is a large, and frequently, growing part of economic activity. Its growth reflects both the inability of the formal business sector to absorb all of the urban labour supply, and its special dynamism. Various international comparisons have found that, although informal businesses use greater labour inputs per unit of output, their overall production methods are quite efficient. In particular, they make highly productive use of capital, having significantly greater average returns to capital than large businesses.

36. Despite the appeal of informal business growth, national and local governments often have resisted it. They have imposed regulations that unnecessarily impede informal business development out of a desire to plan, control, or modernize the economic growth pattern. Effective support for informal sector development combines reform of general regulatory and land-use policy with more targeted programmes to support small businesses directly.

37. One important lesson of the last decade is that usually Government can do more to help the small business sector through supportive regulatory and land-market policies than through direct assistance, such as subsidized small loan programmes. Thus, Governments must develop a land-use policy that effectively supports small-scale economic activity. The pool of potential entrepreneurs in Asian cities is vast and Governments can encourage their growth most effectively by not imposing unnecessary restrictions on their market development and by developing land policies that effectively support them, such as:

(a) Permit commercial and industrial activities to occur in low-income residential areas. In many parts of the world the informal business sector works most effectively when commercial and residential uses are mixed together. Capital generated from price appreciation in residential real estate is often reinvested in the business that occupies part of the premises;

(b) Design subdivision regulations with an eye to commercial and industrial use, not just residential use. Development is a dynamic process that cannot be foreseen in detail or dictated by planners. Therefore, it is critical to allow flexibility for different land use choices as market demand develops;

(c) Treat infrastructure provision as critical for growth. Certain types of infrastructure networks, such as roads and road paving, are especially important. They require official access to electricity and telephone connections without having to pay for high and often illegal connection charges;

(d) Target upgrading plans to areas where micro businesses already are growing rapidly. Government efforts to go against the market, whether in steering investment to poor regions of the country or channelling local informal development into designated areas, almost always fail. It is far more effective for Government to go with the winners and build on districts that already show signs of rapidly rising productivity;

(e) Decentralize and democratize land use policy and infrastructure decisions. Bureaucratic decisions about investments, however well intentioned, are unlikely to meet citizen preferences or business needs as effectively as locally expressed demands;

(f) Reduce the government red tape required to set up and register small businesses. The time and out-of-pocket costs of regulation drive most small establishments out of the formal sector. In some respects, this escape from the formal sector represents a satisfactory solution to over-regulation. However, it also gives rise to an uncertainty about legal status that discourages business investment and often precludes business operations from gaining access to normal sources of credit.

Conclusions

38. Four principles underlie efficient markets and the urban contribution to national productivity. These principles need to be considered by Governments so that urban growth is managed and the detrimental effects of the trade offs are mitigated:

(a) Establishing correct prices by accounting for all costs, including environmental and human costs that the unaided market does not price correctly, undoing subsidies, and eliminating other price distortions that have resulted from past public policy;

(b) Supporting free movement of goods and people. Establishing correct prices will lead to greater efficiency only if resources are free to flow in response to price signals. Factor mobility implies the ability to allocate factors efficiently, that is to say in response to market demand, across sectors, across geographic locations, and between savings and consumption;

(c) Having Government stimulate market choices when private markets do not exist. Some important allocation choices will be made by the public sector or with public sector influence. To the extent that such allocation decisions embody market principles, they will enhance productivity throughout the economy;

(d) Pursuing national and local planning policies that allow growth to occur where economic returns are highest, and that distinguish local economies according to their comparative advantage. The basis for efficient integration of urban economies into the national and international economy is comparative advantage. National urban planning can contribute most effectively to national productivity by allowing areas with competitive advantages in national or international markets to exploit them.

39. The patterns and trends related to land, housing and infrastructure of cities in Asia point to a crisis that neither Government, private interests nor communities have been able to reverse. The social, physical and environmental deterioration of cities is, in many cases, approaching levels at which the efficiency of the city itself is threatened. Meeting the crisis facing the cities of Asia requires a renewed commitment to balance the needs of the city as a centre for production and economic efficiency with the needs of the city as a habitat for social and environmental sustainability. Striking this balance requires increasing the fiscal and decision-making competence of local governments, moving decisively toward the formulation of urban land policies that can counter the impacts of rising land prices and work towards housing the millions of new citizens being added annually to Asia's cities, and marshalling the political will to provide much-needed urban infrastructure and services and to improve the management of the urban environment.

40. Such policies are consistent with policies to alleviate urban poverty by providing the basis for the economic security of lower-income families through access to land, housing, infrastructure, urban services and amenities. By moving government action toward improving the quality of the urban habitat for all, the long-term economic efficiency of the city will also be enhanced by reducing the

negative economic impacts of congestion and environmental degradation associated with contemporary patterns of urban growth. By liberating households from the immiserating conditions associated with the lack of access to land, housing, infrastructure and clean environments, they will be able to devote their energies to maintaining health, raising levels of education, and engaging in more economically productive activities.

41. There is no single cure for the problems that beset the cities of Asia, nor are Governments able to carry out by themselves the policies and reforms needed to redirect these cities away from processes of environmental degradation and human immiseration. Building the urban future, if it is to be one that is both productive and socially desirable, will require the cooperation of many organizations and people. This cooperation is best pursued through political processes that are open to all voices and through planning approaches that bring together technical specialists and local knowledge to identify appropriate technologies and draw upon local talent and enthusiasm to build Asia's cities of tomorrow.

C. Urban Poverty

Note by the secretariat

Urban poverty and impoverishment in Asia

1. Five striking aspects of urban poverty have emerged from the processes of national development and urbanization in the Economic and Social Commission for Asia and the Pacific (ESCAP) region countries in the post-colonial era. The first is that as the share of national populations living in cities increases in all countries, poverty is becoming an increasingly urban issue. Approximately half of the population in Asia is expected to be residing in cities by the early years of the next century, when population and labour force growth rates will still be high in most countries. The population of major urban regions in Asia already doubles every 10 to 15 years, therefore failure to begin to tackle the problems of low-productivity employment, poor quality and delivery of services, inadequate supplies of basic housing, and deteriorating environmental conditions in poor communities in cities will worsen these problems, to the extent that both economic growth and political stability will be threatened. In the Philippines, for example, cities absorbed about half of the increase in poverty in that nation in the 1980s, with the national capital region of Manila absorbing 15 per cent of the total increase. A United Nations study has predicted that 60 per cent of the urban population of Asia would be living in slum and squatter settlements by the turn of the century, unless drastic reforms were undertaken. Since national populations continue to increase, such proportions imply an increasing number of urban people will be living in poverty even if the proportions were to remain constant.

2. A second dimension of urban poverty is its persistence throughout Asia, even in the highest income countries. Available estimates show that the proportions of the population receiving incomes that are below the poverty line range from one fifth to four fifths in the cities of Asia. The proportion of the population living in poverty increases substantially everywhere if other indicators, such as inadequate shelter, are considered. In Seoul, for example, people still make a living from refuse dumps, and from 1970 to 1986, a period of stellar increases in per capita income, the official percentage of families living in substandard housing in this city remained at 17 per cent. Similarly, while half of the urban population of Bombay lives in slums, more than 2 million people in Hong Kong are experiencing deteriorating health as a result of pollution.

3. A third dimension of urban poverty in Asia is the variation in its levels, structure and specific social, political and economic manifestations. In many

Annex II.C - Urban poverty

countries discrimination against minorities or classes of people results in entrenched poverty. In several countries urban poverty, though minor in comparison to rural poverty, is the outcome of sustained war, oppressive political regimes, and social, political and economic dislocation and instability. In countries where structural change has been slow to occur, poverty is often correlated with the expansion of low-productivity urban services and is manifested in such terms as the increasing number of urban households living without permanent shelter. In other countries now joining the next generation of newly industrializing countries, urban poverty has been shown to be part of a proletarianization of rural women doing urban factory- or home-based piece-work for poverty-level wages and under extremely poor working conditions. In the highest income countries, urban poverty has been, for the most part, the outcome of relative deprivation and economic processes that deny lower-income households access to decent shelter. There is, in effect, no one source or cause of poverty, but rather poverty exists in many contexts that must be understood in their own terms.

4. The fourth dimension of urban poverty is that despite the magnitude and persistence of urban poverty, the majority of Governments in Asia do not routinely collect data on either the levels of absolute poverty or the inequalities in income distribution that underlie relative deprivation. Even where data are collected, the methods used to generate them are subject to a number of severe conceptual and empirical problems as well as overt political manipulation. Estimated levels of poverty also tend to increase dramatically with only very slight adjustments in income cut-off lines. Studies in Indonesia, for example, have shown that the proportion of the urban population living in poverty in Jakarta can double if slightly higher prices for rice are used to calculate the income needed to satisfy basic food needs. It is not uncommon to find that government estimates are often vastly different from those derived from case-studies carried out by non-governmental organizations (NGOs) and independent researchers.

5. The more general observations are that many Governments do not appear to take the issue of monitoring urban poverty seriously and do not facilitate independent investigation of its magnitude and underlying causes. The result is that poverty remains both hidden from public view and disguised in terms of the reasons that result in its persistence.

6. In measuring poverty, most attention has been focused on basic needs indicators; however, poverty is also a matter of relative deprivation or inequality in access to income, material goods and services. In all countries, income inequalities are found to be wider in the city than in the countryside. Evidence shows that these inequalities are also significant and have been increasing in at least some countries where rapid economic growth and industrialization have been associated with falling levels of absolute poverty. As the recent burst of labour movements in

several newly industrializing countries suggests, relative deprivation as a source of social dissatisfaction can be as profound as absolute poverty.

7. The fifth dimension of urban poverty is that if there is a common lesson to be drawn from experiences in which poverty has been alleviated, supportive government policies and programmes have been crucial to this success. Economic growth often has been associated with the creation of conditions for poverty reduction, but it has not proven to be sufficient by itself to reduce poverty. Policies designed to raise the income-earning opportunities of the poor, to improve their health and education, and to increase access to urban land, shelter, and environmentally sound communities have been crucial to poverty alleviation. The importance of government action is indicated by the fact that some low-income countries and areas in Asia have made greater progress in poverty reduction than have middle and higher income countries.

8. The initiative to take steps to address the needs of the poor has often been the result of activism by the poor themselves or through the advocacy of NGOs. The likelihood of translating demands for social justice into improvements for the poor and political stability for society at large is much greater when the poor are given a voice in political and public affairs.

Impoverishment and the development process

9. Poverty emerges from constellations of political, economic and social forces. In total, these constellations result in the systematic reproduction of conditions of extreme economic vulnerability and insecurity, both of which are manifested in all the conditions called "poverty" and prevent an escape from being poor. The vulnerability and insecurity that result in poverty are perpetuated through a number of key mechanisms. Although these mechanisms may vary from country to country, among the more commonly observed ones are:

(a) Denial of basic human rights and active suppression of efforts by weaker segments of society to organize for their own betterment or to contest the uses of power;

(b) Institutionalized denial of access to financial resources and productive assets required to sustain nominally independent enterprises of the poor beyond a day-to-day basis;

(c) Monopsonistic or monopolistic control over micro-enterprises by larger entities which, through control over inputs and/or markets, turn nominally own-account work into disguised wage employment paying below poverty-levels piece-rates or daily incomes;

Annex II.C - Urban poverty

(d) Insecurity of wage employment compelling the poor to accept below poverty line wages and to work overtime without pay;

(e) The perpetuation of employment systems that indenture children, that exploit women, and that keep men without secure sources of income or compensation for injuries and disabilities occurring on the job;

(f) Failure to provide the poor with effective access to legal services or to adopt and enforce basic labour laws, including child labour laws;

(g) Legal and political institutionalization of patterns of urban land ownership and growth of private land markets that prevent the poor from gaining access to land and security in housing occupancy;

(h) Lack of access to basic health services needed to prevent chronic illness, high infant mortality rates and other problems that divert scarce resources away from savings and economic investment;

(i) Lack of access to basic education that is needed to gain literacy and other skills to compete successfully for advancement in increasingly complex urban settings;

(j) Environmentally deteriorating neighbourhoods and habitats that lead to premature death and chronic health problems and further drain economic resources of poor households.

10. Whatever the combination of these and other factors, they are all part of an interwoven fabric of poverty which the poor must confront at the household level by dividing time, energy and resources to solve basic daily problems of earning incomes, sustaining the health and welfare of household members, and maintaining adequate shelter. The resulting household strategies include decisions about the division of household labour, sharing and expending incomes, managing the habitat of the household and, with other households, the neighbourhood. None of these central activities are managed in isolation of the others, and vulnerability in one area can translate easily into vulnerability in other areas. Malnutrition translates into low capacity to earn incomes and manage household resources. At the same time, lack of access to productive resources or urban land can translate easily into incomes that cannot purchase food needed to sustain life.

11. Creating employment structures in which the lowest segments of the population are kept at high levels of job insecurity is a well-known mechanism for perpetuating conditions of high vulnerability and dependence on patronage and clientelism as a substitute for wage increases. Women and children are particularly vulnerable to such employment and work relations. Women's work is typically is

undervalued and underpaid. Whether in textile mills, garment factories, export-processing zones, or doing home-based piece-work, the record of exploitation of women through harsh working conditions and extremely low pay is found throughout the cities of Asia. Women, who make up the majority of the urban poor, are much more likely to be employed as casual labourers than are men.

12. Development strategies pursued by Governments in Asia that are eager to attract segments of transnational systems of production, have contributed to the feminization of low-wage work in manufacturing. Export-oriented firms operating in free trade zones often have been given concessions that allow them to operate outside national wage and labour laws. The formation of unions among the unskilled often is prohibited, and working conditions are characterized by long hours, disguised overtime, health hazards and an expected short length of employment. Women at the lowest wage levels are often literally "used up" during their employment.

13. Patriarchy exists in the work place and is also rooted in households, and for poor women, relations in households can be simultaneously a source of domination as well as support. Women in poor families typically are charged with the triple duty of working for incomes, managing households and reproducing and raising children. Among the poorest in Asian cities are female-headed households that suffer from being underpaid for their work, are less able to secure loans and credit, and are left out of official political processes.

14. Few aspects of poverty are more disturbing than the persistence and conditions of child labour. Asia accounts for 60 per cent of the children of the world, and as Asia continues to urbanize, more than half of these children will live in cities. Children who earn incomes for themselves and their families are found in the highest as well as the lowest income countries in Asia. In most countries they provide a significant amount of the labour in such activities as scavenging, vending, textile and garment production and, in increasing numbers, prostitution. In Thailand, estimates of the number of prostitutes range between 200,000 and 800,000, and the number of prostitutes under the age of 12 is on the rise.

15. Similar to the specialization seen in national economies, children also fill specialized occupations in specific economic sectors. These occupations range from hotel boys in India to small-scale parts makers in Hong Kong and Taiwan Province of China and electronics and shoe factory workers in the Republic of Korea. In some countries they are sold into bondage and as chattel to the wealthiest of urbanites, while in others they are paid a daily wage that is substantially below that paid to an adult, even when the work performed involves long hours and dangerous working conditions.

16. The largest number of working children is found in the lower income countries of Asia. Children in India start working in industrial activities when they are as young as five or six years old, and it is estimated that one quarter of the national labour force of India consists of children under the age of 14. Most never learn to read or write and often are treated as bonded rather than salaried labour, receiving unimaginably low pay for the demanding work they do in activities ranging from brick-making for local construction work to weaving luxury carpets. As long as poverty persists in the rapidly growing cities of Asia, children will continue to be compelled to enter the labour force at extremely young ages.

17. Contrary to many opinions about the dichotomy between the informal and formal sector, there is little evidence to suggest that the poor somehow are isolated from the economy of growth and accumulation. Poor households have members engaged in both subsistence and market-oriented work, domestic-market oriented and export-bound activities, in small and large-scale enterprises, in manufacturing as well as in services, and in unpaid or own account work as well as in wage-based factory work. Employment diversification is, in fact, part of the household strategy to reduce risk in gaining access to and stabilizing overall levels of income. Taken together, these characteristics of poverty reveal an overall picture of domination, exploitation and disempowerment rather than a process of urban involution autonomously generated by poverty or too many people.

18. Given the vulnerability of employment, the continuity of the household economy can be sustained at least partially through subsistence activities, namely, production and exchange outside of the market, which account for one fifth or more of total household income in the slums and squatter settlements of Asian cities. Subsistence production reaches beyond the household to include social networks of mutual assistance and reciprocity that serve both to pool resources for major events, such as house construction, and to dampen the impacts of economic shocks such as job loss, illness, death in the family and other life cycle events such as marriages, that unexpectedly befall individual households. The capacity of households to survive economically in the face of immiserating circumstances cannot, therefore, be reduced to a matter of "employment" as commonly conceived or recorded in national accounts. Moreover, the economic survival and prosperity of poor households depends as much on access to and continuity of community as on direct engagement in what is normally thought of as "work".

19. Women, men and children, as members of poor households, simultaneously face problems of sustaining incomes, maintaining individual and collective welfare, and managing the physical environment of their shelter and surrounding neighbourhoods and communities. Just as the household must combine all of these aspects in order to survive economically, reproduce its own existence, and advance in welfare and quality of life, the city is also a sphere of human activity that thrives best when its capacities for economic growth are in balance with its needs for

sustaining habitats that can shelter its citizens, provide equitable access to production and welfare to all, and nurture community life. Cities out of balance, as most are in Asia, are also cities which foster immiserating processes of economic growth that favour a few and leave many more in poverty.

Ameliorative policies

20. Although high rates of economic growth and structural change have raised general standards of living in those countries which have experienced them, in Asia there has been no instance in which economic growth or market forces in Asia have enabled the poor, by themselves, to decrease their level of poverty. Governments in even the most advanced economies of Asia continue to be heavily involved in programmes and projects to reduce the negative impacts of economic growth on the poor.

21. Governments have taken numerous steps toward improving the lives and livelihood of the urban poor in three key areas: employment and enterprise-related programmes, welfare services, and projects related to the improvement of housing, community infrastructure and environmental management. Improvements have resulted from many of these efforts, but mostly they have been partial.

22. The main thrust of policies related to employment, production and income should be toward reducing the vulnerability of the poor who face exploitative hiring practices by large and small firms alike, who are systematically denied access to the means of production, credit and markets, who face discrimination on the basis of gender and age and therefore are compelled to accept work that pays rates lower than the cost of subsistence, to enter into the labour force while still in childhood, and to accept occupations that are dangerous, degrading and dysfunctional to child development.

23. In the name of international competitiveness and under assumptions that wages must somehow reflect competitive market conditions, most Governments in Asia have, in practice, abandoned serious attempts to alleviate poverty through employment policies. All Governments do have appropriate legislation in place, however, and at a minimum there is a need for greater commitment to enforce labour contracts that agree to pay wages for hours worked and to ensure a minimum level of labour conditions in enterprises using wage, indentured, or contract labour. Ending practices of indentured servitude and inhuman conditions of child labour should also become a national policy priority.

24. Given the reticence or inability to interfere with what, often mistakenly, are summarized as market forces in the sphere of production, many Governments have chosen to focus on welfare enhancement programmes for the poor, particularly through health services and basic education. In fact, most improvements with

regard to the poor have been in these areas. In almost all countries in Asia, the most pronounced area of improvements in societies as a whole have been in the area of social programmes related to health, education and other services not directly involved in either employment creation or the built environment and land use questions. The Physical Quality of Life Index, which attempts to measure a composite index of three key elements — infant mortality, life expectancy at age one and literacy — shows that such improvements have been significant.

25. Nevertheless, the record shows that the poor have very high rates of infant mortality, low educational attainment, and shorter life expectancy than the rest of the population. More long-standing health risks persist among the poor. Some countries, including Bangladesh, India, Indonesia and the Philippines have large populations susceptible to cholera. Preventable diseases such as whooping cough and polio remain problems among large portions of the urban poor in Asia, reflecting the low health facilities available to them. Measles and whooping cough, which are highly contagious, spread rapidly through overcrowded households. Adequate immunizations should be a priority in such crowded communities. Increasingly, the poor are suffering from the devastating effects of acquired immune deficiency syndrome (AIDS). Conservative estimates indicate that more than one million Asians are now afflicted with the AIDS-causing human immunodeficiency virus (HIV); others suggest that the numbers are already in the many millions, the majority of whom are among the urban poor. Commercial sex and intravenous drug use are the major conduits for the spread the HIV, but heterosexual contact will be increasingly the way the disease is spread among local populations during the 1990s.

26. It is essential to recognize that the welfare of the urban poor cannot be separated easily from either the employment-income relationship or the conditions of daily life in slum and squatter settlements, as indicated by the fact that malnutrition is a key indicator of poverty and that diarrhoea caused by contaminated water supplies continues to be a leading cause of infant mortality.

27. Unless incomes are raised to the point where the lower classes of society can both adequately feed themselves and gain access to environmentally sound habitats, welfare maintenance policies will remain as they are, palliative and ameliorative, rather than become part of a long-term reversal of the processes that create poverty in the city. This is not to say that such efforts should be abandoned; they can be very important sources of relief from some of the worst aspects of poverty. However, they should not be used as substitutes for efforts either to enhance income or to improve habitat.

28. Income problems are compounded by environmentally degraded living conditions. Many of the worst health hazards facing the poor stem from overcrowded slums that are breeding grounds for a host of infectious diseases and

are incubators of contagious illnesses. Many of the newly industrializing countries of East and South-East Asia have used very big housing programmes to counterbalance extraordinary rises in land prices. These housing policies have had significant success in relocating large portions of the population into public housing projects, but have not, in most instances, solved the problems of overcrowding or environmental degradation in areas where the poor reside. Elsewhere in Asia, the various government-sponsored low-cost housing programmes have been so modest that they should be seen more accurately as middle-class housing rather than as poverty-alleviating efforts. Site and service programmes, such as the well-known Kampung Improvement Programme in Indonesia, have been successful as environmental management programmes but have had few positive impacts on income distribution or empowering the poor to participate meaningfully in the planning process.

29. The implications of this conclusion are straightforward. The idea of the city as an 'economic space' for generating advances in material welfare cannot be separated from the idea of the city as a 'life space' that houses people, sustains the natural environment along with the expansion of the built environment, and nurtures community life. Cities that can balance the tensions between economic and life space can also overcome the artificial separation of production from consumption and, in so doing, begin to solve questions of poverty while pursuing strategies of economic growth. Cities that can house and deliver basic services to the poor, reverse processes of environmental deterioration, and allow for the formation and sustenance of community association will also be able to capture the energies of the poor for their own as well as the city's advancement.

Structural adjustment and poverty

30. In the late 1970s efforts to alleviate poverty and provide a social safety net for the poor began to come up against a concerted move on the part of international lending agencies, notably the World Bank and the International Monetary Fund, to make access to international credit contingent upon adherence to a rigid regime of structural adjustments aimed at enhancing market forces and diminishing the role of the State in both production and public service provision. Subsequent studies of economies being subjected to structural adjustment measures found that it was necessary to pay explicit attention to poverty alleviation, since, in spite of high rates of growth under the conditions imposed by international lenders, incomes for some could fall behind rises in the cost of living, and the withdrawal of public services could have disastrous consequences for the poor.

31. The withdrawal of services formerly provided by Governments have had a disproportionate impact on women and children. For women the withdrawal of services has increased the time spent on health care, education of the young, and other essential services, and this, in turn, has affected how well households,

including children, are able to cope with equally increased demands on women's time to work to earn incomes in times of tightening labour markets and adjustment-induced economic recessions. More than 60 per cent of the countries undergoing structural adjustment experienced cuts in per capita health and education expenditures. Time devoted to community relations has also been reduced. All of these pressures on women's time have taken place when forces are actually demanding more attention to the household as deepening poverty leads to increasing health problems and other family and community crises among the poor. When mothers lose time and resources for household management, children suffer as well. More generally, when economic recession and service withdrawal are combined, children have suffered disproportionately from declining access to food and subsequent poor nutrition, have had fewer chances of obtaining basic education and more pressure to earn incomes to supplement or substitute for parental income sources.

32. The main conclusion to be drawn is that the inherently anti-poor biases of structural adjustment programmes require counter-balancing programmes to support low-income households directly through employment and wage-maintenance, nutrition, health and education services. In addition, community-level provision of basic infrastructure is as crucial as macroeconomic policies directed toward economic growth. Yet poverty reduction and the poor continue to be of secondary concern in the zeal for structural adjustment. If urban poverty is to be tackled along with macroeconomic reform, more priority needs to be given to basic service maintenance and targeted programmes for welfare maintenance and poverty alleviation. Unfortunately, many of these poverty-oriented efforts contravene the spirit of structural adjustment, which has given inordinate importance to privatization and cost recovery as the twin mechanisms to spur economic efficiency and growth. Missing from the agenda are fundamental questions of social justice related to topics that once were considered of extreme importance but now have been pushed to the back of the political stage: access to basic household assets such as urban land and housing, an equitable distribution of private and public resources, and wages that are sufficient to satisfy such basic needs as food, shelter and clothing.

Ensuring access to resources to meet the basic needs of the poor

33. The city is not only a centre of production and employment generation, but also the location for increasing proportions of national populations who must create liveable habitat for their daily lives. But the tendency everywhere has been to commodify land uses in a manner that privileges short-term economic returns over the sustenance of the city as a habitat for large segments of the population. For the urban poor the reality is one of little or no access to land for housing, little or no space outside of their places of shelter, and environmental degradation of communities that threatens life daily.

34. The explanations for the formation of slum settlements are many, but they all lead to a single conclusion: the city as a centre of accumulation for the few dominates the city as habitat for the many. For the poor, who are important contributors to the productivity of the city, access to land and adequate housing is denied systematically by the logic of accumulation which rewards them with insufficient entitlements (wages and money) to obtain land or adequate shelter needed for household formation and sustenance. The poor are shunted to the areas where ownership is ambiguous or outside of the interests of the market — the urban fringe, public land, including garbage dumps and sidewalks, all of which are either areas unsuited for any development or are tiny pockets of land. Most Governments have no effective urban land policy. Nor do they have policies on land development that have been capable of effectively stemming the physical and environmental deterioration of their expanding urban habitats.

35. The urban poor have not accepted the posture of most Governments to choose palliative programmes over fundamental reforms. Although poverty remains entrenched in developing countries, the poor have become better able to organize and are increasingly actively involved in giving voice to public policy decisions that affect them. There has been a particularly marked trend among poor women, who have the least access to basic needs, to engage in such collective efforts. Organizations such as the Self-Employed Women's Association in Gujarat, India, and the Working Women's Forum in Madras, India, the Grameen Bank in Bangladesh, the Women's Work Centers in Karachi, voluntary associations such as the Brotherhood of Unions and the Labor Union Alliance in Taiwan Province of China, the spontaneous emergence of more than 1,000 new labour organizations in the Republic of Korea in the late 1980s, and other forms of association that are committed to the economic and social betterment of the poor and the disempowered have emerged not only as protest movements, but as sources of economic strength to create alternatives to domination and its resulting forms of poverty. The growth of these organizations gives clear evidence that the poor are capable of organizing income-generating projects and improving their living conditions.

36. The success of grass-roots mobilization in alleviating poverty depends on two crucial requirements: first, that they are able to broaden their activities to cover social and political as well as the strictly economic aspects of empowerment, and second, that Governments assist in creating the political space for them to do so. The first requirement is a reflection of the need to go beyond short-term successes in countering the crises of the moment and to create larger organizational and institutional umbrellas for liberating the poor from dependence on daily credit markets charging interest rates of 10 per cent or more per day; from denial of access to the means of production — inputs to production and productive assets — and distribution channels and markets; from failures to receive sufficient entitlements through work to secure the means for householding and social reproduction — shelter, minimum community infrastructure and a clean

Annex II.C - Urban poverty

environment. The support of NGOs with their own networks outside of those of specific grass-roots movements has been found to be crucial in these efforts as well as being important intermediaries between the local organizations, Government and international entities.

37. The second requirement calls for a fundamental commitment by Government to accept the poor as full citizens with legitimate rights to organize, to engage in collective action, and to receive state support on a par with other classes and segments of society. There is no substitute for such a commitment, for Governments have extraordinary powers over key relations in society, including the use of violence against citizens through police power, the selective use of law-making powers to regulate capital and labour relations, the capacity to intervene in the distribution and uses of land, and the role of using juridical powers to resolve social conflict.

38. Taken together, both requirements point to the need for new partnerships between the State and civil society as part of the larger social project of promoting democratic practice in designing the future of the economy and the habitat of the city. To date, planning as a top-down technocratic process continues to characterize government approaches toward almost all aspects of poverty alleviation programmes and projects in Asia. Although they have achieved some notable successes in areas such as health and site and service improvements, generally they have avoided tackling the basic political and economic forces that perpetuate unequal access to economic resources and entitlements, thus enabling the perpetuation of poverty in the city.

Policy issues for urban planning

39. Much can be done in the normal domain of urban policy and planning, but there is also much that cannot be done without fundamental changes in other domains of politics and planning. A national urban policy that cannot also be linked with policies to institute fair employment practices, to increase access to credit and productive resources, and to reduce the vulnerability of poor people as they seek income-earning opportunities in the city, can at best ameliorate but not eradicate urban poverty. Similarly, unless urban policies are associated with efforts to democratize the planning process, there can be little expectation that the priorities of the poor will be given voice.

40. Given these imperatives, when addressing the question of poverty alleviation, urban policy and planning at the national and local levels will, in most cases, require changes in the understanding and pursuit of innovative efforts in at least four areas:

- (a) Linking issues of production and consumption in urban policy and planning;
- (b) Formulating an urban land policy;
- (c) Encouraging community activation and partnerships with grass-roots organizations;
- (d) Enhancing the roles of municipal governments and fostering democratization.

Each of these areas is a component of a larger urban development strategy that is directed toward capturing the productive capacity of cities in a manner that simultaneously reverses processes of impoverishment and renews the environmental basis for life and livelihood.

Addressing the issues

1. Linking issues of production and consumption in urban policy and planning

41. The dynamics of impoverishment cannot be understood from a one-sided view of either production or consumption but must be seen as a problem of simultaneously solving both sides of this equation by producing urban habitats that are socially and environmentally healthy places to live as well as centres for engagement in productive, income-generating activities. The separation of the productive role of a city from its human habitat role is artificial and, is a potential source of economic as well as social breakdown if high economic growth is achieved at the expense of the deterioration of the quality of the built environment and urban life for the masses.

42. There is still a need for targeted projects that seek to increase access for the poor to the built environment of production, such as lanes and access ways for pedicabs, housing that allows space for storage of productive assets such as vending carts, and physical upgrading of slums to allow for the commercial enterprises inside communities and in or near the home. Similarly, there is a need for increasing access to personal welfare services, perhaps through such programmes as mobile health clinics and libraries, and creating clean environments for subsistence production and householding.

43. The problems of the urban habitat must be addressed simultaneously to obtain their solution. One approach which can combine the issues of production and consumption implement programmes that promote the development of communities as social, cultural, and productive centres. To the extent that such an approach

creates alternatives to exploitative relations in the urban labour market and spatially combines income-generating activities with householding activities, it may offer significant countervailing sources of resolving key dilemmas facing poor households.

2. Formulating an urban land policy

44. Land policies aimed at poverty alleviation and habitat balance are not mutually exclusive objectives; in most ways they are complementary. Slum formations and the environmental problems found in slums are not due only to the low incomes of the poor, but are also closely tied to a lack of incentives to invest in housing and the community due to dubious land rights. Encouraging the poor to invest in their own houses, neighbourhoods and communities will aid in shifting the balance away from the dominant pursuit of economic accumulation to that of improved environments and enlarged life space for the inhabitants of the city.

45. A major avenue for such encouragement is urban land reform. Among the tools to be included in such reform are land inheritance and transfer laws to counter trends toward land accumulation by families with large landholdings owned for generations; limits on the size of landholdings; taxation policies that discourage speculative investments in land that is left undeveloped for extended periods of time; land-banking and land-pooling programmes that allow the State to increase its pool of land which can be exchanged for low-cost housing sites in the city; the establishment of housing credit programmes specifically for low-income households; land readjustment projects that include low-cost land and housing sites; land-sharing schemes, and tenancy reform establishing clear rights of tenants. Governments must also provide the impartial means for adjudicating land-use conflicts that inevitably arise from the ways in which the poor are compelled to find shelter without formal acquisition of land titles.

3. Community activation by engaging in partnerships with grass-roots organizations

46. Current debate over how best to address the many social and economic problems associated with urban poverty is being posed as a choice between calling upon Governments to do more or, conversely, for limiting Government through privatization and for-profit market solutions. Missing from this debate has been a third avenue, namely, social mobilization to form partnerships between Governments, NGOs and grass-roots organizations at the community level.

47. The gains to be reaped by creating government-grass-roots partnerships that nourish the positive contributions of poor people, households and their inter-household support networks through community activation are manifold. They range from lowering the costs of slum improvement programmes, including

both housing and community infrastructure, to ensuring the adoption of technologies that are compatible with the physical condition and layout of low-income communities, and overcoming long-standing feelings of alienation by the poor from Government and its uses of power to engage in urban planning programmes that have negative rather than positive impacts on them. Communities can gain from such partnerships to the extent that they receive equitable access to public resources, advice from technically-trained personnel, and facilitation of self-empowering efforts by the legitimization of community organizations as part of the political community of the city and nation.

48. The concept of government-community partnerships is not new, but serious efforts to initiate them are rare. Governments in Asia and elsewhere in the world, for the most part have shown themselves to be unable to engage in authentic partnerships with the poor in an effort to reverse the production, welfare and habitat-related issues of poverty. The top-down exercise of authority in planning has become so firmly entrenched that planners operating in the public domain often simply declare that people, specifically the poor, lack the know-how to plan. Poor people, many of whom are skilled craftsmen engaged in construction work, are equally disparaging about the standards, materials, designs and costs of construction of showcase low-cost housing programmes that are done by the State and ostensibly meant to house the poor yet rarely do. To improve direct participation of the poor in the reconstruction of their homes, neighbourhoods and communities, it is necessary to combine the sources of support available from the State with the initiatives of the community.

49. A fundamental component of any strategy to empower the poor to join in authentic partnerships with the Government is the right to organize, including the right to present views that may be critical of government policies and actions. This right would also need to be accompanied by labour laws and child protection laws that ensure basic human rights. Urban poverty reduction in Asia cannot be expected to make significant headway unless the political process is open to all voices, especially those of the poor, and unless the most vulnerable in society are protected by laws that are enforced effectively.

4. Enhancing the roles of municipal governments and fostering democratization

50. Government-community partnerships cannot be carried out meaningfully from the national scale alone in any but the smallest of city-states or island nations. In almost all settings, such partnerships will require enhancement of the capacity of municipal governments to establish the institutional capacity to address and work out the issues of the moment. With the exception of capital cities, which are often given special government status, municipal governments in Asia lack the authority, financial independence and manpower to accomplish this goal. If it is to be

pursued meaningfully, effective devolution of decision-making as well as revenue collecting powers would have to become a priority of political reform. Such efforts are underway in many countries, but the focus has been on revenue enhancement through cost-recovery programmes and not on the enlargement of decision-making and planning authority to cover such issues as launching credit programmes for micro-enterprises, committing public resources to community-based day-care centres, or regulating access to housing and land development.

51. Devolving decision-making powers over the allocation of public resources to local levels can enhance moves toward making Government more accountable to citizens, but it is not a substitute for more important democratic reforms. Where it does not already occur, direct election of local governments would be a step in this direction. However, since, in the real world, rule by the majority does not guarantee that the voice of the poor will be heard or represented fairly, an equally important priority is to open the political process by guaranteeing rights to organize independent of the State.

52. As the countries of Asia move inexorably toward their first urban century, the question of urban poverty eradication becomes increasingly important to both Government and society. Up to the present, the principal builders of houses, neighbourhoods and communities in Asia's cities have been the poor themselves. If low-income households and communities are not empowered to improve their capacities to combine effectively labour- and income-pooling strategies with improvements in welfare and habitat, the future of cities will be one of drastic social and environmental deterioration that will also deeply affect the economies of cities and nations alike. The social project shared by all countries is to go beyond poverty amelioration by empowering the poor to begin to reverse processes of human immiserization.

D. Urban Environment

Note by the secretariat

1. Urban growth has a number of positive impacts on the environment and human well-being. Higher population densities in cities mean lower per capita costs of providing energy, health care, infrastructure and services. Moreover, urbanization has been associated historically with declining birth rates, which reduces population pressure on land and natural resources. Despite these positive impacts almost all major cities of the ESCAP region are increasingly plagued by environmental problems.

Environment of the city

2. Environmental degradation shows itself in a number of ways in and around the cities in the Asian and Pacific region. The deterioration in the quality of the air and water, the growing problems of waste disposal, the deterioration of natural support systems and the living conditions of downstream residents, and more intense competition for space in increasingly congested areas are pervasive problems in the region.

3. In the developing countries of the region where urbanization has proceeded more rapidly than economic growth, the trend is towards increased urban degradation. About 35 per cent of the urban population in these countries does not have access to adequate sanitation. Uncollected household wastes end up in neighbourhood dumps, where they attract disease-carrying rats and insects, or in drains, where they cause blockages that lead to flooding and the obstruction of traffic. The solid wastes that collect in open dumps often pollute the groundwater.

4. Hazardous wastes, which are mostly industrial wastes, pose another pressing problem, even for city governments that have adequate waste management capacity. It is difficult to monitor discharges to ensure that hazardous wastes do not flow into city sewers and natural waterways. Few developing countries in the region have the technology and facilities to treat hazardous wastes.

5. In most large cities in the developing countries of the region air quality is below internationally accepted standards for good health. Indoor air pollution is particularly serious in poorly ventilated low-income housing where fuelwood is commonly used for cooking and heating.

6. All of the problems mentioned above affect the ecological integrity and amenities of urban areas, as well as the health, safety, and productivity of the urban population. Hence the issues involved in managing the urban environment are many and complex, and span a wide range of spatial scales.

7. *Spatial scale of urban environmental problems.* In the figure below, urban environmental issues are distinguished spatially. A consideration of the spatial scale of the impacts raises several important issues that should be considered in an effective strategy for managing the urban environment. These are:

- Health impacts are greater and more immediate at the household or community level and tend to diminish in intensity as the spatial scale increases;
- Equity issues arise in relation to (a) the provision of basic services at the household or community scale and (b) inter-temporal externalities at the regional and global scale, particularly the inter-generational impacts implicit in non-sustainable resource use and global environmental issues;
- Levels of responsibility and decision-making should correspond to the scale of impact, but existing jurisdictional arrangements often violate this principle.

8. *Impacts of environmental degradation.* First, the greatest threat to health and safety in cities of the ESCAP region comes from water and air pollution, especially at the household and community levels. While ambient air pollution impairs the health of almost all urban residents in many cities, indoor air pollution is particularly hazardous for women and children of low-income households who are regularly exposed to higher concentrations of air pollutants from cooking and heating sources in poorly-ventilated housing. Waterborne diseases are found most commonly in low-income neighbourhoods as a result of inadequate sanitation, drainage, and solid waste collection services. Health risks, especially to the poor, are also posed by pesticides and industrial effluents.

9. Second, the productivity of many cities in the ESCAP region is adversely affected by traffic congestion and water pollution. The loss in productivity includes the total productive time wasted in traffic and the associated increase in the costs of operating and maintaining vehicles. The rising costs of treating polluted water for industrial and domestic purposes are damaging the productivity of urban economies. Fisheries are also being severely harmed by water pollution.

10. Third, uncollected and improperly handled solid waste can have serious health consequences. They block drainage systems and contaminate groundwater at landfill sites. In many cities, particularly those in Pacific island countries, it is difficult to secure land for waste disposal facilities, especially landfill sites. Most

cities in the region are also unable to manage the increasing amounts of hazardous wastes generated by rapid industrialization.

11. Fourth, the widespread removal of vegetation in and around urban areas (deforestation, diminishing agricultural lands and wetlands) is contributing to an irreversible loss of critical ecosystem functions, including the hydrological cycle, carbon cycle and biological diversity. The degradation of the natural support systems such as groundwater overdraft has led to land subsidence and a higher frequency of flooding, particularly in the lowest-lying and poorest areas.

Environment of the urban poor

12. As indicated in the previous section, different environmental problems affect rich and poor in different ways. For example, ambient air pollution is relatively "income blind", while water related diseases tend to affect the poor more severely. Studies of urban health conditions in developing countries of the region reveal significant health differences between the rich and the poor in cities. In many cases, women and children are the most vulnerable to adverse environmental conditions.

13. Pollution especially affects the poor who live at the urban periphery, where manufacturing, processing, and distilling plants are built and where environmental protection is frequently weak. Environmentally sensitive sites such as steep hillsides, flood plains, dry land, or the most polluted land sites near solid waste dumps and next to open drains and sewers are often the only places where low-income groups can live without the fear of eviction. Therefore, it is the poorest groups who suffer the most from the floods, landslides, or other disasters that increasingly batter the cities of developing countries. In the Pacific islands, the poor are more vulnerable to hurricanes because they are more dependent on local crops and their houses are structurally less permanent.

14. Nearly all the homes and neighbourhoods of poorer groups share two unhealthy characteristics: the presence of pathogenic micro-organisms and crowded, cramped housing conditions. The environmental health risks are exacerbated by the inadequate diets of the poor, which lower their resistance to many diseases.

15. Poverty is sometimes seen as a major cause of environmental degradation. It is true that because of their lack of financial resources poor people cannot afford such things as improved latrines and cooking stoves. In many instances, however, the poor are caretakers of the environment. They perform jobs, such as street-cleaning for the government, rag-picking for large-scale paper makers, and scavenging for materials for use in their own housing and for recycling. In many cases, these activities actually improve the environmental conditions in the cities.16.

One study shows that the household economy of the poor, including scavengers, and the community-based systems of waste recovery and recycling account for most of the solid waste management in cities of the ESCAP region. The problem, therefore, is not how to "control" the poor, but how to provide support to them in terms of heightening their access to environmental resources and improving their efforts to cope with the environmental conditions of their households and communities.

Inappropriate economic policy

17. *Inappropriate incentive systems.* Environmental degradation is a classic example of the divergence between social and private benefits and costs. A profit-seeking firm (or budget-conscious agency) will not undertake pollution control unless the alternative (for example, effluent fees, fines, damage to public image, or possible lawsuits) seems more costly. In Asian cities, where this is generally not so, the costs are borne by those who do not directly benefit from the pollution-generating activity. Such costs are "external" (both spatially and temporally) to the firm. Where tax monies are used to clean up pollution, in effect subsidizing the polluters, the public bears a double burden.

18. The problem of externalities is exacerbated by the "growth-first" strategy adopted by the Governments of many countries in the region, especially in developing countries. In order to attract investment, industrial promotion policies are designed to offer privileges and incentive packages, including low taxes, lax regulations, and subsidized infrastructure. Once established, industries create a powerful resistance to environmental legislation. Thus many Asian cities have become "pollution havens". Public infrastructure investments tend to be those that promote economic activity rather than clean up its consequences. For instance, modern power plants and ports have priority over sewage treatment facilities. Industrial growth, combined with inadequate infrastructure for disposal and treatment and inadequate institutional mechanisms to ensure environmental protection, leads to environmental degradation.

19. *Inappropriate pricing of resources and services.* Low prices for water, energy, and other inputs to industry can encourage their overuse. In addition, inappropriate pricing of urban services results in inefficient allocation and inequitable distribution, as manifested by the following:

- The urban poor lack services despite a certain willingness and ability to pay;
- Subsidized services are provided to the upper economic classes;
- The misallocation between capital and recurrent expenditure is pervasive;

- The inability to recover costs and finance services locally leads to greater dependence on fiscal transfers from the central government.

Limited government responses

20. *Weak enforcement.* Implementation and enforcement of anti-pollution laws in practically all developing countries of the ESCAP region are weak. While the lack of resources makes monitoring of the compliance with laws difficult, their enforcement is also handicapped by the orientation of legislation to kinds of problems (air, water, noise, or solid wastes) rather than to the characteristics of specific industries. Some laws based on foreign models are inappropriate to local conditions and difficult to implement. Similarly, because of a lack of indigenous standard-setting capacities, it is common to adopt criteria set in the United States of America or Europe, without properly taking into account local conditions. These standards are rarely honored by the public and are infrequently enforced by government. In some cases, both the government and private operators recognize that it is financially impossible to reduce emissions to mandated levels.

21. Environmental impact assessment (EIA), a management tool for planners and decision makers, is a process through which environmental considerations are incorporated in project planning, construction, and operation. However, the effective application of EIA in the ESCAP region is hindered by insufficient awareness among decision makers of its importance, and by legal and institutional constraints, the shortage of expertise, information and experience, and the lack of appropriate environmental data. Sometimes the process itself is problematic. For example, in Fiji, the EIA comes at the tail end of the project cycle; it therefore becomes irrelevant. In Papua New Guinea, the Environmental Planning Act requires an environmental protection plan for a development project to be submitted to the Department of Environment and Conservation for approval before the project is implemented. Unfortunately this requirement is frequently bypassed or overlooked.

22. Other factors impede effective implementation. For example, *laissez-faire* attitudes of the general populace towards the law, an excessive emphasis by government on maintaining order so that local organization or protest of any kind is inhibited, or intimate financial linkages of government and military officials with polluting industries, can render improbable the effective enforcement of any environmental protection law. Furthermore, government projects are sometimes exempted from environmental regulations, resulting in a double standard that inhibits effective enforcement.

23. *Poor coordination.* Some countries in the ESCAP region have created interdepartmental or higher-level bodies, such as national environmental protection councils, to coordinate the activities of various government agencies.

Unfortunately, genuine cooperation has proved elusive because it is difficult to convince development oriented agencies of the long-term benefits of incorporating environmental considerations in their work. Moreover, several agencies typically have responsibility for environmental management in urban areas, and lines of authority and responsibility are not clear. In practice, this leads to either the dominance of the powerful, development oriented agencies or the creation of authority vacuums as agencies seek to avoid conflict with each other.

24. *Weak local government.* In many countries, it is the responsibility of local governments, especially municipal governments, to provide basic infrastructure and services and to organize basic preventive primary health care and emergency life-saving services. Since local authorities are mainly responsible for the implementation and enforcement of environmental policies and programmes, they must be provided with competent professional staff and adequately designated authority to control and monitor polluters and to perform essential environmental services. In most instances, however, national Governments assign added responsibilities to local governments without a real transfer of power, funds or the financing authority to generate resources for effective environmental management.

Strengthening government actions

25. *Actions by national Governments.* One of the first steps a national Government can take is to formulate appropriate urban environmental health policies. Three critical ways in which national Governments can support urban services to protect public health are: (a) providing funding for water, sanitation, solid waste and drainage infrastructure; (b) providing funding for preventive health measures and primary health care; and (c) creating an enabling environment for local governments and civil society to control pollution. Studies have shown that it is possible, at relatively low cost, to increase greatly the number of households with access to safe and sufficient supplies of water. Indeed, the cost of new water systems can often be recovered by charges to the users that are lower than the sums currently paid by people in low-income neighbourhoods to vendors. A combination of safe and sufficient water supply, sanitation, and storm drainage can greatly improve urban environmental health, and reduce infant and child mortality in particular. When this is combined with preventive programmes and the provision of primary health care and emergency services, the reduction in the toll exacted by disease and accidents can be substantial.

26. Moreover, national Governments can strengthen the legal and institutional structures of local governments and ensure that they have access to adequate trained personnel and financial resources to carry out their responsibilities. National Governments can strengthen local authorities by authorizing them to generate their own revenue sources, such as through sales and property taxes. Where a centralized tax system is more convenient, national Governments can also work out

revenue-sharing arrangements such as annual block grants to transfer resources from central to local governments. The quality of management by urban authorities can also be improved by pooling skilled personnel and specialized equipment to lower the cost of purchasing and maintaining equipment and paying professional salaries.

27. *Actions by city governments.* City governments should carry out integrated, environmentally-sound urban planning and management. This involves routinely incorporating environmental information, policies, standards, techniques and monitoring in strategic urban development plans. Spatial, cross-media, intersectoral and inter-temporal factors must all be taken into consideration. The focus should be on key aspects such as land- and water-use planning.

28. Land-use management is crucial for mitigating the adverse impacts of rapid, unplanned urbanization on land and other resources. Land registration and information systems, property tax systems, land tenure systems, and spatial planning are all important planning tools that can be introduced and strengthened to guide urban development to spatially appropriate areas. For example, in Bangkok, many structures are destined for early destruction, or for preservation at great additional cost, because the ground on which they were built is sinking. Information developed and made available through urban environmental planning activities now permits both public and private investors either to avoid unstable zones or to build safely in those zones at higher cost.

29. The successful integration of environmental considerations into metropolitan planning requires three basic operating elements: (a) a simple yet relatively comprehensive information collection and analysis framework to relate key urban development activities to environmental concerns; (b) mechanisms for resolving divergent and sometimes conflicting interests and mandates among metropolitan agencies and jurisdictions to allow coordination between environmental programmes and urban development plans; and (c) a continuous process of policy analysis and refinement that reviews past policy decisions, evaluates policy implementation measures, and prevents a piecemeal approach in policy design and implementation.

30. *Conduct environmental risk analysis.* Rational decision-making regarding overall policies and investment in specific programmes to address urban environmental problems requires a sense of relative risks, especially when it comes to the impact on health. Risk ranking is a useful tool to help set priorities for action when the resources of government and industry to solve pollution problems are limited. Environmental risk analysis, a technique now widely used in the United States, was recently applied to Bangkok. Although the lack of data, especially on the many pollutants that require sophisticated monitoring equipment, was an obstacle in the Bangkok study and probably would be in most cities of the ESCAP region, this study at least indicated where the greatest risks might lie.

31. *Use a mix of regulatory and economic instruments.* Effective urban environmental management requires the judicious selection of appropriate implementation instruments, both regulatory and economic. Urban environmental management in most countries of the ESCAP region relies on a regulatory ("command and control") approach based on fixed standards. The rigidity of this approach and the expense, both administrative and financial, of carrying it out doom it to at best partial implementation, even in industrialized countries.
32. Experience in various countries, particularly in western Europe, has shown that a combination of economic and "non-economic" instruments is likely to be the most effective in improving urban environmental quality. A typical implementation incentive system to control industrial pollution consists of a set of incentives, a system of measuring and monitoring performance of the activity, a system of on-site inspection, and a set of sanctions. Non-economic instruments include specification of action, specification of performance, specification of procedure, provision of technical information, presentation of performance to the public, and judicial incentives. Economic instruments include fees (on pollutants discharged or used in production, on the use of items whose production pollutes, and to promote recycling), fines (for failure to install or properly use control equipment, for the use of prohibited pollutants, and for excessive discharges), subsidies such as low-interest loans, tax breaks and grants (for removal of pollutants beyond mandated levels or locating polluting activities in designated control areas) and other economic instruments such as performance bonds with refunds tied to pollution control performance.
33. *Use appropriate technologies.* Appropriate, low-cost technologies designed to make more effective use of existing resources play an important role in maximizing the impact of infrastructure investments. For example, considerable progress has been made through the International Drinking Water Supply and Sanitation Decade (1981-1990) in the development of low-cost appropriate technologies with increased operational reliability. World Bank research has demonstrated that a wide range of household and community systems are available for the collection of human wastes, and for the removal of wastewater and storm run-off, that are far cheaper than conventional systems. The solutions involve low-cost, locally manufactured hardware that can be installed using labour-intensive techniques.
34. Such appropriate technologies are not always small scale. For example, the estimated cost for the interceptor-based sewerage system recently approved for the city of Bangkok was about 11 billion (1988) baht, only a fraction of the 37 billion (1980) baht scheme, based on household connections, which was proposed in 1981, but which was never brought to fruition. In addition, the adopted design was more decentralized than some of the previous designs, allowing the construction to be carried out one sector at a time. In short, governments should revise design standards to reduce construction costs sharply so that more needs can be met with

limited budgets, including extending minimal levels of environmental infrastructure and services to low-income urban communities.

35. *Improve cost recovery.* The cost recovery levels of most municipal utilities are low. Low pricing of urban services results in inefficient allocation and inequitable distribution. It subsidizes services for the wealthy, and thereby contributes to a bias towards construction over maintenance. Furthermore, it perpetuates a state of dependence on fiscal transfers from the higher levels of government. Municipal governments should get the resource prices right and improve the ability of public utilities to recover an increasing percentage of costs from their customers so that they may extend their coverage and reduce the burden on tightly stretched municipal budgets. Evidence indicates a high level of affordability and willingness to pay for environmental services even among low-income urban residents. Indeed, they often do pay more than the wealthier citizens because they do not have access to subsidized public services.

36. Cost recovery may be enhanced by improved monitoring and enforcement and by changing the rules for rate-setting. Both are necessary. Increasing the rates alone will lead to greater evasion, while increased enforcement alone is unlikely to recover adequate funds to meet the additional administrative costs.

Alternative approaches to urban environmental management

37. *Privatization.* Privatization is being promoted as a promising alternative to public agencies in the provision of urban environmental services in a cost-effective and efficient manner. However, even accepting that the private sector is able to offer a more cost-effective service than the government in certain domains, such as solid waste collection, it does not in any way diminish the need for local government to be fully responsible for solid waste services. Paradoxically, the most critical step in obtaining effective and efficient private sector involvement is to strengthen the technical capacity of the local government so that it is better able to develop, negotiate, manage, monitor, and enforce a contract instrument.

38. *Community-based organizations and non-governmental organizations.* Non-governmental organizations (NGOs) have grown at an unprecedented rate in the last 15 years; many of them are working in and with communities to improve the living environment in low-income neighbourhoods in cities of the ESCAP region. With varying degrees of skill, Asian and Pacific NGOs have shown that they can reach poor populations unserved by other agencies, mobilize local resources and build local organizations, provide relatively low-cost services to unserved populations, create innovations to solve complex problems, and organize networks of diverse organizations around shared visions.

39. There is a tremendous potential for mobilizing NGOs and community-based organizations (CBOs) to address the concerns of local-level environmental pollution problems. NGOs can be valuable intermediaries between government and the CBOs of low-income settlements, serving to create linkages between communities and the wider political processes. They can mobilize resources that are out of the reach of both financially strapped governments and low-income groups. In addition, CBOs and informal cooperatives among the poor have proved quite successful in managing local urban environments. The International Drinking Water Supply and Sanitation Decade (1981-1990) demonstrated the close relationship between a project's success and the degree of community involvement in it, notably the level to which the users assume responsibility for operation and maintenance.

40. While many in the development field admit that the more innovative projects implemented in the past 30 years have had very little impact in quantitative terms on the living conditions of low-income urban settlements, these initiatives nevertheless offered some ideas on how local governments can involve NGOs and CBOs in the provision of basic infrastructure and services in a more effective and cost-efficient manner. Some examples, such as the famous Orangi Pilot Project in Karachi, Pakistan show how the urban poor can be provided access to water, sanitation, and drainage through innovative projects that have been conceived and carried out by NGOs and CBOs. Yet there are all too few such success stories in actual project design and implementation. Local governments should support more innovative joint government-community programmes to improve infrastructure and the provision of services. To nurture and assist NGO-supported community-based initiatives, one priority for city governments should be the establishment of local institutions in cities from which CBOs can obtain loans or credit and NGOs can be organized to serve as guarantors of community-level projects.

Addressing the issues

41. Establishing priorities for action on urban environmental management is a complex task because of the multiplicity of concerns expressed by a host of actors that often have conflicting perspectives and objectives. This task is further complicated by the lack of comprehensive environmental data, difficulties in measurement and analysis, and the need to address efficiency, equity, and issues of scale simultaneously. The task is also highly site-specific because each city has a unique set of problems and different political, social, and cultural contexts. However, some universal criteria can be used to help determine priorities for action in a given city. While the level of public awareness, especially of relative environmental risks, is very important, six other criteria: health impacts, productivity losses, the impact on the urban poor, irreversibility, unsustainable consumption of resources, and the degree of local support or existence of constituencies might be added. The first three of these criteria may primarily guide

immediate curative actions, and the remainder can be used to set a longer-term agenda for preventive action.

42. While it may be necessary to select, in accordance with certain priorities, the environmental problems to be tackled, an even more fundamental choice may exist between economic development and environmental quality. Indifference towards environmental issues can be partly traced to the mistaken belief that the goals of protecting the environment and promoting development contradict each other. However, governments and people in the ESCAP region, as elsewhere, are increasingly coming to appreciate that environmental quality and pollution control are not expensive luxuries to be pursued only when a country becomes rich enough. Human welfare depends on both economic development and environmental quality. Certain environmental impacts are not reversible, and some environmental pollution problems can be reversed only in the very long term and at high costs. Moreover, the effects of environmental pollution on health can be both long term and insidious.

43. Another belief shared by many is that environmental management measures are too expensive. The typical approach has been to consider expensive technology for such purposes, such as tertiary wastewater treatment or sewerage with household hookups. Experience in the past 15 years, however, has shown that for most industrial operations, a substantial reduction in pollution emissions is possible for a small fraction of production costs. The solutions to many of the urban environmental problems afflicting the urban poor require neither great technological breakthroughs nor expensive imported equipment. Rather, the application of relatively well-known, low-cost, technologies and alternative planning practices can lead to great improvements as long as the interests of the urban poor are taken into consideration.

44. Given that an increasing proportion of the population in the ESCAP region will live in cities and that the magnitude of the problems stemming from the reinforcing interaction between poverty and environmental deterioration is increasing in the urban centres, there is a manifest need to integrate environmental considerations into national, regional, and urban development planning. The greatest prospect for effective environmental management in low-income settlements in cities, however, lies in strengthening the local government and empowering the urban poor. International agencies can contribute significantly to that goal by expanding and targeting education and training programmes and development assistance, in the form of appropriate environmental technologies, to low-income communities.

E. Financing Urban Infrastructure and Services

Note by the secretariat

Introduction

1. Governments enter into the urban production function as providers of public infrastructure and public services which are critical intermediate goods in the private production process. Urban planning and regulatory decisions affect the costs and functioning of almost all urban markets.
2. Investment in infrastructure is viewed traditionally as a public responsibility, since many infrastructure services cannot be bought and sold by individuals on the private market. The "public" nature of infrastructure might, however, deserve closer consideration. Most infrastructure functions involve a number of fundamentally different tasks. Traditionally, these might have been bundled together in a single, publicly provided service, but the justification for public intervention and the type of intervention that is called for can be quite different, depending upon the task to be performed.

Finance Requirements

1. Infrastructure investment needs

3. The urbanization process requires large capital investment in infrastructure such as transport, water supply, sanitation and other network systems, and in housing, industrial and commercial facilities. Efficiency in allocating capital for urban investment and the efficient operation of these systems once installed, are important elements in national productivity. Moreover, the way in which urban investment is financed will influence the efficiency of market allocations of capital throughout the economy.
4. Three broad types of infrastructure investment are required:

(a) Additional investment to satisfy needs created by urban growth, the formation of new households and the increase of economic activities, that is, the expansion of infrastructure and services;

(b) Investment to close the gaps in existing infrastructure, to increase coverage of the existing low-income population, and to eliminate bottlenecks such as traffic congestion. This investment involves bringing water, roads, waste removal and other services to those now living without them. In addition, large

investments are needed to ease the flow of traffic in big cities, since traffic congestion has become a limiting factor to urban productivity. The alternative of providing large-scale solutions to public transport might require even bigger investments, as the construction of underground rail systems in Hong Kong and Singapore have demonstrated. Low travel speeds cause considerable loss in productive time; it has been calculated that the loss creates an additional cost to Bangkok of US\$ 1.5 billion annually for fuel consumption in traffic jams;

(c) Investment to replace, repair, and maintain infrastructure facilities that are already built and in service. In many places, the need for such investment is acute because long-deferred maintenance threatens the very survival of critical capital facilities.

5. Earlier estimates of the capital investment needs associated with urbanization were startling, having shown that the required investment in housing and infrastructure for the expected growth of cities in the Asian and Pacific region would exceed the region's total domestic savings in the last decade of this century. However, recent evidence suggests that the investment required is more manageable and has a higher return than was assumed earlier. There is substantial variation among countries in the size of the gap between infrastructure needs and the resources available for investment; almost all countries can make significant for reductions in investment costs by adjusting infrastructure standards.

6. Previous estimates of capital needs were based largely on shelter and infrastructure standards inherited from developed countries. More recent studies for the region suggest that with lower standards and less capital-intensive technologies, basic urban infrastructure needs can be met with available domestic resource capacities, at least in the majority of countries. In addition, there has been greater recognition by Governments that urban infrastructure has been subsidized more heavily than is desirable or necessary. Several countries have taken formal policy decisions that their major metropolitan areas should be self-sufficient in financing public capital investment, meaning that savings or taxes generated elsewhere in the country should not be used to pay for infrastructure facilities in the big cities. Instead, the funds for urban capital facilities should be raised through service fees or taxes paid by local residents and local businesses. This policy alleviates spatial bias in infrastructure provision, while allowing investment to continue in cities where users are willing to pay for it. There is greater acceptance of the view that whereas initial capital requirements might be high in the cities, the return on such investments can also be high.

7. To obtain the total capital investment needed for urban infrastructure, drastic measures are required, including:

(a) Very large increases in investment levels, even if infrastructure standards are lowered;

(b) Putting in place a self-sustaining finance system and the necessary institutions;

(c) Decisions on allocations for competing demands for domestic investment in developing countries, particularly those for sustaining production growth;

(d) Choosing financing mechanisms for infrastructure support which encourage greater domestic savings;

(e) Establishing priorities within the infrastructure investment budget which ensure that existing infrastructure is reactivated, before new construction projects are launched;

(f) Choosing less capital-intensive ways to provide adequate services;

(g) Resolving widespread price subsidies which have led to a situation where some segments of the population consume far more services than is economically efficient, despite large gaps in coverage.

8. There is no doubt that the public sector should retain an important role in financing and in providing infrastructure and services. However, economic efficiency usually does not require a specific form of public intervention. In particular, public ownership, operation, and direct financing of infrastructure systems often is not necessary. While market failures make a public role appropriate, there are also failures of Government. The financial and production record of state-owned enterprises around the world strongly suggests that there are likely to be inefficiencies of operation when public organizations are freed from the discipline of financing their own operations or responding to the market demands of customers.

2. Prospects for infrastructure financing

9. Central governments have maintained responsibility for infrastructure provision and financing in most developing countries in the region. Central government revenues have proved to be a precarious base for financing infrastructure investment. For most of the last decade, public sector budget deficits have run so high that programmes to reduce public expenditure became necessary in many countries. In some countries of the region, the international debt crisis further exacerbated the pressure on central government budgets by increasing debt-service costs and at the same time reducing external capital flows, many of which traditionally have been used to finance infrastructure investments. The financial

imbalances triggered by the debt burden have led in many cases to severe reduction in central government spending, either at the initiative of national governments or under conditions imposed by international lending agreements.

10. In many countries investments in infrastructure and services were affected by major budget cuts. Experience shows that when government spending is reduced, spending on capital investment and facility maintenance is cut most sharply. Assuming that the budgetary pressure will be temporary, spending on capital projects can be halted and resumed more easily than spending on current programmes in administration, education, health or defence. Maintenance neglect becomes evident after a considerable time lag and it is believed that its consequences can be rectified later. Since there is little hope that central government budget constraints will be relaxed significantly, given the general resistance to tax increases, central governments alone should not be expected to finance infrastructure investment growth on the scale that will be needed to meet the challenges of urbanization. Therefore, other approaches should be considered.

Urban government revenues

11. How to finance urban sector development has not been given much thought. No significant breakthroughs have occurred in the level of financing, that is to say, the relative proportion of investments in urban development has not shown any upward trend, nor has the pattern of financing the urban sector changed significantly over the last decade. It is quite obvious that local authorities have little clout in urban policy-making, in particular, in the area of financing.

1. Relations between central and local government

12. Local government revenues constitute only a small proportion of the total revenues generated the developing countries of the region. A recent study of local government finance in Thailand confirmed that local government revenues represented only 0.9 per cent of gross domestic product (GDP), while central government collected revenues constituted 16.7 per cent of GDP.

13. Central governments control the majority of revenues and are reluctant to give up tight control over the use of those funds. Local authorities are, therefore, rarely able to influence in any way their financial relationships with the central and state governments. Whereas systems of formula-based tax-sharing are common in industrialized countries, in developing countries of the region such systems are rare.

14. Many studies of the failure of the existing systems of mainly central government financed urban development to meet the needs of the people have concluded that urban development should be financed by the local government. Since they are closer to the problem and are more concerned with local

development, they are in a better position than the central government to decide on priority areas of investment. However, the decentralization of planning and investment responsibilities that has been pursued widely in the region has not been followed up with revenue generation powers.

15. To expand the local resource base, certain taxation powers could be shifted from the central (or state) to the local government. Such a transfer of taxation powers would make the urban local bodies better off, but the expansion of the local resource base would take place at the expense of the central government. Such measures would have to be considered carefully, together with their consequences, and would have to be seen in the context of a realignment of the responsibilities of the different levels of government.

2. Local revenue sources

16. The financial framework within which local governments operate has remained essentially unchanged, leaving three main sources of revenues, namely, local property related taxes, octroi in South Asian cities and user charges or fees. Even on those local revenues usually limits are set by central government regulations on such matters as rates and valuation. Evidently, local governments have not made enough effort to utilize these sources efficiently to effect changes in the tax structure and rates and to improve collection procedures and strategies. With regard to the principal local tax — property tax — studies in many cities have shown that often urban financial administrations are not in a position to update property valuation for tax purposes, mainly because of a lack of qualified staff and insufficient records. Moreover, procedures are often cumbersome and comparable prices of land are not fully registered, often because the parties to land transactions wish to avoid taxes. In the case of the second most important source of local revenue, user charges, the methods of fixing prices or charges for the various services remain loaded with subsidies imposed by central government, with the result that user charges provide a limited contribution to local revenues in absolute terms. Attempts have been made in many cases to improve the collection performance of local governments. International lending agencies have provided credit for such improvement measures, since they would certainly provide high returns to the local governments.

3. Ability of local governments to borrow

17. Long-term capital finance for urban development is scarce in the developing countries of the region, partly for reasons of economics, that is to say, the comparatively longer maturity of urban projects, and partly because urban development has been viewed as the responsibility of the public sector. Local governments are often not independent enough to borrow for infrastructure investment. General capital markets in most cases are not open to them, and where

credit facilities exist, usually they are controlled by central governments which decide the allocation of funds. However, the private capital market appears to be developing at a fast rate and may be tapped by local governments in the future.

Financial options for urban infrastructure development

18. The design of an infrastructure financing strategy must be shaped in part by the nature and magnitude of the capital investment to be carried out and by the size of the financing gap, that is to say, the difference between investment needs and currently available financing.

1. Basic principles

19. If the central government cannot provide the resources, three groups will be required to bear the burden:

(a) Individual users of infrastructure

In accordance with market principles, the immediate user should pay for the costs of infrastructure investments and maintenance as long as there are no large externalities, that is, gains for the general public. In general, two groups benefit from local infrastructure projects: users and landowners within the area covered. Pricing and collection mechanisms have to be designed to recover service and capital costs efficiently from both groups.

(b) Local authorities

The benefits of most urban infrastructure are obtained at the local level. In terms of efficiency, local governments would be the appropriate authority to set priorities and the most suitable to finance infrastructure investments, but this is not possible, given the current state of local government revenues. By increasing local revenues the job of infrastructure financing would be taken from central governments. The reason for expecting that a shift to local financing will increase infrastructure spending, however, is that local government representatives are more concerned with infrastructure works than are central government officials.

(c) Future generations of users and taxpayers

The long service life of infrastructure investments, such as water and sewer systems and roads, justifies shifting part of the burden to future generations of users who will benefit from current investments as well as contemporary users. Therefore, the bulk of major investments could be financed adequately through borrowing. If a national commitment is to be made at one point in time to

compensate for past investment deficits or to expand coverage rates, the burden of financing will be much too heavy for current budgets. Long-term debt financing is made equitable and efficient by spreading the capital investment over different generations. Borrowing through debt issuance makes it possible to gather the large amounts of capital required and to distribute the cost recovery of investment among all users, including future users, of the capital facilities.

2. Self-financing through user charges

20. Charging the immediate users of infrastructure and services is a common principle. User charges are designed to generate revenues to cover operating and finance costs as well as to contribute to investment budgets. In conformity with market principles, they allocate infrastructure and services efficiently. They do so when rates can be set and adjusted at levels which reflect real capital cost, finance charges and inflation. The revenues they generate should be earmarked for capital investment in the services to ensure their continuous provision and necessary extensions. Where independent institutions, such as independent (public or private) water, sewerage and electricity companies, establish fee levels and handle revenues, financial self-sufficiency can be achieved because they have the flexibility to adjust user charges in line with cost changes, and they have the power to retain earnings to finance investment.

21. Capital costs of connecting additional users to an infrastructure network have to be separated from the capital costs of expanding the capacity of the whole system. The benefits of plot connections accrue fully to individual users and are, as widely practised, best charged as separate connection fees paid by the user. Expanding the capacity of the whole system often requires large investments, such as new water works, main sewers and power plants. The capital costs cannot be attributed to a single group of users but should be incorporated into the overall tariff structure. The successful application of user fees also requires a convenient way to measure individual consumption. Increasing user fees to economically efficient levels, that is, full cost recovery, should be the first priority of an infrastructure financing strategy.

22. For essential utilities, such as drinking water, user fees can be adjusted to take account of the ability to pay through the use of "lifeline" rates which are set below costs for a minimum level of consumption regarded as basic, then rise with further discretionary usage. Connection charges that are set to recover the full cost of service extension, including the off-site costs of extending main distribution lines, can become a very costly element relative to low-income household budgets. One way that Government can target its infrastructure assistance most effectively is by contributing from general resources a fixed amount per household to cover off-site infrastructure costs of shelter developments aimed at the poor.

3. Betterment levies and land readjustment

23. Few problems of urban growth in developing countries are more important than the rise of urban land prices because of a growing demand for and a limited supply of developable land. There is, however, a shortage of serviced land with access to infrastructure and services. While all land in an urban area will increase in price, there will be large price differentials between serviced land and unserviced land.

24. For equity and distributive reasons, it is logical that landowners should return the land-value windfall profit that resulted from public investment. Betterment levies are charges imposed on landowners specifically to finance infrastructure development. Customarily they are designed to cover the costs of public investment, but are allocated in proportion to the land-value increases that owners are expected to enjoy as a result of the investment. To the extent that benefits will exceed investment costs, landowners are usually left with a private surplus, even after they pay their betterment levies.

25. Another process is land readjustment. Local governments, acting as developers, assemble public and privately held land for infrastructure provision. It might be thought of as an in-kind system of betterment levies, appropriate for land development on a large scale. In its basic form, land readjustment has the following steps: a plan for the development of raw land in an urban area that is ready for development, acceptable to both the regulating local government and the owners, is devised. The areas required for public use, such as streets, parks and schools, are set aside, leaving lots for private development. The cost of providing the infrastructure for the entire area is then calculated, as is the estimated market value of the improved land. A portion of the land, the estimated market value of which equals the cost of development, is then transferred to the local government in return for carrying out the investment. An advantage of land readjustment is that lay-out and reblocking is effected on a large piece of land without the need to acquire individual pieces of land on which to place infrastructure. At the same time it provides an early return on the public investment through the sale of the land ceded to the local government.

4. The private sector's role in infrastructure provision

26. Private enterprises already play a large role in the provision of infrastructure when they develop land for housing and commercial purposes. Private developers of the formal sector often are required by national development standards to install, at their own expense, internal roads, water distribution lines and local sewage removal facilities on-site. The cost of this infrastructure is paid through the price of the land by the purchaser of a developed plot.

27. In low income settlements, public authorities often do not provide infrastructure services to the poor. People have to rely on private suppliers such as water vendors, and provide their own sanitation, with the result that the situation in many slums and squatter settlements is appalling. Self-help in communities often alleviates the worst problems. Sensible public policy should make use of the activities of local communities and promote minimal standards of health and safety that are truly necessary. At the neighbourhood or community level, collective decisions about infrastructure provision and financing often can be made without government intervention. Neighbourhood associations, for example, might act on behalf of local authorities by taking on responsibilities for infrastructure maintenance, and even construction, and raise user charges from their individual members' households. At least *de facto* recognition of these organizations by the authorities could support their role and provide access to infrastructure and services to the poor.

28. Currently much attention is given to public-private partnerships and formal privatization, including the sale or transfer of public sector enterprises to private owners, contracting with private operators and joint ventures. Provision of infrastructure and services by the private sector assumes that competition among firms produces accountability to the consumer, in terms of the type of product delivered and prices charged, and forces efficiency in production upon those firms that survive in the marketplace. The scope for private-sector for-profit activity, therefore, is greatest when the scale and character of service delivery permits competition. These conditions are best met when services can be provided efficiently by relatively small firms, without large amounts of capital investment, employing a low-skilled work force, and with entry into a service function open to a large number of actual or potential competitors. Privatization requires new forms of control to substitute for market competition. Different models have been developed, such as retaining ownership of the basic capital investment and then let enterprises bid for the right to operate the infrastructure network for a limited period of time. However, if Governments wish to transfer the burden of infrastructure financing to the private sector, the entire process, including construction and operation, has to be privatized. This could be done through a bidding process which prescribes not only the service to be provided but also sets clear conditions for pricing. Balancing public control of standards of infrastructure service with the private profit motive is a difficult task which still requires considerable research and experience.

5. Social implications of infrastructure financing

29. Where financing of infrastructure relies mainly on user fees and charges on beneficiaries for the provision of infrastructure services it may place a heavy payment burden on the poor. Practically all subsidies for infrastructure services to the poor come from the national government's budget. If subsidies to the provider

of services are reduced, the general budget will be relieved of that burden at the expense of service users, including the poor. This will have a regressive effect because consumption of such basic services as water supply is almost independent of income, while general taxation has a highly progressive structure. Measured as a share of income, expenditure of poor households for basic services would rise. In a similar way, the effect on newly connected low-income settlements which must bear the costs of installation through connection fees would also be regressive. Equity issues are further compounded by the fact that in many cities in developing countries previous on-site infrastructure installations, enjoyed mainly by the middle class and the affluent, have been financed from general tax revenues.

30. Fee structures can be set in a progressive way through block rates, with low rates for the first minimum consumption of a household and with higher rates as consumption levels increase. Such a progressive fee structure enables a supplier to cross-subsidize consumers by charging high-income consumers more than average costs and charging life-line consumers less than average costs. Such cross subsidization within a service function is desirable because it makes it unnecessary to rely on uncertain general government transfers to pay for the subsidies.

Conclusions

31. It has been stated that the future of Asia will be urban and economic growth in the region ultimately will depend on how high urban productivity can be sustained. This productivity can be maintained only if resources can be mobilized and directed towards urban infrastructure. It is essential that urbanization be seen not as an optional matter to be addressed at some time in the future, but as an urgent issue that must be treated now as a top priority for development, one that is shaping the very pattern of national economic growth, the settlement of vast populations, and social and political stability.

32. Finance policies for urban development must have the overall objective of creating self-sustaining systems which can deal with the main issues of delivering land, infrastructure and services at the required level and at affordable costs. These policies require the selective application of a wide series of options that suit the economic and social conditions of countries, as well as their specific development context at given times. The rates of growth and redistribution of a country's population, as well as their economic and social changes, are the essential factors which determine the evolutionary character of urban development policies.

33. The analysis proposes four basic principles on how cities could be made more efficient and productive and how incomes within cities could be raised.

(a) Local government finances need to be strengthened and made less dependent on central government grants and loans. Emphasis should be placed on

local-level resource mobilization, including cost recovery and on taking advantage of the potential contributions of the private sector. In the longer term it will be necessary to follow through with the decentralization not only of responsibilities for infrastructure investment but also of the powers of taxation and general revenue generation.

(b) On the level of urban government, improvement of urban efficiency needs to be stressed. Urban areas must be viewed in terms of their productive potential, their productivity and their efficiency and this approach has to be reflected in all investment programmes. This also calls for improvement of the administration of current revenue sources. Better local cost assessment and collection of user charges and better cost recovery for services to individual users could go a long way in improving the financial capacity of local governments. In particular, secondary towns require fiscal decentralization to grow at rates responsive to local economic growth potential.

(c) Alleviation of poverty can be best achieved if the important role of economic growth in raising living standards is understood. An efficient city with higher productivity and greater income generation contributes to urban poverty alleviation. This, however, does not mean that effective urban development strategies should not pay special attention to the poor who lack sufficient income and access to shelter. To assist the poor, countries have instituted a variety of subsidy programmes which are explicitly or implicitly reflected in governmental budgets. The volume and structure of subsidy systems have to be appraised carefully against the scale of target needs and the availability of financial resources. Well-designed subsidy systems have to be compassionate, equitable and efficient. They require a balancing of objectives for the poor and disadvantaged against the objective of cost recovery and efficiency.

(d) The mobilization of local communities and self-help measures for the improvement of low-income settlements in partnership with local authorities and non-governmental organizations can contribute considerably to directing local-level resources towards the effective development of local communities. Such partnerships are still rare but a document E/ESCAP/CPA/4 on community-based approaches to promoting people's participation in poverty alleviation, presented to the first session of the Committee on Poverty Alleviation through Economic Growth and Social Development, held at Bangkok from 20 to 24 September 1993, Bangkok, concluded that when given a chance, people are capable of solving their own problems, or at least can contribute substantial resources to doing so. The objectives of a development programme have to coincide with those of the people who will then be motivated to organize themselves and play a central role in implementation. When people's participation has been raised to the level of declared government policy and all agencies involved are committed to its realization, people and people's organizations can contribute considerable resources

to the achievements of their goals. It is up to the Government to create such an environment.

F. INSTITUTIONAL FRAMEWORK FOR EFFECTIVE MANAGEMENT, DEVELOPMENT AND PLANNING OF URBAN AREAS

Note by the secretariat

1. Urbanization, a very complex process in terms of origin and mechanisms, has become and will continue to be a major factor of social and economic change in most countries of the ESCAP region. When facing the challenge of urbanization, policy makers should examine not only those factors that affect the process, but also those that can guide it either directly or indirectly.
2. The institutional framework for urban planning and management is of utmost importance for the introduction of changes. The question debated by planners is no longer whether cities should be allowed or encouraged to grow, but how best to manage urban growth so that it contributes most efficiently to national productivity. The ability to devise and enforce decentralized urban planning and management policies through institutional reform and strengthening managerial capacity, intergovernmental links and coordination, decentralization and devolution of powers and resources, and popular participation and use of non-governmental organizations (NGOs) are important issues. These need to be addressed by national governments in their attempts to manage the urbanization process in consonance with the requirements of national development.

Institutional reform

3. Current patterns of urban development waste resources, including time and money. More efficient management would lead to higher rates of economic development. The management capacity of government agencies in the ESCAP region is extremely weak. Government agencies cite lack of qualified personnel, understaffing and budgetary cuts as the main barriers to effective management, but unclear allocation of responsibility, lack of accountability and its corollary, corruption, also play their part.
4. The primary role of central government is to facilitate local authority, the private sector, NGOs and community initiatives. In the ESCAP region, however, planning and decision-making authority remains highly concentrated at the national rather than at the local level, with capital city regions being the major, but still weak, exception. A number of factors contribute to this centralization, including the concentration of career and job opportunities at the centre and political traditions based on central authoritarian governments. Consequently, urban governments throughout Asia have generally low capacities to collect revenues directly or make basic allocation decisions in planning. New policies focusing on cost recovery through the imposition of user fees have been widely experimented with, but their full implementation has often proved difficult owing to, among other

things, user resistance, difficulties in accurately gauging the level and period for cost recovery, and the socially regressive impact that these policies have sometimes had.

5. For governments to manage their cities effectively they need to resist the temptation to intervene in the market by delivering goods and services that the private sector can provide, or by second guessing markets in the allocation of capital, labour, and other resources.

6. Furthermore, governments should seek partnerships with community-based organizations engaged in supporting self-help efforts to improve land, expand services and construct housing.

Human resources and technology

7. Human resources development serves the dual purpose of stimulating economic and social changes, and of contributing to the processes of human development and poverty alleviation. It has a close link with technological change and therefore human resources and technology should be addressed together. It is often the case, however, that human resources development is seen as an exclusively social goal having no economic implications. Thus, planning for human resources development and technological adaptation, which is required for the management of urban growth and for the structural adjustment affecting many countries of the ESCAP region, has often been neglected. At the same time, the highly centralized character of urban planning and management is reflected in the distribution of human resources, with most professionals concentrated at the central government level while local-level institutions suffer from a lack of skilled manpower.

8. Human resources planning comprises a variety of activities, including population planning, health and nutrition planning, education and skills development, as well as employment planning. Furthermore, it requires close monitoring of the labour market and is hampered by the lack of clear policies concerning technology transfer and change.

9. Governments should try to coordinate their policies on human resources development with those on economic and social development. Simultaneously, alternatives for technological change should be explored, including assimilation of imported technology, indigenous innovation, and joint ventures with foreign firms and entrepreneurs.

10. Priority must be given to enhancing local government capabilities. Plans for making skilled manpower available at various levels should be drawn, based on the human resources requirements of each level. These plans should include career

development schemes, the revision of salary scales for municipal staff, and temporary secondment of national government staff to municipal positions and vice versa.

Intergovernmental linkage and coordination

11. Cooperation between the agencies responsible for drafting legislation and those that implement it is often either weak or completely lacking. Furthermore, a large number of major decisions affecting urban development are made by agencies with mandates that rarely include development concerns as a top priority. Typically several agencies have the responsibility for developing and managing urban areas, and lines of authority and responsibility are not clear. Often national physical development plans are at odds with national economic strategy. Urban planning sometimes introduces inefficiency and thereby operates at cross-purposes with markets and with the government's market oriented economic development strategies. For example, urban planners have often tried to steer growth to remote regions in the name of equity or to create a new layer of secondary cities in the name of planning, while the national physical plan calls for reducing public investment in the principal cities, and the national economic plan calls for increasing industrial exports. Yet industrial exports can only be increased through greater private and public investment in the large cities.

12. Preparing a less contradictory and more logical process of regulatory development and implementation may be more realistic than counting on cooperation among various government agencies, as it is difficult to convince agencies of the long-term benefits of incorporating flexible regulatory approaches in the development process.

13. Intergovernmental linkage and coordination are necessary between not only various government ministries but also departments and agencies within the same ministry.

14. The government institutions whose task it is to promote urban development programmes should be reviewed at all levels with the aim of improving the implementation of urban planning and management policies, and of monitoring regulations.

Decentralization and devolution of powers and resources

15. The reform of local government is of concern to many countries in the ESCAP region. Decentralization of financial and administrative powers with a much enhanced degree of local autonomy has been identified as the only way, given financial constraints, to make national administration effective at the local level. Although governments in many countries of the ESCAP region are aware of

the serious problems that result from excessive centralization and are trying to move away from it, meaningful reform of central-local relations has been elusive. One obstacle in several countries is the nebulous legal status of local authorities. Unless local governments are given legal authority and their authority is recognized by central government ministries, any attempt at promoting local-level responsibility is bound to fail.

16. The lack of consensus on the meaning, scope, and pace of decentralization is another obstacle to reform of central-local relations. Some agencies define decentralization as increased local autonomy, while others believe it means only deconcentrating central sectoral ministries or co-administrating selected functions. So long as ministries disagree on what decentralization entails, progress is unlikely.

17. A third obstacle to decentralization is that funds from the central governments are allocated to local governments through many channels and the complexities of fiscal flow make it difficult even to estimate what resources have been provided to any particular locality. Increased local discretion over the use of development funds requires departments currently acting as agents for local development to devolve some of their functions and resources to local authorities.

18. Attempts at reform already undertaken demonstrate that no real progress can be achieved without the agreement and participation of all departments concerned. Moreover, a single agency must be given the responsibility for local capacity-building. Given the weak incentives for decentralization and inter-ministerial cooperation, little lasting progress can occur unless a single strong and competent agency is put in charge.

19. One common objection to increasing local fiscal autonomy has been that local governments are unable to manage their affairs and to utilize the resources received from the central government in a responsible manner. In most of the countries in the ESCAP region local governments actually vary a great deal in their fiscal and managerial performance. It is therefore sensible to phase in autonomy gradually, beginning with those local governments deemed to be fiscally responsible. Such a process could be based on the outcome of a system that rates local performance as a proxy for capacity to assume more fiscal autonomy. A decentralizing process that takes into account the capacity of local authorities should be evolutionary rather than abrupt, focus on the most capable local governments, involve all relevant ministries to facilitate dialogue, improve targeting of technical assistance to those local governments most in need of it, and develop clear precedent so that a more systematic and comprehensive monitoring of local planning, resource mobilization, financial management and project implementation is possible.

Popular participation and the role of non-governmental organizations

20. Community groups and NGOs have to be supported as equal partners in the development process. A change in how urban programmes are conceived and implemented is needed if all segments of society are to be represented in decisions-making about urban development programmes. If local communities are expected to maintain and manage their own urban environments, they must also make the decisions regarding the level of services required. Increasing local control is not easy. Political forces and the institutionalized behaviour of public bureaucracies are major impediments, as are the many small and insulated decision-making structures that have been established. Although a number of countries have an official policy of cooperation with NGOs, the actual involvement of NGOs in urban management and development decisions is minimal. Rather than being viewed as partners, NGOs are viewed as providers of a variety of services that neither the official institutions nor the private sector are willing to, or capable of, providing.

21. Though NGOs and community-based groups have played an important role in assisting the poor and weaker segments of society, their impact has been limited because survival and self-interest lead to competition for funds from the same sources and a lack of cooperation. The impact of their activities is, thus, severely limited. It is further limited by their unwillingness to work with the government (and vice versa). Furthermore, successful NGO projects are often difficult to replicate on a large scale as they do not have an institutional basis. NGOs have to solve this problem, not by expanding their own operations, but by cooperating with other NGOs to replicate successful efforts.

22. Despite the many shortcomings of NGOs and community-based groups, their role is indispensable in urban development programmes. They provide the most appropriate institutional forum for responding to a heterogeneous urban society. To enhance their effectiveness, however, these institutions must rectify their shortcomings. They can assist the urban poor in several ways, such as by implementing micro-enterprise projects and parts of large-scale infrastructure projects, and providing information to the government on community preferences when general welfare oriented policies are being devised. In these activities, the NGOs and community-based groups must cooperate with the government, particularly at the local level, and with the market institutions.

23. Some NGOs also play an important advocacy role, thereby protecting the interests of society. They must continue to do so, as this is a first step towards the establishment of a much needed system of checks and balances.

Conclusions

24. The future of urbanization in the ESCAP region is dependent on a decentralized urban planning and management approach. Governments and development strategies should promote institutional reform, strengthen managerial capacities as well as formal and informal institutional capacities, decentralize and devolve powers and resources, and promote popular and NGO participation in development programmes. Resistance to change by entrenched powers that see their interests hurt by institutional reform slows the pace of change. Governments must recognize that they alone do not have the capacity to manage urban growth. Effective urban planning and management strategies require the active involvement of all sectors of society.

G. Asia-Pacific Urban Forum

Note by the secretariat

Introduction

70. The secretariat of the Economic and Social Commission for Asia and the Pacific (ESCAP) organized the Regional Seminar to Promote Public Awareness on the Issues and Policies of Low-income Shelter and Settlements, which was held at Seoul from 30 October to 2 November 1990. It was attended by representatives of Governments, non-governmental organizations (NGOs), journalists and other media professionals and eminent scholars in the urban sector. The participants of the Seminar observed that there was a lack of consultation, participation and involvement of other actors in governmental actions in the urban sector. They recommended the creation of an Asia-Pacific urban forum, comprising national and local government agencies, NGOs, the media, academics and research and training institutes, to serve as a platform for exchanging ideas, sharing experience, and discussing policy approaches, with a focus on specific themes that require urgent attention.

71. The Commission, at its forty-seventh session, held at Seoul in 1991, endorsed the proposal for establishing the Asia-Pacific urban forum. The first meeting of the Asia-Pacific urban forum is scheduled to be held in conjunction with the Ministerial Conference on Urbanization so that the views of other actors can be taken into consideration by the Ministers during their deliberations.

72. Many policy makers and planners have realized that to address the challenge of urbanization effectively it is necessary to generate active and concerted participation by all actors involved in the urban drama, namely: national governments, local governments, NGOs and community based organizations, research and training institutes, the private business sector and the media. So far these actors have only cooperated on an ad hoc basis in addressing urban issues, and in view of the successful results, these participatory mechanisms need to be formalized and institutionalized in the formulation and implementation of national, subnational and local level strategies, policies and action plans.

Operationalizing the Asia-Pacific urban forum

73. The Asia-Pacific urban forum is intended to provide an ongoing and meaningful platform at the regional level for exchanging experience and discussing policy options. As this process is equally important at the country level, it is proposed that Governments take the initiatives to establish and institutionalize similar forums at the local, subnational and national levels. These forums should

be involved in the discussion of policies, the formulation and implementation of strategies and action plans and in the evaluation of policies and programmes.

74. To promote the effective participation of each group of actors, Governments could encourage and facilitate the formation of national, subnational and local level networks of each groups of actors. Already national level networks of cities are being promoted by the Regional Network of Local Authorities for the Management of Human Settlements (CITYNET). Such national networks would assist each group of actors in representing its views and provide expertise in the formulation and implementation of the national initiative. The precise partnership role to be played by each actor under the national action plans could be determined through close consultation between the various networks and the national coordinating bodies. The roles of each actor should be determined to maximize their comparative advantages. For this purpose, networks of each group of actors could propose their own programmes, consisting of specific projects of their members, in support of the national programmes.

75. United Nations organizations and agencies could play a major role in assisting countries in establishing and operationalizing the various networks and the urban forums. Regional experiences in the establishment of networks would prove extremely useful in the provision of such assistance at the country level. In addition to ESCAP, the Urban Management Programme for Asia and the Pacific (UMPAP), executed by the United Nations Centre for Human Settlements (Habitat) and funded by the United Nations Development Programme (UNDP) is a potential source of such assistance.

76. The Asia-Pacific urban forum could then be used to strengthen regional cooperation between different national urban forums, particularly as a platform for all actors to exchange ideas and experiences, and discuss policy approaches and options that should be pursued in solving specific urban issues that require urgent attention. It could also discuss modalities for cooperation between various actors, and identify programmes involving cooperation among two or more actors. The Asia-Pacific urban forum could serve as a mechanism for reviewing ongoing regional programmes and their relevance to countries, thus making regional assistance programmes more transparent and demand driven.

77. It might be sufficient to convene the Asia-Pacific urban forum once every two years. Two major initiatives, namely UMPAP and the Interorganizational Task Force on the Preparation for the Ministerial Conference on Urbanization and its Follow-up Activities, have been launched to promote cooperation and collaboration between United Nations agencies. The Programme Steering Committee of the UNDP-funded UMPAP and the Interorganizational Task Force could report their regional assistance activities to the forum for discussion. This would provide

valuable inputs to the regional assistance programmes and would ensure that they remain relevant to the needs of the countries of the region.

78. Some extrabudgetary funding for convening the regional urban forum meetings could be sought from the ESCAP/CITYNET executed Intra-regional Participatory Urban Management (IPUM) component of UMPAP. IPUM could serve as the forum's interim secretariat.

Issues for consideration

79. The Meeting may wish to:

(a) Consider that through its first session, convened in connection with the Ministerial Conference, the Asia-Pacific urban forum has been established and operationalized. In its subsequent sessions, the forum would comprise representatives of national urban forums.

(b) Urge countries to facilitate and encourage the formation of national, subnational and local level networks of various actors, particularly local governments, NGOs and community based organizations, research and training institutes, private business sector and the media.

(c) Urge countries to actively promote the establishment of national, subnational and local urban forums and ensure effective and substantive participation of actors other than national governments in the formulation, implementation and evaluation of urban policies, strategies and action plans.

H. United Nations Conference on Human Settlements (Habitat II): Preparations at the Regional and Country Levels

Note by the secretariat

1. Habitat II is the second United Nations Conference on Human Settlements. The first was held in Vancouver, Canada, in May 1976. Habitat II will take place in Istanbul, Turkey, from 3 to 14 June 1996. The decision to hold the Conference was taken by the General Assembly of the United Nations in December 1992. It was motivated by the continued deterioration of human settlements world-wide and by the need to find new ways of addressing the global human settlements challenge, particularly in the rapidly urbanizing countries of the developing world. The conference is to adopt a statement of principles and commitments and a global plan of action with specific programmes and subprogrammes, a timetable, and monitoring mechanisms.

2. Because the Secretariat for Habitat II is organizationally part of the United Nations Centre for Human Settlements (Habitat), overall guidance of the conference preparatory activity is provided by Ms Elizabeth Dowdeswell, Under-Secretary-General for Habitat. The Secretariat's support strategy is to bring the whole organization to bear on the preparatory process and to utilize fully the operational experience of the organization and of its Professionals at the regional and country levels.

3. The organizational session of the Preparatory Committee for the Conference was held at United Nations Headquarters from 3 to 5 March of this year. The Committee elected its bureau; it laid down rules for the participation of non-governmental organizations (NGOs); and it asked the United Nations Commission on Human Settlements, which is Habitat's intergovernmental body, to provide recommendations on substantive issues and to draft guidelines to enable States to take a harmonized approach in their preparations and reporting for adoption at the Preparatory Committee's first substantive session in April 1994.

4. Two central themes for Habitat II were proposed by the Commission:

- (a) Sustainable human settlements in an urbanizing world;
- (b) Adequate shelter for all.

These themes have been proposed to help countries focus on common issues and to harmonize their reports during the preparatory process.

5. The country report will be one of the essential building for Conference outputs and should relate to the two themes. Country reports might vary to suit specific

national circumstances and might include specific case-studies. They should contain national housing indicators, national urban indicators, and a national plan of action with an explanation of the principles on which it is based.

6. In its proposal, the Commission stressed that country reports should be prepared in conjunction with as wide a range of national groups and interests as possible. The following key actors should be involved from the outset:

- (a) Grass-roots community leaders;
- (b) Civic leaders, prominent personalities, national and local politicians, mayors, councillors;
- (c) The non-governmental community;
- (d) The business community;
- (e) Human settlements professionals from the public and private sectors.

Ideally, each of these groups will be fully integrated into the whole preparatory process, both at the country level and in the Preparatory Committee itself.

7. Country-level preparatory processes would be greatly facilitated by the following actions:

- (a) Establishing an enabling or coordinative role at the highest possible governmental level (the Office of the President or its equivalent is suggested);
- (b) Creating a national task force or steering committee with participation of all key actors to coordinate the country preparations;
- (c) Organizing in-country consultations with representatives from each of the five key groups of actors, who would be asked to mobilize their respective constituencies throughout the preparatory process;
- (d) Developing a set of indicators and other ad hoc tools and instruments to assist in assessing human settlements conditions, devising appropriate policies and strategies, and measuring their impacts on human settlements. These indicators and tools could provide a common methodology for country reports to be presented at the Conference and, at the same time, provide the harmonized approach called for by the General Assembly.

8. The Secretariat for Habitat II has completed a draft of its work programme covering activities necessary to support the preparatory process of the Conference.

The programme is open-ended, with a structure designed to accommodate additional ideas and suggestions from the broad range of actors and constituencies that are expected to contribute to the Conference.

9. One of the tasks of the Secretariat of Habitat II, pending the decisions of the Preparatory Committee, will be to mobilize, facilitate, and provide external support for the preparatory process at the country level, in response to requests from Governments. The Secretariat will, in particular, call upon relevant ongoing programmes and initiatives of the United Nations system to provide funding and technical assistance for country-level activities, including the application of human settlements indicators, policy analyses and reviews, the documentation of successful country experience, regional and subregional workshops, training seminars and workshops, and country consultations.

10. The ongoing work of the United Nations Centre for Human Settlements (Habitat) (UNCHS) is providing much of the initial support for country preparations. Through the normal activities of its technical cooperation and research divisions, UNCHS is undertaking many of the first steps needed to move the preparatory process ahead during the period leading up to the first meeting of the Preparatory Committee, to be held in April 1994. Particularly supportive of national and regional efforts to launch preparatory activities will be the urban management programme of the Regional Office for Asia and the Pacific (UMPAP). UMPAP encourages and supports the formation of coalitions and dialogue among key actors and stakeholders in a process for capacity-building for effective urban management. Its focus on process and its experience in the region should be seen as a major resource for the country preparatory process, and countries in the region are encouraged to take advantage of UMPAP capabilities.

11. Activities have started unfolding at the regional level. Representatives from the Economic Commission for Africa (ECA), ESCAP, the Economic Commission for Europe (ECE), and the Economic Commission for Latin America and the Caribbean (ECLAC) took active part in the organizational session of the Preparatory Committee. The ECE Committee on Human Settlements considered Habitat II at its last session, held from 21 to 23 September 1993, and took a number of decisions, including the proposal to hold a high-level meeting of ECE in preparation for the Conference, a meeting of the Committee's heads of delegation just prior to the Preparatory Committee session to be held in April next year, and support activities for the utilization of indicators within ECE. In the Latin American and Caribbean region, the second meeting of ministers of housing and urban development will take place at Cartagena des Indias, Colombia from 31 November to 2 December 1993 and will explore future activities in preparation for the Conference.

12. The ESCAP Ministerial Conference on Urbanization in Asia and the Pacific has already produced an extremely significant overview of human settlements conditions and issues in the region. This new knowledge, together with the important policy implications derived from it, will provide an important contribution to the Conference preparatory process. But the Conference also provides an excellent opportunity, at the regional level, for member States and other participants to facilitate preparations for Habitat II. The Conference has fostered participation that is of the highest level and broad based, including, in parallel symposia, most of the key actors in human settlements development. This is precisely the personality which Habitat II is to have. Replication of this model at the country level would, therefore, be an activity which the Habitat II Secretariat could support.

13. Asia and the Pacific is a region characterized by strong networks among NGOs, sectoral agencies, professional organizations, and private business. Some countries in the region may be willing and able to host subregional meetings of networked interest groups to discuss a common agenda for expanding the base of participation in the policy development process. The Habitat II Secretariat could provide support that would enable countries to host such subregional meetings.

14. ESCAP membership encompasses several donor States which are called upon to contribute towards support of activities put forward in the Habitat II Secretariat Action Plan and those activities which may be proposed during the Conference.

15. The Honourable Ministers from ESCAP member States are strongly encouraged to take on a leadership role in the preparatory process of the Conference. This role could be exercised at a variety of levels and in a variety of ways:

(a) *Globally.* With Ministerial guidance, national policy initiatives and significant experience could become important inputs to the work of the Preparatory Committee and to the preparation of the global plan of action to be adopted in Istanbul.

(b) *Regionally.* Ministerial initiative from within countries to host ad hoc meetings at the regional and subregional levels could earn the support of ESCAP and the Habitat II Secretariat.

(c) *Nationally.* Ministers may find it advantageous to serve as catalysts for broad-based, in-country preparations.

These and other high level activities would contribute substantially to the preparatory process for Habitat II. The Honourable Ministers may be assured that

the Habitat II Secretariat will be supportive of proposals that reflect the principles and guidelines and further the goals of the Conference.

ANNEX III

Photo and painting exhibition on urbanization

The exhibition was organized by ESCAP to coincide with the Ministerial Conference on Urbanization in Asia and the Pacific. It was opened by HE General Chavalit Yongchaiyudh, Minister of Interior of Thailand at the United Nations Conference Centre, Bangkok on 27 November 1993.

The exhibition was a visual representation of the State of Urbanization in the ESCAP region. It had two sections. One was a series of photos, maps and captions which highlighted the main themes of the Conference, and these were organized in the same sequence as in the Report on the State of Urbanization in Asia and the Pacific. The themes covered by the Exhibition included urbanization trends, patterns and impacts, the urban economy and productivity, urban poverty and urban environment and finally, the challenges.

Each of the panels attempted to dramatize topics within each theme, either by maps - showing, for example, the location of megacities now and in the future, or how much certain cities have grown over a period, or by charts and photographs, illustrating, for example, the impact current developments had on the environment. It also illustrated the miserable living conditions that some citizens had to endure, in particular, women and children. Some photographs also highlighted the important role that the informal sector played in poverty alleviation in cities.

The other section of the Exhibition was a view through the eyes of 19 child artists from six cities, namely, Bangkok, Colombo, Islamabad, Manila, Shanghai and Yokohama, of how they perceived their city and its impact on their lives. The 19 paintings were the winners of competitions organized by CITYNET, and held at their respective schools in their cities, and a panel of judges were given the task of selecting the three best among them. The prizes were presented by HE General Chavalit Yongchaiyudh. The winners were:

- | | |
|---------------|---|
| First prize: | LI Jei from Shanghai |
| Second prize: | ZHEN Jie from Shanghai
M.K.G. Abeywardene from Colombo |
| Third Prize: | KIATSIRI Sawangsri from Bangkok |

ANNEX IV

OPENING STATEMENTS

A	Message of the Secretary General of the United Nations	161
B	Inaugural address by His Excellency Chuan Leekpai, Prime Minister of Thailand	163
C	Opening statement by the Executive Secretary of the Economic and Social Commission for Asia and the Pacific	167

A. Message of the Secretary-General of the United Nations

As we approach the twenty-first century, urbanization is emerging as a major challenge. As populations become more urban, the strains of adaptation are considerable. Yet urbanization also offers great opportunities.

Development and urbanization can go hand in hand if the process of urbanization is well managed. However, in many cities, human and financial resources have been insufficient to meet rapidly increasing demands for shelter, infrastructure and services. This, in turn, has adversely affected the productive capacity of the cities.

To forestall an urban crisis, therefore, new policies have to be evolved and new partnerships established to motivate and involve everybody -- from community-based organizations to city administrations and national governments -- to contribute ideas and to take initiatives, both for resolving the immediate problems and developing long-term solutions to the growing urban influx.

I commend the United Nations Economic and Social Commission for Asia and the Pacific for convening the Ministerial Conference on Urbanization in Asia and the Pacific. I am pleased to note that in addition to the Ministers, several other important urban actors -- such as local authorities, non-governmental organizations, the media and research and training institutes -- are involved in this Conference.

In order to ensure a positive urban future, it is essential that both policy formulation and programme implementation are broad-based, participatory and environmentally sustainable. I encourage all of you to work together to chisel out a plan of action for dealing at different levels with the problems and prospects of urbanization during the period ahead.

I am confident that your deliberations will provide strong stimulus for all concerned including, in particular, governments and city administrations, to develop appropriate policy guidance and programmes for the constructive management of urbanization.

I wish you every success in your deliberations.

**B. Inaugural address by
His Excellency Mr. Chuan Leekpai
Prime Minister of Thailand**

Excellencies,
Mr. Executive Secretary,
Distinguished Delegates,
Ladies and Gentlemen,

It is indeed a great honour and privilege for me to address this inaugural session of the Ministerial Conference on Urbanization in Asia and the Pacific. Before I proceed, however, I wish first to welcome all the distinguished delegates to Thailand and wish all of you a pleasant and productive stay in Thailand.

The rapid growth of urban areas, the persistence of urban poverty and the decline of the urban environment are problems and concerns we all share. This conference is therefore timely as it provides us with the opportunity to exchange our experiences and together discuss and formulate appropriate policies and strategies for the future.

During the past decade, my country has experienced very rapid urbanization, most of which has been concentrated around Bangkok with its ever increasing primacy. This process has however created problems which need to be urgently addressed. My government is committed to improving the quality and productivity of urban life. We recognize the need to control the adverse impact of urbanization on the living conditions of our people and the environment in general. Because our fast economic growth has not benefited every one in our society equally, we must make sure that the poor have a decent place to live with access to basic infrastructure and services as well as to the means to secure a better quality of life for themselves.

Towards this end, my government has identified a number of priority action areas. To deal more effectively with Bangkok's traffic, air and water pollution problems, a Bangkok Metropolitan Regional Committee has been established, with myself as chairman. This committee is entrusted with the responsibility of improving the productivity, the quality of urban life and environment, and social fairness.

Another priority area is the decentralization of authority for urban development and management to each of the cities in Thailand. In this connection,

urban capabilities are being increased in planning, construction and operation of urban infrastructure and management of urban systems.

My government also attaches great importance to the urban environment. Far reaching programmes have been designed and are in the process of implementation to improve water supply, treat waste water and protect against floods. Air pollution as a result of increased urban transportation will also be improved in conjunction with the development of a rapid urban mass transit system. We are also increasing monitoring and control capabilities for air emissions from industries and solid and hazardous waste collection and disposal.

Urban poverty is also another issue of priority concern. Thirteen per cent of Bangkok's residents are poor. My government is therefore trying to improve the living standards of the poor through upgrading programmes for congested urban areas and squatter settlements, improving infrastructure and health facilities for poor communities as well as assisting the establishment of community organizations. Other initiatives to assist the poor include programmes to support employment creation and job skill training. My government has also recognized that in this area, success cannot be achieved unless we encourage the participation of the communities themselves and cooperate closely with voluntary non-governmental organizations. Specifically in the fiscal 1994 my government plans to invest up to 12,000 million Baht (or about US\$ 461.5 million) to revitalize Bangkok, mainly in alleviating the traffic and transportation situation; in the construction of housing for the poor by the National Housing Authority; in improving the environment and waste water treatment; and in building public parks, sports fields, and children's playgrounds. Part of the fund will be allocated for the construction of bridges, improvement of railroad and expressway systems, and as subsidies to the Bangkok Metropolitan Administration.

We have programmes to allocate up to 500 million Baht to build 21,800 units of housing for the poor. Together with the funds for the improvements of communities, we hope to be able to provide shelters for about 60,000 families.

On the programmes to improve the environment and to construct water treatment systems, an area of more than 400 square kilometres will receive the benefits. Still that is only one-fourth of the total area of 1,569 square kilometres of the metropolis proper. Various canals and waterways of the city will also be cleaned to facilitate the flow of water, especially through the congested areas.

To lessen the density of Bangkok, we are speedily building road and rail systems linking the city with the new Eastern Seaboard economic zones. A second international airport will be constructed.

In the inner areas of the city, 34 new roads will be constructed so as to link them to seven existing main road systems, with three major truck and bus depots located in the suburbs. With these initiatives and heavy financing, my government hopes that some, if not all, of the problems of our cities will be tackled in an integrated and coordinated manner.

I cannot emphasize enough the need for an integrated and coordinated approach to the problems of urbanization. This is all the more essential if we are to improve the quality of life and the environment in our cities as well as increase urban productivity and social equity. Last week, the meeting of Senior Officials, three symposia of representatives of the local authorities, non-governmental organizations and the media as well as representatives of research and training institutes debated and formulated proposals for their respective roles in shaping our urban future. The outcome of their joint deliberations has provided us with fresh ideas on how to tackle the problems associated with urbanization. What is now needed is our commitment to pursue these recommendations in order to bring about the best solutions in a shorter time.

One last point. In discussing the problems of urbanization, we have to take a closer look at linkages between urban problems and rural poverty. While we need to revitalize the city, especially through investments in public works and other major projects to ensure its continued growth, we must make sure that we do not pass on undue financial burdens, negative externalities and other sacrifices to the rural sector. Overtime we can indeed slow down, and even stem, the tides of rural immigrants through massive improvements in the quality of life of the rural poor. My government has acted to implement a number of measures to improve the countryside. We have pushed hard for large-scale land reforms for agricultural purposes, of which we can claim to have achieved our targets in providing 4.5 million rai (one rai = 1,600 square metres) of farm lands to 228,000 entitled households this year. We have, through tax incentives, encouraged private investments in Zone Three, that is, in those provinces outside of Bangkok and vicinities. To our high satisfaction, we have succeeded in increasing the amounts of investments in such areas, which would potentially help provide several thousand jobs for the local people. We intend to carry out other projects which we believe would lead to a more equitable distribution of incomes and opportunities in the country. Only through successful rural developments can we hope to prevent the urban problems from aggravating further. Even the traffic woes which all of us here have painfully experienced can be partially alleviated through rural improvements. I thus urge you to consider urbanization problems by looking at other dimensions which may seem less important in the context of advanced industrialized countries, but are significant for the countries with high percentage of people living in the poor rural areas characterized by scarcities of all kinds.

Excellencies,
Mr. Executive Secretary,
Distinguished Delegates,
Ladies and Gentlemen,

I now have the honour to declare open the Ministerial Conference on Urbanization in Asia and the Pacific. I am confident that this conference will be successfully concluded and wish all the distinguished delegates a fruitful meeting and a satisfying sojourn in Bangkok.

Thank you.

**C. Opening Statement by the Executive Secretary of the
Economic and Social Commission for Asia and the Pacific**

Your Excellency Mr Chuan Leekpai,
Prime Minister, Royal Thai Government,
Honourable Ministers,
Excellencies, Distinguished Delegates,
Ladies and Gentlemen,

It gives me great pleasure to extend to all of you a very warm welcome to the Ministerial Conference on Urbanization organized by the Economic and Social Commission for Asia and the Pacific, with warm support of the Royal Thai Government.

At the very outset, I would like to express our profound gratitude and sincere appreciation to His Excellency Mr Chuan Leekpai, Prime Minister, Royal Thai Government for graciously consenting to inaugurate this Meeting amid his pressing duties of state. Your presence here, Excellency, is a vivid testimony of the concern that the Royal Thai Government has for the problems of rapid urbanization. I wish to take this opportunity to thank His Excellency General Chavalit Yongchaiyudh, Minister of Interior and the officials of his Ministry and the Ministry of Foreign Affairs for their generous cooperation and valuable support to the many preparatory arrangements that preceded the Conference. We are also deeply moved by the warm hospitality extended by the Government to all the delegates.

I would also like to take this opportunity to express our sincere gratitude to the Governments of France, Japan and the Netherlands for their financial and substantive support to the ESCAP secretariat which facilitated the preparation of studies, documentation and meetings which lead up to the Conference. We in ESCAP also appreciate the valuable cooperation that we received from various international and regional organizations, in particular from UNCHS and UNDR, through its Urban Management Programme, during the entire period of preparation for this Conference.

The Honourable Ministers are aware that this Conference has been convened in response to Commission resolution 46/2 of 13 June 1990 on urbanization strategies in the ESCAP region - towards environmentally sound and sustainable development and management of urban areas. It provides a unique forum for sharing regional experience in tackling the problems of rapid urbanization at the highest level of policy makers and creates an opportunity to discuss issues which are of concern at national, subregional and regional levels.

Urbanization is one of the major challenges facing countries of the Asian and Pacific region. By the year 2015, the ESCAP region is expected to become predominantly urban. Urban areas are expected to expand by almost 1.5 billion people between 1990 and 2020. This means we have to accommodate the equivalent of a city of 140,000 people every day. We must recognize that this process is inevitable and that it will particularly affect the low-income countries that are least prepared to cope with it. If present population densities in the cities are maintained, urban areas will spread to two and a half times their current spatial coverage by the year 2020. The bulk of the increase can be expected to occur in the most populous low-income countries, which are already facing acute problems.

In most Asian cities serious shortages of land, shelter, infrastructure and services have led to overcrowding and congestion, worsening environmental degradation and the proliferation of massive slums and squatter settlements which are symptomatic of rapid urban population growth. Between 20 and 40 percent of the urban population in South and South East Asian mega-cities lives in substandard housing. Some squatter settlements with marginal or no access to basic urban services contain hundreds of thousands of people. Millions do not have a proper roof over their heads and are constantly in fear of eviction while hardly scraping together a living. Many are even homeless and street dwellers.

If future urbanization is inevitable, the key policy question is, "What do we expect from the city?". The answer must be, "an efficient, more equitable and environmentally sound habitat". A new urban policy is, therefore, called for. The focus of our attention should thus be better management rather than restriction of city growth. Facilitation of urban development should also improve city links with the countryside, thereby helping to distribute urban benefits more widely, while at the same time fostering greater urban equity.

To cope not only with inherited problems of the past but also with even increased pressures in the future, fundamental policy and institutional changes are needed. We have to take a hard look at the emerging new perceptions of the city. It is today seen as a centre of economic growth, which has to benefit the poor and the informal sector as well as the formal sector. Being engines of growth, the main economic development thrust must therefore be to maximize the efficiency of cities as economic units through measures which will increase overall economic growth potential without causing social and economic disparities. Growth policies alone may not, at the initial stage, achieve this goal. In recognition of the contribution that the urban poor invariably make to the effective functioning of a city, specific poverty alleviation measures should emphasize fair labour laws, fair access to credit, infrastructure and services, as well as social and political empowerment and the right to form associations.

The urban environment needs our special attention. The challenge is to make economic development mutually supportive of environmental conservation. Achievable environmental standards and affordable infrastructure can do much to prevent pollution now, and hence improve health, living and environmental conditions without negatively affecting but rather enhancing economic growth.

One of the conclusions of the Report on the State of Urbanization in Asia and the Pacific is that the region's cities have been hamstrung by a too rigid 'top down' legislative, regulatory and financial framework. An essential challenge, therefore, is to devolve government onto local institutions and give them much greater administrative and financial autonomy and capacity, as they are both closer to the actual problems and better placed to foster participation of all relevant actors in the development process.

While inviting your attention to other major findings of the Report on the State of Urbanization in Asia and the Pacific, and keeping in view the recommendations of the various issue papers prepared for your consideration, let me conclude by presenting five imperatives for policy formulation, which you may wish to address during your deliberations:

First, substantial government devolution including greatly increased capability and much greater fiscal and administrative autonomy is essential to make local government much more effective and responsive to the economic, social and environmental challenges.

Second, the empowerment of the poor, both as individuals and communities is a prerequisite for poverty alleviation.

Third, much greater openness, trust and cooperation is essential between strengthened local government and newly empowered communities, if local enterprises and communities are to flourish. Similarly, genuine cooperation between government and the other actors involved in the process of urbanization based on mutual trust is also essential for effective and sustainable urban development.

Fourth, from economic and environmental perspectives, correct pricing for all urban services needs to be introduced, since better functioning markets provide greater scope for infrastructure and services provision as well as better income earning opportunities and shelter solutions for the poor.

Finally, to promote more efficient, more socially equitable and more environmentally benign cities, more realistic and enforceable urban planning and environmental standards are also called for.

Significantly, four of the five imperatives have a very marked political dimension, which calls for sincere commitments and supportive action programmes.

We hope that this conference will help initiate the policy changes required to cope with the urbanization challenge before us. As you are aware, this high-level segment of the Conference was preceded by a Preparatory Meeting of Senior Officials which deliberated on the prime issues of urbanization, considered a draft regional plan of action, and drafted a declaration which you may wish to consider and adopt as a statement of your commitment to a brighter urban future. I look forward to your recommendations for national, regional and international actions for a reorientation of policies and strategies, and the creation of an appropriate climate, which is economically efficient, environmentally sustainable, socially just, politically participatory and culturally vibrant.

Concurrent with the Meeting of Senior Officials, three symposia of representatives of local authorities, non-governmental organizations and the media and a meeting of the research and training institutes in human settlements have debated and made proposals for their respective roles in shaping our urban future. An "Asia-Pacific Urban Forum" was convened last Friday consisting of the senior officials and the representatives of the above groups. The outcome of their joint deliberations has been included in the report of the Preparatory Meeting of Senior Officials for your consideration.

Excellencies, Distinguished Delegates, Ladies and Gentlemen,

I am confident that the honourable ministers' deliberations during the next two days will provide valuable guidelines for the secretariat's activities and a framework for regional cooperation measures to deal with the pace of urbanization in Asia and the Pacific.

Thank you very much for your kind attention.

ANNEX V

**LIST OF PARTICIPANTS
MEMBERS**

AFGHANISTAN

- Representative:** HE Eng. Ahmad Shah Ahmadzai, Minister, Ministry of Construction and Town Planning, Kabul
- Alternates:** HE Mr Ghulam Mohaiuddin Shahbaz, Ambassador and Permanent Representative of the Islamic State of Afghanistan, Permanent Mission of the Islamic State of Afghanistan to ESCAP, Bangkok
- Eng. Sher Aqa Seddiqi, Head of Central Project Making Institute, Ministry of Housing and Town Planning, Kabul
- Eng. Najibullah Tamin, Vice President, Authority for Water Supply, Ministry of Housing and Town Planning, Kabul
- Mr Abdul Shakoor, Second Secretary of the Permanent Mission of the Islamic State of Afghanistan to ESCAP, Bangkok

AUSTRALIA

- Representative:** Hon. Brian Leslie Howe, MP, Deputy Prime Minister and Minister for Housing, Local Government and Community Services, Canberra
- Deputy Representative:** HE Mr John McCarthy, Ambassador Extraordinary and Plenipotentiary of Australia to Thailand, Embassy of Australia, Bangkok
- Alternates:** Ms Lynne Gallagher, Principal Private Secretary to Deputy Prime Minister, Canberra
- Dr Mark Johnston, First Assistant Secretary, Department of Health, Housing, Local Government and Community Services, Canberra

Ms Jenny Macklin, Director, Australian Urban and Regional Development Review, Canberra

Mr John Richardson, Minister and Permanent Representative to ESCAP, Australian Embassy, Bangkok

Ms Lucy O'Connor, Third Secretary and Deputy Permanent Representative of Australia to ESCAP, Australian Embassy, Bangkok

Advisers: Dr Renate Howe, Centre for Australian Studies, University of Deakin, Melbourne

Professor Mike Berry, Acting Executive Director, Australian Housing and Urban Research Institute, Melbourne

Mr John Campbell, Deputy Mayor, Brisbane City, Brisbane

BANGLADESH

Representative: Honourable Rafiqul Islam Mia, Barrister-at-Law, Minister for Works, Ministry of Works, Dhaka

Alternates: Mr Anil Chandra Das, Director, Urban Development Directorate, Dhaka

Mr Ahmed Shahriar Chowdhury, Economic Counsellor and Alternate Permanent Representative of Bangladesh to ESCAP, Embassy of the People's Republic of Bangladesh, Bangkok

BHUTAN

Representative: HE Mr T. Tobgyel, Minister for Communications and Social Services, Ministry of Communications and Social Services, Thimphu

Alternate: Mr Dorjee Tenzin, Secretary, Department of Works, Housing and Roads, Ministry of Communications, Thimphu

CHINA

Representative: HE Mr Li Zhendong, Vice Minister of Construction, Ministry of Construction, People's Republic of China, Beijing

- Alternates:** Mr Gu Wenxuan, Deputy Director, Urban Planning Department, Ministry of Construction, Beijing
- Mr Li Zhe, Programme Manager, International Cooperation Department, Ministry of Construction, Beijing

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

- Representative:** Mr Hwang Yong Hwan, Counsellor and Permanent Representative of the Democratic People's Republic of Korea to ESCAP, Embassy of the Democratic People's Republic of Korea, Bangkok
- Alternate:** Mr Pang Song Hae, Second Secretary, Embassy of the Democratic People's Republic of Korea, Bangkok

FIJI

- Representative:** HE Mr Militoni Leweniqila, Minister for Housing, Urban Development and Environment, Ministry of Housing, Urban Development and Environment, Suva
- Alternate:** Mr J.T. Teaiwa, Permanent Secretary, Ministry of Housing, Urban Development and Environment, Suva

FRANCE

- Representative:** Mme Nicole Zeisser, Directeur adjoint de Affaires Economiques et Internationales, Ministere de l'Equipement, de Transports et du Tourisme, Paris
- Deputy Representative:** M. Philippe Dupont, Representant Permanent de la France aupres de la CESAP, Ambassade de France, Bangkok
- Alternates:** M. Remi Perelman, Charge de Mission, Urbanisme et Amenagement du Territorire, Direction du Developpement, de la Cooperation Scientifique, Technique et Educative, Ministere des Affaires Etrangeres, Paris
- M. Jean Faussurier, DAEI, Ministere de l'Equipement, de Transports et du Tourisme, Paris
- M. Charles Goldblum, Directeur de l'institut francais d'urbanisme, paris

M. Alain Sallez, responsable de la prospective urbaine,
DATAR, Paris

INDIA

Representative: HE Mr P.K. Thungon, Minister of State for Urban
Development, Ministry of Urban Developemtn, Government
of India, New Delhi

Alternates: Shri K. Padmanabhaiah, Secretary, Ministry of Urban
Development, New Delhi

Dr. V.S. Seshadri, Charge d' affaires, a.i., and Deputy
Permanent Representative of India to ESCAP, Embassy of
India, Bangkok

Mr M. Jayaraman, Attaché and Assistant Permanent
Representative of India to ESCAP, Embassy of India,
Bangkok

INDONESIA

Representative: HE Mr Radinal Mochtar, Minister of Public Works,
Department of Public Works, Jakarta

Deputy

Representatives: HE Mr I Gede Awet Sara, Ambassador Extraordinary and
Plenipotentiary and Permanent Representative of Indonesia to
ESCAP, Embassy of the Republic of Indonesia, Bangkok

Mr Soeyono, Assistant II, City Housing, State Minister for
Public Housing, Jakarta

Alternates: Mr Rachmadi Bambang Soemadhijo, Director General,
Directorate General of Buildings Construction, Department of
Public Works, Jakarta

Mr J.P. Hendropranoto Suselo, Expert Staff I, Department of
Public Works, Jakarta

Mr Parulian Sidabutar, Expert Staff III, Department of Public
Works, Jakarta

Mr R.E. Soeriatmadja, Expert Staff II, Office of the State
Minister of Environment, Jakarta

Mr A. Nusi, Director, Urban Development, Department of Home Affairs, Jakarta

Mr Gembong Priyono, Head, Foreign Collaboration Bureau, Department of Public Works, Jakarta

Mr Azis Sasmitadihardja, Deputy Assistant I, State Minister for Public Housing, Jakarta

Mr Moezdan Razak, Minister Counsellor and Deputy Permanent Representative of Indonesia to ESCAP, Embassy of the Republic of Indonesia, Bangkok

Mr Sujana Royat, Head, Center for Strategic Researches on Public Works Development, Department of Public Works, Jakarta

Mr Fatchur Rochman, Chairman, Indonesian Contractors Association, Jakarta

Mr M. Ibnu Said, First Secretary (Economic) and Alternate Permanent Representative of Indonesia to ESCAP, Embassy of the Republic of Indonesia, Bangkok

Mr Salman Al Farisi, Third Secretary (Economic) and Assistant Alternate Permanent Representative of Indonesia to ESCAP, Embassy of the Republic of Indonesia, Bangkok

Mr Gudadi Sasongko, Third Secretary, Embassy of the Republic of Indonesia, Bangkok

ISLAMIC REPUBLIC OF IRAN

Representative: HE Mr Abbass Ahmad-Akhundi, Minister of Housing and Urbanization, Ministry of Housing and Urbanization, Tehran

Alternates: HE Mr Seyed Reza Hashemi, Deputy Minister for Urbanization and Architecture, Ministry of Housing and Urbanization, Tehran

HE Mr Gholamreza Yousefi, Ambassador Extraordinary and Plenipotentiary and Permanent Representative to ESCAP, Embassy of the Islamic Republic of Iran, Bangkok

Mr Hossein Bahrainy, Head of Natural Disaster Prevention Centre, Housing Foundation of the Islamic Republic of Iran, Tehran

Mr Esfandiar Kharat-Zebardast, Director-General, National and Regional Physical Planning Bureau, Ministry of Housing and Urban Development, Tehran

Mr Heshmatollah Zaheri, Deputy Director, Office of International Economic Organizations, Ministry of Foreign Affairs, Tehran

Mr Khalil Jafarzadeh, Councillor and Deputy of Mission, Embassy of the Islamic Republic of Iran, Bangkok

Mr Hamid Nazari Tajabadi, First Secretary and Deputy Permanent Representative to ESCAP, Embassy of the Islamic Republic of Iran, Bangkok

Mr Hamid A. Najafi, Third Secretary and Liaison Officer to ESCAP, Embassy of the Islamic Republic of Iran, Bangkok

JAPAN

Representative: HE Mr Hiroaki Fujii, Ambassador Extraordinary and Plenipotentiary, Embassy of Japan, Bangkok

Alternates: Mr Seiichiro Otsuka, Minister and Permanent Representative of Japan to ESCAP, Embassy of Japan, Bangkok

Mr Yoshiharu Kagawa, First Secretary and Deputy Permanent Representative of Japan to ESCAP, Embassy of Japan, Bangkok

Mr Yuichi Osawa, First Secretary and Deputy Permanent Representative of Japan to ESCAP, Embassy of Japan, Bangkok

Mr Hiroshi Yoneda, First Secretary and Deputy Permanent Representative of Japan to ESCAP, Embassy of Japan, Bangkok

Ms Keiko Hatanaka, Special Assistant to the Permanent Representative of Japan to ESCAP, Embassy of Japan, Bangkok

KIRIBATI

Representative: Mr Baraniko Baaro, Secretary, Ministry of Home Affairs and Rural Development, Tarawa

Alternate: Mr Paul Jones, Urban/Physical Development Planner, Ministry of Home Affairs and Rural Development, Tarawa

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Representative: HE Mr Bouathong Vonglokham, Minister for Communication, Transport, Post and Construction, Ministry of Communication, Transport, Post and Construction, Vientiane

Alternate: Mr Somphone Dethoudom, Director, Habitat and Urbanization Department, Ministry of Communication, Transport, Post and Construction, Vientiane

MALAYSIA

Representative: The Honourable Dato' Dr Ting Chew Peh, Minister, Housing and Local Government, Kuala Lumpur

Alternates: Dato' Umar bin Hj. Abu, Secretary General, Ministry of Housing and Local Government, Kuala Lumpur

His Excellency Ambassador, Dato' Zainal Abidin Alias, Malaysian Ambassador, Embassy of Malaysia, Bangkok

Mr Mohd. Roze Radzi Abdul Rahman, Malaysian Permanent Representative to ESCAP, Embassy of Malaysia, Bangkok

Mr Ong Hong Fong, Deputy Director General, Federal Deputy of Town and Country Planning, Ministry of Housing and Local Government, Kuala Lumpur

Ms Mahanum bte Itam, Under Secretary, Planning and Development Division, Ministry of Housing and Local Government, Kuala Lumpur

Mr Khoo Boo Seng, Senior Private Secretary to the Minister of Housing and Local Government, Kuala Lumpur

Ms Khor Siew Kee, Principal Assistant Secretary, Planning and Development Division, Ministry of Housing and Local Government, Kuala Lumpur

MALDIVES

Representative: Mr Hussain Niyaz, Deputy Director, Demography, Ministry of Planning and Environment, Male

MONGOLIA

Representative: Mr N. Togtoh, Member of Parliament of Mongolia, Ulaanbaatar

Alternates: Mr Bathuyag Batjav, General Director of Urban Development Department, Ministry of Construction and Urban Development, Ulaanbaatar

Mr Nyamjav Zaankhuu, Senior Engineer, Ministry of Construction and Urban Development, Ulaanbaatar

Mr Danzan Dandarbaatar, Director General, National Centre for Design and Research, Ulaanbaatar

Mr Dolgorjav Sain-Er, Senior Architect, Ministry of Construction and Urban Development, Ulaanbaatar

Mr B. Dorjeotov, Third Secretary and Deputy Permanent Representative of Mongolia to ESCAP, Embassy of Mongolia, Vientiane

MYANMAR

Representative: HE U Khin Muang Yin, Minister, Ministry of Construction, Yangon

Deputy Representative: HE U Phone Myiint, Ambassador, Embassy of the Union of Myanmar, Bangkok

Alternates: U Win Myint, Director, Urban and Regional Planning Division, Department of Human Settlements and Housing Development, Ministry of Construction, Yangon

U Kyaw Tint Swe, Minister Counsellor and Deputy Permanent Representative of the Union of Myanmar to ESCAP, Embassy of the Union of Myanmar, Bangkok

U Ye Myint, Second Secretary and Assistant Permanent Representative of the Union of Myanmar to ESCAP, Embassy of the Union of Myanmar, Bangkok

NEPAL

Representative: HE Mr Bal Bahadur Rai, Minister, Ministry of Housing and Physical Planning, Kathmandu

Alternates: HE Mr Sundar Nath Bhattarai, Ambassador Extraordinary and Plenipotentiary and Permanent Representative of Nepal to ESCAP, Royal Nepalese Embassy, Bangkok

Mr T.N. Bhattarai, Joint Secretary, Ministry of Housing and Physical Planning, HMG, Kathmandu

Mr P.B. Chhetri, Director General, Dept. of Housing and Urban Development, Ministry of Housing and Physical Planning, HMG, Kathmandu

Mr P. Rajbhandari, Minister-Counsellor and Deputy Permanent Representative to ESCAP, The Royal Nepalese Embassy, Bangkok

Mr A.R. Pant, Under-Secretary, Ministry of Housing and Physical Planning, HMG, Kathmandu

Mr Dron Pokharel, Section Officer, Ministry of Housing and Physical Planning, Kathmandu

NETHERLANDS

Representative: Mr Jan A.M. Giesen, Counsellor (DCM) and Permanent Representative of the Netherlands to ESCAP, The Royal Netherlands Embassy, Bangkok

Alternates: Mr Richard Slivzas, Lecturer, Urban GIS Applications, the Hague

Mr Paul Vehmeyer, First Secretary and Deputy Permanent Representative of the Netherlands to ESCAP, The Royal Netherlands Embassy, Bangkok

NEW ZEALAND

Representative: Ms J.C. Mosley, Counsellor and Permanent Representative of New Zealand to ESCAP, New Zealand Embassy, Bangkok

PAKISTAN

Representative: HE Maj. Gen. (Retd) Riaz Mahmud, Ambassador Extraordinary and Plenipotentiary to Thailand and Permanent Representative to ESCAP, Embassy of Pakistan, Bangkok

Alternate: Mr Mushtaq H. Razvi, First Secretary and Alternate Permanent Representative of Pakistan to ESCAP, Embassy of the Islamic Republic of Pakistan, Bangkok

PHILIPPINES

Representative: Hon. Mrs Milagros I. Llanes, Undersecretary, Department of Social Welfare and Development (DSWD), Manila

Alternates: HE Ms Rosalinda V. Tirona, Ambassador Extraordinary and Plenipotentiary to Thailand and Permanent Representative to ESCAP, Embassy of the Republic of the Philippines, Bangkok

Mr Luis B. Pangilinan, Jr., Secretary-General, Housing and Urban Development Coordinating Council (HUDCC), Manila

Ms Ma. Theresa P. Lazaro, Second Secretary and Deputy Permanent Representative to ESCAP, Embassy of the Republic of the Philippines, Bangkok

REPUBLIC OF KOREA

Representative: Mr Sung-Woong Hong, Vice President, Korea Research Institute for Human Settlements

Alternates: Mr Sang-Pal Lee, Counsellor and Deputy Permanent Representative to ESCAP, Embassy of the Republic of Korea, Bangkok

Mr Tschang Sup Kim, Director, Urban and Planning Division, Ministry of Construction, Seoul

Mr Kwon Young Dac, Assistant Director, International Economic Organization Division, Seoul

Adviser: Mr Joong-Seok Ryu, Associate Research Fellow, Korea Research Institute for Human Settlements, Seoul

RUSSIAN FEDERATION

Representative: HE Mr A.A. Babenko, First Deputy Minister, State Committee for Construction and Architecture, Moscow

Alternates: HE Mr Oleg V. Bostorin, Ambassador Extraordinary and Plenipotentiary and Permanent Representative of the Russian Federation to ESCAP, Embassy of the Russian Federation, Bangkok

Mr A.N. Borodavkin, Counsellor and Deputy Permanent Representative to ESCAP, Embassy of of the Russian Federation, Bangkok

Mr Alexander L. Soukhov, First Secretary and Deputy Permanent Representative of the Russian Federation to ESCAP, Embassy of the Russian Federation, Bangkok

Ms Nina Koulitchenko, Third Secretary, Department of International Organizations, Ministry of Foreign Affairs, Moscow

Mr Igor V. Leshoukov, Assistant Permanent Representative of the Russian Federation to ESCAP, Embassy of the Russian Federation, Bangkok

SAMOA

Representative: HE Mr Leafa Vitale, Minister for Public Works, Ministry of Public Works, Apia

Alternate: Mr Seumanutafa Aeau Tiavolo, Deputy Director, Department of Lands Survey and Environment, Apia

SRI LANKA

Representative: Honourable Mr Chandra Ranatunge, Minister of Construction and Building Materials, Ministry of Housing and Construction,

Deputy Representative: Mr W.D. Ailapperuma, Secretary, Ministry of Housing and Construction, Sri Jayawardenepura

Alternates: Prof Willie Mendis, Chairman, Urban Development Authority, Colombo

Mr K.B. Fernando, Minister Counsellor and Deputy Permanent Representative, Embassy of the Democratic Socialist Republic of Sri Lanka, Bangkok

Mr L.S. Palansuriya, Senior Assistant Secretary (Information), Ministry of Housing and Construction, Sri Jayawardenepura

THAILAND

Representative: HE General Chavalit Yongchaiyudh, Minister, Ministry of Interior, Bangkok

Deputy Representatives: Mr Aree Wongsearay, Permanent Secretary for Interior, Ministry of Interior, Bangkok

Mr Chamnam Potchana, Chairman of the Interior Minister's Advisory Board, Ministry of Interior, Bangkok

Professor Captain Krisda Arunvongse, Governor, Bangkok Metropolitan Administration, Bangkok

Mr Karoon Chandrangsu, Deputy Governor, Bangkok Metropolitan Administration, Bangkok

Mr Prasert Samalapa, Permanent Secretary, Bangkok Metropolitan Administration, Bangkok

Mr Prinya Nakchatri, Deputy Permanent Secretary for Interior, Ministry of Interior, Bangkok

Mr Sunthud Somchevita, Secretary-General, Office of Environment Policy and Planning, Ministry of Science, Technology and Environment, Bangkok

Mr Chaivat Arunotivivat, Director-General, Department of Town and Country Planning, Ministry of Interior, Bangkok

Mr Choowong Chayabutra, Director-General, Department of Local Administration, Ministry of Interior, Bangkok

Alternates:

Mr Prajaya Sutabutr, Director-General, Public Works Department, Ministry of Interior, Bangkok

Mr Pisit Suebma, Director-General, Department of Policy and Planning, The Bangkok Metropolitan Administration, Bangkok

Captain Prasai Songsuravet, Governor, National Housing Authority, Bangkok

Mr Somchet Thinaphong, Governor, Industrial Estates Authority of Thailand, Ministry of Industry, Bangkok

Mrs Savitree Suwansatit, Inspector-General, Ministry of Education, Bangkok

Mr Pree Buranasiri, Deputy Governor, National Housing Authority, Bangkok

Mr Prachod Krynetr, Senior Land Transport Planning Expert, Department of Land Transport, Ministry of Communications, Bangkok

Mr Thira Phungsoondara, Deputy Director-General, Department of Town and Country Planning, Ministry of Interior, Bangkok

Mr Suwan Pasugswad, Deputy Director-General, The Fiscal Policy Office, Ministry of Finance, Bangkok

Mr Chalernsak Wanichsombat, Deputy Director-General, Department of Environmental Quality Promotion, Ministry of Science, Technology, and Environment, Bangkok

Mr Praphakorn Smiti, Director, Foreign Affairs Division, Ministry of Interior, Bangkok

Mrs Sajee Podhipak, Director, Division of Local Finance, Department of Local Administration, Ministry of Interior, Bangkok

Mr Luenyot Leelachart, Director, Office of Urban Development, Department of Local Administration, Ministry of Interior, Bangkok

Mr Manu Suvanadat, Director, City Planning Division, Bangkok Metropolitan Administration, Bangkok

Mr Kasemsant Suwanrat, Director, Policy and Integrated Planning Division, Department of Policy and Planning, the Bangkok Metropolitan Authority, Bangkok

Dr Utis Kaotien, Director, Urban Development Co-ordination Division, National Economic and Social Development Board, Bangkok

Mr Kamrob Warachat, Director, Planning Division, Office of the Permanent Secretary, Ministry of Communications, Bangkok

Mrs Wannee Nantarat, Director, Community Service Division, Ministry of Labour and Public Welfare, Bangkok

Mrs Mallika Kunnavatana, Director, Labour Studies and Planning Division and Welfare, Ministry of Labour and Public Welfare, Bangkok

Mr Somchai Jarukasemratna, Director of the Technical Department, The Expressway and Rapid Transit Authority of Thailand, Bangkok

Mr Sarid Sriphirom, Director of Samsen-Thonburi Water Treatment Plant, The Metropolitan Water Works Authority, Bangkok

Ms Supattra Kaewchansilp, Director of Community Service Division, Department of Public Welfare, Ministry of Labour and Public Welfare, Bangkok

Mr Saksit Tridech, Director, Urban Environment and Area Planning, Ministry of Science, Technology, and Environment, Bangkok

Mr Prakarn Boonchuydee, Director, Haardous Substances and Waste Management Division, Ministry of Science, Technology, and Environment, Bangkok

Mrs Tasanee Sucharitwongsanont, Director, Policy and Planning Divsion, the Industrial Estates Authority of Thailand, Ministry of Industry, Bangkok

Mrs Kasemsri Homchean, Director, Environmental and Safety Control Division, the Industrial Estates Authority of Thailand, Ministry of Industry, Bangkok

Mr Suthep Ounsamai, Senior Labour Officer, Acting Director of Labour Welfare Division, Ministry of Labour and Public Welfare, Bangkok

Mr Sopon Prasitratsint, Deputy Director, Policy and Planning Department, National Housing Authority, Bangkok

Mr Pongtep Punyarachun, Chief Engineer, Land Department, Ministry of Interior, Bangkok

Mr Phirapong Isarabhakdi, Deputy Director, Operation 2, the Bangkok Mass Transit Authority, Bangkok

Mr Ithipol Sucaromn, Assistant General Manager, State Railway of Thailand, Bangkok

MI Panadda Dissakul, Chief, Foreign Affairs Sub Division, Foreign Affairs Division, Ministry of Interior, Bangkok

Mrs Prasertsuk Jamormarn, Chief Section of Planning for Environmental Urban Manag, Ministry of Science, Technology, and Environment, Bangkok

Mr Thanavit Sinhaseni, Counsellor, Department of International Organizations, Ministry of Foreign Affairs, Bangkok

Mr Thanu Srichoo, Civil Engineer 7, Public Works Department, Bangkok

Observers:

Mr Paitoon Soontornvipast, Provincial Governor of Samut Prakan

Mr Chaichit Rattakhajon, Provincial Governor of Nonthaburi

Mr Kanok Yasarawan, Provincial Governor of Chon Buri

Mr Wimol Puangtong, Provincial Governor of Rayong

Mr Tirawatr Kullavanijaya, Provincial Governor of Chachoengsao

Mr Prakit Dhepchana, Provincial Governor of Saraburi

M.R. Gamloonthep Devakul, Provincial Governor of Ratchaburi

Mr Virachai Naewboonnien, Provincial Governor of Chiang Mai

Mr Sucharti Thammongkol, Provincial Governor of Lampang

Mr Kamron Booncherd, Provincial Governor of Chiang Rai

Mr Sawat Sonosamphant, Provincial Governor of Phitsanulok

Mr Poolsak Satayanuraks, Provincial Governor of Nakhon Sawan

Mr Viraj Rassameethes, Provincial Governor of Khon Kaen

Mr Suporn Supasorn, Provincial Governor of Udon Thani

Mr Anant Jaengkleeb, Provincial Governor of Nong Khai

Mr Damrong Ratanapanich, Provincial Governor of Nakhon Ratchasima

Sub.Lt. Maitree Naiyakul, Provincial Governor of Udon Ratchathani

Mr Prapatpong Bampensidh, Provincial Governor of Surat Thani

Mr Sudjit Nimitkul, Provincial Governor of Phuket

Mr Yoongyoot Wichaidit, Provincial Governor of Trang

Mr Yuwat Vuthimedhi, Provincial Governor of Songkhla

Mr Veera Rodruang, Provincial Governor of Krabi

Mr Tasana Singhasilarak, Deputy Director-General (Administration), Ministry of Interior, Bangkok

Mr Pongsi Xumsai Na Ayudya, Senior Expert on City Planning, Ministry of Interior, Bangkok

Mr Paiboon Kanjanaharitai, Director of Specific Planning Division, Ministry of Interior, Bangkok

Mr Pallop Ongcharoen, Director of Engineering Division, Ministry of Interior, Bangkok

Mr Thadapong Prakalpakul, Director of Comprehensive Planning Division, Ministry of Interior, Bangkok

Mr Bunlu Khumvachirapitak, Director of Regional Planning Division, Ministry of Interior, Bangkok

Mr Niphon Methinapitak, Director of Rural Development Division, Ministry of Interior, Bangkok

Mr Chanin Buatrasert, Director of the Prince Damrong Rajanubhab Institute of Research and Development, Bangkok

Mr Siwa Sirisoawalux, Director of Interior College, Bangkok

Mr Payap Sodsee, Director of Mapping Division, Ministry of Interior, Bangkok

Mr Somsak Phurishisak, Secretary of DTCP, Ministry of Interior, Bangkok

Mr Charatroj Boatdhamrhi, Head of Land Readjustment Office, for Urban Development, Ministry of Interior, Bangkok

Mr Wolfgang Gussow, GTZ - Expert, Ministry of Interior, Bangkok

Mr Prakarn Meksupa, Director of Information and Public Relation Division, Ministry of Interior, Bangkok

Mr Sirichai Musikabhumma, Director of Training Division, Department of Town and Country Planning, Ministry of Interior, Bangkok

Ms Yenrudee Supanwong, Chief of Environmental Education Section, Department of Environment Quality Promotion, Ministry of Science, Technology, and Environment, Bangkok

Ms Patchalada Kaewsipalard, Environmental Education Officer, Department of Environmental Quality Promotion, Ministry of Science, Technology, and Environment, Bangkok

Ms Pitsawas Patumutarangsee, Acting Chief of Information and Documentation Section, External Relations Division, Office of the Permanent Secretary for Education, Ministry of Education, Bangkok

Mr Surin Sithiketkorn, Personnel Officer, Office of the Secretary, Ministry of Interior, Bangkok

Ms Malinee Setanant, Head of Planning Section, Comprehensive Planning Division, Department of Town and Planning, Ministry of Interior, Bangkok

Ms Praphaisri Khunwithaya, Head of Financial Section, Office of the Secretary, Ministry of Interior, Bangkok

Ms Naruemon Kongthis, Chief of Sub-Division, Urban Plan Training, Department of Town and Planning, Ministry of Interior, Bangkok

Ms Duangtip Seeluangsawat, Planning Analyst, Training Division, Department of Town and Country Planning, Ministry of Interior, Bangkok

Ms Pranee Nantasenam, Head of Changwat and Amphoe Structure Plan Training Section, Training Division, Ministry of Interior, Bangkok

Ms Duangporn Chanyong, Planning Analyst, Programming and Evaluation Division, Ministry of Interior, Bangkok

Ms Sansanee Srisukri, Planner, Training Division, Department of Town and Country, Ministry of Interior, Bangkok

Mr Thongchai Rodchanakanan, Planner, Specific Planning Division, Ministry of Interior, Bangkok

Ms Wanida Angkasuwan, Planner, Comprehensive Planning Division, Ministry of Interior, Bangkok

Ms Jaruwan Pathumarak, Planner, Training Division, Ministry of Interior, Bangkok

Mr Kongphop Sukijbumrung, Planning Analyst, Department of Town and Country Planning, Ministry of Interior, Bangkok

Ms Thapanee Songseresopon, Planner, Training Division, Ministry of Interior, Bangkok

Ms Pornpen Worasisa, Technical Official, The Industrial estates Authority of Thailand, Ministry of Industry, Bangkok

Ms Chantana Ausawat, Foreign Relations Officer, Foreign Relation Division, Office of the Permanent Secretary for Industry, Ministry of Industry, Bangkok

Assistant Professor Dr Suwattana Thadaniti, Chulalongkorn University, Bangkok

Associate Professor Dr Kiat Chivakul, Chulalongkorn University, Bangkok

Associate Professor Manop Bongsadadt, Chulalongkorn University, Bangkok

Assistant Professor Dr Nipan Vichiennai, Chulalongkorn University, Bangkok

Assistant Professor Prasong Eiam-anant, Faculty of Architecture, Silpakorn University, Bangkok

Mr Chatavan Anuntasomeboon, Director of Legal Affairs Division, Ministry of Interior, Bangkok

Mr Utis Boonlue, Director of Programming and Evaluation Division, Department of Town and Country Planning, Ministry of Interior, Bangkok

Ms Wanna Sakdaratana, Economist, Fiscal and Tax Policy Division, The Fiscal Policy Office, Ministry of Finance, Bangkok

Mr Vulloop Phringphong, Chief of Infrastructure Development Subdivision, Office of Urban Development, Ministry of Interior, Bangkok

Ms Vatana Phaisurat, Chief, of Foreign Relation Section, Office of Urban Development, Ministry of Interior, Bangkok

Mr Amnard Poltecha, Chief, of Physical Planning Section, Urban Development Co-ordination Division, Office of the National Economic and Social Development Board (NESDB), Bangkok

Ms Duangduen Oraphant, Chief, Foreign Relations Sub-Division, Social Studies and Planning Division, Department of Public Welfare, Ministry of Interior, Bangkok

Mr Somsak Chantawattana, Planner 7, Department of Policy and Planning, Bangkok Metropolitan Administration, Bangkok

Ms Suganya Boonprasirt, Planner 6, Department of Policy and Planning, Bangkok Metropolitan Administration, Bangkok

Mrs Masawan Pinsuwan, Planner 5, Department of Policy and Planning, Bangkok Metropolitan Administration, Bangkok

TONGA

Representative: Mr Taniela Tukia, Chief, Physical Planner, Ministry of Lands Survey and Natural Resources, Nuku'alofa

TUVALU

Representative: Honourable Tomu Sione, Minister for Home Affairs and Rural Development, Ministry of Home Affairs and Rural Development, Funafuti

Alternate: Mr Seve Lausaveve, Director, Department of Rural Development, Ministry of Home Affairs and Rural Development, Funafuti

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Representative: Mr Richard Davies, Counsellor and Permanent Representative of the United Kingdom to ESCAP, British Embassy, Bangkok

Alternate: Ms Louisa-Jayne O'Neill, Deputy Permanent Representative of the United Kingdom to ESCAP, British Embassy, Bangkok

UNITED STATES OF AMERICA

Representative: Mr John Medeiros, Permanent Representative to ESCAP, Embassy of the United States of America, Bangkok

Alternates: Ms Julie Otterbein, Regional Housing and Urban Development Officer, United States Agency for International Development, Bangkok

Mr David Foster, Regional Housing and Urban Development Officer, United States Agency for International Development, Bangkok

Advisers: Mr John Sheerin, International Economist, Bureau of Economic and Business Affairs, U.S. Department of State

Ms Kathy Pepper, Alternate Permanent Representative to ESCAP, Embassy of the United States of America, Bangkok

Mr Brian Googins, Deputy Permanent Representative to ESCAP, Embassy of the United States of America, Bangkok

VANUATU

Representative: The Honourable Charlie Nako, Minister of Home Affairs,
Ministry of Home Affairs, Port Vila

Alternate: Mr Harry Tete, Senior Physical Planning Officer, Ministry of
Home Affairs, Port Vila

VIET NAM

Representative: Mr Nguyen Xuan Ang, First Secretary and Deputy Permanent
Representative of Socialist Republic of Viet Nam to ESCAP,
Embassy of the Socialist Republic of Viet Nam, Bangkok

ASSOCIATE MEMBER

REPUBLIC OF PALAU

Representative: The Honourable George Ngirarsaol, Minister of Commerce
and Trade, Koror

Alternates: The Honourable William Ngiraikelau, Chairman, House
Committee on Judiciary and Government Affairs, House of
Delegates, Koror

The Honourable Minami Ueki, Chairman, Committee on
Capital Improvement, House of Delegates, Koror

The Honourable Santos Olikong, Senator, The Senate, Koror

Ms Irene Obeketang, Land Court Recorder, Koror

UNITED NATIONS BODIES

United Nations Children's Regional Monitoring and Evaluation Officer
Fund (UNICEF)U NICEF, Bangkok

United Nations Centre for Senior Human Settlements Adviser, Technical
Human Settlements Cooperation Division, UNCHS, Nairobi
(HABITAT)

Regional Coordinator, Urban Management programme,
UNCHS, Kuala Lumpur

United Nations Development Programme (UNDP)	Principal Technical Adviser Manager, Urban Development Unit, UNDP, New York
	Regional Representative, a.i., UNDP, Bangkok
	Regional Coordinator, Asia-Pacific 2000, Kuala Lumpur
	Manager, Rural Income Distribution and rban Development Unit, UNDP, Bangkok
United Nations Population Fund (UNFPA)	Country Director, UNFPA, Bangkok

SPECIALIZED AGENCIES

International Labour Organisation (ILO)	Senior Development Economist, Asian Employment Programme, ILO/ARTEP, New Delhi
Food and Agriculture Organization of the United Nations (FAO)	Regional Sociologist and Women in Development Officer, FAO, Bangkok
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Director, UNESCO/PROAP, Bangkok
	Assistant Programme Specialist for Social and Human Sciences, UNESCO/PROAP, Bangkok
	POP/ED, UNESCO/PROAP, Bangkok
World Health Organization (WHO)	WHO Geneva External Relations Officer, Division of Inter-agency Affairs, WHO Headquarters, Geneva
	WHO Liaison Officer with ESCAP, Bangkok
World Bank	Senior Urban Environmental Specialist, Asia Technical Department, Environment and Natural Resources Division, Washington D.C.

NON GOVERNMENTAL ORGANIZATION

International Council of Women (ICW)	Mrs Ruankeo Kuyyakanon Brandt, Representative, ICW, Bangkok
---	--

INTERGOVERNMENTAL ORGANIZATIONS

Asian Development Bank (ADB)	Mr James E. Rockett, Manager, Water Supply and Urban Development Division (West), ADB, Manila
Commission of the European Communities (CEC)	Mr Xavier Nuttin, Second Secretary, CEC, Bangkok

OTHER ORGANIZATIONS

Asian Institute of Technology (AIT)	Professor Ira Robinson, AIT, Bangkok
	Professor Ray W. Archer, AIT, Bangkok
	Professor Yap Kioe Sheng, AIT, Bangkok
	Mr A.T.M. Nurul Amin, Associate Professor, Human Settlements Development Programme, AIT, Bangkok
International Union of Local Authorities (IULA)	Mr J.H. Siregar, Secretary General, IULA, Jakarta
	Mr Boonyakit S. Tansakul, IULA, Jakarta
United States Agency for International Development (USAID)	Ms Julie Otterbein, Regional Housing and Urban Development Officer, Bangkok
Disabled Peoples' International	Mr Danilo B. Deljin, Regional Development Officer, DPI, Bangkok
United Towns Development (UTD)	Mr Jean-Marie Tetart, General Manager, United Town Development Agency, Levallois Perret, France
Hiroshima University	Mr Shunji Matsuoka, Associate Professor, Environmental Economics, Higashi-hiroshima
Kobe University	Mr Yoshimitsu Shiozaki, Associate Professor, Urban Planning, Faculty of Engineering, Kobe
Matsuzaka Women College	Mr Yoshihiro Okamoto, Associate Professor, Urban Planning, Japan

REPRESENTATIVES OF THE SYMPOSIA AND TRISHNET

Mr Mohsin M. Khir, Municipal Secretary, Municipal Council of Penang Island, Penang, Malaysia (Local Authorities)

Mr Kirtee Shah, Hon. Director, Ahmedabad Study Action Group, Ahmedabad, India (NGOs)

Mr Manuel Satorre Jr., Chairman, Philippines Environmental Journalists, Inc., Cebu City, Philippines (The Media)

Mr K.K. Bhatnagar, Chairman and Managing Director, Housing and Development Corporation, New Delhi, India (TRISHNET)

OBSERVERS

Mr Ahmed Nure Alam, Chairman, Forum of Environmental Journalists of Bangladesh, Dhaka, Bangladesh

Mr Shahidul Haque, Executive Director, SARPV, Dhaka, Bangladesh

Mr Vinay D. Lall, Director, Society for Development Studies (SDS), New Delhi, India

Mr Yok-shiu Lee, Fellow, Programme on Environment, East West Centre, Hawaii, United States of America

Mr Om Prakash Mathur, Professor of Housing and Urban Economics, National Institute of Public Finance and Policy, New Delhi, India

Mr Manzurul Ahsan Munshi, Member of Parliament, Dhaka, Bangladesh

Mr A.B.M. Musa, Secretary of Commonwealth Press Union, Dhaka, Bangladesh

Mr Mohammed Hussain Sahib, School of Australian and International Studies, Deakin University, Burweed Victoria, Australia

Mr Saghir Ahmed Siddiqi, Daily Dawn, Karachi, Pakistan

Mr Kulwant Singh, Executive Director, Human Settlements Management Institute, New Delhi, India

Meeting of Senior Officials
Symposia of: the media, local authorities
non-governmental organizations and
research and training institutes
Regional Urban Forum
Meeting of Ministers
Regional Action Plan
Bangkok Declaration