

# Chapter 3

## An Agenda for Managing Change and Adaptation

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Urbanization has significantly improved the economic prospects and social conditions for a large and increasing proportion of the people of the Pacific. In many Pacific countries the urban economy generates more than 60 percent of GDP and is now a major, if not the major, contributor to economic diversification, competitiveness, and growth in the region.

### A. The Need for Urban Policy

Few Pacific country governments have recognized the productive and employment-generating potential of the urban economy, however, and fewer still have articulated strategies to realize this potential. This lack of planning has left Pacific countries poorly prepared for economic globalization.

Population growth in many Pacific towns remains among the highest in the world. Governments and traditional leadership structures have found themselves unable to provide and maintain basic services for the large proportion of the population now living in towns. Deteriorating environmental and health conditions and declining real incomes and living conditions constitutes a crisis of urban management.

Population growth in the principal towns may be starting to moderate. In many urban areas in the region, increases in the populations reflect natural growth rather than migration from rural areas. Even so, migration is still regarded as the major cause of problems rather than as an inevitable response to forces facing the rural population in the transition from subsistence lifestyles to cash employment. Against this background it is not surprising that the policy response in many Pacific countries has been to encourage rural residents to remain at home.

Some countries have located productive economic activities (even such as garment factories) in rural areas, in an attempt to discourage migration to towns. Where such policies are founded primarily on incentives and subsidies, they are unlikely to prove sustainable in providing sufficient livelihood opportunities to reverse the trend of urbanization.

National development strategies in many Pacific countries recognize the overarching problems resulting from rapid, unplanned urbanization, but none contains a comprehensive set of policies to deal with them. There is no process through which issues affecting town communities are systematically reviewed. As a result, urban policy results by default from the interplay of other sector policies without having been considered in their own right. The lack of clearly defined roles means that no single body takes responsibility for urban issues. As a result, the benefits that might be derived from a comprehensive urban policy that is integrated into national development strategies are never realized.

### B. Establishing a Policy for Urban Management and Planning

Problems of poor-quality urban services are systemic, structural, and political, but they have been addressed on a technical and sectoral basis. Successive governments have failed to address these basic issues or create an enabling environment for achieving community awareness, stakeholder consensus, and political support for appropriate measures. The result has been increasing urban poverty, inadequate or unaffordable infrastructure and utility services, lack of affordable housing, increasing public health problems and environmental degradation,

and growing corruption and political polarization in Pacific towns.

A more effective strategy for stemming the decline in urban conditions calls for Pacific countries to articulate a vision and create a comprehensive strategy for restoring the quality of life of town dwellers and for increasing the productive potential and competitiveness of the urban economy. The starting point for doing so lies in:

- Recognizing the major contribution the urban economy makes to national employment and GDP and the need for an appropriate policy framework that can be integrated into national development strategies.
- Understanding the important role that effective urban-rural links can play in revitalizing rural and regional economic efforts. Balanced urban-regional strategies need to be framed through a participatory process oriented to economic opportunities that reflect regional comparative advantages and potentials.
- Taking action to address the lack of data on urban conditions and issues, particularly data on land ownership and use, planning, population, health, education, economic activity and employment, and income and poverty.
- Incorporating a spatial component in national economic growth and social development strategies that focuses attention on towns.
- Reviewing education sector strategies and achievements in relation to the skills required in the domestic and international economy to improve competitiveness in response to economic globalization.
- Strengthening disaster planning and management, through adaptation measures that reduce the social and economic disruption of these events, to which urban communities in the Pacific are particularly vulnerable.

- Recognizing the importance and utility of full involvement of all urban stakeholders in the process of urban planning and management.

### **C. Expanding Livelihood, Improving Productivity**

The UNDP report (Sustaining Livelihood's, Promoting Informal Sector Growth in Pacific Island Countries, UNDP 1999a) observes that whilst most employment policies and programs in Pacific countries focus on formal employment, only a minority of workers are currently in paid, formal sector jobs and that this situation is unlikely to change in the foreseeable future. However, the urban informal sector faces number of barriers that must be removed if informal sector activities are to grow in size and productivity.

The report concludes that, if governments want to encourage informal sector growth, they must examine the institutional and policy environment in which these enterprises operate and devise more supportive regulatory systems and development programs, particularly involving women and the urban youth. These mainly involved credit schemes, and start-up programs, and various types of special assistance to disadvantage groups such as women and youth.

Conditions that would enable small enterprises to succeed, which are often lacking, include adequate transport and communications infrastructure, non-formal education and skills development, assistance with production and marketing strategies, access to credit, information about viable business prospects or technologies, and removal of many obstacles in the form of legal restrictions and unsupportive government policies that these enterprises face.

Improving the base of information on existing employment and labor patterns would also facilitate framing policies and strategies. Tapping into the improving experience with micro-credit schemes in many countries around the World would also be beneficial for the Pacific countries.

## **D. Developing an Inclusive Approach to Urban Planning, Management, Service Delivery, and Quality Control**

Urban dwellers will be unable to achieve sustainable livelihoods in the coming decade unless Pacific governments and societies set clear strategic directions and priorities for urban areas.

Prospects for sustaining the benefits of development efforts can be improved by harnessing the energies of the wide range of stakeholders and by integrating traditional decision-making structures and community groups at the village and local government level within the wider urban decision-making structure through ongoing consultation and participation. For such a process to be fruitful, however, information on government services, policies, and proposals must be disseminated and stakeholder views actively sought, especially from women and youth groups.

Nowhere is broad-based consensus more urgently needed than on issues related to land use, which directly affects the economic potential of Pacific countries and the environment and health of people living in Pacific towns. Land use is rarely guided by sound public good considerations, however. Public information campaigns can be an effective vehicle for building public awareness of the link between land use planning and environmental and health concerns, and they can help initiate meaningful consultations by stakeholders.

### **Giving a Voice to the People: The Role of Local Government**

The opening of effective channels for community participation through the increased engagement of community leaders, customary landowners, and non-governmental organizations is needed to ensure more effective and sustainable development in Pacific towns. The formal and informal institutional mechanisms that might be used for making the

voices of communities heard are likely to differ from country to country. However, throughout the region, municipalities and town councils could be used to disseminate information on government services more effectively. They could also serve as forums in which communities could voice their views on the management of local affairs, on government policies and plans, and on land use and environmental issues affecting them. This may also help address problems of resource constraints and poor coordination between central government agencies and between central and local governments. Such a mechanism could be particularly effective if local governments were made responsible for coordinating planning and service delivery functions in their areas, as suggested above.

### **Developing a Shared Vision**

Many traditional development efforts in the Pacific have focused on short-term priority improvements to urban infrastructure and utility services as a basis for also starting to address some of the urban management problems, which require longer-term partnering. Certainly, infrastructure and utilities must keep pace with economic growth if productivity growth is to be maximized. However, the crisis of urban management is so great and the stakes are so large that without fundamental improvements in the urban management process, the potential impact of these development efforts remains at substantial risk and in some (perhaps most) Pacific countries, consideration should be given to convening an “urban summit.” Such a summit would provide a forum in which all stakeholders could engage in shaping a vision to define priorities and achievable goals for stemming the decline in income-earning prospects and the quality of life. Stakeholders could also agree on actions to be taken, including actions for improving land use and availability; delineate roles and responsibilities of the private and public sector and of civil society; and set a timetable for implementation. In principle, this vision would create a strategic development framework that cuts across institutional boundaries by establishing a multi-sector, multidisciplinary, partnership-based decision-

### **Box 10. The Regional Economic Development Initiative (REDI) Approach**

Tafea Province, in Vanuatu, has adopted a bottom-up approach to economic development planning called the Regional Economic Development Initiative (REDI). The initiative seeks to bring together members of the community together and various government departments in a technical assistance group to improve the province's development.

The approach uses a participatory planning process to ensure that communities identify what they themselves can do to achieve economic development and what services and assistance they need from others to help them achieve their plans. This makes economic development "real" to these communities and motivates them to act for themselves rather than wait for government programs that may or may not be consistent with local cultural traditions and preferences.

Grassroots plans are first pulled together at a neighborhood council, then at the local level and finally at the district level. At each level the support needed from various government departments is identified for incorporation into the government's development program. Support required might include access to outside investors, markets, and capital; improved infrastructure; or extension of municipal services.

The REDI approach, aims to generate a more informed response to the communities' development efforts. It focuses the attention of central and local government on the economic development needs of local communities, and it provides a mechanism for coordinating the delivery of government services with the private sector to remove bottlenecks.

Representatives from the appropriate government departments, area councils, NGOs, local businesses and chambers of commerce, and other stakeholders participate as the plan is being made. Area councils and island and provincial governments commit resources within their control. The output is a community-formulated resource development action plan that is "owned" by a broad-based constituency of stakeholders, all of whom have a vital interest in the plan's success.

making process. Community development indicators and benchmarks could be used to monitor progress and to update and modify programs as deemed necessary by representative forums.

It is not unusual for political dimensions or institutional considerations to cloud long-term strategic thinking. This is often the case when intractable and important topics—such as the customary land value system and its impact on social welfare and economic performance—are under debate. In such cases the strategic imperative may be subordinated to political expediency. Bringing a variety of stakeholder views can bring a broader, more balanced perspective to options for action.

### **E. Strengthening Urban-Rural Links**

The future in the Pacific, as elsewhere, will be increasingly urban. The impact of the dramatic demographic shifts of recent decades is clear, and continued growth in the population of key towns is inevitable.

However, physical planning needs to be integrated with economic and social development planning in a way that also recognizes the symbiotic relationship between towns and their hinterlands. Urban and rural development plans need to be complementary and mutually supportive and should include improvements in social and economic infrastructure in rural as well as in urban areas. Good transportation and communications links with rural areas would ensure that the benefits of urbanization are spread more widely.

In many Pacific countries, the most dramatic population growth has been in informal peri-urban settlements. These communities participate in and contribute to the urban economy, but they fall outside town boundaries, lack access to many of the public services provided in formal communities in town, and are not captured in urban statistics. Policies and innovative institutional arrangements need to integrate these communities into the urban social and economic mainstream.

Forging better links between rural and urban communities will also help rural communities. Tafea Province, Vanuatu, for example, has adopted a highly participatory, bottom-up

approach to development that reflects the intrinsic economic potential, comparative advantages, and skill base of the province and its people (box 10). The practical economic orientation and broad-based local ownership of this approach could well prove more viable than traditional government programs. Its success will depend, however, at least partly on the effective functioning of economic links with Port Vila. Improvements in urban management in Port Vila will directly contribute to minimizing transaction costs and therefore to promoting a more balanced and equitable development strategy. Such an approach could well be appropriate for other Pacific countries.

## F. Adopting an Effective Housing Sector Strategy

The first step to developing an effective housing sector strategy is understanding the problem. Data need to be collected on existing conditions and needs. Socioeconomic surveys could help identify residents' aspirations. Realistic assessments need to be made of affordability and real demand. The next step is to understand the land and housing markets. The availability of land and housing (types, standards, prices, owned versus rented) needs to be determined, and constraints to land supply identified. Infrastructure and building standards need to be reviewed and their impact on supply and prices determined (as was done in Fiji).

Financing aspects of the housing market also need to be understood. Analysis of the type and functions of financial institutions and financial intermediaries would help identify possible sources and cost of funds, especially long-term funds. Constraints to mortgage lending to lower-income clients also need to be identified.

The roles of the key players should be carefully defined. Generally speaking, the government should limit its role to studying the sector, identifying constraints, setting policy and playing an enabling or facilitating role. Private sector developers and contractors should acquire and service land, with private builders

constructing houses for sale or rent. Banks should mobilize savings and make mortgage loans at market rates.

Most importantly, however, formal housing sector activity needs to be seen as part of a more holistic shelter strategy that must also include low-cost serviced sites and upgrading of basic infrastructure, utilities and social services as a means towards improved security of tenure and livelihood in squatter and informal settlements.

## G. Improving Disaster Mitigation

As with other disasters, adaptation to climate and sea level changes will not be achieved by an *ad hoc* response to specific threats. Rather, disaster management should be viewed as an essential element of strategic risk management, and development strategy for urban communities. It presents an opportunity to rethink the way local governments can fulfil their statutory functions.

The basis for designing adaptation efforts is the historical record of extreme events, including their timing, location and intensity. Interpretation of these records, in the light of a scientific understanding of the particular hazard phenomenon, provides the basis for hazard mapping and estimation of event frequency and likely consequences. Hazard maps can be used to identify existing development that is at risk and to designate areas which should either be avoided or for which special land use controls and construction standards should be required. For obvious reasons, hazard mapping for key urban areas is particularly important, more especially so in high-density residential areas and where public or private capital investments are concentrated.

Disaster mitigation programs require policies and procedures that coordinate and mediate among government agencies as well as between the government and the private sector and community. Interventions and modalities must be culturally, socially, economically, financially, and politically acceptable to the communities

that will be most directly affected. The highest level of political support and leadership will be needed to bring all key players together and give legitimacy to disaster mitigation programs.

Given the limited human and financial resources available and the sensitivity of traditional landowners, adaptation programs need to draw on the views of a wide range of stakeholders and target sectors and areas in which the public interest is at greatest risk. Scoping exercises should be carried out to determine which sectors will be most affected and what coordination arrangements would be appropriate. The views of landowners, kinship groups and families, and community, village, and religious leaders as well as commercial enterprises should be solicited.

To generate interest and commitment, it is important that mitigation activities yield early results and reach as wide a constituency of stakeholders as possible. Public education and awareness programs provide an effective, affordable, and sustainable strategy. Regional cooperation is needed to compile loss scenarios for various parts of the country in order to provide a comprehensive account (including the longer-term losses of income to families, businesses, and tax revenues) and determine the costs of relief and rehabilitation. The benefits of such a regional effort would be large relative to the costs. A dissemination program could be installed in a regional center as a component of the regional observatory concept proposed later in this chapter.

At the national level governments should lead by adopting good practices themselves, prohibiting construction of government-owned structures and facilities in hazard-prone areas. Governments could also improve building codes, create incentives for compliance, provide technical assistance, and promote low-cost arrangements for retrofitting buildings to reduce vulnerability to damage. The focus should be on risk management rather than only on disaster preparedness. The potential for risk transfer through weather indices, insurance, re-insurance, etc. such as are being tested in the Caribbean and Nicaragua, should also be explored. Adaptation measures should also be

incorporated in donor-assisted development projects.

Whatever form activities take, adaptation and disaster mitigation should become institutionalized, so that it becomes an extension of the responsibility that comes with customary traditions. This requires ownership of the concept by the people, which in turn requires promotion of the concept through community participation.

## **H. Developing Appropriate Adaptation Measures for Improving Urban Services and Environmental Health**

An integrated, proactive, policy-driven response that addresses the range of factors that place communities at risk must be taken. The key priorities should be improving sanitation, water supply, and living conditions; protecting groundwater and coastal ecosystems; preventing sewage, chemical, and solid waste (containers) pollution in order to reduce the damage to reefs and the disruptive effects of disasters; and improving health facilities and services, in particular primary health care facilities.

### **Measures for Improving Use of Freshwater Resources**

Adaptation options aimed at improving use of freshwater resources mainly involve demand management measures including pricing policies that discourage high usage, consumer education and awareness, etc., supply enhancement measures such as leakage control and water conservation and plumbing measures. In the short term, leakage control measures are generally likely to be more cost effective than development of alternative additional sources. It should be possible to reduce current physical water losses from more than 50 percent to 25–30 percent. In Kiribati such a reduction in water losses would generate 300 cubic meters of additional water a day. Effective land use planning and management are most important for the protection of water reserves. It is imperative in many Pacific countries that agreement be reached with private landowners

and the community at large on appropriate arrangements, including administrative and legal procedures governing land use to protect existing and future water resources or “groundwater protection zones.”

### **Measures for Creating Non-polluting Sanitation Systems**

Appropriately designed composting toilets have proven) to be simple to construct and effective in protecting groundwater and in conserving water (as no flushing water is required). They also produce a useful agricultural fertilizer.

### **Measures for Reducing Illness**

Reducing the availability of mosquito breeding sites can lower the incidence of dengue fever. The most effective way to do so is through a community-based approach. Fiji’s approach relies on community motivation and participation to remove or modify potential mosquito breeding sites such as used tires, container-type rubbish, and water storage drums. Public education and mobilization initiatives and enhancement of vector surveillance and monitoring methods are also appropriate.

The incidence of diarrheal diseases can be reduced by enhancing sanitation services and practices to minimize pollution of groundwater, lagoons, and coastal waters; improving the quantity and quality of water by protecting and developing groundwater sources; and improving primary health care facilities, especially in terms of both professional and community expertise in treating infant and childhood diarrhea.

The risk of ciguatera poisoning can be reduced by reducing pollution of coastal waters with human waste and industrial wastes, fertilizer run-off, and other chemical pollutants.

## **I. Pooling Regional and International Knowledge**

Establishing policies for strategic and operational decision-making on urban issues requires a greater understanding of the issues, constraints, and opportunities affecting residents and businesses in Pacific towns. It requires that basic information about the quality, coverage,

and reliability of basic services be collected about communities. It requires that performance in delivering urban and community services be benchmarked and monitored against recognized standards of good practice (and good value) in other similar small town environments. It calls for coordinated institutional arrangements and a regulatory environment that minimizes transactions costs and encourages investment—including investment in areas that would help diversify these economies into new, higher value-added activities, such as service exports in information industries.

Efforts are being made throughout the Pacific region to address these development problems. Each country suffers from a relatively small knowledge base, however, and countries have found it difficult to benefit from information and experience of other countries in the region. To strengthen regional cooperation on urban planning and management issues, a repository of knowledge and experience could be established regionally that would enable individual countries to gain insights into options and approaches to the complex problems confronting them. Such a repository would enable them to network with regional counterparts, regional and international agencies, and NGOs, which often have the most to contribute to shaping approaches to urban problems, particularly through participatory approaches. National urban summits would be an ideal vehicle for widening the debate to emphasize the importance of access to relevant information and knowledge as an essential ingredient to integrating individual nations into the Pacific regional and global economy.

A regional center—which could be known as the Pacific Region Observatory on Urban Development (PROUD)—would serve as both a regional knowledge bank and a forum for examination of and dialogue on urban and regional development issues. International assistance could be sought to reinforce the capacity of regional agencies, which is considerable albeit fragmented; support institutional strengthening and capacity building; and facilitate networking to maximize access to international experience on relevant issues.

