

Conclusions and Recommendations

ADB's newly adopted long-term development strategy seeks to reduce poverty through "inclusive development and growth-promoting activities." The 2007 report of the Eminent Persons Group to the ADB President recommends a new and radically different paradigm of development banking for a new Asia that "blends knowledge generation with financial assistance" (ADB 2007). ADB's adoption of a new development strategy is timely because the economic and social situation in Asia and other parts of the world has dramatically changed since ADB was established in 1966. New issues—for example, climate change—have been added to the world's development agenda. The increasing number of destructive natural and human-made disasters has brought disaster management to the forefront of policy concerns. Most important, during the past 42 years, many Asian developing member countries have rapidly urbanized and many have achieved middle-income status. Close to 1 billion people are expected to be added to Asia's urban population in the next two decades, and ADB has estimated that in the coming 2 years, about \$60 billion per year will be needed to meet the costs of urban infrastructure and services in the region.

CCD is a holistic process that requires a long term comprehensive urban sector perspective rather than sector-by-sector intervention. Traditionally, responsibilities for providing urban infrastructure and services have been broken down into single sectors; however, fragmenting authority and responsibility along sectoral lines will not



work for CCD. For the implementation of CCD, sectors have to be integrated with each other through comprehensive development planning and/or unified governance arrangements. CCD responds to the new patterns of urban growth in Asia, which are shifting from monocentric to polycentric development. The rationale of the CCD approach is not simply on output-based infrastructure provision—emphasis should be placed on its intended economic spillover impact whereby an urban-led development approach can accelerate the growth with inclusive manner. It enhances development in cities with industry clusters by linking these through efficient urban infrastructure and services. It facilitates the development of greenfield areas by establishing special economic zones, industrial parks, and other development enclaves with built-in infrastructure, housing, and other services.

As shown in the analytical framework for CCD in section IV of this study, a number of barriers to CCD require mitigation. Many developing member countries have launched decentralization programs that vest authority and responsibilities on autonomous local government bodies. This has resulted in acute fragmentation of local jurisdictions and thus makes dealing with area-wide problems difficult. Since decentralization shifts the responsibility for paying for urban infrastructure and services to local government bodies, many of which do not have sufficient resources to assume such costs, fewer projects tend to be pursued. Decentralization also causes functional fragmentation among different central, province or state, or city or municipal agencies charged with providing urban infrastructure and services, which also makes it difficult to implement CCD.

To make CCD a viable instrument for urban development, the barriers to its implementation must be overcome. Some actions recommended for doing this are the following:

- Use comprehensive development planning approaches that link all the growth-generating elements in a city cluster to create an integrated form of urban development.
- Include urban sector programs in country development strategies and identify city clusters that can be targeted for CCD.
- Identify possible areas for CCD initiatives, taking into consideration the advantages and disadvantages of various types of city clusters, which can fall under categories such as urban corridors, megacity-dominated clusters, and subregional city clusters.

- Use the set of guidelines included in this study in choosing potential city clusters for CCD initiatives.
- Use urban infrastructure and services as the skeletal structures for the integrated development of city clusters and economic and social interrelationships as the lifeblood for enhancing CCD.
- Choose an urban region which has the strongest growth potential industries to take advantage of the positive spread effects from such cluster centers.
- Identify mechanisms for unlocking the true economic value of land and use them for formulating and implementing CCD initiatives.
- Use development instruments like special economic zones, industrial parks, and other development enclaves in pursuing CCD programs.
- Develop new urban governance structures—which might include metropolitan governments; special development authorities in charge of groups of services like water and sanitation, transport and traffic, and solid waste disposal; confederations of local government bodies; or unified governance systems for whole city regions—that encompass whole city clusters.