

CLOSING REMARKS

ASAD SHAH

Manager, Water Supply, Urban Development
and Housing Division (East), Asian Development Bank

The Urban Policy Workshop covered a broad range of issues relating to the urban sector and to development in the cities of the People's Republic of China (PRC). The four theme papers provided the context to our discussion, highlighting urban policy and market reforms, urban development management, urban finance, and urban environmental management.

Some important points were made in the theme papers, which are worth recapping here. One, there is much to learn from the experiences of other countries in Asia. Lessons learned were defined in three areas: urban governance, urban management, and finance options. Two, the talks on urban finance explained the potential of bonds and loans from commercial banks, the importance of a project's financial viability, and the steps that cities must take to improve local revenue sources. Finally, we discussed the increasing importance of private sector investment, and the changing role of cities from a provider of urban services to a facilitator of such services through the private sector.

The discussions on urban environment highlighted the Government's increased commitment to the environment, and the local governments' more proactive role in planning, promoting community participation, and adopting market-based approaches. The discussions on city planning showed how plans are implemented and how local urban managers meet challenges. Among the issues raised are the need to improve land management and for more clearly defined property rights, the capacity of urban institutions, and the problems of cross-jurisdictional coordination.

The workshop also gave a number of cities the opportunity to present their development visions, to share the constraints and problems they face, and to outline their strategies for meeting the growing demand for urban infrastructure. The presentations were very informative and will assist the Asian Development Bank (ADB) in further developing its pipeline of loan and technical assistance activities in the PRC, as well as help us strengthen our policy dialogue. We hope to build on the new relationships that have been forged with the cities.

Let me highlight some key points and issues that were raised in our discussions:

- The current context of market reform presents a historic, and unprecedented, opportunity to implement changes in Chinese cities.
- With continuing decentralization, central Government agencies such as the Ministry of Construction need to demonstrate their value-added to the cities they serve.
- Cities need to build on their abilities to translate their urban development vision into flexible, responsive, demand-driven strategies, and then translate these into reality.
- City development strategies need to be broad-based, holistic, and multipronged.
- Cities must develop integrated waste management strategies that address municipal, industrial, water, land, and air resources, etc. The introduction of clean technology processes, as well as an integrated approach to pollution control, should also be addressed.
- Demand management must be pursued and factored into decisions on urban infrastructure provision.
- The concept of urban management, which is generally viewed in a very narrow sense, needs to be broadened.
- There should be more focus on operation and maintenance and less on capitalization.
- Cost recovery and policies for economic pricing of water should be given importance.

- Cities need to empower themselves and the planning process through partnerships with government, the private sector, and local communities.
- Sound urban management requires strong institutions and capacity building, drawing on appropriate multidisciplinary skills and expertise to meet new needs and challenges. Training is key to this process.
- Cross-jurisdictional coordination is becoming increasingly important.
- The gap between urban infrastructure needs in Chinese cities and the required financial resources is staggering. Cities must consider a variety of options and think innovatively to achieve their development vision.
- Given the difficulty in financing all desired projects, cities must explore other approaches such as technical solutions that minimize demand, community-based approaches, etc.
- Urban poverty is an emerging problem that must be comprehensively addressed. Focus should be placed on extending the reach both in planning decisions and in the actual provision of basic services.
- Community participation is a critical factor in the planning process.

As the PRC continues to urbanize and as the demand for urban infrastructure increases, cities will need to continue to demonstrate a high level of initiative and innovation, and to develop solutions tailored to their own needs and to the changing context of a market economy. The challenges are great, yet I have no doubt that the Chinese authorities—the central Government and the cities themselves—are working hard to address many of the issues raised in the workshop.

On behalf of ADB, I would like to express my pleasure and sincere thanks to the Ministry of Construction (MOC), with whom ADB co-sponsored this workshop, the success of which is a testimony to MOC's untiring and most enthusiastic efforts. We look forward to further strengthening our cooperative activities with the

ministry and to its continued assistance in serving as ADB's liaison with the cities. I would also like to compliment all the speakers, the chairpersons, and particularly the participants, for their enthusiastic participation in the discussions.