The State of Pacific Towns and Cities
Urbanization in ADB’s Pacific Developing Member Countries

This report investigates urbanization trends across the 14 Pacific developing member countries of the Asian Development Bank. It examines the history of Pacific urbanization, current state of infrastructure and service provision within urban areas, and systems of urban governance. It presents key actions that Pacific countries need to take to manage urban growth, to meet the needs of their urban citizens, and to benefit from the potential of the urban economy.

About the Asian Development Bank

ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region’s many successes, it remains home to two-thirds of the world’s poor: 1.8 billion people who live on less than $2 a day, with 903 million struggling on less than $1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.
The State of Pacific Towns and Cities
URBANIZATION IN ADB’s PACIFIC DEVELOPING MEMBER COUNTRIES

Asian Development Bank
## Contents

Tables, Figures, Boxes, Map, and Appendixes

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>vi</td>
</tr>
<tr>
<td>Acknowledgments</td>
<td>viii</td>
</tr>
<tr>
<td>Abbreviations</td>
<td>vi</td>
</tr>
<tr>
<td>Key Terminologies Used in This Report</td>
<td>ix</td>
</tr>
<tr>
<td>Key Messages of This Report</td>
<td>xiii</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>The Nature of Pacific Urbanization</td>
<td>7</td>
</tr>
<tr>
<td>Current Trends in Pacific Urbanization</td>
<td>23</td>
</tr>
<tr>
<td>Features of Pacific Urban Areas</td>
<td>31</td>
</tr>
<tr>
<td>Urban Governance in the Pacific</td>
<td>61</td>
</tr>
<tr>
<td>Responses to Pacific Urbanization Challenges</td>
<td>77</td>
</tr>
<tr>
<td>Strengthening Urban Governance in the Pacific</td>
<td>95</td>
</tr>
<tr>
<td>References</td>
<td>131</td>
</tr>
</tbody>
</table>

### Appendixes

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Pacific DMC Urbanization Indicators, 2011</td>
<td>105</td>
</tr>
<tr>
<td>2 Country Case Studies</td>
<td>106</td>
</tr>
<tr>
<td>3 Questionnaire</td>
<td>125</td>
</tr>
</tbody>
</table>
Tables, Figures, Boxes, and Map

Tables
1 Urbanization in Pacific DMCs: The Rural–Urban Continuum 20
2 Key Pacific Population Indicators, 2011 24
4 Sectoral Composition of GDP in Selected Pacific DMCs, 1990, 2000, and 2010 33
6 Urban Sanitation Coverage in Selected Pacific DMCs, 1990, 2002, and 2015 49
7 Climate Change and Natural Disaster Impacts in Pacific DMCs 57
8 Local Governance Structures in Selected Pacific DMCs 63
9 The Impact of Urban Management and Planning Systems on Achieving Desired Urban Outcomes in Tonga 74
10 Checklist for Identifying Possible National and Local Level Entry Points for Reform of Urban Management Systems in the Pacific 104

Figures
1 Rural–Urban Migration as a Driver of Social, Economic, and Physical Change 16
2 Percentage Share of Pacific Urban and Rural Population 24
3 Percentage Share of Rural and Urban Population in Melanesia, Micronesia, and Polynesia 26
4 Urban and Peri-Urban Populations in Selected Urban Municipalities in Fiji 28
5 Incidence of Rural and Urban Poverty, Selected Years 39
6 Land Leased from Landowners by Government in Betio, South Tarawa, Kiribati 42
7 Factors Determining Security of Land Tenure in Pacific DMCs 47
8 Functions of the Urban Management and Planning System in Samoa 65
9 Major Challenges of Managing Pacific Urbanization 99

Boxes
1 The Changing Face of Pacific Island Life 2
2 Recognizing Urban Management as a National and Regional Development Priority 5
3 The Definition of “Urban” in the Pacific Context 11
4 Levuka: Colonial Capital of Fiji 12
5 The Functions of the British Colonial Office 13
6 New Forms of Villages and Social Structure: Urbanization on Kiritimati Island 19
7 Tourism Supports the Urban Economy of Port Vila, Vanuatu 32
8 The Diversity of Informal Urban Economic Activities in Four Mile Settlement, Port Moresby 36
9 The Importance of the Informal Economy to Kiritimati Island, Kiribati 36
10 Squatter and Informal Settlements in the Pacific Context 40
11 Squatting on Government Leased Lands in South Tarawa 42
12 Life’s not getting any better—Port Moresby 43
13 Water Supply in Dili, Timor-Leste 48
14 The Urban Environment and Health in South Tarawa
15 Urban Lifestyle and Health in South Tarawa
16 Threats to Sustainability of Urban Water Reserves in South Tarawa
17 Rising Sea Level Forces a Village in Fiji to Move
18 Operational Definition of Urban Management and Urban Planning in Samoa
19 Initiatives under the Vaitele Urban Governance Pilot Project in Apia
20 Tonga’s Urban Planning and Management System
21 The Challenges of Local Government in Service and Infrastructure Delivery
22 The Urban Development Program for South Tarawa, Kiribati
23 Urbanization and the Australian Aid Program: The Review of Aid Effectiveness
24 Partnership between Mount Hagen Urban Local Level Government, Papua New Guinea; and Orange City Council, New South Wales, Australia
25 The Pacific Region Infrastructure Facility
27 Toward Inclusive Urban Development in the Greater Suva Urban Area
28 The National Urbanisation Policy for Papua New Guinea, 2010–2030

Map
The Pacific’s Three Subregional Groupings: Melanesia, Micronesia, and Polynesia
Foreword

In late 2009, the Asian Development Bank (ADB) launched a new Pacific Approach, a framework for its role in the development of its 14 Pacific developing member countries (DMCs). The Pacific Approach expresses concern for the poorly managed urbanization processes in the Pacific DMCs and recognizes the strain urbanization has placed on urban infrastructure and services. Selecting urban development as one of its operational priorities, the Pacific Approach commits ADB to supporting good urban development through the supply and delivery of urban services in the Pacific.

This publication examines the urbanization process in the Pacific, the condition of urban infrastructure and services across the region, and the urban governance and management systems in place to manage urban development. The report points to ways in which ADB, Pacific DMC governments, and other urban stakeholders can improve urban governance, management, and development within the Pacific.

This report expands on the earlier publication of the same title which presented the highlights of the research on urbanization in the Pacific.

This report was prepared by ADB’s Pacific Department under the supervision of Andrea Iffland, director of the Urban, Social Development and Public Management Division. Andrea Roberts, urban development specialist, led the preparation and publication. Consultant Paul Jones, associate professor, Urban and Regional Planning Program, Faculty of Architecture, Design and Planning, University of Sydney, conducted the research and authored the report. Lynette Mallery edited, while Leticia de Leon proofread the publication. Emma Veve provided editorial assistance, Cecil Caparas coordinated the publishing process, and Emerlinda Macalintal provided overall administrative assistance.

Xianbin Yao
Director General
Pacific Department
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AusAID</td>
<td>Australian Agency for International Development</td>
</tr>
<tr>
<td>CDIA</td>
<td>Cities Development Initiative for Asia</td>
</tr>
<tr>
<td>CLGF</td>
<td>Commonwealth Local Government Forum</td>
</tr>
<tr>
<td>DMC</td>
<td>developing member country</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FSM</td>
<td>Federated States of Micronesia</td>
</tr>
<tr>
<td>GDP</td>
<td>gross domestic product</td>
</tr>
<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
</tr>
<tr>
<td>MLGUDHE</td>
<td>Ministry of Local Government, Urban Development, Housing and Environment (of Fiji)</td>
</tr>
<tr>
<td>NCDC</td>
<td>National Capital Development Commission (of PNG)</td>
</tr>
<tr>
<td>NGO</td>
<td>nongovernment organization</td>
</tr>
<tr>
<td>PIAC</td>
<td>Pacific Infrastructure Advisory Centre</td>
</tr>
<tr>
<td>PIFS</td>
<td>Pacific Islands Forum Secretariat</td>
</tr>
<tr>
<td>PIPP</td>
<td>Pacific Institute of Public Policy</td>
</tr>
<tr>
<td>PRIF</td>
<td>Pacific Region Infrastructure Facility</td>
</tr>
<tr>
<td>PUA</td>
<td>Pacific Urban Agenda</td>
</tr>
<tr>
<td>PNG</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>PUMA</td>
<td>Planning and Urban Management Agency (of Samoa)</td>
</tr>
<tr>
<td>RAP</td>
<td>Regional Action Plan</td>
</tr>
<tr>
<td>SPC</td>
<td>Secretariat of the Pacific Community</td>
</tr>
<tr>
<td>SPREP</td>
<td>Secretariat of the Pacific Regional Environment Programme</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
</tr>
<tr>
<td>UPMS</td>
<td>Urban Planning and Management System (for Tonga)</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
</tbody>
</table>
Acknowledgments

The author thanks Sarah Mecartney (UN-Habitat, Fiji); Jude Kohlhase (Planning and Urban Management Agency, Samoa); Max Kep, Elias Masta, and Moken Sam Phel (Office of Urbanisation, Papua New Guinea); Tebutonga Ereata (Land Management Division, Ministry of Environment, Lands and Agriculture Development, Kiribati); Chris Radford (UN-Habitat, Japan); Jeanie McKenzie (Secretariat of the Pacific Community); and all survey respondents for their valuable insights and inputs into the research and report.
Key Terminologies Used in this Report

**Cultural permeation of urban areas**: the interface of rural norms, values, attitudes, and aspirations of ethnic, kin, clan, and tribal groups in day-to-day life in Pacific towns and cities. The term was developed in Papua New Guinea (PNG) in 2009 as a result of national consultations undertaken during the preparation of the first National Urbanisation Policy for PNG, 2010–2030.

**Customary land**: it refers to land held in accordance with customs and usage, including laws relating to such. Customary lands are characterized by families, kins, clans, and tribes having varying collective (rather than individual) interests, rights, and obligations in the use, management, and development of such lands. Most Pacific developing member countries (DMCs) reflect the rights and interests of customary landowners in their own laws and legislative frameworks, including the institutions and processes by which customary lands are shared and distributed, and disputes resolved.

**Fragility**: describes Pacific DMCs characterized by (i) isolation relating to both geography and knowledge sharing; (ii) weak state functions of policy formulation, resource accumulation, and public sector governance; (iii) weak social, political, and security systems that affect the delivery of essential infrastructure and services; (iv) volatility and unpredictability of international assistance; and (v) a high level of vulnerability to climate change and the occurrence of natural disasters. Responding to fragility requires a tailored approach (Asian Development Bank [ADB] 2009).

**Institution**: a structure comprising rules, regulations, practices, and processes by which the policies, plans, and visions of government are operationalized. The culture of institutions changes from time to time to align with new planning and policy directions, including the political agendas of government and changes in the meaning of what constitutes the public interest.

**Land tenure**: the rules, norms, and practices as defined in law or in customs by which individuals and groups manage land use and development of their lands (Australian Agency for International Development [AusAID] 2008b).

**Melanesia**: includes the larger Pacific DMCs to the north and east of Australia’s eastern seaboard, including Fiji, PNG, Solomon Islands, and Vanuatu. Melanesia also includes the indigenous coastal dwellers of the southwest Pacific.

**Micronesia**: includes more than 2,000 atolls, islands, and reefs in the Western Pacific to the northeast of Melanesia. Micronesia is characterized by low islands and atolls with harsh climates, and includes Kiribati, the Marshall Islands, Federated States of Micronesia (FSM), Nauru, and Palau.
**Partnership:** collaboration between development stakeholders which involves sharing benefits, risks, and agreed responsibilities; and which is oriented toward the achievement of a specific objective or goal. Partnerships offer potential for greater coordination and accountability in project conceptualization, design, and implementation.

**Peri-urban:** areas of contiguous urban settlement on the edge of Pacific towns and cities. These are often unplanned, under-serviced settlements that lie outside the boundaries of urban local level government jurisdiction. They are not included in urban census enumeration.

**Physical planning:** a tool used for assisting management of urban and rural growth. It includes the process of making and implementing subdivisions via masterplans and structure plans so as to manage the physical growth of towns and cities. This includes formally planned areas, peri-urban areas, unplanned and informal settlements, and rural service centers.

**Polynesia:** comprises the central and southern Pacific islands and it includes the Cook Islands, Samoa, Tonga, and Tuvalu.

**Public interest:** a term that describes an understanding of an agreed state of welfare or well-being which the general public supports, either implicitly or explicitly. The notion of public interest is central to the development and implementation of policies, politics, democracy, and the nature of government. Depending on the subject matter and viewpoint of stakeholders that comprise the public realm, there can be much debate over what exactly constitutes the concept of public interest, as it evolves and changes over time.

**Rural village in the city:** the persistence of squatter, unplanned, and informal settlements that exhibit the physical, social, and sociocultural characteristics of rural villages, but within an urban setting. An increasing number of people move to towns and cities, but still behave in the image of the rural societies from which they have come. Such squatter, unplanned, and informal settlements are often developed as enclaves, being characterized by settlers who have migrated and retained strong ties to a particular kin, ethnic group, rural area, or locality, including outer islands. The phenomena of the “rural village in the city” will dominate urban development in Melanesian DMCs over the coming decade.

**Settlement:** areas comprising unplanned and informal urban development which may be on state, freehold, or customary land. Settlements on state lands are often illegal, as occupation defines a settler’s right to live on these lands (squatter settlements). Unplanned and informal settlements are often associated with arrangements that are negotiated with customary landowners. Planned settlements are those in which services and infrastructure follow after initial development. The largest number and greatest concentration of unplanned and informal settlements in the Pacific are found in Melanesia.
**Sociocultural order**: the prevailing norms, values, attitudes, and aspirations that shape the way islanders interact and participate in their economic, social, and political way of life. Pacific sociocultural orders are influenced, among other matters, by urbanization, globalization, and monetization. The features that define Pacific sociocultural orders are interconnected, being firmly anchored in custom and usage associated with land, locality, kin, and ethnic group.

**Spatial plans**: plans or policies that relate to a defined physical area such as a town, city, or local area. Spatial plans provide strategic guidance and direction, either of a legally binding or advisory in nature, for addressing urban growth issues such as those relating to land use, housing, location of infrastructure, and environmental protection and conservation. Masterplans, structure plans, and the like are common forms of spatial plans.

**Urban areas**: a built-up area containing a higher-density central area surrounded by formally planned areas, as well as growing settlements (planned, unplanned, and informal). An urban area can be classified according to administrative criteria, such as function, population size, density, economic characteristics, and level of service and infrastructure. Urban areas include built-up areas as well as peri-urban areas outside a designated urban local government boundary. Each Pacific DMC has its respective definition of what defines an urban area, as well as a town or city.

**Urban development**: includes public and private sector initiatives relating to water supply, sanitation, power, health, education, roads, drainage, and the like, all aimed at improving the social, economic, and environmental well-being and condition of urban areas. Activities associated with urban development projects and programs can be classed as “hard,” such as physical engineering works for constructing or improving water supply, sanitation, and drainage facilities, or as “soft,” which refers to activities associated with institutional strengthening and capacity building.

**Urban management**: a holistic, cross-sectoral, and integrated approach to managing the existing and future demands of population and urban growth, including the social, environmental, governance, infrastructure, and services dimensions. Using tools such as urban investment plans, institutional arrangements and the like, urban management provides the framework under which sector proposals can be considered within an agreed urban setting. Urban management can include the concept of urban planning, such as that which occurs at the local, town, or city level in respect of land use plans; strategic planning; development assessment; and related rules, regulations, and agreements. The first urban management plan for the Pacific Region was the *Urban Management Plan for South Tarawa* in Kiribati in 1995. Urban management remains a foreign concept at the Pacific national, town, and city level.

**Urban poverty**: an inadequate level of sustainable human development underpinned by a lack of (i) access to basic services and infrastructure,
(ii) human rights and opportunities for participating fully in community life, and (iii) access to productive resources and income for meeting basic household needs in an urban setting. In its most basic form, poverty is the denial of opportunities and choices necessary for underpinning human development (ADB 2004; and Kiribati National Statistics Office and United Nations Development Programme Pacific Centre 2010).

**Urbanization**: the process by which people move from rural areas to towns and cities, causing social, economic, and environmental consequences. Urbanization is the spatial translation of the production structure of the economy whereby there is a declining share of primary (agriculture) production, and an increasing share of secondary, industrial, and tertiary services sectors, with higher levels of productivity located in the urban areas. The urbanization process drives changes in the form and structure of towns and cities, as well as changes in attitudes and behavior, consumption patterns, and lifestyle of urban and rural residents.

**Urbanization of poverty**: the increasing concentration and number of people living in poverty in urban areas as a result of the urbanization process. In many regions of the world, the urbanization of poverty will result in more people living in poverty in urban areas than in rural areas. The first reference to the urbanization of poverty in the Pacific region occurred in reference to Fiji in 2004, during the formulation of the *Urban Policy Action Plan for Fiji*, a technical assistance initiative undertaken jointly by ADB and the Government of Fiji.

**Village cities**: in the Pacific context, these are towns and cities characterized by an urban structure in which squatter and informal settlements dominate the urban form. Village cities are now the emergent urban form in the towns and cities of Melanesia, and, to a lesser degree, Micronesia. Village cities will increasingly define both urban growth and urban development in Pacific towns and cities over the coming 10–15 years.
The nature and identity of Pacific urbanization are unique and have been shaped by a number of defining features. These include the influence of the colonial powers in the genesis of the towns and cities of Pacific developing member countries (Pacific DMCs);\(^1\) the impact of rural-to-urban migration; the rise of the “rural village in the city” and, more recently, “village cities”; the strength of Pacific sociocultural orders and their cultural interface within urban areas; and the urbanization of poverty.

Variations in urbanization conditions, urban management, and urban development issues between Pacific DMCs are characterized by the following factors:

1. the diversity in context and setting—social, cultural, ethnic, linguistic, political, economic, and environmental—that distinguishes the three sub-regional groupings of Melanesia, Micronesia, and Polynesia;
2. the scale of the issues, such as squatter and informal settlements, shortcomings in the quality and reliability of services and infrastructure, and the breadth of urban poverty; and the extent the issues physically and socially pervade Pacific urban areas; and
3. the intensity of urban issues on Pacific town, city, and national development agendas.

The geography of Pacific DMCs, combined with land tenure patterns and levels of formal and informal economic activities, exerts a strong influence on the structure of Pacific towns and cities.

The state of Pacific towns and cities is a tale of two differing types of towns and cities underlain by commonalities. In Polynesia and Micronesia, there are towns rather than large cities that feature high rates of urbanization, are homogenous in their ethnic makeup, and have low levels of urban security issues. Levels of squatter and informal settlements are generally low to moderate, but rising. On the other hand, there are the larger towns and cities of Melanesia which have the largest proportion of the region’s urban population, but generally have lower rates of urbanization (with the exception of Fiji), and the largest population numbers in squatter and informal settlements. In addition, these Melanesian towns and cities are widely diverse in ethnic, cultural, and linguistic groups; and, generally, have declining urban liveability conditions which include urban security issues. Both types of towns

---

\(^1\) Pacific developing member countries refer to the members of the Asian Development Bank (ADB) in the Pacific—the Cook Islands, Fiji, Kiribati, the Republic of Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu.
Urbanization has been an inevitable response to deteriorating, or at best, stagnating conditions in rural areas and outer islands. and cities are subject to the impacts of climate change and natural disasters, environmental degradation, and varying levels of governance effectiveness and economic performance.

Based on the most recent population censuses of Pacific DMCs, the average urbanization rate, or the percentage share of the urban population in the total population, was 43.5%. The higher rates of urbanization in Micronesia and Polynesia skew the rate of Pacific urbanization. The urbanization trends in Pacific DMCs align with the broader global trends in urbanization, in that urban population growth continues to outstrip rural population growth and the proportion of the total population living in urban areas continues to rise. This underscores the rapidity of urban growth confronting Pacific DMCs.

In 2011, there were 2.03 million persons residing in Pacific urban centers, which accounted for approximately 20% of the total Pacific population (Table 2). This indicator of urbanization is highly skewed by Papua New Guinea (PNG) which has 67% of the Pacific population. If PNG is excluded from this calculation, the proportion of the Pacific population living in urban areas rises to approximately 34%. There is a significant variation between countries, ranging from 100% urban in Nauru to 13% in PNG. At current population growth rates, the urban population of the Pacific is expected to double within the next 25 years.

Urban growth in the Pacific has not been uniform. The circumstances in Melanesia—including geography, rising urban and rural poverty, resource potential, diversity of indigenous groups, political instability, ethnic tensions, access to land, tribal fighting, and general fragility—mean they are different from other Pacific DMCs in terms of urban population size, scale of squatter and informal settlements, urban security concerns, and general deterioration of the urban environment. A key message of this report is that the urban challenges in Melanesia are more diverse and complex than those in Micronesia, Polynesia, and Timor-Leste.

Urbanization has been an inevitable response to deteriorating, or at best, stagnating conditions in rural areas and outer islands. The main drivers of urban growth in the Pacific are tied to issues associated with real or perceived inequalities in socioeconomic opportunities, which fuel rural migration by disadvantaged and poorer groups to towns and cities. The belief of Pacific governments that overcrowded towns and cities could be resolved by upscaling rural development programs has not materialized. Underperforming rural areas simply cannot provide the employment and wage opportunities to the growing population. As a result, there has been migration from smaller outer islands to larger islands, and from rural areas to towns and cities. For many, living in an environment of urban poverty is seen as a better option than remaining in depressed rural areas characterized by poverty.

Central to the process of Pacific urbanization is understanding the dynamics of the varying sociocultural orders, that is, the connectivity and interplay of Pacific norms, values, attitudes, and aspirations; and how these are expressed in the urban setting. As rural-urban migration has continued, the concept of the “rural village in the city” has become embedded in the urban form of Pacific towns and cities. The notion of the “rural village in the city” refers to the expansion of squatter and informal settlements which exhibit the physical, social, and cultural characteristics of rural villages, including ethnic
and kinship groups, but within an urban setting. This trend is common in all Pacific towns and cities, and is most pronounced in the patterns of urban growth as seen in the larger towns and cities of Melanesia, where up to 50% of the urban population comprise squatter and informal settlements.

With uneven patterns of low economic growth, not everyone is able to benefit from the minimal gains which trickle down and are unevenly distributed in Pacific urban areas. The urban poor are struggling to gain access to land, housing, basic services, and infrastructure; and to participate in political decision making. One major consequence is that squatter and unplanned settlements are now a permanent feature of the fabric of Pacific towns and cities. This provides fertile conditions for the growth of “village cities,” where towns and cities are characterized by an urban form and structure in which squatter and informal settlements are increasingly the dominant type of urban development. This phenomenon is now being seen in the towns and cities of Melanesia, and in parts of Micronesia.

Poverty and hardship are both a symptom and a driver of squatter and informal settlements. Responding to the consequences of such urban form and structure on the physical, social, and economic development of Pacific towns and cities looms as the largest urban management challenge of the next decade.

Despite inefficiencies in infrastructure and services, Pacific towns and cities are engines of national economic growth. Urban-based economic activities make a significant contribution to gross domestic growth (GDP) in Pacific DMCs, with some urban areas contributing up to 80% of national GDP. As a general trend observed in the Pacific, as the share of agriculture in GDP declines, the share of services, such as tourism, increases. As Pacific economies have undergone structural adjustment, including a shift from an underperforming rural sector, an increasing share of GDP has been produced in the services sector. The sectoral shift in the distribution of GDP, generated through both formal and informal activities, has been increasingly located in urban areas.

The overall trend in Pacific towns and cities is that urban economic activities have strengthened the viability of rural economic development by providing markets, processing centers, and transhipment points for rural products, natural resources, and other goods. The concentration of activities and flow-on effects on labor and specialized economic activities have positive impacts in both urban and rural areas.

The decline in the living conditions of Pacific towns and cities, including a growing urban divide in the distribution of wealth and income, is mirrored in the increasing intensification of urban poverty levels. The recent global economic crisis highlighted the overdue recognition that those in poverty and hardship in Pacific DMCs are increasingly prevalent in urban areas. In the Cook Islands, Kiribati, the Federated States of Micronesia, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu, the size of the urban population with incomes falling below the basic-needs poverty line is greater than the corresponding population in the rural areas. The four exceptions to this are Fiji, Palau, PNG, and Timor-Leste. However, the Melanesian countries (PNG, Solomon Islands, and Vanuatu), with their growing number of “rural villages in the city” and emerging “village cities,” and Timor-Leste still have
While Pacific towns and cities concentrate opportunities, jobs, and services, they are also significant contributors to environmental degradation through unmanaged production, consumption, waste generation, and a growing urban footprint in peri-urban areas. The greatest numbers of people living in urban poverty. This trend reinforces the urbanization of poverty now being seen in Pacific DMCs, and underscores an expanding urban underprivileged class characterized by restricted access to education, and with little formal employment and stagnating incomes.

With the exception of Fiji, there is no systematic program and commitment in the Pacific to public investment in the provision of serviced land or housing for low-income groups. Inefficient, slow, and cumbersome frameworks for accessing land under customary tenure, as well as limited stocks of state land, remain major obstacles to urban development. Where the private sector is active, the middle- and higher-income groups with access to credit and formal employment tend to be the focus of land and housing development activities. This further reinforces the urban divide and inequalities that now define Pacific towns and cities.

While Pacific towns and cities concentrate opportunities, jobs, and services, they are also significant contributors to environmental degradation through unmanaged production, consumption, waste generation, and a growing urban footprint in peri-urban areas. They also concentrate health risks, since the incidence of poor health is greater when large population cohorts are concentrated in lower socioeconomic groups. Particularly given the expanding urban populations of most Pacific counties, it is an overwhelming task to manage the demand for, and maintenance of, infrastructure and services such as water and sanitation facilities, roads, bridges, hospitals, power stations, airports, drainage facilities, and wastewater systems.

Climate change and natural disasters pose an overarching threat to the Pacific and further undermine the inherent fragility and vulnerability of the Pacific DMCs. Urban areas are at the frontline of the impacts of climate change, given that the majority of their population, settlements, and supporting infrastructure are located in coastal areas. Developing and sustaining adaptation measures as they evolve at the community level will not be easy, as attachment to land and sociocultural values and practices muddy solutions. This includes the speed of adaptation, and what can realistically be expected to be achieved in the short term.

Pacific urban governance remains fractured, primarily in the fragile states in Melanesia. Both state government systems and local traditional structures, including urban management and planning arrangements, are working with limited effectiveness in the urban setting. Importantly, formal state and local governance structures remain unaligned and out of step with the needs of a growing body of residents who are increasingly disenchanted with their quality of life. Quality of governance is essential in improving the urban condition of the Pacific.

Pacific countries with more effective and progressive forms of urban management and planning arrangements tend to have a better balance between formal state government systems and local traditional structures. These Pacific countries have less ethnic diversity as compared to the Melanesian countries, which invariably means fewer disputes and less disunity in the urban setting. The experience of Polynesian countries, namely, Samoa and Tonga, illustrates that the factors required to successfully undertake major urban reform include political leadership, local champions,
a groundswell of community support for change, institutional and technical capacity, and development partner support for implementation.

Eight overarching challenges associated with better managing Pacific urbanization have been identified. These challenges focus on achieving improved urban outcomes, and leadership and governance. These are: (i) a growing and changing urban population; (ii) accessing land, affordable housing, and financing of basic infrastructure and services; (iii) supporting the urban economy; (iv) targeting urban poverty; (v) blending state and traditional forms of governance; (vi) developing Pacific-specific planning systems for urban management; (vii) addressing climate change, disaster risk management, and negative environmental impacts; and (viii) placing urban management on to national and regional development agendas.

There are no easy solutions to addressing the plethora of Pacific urban issues emanating from the urbanization process. The essential strategies, policies, and skills required to better manage Pacific urbanization include outlining national visions and perspectives; building on current regional initiatives such as the Pacific Urban Agenda, which was formulated under the sponsorship of the United Nations Economic and Social Commission for Asia and the Pacific, UN-Habitat, and the Commonwealth Local Government Forum; establishing the appropriate balance between generating plans and policies and delivering infrastructure and services; forging partnerships and seeking long-term commitment to the urban sector; tackling land and housing markets; documenting knowledge learned and building a base of evidence for change; and raising the bar in education and advocacy.
Introduction

In 2009, for the first time in human history, more people were residing in towns and cities than in rural areas. With over 80% of people in the developed world now living in towns and cities, urbanization will be increasingly focused in developing countries. In Pacific developing member countries (Pacific DMCs), national and city indicators point to urbanization continuing to intensify over the coming decades. While there is much diversity in Pacific DMCs in terms of the share of the total population that lives in urban areas, the overarching trend is one of an increasing number of people, including rural migrants, making their homes in the deteriorating urban conditions of Pacific towns and cities. Not surprisingly, leading Pacific planning practitioners have described the state of urbanization in some Melanesian countries in 2011 as ‘chaos, mayhem and anarchy’ (Kep 2011a).

Against this background, Pacific urban issues have been documented as not being adequately acknowledged by development partners, researchers, and governments alike. “For too long, there has been policy paralysis on urbanization” (Pacific Institute of Public Policy 2011: 1). This has occurred despite the important role Pacific towns and cities play in local and national growth, as well as in regional development (Storey 2006). Sentiments of anti-urbanism and a lack of interest in urban reform, urban policy, and the urban sector generally have been couched by some practitioners in terms such as “everybody’s but nobody’s business” (Jones and Kohlhase 2002: 27) and “flying blind” (Haberkorn 2008: 113). The result has been that urban management and wider urbanization concerns have not been considered as mainstream issues for attention in national and regional development agendas (Jones and Lea 2007; Storey 2006; United Nations Economic and Social Commission for Asia and the Pacific and UN-Habitat, 2009). In the communiqué of the 42nd Pacific Islands Forum Leaders meeting held in Auckland, New Zealand, from 7–8 September 2011, for example, the word “urban” appears only once in the main communiqué (in regard to urban youth), and the word urbanization appears once also in the communiqué’s Annex 1 (Pacific Islands Forum Secretariat [PIFS] 2011). As such, urbanization and the urban sector struggle for visibility on national and regional development agendas.

“Urbanization—the increase in the urban share of total population—is inevitable, but it can also be positive. The current concentration of poverty, slum growth and social disruption in cities does paint a threatening picture: Yet, no country in the industrial age has ever achieved significant economic growth without urbanization. Cities concentrate poverty, but they also represent the best hope of escaping it.”

Pacific urban areas play a pivotal role as engines of growth, both nationally and regionally. Where they are not directly positioned as major contributors of gross domestic product (GDP)—noting that many Pacific capital towns and cities contribute over half their national GDP—they remain influential as gateways and conduits, playing a major role in supporting and facilitating non-urban-based economic activities such as mining, fishing, and forestry. They are also centers of national and regional service facilities such as health care, schools, and tertiary education. However, the potential contribution of urban areas to economic and social growth is constrained by inadequate infrastructure and services (in terms of coverage, service levels, and quality), inability to access land, high costs of housing, governance issues, and rising urban security concerns.

Attributes associated with the liveability and sustainability of Pacific towns and cities are becoming increasingly problematic, leading many to ask what it means to be a Pacific islander in the new millennium (Box 1). The concentration of people in Pacific towns and cities creates benefits and opportunities. However, the scale, nature, and rate of urban growth also create negative consequences. The flow of the rural poor and other disadvantaged to squatter and informal settlements with no certainty of land security, housing, clean water, or sanitation, for example, questions the appropriateness of arrangements for governance, as well as the wider urban management. Who is really benefiting from planning? How is planning defined in the Pacific urban context and how inclusive is Pacific urban development? Why is it that the management of Pacific towns and cities is not topical or popular on national and regional development agendas? The challenge of supporting economic growth in both the formal and informal sectors, while grappling with deteriorating quality-of-life issues for Pacific town and city dwellers, is one of many urban issues to be addressed.

Along with other development partners, the Asian Development Bank (ADB) plays a major role in improving the quality of life in Pacific towns and cities. While *The State of Pacific Towns and Cities* discusses numerous urban development and management concerns, there are three overarching drivers—urbanization of poverty, rise of squatter settlements, and poor urban governance and management—that reflect a need to intensify focus on Pacific urbanization and Pacific urban areas.

**Box 1: The Changing Face of Pacific Island Life**

“Most people thinking about the Pacific picture a tranquil rural setting, surrounded by coconut trees, the serene ocean, and living an agricultural life that is plentiful in fruit and root crops with a sea teeming with fish. That postcard perfect landscape is changing. The population numbers are not as dramatic as the world’s mega cities, but the Pacific is facing simultaneously high population growth and rapidly accelerating urbanisation. In most cases we are simply not well enough prepared to cope with the challenges and opportunities that presents. Urbanisation needs to be managed, and urban management needs to be viewed as a national priority. It requires governments to give serious consideration to housing, health, education, investment and employment policies; it requires people to think about how they want to live—to define what it means to be a Pacific islander in the 21st century.”

The Urbanization of Poverty
In 2004, ADB compiled the highly regarded Pacific Studies Series report entitled *Hardship and Poverty in the Pacific*. In responding to rising poverty and declining living standards, the report was underpinned by extensive consultation, and was the first significant attempt to define poverty in the Pacific context. Pacific poverty was equated with hardship, and defined as “inadequate levels of sustainable human development through access to essential public goods and services and access to income opportunities” (ADB 2004, ix). This assessment indicated that hunger, destitution, and absolute poverty, as it occurs in many other developing countries, were not common traits in the Pacific region. Eight years on, the situation has changed, as circumstances have deteriorated in most Pacific DMCs. Pacific economies have generally struggled to make gains, with performance being negatively impacted by the global economic crisis, natural disasters, political instability, ineffective governance, and ethnic tensions. In the Pacific DMCs, formal employment cannot keep pace with population growth, the “youth bulge” continues to expand, and urban security issues have become the norm.

Poverty is no longer hardship alone, but rather a permanent feature of vulnerability and deprivation in one form or another in the Pacific. In Fiji, Kiribati, Papua New Guinea (PNG), Samoa, and Solomon Islands, destitution, malnutrition, begging, child labor, and mushrooming squatter settlements indicate that extreme poverty has arrived in the Pacific. The ongoing process of Pacific urbanization has put this fact into clearer focus, as most of the poverty is increasingly concentrated in urban areas. In fact, the Cook Islands, Kiribati, the Federated States of Micronesia, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu have greater levels of urban poverty than rural poverty. The gap between the “haves” and the “have nots” is widening; and while some enjoy a reasonable or high quality of life, an increasing proportion of the population is immersed in poverty and struggling to meet daily subsistence requirements. Pacific urban areas have become a focal point in the changing geography of poverty.

Squatter Settlements
The incidence of urban poverty in Pacific DMCs is manifested in the form of sprawling squatter and informal settlements clustered in and around Pacific towns and cities. It is estimated that 800,000 to 1 million Pacific urban residents live in squatter or informal settlements, with all the major Pacific towns and cities—especially the Melanesian capitals of Honiara, Port Moresby, Port Vila, and Suva—having squatter and informal settlements that house 15%-50% of their total urban population. These settlements cannot be separated from the urbanization of poverty, as they are symptomatic of the underlying economic and social malaise that has been embedded through poor governance and ineffective institutions and policies, the ultimate result of this being an urban underprivileged class.

The dynamics driving the creation and expansion of such settlements—stagnating rural and urban economies, high rural birth rates, growing poverty, lagging urban infrastructure and services, and the inability to access formal land and housing markets—all point to a continued expansion of squatter and
Informal settlements. While these settlements can be termed “rural villages in the city,” some are of sufficient size and number to coalesce into “village cities.” These settlements will become the dominant Pacific urban form in the next 15 to 20 years. In fact, this is already true of Port Moresby, the Pacific region’s largest city.

This urban future raises major questions regarding governance and the appropriate focus of efforts for attaining the Millennium Development Goals (MDGs), as well as for poverty reduction. The MDG Target 7D (improving the lives of 100 million slum dwellers by 2020) is particularly important in this regard, although both Pacific national and regional reporting have remained silent on this issue (see, for example, AusAID 2008a; PIFS 2010). Part of the rationale of this report is to present the reasons for investing in people, land, housing, and livelihoods, to ensure that Pacific urban areas can reach their full potential as generators of economic growth across the Pacific region.

Arrangements for Urban Governance and Management

Many urban development activities underway in Pacific towns and cities are undertaken with one or more development partners. These activities include projects and programs for upgrading water supply, sanitation, and drainage facilities, as well as building bridges, roads, and ports. Managing urbanization and urban growth in Pacific DMCs is complex, and is much more than undertaking urban development projects that are often not anchored in city plans and overarching visions. When working effectively, urban governance is grounded in systems and structures that manage and support economic growth, liveability, and the sustainability of Pacific towns and cities. Effective urban governance is underpinned by decisive decision making, and is championed by leaders who aspire to achieve equity in the living conditions of Pacific towns and cities. This often requires leaders to straddle their spheres of influence in both modern state and traditional governance systems (Box 2).

In Pacific urban areas, growth problems have increased risks to the quality of life, expanded urban poverty, and revealed the depth of the difficult challenges associated with the provision and maintenance of services and infrastructure. In all Pacific towns and cities, disparities in living standards, including the quality of housing, access to land, connections to water and power, and sociocultural exclusion, have all served to embed poverty and urban inequalities. The governance systems, which create such conditions in Pacific towns and cities, are often inherited from colonial times, and serve to exacerbate the gap between the rich and the poor. Having urban governance systems that treat everyone the same—despite the vast disparities in Pacific human development—means growing segments of the urban population will continue to be excluded from decision-making processes and sharing of resources. Notions of “public interest” as reflected in current Pacific urban governance and the wider urban management arrangements are a “glass half full.”

The conditions needed to support good urban governance and wider urban management in Pacific DMCs appear to have gone missing. The fragility of the Pacific urban sector has exposed issues of governance that cannot be separated from timely provision of land, transport, services, and other economic infrastructure. Urban governance and management in the Pacific are crosscutting tasks requiring the coordination and alignment of institutions,
Box 2: Recognizing Urban Management as a National and Regional Development Priority

The future for the Pacific is distinctly an urban one. Countries have the opportunity to better shape and manage rapid urbanization by recognizing it as a national development issue and responding to the multisector challenges with an inclusive multi-tier government, private-sector and community-based approach. Addressing the key concerns of land, housing, and governance is integral to achieving a healthy physical, social, and economic environment for all Pacific communities.

The regional urban management initiative, the Pacific Urban Agenda (PUA), highlighted urban issues and focused on committing planners to addressing challenges. In the last five years, some Pacific developing member countries of the Asian Development Bank have made positive steps toward establishing urban plans including development controls. However, in a context characterized by the absence of solid political commitment, minimal policy guidance, insufficient resources, and weak institutional and government structures, the effective implementation of actions has been limited. As such, the intended beneficiaries of urban management and planning, that is, urban and peri-urban residential communities, the economic sector, and the wider environment, have seen little progress in recent times.

The role of urban areas in supporting a healthy and wealthy population and economy needs to be better understood and incorporated into national and regional development agendas. Urban management is everyone’s responsibility, and an increased emphasis on nurturing good urban governance encompassing a broad coalition of willing partners including the representation of customary authorities is well overdue.

Source: Interview with Sarah Mecartney, UN-Habitat Pacific Manager, Suva, Fiji. 2 December 2011.

stakeholders, planning, and partnerships, including access to finance. Public investment in roads, ports, water, power, and even waste management, where they are currently provided, far outweigh funding that should be allocated for realigning land markets and upgrading squatter and informal settlements. When such undertakings are not addressed, disparities and divisions in the Pacific urban condition worsen, as expressed in the current patterns of Pacific urban growth.

In the above setting, urbanization in the Pacific is a matter of national and regional significance. The challenges of contemporary Pacific urbanization, including understanding its multifaceted dimensions and how these are best addressed via Pacific urban management arrangements, are a joint responsibility. While tailored approaches are required, common principles can be applied in developing new ways forward, including addressing major gaps in services and infrastructure. Revitalized local, national, and regional approaches, including new skills and ways of looking at and supporting the growing urban sector, are required. This report is a contribution to such outcomes.
The Nature of Pacific Urbanization

The Setting

The Pacific region contains the world’s largest expanse of water, punctuated by an array of small and large islands. Collectively, these islands comprise more than 20 nations, including 14 Pacific developing member countries of the Asian Development Bank (Pacific DMCs). These countries reflect vast differences in land area, population size, culture, ethnic composition, and economy. Despite this diversity, many of them share common challenges, such as geographic isolation, vulnerability to natural disasters and climate change, and a limited natural resource base, all of which constrain economic development. Human, technical, institutional, and sociocultural constraints also limit the ability of Pacific DMCs to effectively manage their affairs and the efficiency of their governance. These factors include urbanization issues.

Understanding the varying subregional settings and the diversity within them is a key factor in contextualizing Pacific urbanization trends. The Pacific region contains more than 7,500 islands of varying origins. The region thus includes coralline islands, either as raised islands or low atolls; islands of volcanic derivation; and “continental” islands. The region is often subdivided into three geographic areas: Melanesia, Micronesia, and Polynesia. Despite shortcomings associated with the boundaries, these subregional designations are still used today to reflect the three major social, cultural, ethnic, linguistic, and geographical groupings of the western, northwestern, and central-eastern Pacific (see Map).

Melanesia dominates the other two subregions in terms of key features such as land area; population; ethnic, cultural, and linguistic diversity; and natural resource potential. It includes the larger Pacific DMCs to the north and east of Australia’s eastern seaboard such as Fiji, Papua New Guinea (PNG), Solomon Islands, and Vanuatu. The Melanesian islands are referred to as continental islands; and are primarily volcanic, fertile, and resource-rich. The grouping comprises approximately 98% of the total land area of the Pacific region; and, as such, stands in stark contrast to the other two Pacific subregions.

Micronesia (“small islands”) refers to the more than 2,000 atolls, islands, and reefs in the western Pacific to the northeast of Melanesia. The grouping generally comprises low islands and atolls with harsh climates, and includes Kiribati, the Marshall Islands, the Federated States of Micronesia (FSM), Nauru, and Palau. Polynesia (“many islands”) refers to an array of islands in

---

2 The 14 Pacific DMCs include the Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia (FSM), Nauru, Palau, Papua New Guinea (PNG), Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu.
the central and southern Pacific, including the Cook Islands, Samoa, Tonga, and Tuvalu (Jones 1997). Timor-Leste sits to the west of Melanesia, being located in southeast Asia toward the eastern end of the Indonesian archipelago.

**Urbanization in the Pacific DMCs**

Pacific urbanization is a process of transition associated with the movement of people from rural areas to towns and cities that is accompanied by major economic, social, and environmental change (Connell and Lea 2002; Jones 2011b). Urbanization in the Pacific is a relatively recent phenomenon that emerged primarily in the post-colonial period, and gained momentum during the beginning of the 1960s when many of the Pacific DMCs gained their independence. The urbanization process in the Pacific has been uneven, as populations have generally increased and Pacific DMCs have found themselves drawn into varying patterns of regionalization and globalization. Urbanization in the Pacific has for the most part been accompanied by human migration both internal and external, the latter leading to higher urban population densities, though for some islands, it has resulted in depopulation. The lives of islanders, especially urban dwellers, have become increasingly regional and circulatory, as they are connected to regional and international relationships. This includes impacts that have resulted from flows of remittances and regional educational
opportunities. As such, Pacific towns and cities have become increasingly complex systems of social, economic, and environmental forces that continue to change and evolve.

The growth of urban areas in the Pacific has been characterized by demographic change, population movement, and growing and changing urban-based economies, all occurring within the context of a generally mediocre economic performance. This has included structural change as a driver of economic activity in rural as well as urban areas. In this setting, the urbanization process and other drivers of national development strongly frame the context in which planning needs to respond to the growing array of issues and concerns in Pacific towns and cities. Since the 1980s, urbanization in the Pacific has intensified and seen pronounced changes in

- demographic and population patterns;
- the physical structure of towns and cities, including impacts on traditional villages and customary land ownership;
- pressures to mobilize the three factors of production (land, labor, and capital);
- human behavior, including values, norms, attitudes, and expectations;
- community control systems which shifted to state rules and regulations (often acknowledged by islanders, but ignored in practice); and
- lifestyle, family, and social changes (Jones 2011b).

The conceptualization of what characterizes Pacific urbanization has changed over the last 20 years. In the 1980s and 1990s, towns and cities were seen as increasingly overcrowded, with urban management issues resolved by stopping the influx of rural-urban migrants, and development partners asking to upscale rural development programs. Many Pacific DMCs preferred to limit migration, seeing rural-urban drift as a trend driving adverse urban change. Pressure was being placed on land, housing, and growing settlements; while others blamed urban living as the cause of isolating islanders from their cultures, traditional values, and norms (PIPP 2011). Providing services and infrastructure in Pacific towns and cities was viewed as a means of attracting more people and thus creating problems in urban areas. There were strong anti-urban biases influencing Pacific national plans and policies that shaped the way urban areas were viewed and conceptually constructed. Anti-urban policy, including settlement demolition, evictions, and calls for squatters and settlers to return to their rural lifestyles, had little impact in stemming the growth of Pacific urban areas.

In the 21st century, there has been a shift in attitude in the Pacific DMCs regarding what constitutes urbanization, albeit slowly. While pro-rural thinking continues to influence development agendas as reflected in large budgetary allocations for health, education, power, and other infrastructure improvements in rural areas and outer islands, Pacific urbanization is increasingly seen as being about managing the transition of traditional societies to modern ones. “Urban is civilization and civilization is modern, and modern is efficient service delivery” (Kep 2011b). Urbanization in the Pacific is now being viewed as modernizing villages, communities, districts, and towns, so that the benefits of urbanization are widespread rather than being enjoyed by a small percentage of the population (Dekena 2010). There is increasing recognition of the importance of urban areas as major players in generating
There is increasing recognition of the importance of urban areas as major players in generating gross domestic product (GDP), productivity, and economies of scale through their concentrations of population and diversity of formal and informal economic activities.

Within this setting, urbanization in Pacific towns and cities has been recently documented in many literature (see, for example, Chand and Yala 2008a, 2008b; Connell and Lea 2002; Goddard 2005; Jones 2005, 2007, 2011b, 2012; Jones and Lea 2007; Maebuta and Maebuta 2009; Mawuli and Guy 2007; Mecartney 2001; Mohanty 2006; Storey 2006, 2010) as being characterized by

- growing towns and cities, where affinity to rural place of origin remains strong among rural-to-urban migrants;
- urban growth rates exceeding rural and national growth rates;
- a backlog of demand for services and infrastructure;
- little or no formal serviced land to cater to urban and peri-urban population growth;
- rising squatter and informal under-serviced settlements;
- increasing rates of poverty compared to rural areas, including adverse impacts on children;
- escalation of land disputes and conflicts, with individuals or select groups of customary landowners “selling” their lands;
- increasing impacts of climate change focused in towns and cities on low-lying atolls and narrow coastal hinterlands;
- constraints in governance, human resources, and capacity building;
- poor understanding of what urban management is, and how to make cities more efficient and effective engines of economic, social, and environmental growth;
- limited resource allocation in national budgets and limited consideration of the urban sector in national development plans; and
- slow recognition of the importance of well-managed urbanization as a major and potentially positive driver of socioeconomic change.

**Dimensions of the Term “Urban”**

In the Pacific context, the term “urban” has taken on a number of meanings, as the nature and identity of the urbanization process have unfolded (Box 3).

The physical urban areas of Pacific DMCs are expressed in a number of different forms, varying greatly in terms of population size, density, structure (including the extent and number of villages), land area, land use, quality and type of buildings, and relationship to peri-urban areas. “Urban” can incorporate a relatively small town connected by villages stretching along a coastline as in, for example, Apia and the villages along northwest Upolu in Samoa. It can also include a small town connected by villages on a series of islets, or on one single island such as South Tarawa in Kiribati, Rarotonga in the Cook Islands, Koror in Palau, Majuro in the Marshall Islands, or Funafuti in Tuvalu. Traditional villages, such as Apia village in Samoa around which the growing town of Apia has developed, only complicate the notion of “urban” (for example, many associate the Apia urban area with the traditional village of Apia of the same name).
A small island, such as Nauru for example, is defined as 100% urban. However, in reality, only parts of the coastal perimeter are urbanized in nature. In the larger Pacific DMCs, there are significant urban centers with a large population whose urban form is not significantly constrained by inherent physical characteristics. This is seen in the Melanesian capitals such as Suva in Fiji, Port Vila in Vanuatu, Honiara in Solomon Islands, and Port Moresby in PNG. The definition of the formal physical boundaries of Pacific urban areas is also problematic due to the extent of peri-urban areas outside the formal urban boundary.

**The Origins of Pacific DMC Towns and Cities**

The nature of urbanization in the Pacific context is unique, and understanding its origins and how it occurred is essential to responding to urban growth issues. While the growth and change in Pacific towns and cities reflect their geography, resources, and social and political past, urbanization patterns in Pacific DMCs have their genesis in the colonial administrations that sought to establish trade and seek economic gain. Urban centers in Pacific DMCs emerged primarily as European colonial creations, arising as a consequence of foreign influences that sought to establish commercial and administrative centers.
It was only in the mid-19th century, as part of wider ventures that sought to claim new territories and develop trade, that the first Pacific towns emerged and adopted a permanent form, such as Apia in Samoa and Levuka in Fiji.

With the exception of Dili, which was proclaimed the capital of Timor-Leste in 1769 at the commencement of nearly 400 years of Portuguese colonization, early European explorers from the 16th to the 19th century, including the Spanish, Dutch, French, English, and Americans, did not establish permanent settlements in the Pacific region. Cross-cultural encounters with the islands and their inhabitants were initially sporadic, and increased during the 18th and early 19th centuries as a result of more frequent visits from traders (such as slave traders in the former New Hebrides, now Vanuatu), planters, whalers, ships of war, and missionaries. The 18th and 19th centuries brought an influx of foreigners that included beachcombers who established residence and became entrepreneurs and traders in island groups such as Fiji, Samoa, and Tonga (Meleisea and Schoeffel 1997). It was only in the mid-19th century, as part of wider ventures that sought to claim new territories and develop trade, that the first Pacific towns emerged and adopted a permanent form, such as Apia in Samoa and Levuka in Fiji (Box 4).

As a general rule, indigenous groups were located in scattered hamlets that were dispersed throughout the islands. In fact, “There is no word in the Polynesian language for village or town, for the pre-European islanders had neither. They lived in small, single-storey, single-room homesteads which were scattered at random throughout the whole of their tribal territory” (Cameron 1987, 29). In larger islands such as those in Melanesia, areas were often occupied for short periods until groups moved to other areas to accommodate cultivation cycles. Communities vulnerable to attack tended to cluster closely together. Historically, large concentrations of people did not exist, except in PNG where large clan-based groups of up to 1,000 people or more lived together. Thus, the emergence of towns based on groupings of villages interspersed with planned development driven by trading and service

---

Box 4: Levuka: Colonial Capital of Fiji

The non-indigenous settlement of Levuka began with beachcombers in the 1830s. By the 1850s, Levuka’s deep and protected harbor and exposure to the tradewinds meant that a small town had developed into a principal port that was in demand by European, Australian, and American traders in the South Pacific. By the 1860s, Levuka had developed into a major commercial center for Fiji. Trade in beche de mer, coffee, copra, cotton, and other commodities began to attract additional residents to Levuka. The signing of the Deed of Cession at Levuka on the nearby island of Ovalau in October 1874 opened the way for Fiji to come under the protection and colonial rule of Great Britain.

In 1874, Levuka town was formally declared the first capital of Fiji, thriving economically in its role as colonial capital. The British Royal Engineers constructed a range of public works such as sea walls, wharves, roads, and other amenities. Public schools, shops, churches, a bank, a municipal town council, and a newspaper were established during this period in Levuka. As the town began to expand, it was decided that the geographical features of Levuka, especially its offshore island setting and the treacherous surrounding reefs with narrow harbor entrances, were too restrictive. Thus, in 1877, a new capital was planned by the British administration in Suva which offered a better harbor and greater opportunities for expansion. As a result, Levuka’s importance began to diminish.

functions can be viewed essentially as a colonial creation that was generated by foreign cultures at varying periods throughout recent Pacific history.

Towns were established as part of wider imperatives to develop centers of trade and administration, while addressing the shortcomings of the indigenous population as perceived by Europeans (Box 5). Colonial systems of government were developed and inherited by Pacific DMCs, with government being the main impetus for the establishment of many towns, including provincial or district capitals. In contrast to the large populated centers of the United Kingdom, Europe, and America, and excluding Portuguese-controlled Dili, Pacific towns and cities did not emerge in response to any comparative advantage derived from trading their goods, or from any benefit derived from shared religious or cultural attributes. Economic drivers, where they did exist, had not been developed to a level where population could be concentrated, and the associated administrative systems and technological capacity could be put in place (Doumenge 1999).

The colonial administrators, including America, Australia, Germany, France, New Zealand, Portugal, and the United Kingdom, generally oversaw well-laid-out service towns and hamlets, which included the formalization of villages. A “modern village” in the Kiribati island of Makin circa 1931, for example, was described as being characterized by its siting, street alignment, and style and size of housing as prescribed and set down by government (Maude 1989). The towns were often based on survey plans and acquisition of land from customary landowners for the provision of basic infrastructure and services, such as roads and ports. There was a strong emphasis on colony development plans, including physical planning; and in later years, the need for land use planning to be linked to island and national development plans (United Nations Development Advisory Team [UNDAT] 1975).

The work of the British Colonial Office, for example, touched on every aspect of government in their Pacific colonial territories and protectorates. “The essence of its work is that it advises, assists, and carries out the directions of the Secretary of State on everything pertaining to his responsibility for the good government of the Colonial territories” (Her Majesty’s Stationary Office 1960, 4). Not surprisingly, the Pacific DMCs inherited strong colonial development systems in terms of imported policy, legislation, and institutional arrangements at local, national, and other levels. These planning elements, especially in Pacific DMCs where there was lengthy British occupation such as Fiji, Kiribati, and Solomon Islands, remain dominant.

Box 5: The Functions of the British Colonial Office

“Most of the Colonies are in tropical areas where the advance of the people has been retarded by unfavourable natural conditions. The Colonial Governments are thus at grips with some of the most complex and, at the same time, most fascinating problems facing the world. They have to bring to bear all the resources of the western civilization in overcoming the natural landscapes which are the lot of so many in the tropics: and as the natural handicaps are overcome, and a sound economy established, they have to guide the people to social betterment and political maturity.”

An important part of this urbanization process was alienation of customary lands from traditional landowners to freehold and government lands. European settlers claimed title to land for housing, churches, and business; while colonial governments required land for public uses (such as administrative offices, police stations, hospitals, and radio operations) as well as for agriculture (such as for copra plantations). As a result, customary land systems within and adjoining towns were interpreted and deliberated on by outsiders. Many systems were transcribed into colonial land registers, with their interpretation enshrined in land and title regulations. With land divested from traditional owners by traders, missionaries, and colonial administrators, claims for compensation became a contentious issue, with many claims still ongoing in Pacific urban centers.

From the 1960s, the urbanization of cities and towns in the Pacific DMCs flourished in the era of independence, and accelerated in the post-colonial and current periods. Colonial centers expanded into surrounding villages, clusters of villages grew into towns, and towns grew into cities. In the 1980s and 1990s, global trade, the development of new markets (fishing and marine resources, minerals, and tourism), and relaxation of colonial policies, served to hasten the urbanization process. Islanders were increasingly attracted to towns as they become entrenched centers of commerce, opportunity, and seats of government. As traditional ways of bartering and exchange became obsolete, monetization took on increasing importance in the urban setting. As a result, cash and access to money have become necessary prerequisites for living in Pacific urban centers.

In the above setting, the nature and identity of Pacific towns and cities have slowly evolved, with growing urban villages, towns, and cities with their strong rural connections becoming a melting pot of modern, “outside world” and traditional ways (Jones 2010). Even as early as 1975 in pre-independent Kiribati, urbanization was recognized as a challenge that needed to be addressed with difficult decisions. “The urbanisation problems of South Tarawa are considerable and a comprehensive planning study of the area is needed to identify the problems and propose solutions for political consideration” (UNDAT 1975: 3).

**Rural-Urban Migration**

Urbanization has been an inevitable response to deteriorating, or at best, stagnating conditions in rural areas and outer islands. The main drivers of urban growth in the Pacific have been connected to issues associated with real or perceived inequalities in socioeconomic opportunities and, more recently, rising levels of rural poverty, all fuelling rural-urban migration by the disadvantaged and poorer groups. Underperforming rural areas cannot meet the employment and wage requirements of the growing population. As a result, there has been migration from smaller outer islands to larger islands and from rural areas to towns, especially national capitals (noting that in most Pacific DMCs, there is only one major town or city).

During the colonial era, administrators strictly controlled rural-urban migrants by denying them authorization to travel. As a result, anyone without formal permission to work and live in a town was returned to their village. Vagrancy laws and night curfews were enforced, as seen in Port Moresby and
other towns in PNG. Towns were places of order and colonial modernity, and were thus seen by many islanders as places for the elite. After the Pacific DMCs gained their independence, restrictions on migration were relaxed, and a tide of free and uncontrolled movement commenced. As a result, the most dramatic migration from rural areas and outer islands to towns took place in the 1960s as the Pacific DMCs gained independence and began setting their own course of destiny. The urban fabric as developed by expatriate civil servants and inherited by the Pacific DMCs was thus remodelled and recast by the islanders themselves.

Rural-urban migration, and for some Pacific DMCs, international migration, is a significant factor in determining the growth patterns of Pacific towns and cities. In PNG, for example, the latest census shows that 20% of the total population were not born where they were enumerated. Of these migrants, 37% were counted in urban areas. Males were slightly more likely than females to be migrants in urban areas. Significantly, 58% of Port Moresby’s population comprised migrants. In other words, more than half of all urban residents were not born in Port Moresby. In urban areas, migrants were more likely than those in rural areas to have moved long distances, with 70% of migrants having moved between provinces (Government of PNG 2003). In Kiribati, the 2005 Census showed that only 49% of South Tarawa residents were born in South Tarawa (NZ Aid Program and AusAID 2007).

Rural-urban migration is included in the range of “push” and “pull” factors that are Pacific-context-specific. Rural “push” factors include landless persons or those who lack adequate access to arable land; the unemployed; and victims of poor service delivery, family disputes, ethnic, clan, and tribal fighting (often over land), and the hardship of harsh island physical environment and natural disasters. “Push” factors also include individual and family expectations regarding the potential gains to be derived from education and employment. In the context of isolated rural areas in Melanesia benefiting from resource royalties, “push” factors include rich landowners moving to urban areas to spend the wealth they have derived from such royalties (Kep 2011a).

“Pull” factors driving rural-urban migration include the attraction of social, health, and education amenities; employment possibilities in mining towns, on agricultural plantations as found in Melanesia and Micronesia (the Line Islands), or in urban areas, all of which imply an income higher than that possible in rural areas (Office of Urbanisation 2010) (see Figure 1).

The Rise of the “Rural Village in the City” and Emergence of “Village Cities”

Central to understanding the process of Pacific urbanization is understanding the dynamics of the varying sociocultural orders, and how they express themselves in the urban setting. The sociocultural order comprises those norms, values, attitudes, and aspirations that bind, to varying degrees, households, kins, and other societal groups in the Pacific. The sociocultural order constrains or promotes the way islanders participate in their economic, social, and political way of life. This includes resolving, coping, and adapting to urban development and management issues (Jones 1997).

Hamlets and, more recently, villages have played a central role in the Pacific way of life, especially in the evolution of Pacific towns and cities. Most Pacific
The concept of the “rural village in the city” refers to the expansion of squatter and informal settlements that exhibit the physical, social, and cultural characteristics of rural villages, inclusive of ethnic and kinship groups, but within an urban setting.

Towns and cities have developed around a patchwork of traditional villages which over time have been consumed by development into the urban footprint. Town growth and expansion have leapfrogged traditional village areas into modernity, creating a mosaic of traditional villages intermixed with planned and unplanned development. These villages or territorial enclaves operate under traditional rules of governance, and, as such, their status and rights have been preserved in current land use planning and governance arrangements, including legislation. This is reflected in the patterns of traditional villages found in Apia, Port Moresby, South Tarawa, and Suva.

As rural-urban migration has gained momentum over the last 40 years and economic circumstances have changed, a new type of village has emerged that has become synonymous with the urban form in Pacific towns and cities. The concept of the “rural village in the city” refers to the expansion of squatter and informal settlements that exhibit the physical, social, and cultural characteristics of rural villages, inclusive of ethnic and kinship groups, but within an urban setting (Jones 2011b). Identity and association with rural place of origin and kin are paramount in such communities. It has been recognized for some time that as increased numbers of people move to towns and cities, they think, live, and behave like rural villagers within the urban context (see, for example, Connell and Lea 2002; Goddard 2010). Subsistence and low-level commercial activities are part and parcel of the character of these “rural villages in the city.” “In the ghettos, the home cultural values predominate and Pacific peoples behave as they do in their home villages” (Duncan 2007, 928). This trend is common in all Pacific towns and cities, and is most pronounced in the patterns of urban growth as seen in the larger towns and cities of Melanesia, where urban poverty levels are highest and urban conditions are acknowledged as the worst (Jones and Lea 2007).

These villages often exhibit strong social coherence, and have distinct connections to place, including both urban and especially rural localities. Like
recent rural-urban migrants, first- and second-generation urban dwellers born of migrant families also perpetuate rural-urban ties. Cultural identity; awareness of community norms and obligations; and connection to kin, tribe, and place of origin are all important in the “rural village in the city.” As in rural areas, the marketplace is still the center of exchange and social congregation. In this context, these villages are far from being an undesirable part of Pacific towns and cities, being characterized in their creation by history, social connectivity, and politics.

In the Pacific context, this phenomenon provides fertile conditions for the growth of “village cities,” as seen in the towns and cities of Melanesia and parts of Micronesia. These are towns and cities characterized by an urban structure, where squatter and informal settlements are the dominant component of the urban form (Jones 2011c). Western planning systems with their strict urban planning rules and regulations, such as formal street and plot layouts, standardized housing setbacks, and connections to reticulated water and sanitation facilities, have little relevance and influence in the form and structure of such settlements.

Planning, however, does take place, with recent research in PNG confirming that settlement housing is laid out in a basic semblance of rows and clusters, with roads and footpaths clearly marked out to provide connectivity (Chand and Yala 2012). Thus, informal institutions based on social groupings put in place their own rules to ensure that a sense of order is created to support their communities. Informality, non-recognition of modern government rules and regulations, and fluidity of planning are the norms.

In emerging Pacific village cities, key neo-traditional urban values, namely, mixed-use, high-density, compact, walkable, and pedestrian-oriented villages define the physical village form. Ironically, such values have been criticized as being absent in the sprawl of towns and megacities of the developed world (see, for example, Ellis, 2002). While the outward appearance of villages comprising the village city is one of substandard housing, low levels of services, and, for some, disordered layout and chaos, these villages are rich in cultural planning.

Compared to Micronesia and Polynesia, the urban villages and settlements of Melanesia retain strong kinship and ethnic ties to rural areas and outer islands. In Port Moresby, for example, settlements cater to just under half of the urban population (300,000 persons), are spread over 99 settlements, and have been characterized as carrying out a traditional way of life (UN-Habitat 2008a). Settlements in Port Moresby have been described as “cosmopolitan networks of tribal groupings or anarchical sub-cultures, which have been defined by ethnicity and regionalism within an urban context” (Muke et al., 2001, 7). Settlements are now a permanent feature of the urbanization process, and, in the next decade, “village cities” will emerge as the dominant urban form in many Pacific towns and cities. Such marked division of urban space raises major implications for Pacific social, physical, and economic development.

**The Cultural Permeation of Urban Areas**

The robust social, cultural, and economic connectivity between urban and rural areas reinforces the perspective that the distinction of an urban-rural divide and “modern” and “traditional” is no longer a rigid dichotomy. Enhanced by increased transport options and affordable communications such as mobile
phones, the “death of distance” has highlighted the importance that urban residents place on maintaining their connections with families and relatives in rural areas and outer islands. For example, in 2008, the opening up of the telecommunication sector in Vanuatu saw the number of mobile phone subscribers increasing from 23,000 to 100,000 in six months (PIPP 2009).

The influence of the Pacific “urban region” is now far and wide, as both urban and rural residents reinforce their identity by associating with urban kin who have come from the same village, clan, tribe, district, province, or outer island. The importance of the relationship with one’s extended family and maintaining this relationship, where possible, underly social identity and enhance respect. The notion of “urban” and “rural” is closer to one another than ever before, as islanders maintain in varying ways their connections and allegiances to the family unit, sub-clan, clan, and tribe or island group when in an urban setting.

The blending of the sociocultural order into the urbanization process shaping Pacific towns and cities, including the control systems, processes, and mechanisms that apply and have evolved within the urban context, has been termed as the “cultural permeation of urban areas” (Office of Urbanisation 2010). This concept, developed in the PNG setting to explain how traditional norms and values interface within the urban setting, is fundamental to understanding the patterns of Pacific urbanization. Against a backdrop of Pacific DMCs that are still predominantly rural in character and are surviving via subsistence economies, this concept helps in understanding the issues underlying the cultural diversity of the Pacific urban fabric. This includes: (i) attitudes toward public property, assets, and law and order; (ii) the physical form and structure of squatter and informal settlements; (iii) the inclusiveness or otherwise of settlements, including ethnic and clan groups within urban areas (Box 6); and (iv) understanding and appreciating what it means to be a “responsible urban citizen” such as caring for the environment. Managing the consequences of the intersection of traditional sociocultural orders and modern urbanized lifestyles looms as one of the major challenges that Pacific urban management currently faces.

Vanuatu, for example, has more than 100 tribes and over 150 languages. PNG has 800 tribes and numerous local dialects spread over 150 islands. Madang province on the north coast of the PNG mainland and home to a major tourist town of the same name has more than 173 linguistic groups. Solomon Islands has more than 70 languages spoken on more than 90 islands. Such ethnic, linguistic, and cultural diversity filters its way via various means, including rural-urban migration, into the social, economic, and environmental fabric of urban areas. Conflict is one consequence of this interface. “The wide-ranging, and often conflicting, cultural values they have brought from their villages clash with each other. Trying to settle a quarrel in a settlement is as difficult as trying to make a drunk walk a white line” (The National 2011). The concept of cultural permeation is also fundamental in explaining how in circumstances of hardship and poverty, such norms including egalitarian values and sharing serve to entrench squatter and informal settlements and reinforce their persistence.

Within the context of a myriad of lifestyles existing in rural and urban areas, the way in which such changes associated with the urbanization process
The Nature of Pacific Urbanization

Box 6: New Forms of Villages and Social Structure: Urbanization on Kiritimati Island

“A major feature of the settlements as developed in Kiritimati Island is the absence of the unimwane (old men) system and the intricate social order surrounding the maneaba system in the villages of Kiritimati Island. The traditional meeting house in Kiribati called the maneaba is more than just a physical structure. It is the center of the social fabric of life in outer-island villages. Each family has an allocated place to sit in the maneaba that is associated with a role defined by tradition, which is reflected by each family in the maneaba and in the village. Central to the maneaba system are the unimwane who meet in the maneaba to discuss and make decisions on issues that affect daily village life. Old men’s decisions on rules and regulations carry significant weight, and have often conflicted with western laws, particularly as they relate to sanctions for wrongdoings in the village.

On Kiritimati Island, this important traditional system has been lost in the villages with the surge of population from the outer islands to main urban centers. Those newcomers who arrive recognize no higher traditional authority in the family or village, unlike their own home islands. Families from the islands of Makin and Beru live next to families from Arorae and Maiana within the Kiritimati Island villages. The population is heterogeneous, and no overarching social structures, norms, or values apply. Social control measures as seen in outer islands in the Gilbert group, for example, have been lost with the urbanization of state lands and the emergence of new village forms.”


While there is a significant correlation between increasing rates of urbanization and low rates of poverty—such as in parts of Asia where urbanization has corresponded with significant increases in gross domestic product (GDP)—urbanization in the Pacific DMCs has occurred in the absence of sustained rates of economic growth.

The Urbanization of Poverty and the Growing Urban Divide

Central to Pacific urbanization is the entrenchment of poverty in urban areas. While there is a significant correlation between increasing rates of urbanization and low rates of poverty—such as in parts of Asia where urbanization has corresponded with significant increases in gross domestic product (GDP)—urbanization in the Pacific has occurred in the absence of sustained rates of economic growth. Pacific urbanization is strongly population-led, without accompanying gains in GDP per capita that enhance living standards. As a general rule, trends show that the urban share of poverty rises with increasing levels of urbanization (UN-Habitat 2009). This phenomenon is commonly referred to as the urbanization of poverty, in that it is characterized by a shift in the occurrence of poverty in rural areas to increasing concentration of poverty in urban areas. Increased urbanization has led to decreasing levels of poverty, including poverty in urban areas, when combined with growth in GDP. In the Pacific DMCs, rapid urbanization and population increase without commensurate economic growth have been the main factors underlying the

are played out in day-to-day life in Pacific towns and cities is summarized in Table 1. The manner in which such features are expressed, not only within urban areas but also within the rural setting, is different for ethnic, kin, and other groups. These changes are best viewed as part of a continuum, rather than a rigid separation between the modern and contemporary urban setting and the traditional rural setting (Jones 2011b).
### Table 1: Urbanization in Pacific DMCs: The Rural–Urban Continuum

<table>
<thead>
<tr>
<th>Sociocultural Feature</th>
<th>Features as Expressed in the Rural Setting</th>
<th>Features as Expressed in the Urban Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marriage</td>
<td>* can be prearranged—no say in choice of husband or wife</td>
<td>* larger choice of partners</td>
</tr>
<tr>
<td></td>
<td>* may involve ‘bride price’ payment</td>
<td>* women have greater freedom from village, less influence of family sociocultural ties and restrictions</td>
</tr>
<tr>
<td></td>
<td>* large ceremonial obligations involving family, village, clan, and tribe</td>
<td>* choice of venue and ceremony</td>
</tr>
<tr>
<td></td>
<td>* marriage restricted to being within similar island, geographic, tribe, clan, or cultural group</td>
<td>* marriage within or outside of settlement and urban village</td>
</tr>
<tr>
<td>2. Birth and Death</td>
<td>* large ceremony on reaching one year of age</td>
<td>* mourning for a death can be over a lengthy and extended period</td>
</tr>
<tr>
<td></td>
<td>* death is mourned by family and clan; all work stops</td>
<td>* burial can occur over extended period mortuary allows longer period while awaiting family members</td>
</tr>
<tr>
<td></td>
<td>* burial within 2–3 days</td>
<td>* use of public cemetery for burial</td>
</tr>
<tr>
<td></td>
<td>* burial place can be next to house</td>
<td></td>
</tr>
<tr>
<td>3. Language</td>
<td>* own dialect in homogenous groups</td>
<td>* exposure to English</td>
</tr>
<tr>
<td></td>
<td>* dialect not physically recorded</td>
<td>* use of pidgin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* English training centers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* exposure to a range of dialects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* exposure to a range of languages</td>
</tr>
<tr>
<td>4. Economic Activity and Development</td>
<td>* development based on subsistence or cash farming on varying commercial scale</td>
<td>* greater need for cash for survival</td>
</tr>
<tr>
<td></td>
<td>* for some, work only carried out as needs require</td>
<td>* varying degrees of informal and formal sector employment opportunities</td>
</tr>
<tr>
<td></td>
<td>* informal sector employment</td>
<td>* residents have some or no gardens</td>
</tr>
<tr>
<td></td>
<td>* little regulation</td>
<td>* reliance on local produce and imported goods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* rules and laws impact business opportunities</td>
</tr>
<tr>
<td>5. Dress and Appearance</td>
<td>* traditional dress reflects social stature and seniority</td>
<td>* dresses in modern style anytime</td>
</tr>
<tr>
<td></td>
<td>* dances and ceremonies on special occasions</td>
<td>* dancing and recreation anytime</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* no peer-group pressure on style or type of dress</td>
</tr>
<tr>
<td>6. Housing</td>
<td>* traditional design</td>
<td>* permanent and semi-permanent materials used</td>
</tr>
<tr>
<td></td>
<td>* traditional materials mixed with permanent materials</td>
<td>* modern house provides many functions</td>
</tr>
<tr>
<td></td>
<td>(roofing iron, blocks)</td>
<td>* connected to modern services</td>
</tr>
<tr>
<td></td>
<td>* special-built structures reflect functionality</td>
<td></td>
</tr>
<tr>
<td>7. Kinship Arrangements</td>
<td>* strong kinship arrangements handed down through generations</td>
<td>* concerned only with immediate social and biological kin</td>
</tr>
<tr>
<td></td>
<td>* social and biological basis</td>
<td>* can mix with any group</td>
</tr>
<tr>
<td></td>
<td>* socialize within kinship group</td>
<td>* breakdown of parental and wider family care</td>
</tr>
<tr>
<td></td>
<td>* strong family and wider clan care and control of children</td>
<td>* heterogeneous communities; migration may be individual rather than with entire family</td>
</tr>
<tr>
<td></td>
<td>* homogeneous communities based on unity of families and clans</td>
<td>* urbanization impacts on children include dietary changes, abuse, exploitation</td>
</tr>
<tr>
<td>8. Land</td>
<td>* primarily in customary ownership</td>
<td>* land can be freehold, lease, or customary</td>
</tr>
<tr>
<td></td>
<td>* family and wider group such as clan involved in land distribution</td>
<td>* land has greater economic use and value</td>
</tr>
<tr>
<td></td>
<td>* land rights oral, not recorded in writing</td>
<td>* land ownership endorsed by courts and recorded in registers</td>
</tr>
<tr>
<td></td>
<td>* land use rights fluid and not definitive</td>
<td>* land used as a commodity</td>
</tr>
<tr>
<td></td>
<td>* lands associated with families, clans, and tribes</td>
<td>* individual title can be given to land</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* informal arrangements regarding use and ownership</td>
</tr>
<tr>
<td>9. Law and Order</td>
<td>* retribution</td>
<td>* formal system rules and controls acknowledged, but often ignored</td>
</tr>
<tr>
<td></td>
<td>* pay back</td>
<td>* retribution</td>
</tr>
<tr>
<td></td>
<td>* ‘eye for an eye’</td>
<td>* pay back</td>
</tr>
<tr>
<td></td>
<td>* compensation payments</td>
<td>* ‘eye for an eye’</td>
</tr>
<tr>
<td></td>
<td>* village and clan rules and controls</td>
<td>* compensation payments</td>
</tr>
<tr>
<td></td>
<td>* limited formal system intervention</td>
<td>* settlement rules and controls</td>
</tr>
<tr>
<td>10. Settlement Patterns</td>
<td>* dwellings in contained village arrangement or dispersed</td>
<td>* planned and informal settlements</td>
</tr>
<tr>
<td></td>
<td>traditional layout of buildings</td>
<td>* varying degree of services and infrastructure</td>
</tr>
<tr>
<td></td>
<td>* low-density, minimal, or no reticulated services</td>
<td>* high-density</td>
</tr>
<tr>
<td></td>
<td>* village occupants associated with clear land areas for gardening and farming</td>
<td>* western style architecture</td>
</tr>
<tr>
<td></td>
<td>* limited transport system</td>
<td>* environmental degradation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* access to airports and ports; greater mobility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* high urban security, and law and order concerns</td>
</tr>
</tbody>
</table>

DMCs = developing member country.
Source: Adapted from the Office of Urbanisation (2010); Jones (2011b).
The Nature of Pacific Urbanization

The urbanization of poverty and identification of the drivers causing such change were first documented in the Pacific DMCs in Fiji in 2004 (Government of Fiji 2004).

The consequences of the urbanization of Pacific poverty are expressed in urban inequality; and geographic, social, and economic isolation as illustrated in the proliferation of squatter and informal settlements. In short, it is separation and isolation from other members and groups in society, as well as from resources and services such as jobs, social services, open space, and public infrastructure. In this setting, spatial segregation leads to exclusion, which questions the sustainability of Pacific urban management and development.

As a result, the fabric of Pacific towns and cities is now a mix of (i) permanent and semi-permanent villages comprising squatters, informal settlements, formal settlements, and traditional villages, such as in Apia, Dili, Honiara, Port Moresby, and Suva; and (ii) to a lesser degree, planned residential areas with housing of various standards and quality. In many ways, the existing pattern in many Pacific towns and cities mirrors the imprint that characterized growing colonial towns, which were enclaves of the educated elite and the well-to-do and middle class (including expatriates) that were surrounded by and interspersed with growing concentrations of local villages. Unlike the colonial era, they are both increasingly masked with security grills and various forms of fencing to address growing urban security and safety concerns. The reality now is that Pacific towns and cities are increasingly socially and physically divided, and are defined by growing inequalities. The gap between social, economic, and human development opportunities and the living conditions of Pacific urban residents is getting wider.

Key Messages

- The nature and identity of Pacific urbanization are unique and have been shaped by a number of defining features. These include the influence of the colonial powers in the genesis of Pacific towns and cities; the impact of strong rural to urban migration flows; the rise of the “rural village in the city” and, more recently “village cities”; the urbanization of poverty and a growing urban divide; and the strength of Pacific sociocultural orders and their cultural permeation within Pacific urban areas. This has evolved within the strong social, cultural, ethnic, linguistic and geographical diversity that defines the three subregional groupings of Melanesia, Micronesia, and Polynesia.

- Urbanization in the Pacific is a process of change with negative and positive consequences. Concentrating people in one area has many social, economic, and environmental benefits if managed effectively and efficiently. An inclusive approach to managing urbanization should be part of national attempts to bring services and infrastructure to both urban and rural areas.

- Traditional and modern planning systems exist side by side. Modern systems may be acknowledged by islanders, but they are generally ignored in practice. Underpinning the effective management of urbanization, such as addressing sensitive issues when stakeholders engage in urban land markets, for example, are tensions surrounding an acceptable balance...
Continued anti-urbanization policies, biases, and sentiments, including turning a “blind eye” to the challenges of urbanization by all stakeholders, will only make the urban condition worse in the Pacific. Between public interest and private rights. Some of the tension arises from the fact that Pacific DMCs have inherited colonial systems of land use planning. These systems form the basis of “out of date” urban and town planning arrangements in most Pacific DMCs (as opposed to urban management arrangements).

- The pattern of traditional villages that has strongly shaped the form and structure of Pacific towns and cities is being supplemented by a new type of village. The embedding of the “village in the city” and the development of “village cities” in Pacific DMCs will continue to increase and become the norm over the next 15 to 20 years. These Pacific towns and cities will take on the features of large towns comprising squatter and informal settlements, where formal unemployment is high, standards of living are negligible, and poverty prevails. This is the Pacific town and city of the future.

- Addressing the many dimensions of the cultural permeation of urban areas and the “urbanization of poverty,” especially in village cities, will be central to understanding the dynamics of Pacific town and city structures and managing urbanization in the next decade.

- Continued anti-urbanization policies, biases, and sentiments, including turning a “blind eye” to the challenges of urbanization by all stakeholders, will only make the urban condition worse in the Pacific. There is a need to conceptualize the plight of urban dwellers, especially those in squatter and informal settlements, through a different set of lens.
Current Trends in Pacific Urbanization

Defining Features
Urbanization trends in Pacific developing member countries (Pacific DMCs) are aligned with broader global trends in urbanization: urban growth continues to outstrip rural growth, and the proportion of the Pacific population living in urban areas continues to rise. To place Pacific urbanization into perspective, Asian cities in 2010 were home to approximately 1.7 billion persons, which equated to half of the world’s urban population at that time. In contrast, in June 2011, estimated total population of the Pacific DMCs was 9,964,813 persons (Table 2). Based on the most recent population censuses, the average rate of urbanization in the Pacific was 43.5%.

In terms of number of persons living in Pacific towns and cities, 2,024,339 million persons were residing in Pacific urban centers in 2011. This is equivalent to just over 20% of the total population of the Pacific. In other words, one in every five Pacific islanders is an urban resident. Excluding Papua New Guinea (PNG), the proportion living in urban areas is around 37%. While the scale and diversity of urbanization in the Pacific differ greatly from that of Asia and urban giants such as the People’s Republic of China, India, and Indonesia, the urban issues and challenges that urbanization poses are of no less significance to the people of the Pacific.

The urbanization rate, which is the percentage of a country’s population living in an area defined as urban, continues to steadily increase in the Pacific. The following urbanization trends characterize the Pacific:

- The Pacific continues to urbanize via the growth of towns and cities. However, the bulk of the population in the Pacific continues to live in rural areas, and this rural character pervades Pacific urban areas in many ways. In 2011, an estimated 80% of the Pacific population lived in rural areas.

- In 2011, 5 of the 14 Pacific DMCs were predominantly urban, while 7 had urbanization rates greater than 40% (Figure 2). In accordance with trends seen in the Pacific over the last 20 years, urban growth rates continue to exceed rural growth rates in nearly all Pacific DMCs. The exceptions to this are countries subject to population decline primarily due to emigration, or those with significant peri-urban and rural hinterlands classified as rural.

- Melanesia’s average urban growth rate was 3.1%, while that of Polynesia was 1.3%, and that of Micronesia was –1.6%. Some Pacific DMCs in Micronesia and Polynesia have experienced negative urban growth due to overseas migration.
## Table 2: Key Pacific Population Indicators, 2011

<table>
<thead>
<tr>
<th>Pacific Subregion and Pacific DMCS</th>
<th>Mid-Year Population Estimate (No. of Persons)</th>
<th>Population Growth Rate (%)</th>
<th>Capital City</th>
<th>Urban Population (% of total population)</th>
<th>Latest Inter-Census Annual Urban Population Growth Rate (%)</th>
<th>Latest Inter-Census Annual Rural Population Growth Rate (%)</th>
<th>Land area (km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Melanesia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>851,745</td>
<td>0.5</td>
<td>Suva</td>
<td>51</td>
<td>1.5 (0.01)</td>
<td>18,271</td>
<td></td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>6,888,297</td>
<td>2.1</td>
<td>Port Moresby</td>
<td>13</td>
<td>2.8 2.7</td>
<td>462,824</td>
<td></td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>553,224</td>
<td>2.7</td>
<td>Honiara</td>
<td>20</td>
<td>4.7 2.5</td>
<td>28,370</td>
<td></td>
</tr>
<tr>
<td>Vanuatu</td>
<td>251,784</td>
<td>2.6</td>
<td>Port Vila</td>
<td>24</td>
<td>3.5 1.9</td>
<td>12,190</td>
<td></td>
</tr>
<tr>
<td><strong>Polynesia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cook Islands</td>
<td>15,576</td>
<td>0.3</td>
<td>Rarotonga</td>
<td>72</td>
<td>2.6 (1.4)</td>
<td></td>
<td>237</td>
</tr>
<tr>
<td>Samoa</td>
<td>183,617</td>
<td>0.3</td>
<td>Apia</td>
<td>21</td>
<td>0.6 0.7</td>
<td>2,935</td>
<td></td>
</tr>
<tr>
<td>Tonga</td>
<td>103,682</td>
<td>0.3</td>
<td>Nuku’alofa</td>
<td>23</td>
<td>0.5 0.4</td>
<td>650</td>
<td></td>
</tr>
<tr>
<td>Tuvalu</td>
<td>11,206</td>
<td>0.5</td>
<td>Funafuti</td>
<td>47</td>
<td>1.4 (0.2)</td>
<td></td>
<td>26</td>
</tr>
<tr>
<td><strong>Micronesia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FSM</td>
<td>102,360</td>
<td>0.4</td>
<td>Kolonia</td>
<td>22</td>
<td>2.2 1.0</td>
<td>701</td>
<td></td>
</tr>
<tr>
<td>Kiribati</td>
<td>102,697</td>
<td>1.8</td>
<td>South Tarawa</td>
<td>44</td>
<td>1.9 1.8</td>
<td>711</td>
<td></td>
</tr>
<tr>
<td>Marshall Islands</td>
<td>54,999</td>
<td>0.7</td>
<td>Majuro</td>
<td>65</td>
<td>1.6 1.3</td>
<td>181</td>
<td></td>
</tr>
<tr>
<td>Nauru</td>
<td>10,185</td>
<td>2.1</td>
<td>Yaren</td>
<td>100</td>
<td>(2.1) –</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Palau</td>
<td>20,643</td>
<td>0.6</td>
<td>Koror</td>
<td>77</td>
<td>0.0 3.9</td>
<td>444</td>
<td></td>
</tr>
<tr>
<td><strong>Timor-Leste</strong></td>
<td>1,066,582</td>
<td>2.4</td>
<td>Dili</td>
<td>30</td>
<td>– –</td>
<td>14,917</td>
<td></td>
</tr>
</tbody>
</table>

= not applicable/available; DMC = developing member country; FSM = Federated States of Micronesia; km² = square kilometer.

Source: Adapted from Secretariat of the Pacific Community (SPC) Pacific Island Population Estimates and Projections (June 2011). Data for Timor-Leste were derived from the Preliminary Results of the Population and Housing Census 2010, Timor-Leste.

### Figure 2: Percentage Share of Pacific Urban and Rural Population

[Graph showing the percentage share of urban and rural populations for each Pacific country.]

DMC = developing member country.

Source: Compiled from the Secretariat of the Pacific Community, Pacific Island Population Estimates and Projections (June 2011).
Melanesia, which accounts for more than 85% of the total Pacific population, also has the largest proportion of urban residents at 74%. These inhabitants primarily reside in Honiara, Port Moresby, Port Vila, and Suva. Dili, the capital of Timor-Leste, is also a large urban center in the Pacific. With the exception of Fiji, the Melanesian DMCs generally have lower rates of urbanization as does Timor-Leste. For example, PNG’s urbanization rate is 13% and that of Solomon Islands is 20%. However, the absolute number of urban residents in the Melanesian Pacific DMCs exceeds those of Micronesia and Polynesia as a result of the larger overall population of Melanesia.

PNG is unique in terms of its scale of urbanization. It is the largest and most populated land mass in the Pacific, containing 69% of the population of the 14 Pacific DMCs. PNG accounts for just over 44% of the urban population of the Pacific. In other words, nearly one of every two Pacific urban residents resides in PNG. While PNG is the least urbanized of the Pacific DMCs, it has the largest urban population (including the greatest number and concentration of squatter and informal settlements); and it has the largest city in the Pacific region, Port Moresby. PNG’s total urban population—which was estimated at 1.1 million persons at the end of 2011 by the PNG Office of Urbanisation—exceeds the total subregional population estimates for Polynesia (314,081 persons) and Micronesia (290,884 persons). PNG’s urban population is equivalent to Timor-Leste’s entire population of 1,066,582 persons. Thus, PNG strongly skews the analysis of overall Pacific urbanization trends.

The highest urbanization rates occur in the smaller Pacific towns and cities in Micronesia (Figure 3). Out of 5 Pacific DMCs in Micronesia, 4 have more than 40% of their population in urban areas. In Polynesia, all Pacific DMCs have urban population well in excess of 20% of the total population. However, overall national and urban population numbers are relatively small, with national and urban population growth rates being capped by emigration.

Pacific urbanization rates are being driven by three factors: natural population growth, rural-urban migration, and, to a far lesser degree, inclusion of reclassified rural areas as part of expanded urban boundaries. This is most prevalent in the Melanesian DMCs, where moderate to high urban growth rates of 2%–4% exceed national population growth rates by 25% or more; and in the case of Fiji, 300%. The exceptions to this trend are the smaller Pacific DMCs such as Samoa, which have access to regional migration opportunities. The implication of urban growth rates exceeding national growth rates is that urbanization is being driven by rural-urban migration (often migration of youth, with the number of females exceeding that of males). This growth is a key factor fuelling Pacific urbanization.

High population growth associated with Pacific urbanization has seen population densities increase substantially, with village densities in Pacific capitals rivalling the population densities of Asian cities. Densities have been well documented in Betio and Bairiki villages in South Tarawa, in Ebeye in the Marshall Islands, in Port Vila in Vanuatu, and in Suva in...
Urban densities have increased dramatically in the Pacific, especially in squatter and informal settlement, and on state lands.

Figure 3: Percentage Share of Rural and Urban Population in Melanesia, Micronesia, and Polynesia

Source: Compiled from the Secretariat of the Pacific Community, Pacific Island Population Estimates and Projections (June 2011).

Fiji. Ebeye is estimated as having 38,600 persons per square kilometer (sq km), while the population density of Seaside in Port Vila is estimated at 31,000 persons per sq km (Haberkorn 2008). South Tarawa remains the most population-dense town in the Pacific, with an average density of approximately 3,500 persons per sq km on its 15.67 sq-km land area. Villages in South Tarawa have densities on the order of 15,000–18,000 persons per sq km, such as the overcrowded islet of Betio. Urban densities have increased dramatically in the Pacific, especially in squatter and informal settlement, and on state lands.

Geographic Patterns

The pattern of Pacific urbanization is geographically uneven and diverse. Melanesia, for example, has 83% of the Pacific population. Aside from Fiji, PNG, Solomon Islands, Timor-Leste, and Vanuatu, the Pacific DMCs are characterized by islands and atolls with comparatively small population.

Having the largest numbers of urban residents and largest land masses, some Melanesian DMCs reflect a hierarchy of towns and cities. This hierarchy is often reinforced by provincial, district, and local government requirements, such as development of separate administrative headquarters for each level of government. Economic opportunities are often concentrated in one or two primary towns or cities, and in the case of PNG, in resource towns. PNG, for example, has 3 formally declared cities (Lae, Mt. Hagan, and Port Moresby) and 17 towns. Similar settlement patterns exist, but on a far smaller scale in Fiji, Vanuatu, and, to a lesser degree, Timor-Leste. Fiji, for example, which has one of the highest rates of urbanization among the Pacific DMCs at 51%, has 2 declared cities (Nadi and Suva) and 11 declared towns.
In contrast, Micronesia and Polynesia DMCs display a pattern of a dominant capital town, with urbanization focused on a single center. With the exception of the larger cities of Port Moresby and Suva which dominate the Melanesian urban landscape, Pacific DMCs essentially comprise small, growing towns, each with its own unique identity and character. Within this context of small towns, there is much diversity, with urban atolls, for example, comprising rural villages connected by causeways. The concept of Pacific urbanization is muddied when such small towns are termed “capital cities.” It is also problematic to define some Pacific DMCs such as Nauru, for example, as being 100% urban in nature. All of this reinforces the diversity in urbanization settings as seen in the larger islands of Melanesia and Timor-Leste, and the smaller islands of Micronesia and Polynesia.

Peri-Urban Areas and Underenumeration

As a result of the different ways Pacific DMCs define their urban areas, the official statistics on rates of urbanization and urban growth trends are understated. The majority of Pacific DMCs exclude their growing peri-urban areas containing urban sprawl from such calculations. Exceptions to this include the National Capital Development Commission boundary, which contains Port Moresby and a rural hinterland. While Apia, for example, is shown as being only 21% urbanized, its urban enumeration is based on only two of four census districts, namely, Vaimauga West and Faleata East, which cover the contiguous built-up urban area. If the adjoining contiguous census districts, such as Faleata West, Sagaga le Falefa, and Sagaga le Usoga in northwest Upolu, were included to reflect the actual extent of the built-up urban area, the urbanization rate would be on the order of 35%–40%.

Likewise, South Tarawa, the capital of Kiribati, showed declining urban growth according to the 2005 Census (1.9% in 2005 from 4% in 1995). However, the second-fastest growing island in Kiribati after distant Kiritimati Island is North Tarawa (overall growth rate of 4.8%). This group of islets adjoins the urban-defined local government area of South Tarawa, and comprises all of the peri-urban area. Due to the way “urban” is defined, the peri-urban area is not included in census reporting. Similar examples exist in Honiara, Port Vila, and the greater Suva-Nausori metropolitan area; hence, the modest reported urban growth rates.

Table 3 and Figure 4 show the urban-defined population and the additional urban population living in peri-urban areas in selected municipalities in Fiji. The data indicate that there are major disparities in the way in which boundaries are defined for urban municipalities. In Nadi, for example, there are more people living in the peri-urban area (30,599 persons) than in the defined urban area (11,685 persons). Other municipalities such as Nausori show similar disparities, with the population of the official urban area (24,919 persons) only slightly exceeding the corresponding population of the peri-urban area (22,685 persons).

The implication of the disparities between the urban and peri-urban population is that estimates of urbanization and urban growth rates for the Pacific are significantly understated, with actual urbanization and urban growth rates exceeding their official estimates by 20%–30%. Such disparities skew officially reported statistics on national and regional economic growth.

<table>
<thead>
<tr>
<th>Urban Municipality</th>
<th>Urban Population</th>
<th>Peri-urban Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ba</td>
<td>6,826</td>
<td>11,700</td>
</tr>
<tr>
<td>Labasa</td>
<td>7,706</td>
<td>20,243</td>
</tr>
<tr>
<td>Lami</td>
<td>10,752</td>
<td>9,777</td>
</tr>
<tr>
<td>Lautoka</td>
<td>43,473</td>
<td>8,747</td>
</tr>
<tr>
<td>Levuka</td>
<td>1,131</td>
<td>3,266</td>
</tr>
<tr>
<td>Nadi</td>
<td>11,685</td>
<td>30,599</td>
</tr>
<tr>
<td>Nasinu</td>
<td>76,064</td>
<td>11,382</td>
</tr>
<tr>
<td>Naursori</td>
<td>24,919</td>
<td>22,685</td>
</tr>
<tr>
<td>Rakiraki</td>
<td>4,952</td>
<td>–</td>
</tr>
<tr>
<td>Savusavu</td>
<td>3,285</td>
<td>3,749</td>
</tr>
<tr>
<td>Sigatoka</td>
<td>1,634</td>
<td>7,988</td>
</tr>
<tr>
<td>Suva</td>
<td>74,481</td>
<td>11,210</td>
</tr>
<tr>
<td>Tavua</td>
<td>1,079</td>
<td>1,309</td>
</tr>
</tbody>
</table>

– = not available.

Similarly, estimates of urban poverty incidence are likely to be understated (and estimates of rural poverty incidence overstated) as compared to the actual levels.

**Future Population Pressures**

The population of Melanesia, Micronesia, Polynesia, and Timor-Leste will increase significantly over the coming decades. At current population growth rates, the urban population of the Pacific DMCs are expected to double over the coming 25 years. Urban population in Kiribati, Solomon Islands, and Vanuatu are likely to double even more rapidly in 15–20 years. The most significant increases in urban population growth in the short term will be in Melanesia, followed by Micronesia. PNG’s urban population is expected to reach approximately 3 million persons by 2030 (Storey 2010).

Similarly, all of the Pacific DMCs will face significant increases in the number of individuals aged 15–24. This “youth bulge,” as it is often referred to, will result from aging of the currently large numbers of children who were born during earlier periods when national fertility rates were high. Aside from contributing significantly to natural population increase in the Pacific, this large population cohort comprising the youth will significantly increase the rates of rural-urban migration, urban unemployment, and youth vulnerability; and the demand for urban infrastructure services. With a relatively young population and high fertility rates in Pacific towns and cities, the population is expected to continue growing rapidly. These trends will profoundly magnify current rates of deterioration in the quality of life in the urban areas in the Pacific.

**Key Messages**

- The most recent Pacific population census indicates an average percentage share of urban population of 43.5%. Urbanization trends in the Pacific are aligned with broader global trends on urbanization, in that urban growth continues to outstrip rural growth, and the proportion of the Pacific population living in urban areas continues to increase.

- The number of people living in Pacific DMCs urban areas continues to rise, with 2,024,222 persons or 20.5% of the total population residing in urban areas in 2011. This means that one in every five Pacific islanders is an urban resident. If PNG is excluded, the proportion living in urban areas increases significantly to around 37%. At current population growth rates, the urban population of the Pacific is expected to double within the next 25 years.

- Urbanization in Pacific DMCs continues to increase, regardless of the rate of economic development. Unlike other growth regions such as in Asia, the link between increasing urbanization and growing levels of economic development is weak. As such, Pacific urbanization is fuelled strongly by population drift and access to employment and economic growth opportunities may or may not play a strong role.
Features of Pacific Urban Areas

Towns and cities in Pacific developing member countries (Pacific DMCs) are not just concentrations of population; they fulfill a range of economic, social, and cultural functions. They are centers of government, industry, finance, tourism, health, education, transport, and communication. They provide opportunities that support and facilitate business and investment, and are a source of employment. As a consequence, Pacific towns and cities entice people from rural areas and outer islands. With high population growth placing heavy demands on planning and governance systems, the needs and demands of Pacific towns and cities are diverse. Invariably, Pacific DMCs that need to respond to these demands with the strongest action are also those that have the weakest planning and management systems, and are least able to respond.

In assessing how well contemporary Pacific towns and cities are functioning, the key aspects of the following three themes have been explored:

- Economic activity,
- Liveability, and
- Sustainability.

These themes have been chosen because of the pivotal role that Pacific towns and cities play in economic growth and development. Urban residents expect access to a reasonable quality of life, including access to employment, housing, and land; while town and city functions must be sustained by investments in infrastructure and services. A well-managed city caters to the needs of residents and businesses. This requires effective institutions, legislative frameworks, and policy making; and efficient planning overall. However, if Pacific urbanization and urban growth remain unchecked, Pacific urban areas will continue to constrain economic growth and quality-of-life gains, and will significantly contribute to environmental degradation through unmanaged production and consumption, and consequent generation of waste.

**Economic Activity**

**Urban Contribution to Gross Domestic Product**

As Pacific DMCs have urbanized, their towns and cities have grown faster than their rural areas. Growth in gross domestic product (GDP) has only been modest in the Pacific, and, in many cases, barely positive. Against the background of the current global economic crisis, climate change impacts, inflation, rising food and commodity prices, and natural disasters such as the tsunami in Samoa and Tonga in September 2009 and cyclone Pat in the Cook Islands in February 2010, growth in per capita GDP has varied considerably across the Pacific. Higher population growth rates have limited growth and accentuated economic volatility.
As Pacific economies have undergone structural adjustment, including a shift in the location of resource allocation from an underperforming rural sector to urban areas, an increasing share of GDP has been produced in urban areas, especially in services. This has occurred within the context of increasing levels of urbanization, which has not been commensurate with higher levels of per capita GDP. In Vanuatu, for example, an estimated 65% of GDP is produced in Port Vila, with tourism as the main driver of economic development (AusAID, 2011b) (Box 7). The towns and cities in Port Vila and Luganville, which comprise the bulk of Vanuatu’s urban population, collectively account for 80% of GDP (World Bank 2006). In the Cook Islands, tourism-based activities account for approximately 60% of GDP; these activities for the most part focusing on Rarotonga and Aitutaki. In Fiji, approximately 60% of GDP is produced in urban areas (Wilkinson 2011). In Samoa, an estimated 70% of GDP in 2001 was generated by economic activities based in the Apia area (Government of Samoa and ADB 2001). In the mid-1990s, it was estimated that South Tarawa accounted for approximately 60% of GDP (Government of Kiribati 1995). Thus, urban-based economic activities make a significant contribution to GDP in Pacific DMCs.

As a general trend, the share of GDP derived from agriculture has been declining, while the share from services such as tourism, and for some Pacific DMCs, from resources, has been increasing. In Papua New Guinea (PNG), there has been an increase in GDP derived from natural-resource-based activities, including mining, forestry, and fishing. The services sector accounts for the largest share of GDP in nearly all Pacific DMCs, with PNG being the major exception. In 2006, agriculture accounted for 42% of PNG’s GDP; industry,
39%; and services, 19%. The corresponding shares for Fiji were 15%, 26%, and 59%; for Kiribati, 7%, 7%, and 86%; for Samoa, 12%, 27%, and 60%; and for Tonga, 29%, 15%, and 56% (Commonwealth Secretariat 2008). Services, excluding construction and electricity, and gas and water, accounted for more than half of GDP in Fiji, Kiribati, Tonga, and Vanuatu in 2010 (Table 4).

The shift in the sector distribution of GDP in the Pacific resulting from both formal- and informal-sector activities has increasingly had its origin in urban areas. This has occurred in the face of what have traditionally been viewed as constraints to economic growth in Pacific DMCs such as limited domestic production capacity, heavy reliance on imports of food and manufactured items, dominance of the services sector, and heavy reliance on external funding. For example, in the Marshall Islands, the modern services industry located in Majuro and Ebeye is sustained by government funding and the United States Army complex at Kwajalein atoll. For a number of reasons, manufacturing has not gained a foothold in Pacific urban areas, and where it has, it is often associated with a single manufacturing plant, such as in Apia, Port Moresby, and Suva.

In terms of scale and rapidity of Pacific urban economic change, Port Moresby leads the way. This change is being driven by a liquefied natural gas project in the Southern Highlands and several major mining projects. Demand for construction (hotels and housing, both formal and informal), services (retail), skilled labor, transport, and communications is changing Port Moresby’s economic landscape. Thus, despite the array of development issues that characterize Pacific DMCs and the quality of their major towns and cities, urban areas remain important focal points of economic growth through diversification, productivity, and competitiveness.

For many Pacific towns and cities, urban-based economic activities have strengthened the viability of rural economic development by providing markets, processing centers, and transshipment points for rural products, natural resources, and other goods. The concentration of activities and flow-on effects for labor and specialized economic activities have positive impacts on both urban and rural areas. The growth of tourism activities in and around Pacific urban centers, for example, has supported strong economic growth in the Cook Islands, Fiji, Palau, Samoa, Solomon Islands, Tonga, and Vanuatu. In this context, urbanization and the resulting urban form and structure

**Table 4: Sectoral Composition of GDP in Selected Pacific DMCs, 1990, 2000, and 2010 (% of GDP)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiji</td>
<td>20.4</td>
<td>17.1</td>
<td>12.1</td>
<td>24.0</td>
<td>22.3</td>
<td>19.7</td>
<td>55.6</td>
<td>60.6</td>
<td>68.2</td>
</tr>
<tr>
<td>Kiribati</td>
<td>18.6</td>
<td>22.5</td>
<td>28.6</td>
<td>7.6</td>
<td>11.8</td>
<td>9.5</td>
<td>73.8</td>
<td>65.7</td>
<td>61.8</td>
</tr>
<tr>
<td>PNG</td>
<td>30.9</td>
<td>35.8</td>
<td>35.8</td>
<td>32.4</td>
<td>41.4</td>
<td>44.8</td>
<td>36.8</td>
<td>22.8</td>
<td>19.5</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>–</td>
<td>25.8</td>
<td>–</td>
<td>18.5</td>
<td>–</td>
<td>–</td>
<td>55.7</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Tonga</td>
<td>35.6</td>
<td>22.8</td>
<td>20.3</td>
<td>13.9</td>
<td>21.3</td>
<td>17.8</td>
<td>50.5</td>
<td>55.9</td>
<td>61.9</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>20.9</td>
<td>23.0</td>
<td>19.7</td>
<td>14.1</td>
<td>11.2</td>
<td>9.9</td>
<td>65.0</td>
<td>65.8</td>
<td>70.4</td>
</tr>
</tbody>
</table>

= data not available; DMC = developing member country, GDP = gross domestic product, PNG = Papua New Guinea.

Urban-based economic activities have strengthened the viability of rural economic development by providing markets, processing centers, and transshipment points for rural products, natural resources, and other goods.

Features of Pacific Urban Areas
Urban centers with a narrow economic base such as South Tarawa are dominated by government sector activity, and are unable to provide sufficient private sector employment opportunities for their growing urban population.

of Pacific DMCs can be viewed as the spatial translation of the production structure of their economies.

In Pacific DMCs such as Fiji, for example, the structural change has been reflected in a declining share in GDP of the primary (rural agricultural) production sector, and an increasing share of the secondary and tertiary services sectors, all of which are primarily located in urban areas. In the greater Suva metropolitan area, there is much variety in commercial and industrial activities, which include garment production, food processing (biscuits, beer, and soft drinks), small-scale manufacturing (cement, roofing, and water tanks), services (tourism, hotels, food services, and tour companies), and transport infrastructure for facilitating export. Without the restructuring that is occurring in growing Pacific towns and cities, albeit in the context of weakened national economic settings, the economic performance of many Pacific DMCs would be further constrained than it is at present.

A number of economic sectors common to all Pacific urban areas contribute to GDP and support employment and economic growth. Pacific DMCs have indicated the following as the four main areas of economic activities in urban areas:

- services, including finance, business, tourism, information, and accommodation;
- transport and communication;
- industry and construction; and
- public administration.

The importance of these urban activities varies across Pacific DMCs, depending on their comparative advantage and position in the production structure. For example, PNG urban areas are dominated by services such as finance and business, and processing of goods; South Tarawa in Kiribati is dominated by public administration and services; while in Samoa, Tonga, and Vanuatu, tourism, the private sector, and public administration are the important economic drivers in the urban areas. The public sector is a key player in the cash economy of all major Pacific urban centers, including supporting the services-based informal economy.

Urban centers with a narrow economic base such as South Tarawa are dominated by government sector activity, and are unable to provide sufficient private sector employment opportunities for their growing urban population. For example, the Kiribati 2005 Census indicated that government departments, local councils, and government-owned enterprises accounted for 70% of salaried wage workers. The bulk of these workers were located in South Tarawa (New Zealand Aid Program and AusAID 2007). With low employment growth in the agriculture sector, employment opportunities in the formal sector in Pacific towns and cities will be insufficient to prevent unemployment levels from rising.

Pacific towns and cities play a pivotal role as economic engines of growth, both nationally and regionally. Where they are not direct contributors to GDP, their economic infrastructure supports economic production. For example, resource-driven economies such as PNG, Nauru, and Solomon Islands are supported through the provision of transport, communication, and services industries based in their urban areas. Pacific towns and cities are also centers of national and regional service facilities, such as for health and education.
The University of the South Pacific, for example, provides both national and regional functions via its main campus in Suva, as well as from its regional campuses located in Pacific urban areas. Such economic infrastructure is critical to the production structure of the urban economy of greater Suva, as well as to national productivity.

**Informal Sector Economic Activity**

Paralleling the changes in the formal urban economy has been the increasing importance of economic activity in the urban-based informal sector. Formal sector urban employment, measured as the percentage of the working-age population in an urban area in formal employment, is low. As a result, the livelihood of the bulk of the urban population is sustained by informal sector activities. From urban-village-based production activities such as the production of locally grown fruits and vegetables and the sourcing of seafood—which support expanding tourism-based economies such as the Cook Islands, Samoa, and Vanuatu—to the proliferation of small stores and traders selling goods in smaller, more affordable quantities, the informal economy is vast and heterogeneous.

Though measurement of the contribution of informal sector activity to GDP is difficult due to widespread underreporting, what is certain is that the urban informal sector plays a large role in sustaining Pacific urban population. It also provides both employment and income to the urban poor in the Pacific, which number well in excess of 1 million. This latter point is particularly relevant from a gender perspective, since females are less likely than males to secure formal sector employment. Similarly, the employment and income contribution of the urban informal sector is likewise important because of the high cost of living in Pacific urban areas. Given its importance to both GDP and employment in most Pacific DMCs, minimizing the regulatory burden placed on the informal sector and the cost of investing in it constitutes one component of an efficient urban management policy.

Residents engage in a range of informal sector activities by exchange, bartering, and paid and unpaid employment including village and community work. The importance of these diverse market activities in contributing to local domestic production and sustaining the livelihoods of urban households cannot be understated (Boxes 8 and 9). Minimizing the regulations and cost of participating and investing in the informal urban economy is also fundamental to contributing to urban-village-style production and consumption for two reasons. First, informal sector supplies labor and goods to formal sector economic activities such as tourism and construction. Second, it supports a growing number of small-scale commercial activities which cater to demand for consumer goods by low-income residents. Those benefitted include urban informal sector salaried employees, who also depend on a diverse range of urban informal sector activities for their livelihoods. As such, participation in the two spheres of urban economic activity overlaps; and is necessary, as the cost-of-living in Pacific towns and cities have escalated. What is clear is that the formal and informal sectors are interdependent rather than mutually exclusive; and that the sociocultural norms and customs such as status, exchange, reciprocity, and connection to kin, further enhance this interdependency in Pacific urban areas.
Supporting informal sector economic activity in urban areas is vital to the Pacific economies for a number of reasons described below.

- It provides cash income to residents of the region’s rapidly expanding squatter and informal settlements who can potentially work in the formal sector, but who are currently unable to find formal sector employment.
- It provides cash income to urban residents who lack formal training or skills, and are thus unable to work in formal sector employment.
- Some part-time informal sector activities can be expanded into sources of full-time employment and income, which contribute to increasing the national income.
- It provides cash income to poverty-stricken residents enabling them...
to purchase essential goods and services such as food, kerosene, water, and electricity.

- The size of investment required to create a job in the informal sector is minuscule compared to that of creating a formal sector job; and in some Pacific urban areas, the contribution to GDP of the informal sector in value terms is large relative to the formal sector—in some cases, it even exceeds that of the formal sector.

Economic planners and policy makers recognize that strengthening the informal sector would diversify the current narrow base of productive activity in Pacific economies, increase national income, and make these economies more resilient to economic downturns. However, few attempts have been made by Pacific governments to integrate formal and informal sector economic activities through specific urban investment programs. This is in part because of a widely held view among Pacific government officials that broadening and accelerating economic growth in Pacific urban areas are mainly constrained by

- poor provision and maintenance of infrastructure and services, particularly with respect to transport and communication;
- unreliable air and shipping services;
- low quality and quantity of physical infrastructure services;
- lack of business and entrepreneurial skills;
- low levels of efficiency of public service;
- limited access to start-up financial capital;
- poor governance and coordination of development initiatives;
- regulatory barriers;
- unpredictable security levels in urban areas;
- shortage of labor and skills; and
- land tenure issues and a limited supply of land, both of which restrict land development and construction.

The nature and distribution of urban economic activity such as housing, combined with land tenure type, and, to a lesser extent, transportation, have been major determinants of Pacific urban structure (that is, the extent and shape of the urban areas) and their urban form (the type and density of structures and buildings, such as squatter and informal settlements). Changes in economies including the sectoral shift from agriculture to services, the demise of bartering and subsistence in urban areas, gaps in incomes, and the effects of sociocultural norms are all expressed in the spatial form and structure of Pacific towns and cities. The recent global economic crisis has only elevated the adverse symptoms of urbanization in Pacific DMCs, including poverty and growing settlements. Despite this uneven change and noting the trends in rural-urban migration, both rural and urban areas remain economically and socially connected. The economic condition and health of urban areas in Pacific DMCs cannot be understood without understanding the state of the social and economic underpinnings of rural areas, and vice versa.

**Liveability**

The liveability context of Pacific towns and cities is an increasingly vexed issue, primarily because of the steady deterioration in the urban quality of life now evident in many Pacific towns and cities. In its most basic form, urban
liveability reflects the living conditions and environmental quality of an area, including the well-being of its residents, workers, and visitors. In the Pacific urban setting, liveability is about the state of living conditions, including those elements that make a location such as an urban village, a desirable place to live in. This could include the quality of the built environment and availability of physical and social amenities—such as distance to schools and markets, and availability of transport—plus cultural connectivity; access to jobs, housing, land, and open space; and levels of urban security. Pacific urban liveability is also a reflection of how such areas are planned, developed, and maintained, which are key aspects of “place-making.”

In the Pacific urban setting, liveability is important for two reasons. First, it is an indicator of how well the diverse social and economic needs of residents are being met, and how liveability issues shape and influence the quality of their lives. Second, it is a key contributor to the economic well-being, competitiveness, and prosperity of Pacific towns and cities. Liveability concerns such as the ease of doing business are also enabling factors that will attract and sustain local and overseas investment, labor, and tourism in Pacific towns and cities.

**Urban Poverty**

The decline in living conditions in Pacific towns and cities is mirrored in the increasing concentration of poverty levels in Pacific urban areas. Events such as the recent global economic crisis have (i) reinforced the growing urban divide in the distribution of wealth and income, and (ii) highlighted the increasing incidence of poverty and hardship in Pacific urban areas. Importantly, those pushed further into hardship and poverty are those already in need, especially women and children (Parks and Abbott 2009). Despite the increase in urban hardship and a growing consensus that the future of the Pacific is urban, rural areas have received the majority of attention in Pacific poverty analysis by development partners. It has been well argued that the urban population is likely to be more vulnerable to poverty given their increased dependence on cash or services; and a lack of or minimum access to subsistence foods, as well as to wider social support processes and mechanisms (AusAID and New Zealand Government 2009).

The estimates of poverty incidence in urban and rural areas in Pacific DMCs (excluding Nauru) are shown in Figure 5. In 8 of 12 Pacific DMCs, the proportion of urban population below the basic needs poverty line was higher than do rural populations. Four Pacific DMCs—Fiji, Palau, PNG, and Timor-Leste—have larger rural populations below the poverty line than urban populations. While the PNG poverty estimates are dated and have been questioned, poverty incidence in 1996 was 16.1% in urban areas and 41.3% in rural areas. PNG and the other Melanesian DMCs, which are characterized by their growing number of “rural villages in the city” and “village cities” and overall larger population size, have the greatest numbers of people in urban poverty. This trend reinforces the growing urbanization of poverty now being seen in the Pacific, and underscores the view that urbanization per se does not reduce poverty. Economic growth, combined with integrated pro-poor policies in both urban and rural areas, is key to reducing this gap.
Cost-of-living pressures are driven by a number of sources, including the global economic crisis during 2008–2009. Day-to-day impacts on poorer households continue to be diverse, and can include job losses, reduction in personal and household incomes, longer hours of work for the same income or less, increased costs of food and services, modification of diets and social behavior, and changing expenditure and consumption patterns (Jones 2010). These impacts exacerbate urban poverty in Pacific towns and cities. As such, development in Pacific urban areas has become more vulnerable to global economic and financial shocks.

New drivers of urban change, such as the global economic crisis, have reinforced the observation that those already in urban poverty in Pacific DMCs will tend to be more vulnerable to such impacts. Poorer rural households, with little or no reliance on the urban economy for their survival, will struggle to produce and access food. The recent Kiribati poverty analysis indicated that subsistence production accounted for 43% and 60% respectively of food consumed by the poorest households in rural areas and the households in the distant Line and Phoenix Island group. This contrasts with South Tarawa, where subsistence production contributed only one-third of food consumed by the poorer urban households (Kiribati National Statistics Office and UNDP Pacific Centre 2010). The data reaffirms the Pacific trend that urban residents, including those in poverty, spend a larger proportion of their income on imported food, compared to rural residents.
Squatter and informal settlements now absorb the greatest impact of urban growth, with the largest numbers of residents found in settlements in the Pacific urban centers of Melanesia, specifically Honiara, Port Moresby, and Suva

Squatter and Informal Settlements

Discussions of liveability invariably focus on the quality of life in squatter and informal settlements in Pacific towns and cities (Box 10). There is a growing body of evidence confirming that squatter and informal settlements are now a permanent feature of the fabric of Pacific towns and cities (see, for example, AusAID 2008b; Chand and Yala 2008b; Connell and Lea 2002; Jones 2011a, 2011b). Squatter and informal settlements now absorb the greatest impact of urban growth, with the largest numbers of residents found in settlements in the Pacific urban centers of Melanesia, specifically Honiara, Port Moresby, and Suva.

In 2008, it was estimated that 45% of Port Moresby’s population, and 35% of Honiara’s population, lived in informal settlements (AusAID 2008b; UN-Habitat 2008a). In 2008, Port Moresby had 20 planned settlements and 79 unplanned settlements, with some 42 unplanned settlements located on state land, and 37 on customary land (UN-Habitat 2008a). The number of settlements has without doubt risen considerably since then, given that PNG has the largest number of settlements in the Pacific, with squatter and informal settlements being common in all of PNG’s 3 cities and 17 towns.

Box 10: Squatter and Informal Settlements in the Pacific Context

Illegal land and housing development in Pacific towns and cities has resulted in the use of varying terms to categorize the activities associated with such development. These terms include low-income settlements, unplanned settlements, semi-permanent settlements, squatter settlements, informal settlements, slums, and shanties. As illegal housing areas have expanded in the post-colonial era, terms such as squatter settlements have been used to describe settlers (squatters) illegally occupying state and freehold lands. Illegal occupation of customary lands is also gaining more momentum. On the other hand, those settlers who negotiated agreements with traditional or customary landowners to occupy their lands have come under the category of informal settlements. In the Pacific developing member countries (Pacific DMCs), these two terms are differentiated in meaning according to local circumstances. Use of other terms, such as slums, describes the quality of the physical and social condition of an area such as a squatter or informal settlement. Use of the term in Pacific DMCs is often associated with an assessment of the degree to which a country is able to achieve the Millennium Development Goal Target 7D, on improving the lives of slum dwellers.

A number of case studies of Pacific urban squatter and informal settlements have been undertaken in the last decade. It includes a research on settlements in Honiara, Kiritimati Island in Kiribati; Port Moresby; and Suva. The research findings show that the key features of Pacific squatter and informal settlements are that they are territorial networks, physical and otherwise, characterized by (i) many land use and other land development activities being illegal according to the laws and regulations of the formal state system, (ii) uncertain land tenure, (iii) inadequate housing standards and environmental conditions, and (iv) a low level of access to services and infrastructure. Many informal settlements have existed for long periods with the expressed permission of landowners, with agreements often being based on customary law. Whether they are illegal or not depends on the lens through which they are viewed.

Source: Author.
Estimates for Suva suggest that informal settlements carry from 15% to 50% of the population (Boyle 2011; Fiji Times 2009a; Kiddle 2010). In 2011, estimates for Fiji indicate that approximately 15% of the urban population lived in the country’s more than 200 squatter settlements. The greater Suva conurbation contains the largest number of squatters, with the Nasinu local government area located between Suva and Nausori having earned the informal title of “squatter town” (Ministry of Local Government, Urban Development, Housing and Environment 2011). Earlier in 2009, estimates for Fiji indicate that about 80% of all new houses were being built in informal settlements (Fiji Times 2009a). Similarly, in 2010, estimates for Port Vila and Luganville indicate that 30% of the population lived in a slum, as defined by the Millennium Development Goal framework. Squatter and informal settlements are also found in Apia and Nuku’alofa, but in far smaller numbers.

Estimates for some Micronesian capitals, such as South Tarawa, indicate that 25%–50% of the urban population live in squatter settlements, usually on lands leased from landowners to the government. In South Tarawa, landowners are the worst offenders in promoting squatting. They receive rent from the government for a head lease, while at the same time allocating some of the land to squatters via informal arrangements (Box 11 and Figure 6).

The life of those living in the settlements is focused on meeting basic needs on a day-to-day basis. While the recent movement of middle-income and formal sector workers into Pacific settlements has been noted due to limited access to land and affordable housing (see, for example, Gouy et al. 2010), the overwhelming preoccupation of settlers is meeting day-to-day subsistence requirements. This includes accessing food, shelter, water, power, clothing, and social services such as transport and health clinics. In the settlements, life includes participation in customary activities such as exchanges and contributions for marriages and funerals; and involvement in social and community activities such as church, dancing, singing, and maintenance of village lands which include, for example, building of drainage channels and access roads. Settlement living remains difficult, and for many residents there is little opportunity of escaping urban hardship (Box 12).

In many squatter and informal settlements, one advantage for individuals and households is that kinship systems play a critical support role for people experiencing hardship and poverty. In many squatter and informal settlements, one advantage for individuals and households is that kinship systems play a critical support role for people experiencing hardship and poverty.
Box 11: Squatting on Government Leased Lands in South Tarawa

Just as the British colonial administration before it, the Government of Kiribati leases land under 99-year leases from landowners in the major villages of Bairiki, Betio, and Bikenibeu on South Tarawa. These lands are in turn leased to both public institutions and private individuals. The 2005 Census reported that 25,000 persons—or 62% of South Tarawa’s total population—lived on these lands, which comprise 30% of South Tarawa’s total land area. Further, an estimated 10,000 squatters or more lived on these and other government-leased lands—some of which are water reserves—in 2005. Such numbers make it politically, legally, and socially impossible to relocate these informal residents.

Squatters on government-leased lands comprise three types: (i) those who have applied to the government for a sublease and are waiting for a decision on their applications (some of these applications date as far back as the 1980s); (ii) landowners who have moved back onto their lands without government permission, but who still receive annual land rent from the government; and (iii) those who developed the land with the permission of the landowners, but not of the government, and who pay rent to the landowner but not to the government.


Figure 6: Land Leased from Landowners by Government in Betio, South Tarawa, Kiribati

Although the land is leased, landowners still allocate land to new settlers for housing; thus, making Betio one of the most overcrowded urban areas in the Pacific DMCs.

Source: Land Management Division, Ministry of Environment, Lands and Agricultural Development, Bairiki, South Tarawa, Kiribati.
and security as seen in Honiara, Port Moresby, and Suva (Jones 2011a; Goddard 2005; Mawuli and Guy 2007).

In all Pacific DMCs, it is increasingly recognized that poverty and hardship are both symptoms and drivers of squatter and informal settlements; both are inextricably related, with the majority of urban poor and disadvantaged located in squatter and informal settlements. High urban unemployment and underemployment, an increasingly overcrowded informal sector, limited subsistence opportunities, and avoidance of government expenditure in the settlements all contribute to increasing poverty. Recent work in informal settlements in Port Moresby indicates that settlers coming from rural areas see urban poverty as a better option than rural poverty (Jones 2010).

Pacific towns and cities are now a predictable combination of minimal planning aligned with increasing ad hoc growth centered on growing squatter and informal settlements. There is a marked divide in Pacific towns and cities between a growing urban underprivileged class who are poor, and those who are affluent and living comfortable lifestyles. The Pacific urban liveability setting is in decline, and this is most apparent in Melanesia, the circumstances of which—including growing urban population, high concentration of rural and urban poverty, diversity of indigenous groups, political instability, ethnic tensions, and tribal fighting—set it apart from Micronesia and Polynesia.

Box 12: Life’s not getting any better—Port Moresby
Letter to the Editor by Sebastian Orovae,
Sunday Chronicle, 5 September 2010, Port Moresby

I am a middle management officer and I live in a squatter settlement in Port Moresby. I am married and have three children and we are very poor. I have a degree from the University of PNG. My pay usually finishes in week 1 of the fortnight and it makes me sad. There is nothing I can do. My wife and children are hungry all the time and I cannot pay the school fees. I work hard in my job and I am poor.

Our squatter settlement has plenty of people who work in government and businesses. Some came here in the last year because rents went up and they could not pay the money to live in a house. My daughters are teenagers and are given plenty of trouble by raskol boys in the settlement. We have no wantoks to protect us as I come from the north coast. There are fights every week. Raskols stole our goods in the first week we came here.

Now rent is going up in the houses and people are coming to settlements. Rent on the wood slab houses is going up too. We have one water point in the settlement and my wife has to wait an hour or more to get a container of water for the house. I am always angry when I see senior officers in departments living in apartment houses and driving cars worth more than K150,000 each. They get the money by stealing from the government. People who are rich are the ones who steal most money. The senior ones write their own contracts on top of their wages.

I cannot go back to the village as all the land has been taken by my cousin brothers. I was away too long and I think I will live in the city all my life. Life will be bad once the Liquid Natural Gas (LNG) workers come and drive every PNG man and woman into being poor. We will all live in squatter settlements.
Land and Housing Markets

Housing occupies the majority of land in Pacific towns and cities. The process by which land is allocated and used in Pacific urban areas is exacerbated by the absence of a formal land supply system, and a chronic shortage of available and affordable land and housing. News stories such as “Port Moresby housing price boom leaves locals homeless” (Radio Australia 2009) reinforce concerns that housing and land have increasingly become unaffordable for those seeking modest urban lifestyles. Aid inflows and mining and resource booms further exacerbate the demand for land, including fuelling pressure to redevelop freehold and state lands occupied by squatters. The 2010 PNG Independent Consumer and Competition Commission Review of the Real Estate Industry, for example, found that the housing sector in PNG was in crisis. The review recommended that measures focus on increasing the availability of land for housing and attracting greater private sector investment (Independent Consumer and Competition Commission, 2010). The recently released National Housing Policy for Fiji echoes similar themes (Ministry of Local Government, Urban Development, Housing and Environment 2011).

With the exception of attempts by government, civil society, and community groups in Fiji (including city-wide squatter and informal settlement upgrading programs), and several national pilot projects on customary and state land underway in PNG, there is no systematic approach in Pacific DMCs to accommodate public investment in the provision of serviced land and sufficient housing for low-income groups. Where the private sector is active, middle- and higher-income groups with access to credit and certainty of formal employment tend to be the target of land and housing development activities (Gouy et al. 2010). Limited Pacific capacity and lack of commitment to supplying formally subdivided and affordable serviced land and housing that is accessible to low- and middle-income groups remain paramount challenges. Inefficient, slow, and cumbersome frameworks for accessing land under customary tenure, as well as limited stocks of state land for urban development, are major obstacles (Yala 2010; Apelis and Kwapena 2010). While arrangements for land under customary ownership are evolving to accommodate urban demand, mobilizing and packaging customary urban land remain fraught with challenges. As a result, market-based urban development is neither inclusive nor sustainable.

PNG leads the way in major reforms to land laws that allow customary lands to be alienated for urban development while allowing landowners to retain title. There is a range of ongoing pilot projects in the urban and peri-urban setting in Port Moresby and the highland town of Goroka. However, the impact of these initiatives on orderly planning and the resulting benefits flowing to landowners remain to be seen (Yala 2010).

While housing remains unaffordable for the bulk of the Pacific urban population, a key challenge is that the urban disadvantaged turn to informal land and housing markets to meet their shelter needs. As mentioned in Box 19, this includes formal sector employees who are unable to secure a reasonable standard of housing. The Government of Fiji estimated that from 2000 to 2004, approximately 70%–80% of new land developments in the urban areas had been facilitated through informal agreements, and that about 80% of new housing stock had been built independently of official planning
features of Pacific urban areas (Government of Fiji 2004). Recent work by the National Research Institute of PNG reflects similar trends, with more than two-thirds of all new buildings in Port Moresby constructed in squatter settlements (Callick 2011a). It is increasingly becoming clear that the informal sector is able to supply land for urban development more rapidly and efficiently than the cumbersome, overly-regulated, and slow land development and planning processes that characterize the formal sector.

With land and property too expensive to purchase or rent, pressures to occupy are often the greatest on land on the peri-urban fringe. For example, rental prices in Port Moresby increased by 15%–20% per annum in 2011 from approximately 5% per annum in 2008 (World Bank 2011). The peri-urban areas contain large tracts of customary and traditional lands, and are outside the boundaries of urban local government. In Kiribati, for example, while growth in urban South Tarawa has slowed, much of the new growth has occurred in the peri-urban areas containing customary lands in North Tarawa (NZ Aid Program and AusAID 2007). Squatters and informal settlers within local government areas take the risk of being asked to pay land rentals, including back payments (see, for example, Fiji Times 2009b).

In all Pacific towns and cities, the development of squatter and informal settlements occurs on lands both suitable and unsuitable for development. Suitable lands include those under state leases (but never developed and now encroached on by settlers), freehold lands, and lands under customary or traditional ownership. Settlements also emerge on marginal lands such as river banks (as in Apia and Suva), on steep undeveloped land (such as on lands adjoining Port Moresby’s central business district), beneath high-voltage electricity cables (such as in Port Moresby and Suva), and on flood-prone land (such as in Apia, Nuku’alofa, South Tarawa, and Suva). While some settlers have a choice as to where they reside, including pursuing ethnic and kinship connections within settlements, many have no option but to settle in environmentally vulnerable areas such as dump sites and tidal mangrove areas.

As Pacific towns and cities grow, the emerging trend is that the supply of urban freehold and state lands is increasingly becoming limited, with more settlers now seeking to occupy traditional or customary lands, the dominant land type in Pacific DMCs. Thus, settlements range from squatters living on state and freehold lands, to quasi-renting, “ownership,” or outright occupation of customary lands. On state lands, and increasingly on customary lands, settlements can occur through settlers claiming land rights by occupation. “Squatters do not care and will often forcefully stake ‘their claim’. It is now the case in Lae, Morobe Province where customary landowners again find themselves at loggerheads with settlers encroaching on their traditional land” (PNG Post-Courier 2011). In most cases, no payment is made by squatters occupying state lands unless an arrangement is formalized via temporary or permanent leases, such as that which occurs with leases in Honiara, Kiritimati Island, Port Moresby, South Tarawa, and Suva. The type of land tenure strongly influences the complexity of occupation rights negotiated between settlers and landowners.

For squatters living on customary lands, settlers may negotiate informal arrangements with landowners, including buying the land, that is, the land rights, according to customs (Monson 2010; Chand and Yala 2008a). Settlers
may be connected to the customary landowning group by referral from a third party; or through earlier trading associations, inter-marriage relations or friendship connections within the landowning group. In all Pacific DMCs, land rights have been multiple, conditional, and negotiable; and these are still applied in the negotiation process. Customary practices in negotiation may or may not be enshrined in formal legal statutes. While occupation agreements are sometimes illegal under the formal system, they hold greater validity when developed via customary practices such as the vakavanua way of obtaining permission from landowning groups in Fiji. However, such agreements are not watertight, and may change as circumstances evolve (Bryant-Tokalau 2010). Disputes often arise over boundaries that are not physically recorded in court minutes, or because landowners and family members disagree with the names recorded in court-registered documents. Under these circumstances, the sale or transfer of land can trigger disputes over land boundaries and ownership.

In the context of customary landowners being in a strong position to meet the demand for land, urban residents use a range of tenure mechanisms and agreements to secure their land as best they can. Security of tenure can be validated by cash and in-kind contributions and formal and informal record keeping that ensures rights to the use and development of land. These arrangements are underpinned by a known set of rules acceptable to both the landowner or landowning group, as well as the settlers (Chand and Yala 2012). Squatter and informal settlements in Pacific urban areas do not necessarily equate with insecurity of land tenure. It is increasingly acknowledged that there exists a continuum of use and development rights enshrined in tenure arrangements. These may or may not put settlers in a vulnerable position (Chand and Yala 2008a; Kiddle 2010).

The permanency of security of land tenure in settlements is impacted by a number of factors. These range from political allegiance, the cohesion of social enclaves within settlements, the length and means of occupation, and the extent of development of structures and community infrastructure (Chand and Yala 2008b). In Rarotonga, for example, some settlements date back to the New Zealand colonial period, with the tenure and occupation of settlements safeguarded by allegiances and friendships with urban landowners developed over many years (Central Policy and Planning Office 2010). Ultimately, settlers must consider real or perceived uncertainty over their security of land tenure, and the degree to which this constrains their liveability. Key factors determining security of land tenure are shown Figure 7.

**Infrastructure and Services**

Infrastructure and services include water supply and sanitation facilities, roads, bridges, hospitals, power stations, airports, and drainage and wastewater systems. Although generally better served with infrastructure and services than rural areas, Pacific urban areas struggle to keep pace with the demand for these services generated by population growth.

In 2002, approximately 89% of the urban population in the Pacific had access to improved water supply, about two percentage points lower than in 1990 (Table 5). Access to an improved water source is defined as the percentage of the population with access to an adequate quantity of water from an improved source. These sources include household connections, public
Figure 7: Factors Determining Security of Land Tenure in Pacific DMCs


<table>
<thead>
<tr>
<th>Pacific DMCs</th>
<th>1990 Coverage (%)</th>
<th>2002 Coverage (%)</th>
<th>2015 projected Coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook Islands</td>
<td>99</td>
<td>98</td>
<td>100</td>
</tr>
<tr>
<td>FSM</td>
<td>93</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td>Kiribati</td>
<td>76</td>
<td>77</td>
<td>83</td>
</tr>
<tr>
<td>Marshall Islands</td>
<td>96</td>
<td>80</td>
<td>40</td>
</tr>
<tr>
<td>Palau</td>
<td>71</td>
<td>79</td>
<td>100</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>88</td>
<td>88</td>
<td>85</td>
</tr>
<tr>
<td>Samoa</td>
<td>99</td>
<td>91</td>
<td>76</td>
</tr>
<tr>
<td>Tonga</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>92</td>
<td>94</td>
<td>100</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>93</td>
<td>85</td>
<td>69</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>91</strong></td>
<td><strong>89</strong></td>
<td><strong>85</strong></td>
</tr>
</tbody>
</table>

DMC = developing member country, FSM = Federated States of Micronesia.

Source: ADB, UNDP, UNESCAP, and WHO. 2006. Asia Water Watch, 2015: Are Countries on Track to Meet Target 10 of the Millennium Development Goals?
standpipes, boreholes, household rainwater collection systems, and protected wells or springs. There are great disparities in access to urban water supply systems across the Pacific, with Kiribati, the Marshall Islands, and Palau having the lowest urban water supply coverage in 2002, at approximately 80% (Table 5). However, water supply coverage figures are likely to be overstated, given the uncertain quality of potable water in some cases. While there has been no recent change in PNG’s water supply coverage, reduced water supply coverage in PNG is forecast in 2015. The Marshall Islands, Samoa, and Vanuatu are also projected to decrease coverage by 2012.

In Timor-Leste’s capital city, Dili, water supply coverage rates are among the poorest in the Pacific. This is primarily due to high population growth rates and an increase in the number of poorly functioning water supply and sanitation facilities, primarily due to insufficient maintenance and a lack of hygiene promotion programs. Dili’s coverage of 24-hour-per-day safe water supply remains at 25%–30%. Approximately half of the water produced and distributed to Dili is lost to leakage and illegal connections (Box 13).

South Tarawa faces the greatest challenge of all the Pacific DMCs in meeting water requirements. According to the 2005 Census, 72% of the urban population sourced drinking water from wells; while 67% sourced water from reticulated systems, which are fed from groundwater reserves known as Buota and Bairiki, and located at the northernmost point of South and North Tarawa. Operation of these fragile systems requires a delicate balance between recharge from rainfall, evapo-transpiration, discharge to the sea, mixing with tidal

**Box 13: Water Supply in Dili, Timor-Leste**

In 1998, only 41% of Dili residents had access to piped water, of varying quality and reliability; and 44% of the urban population still used shallow or deep wells. The Millennium Development Goal targets for access to safe water in Timor-Leste are to increase access in rural areas from 51% in 2001 to 75% by 2015; and for urban areas, from 72% in 2001 to 86% by 2015. Many rural water supply systems have failed, and urban water supplies are typically intermittent; and the quality of water they deliver varies widely. Estimates indicate that in 2007, access to clean water was approximately 43% for Timor-Leste, 45% in urban and peri-urban areas, and 41% in rural areas.

Fewer than 30% of Dili households enjoy 24-hour access to safe water. This compares to the government’s National Development Plan target of 80% of the urban population having access to safe, piped water by 2020. High rates of leakage and low pressure levels affect more than 50% of Dili water supply system users. Further, service is intermittent, with water being available only 3–16 hours per day. Complete lack of water and low pressure comprise one-third of complaints. While Dili’s primary and secondary distribution system is in generally good condition, water sources, treatment plants, and transmission mains only have sufficient capacity to meet the city’s water supply requirements over the medium term. Dili’s poor water service is primarily caused by (i) a lack of tertiary trunk pipes, (ii) poor condition of tertiary pipes and service connections, and (iii) inadequate demand management. Revenue loss reached 100% in August 2007, when consumers completely ceased paying their water bills.

groundwater, and pumping of water from the aquifer to meet public needs. A prime reason for the low usage of the public system and a high reliance on wells is that the reticulated public water systems only deliver water 1–2 hours per day. Constrained supply, over-pumping, leakages, and illegal connections, all contribute to a failing public water supply system.

Pacific urban sanitation facilities are in even less satisfactory condition than public water supply systems. In 2002, 87% of the urban population in the Pacific had access to improved sanitation facilities, as compared to 81% in 1990 (Table 6). Access to improved sanitation facilities is defined as the percentage of the population with access to excreta disposal facilities that can prevent human, animal, and insect contact with excreta. Improved facilities range from protected pit latrines to flush toilets connected to a sewerage system. Coverage in Kiribati is the lowest among the Pacific DMCs listed in Table 6 at approximately 59% in 2002. Coverage in PNG was at 67% in 2005 and is forecasted to remain generally constant through to 2015. Coverage in the Marshall Islands has lagged behind due to population increase. By 2015, the Marshall Islands is forecasted to have the lowest rate of coverage at 59%. Sanitation facilities in Pacific urban areas comprise numerous types of systems, including piped reticulated systems, pit latrines, septic tanks, and open defecation on beaches and in the bush. Data on public sanitation facilities must be interpreted with caution, as the presence of a septic tank, for example, does not necessarily imply that it is operational.

Roads and drainage in all major Pacific towns and cities are either in varying states of decline or in need of substantial repair or reconstruction. Most major urban roads are either potholed or breaking up. This reflects inadequate maintenance, substandard construction, and generally poor management capability. Drainage systems both formal and informal also suffer from similar weaknesses, exacerbated by high-flow surface water during the rainy season. While local governments often have local road maintenance responsibility,
they have lesser technical and financial resources than central government for carrying out road maintenance functions.

Due to increasing population pressure, treatment of wastewater, such as sewage, stormwater, and other water used for various purposes, has become an increasing concern, as water-borne pollutants from industrial discharge, petrocarbons, detergents, pesticides, heavy metals, and untreated sewage contain high concentrations of faecal bacteria. In the absence of reticulated sewerage systems, on-site retention systems, and limited stormwater treatment options, wastewater often drains directly into open channels, into the water table, or to downstream coastal areas.

Waste management services vary considerably across Pacific urban areas, in part because demand on these services is increasing along with expanding urban population. The composition of domestic solid waste in the Pacific has been estimated as comprising 58% biodegradable waste, 12% paper, 10% plastic, 6% glass, and 8% metals (SPREP 2006). While landfills are now in place in all Pacific urban areas, some of these abut housing areas, particularly on land-scarce atolls. The management and operational efficiency of these landfills vary greatly, with efficiency sometimes being undermined by limited infrastructure (compaction machinery); and a lack of cost recovery systems, technical expertise, and political commitment. Recycling operations focus on reusing waste and reducing the disposable waste stream. Bottle and aluminum-can recycling facilities now operate in some Pacific DMCs such as Kiribati. They are usually run by the private sector with government support.

Rates of access to infrastructure and services, such as water, sanitation, and domestic waste collection facilities; and primary education and health care facilities, remain low particularly for the marginalized, the poor, and the disadvantaged. Further, these groups face barriers to receiving and accessing these services because of cost and ethnic barriers.

Health
Pacific urban environments are often associated with public health concerns. While the urban population in the Pacific is generally better placed than rural residents in terms of access to social services, life expectancy, and literacy, relatively high urban population growth rates and densities are raising the spectre of health threats. While Pacific urban areas provide jobs and income-earning opportunities, they are also areas posing high risks of contracting both infectious and noncommunicable diseases. The origins of health threats in Pacific urban areas include poor air and water quality, lack of appropriate sanitation facilities, ambient temperatures that support rapid growth of bacteria, population densities that facilitate the spread of infectious diseases, lack of access to quality food, deficient waste management arrangements, poor land quality, lack of access to and nonprovision of health care services, degradation of coastal and reef fisheries due to overfishing, and poor land use planning and design that limit opportunities for physical activity. Climate change impacts also increase the risk of poor health outcomes through drought, flooding, sea-water inundation, and groundwater contamination.

Further, in virtually all Pacific urban areas, public health status is closely correlated with socioeconomic status. In general, the incidence of
infectious diseases such as tuberculosis, HIV/AIDS, pneumonia, and diarrheal infections is inversely related to socioeconomic status. Meanwhile, urban residents belonging to higher socioeconomic status groups likewise suffer from a relatively high incidence of noncommunicable diseases such as cancer, diabetes, obesity, and heart ailments. Simply put, Pacific urban public health issues are strongly correlated with socioeconomic status, as the health of low-income residents living in informal settlements is impacted by overcrowding, inadequate infrastructure and services, and living on hazard-prone land such as areas subject to flooding, tidal flows, land slips, and leakage from adjacent sewage pumping stations and waste disposal sites. Finally, urban settings that fail to support and facilitate physical activity through attractive and usable open space are associated with depressed levels of physical activity, and hence with greater incidence of public health problems (Department of Infrastructure and Transport 2010).

In atoll Pacific DMCs such as Kiribati, the Marshall Islands, and Tuvalu, the limited absorptive capacity of high-permeability coralline sands results in contamination of shallow household wells, whether open or closed, including faecal contamination. Similarly, in non-atoll Pacific DMCs such as Samoa, leaking household septic tanks contribute to both groundwater and marine contamination. Thus, both natural and built features of Pacific urban areas contribute to urban public health challenges.

Further, the relatively high population densities of Pacific informal settlements as well as the diets of the residents of such areas, significantly magnify public health challenges. This is particularly true of non-communicable diseases such as diabetes, heart disease, and mental illness. Air pollution resulting from open fires, and alcohol and substance abuse in these settlements, further exacerbate Pacific urban public health problems (WHO and UN-Habitat 2010). Women and children are often the most affected by these health challenges. In sum, location in Pacific urban areas and natural and built-environment factors are significant determinants of health outcomes (Boxes 14 and 15).

As for mental health issues, depression and anxiety, especially among unemployed youth, are rising in all Pacific urban areas. Similarly, attitudes toward particular physiotypes also impact health status, since in many Pacific DMCs, large body size is seen as a sign of beauty and social status, regardless of its life-threatening aspects. Finally, poor health also equates with poor school attendance, inability to concentrate on studies, and employee absenteeism and low productivity.

**Urban Security**

A range of indicators point to inadequately managed urbanization driving ethnic tension, crime, and heightened levels of urban insecurity. Rising urban insecurity can undermine economic growth, investment, and productivity. It also impacts individual and societal well-being. Urban crime and violence are not spontaneous events. They are symptoms of some Pacific societies which have significant pockets of inequality, social exclusion, and growing poverty. Disparities in living standards in these Pacific DMCs have been catalysts for urban crime, violence, and physical insecurity. Declining urban security in some Pacific towns and cities, particularly those in Melanesia, is reflected by...
Rising urban insecurity can undermine economic growth, investment, and productivity.

Box 14: The Urban Environment and Health in South Tarawa

“A number of environmental factors are increasing the risk of communicable diseases in Kiribati. High-density housing and overcrowding in urban areas such as South Tarawa is facilitating the transmission of infectious diseases. For instance, tuberculosis incidence in Kiribati has now surpassed that of other Pacific island countries, and most reported cases (70% in 2005) are found in the urban settlement of Betio in South Tarawa. Other health indicators suggest that the health status of people living in South Tarawa is now worse than that of people living in the Outer Islands. In the 2005 Census, for example, the infant mortality rate in South Tarawa was higher than that in the Outer Islands.

Inadequate water supplies, unsafe drinking water, variable standards of personal hygiene, poor food handling and storage, and poor sanitation are all contributing to the large number of cases of diarrhoeal, respiratory, and eye and skin infections. Diarrhoeal diseases and respiratory infections are major causes of mortality among children.”


Box 15: Urban Lifestyle and Health in South Tarawa

“One recent survey has documented that residents in the squatter settlements on South Tarawa were more likely to dump solid waste, use the beach as a toilet, and use dirty water for drinking as a result of being cut off from infrastructure and services. Water and sanitation facilities are only provided to those on public land, … and private households are required to pay for their own connections. The majority of these cannot or choose not to pay for this service and end up dependent on wells and rainwater, and basic toilets or squatting on the beach. Given that almost all new housing stock in Tarawa is now informal and illegal and treated as such by authorities, this is cause for concern. … The solid waste collection system has only been partially successful. Much of the urban area is still plagued by garbage and the country still does not have legislation to deal with solid waste management or pollution of the lagoon.”


- gated business premises, presence of security guards, and restricted hours of operation;
- limited hours and routes for transport to safely operate; for example, Lae to Tari on the Highlands Highway in PNG;
- private security firms employed and working alongside state police officers; and
- loss of human resources, skills, and capital to other Pacific DMCs and destinations outside the region.

PNG’s urban security setting has defined the images and perceptions of urban crime and violence in the Pacific (UNESCAP and UN-Habitat, 2009). Some researchers have argued that crime in Port Moresby and PNG is a rational income-earning option, being an economic response to survival as well as an activity that is tolerated by certain groups (Levantis, 2000). Lack of policing, growing poverty levels, over-regulation of informal activities, limited formal employment, and the ability to secure income from crime as compared to
formal employment, have all helped to embed crime as a component of urban life in Port Moresby. Some development agencies have viewed crime and law-and-order issues in Port Moresby as being linked to patterns of inequitable economic and social development (UN-Habitat 2004; UNESCAP and UN-Habitat 2009).

Research in the Four Mile Settlement squatter area of Port Moresby in 2010 revealed how settlers coped with the global economic crisis. The research discovered that settlers resorted to crime, prostitution, and gambling as measures for minimizing hardship and poverty (Jones 2011a). Such patterns have become the norm, given the customary acceptance of crime and violence, including domestic violence, in some Pacific DMCs, which is fuelled by significant gender inequality in many parts of the Pacific.

Whether justified or not, urban security issues in Pacific DMCs are increasingly blamed on residents of squatter and informal settlements. “Yes, settlements are havens for criminals and criminal activities because most of those that live there are the unemployed drifting into town in the hope of land[ing] jobs for [a] comfortable life” (PNG Post-Courier 2011). Anti-urban sentiments are directed at residents living in urban settlements by the police and other state agencies. They have described settlers as “violent and volatile people,” responsible for “crime and illegal activities and disgraceful lifestyles,” and as persons that all need to be sent back to their rural villages (Mawuli and Guy 2008:109–111). Such remarks illustrate the view that the origin of the majority of urban security issues is squatter and informal settlements. The perpetuation of such biases in the Pacific reflects the disconnect between urban security, crime, and violence, and the underlying causes, which are rising poverty, social exclusion, and inequality in income and wealth distribution.

In Melanesia, urban security issues would be worse if not for the fact that many settlements expand along tribal and ethnic origins, and thus exhibit strong social cohesion. Settlements have become enclaves, or comprise series of enclaves, of kinship support that provide reciprocal benefits to settlers. Advantages of these settlements include kinship, “friend” systems, and wider community structures that play a support role for people and households by providing personal security and property protection within the settlements (Chand and Yala 2012). However, where settlements are not homogenous, or when a breakdown in social relations occurs, the coverage and effectiveness of traditional forms of social protection and security are eroded. Violence is also exacerbated by harsh eviction measures used by the state such as “scorched earth” methods that drive residents out of the settlements. The eviction methods used transmit mixed signals regarding urban security.

Pacific urban areas are increasingly marked by disputes and violence over land ownership, lack of security of land tenure, and forced evictions. Conflict over land use has emerged as the primary source of tension in virtually all Pacific urban areas (see, for example, Yala 2010). Ethnic tensions that give rise to looting, rioting, and violence are primarily a feature of Melanesian urban areas, though more recently, this has spread to Polynesia. For example, in 2009, Chinese-owned businesses in Port Moresby’s central business district were burnt to the ground, and in 2010 a prominent Chinese business leader was killed in a drive-by shooting. In 1998 and 2006, Port Vila enacted special measures to combat violence; while in 2006, Tonga’s capital, Nuku’alofa,
Pacific urban life places significant pressure on the natural environment, particularly with respect to demand for land, water, food, energy, and building materials; and the volume of waste urban life generates. Riots in Honiara in 2006 fuelled by inter-ethnic fighting saw major property destruction as Chinatown was destroyed (UNESCAP and UN-Habitat 2009). Chinese business operators have also been targeted in Tonga and Samoa. Ethnic conflicts in Honiara, which escalated into the riots and violence of 2006, have been cited as causing a “boom in squatter numbers,” as residents were displaced and employment was lost (Maebuta and Maebuta 2009).

In many Pacific urban areas, there is a growing evidence of an urban landless class, inclusive of traditional landowners, that is becoming an increasingly vulnerable group. Sadly, conditions have deteriorated to such a point that when the community looks to its justice and law-and-order institutions, such as the police and courts, for guidance in crime prevention, leadership is often absent. There is thus an increasing lack of confidence and respect on the part of the community for the police and justice system generally.

Real and perceived crime, combined with built environments that are unwelcoming due to improper design or lack of amenities, all exacerbate anxiety levels of urban residents regarding urban security. In this context, urban management and planning have important contributions to make by creating safe, secure, and enjoyable spaces. However, such approaches have yet to be incorporated into the planning agenda of Pacific towns and cities.

Environment Sustainability

Pacifc urban life places significant pressure on the natural environment, particularly with respect to demand for land, water, food, energy, and building materials; and the volume of waste urban life generates. These negative environmental impacts can be direct, such as harvesting of trees for firewood and housing and sourcing of sand and gravel from hillsides, creek beds, and foreshores; or indirect, such as pollution caused by energy consumption or generation of household waste. This notwithstanding, some Pacific urban populations rely heavily on the natural environment for their livelihoods. The inevitable result of this dilemma is polluted groundwater, constrained access to land, unmanaged solid waste and air pollution, use of productive land in peri-urban areas for non-productive purposes, and depletion of fishery resources.

With limited economic growth opportunities, some Pacific urban residents are highly reliant on the natural environment for their day-to-day survival. In the absence of other means of livelihood, population growth, poverty, and deprivation mean that such resources are exploited at will. In conjunction with this is the increasing vulnerability of Pacific urban areas to the impacts of climate change. The physical footprint of Pacific urban areas is expanding, and in most cases, in an unplanned manner.

At the Pacific Urban Forum in Nadi, on 2 December 2011, the following five important themes that impact the sustainability of urban areas were discussed:

- contamination of water resources,
- securing of land for public purposes,
- balancing private land rights with the public interest,
- ad hoc resource exploitation, and
- climate change and natural hazards.

Besides contamination of water resources, the scarcity of freshwater...
resources also exacerbates the constraints on development faced by many Pacific DMCs. Pollution generated by households and businesses, sedimentation resulting from uncontrolled watershed development, and illegal occupation of water reserves and catchments are all common problems in the Pacific. In atoll Pacific DMCs, water shortages force some communities to use contaminated groundwater for cooking and drinking.

Death and disease occur from natural disasters such as droughts, floods, and heat waves, all of which reduce both the availability of freshwater and the water quality. In the long term, climate change is expected to exacerbate these impacts as the frequency and intensity of climate change events increase.

Securing and managing land for public purposes, such as water reserves, roads, schools, and hospitals, remain problematic (Box 16). Land is often leased by the government without following proper processes, thereby putting traditional owners at arm’s length and establishing points of conflict. Leasing, surveys, land valuation, and other due-processes are often performed after the fact, placing landowners in a position of power and supremacy in land negotiations. The rights of landowners remain paramount under existing land tenure and urban planning arrangements. In Kiribati, for example, the Native Lands Act (Cap. 61) provides that the landowner “controls the use of

With limited economic growth opportunities, some Pacific urban residents are highly reliant on the natural environment for their day-to-day survival

Box 16: Threats to Sustainability of Urban Water Reserves in South Tarawa

The Bonriki water reserve on South Tarawa is leased by the government from landowners, and it supplies approximately 87% of the treated reticulated water supply used in urban South Tarawa. The Report on the Protection and Management of Water Reserves, South Tarawa for the Kiribati Adaptation Program found that the major threats to the sustainability of the water reserve included the following:

- Planning failures, with approved developments on the water reserve in contravention of regulations
- Increasing settlement on the reserves, encouraged in part by permitted 50 m ocean-side strip development
- Continued sand and gravel mining in water reserves, increasing groundwater loss by evaporation and increasing the risk of contamination
- Inappropriate land use on water reserves including:
  - Digging of open water wells, which increase(s) pollution and evaporative losses of groundwater
  - Continued use of graveyards that exposes shallow groundwater to increased risk of pollution
  - Raising of pigs with their resultant faecal contaminant load posing a significant threat to water quality in the water reserves
  - Growing crops where the use of animal manure and fertilisers poses a significant groundwater pollution threat
  - Cultivation of babwai (swamp taro) directly in the watertable with fertiliser and animal wastes added directly to the groundwater posing a major threat to groundwater quality and increasing evaporative losses
  - Direct pollution with rubbish thrown down the terminal wells of infiltration galleries
  - Vandalism of infrastructure, including pumps, pipes and monitoring boreholes

Cutting across all aspects of sustainability of Pacific urban areas are the impacts of climate change and natural hazards.

his property," while the Land Planning Act (Cap. 48) provides for land use planning that is in the “public interest.” As with the removal of squatters, there is reluctance by government to interfere with the traditional rights of landowners. Considerable caution is likewise exercised when addressing property rights issues that relate to specific kin groups, especially in cases where precedents favor larger and stronger landowning groups. State lands are often seen by landowners and the public-at-large as being lands “for the taking,” whether through inappropriate land use (such as cemeteries on public water reserves), occupation for housing, or outright destruction of public property.

Related to the management of state and public lands is the increasing ad hoc exploitation of natural resources for energy, housing, and construction. This is a growing feature of all Pacific urban areas, especially those with higher poverty levels such as Melanesia and Micronesia. With restricted opportunities for income, vegetation, and ground cover on both public and private lands are increasingly being taken at will for firewood and shelter purposes, as reflected in the common practice of selling bundles of firewood in Melanesian urban areas.

However, the activity that has become endemic is the extraction of sand and gravel aggregate. Sold at market places and roadside stalls, sand and gravel are taken illegally from beaches, creek beds, and hillsides for use in housing and general construction. Enforcement is problematic, as many offenders plead ignorance. Such ad hoc mining invariably results in vegetation loss, erosion, and, in some cases, increased vulnerability of water reserves. When gravel overburden is removed from the top layer of water reserves, evaporation loss, pollution, and instability of infrastructure increase.

Cutting across all aspects of sustainability of Pacific urban areas are the impacts of climate change and natural hazards (Table 7). Pacific DMCs increasingly suffer from sea-level rise; more frequent and intense tropical storms, flooding, and droughts; bleaching of coral reefs; diminishing freshwater resources; and rising incidence of vector-borne diseases. Collectively and individually, these impacts all undermine development gains.

Natural disasters including cyclones, earthquakes, tsunamis, droughts, and flooding are increasingly occurring across the Pacific, causing loss of life and varying degrees of damage and adaptation response. The tsunami that hit Samoa on 29 September 2010 caused losses estimated at $124 million, more than 22% of Samoa’s GDP. Most of the damage occurred in coastal areas where the bulk of the population and settlements were located and infrastructure and economic activity are concentrated. Many of the communities that were affected by the tsunami were located in coastal areas. These are areas of great natural beauty and thus the main source of tourism-related income. The World Bank estimated the total cost of reconstruction and recovery including resettlement of communities from coastal to upland areas at $17 million (World Bank 2009).

For all Pacific DMCs and especially those in Micronesia and Polynesia, the challenges of addressing climate change are significant. The scale of the climate change challenge is daunting, given that more than 50% of the Pacific region’s population live in coastal areas. Coastal flooding is estimated to potentially impact 60,000–90,000 Pacific islanders by 2050, or 0.3%–0.5% of the projected 2050 population (ADB 2010b). Major population relocation
and resettlement within Pacific DMCs such as the Micronesian atoll countries is not a realistic option. The issues are made more complex by longstanding attachment to landholdings and sociocultural values that muddy solutions. Such complexities impact the speed of adaptation by communities, particularly in the short term.

While coastal cities such as Honiara, Port Moresby, and Port Vila are affected by storm surges and erratic seasonal weather, long-term changes in temperature and rainfall also impact the inland rural areas of these countries and thus the livelihoods of rural inhabitants. Because the population of Fiji is more than 50% urbanized and a significant proportion of its population lives in urban and coastal areas, it will be strongly impacted by sea-level rise, storm surge, and flooding (Box 17). Similar impacts are likely in Dili.

The impact of climate change on Polynesian DMCs such as the Cook Islands, Samoa, Tonga, and Tuvalu will be extreme, as more than 90% of their population live directly on the coastline, on land located on small coastal strips, or in the nearby hinterland. Their homes, vegetable plots, and village infrastructure will thus be impacted by higher king tides and the resulting salinization of water and soil. Storm and cyclone events will likewise become more frequent as a result of the long-term impacts of the El Niño Southern Oscillation.

<table>
<thead>
<tr>
<th>Pacific DMCs</th>
<th>Pacific Subregion</th>
<th>Topography and Resources</th>
<th>Typical Climate Change and Natural Disaster Impacts</th>
<th>Population Growth Rates (% per year)</th>
<th>Key Urban Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiji, Papua New Guinea, Solomon Islands, Timor-Leste, Vanuatu</td>
<td>Melanesia (plus Timor-Leste)</td>
<td>Mountainous, fertile soil, rich in forest and minerals, good water catchments</td>
<td>Increased high-intensity rainfall, floods, sea-level rise and coastal inundation, king-tide impacts; increased frequency and intensity of extreme weather events, including cyclones; natural hazards including tsunamis</td>
<td>Low to high (0.5% to 2.7%)</td>
<td>Low percentage of national urban share; highest overall urban population numbers to be impacted</td>
</tr>
<tr>
<td>The Cook Islands, Samoa, Tonga, Tuvalu</td>
<td>Polynesia</td>
<td>Flat to low mountains, fertile soils, good water catchments</td>
<td>Increased incidence of cyclones; sea-level rise; coastal inundation; growing water shortages; natural hazards including tsunamis</td>
<td>Low (~0.3% to 0.5%)</td>
<td>Low to high percentage of national share; lowest overall urban numbers; much coastal urban growth; emigration opportunities</td>
</tr>
<tr>
<td>Kiribati, The Marshall Islands, Federated States of Micronesia, Nauru, Palau</td>
<td>Micronesia</td>
<td>Atolls, low-lying, poor soils, no minerals, limited agricultural potential, limited water resources, extensive ocean fishing resources</td>
<td>Sea-level rise; coastal inundation; drought; increasing salinization of water sources and heat stress</td>
<td>Low to high (0.4% to 2.1%)</td>
<td>Highest percentage of national urban share; lowest overall urban numbers; low-lying urban centers</td>
</tr>
</tbody>
</table>

DMC = developing member country.
The vulnerability of the Micronesian DMCs such as Kiribati and the Marshall Islands to the long-term impacts of climate change has been recognized by international development organizations. These agencies have provided these countries with support for addressing climate change impacts. Because the elevation of most of Kiribati is only 1.5–2.0 meters, the country is particularly vulnerable to sea-level rise, which raises the salinity of underground water supplies and damages both housing and coastal infrastructure. Sea-level rise also alters shorelines through erosion, in turn impacting land boundaries and disrupting the livelihoods of local communities. Similarly, temperature variation caused by climate change alters existing rainfall patterns, which increases the incidence of waterborne diseases (such as cholera and typhoid) and dengue fever. These illnesses are most prevalent in overcrowded urban areas such as squatter and settlements (ADB 2010b).

**Key Messages**

- Despite mediocre Pacific economic performance and the precarious urban condition of many Pacific towns and cities, urban areas remain important engines of national economic growth. There has been a sectoral shift in the distribution of GDP, from rural activities to services generated through both formal and informal activities which have been increasingly located in urban areas.

- In the absence of reliable measurable data, the liveability of Pacific DMCs continues to decline. The issues surrounding the deteriorating quality of life in Pacific urban areas are complex, being underpinned by poor governance, ethnic tensions, stuttering economies, and poverty. A key message is that Pacific towns and cities are not functioning efficiently and effectively as they could be. They are struggling to meet the needs of residents and businesses, a situation magnified by the impacts of the global economic crisis.

- Expanding squatter and informal settlements are now a permanent feature of the fabric of Pacific towns and cities. Melanesia has the...
greatest proportion of such settlements, with PNG having the largest concentration. Poverty and hardship are both inextricably related, being both a symptom and a driver of squatter and informal settlements. In all Pacific towns and cities, there is a marked chasm between a class of urban residents who are underprivileged, disadvantaged, and poor; and those who are affluent and living comfortable lifestyles.

- Urban development and its management are not mainstream activities of government, and are problematic for the private sector. With few exceptions, Pacific DMCs do not have a systematic programmatic commitment to public investment in the provision of serviced land and/or housing for low-income groups. Pacific governments have detached themselves from involvement in the land market in line with wider regional and global trends of neoliberalism. Land supply is left to a dysfunctional market, where land is difficult to access (especially customary land) and an ‘adequate’ level of housing is becoming more and more unaffordable. As a result, the urban disadvantaged as well as formal sector workers now seek informal land and housing markets—such as squatter and informal settlements—to meet their shelter needs.

- While there have been gains in services and infrastructure in Pacific urban areas such as water, sanitation, and waste management, there is a major backlog in both their provision and maintenance at all levels of government. Administrators of Pacific urban areas are struggling to keep pace with the demands and needs generated by the existing population, and are unable to anticipate future population needs. Planning, technical, funding, and sociocultural issues characterize efforts to provide Pacific urban services and infrastructure.

- The quality of the Pacific urban environment is strongly associated with public health concerns. Influential factors shaping the condition of Pacific public health are air and water quality, sanitation facilities, temperature, population density, diet, land quality, accessibility and provision of health care services, and poor land use planning and design. In Pacific towns and cities, there are strong socioeconomic, natural, and built-environment factors that define public health outcomes.

- Melanesian DMCs are those most marked by the decline in urban security. Their urban areas feature rising incidence of urban crime, violence, robbery, and gang violence, all of which undermine economic growth, investment, and productivity. Urban safety, crime, and violence would be worse in these Pacific DMCs if not for the fact that many settlements grow along tribal and ethnic origins, which provide various forms of urban security. Ethnic tensions and urban security issues such as looting, rioting, and violence are primarily a feature of Melanesian urbanization, and, more recently, Polynesia.

- Urban sustainability, including maximizing renewable resources while minimizing impacts on the environment, remains a new concept in the Pacific. ‘Mining’ of the environment and subsequent environmental degradation will continue unless actions are taken to (i) diversify and strengthen the economic base of the urban and national economy, (ii) change people’s attitudes and norms with respect to how they value and care for the environment, and (iii) reduce poverty levels.
deprivation, and the breakdown of community social structures, including a lack of stewardship, all contribute to the natural environment being exploited at will.

- Climate change and natural disasters pose overarching threats to Pacific sustainability, further undermining their fragility. Urban areas in the Pacific will be at the frontline of the impacts of climate change, since over half of the population and most of the settlements and supporting infrastructure are located in coastal areas. Incorporating disaster risk re-education activities into Pacific urban management and in various urban initiatives will involve mainstreaming risk identification and assessment, risk mitigation planning, emergency preparedness, and risk financing and investment. Developing and sustaining adaptation measures as they evolve at the community level will not be easy due to land and kin groups, and strong sociocultural values attached to land. These parameters will affect the speed of adaptation, and what can realistically be expected to be achieved in the short term.

Urban sustainability, including maximizing renewable resources while minimizing impacts on the environment, remains a new concept in Pacific DMCs.
Urban Governance in the Pacific

The Nature of Urban Governance and Management in the Pacific Developing Member Countries

For most Pacific developing member countries (Pacific DMCs), managing the unprecedented scale, nature, and speed of urban change poses a major challenge. Unfortunately, Pacific arrangements for urban governance are fragmented and politicized. This is in part due to the fact that addressing cross-sectoral issues is a relatively new and daunting task for Pacific urban managers.

Managing urban growth in the Pacific remains contentious for three reasons. First, prior to western contact, Pacific DMCs had governed themselves through the use of administrative systems based on longstanding cultural traditions (Jones 1997). Thus, modern formal governance systems tend to exist as an overlay atop traditional administrative arrangements. While some overlaps currently exist between these two parallel systems, optimal governance is best achieved when the two are combined over a period of time and of sufficient length to allow their mutual assimilation.

Today’s Pacific urban areas are in fact creations of colonial administrations that formulated them in response to imperial necessities. They are thus not products of indigenous traditions. As a result, many Pacific urban areas remain predominantly rural in character, rather than being oriented to modern, urban lifestyles. As a result, modern-day formal state institutions and urban governance arrangements have been overwhelmed by both the pace and scale of Pacific urbanization.

It is thus not surprising that “urban governance” and “urban management” are terms neither well understood nor familiar to Pacific bureaucratic institutions or the public-at-large. Urban governance is the conduit by which residents and groups—including government—voice their concerns, exercise their legal rights, debate, resolve their differences, and fulfil their obligations. Urban governance thus encompasses a multitude of stakeholders that includes various levels of government, nongovernment organizations (NGOs), the private sector, civil society, donor organizations, and community groups.

Good urban governance requires decision making that takes into account the desires of specific partnerships and relationships, as well as the vastly differing priorities and interests of a wide array of stakeholders. The implication of good urban governance is that no one should be denied access to the necessities of urban living, and that residents should play a fulfilling role in improving their social, physical, and economic conditions (WHO and UN-Habitat 2010). Participation, accountability, transparency, and equity are hallmarks of good urban governance. Urban governance is thus a much broader concept than the government machinery of urban administration.
Pacific urban governance encompasses two parallel forms of urban governance that overlap and intersect: (i) urban governance based on formal state systems supported by public administration and bureaucracy, both of which are necessary for achieving the development objectives of the formal government; and (ii) urban governance based on traditional practices and social hierarchies, which include structures that have their roots in social affinity or connections to family or landowning groups. Examples of traditional local governance mechanisms are village courts, the scale of political power afforded local leaders, and, more recently, the establishment of local committees in settlements and the involvement of churches in local governance processes. It should be noted that the degree of adoption of each form of urban governance by the Pacific DMCs varies widely. In some Pacific DMCs such as Fiji, Kiribati, Tuvalu, and Vanuatu, local governance predominantly comprises formal state institutions; while in others such as Samoa and Tonga, it predominantly comprises traditional local governance structures. In still other Pacific DMCs, local governance comprises a combination of the two systems working in tandem. This diversity of arrangements gave rise to the definition of local government in the Pacific region as “the tier or tiers of government below that of national government” (Hassall and Tipu 2008, 8).

Overall, Pacific governmental structures and processes are anchored on varying levels of participatory engagement, with a multiplicity of local processes focusing on maintaining or mediating between the interests of local kinship groups and communities. Disputes including those relating to urban land allocation and settlement are thus recurring themes in Pacific urban governance at the local level. In Melanesia, traditional leaders have been recognized as a key element in the workings of the political economy in rural and urban areas alike. Senior statesmen who have attained reputation and respect (i.e., chiefs and “big men”) play important roles in mediating, representing, and politicizing the views of particular clans, villages, or districts (ADB 2010a).

Table 8 presents the range of recognized formal and traditional forms of local governance in selected Pacific DMCs. For example, formal local government in Kiribati comprises a tier of formal state local governments, such as Betio Town Council and Teinainano Urban Council which comprise urban South Tarawa. Operating alongside and overlapping with the formal local government in Kiribati are various forms of traditional governance based around local practices and structures, such as the unimane (old men), maneaba (village meeting place) and Toka Tarawa (Tarawa landowners association). In Samoa, the formal local government effectively builds on traditional village arrangements that are enshrined in national legalization.

In the Pacific context, the terms “urban governance” and “urban management” have meanings distinct from those applicable in developed countries. In the Pacific, urban management arrangements are a subset of urban governance. In other words, urban management is a function carried out by political and legal structures and mechanisms at both the national and local levels, the purpose of which is to coordinate urban governance. Thus, improvements to urban management and planning fall within the realm of functions of national and other tiers of government. In such a context, nearly all urban management reforms are initiated by national or local government agencies with the support of development partners.
During 2001–2002, Samoa articulated the first operational definition of “urban management” and “urban planning” in the Pacific context by developing a cross-sectoral urban management system for both Apia and Samoa that included urban planning (Box 18).

In 2000, Samoa had no formal urban management system that met the needs and desires of the urban population and integrated formal state and local institutions at the national level. The government recognized the need for implementing major urban development projects to meet the needs of the growing urban and peri-urban areas of Apia, as well as the extension of peri-urban areas into North West Upolu.

### Table 8: Local Governance Structures in Selected Pacific DMCs

<table>
<thead>
<tr>
<th>Pacific DMCs</th>
<th>Local Governance Structure</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook Islands</td>
<td>Outer-island local governments</td>
<td>10</td>
</tr>
<tr>
<td>Fiji</td>
<td>Municipal councils</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>District advisory councils</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Rural local authorities</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Provincial councils</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Rotuma council</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Villages</td>
<td>–</td>
</tr>
<tr>
<td>Kiribati</td>
<td>Urban councils</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Rural/outer island councils</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Villages</td>
<td>–</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>National Capital District, Port Moresby</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Urban local-level governments</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Rural local-level governments</td>
<td>313</td>
</tr>
<tr>
<td></td>
<td>Provincial governments</td>
<td>22</td>
</tr>
<tr>
<td>Samoa</td>
<td>Village (Fono) councils</td>
<td>211</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>Honiara City Council</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Noro Town Council</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Provincial councils</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Villages</td>
<td>–</td>
</tr>
<tr>
<td>Tonga</td>
<td>Districts</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Lapaha Town Council</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Towns/villages</td>
<td>156</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>Funafuti Kaupule (Town Hall/City Council)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Island Kaupule (Island Council)</td>
<td>7</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>Municipal councils</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Provincial councils</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Area councils</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Villages</td>
<td>–</td>
</tr>
</tbody>
</table>

— = no formal system or village level governance structures, DMC = developing member country.


### Urban Management and Planning: The Cases of Samoa, Tonga, and Papua New Guinea

During 2001–2002, Samoa articulated the first operational definition of “urban management” and “urban planning” in the Pacific context by developing a cross-sectoral urban management system for both Apia and Samoa that included urban planning (Box 18).

In 2000, Samoa had no formal urban management system that met the needs and desires of the urban population and integrated formal state and local institutions at the national level. The government recognized the need for implementing major urban development projects to meet the needs of the growing urban and peri-urban areas of Apia, as well as the extension of peri-urban areas into North West Upolu. The projects included construction of

The government recognized the need for implementing major urban development projects to meet the needs of the growing urban and peri-urban areas of Apia, as well as the extension of peri-urban areas into North West Upolu.
The development of a systems approach to understanding urban management and its implications for Samoa was a first for the Pacific.

Box 18: Operational Definition of Urban Management and Urban Planning in Samoa

- Urban management refers to the process of coordinating the provision of services and infrastructure, thus linking development activities and good planning. Urban management has a wider application than urban planning.
- Managing development has a number of functions, including assessing local development applications, liaising with service agencies such as water and electricity authorities to obtain their views and requirements on development proposals, and implementing wider ‘management’ plans.
- Urban planning focuses on planning processes and regulatory mechanisms to deal with development on a day-to-day basis. This includes planning processes which deal with managing development in the future, such as making plans and policies (called strategic planning).
- An urban management system is an integrated and holistic approach to achieving the planning and management of urban development goals and objectives for the existing and future population. It sets the context for all other sector projects within an area defined as ‘urban’.


water supply, sanitation, wastewater, and drainage facilities. More importantly, the government recognized the need to formulate a system for (a) formally assessing major development projects and private sector development proposals, (b) adjudicating the various interests of parties affected by these initiatives, and (c) prioritizing initiatives and assessing their implications for both financing and government borrowing. There was a recognition that the country needed to be able to assess both the current and future requirements of Samoa’s urban population, thereby allowing the government to anticipate future development imperatives, rather than to formulate ex post responses.

The development of a systems approach to understanding urban management and its implications for Samoa was a first for the Pacific. One result of this initiative was that the outcomes and methodology used in the Samoa initiative were recognized as a possible new paradigm for application in the wider Pacific region (Jones 2002; Storey 2006). Samoa’s approach moved away from addressing individual parts of urban systems in isolation; and focused on a model that analyzed the system holistically, specifically its components and their inter-relationships, as a means of making the entire urban system work more efficiently. Utilizing “bottom-up” community involvement combined with a “top-down” participatory approach resulted in the functions of the Samoan urban management system being operationally defined and agreed upon (Figure 8). The core urban management and planning functions articulated in Samoa’s urban management system are as follows:
- developing plans and policies,
- regulating development, and
- managing urban services.

In the Samoan case, these are the core functions of the urban management system. The Samoa initiative explored the key and somewhat difficult task of identifying what mechanisms and processes were required for fulfilling these...
functions (Jones et al. 2002). Community and government debate, as well as quantification of costs and benefits, was subsequently undertaken with regard to the following:

- institutional options, including a possible municipal authority for Apia;
- the strategic planning framework by which plans and policies were formulated;
- the regulatory framework;
- the coordination mechanisms; and
- the legislative framework.

Supported by political leadership and champions within the government bureaucracy and civil society, the process led to the formulation and endorsement of a wide range of institutional, legislative, and policy arrangements that allow Samoa to achieve improved urban management outcomes. The Planning and Urban Management Agency (PUMA) was established in 2002, followed by the formulation and introduction of the Planning and Urban Management Act in 2004. PUMA has now been in existence for a decade, and has achieved many planning gains, both within Apia and for Samoa. Some of PUMA’s major urban management initiatives include the Apia Growth Framework, 2003–2013; the draft Sustainable Management Plan for Apia, 2007; the ongoing Vaitele Urban Governance Pilot Project, 2008–2012 (Box 19); the draft Apia Spatial Plan, 2011; and the forthcoming City Development Strategy for Apia and Peri-Urban Areas.

Notwithstanding, PUMA faces numerous challenges in terms of establishing its legitimacy. These challenges include wavering political support, combining the short-term tasks of development assessment with strategic
PUMA’s transition from a fledgling office fulfilling advisory functions to an institution with a legal mandate for addressing urban management and planning issues in Samoa has made it a model urban management and planning institution in the Pacific region.

Box 19: Initiatives under the Vaitele Urban Governance Pilot Project in Apia

The Vaitele Urban Governance Pilot Project is of special significance both within Samoa and the Pacific region. Jointly funded by the Government of Samoa and the United Nations Development Programme, the project, which is managed by the Planning and Management Agency (PUMA), is piloting new forms of governance in three non-traditional villages on Apia’s peri-urban fringe: Vaitele Tai, Vaitele Uta, and Vaitele Fou. With the land having been released in the late 1990s by the Samoa Land Corporation as freehold land, Vaitele is outside the confines of the traditional governance framework that operates in traditional villages, under which families and extended families live side by side. Thus, on freehold land sold by the state, landowners have far more freedom than in traditional villages in fulfilling community and family obligations.

One new measure being initiated by the Ministry of Women, Community and Social Development in conjunction with PUMA on a trial basis is the appointment of mayors within each of the three villages, thus replicating key features of the traditional governance model. However, while freehold land arrangements allow landowners to break away from traditional governance restrictions, making them understand and fulfil their responsibilities under freehold arrangements remain ongoing processes.


planning, integrating awareness of the requirements of modern lifestyles with traditional attitudes toward land development, addressing simultaneously economic development and environmental protection issues, and outlining the risks to the community of the “do-nothing” scenario that would unfold if PUMA did not exist (Kohlhase 2011). PUMA’s transition from a fledgling office fulfilling advisory functions to an institution with a legal mandate for addressing urban management and planning issues in Samoa has made it a model urban management and planning institution in the Pacific region (Jones and Lea 2007; Storey 2006).

During 2008–2011, Tonga built on Samoa’s experience by establishing the Tonga Urban Planning and Management System (UPMS). This included the creation of Tonga’s Planning and Urban Management Agency and the preparation of draft legislative arrangements for meeting Tonga’s urban and national development requirements (Box 20). In late 2011, the draft National Spatial Planning and Management Bill was put before the Tongan Parliament. As with all new state legislation that impacts on land, property development, the rights of individuals, and Tongan cultural values, the Act was subjected to vigorous debate. Parliament approved the bill in May 2012 but it is still waiting for royal assent to become law.

In 2010 and 2011, Papua New Guinea (PNG) articulated a new approach to national urban management via its lead urban planning agency, the Office of Urbanisation. However, the changes instituted by PNG were not as far ranging as those instituted by Samoa and Tonga. The latter approached urban management and planning challenges in a holistic manner by establishing policy, planning institutions, and legislation that address urban governance challenges on a broad front. The experiences of Samoa and Tonga support
the view that Pacific urban management arrangements must be tailored to the requirements of each country, and must take account of longstanding cultural traditions. Thus, while the principles of efficient urban planning and management in the Pacific context may be broadly the same throughout the region, each Pacific DMC must identify the appropriate starting points for upgrading its urban management system. Ultimately, to achieve efficient urban governance, these starting points must retain the aspects of existing traditions that can efficiently be incorporated into updated urban governance systems. Doing so is an acknowledgement of existing traditions that make urban governance systems both credible and sustainable.

**Features of Pacific DMCs Urban Governance**

Pacific urban governance forms the broader context within which urban management and planning functions must operate, and within which the urban sector must establish its legitimacy. Such functions include allocation of financial resources for urban service delivery, raising revenue for funding service delivery, setting legal and regulatory parameters that ensure desired land use patterns, and making decisions on land use and land development, both formal and informal.
As arrangements for Pacific urban governance evolve, a number of observations can be made on their adaptation to changing circumstances in urban areas. These are summarized below.

- The stakeholders driving the nature of urban governance and by implication, the future direction of Pacific towns and cities, come with a range of vested interests and from many backgrounds. They include entities such as national and local government agencies, local traditional leaders, NGOs, church groups, the private sector, and development partners. Depending on the government structure of the Pacific DMCs concerned, it may also include individually elected councilors in local government, as well as nationally elected members of Parliament representing urban areas. Development partners also have their own views on urban governance, including service delivery, and their agendas have strong implications for the type of urban sector projects and programs they support. In this context, a variety of stakeholders vie for dominance in finding the most desirable form of urban governance (Storey 2006).

- In all Pacific DMCs, there are various models of formal government arrangements. Tuvalu and Kiribati have national and local governments. There are also more structured, hierarchical state governments based around local, district, provincial, and national government, as in PNG; or national, provincial, and municipal government, as in Vanuatu and Solomon Islands. In Samoa, there is a single national government layer blended with a structure of more than 240 traditional villages, which form Samoa’s local government system. The systems responsible for planning and management of village-level activities in Samoa are outlined in the Village Fono Act of 1990, and the Internal Affairs Act of 1995. The state interacts with local government and vice versa via the Division of Internal Affairs of the Ministry of Women, Community and Social Development. In Samoa, local government includes the village fono (council), women’s committees, aumaga and taule‘eati’ (untitled males), church groups, and matai (chiefs) (Government of Samoa and ADB 2001). There is thus a mixture of formal urban governance models combined with a range of local traditional structures in place across the Pacific.

- Formal national and, to a lesser degree, local governments are well-positioned to influence service delivery, land development, land use, building standards, water and sanitation systems, roads and transportation, and approaches to environmental protection. National governments and local institutions also play important roles in the provision of public services, such as education and social services that are essential to maintaining urban quality of life. However, the process by which public expenditure on services and infrastructure is allocated brings into question the credibility of Pacific urban governance arrangements. In many ways, income and standard-of-living disparities in Pacific DMCs reflect arrangements that increasingly create urban and rural areas that are socially and physically divided. Significant amounts of public money are allocated to service and infrastructure delivery for administration by politicians, but rarely are widespread tangible improvement in service delivery seen (Callick 2011b). This outcome has led to the politicization of public debate regarding service and infrastructure delivery, and has caused urban
governance to be closely linked to liveability conditions of urban residents in the Pacific.

- Formal state systems and traditional local governance arrangements tend to operate in parallel in Pacific urban areas. However, the degree of influence of formal state systems on traditional local governance and the groups they represent is determined by factors unique to each Pacific DMC. While marginalized urban residents, such as those living in squatter and informal settlements and those working in the informal sector, may pay lip service to the rules and regulations of state government institutions, for most, the rules and regulations have little relevance to their lives. The reasons for this are as follows: (i) many residents have no input into the content of these rules and regulations; and (ii) traditional local governance practices associated with family, kin, and village groups, including the rural place of origin, are more powerful than the formal government bureaucracy in sustaining and enriching the day-to-day lives of these urban residents. While state institutions may attempt to regulate the activities of the informal sector, they have little understanding of how to cater to the requirements of residents of informal settlements. As a result, these residents develop their own institutions for addressing law-and-order issues, and the growing demand for land and housing in such settlements. The informal arrangements extend to other aspects of urban living in informal settlements such as mediating land disputes (see, for example, Chand and Yala 2012).

- A recurring theme in Pacific urban governance is a lack of clarity on the role and mandate of national and local government in planning and service delivery. Since the 1990s, there has been considerable talk but little action regarding the devolution of authority for urban governance to city councils. Unfortunately, in cases in which incremental changes have been made to Pacific local government legislation, devolution of functional powers and fiscal authority have not always occurred in practice. Further, policies tend to be both incomplete and inconsistent, and there remains a gulf between promises—including those enshrined in legislation—and practice. National governments still maintain control over revenue sources, and, importantly, grant allocation, leaving state-created local government bodies under-resourced. National governments are reluctant to devolve political decision-making powers to local government bodies. Thus, in many Pacific urban areas, national governments still directly allocate funding among urban development investments (Duncan 2004). This reinforces a rather muddied relationship between formal national and local government institutions (Box 21).

- Feuds and power disputes over land allocation issues are common. Educated, well intentioned, worldly local leaders seek to unify clans by explaining the benefits of adopting formal state processes for the orderly development of traditional lands. However, in the context of rising urban poverty in which land is potentially a major source of short-term wealth gain (even though it goes against the view of the clan and tribe concerned), local practices used by traditional landowning groups to resolve division and disunity hold less legitimacy. Thus, even when national urban policies are sound, implementation at the local level is fraught with challenges,
Box 21: The Challenges of Local Government in Service and Infrastructure Delivery

The origins of tensions between central and local governments typically relate to a lack of clarity between roles and responsibilities, and differing priorities regarding the allocation of financial resources to delivery of services and infrastructure. Following are some of the key challenges observed by the Commonwealth Local Government Forum (CLGF) when working at the local government level.

• The majority of local governments in the Pacific region remain reliant on financial support from the central government. Local governments thus continue to have little influence over the allocation of funding for delivery of services and infrastructure. This makes it difficult for local government bodies to address community priorities and requirements. A key weakness in this regard is a lack of long-term strategic and spatial planning, the output of which would be powerful in influencing the allocation of central government budgetary outlays. Further, in some cases, traditional leaders have sufficient power and community support to veto or delay government projects if they disagree with the project, or feel that the funding for it is inadequate.

• The lack of clarity between the responsibilities of the central and local government regarding service delivery perpetuates a state of confusion in local communities. As local government agencies represent the tier of government closest to the local community, it is understandable that local officials would expect responsibility for service delivery. This puts significant pressure on local government agencies to address service delivery issues in the absence of adequate funding.

• A further source of tension in local government agencies results when the roles and responsibilities of local governments are viewed as contradicting the responsibilities of traditional leaders. This is a particularly sensitive issue because local government laws and regulations rarely recognize the authority of traditional leaders or require consultation with them in arriving at decisions that impact the communities they represent. This results in traditional leaders rejecting the authority of local government leaders, particularly on service delivery as in, for example, payment of user fees for waste collection which the local leaders may refuse to do. As a result, many local governments have begun to recognize that ensuring progress requires working closely with traditional leaders.

The work of the CLGF in the Pacific region highlights the importance of cooperation between various levels of government in fostering social and economic progress. Further, dialogue among different levels of government promotes consensus-building and democratic involvement by those interested in improving the quality of life in local communities. Such dialogues are venues for negotiation, mediation, consultation, or simply exchange of views and information by central and local government representatives and traditional leaders. The dialogues may also improve relations between political leaders such as local councilors and management officials; and can help to clarify roles and responsibilities, and ensure a more coordinated approach to delivery of services and infrastructure.

particularly when it requires integrating formal state processes with traditional governance practices.

The gap between the urban rich and poor has been increasing in many Pacific DMCs as a result of current urban governance arrangements. Understandably, this has generated a growing wave of unresolved grievances regarding the distribution of resources and power, and has led to ambiguity regarding the functional responsibilities of national and local government bodies. It also reflects the growing tension that results from local practices being used by traditional landowning groups to reconcile disputes, particularly with regard to land in the urban areas. While the diversity of Pacific DMCs makes it difficult to generalize, there is a growing disquiet born of differences between public expectations and the ability of urban and national government to reverse the trend of deteriorating urban conditions. It is ultimately this disquiet that has become the origin of the fragility of the Melanesian societies. Challenges to the legitimacy and authority of formal government are more prevalent in fragile Pacific DMCs where traditional practices embedded in local social structures have increasingly failed to deliver results that satisfy kinship and land owning elites.

State–Local Tensions in Urban Governance

For Pacific planners working at the operational level of day-to-day urban management and planning, a recurring theme is the tension in relations between stakeholders. Urban management and planning are new concepts in the Pacific. As a result, planners must negotiate their way through relationships among a wide array of stakeholders that includes politicians, landowners, the private sector, and local communities. Pacific planners represent the frontline of urban public interest, in that they must work within regulatory and advisory frameworks of varying effectiveness for better urban management and planning outcomes. The urban management goals and objectives endorsed by the state (both explicit and implicit) and the processes and procedures used to achieve these goals—many of which were inherited from colonial administrations and are thus out of date—must be balanced with the widely diverse interests of stakeholders at the community level. Both in theory and practice, these diverse groups represent the broader public interest that urban management and planning systems must ultimately serve.

Reconciling the tensions that arise from implementing comparatively new formal urban management and planning systems in Pacific DMCs is problematic. The main reason is that urban management and planning require decisions that impact private and public resources; and have implications for landowners, land tenure, land use, land development, and the urban environment generally. The inherent nature of urban planning and management makes it a political process that cuts across formal state institutions and traditional local governance structures.

Ultimately, in all Pacific DMCs, tensions arise when urban management and planning attempt to address land development and land use issues as in the following cases:
development requiring formal statutory consent and approval;
- delays in the formal processing of development applications;
- representations by third parties regarding development proposals made in an attempt to influence urban planning decisions, and whether the submissions of the proposals are legally permissible or not;
- attempts to identify the parties with legal title to land, or even legally defined land boundaries;
- duplication of, overlapping, or conflicting legislation unrelated to urban planning such as environmental laws or regulations that define planning terms (such as “land use,” “works,” “environment,” and “development”) differently from the definitions set out in planning legislation;
- misunderstanding of urban management systems and the extent of their legislative jurisdiction; for example, whether the jurisdiction applies only to urban areas or the entire country, and how planning impacts non-urban areas;
- requirements for land developers to consult with the public prior to undertaking development activities, including third parties such as adjoining property owners or parties who object to a particular development proposal;
- formulation of plans and policies that impact landowners or tenure rights through articulation of development rights;
- land developers directly approaching ministers and political leaders, arguing that economic development activity is being constrained by unnecessary planning regulations and processes; and
- backlash from eviction of squatter residents who have lived for extended periods on state land, where, in many cases, the lands in question were leased by the state to developers, subject to the condition that the developers evict squatters and demolish their settlements; and which have increasingly become common in the Pacific because of rising urban land values.

Tension, conflict, and even confrontation can arise when formal state land management systems begin to advise urban landowners on land use or development requirements for the first time, when, previously, landowners had full control over the use of their land.
allegations of nepotism or corruption, causing tensions to become further inflamed and public confidence in formal urban management institutions to be undermined.

Without appropriate urban governance and management systems, Pacific towns and cities find it increasingly difficult to provide for the current and future requirements of residents. News stories such as PNG Struggles with Urbanisation (Radio Australia 2011b) underpin the reality that the pace of Pacific urbanization is not slowing, and that difficult decisions regarding land, housing, water, sanitation, transportation, and other town and city functions, must be addressed urgently if sustainable urban development is to be achieved. The outcome of decisions—even those that produce optimal results in the long term—rarely sits well in Pacific DMCs where community and village governance systems are well entrenched and ignore the formal apparatus of government with impunity.

In sum, Pacific urban management systems are at varying stages of evolution, and are buffeted by interest groups, political motivations, and social tensions. Against this background, Pacific planners were asked in a survey conducted for this report to rate the ability of their urban management and planning systems to operate in the following four functional areas:

- Land, housing, and population growth,
- Town and city structure and services,
- Town and city environment, and
- Town and city security and lifestyle

Given the earlier discussion of economic activity, liveability, and sustainability, and noting the difficulties inherent in comparing the results across Pacific DMCs, the overall result of the survey was that Pacific urban management systems are not particularly effective. Most respondents indicated that their planning systems had no, little, or minimal impact on shaping urban outcomes in Pacific towns and cities (see Table 9 for a typical response, noting that Tonga is in the early stages of implementing its new systems).

**Constraints to Improving Urban Planning**

The work of Pacific urban planners and national policy makers is constrained by a number of factors. Some of the major concerns raised by planners and policy makers at the Pacific Urban Forum in Nadi, held on 2 December 2011, were:

- capacity issues, including lack of skills and knowledge about urban planning among government employees;
- insufficient human resources issues, particularly of formally trained planners and urban managers;
- limited financial resources for procuring maps, geographical information systems, and cadastral and land ownership information;
- traditional sociocultural values that are inimical to planned urban development (for example “living for today, not tomorrow”; sensitivity over land rights; perpetuation of traditional practices based on oral communication; emphasis on egalitarianism and consensus; and little understanding of the notion of public interest);
- lack of cross-functional government coordination and integration;
Table 9: The Impact of Urban Management and Planning Systems on Achieving Desired Urban Outcomes in Tonga

<table>
<thead>
<tr>
<th>Desired Urban Outcome</th>
<th>No Effect</th>
<th>Minor Effect</th>
<th>Moderate Effect</th>
<th>Major Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land, Housing, and Population Growth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodating population growth by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• providing a range of land supply</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• providing affordable housing</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilitating use of customary land</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing security of land tenure</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing adequate open space</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning urban-edge and peri-urban development</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upgrading squatter and informal settlements</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Urban Area Physical Characteristics and Provision of Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintaining an attractive city center</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing access to safe water for all</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing sanitation management and disposal services</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reducing traffic congestion</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equitable distribution of new infrastructure</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equitable maintenance of existing infrastructure</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attracting new industries and investment</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Physical Environment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protecting biodiversity and non renewable resources including green spaces and tree corridors</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving air quality by reducing air pollution</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate change adaptation, disaster management</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient waste collection and management</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcing land use planning and building regulations</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Physical Security and Lifestyle</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promoting social cohesion and integration among ethnic groups</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing opportunities for the informal sector</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addressing crime, violence, and physical insecurity</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encouraging involvement by nongovernment organizations, community groups</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- = not applicable.

Source: Author’s summary based on a survey on The Impact of Urban Management and Planning Systems on Achieving Desired Urban Outcomes in Tonga.

- lack of mainstreaming or sectoral analysis of urban issues at the national level;
- use of colonial planning systems that are out of step with current issues and imperatives;
- reluctance to tackle any urban management or planning issue, even those that do not directly deal with land issues because of the perception that urban planning only encompasses land use planning and the sensitivity of land ownership and tenure issues; and
- nonenforcement of legislated rules and regulations due to the inability to say “no” in egalitarian societies where the place of origin and kinship strongly influence the outcome of decision-making processes.
Key Messages

- Urban governance remains fractured, primarily in the fragile Pacific DMCs. Both state government systems and local traditional structures, including their urban management and planning arrangements, are working with limited effectiveness in the urban setting. The main emerging trend is that formal state and local governance structures are unable to meet the needs of the growing number of urban residents, who are increasingly disenchanted with their quality of life. Quality of governance is essential in improving the condition of urban areas in the Pacific.

- Those Pacific DMCs which have more effective and progressive forms of urban management and planning arrangements tend to have a better ‘balance’ of formal state government systems and local traditional structures. Compared to the Melanesian DMCs, these Pacific DMCs also have less ethnic diversity, which invariably means fewer disputes and less disunity in the urban setting. The experience of Polynesian DMCs shows that formal urban state institutions and traditional local governance structures have a greater chance of delivering better urban outcomes when the systems are aligned toward meeting a common agenda, including complementing the respective strengths of the “modern” and “traditional.”

- Urban management and planning arrangements have been developed as part of a subset of wider urban governance functionality. Urban management has been positioned as a component of wider political and legal structures and mechanisms used to coordinate Pacific urban governance. In nearly all cases, Pacific urban management reforms have been initiated by national or local government in partnership with development partners; and have involved a robust appraisal of their policy, institutional, and legislative settings. Political will, leadership, and broad community support— noting these all evolve and fluctuate over time—have been key features underpinning improved Pacific urban management and planning arrangements.

- Pacific urban governance forms the broader environment within which urban management and planning systems must operate. However, while formal state systems and traditional local governance arrangements in urban areas may exist side by side and intersect, the influence of formal state systems on traditional local governance and vice versa remains limited. This is especially a feature in Melanesian and some Micronesian DMCs. Challenges to the legitimacy and authority of formal urban government appear more prevalent in Pacific DMCs where traditional practices that are embedded in local social structures are not performing and are unable to deliver meaningful results to kin and landowning groups.

- A recurring theme in Pacific urban governance arrangements is the lack of clarity between the roles and mandates of national and local governments in planning and delivering services. There has been considerable debate on decentralization and devolution of increased authority to urban local government and other tiers of government and civil society. However, national governments are reluctant to strengthen local government via the devolution of power and resources, including sharing of processes that influence the allocation of public monies. The result is that governance arrangements, which strongly impact the quality of the urban condition, continue to be messy.
Pacific urban management and planning are characterized by ongoing tensions which evolve from frustrations over state and local relations. Balancing the tensions that arise from implementing the components of formal urban management and planning systems is problematic. Urban management and planning have increasingly become political, involving decisions impacting on private and/or public resources, including land and landowners. The nature and sensitivity of such issues, especially sociocultural concerns associated with land and the meaning of public interest, has resulted in political and community support for urban management and planning systems wavering.

There are a number of recurring elements that define the more successful attempts at urban management reform in the Pacific. These are: (i) a balance between traditional and modern governance systems, (ii) political leadership and commitment, (iii) champions within government bureaucracy and civil society, (iv) a groundswell of support for better urban outcomes from a growing middle class, (v) development partner support, and (vi) integration within national plans and policies.
Responses to Pacific Urbanization Challenges

Key Development Partners in the Urban Sector
Unlike other aid-supported development activities, there are only a few development partners actively and consistently involved in the urban sector in the Pacific developing member countries (Pacific DMCs). The Asian Development Bank (ADB), and, to a lesser degree, the World Bank, are the major development partners supporting Pacific urban sector programs. Other key development partners with an interest in the Pacific urban sector (often in collaboration with ADB or the World Bank) include the Australian Agency for International Development (AusAID), the European Union (EU), Japan International Cooperation Agency (JICA), New Zealand Aid Program, and the United States Agency for International Development (USAID). The urban development strategies of ADB and the World Bank have many similarities in their objectives, including maximizing economic growth and improving quality-of-life parameters such as poverty. However, like all development partners, the operational focus of their program implementation differs.

ADB and the World Bank both have designated urban development and Pacific divisions that oversee urban sector activities in the Pacific. Based on agreed country programs and time frames, ADB and the World Bank provide loans, grants, and technical assistance that support Pacific development priorities, including urban development. ADB has a range of Pacific urban development projects underway, primarily in education, drainage and flood mitigation, port and road development, sanitation, transport, waste management, and water supply. The World Bank has urban development projects in place, including initiatives relating to improvement of coastal infrastructure, roads, and watershed protection and conservation. Parallel institutional strengthening and capacity building initiatives accompany their projects.

During the past seven years, one of the region’s smaller donors, New Zealand Aid Program, has taken an increasing interest in the urban sector in Pacific DMCs, undertaking urban sector reviews at the local- and central-government levels, and putting into place modest urban support programs. The most significant of these is the South Tarawa Urban Development Program, formerly the Sustainable Towns Program. This program is implementing a range of pilot projects for improving the quality of life of urban residents, while developing a sector-wide approach to urban development and management (Box 22). This work is based on a joint New Zealand Aid Program- and AusAID-funded project design undertaken in 2007.

AusAID provides more aid to the Pacific than any other agency in the region. Total Australian official development assistance to the Pacific region in
Although this regional land program was discontinued at the beginning of 2011 as part of a wider Pacific aid review by AusAID, the initiative included major land reforms with the potential of producing both national and urban benefits.

Box 22: The Urban Development Program for South Tarawa, Kiribati

Previously known as the Sustainable Towns Program, the Urban Development Program for South Tarawa supports the development of a range of pilot projects aimed at making a positive contribution to the social, economic, and environmental well-being of the urban inhabitants of South Tarawa. The program encompasses five components as follows:

- **Temaiku Subdivision and Off-Site Infrastructure.** This project aims to establish a climate-proofed, serviced subdivision of 150 residential plots for low- to low-middle-income families on state land at Temaiku, which is located at the apex of South and North Tarawa.

- **Betio and Bairiki Villages Water, Sanitation, and Hygiene Improvements.** This project aims to provide residents in Betio and Bairiki villages with improved access to potable water and on-site sanitation facilities; to improve personal hygiene awareness; and to establish mechanisms for operation and maintenance of facilities.

- **Solid Waste Management.** This project aims to improve solid waste collection, disposal, and management in South Tarawa. The initiative includes investments in landfills, disposal and collection equipment, and improved solid waste management practices, as well as a financial sustainability component.

- **Rainwater Harvesting.** This project includes installation of rainwater tanks and facilities for 10 public buildings in South Tarawa, and four public buildings on Kiritimati Island.

- **Small Business Development.** This initiative supports small-business-development agencies via training, and involves small enterprises in project implementation.

Source: Chris Mahoney, Urban Development Program Project Manager, New Zealand Aid Programme, Tarawa. July 2011.
Commonwealth Local Government Forum (CLGF) Pacific Project, which has a component that focuses on strengthening Pacific urban governance. AusAID, together with ADB, has also been a key player in designing, developing, and implementing the Pacific Region Infrastructure Facility (PRIF).

AusAID is involved in a wide range of urban-related projects and programs, primarily in partnership with other development partners. At this stage, however, it has not elevated the Pacific urban sector to the status of a major thematic priority of the Australian Government for Pacific the and regional development assistance. AusAID’s current priorities include disability, economic growth, education, food security, health, human rights, infrastructure, the Millennium Development Goals (MDGs), mine action, and rural development. The urban sector has yet to be integrated into AusAID’s priorities of official development assistance. This position is reflected in the Australian Government’s Review of Aid Effectiveness released in July 2011. While the review acknowledged the importance of urbanization, it expressed uncertainty as to how best to move forward in addressing its cross-sectoral dimensions (Box 23).

The challenge for all key development partners is to embrace the concept of urbanization, including the interconnectedness of urban and rural areas. The integral role that urban management and urban development can play in making Pacific towns and cities more productive, sustainable, and

Box 23: Urbanization and the Australian Aid Program: The Review of Aid Effectiveness

The response of the Australian Government to the Independent Review of Aid Effectiveness was handed down in July 2011. The Australian aid program has doubled in size over the past 5 years to A$4,836 million, and it is still growing. Based on current economic projections, the aid program will double again to meet the government’s commitment to increase Australia’s aid to 0.5% of gross national income by 2015–2016.

A comprehensive assessment of how aid is spent, in what sectors, and how its design and delivery can be made more effective was carried out by the Independent Review of Aid Effectiveness. The review issued a series of recommendations that ranged from ending aid programs to the People’s Republic of China and India, to increasing emergency assistance and maintaining the current focus on the Pacific region. In July 2011, Foreign Affairs Minister Kevin Rudd announced that the Australian Government would accept all but one of the report’s 39 recommendations. The Asia-Pacific Region, particularly Indonesia, Papua New Guinea (PNG), and Timor-Leste, will remain the focus of Australia’s development assistance program. This region will receive A$1,160 million (24% of the total 2011–2012 aid budget), of which A$482 million will be allocated to PNG.

While the report acknowledges that urbanization is a central part of development, it addresses its position in the aid program in the following way: “As regards urban development, a growing number of the activities undertaken by the Australian aid program over recent years relate closely to this. These include physical and social infrastructure, waste management, water and sanitation, and even housing in some disaster-related contexts. However, not a great deal of thought has been given to how such activities might be packaged together, and the Review Panel considers this might be worth further attention given the increased pressures of urbanization in the developing world (p. 153).”

liveable needs to be recognized. Acknowledging these functions of urban areas, what they mean, and how best to achieve and measure them are key steps in creating productive, sustainable, and liveable towns and cities in the Pacific.

In backstopping Pacific DMCs with technical advice on urban management and broader human settlement issues, the UN-Habitat office in Suva provides support within the context of limited capacity and resources. The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) also provides Pacific DMCs with technical advice and direction on an intermittent basis. However, despite the access of UN-Habitat and UNESCAP to global toolkits, policies, and plan guidelines, they rely heavily on funding from other development partners for implementing their programs. Because of a lack of interest at the regional level in the Pacific urban sector, it is problematic for UN-Habitat to gain support for short- and long-term initiatives in the Pacific.

Other development partners with an interest in specific aspects of the urban sector include JICA (primarily in waste management), the CLGF based in Fiji (assisting more effective local government in the Pacific), and the Secretariat of the Pacific Regional Environment Programme (SPREP) (supporting government and communities in waste management, climate change, conservation, and biodiversity). There are also a range of NGOs that undertake local projects in the urban areas. The NGOs are diverse and include church groups; women’s associations; the Foundation of the Peoples of the South Pacific; Live and Learn Environmental Education; and the Ecumenical Centre for Research, Education, and Advocacy (in Fiji), to name a few. The focus of these urban-based NGOs is “grassroots” activities, including home gardening, climate change mitigation and adaptation, improved sanitation and hygiene practices, solar energy, village-based governance, microcredit, mangrove replanting, knowledge sharing on traditional medicine and practice, and youth and family counseling. At various times, these NGOs have been supported by a range of donors, including ADB, AusAID, Canada Fund, the Commonwealth Foundation, the EU, New Zealand Aid Program, USAID, and the World Bank.

The Pacific Islands Forum Secretariat (PIFS), which is the lead Pacific region organization, has yet to address urban sector problems (Haberkorn 2008). PIFS adopted a UNESCAP-endorsed regional urban initiative, the Pacific Urban Agenda (PUA), and integrated it into the Pacific Plan which is the overarching regional plan agreed by the Forum of Island Leaders in October 2005. The Pacific Plan was revised in October 2007, with the Forum of Island Leaders re-endorsing the PUA and requesting its implementation as part of a wider urban regional action plan by PIFS and the Secretariat of the Pacific Community (SPC) (PIFS 2007). Limited human resources and a lack of political commitment, however, mean that little progress has been achieved on this initiative.

Partnerships

In a move toward making aid more effective, development partners active in the Pacific are carrying out their work in collaboration with other stakeholders. Development partners have for some time supported various formal partnership arrangements, including Australian local governments working hand-in-hand with the local and provincial governments of the Pacific (Box 24). A promising initiative with major potential to support urban
The Mount Hagen urban local-level government, Western Highlands Province, Papua New Guinea (PNG) and Orange City Council, central-west New South Wales, Australia, have been working in a collaborative partnership for the past 5 years to develop an urban plan for Mount Hagen City (see figure below). Funded by the Australian Agency for International Development through the Commonwealth Local Government Forum Pacific Project, this planning partnership is the first of its type in PNG. The urban plan sets the strategic directions for Mt. Hagen City with a population of 50,000–100,000 residents, the third largest in PNG; and opens up significant opportunities for attracting international aid funding for addressing many infrastructure and service issues in Mt. Hagen City and its adjacent region. The urban plan has been approved by PNG’s National Physical Planning Board.

Following its approval, the Western Highlands Provincial Government endorsed the plan and has completed master plans for city infrastructure and services. Orange City Council has signed a declaration to the effect that it will work with the provincial government, including engaging firms from Orange City in infrastructure development, subject to competitive principles. The Provincial Planning Board has been established, and has been delegated the authority to determine planning applications. In the future, Orange City Council will work with the local and provincial authorities to (i) ensure that plans and development proposals are properly assessed and approved, and (ii) assist in securing funding support for implementation of the Master Plan for the sustainable management of infrastructure in Mt. Hagen City. The plan includes re-development of civic buildings, a bus bay, waste facilities and services, housing, airport re-development, and other related infrastructure.

Urban development and wider urban management arrangements are not yet mainstream activities in Pacific national arrangements. Development and urban management activities is the model PRIF (Box 25). A donor partnership initiative, PRIF has established a Pacific Infrastructure Advisory Centre (PIAC) in Sydney. Work has progressed in many Pacific DMCs on a coordinated approach to funding gaps in the provision of urban and rural infrastructure and services. The PRIF partnership includes a number of advantages that include dispersing risk; building a coalition of support through increased membership; pooling limited resources; and potentially obtaining greater alignment, coordination, and accountability in project conceptualization, design, and implementation.

Urban development and wider urban management arrangements are not yet mainstream activities in Pacific national arrangements. Thus, PRIF can help address urban-sector issues in the Pacific in the following ways:

- It can bring clarity and coordination to a range of urban development interventions both on the drawing board, and in progress. Currently, with few exceptions, many Pacific projects exist in isolation, with little long-term cross-sector integration. Determining how multiple stakeholders could work together for the best urban outcomes, including addressing development gaps, facilitates appropriate urban management arrangements in the Pacific.

- The partnerships facilitated by PRIF improve access to funds for private sector and microcredit use. To ensure maximum development impact, strategies that address urban development requirements must be supported by capital investment and linked to plans and policies. Thus, the finance and expertise provided by coalitions of development partners that PRIF facilitates can improve urban management in the Pacific.

**ADB’s Role in the Pacific DMC Urban Sector**


---

**Box 25: The Pacific Region Infrastructure Facility**

To assist Pacific island countries address infrastructure requirements, the Asian Development Bank, the World Bank, and Australian and New Zealand governments have partnered to develop the Pacific Region Infrastructure Facility (PRIF). The PRIF assists Pacific developing member countries (Pacific DMCs) in developing and maintaining infrastructure for communication, energy, sanitation, transport, waste management, and water supply, in both urban and rural areas.

The PRIF approach, which is embodied in project implementation procedures in Pacific DMCs, is demand-driven and sectoral in nature; and it focuses on developing partnerships, advocating creation of local employment, and harmonizing support with other donor agencies.

PRIF assistance to Pacific DMCs relating to infrastructure services includes: (i) advisory and technical assistance through the Pacific Infrastructure Advisory Centre, and (ii) investment in infrastructure projects through PRIF partners. PRIF brings together development partners in order to facilitate timely access to assistance in the infrastructure sector. Technical assistance projects and funding collaboration are well advanced, and include augmenting existing country programs and projects.

Responses to Pacific Urbanization Challenges

_Urban Sector Strategy_ reviewed the causes and effects of urbanization in Asia and the Pacific, highlighted the demands for improved management and servicing of urban growth, and proposed a strategy for ADB involvement in the urban sector. The strategy includes four operational objectives as follows:

- maximizing economic growth and efficiency in urban areas,
- reducing poverty,
- improving the quality of life, and
- achieving urban sustainability.

Reviewed in 2006, the _Urban Sector Strategy_ placed investment in urban infrastructure at the forefront of ADB operations, and resulted in urban infrastructure investments being mainstreamed into ADB’s _Long-Term Strategic Framework, 2008–2020_ (Strategy 2020), and, more recently, _ADB’s Urban Operational Plan, 2011–2020_ (ADB 2011). Overall, Strategy 2020 supports inclusive growth, environmentally sustainable growth, and regional integration. Urban investments under Strategy 2020 will support sustainable transport, improved waste management, access to clean water, and reduction in the urban carbon footprint. ADB’s extensive pipeline of urban sector projects indicates its growing focus on urban sector investments, especially in Asia but also in the Pacific.

The Pacific urban population has expanded rapidly since the 1960s, and ADB and other donors have recognized that most Pacific towns and cities face deteriorating urban infrastructure and services, especially in sanitation, transport, waste management, and water supply facilities, and worsening environmental conditions. ADB recognizes that Pacific urban issues require integrated approaches that specifically target the poor, promote economic development, treat towns and cities as living ecosystems, foster the involvement of the private sector and civil society, and adopt measures for mitigating and adapting to climate change. These themes have been mainstreamed into ADB’s _Pacific Approach, 2010–2014_, which acknowledges the need for greater flexibility in the provision of development finance to weakly performing countries and fragile states, that include nine Pacific DMCs.3

ADB’s urban sector focus has been on country-level technical assistance and loans for financing investments, primarily in facilities relating to aviation, drainage, education, health, ports, roads, sanitation, water supply, and environmental improvement. While continuing to promote integrated urban development projects, ADB is further supporting the urban sector under its _Urban Operational Plan, 2011–2020_. The plan’s three core objectives are to (i) make cities inclusive, (ii) build their economic base, and (iii) promote improvement in the urban environment. Within this overall context, the plan will focus on:

- prioritizing city infrastructure needs;
- promoting partnerships with the private sector;
- viewing cities as ecosystems, in order to better balance social, environmental, and economic concerns;
- project development and structuring;
- improving the efficiency of urban economic markets;

ADB recognizes that Pacific urban issues require integrated approaches that specifically target the poor, promote economic development, treat towns and cities as living ecosystems, foster the involvement of the private sector and civil society, and adopt measures for mitigating and adapting to climate change.

---

3 As of 2010, Kiribati, the Marshall Islands, Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Solomon Islands, Timor-Leste, and Tuvalu—are formally classified by ADB as fragile states due to their low country performance assessments.
innovative financing mechanisms;
- supporting urban-related subsectors such as climate change adaptation and mitigation, land management, sanitation, and urban transport; and
- knowledge management.

Regional Collaboration on Urbanization and Urban Management Issues

Issues and concerns associated with urbanization, urban management, and urban planning have been well documented since the early 1990s. Building on the momentum from the global United Nations Conference on Environment and Development in 1992 (the “Earth Summit”), the first Asia-Pacific Ministerial Conference on Urbanization was convened in Bangkok in 1993. The meeting provided Pacific DMCs with an opportunity to present country papers that articulated their growing urban problems (see, for example, Jones 1993). In 1996, the United Nations Development Programme (UNDP), Fiji, and the United Nations Centre for Human Settlements (UNCHS) published the report entitled *The State of Human Settlements and Urbanization in the Pacific Islands* (Jones 1996). The report was delivered to the UN Conference on Human Settlements (Habitat II) convened in Istanbul in 1996. As a result of the increasing interest generated from this conference, a draft Pacific Habitat Agenda and Regional Action Plan for Pacific Countries was prepared in 1999, and was subsequently considered by the ministers representing PIFS in July 1999. In 2001, the Habitat+5 Conference gave further weight to the preparation of the Pacific Regional Plan of Action for addressing the growing urbanization, urban management, and urban development issues in the Pacific (Jones and Lea 2007).

The inaugural Pacific Region Workshop on Urban Management facilitated by ADB, PIFS, UNDP, and UNESCAP was held in Nadi in December 2003. As a follow up of this dialogue, the second Pacific Urban Workshop on Urban Management was held in Nadi in April 2007. Jointly facilitated by the Commonwealth Local Government Forum (CLGF), PIFS, UN-Habitat, and UNESCAP, this workshop reviewed regional and national progress in urban management. At this meeting, Pacific planners and urban decision makers prioritized urbanization issues, and identified challenges to improved urban management, as well as good urban management practices. A key outcome of the workshop was a regional initiative known as the Pacific Urban Agenda (PUA).

The Pacific Urban Agenda

The PUA marked the commencement of several initiatives that included the following:
- the Regional Action Plan (RAP) which was formulated in 2007, to complement the PUA;
- the Pacific Capital Cities Forum facilitated by CLGF, which provides a dialogue for the region’s mayors and senior local government leaders; and
- funding by the World Bank-coordinated Cities Alliance for the preparation of city development strategies and Pacific settlement upgrading plans for Fiji, PNG, and Samoa; and funding for a pilot regional knowledge management initiative in 2011.
At the country level, the PUA was the most important initiative emanating from the first Pacific Region Workshop on Urban Management in December 2003. The PUA was endorsed at the UNESCAP’s 60th session held in Shanghai in April 2004 under Resolution 60/7 (UNESCAP 2004). At the second Pacific Region Workshop on Urban Management in April 2007, the PUA was reviewed, and the workshop concluded with renewed enthusiasm and expanded support to the PUA from regional organizations such as ADB, New Zealand Aid Program, and the World Bank. The workshop unanimously agreed that development partner support for assisting Pacific DMCs in implementing the PUA should be synthesized under a regional program of financial support.

The updated PUA was reviewed and discussed with regional and bilateral donor agencies at a meeting held in Suva in July 2007, and by island planners at the inaugural Pacific Island Planners Association Meeting and Workshop held in October 2007 in Brisbane, Australia. A major outcome of the workshop was the formulation of the RAP, which identified 10 priorities relating to five themes that were to be addressed during 2008–2012 (Box 26).

**Box 26: The Pacific Urban Agenda Regional Action Plan 2008–2012**

**INSTITUTIONAL FRAMEWORK: URBAN POLICY DEVELOPMENT**
1. Establish and strengthen institutions to develop and implement effective urban policy, and regulatory and legislative frameworks linked to national planning and budgetary processes.
2. Adopt participatory approaches to develop strategic plans to guide urban policy development and implementation.
3. Establish effective coordination between all levels of government, across sectoral agencies, and with development partners, to guide implementation of urban policy and plans.

**BUILDING CAPACITY**
4. Build capacity in planning and related agencies and professional groups.
5. Improve information and data systems to support policy formulation and decision making.

**ADVOCACY AND POLITICAL COMMITMENT**
6. Communicate the rationale for the importance of urban issues to governments and communities.
7. Improve access to land with secure tenure.
8. Improve provision of affordable housing in urban settlements.

**INFRASTRUCTURE AND SERVICES**
9. Maintain and enhance urban infrastructure and services through improved partnerships with key stakeholders, including the private sector.

**QUALITY OF LIFE: ENVIRONMENT, HEALTH, SUSTAINABLE LIVELIHOODS**
10. Manage the urban environment to deliver quality-of-life outcomes through climate-resilient communities.

Despite efforts aimed at improving management of the process and impacts of urbanization, regional action regarding implementation of the PUA and RAP has been of a “stop-start” nature.

As the key regional agencies taking the lead in implementing the PUA in cooperation with the Pacific DMCs and other island countries, PIFS and SPC were required to report to the Forum of Island Leaders on the implementation of the PUA and the RAP via the Pacific Plan Action Committee, a body that monitors implementation of the Pacific Plan and meets twice a year.

However, due to limited technical and human capacity, PIFS and SPC have not initiated action in coordinating and implementing the PUA and the RAP. Recent Pacific Plan annual progress reports continue to make no reference to the PUA, the RAP, or any action for addressing Pacific regional and national programs on urbanization, urban management, urban development, and urban growth. Despite this, the PUA and the RAP were reaffirmed at UNESCAP’s 66th session in Seoul, Republic of Korea, in May 2010, when UNESCAP called on the Pacific DMCs and other Pacific partners to implement the PUA and the RAP. At this UNESCAP session, there was strong support for the PUA and the RAP from Fiji, Samoa, Tonga, Tuvalu, and Vanuatu.

Despite efforts aimed at improving management of the process and impacts of urbanization, regional action regarding implementation of the PUA and the RAP has been of a “stop-start” nature. With their limited resources, UN-Habitat and UNESCAP continue to provide technical assistance for urban policy dialogue. Such dialogue occurred, for example, in Palau and Vanuatu in 2009, and in the Marshall Islands and Tuvalu in 2010 for the purpose of maintaining a forum for dialogue with development partners interested in urban development and management. In December 2011, CLGF, UN-Habitat, and UNESCAP held the Pacific Urban Forum in Nadi, Fiji, that documented Pacific urban sector achievements, identified gaps in urban management, and sought the support of regional development partners in addressing the challenges of rapid urbanization in the Pacific. The draft outcomes document of the Pacific Urban Forum called on Pacific governments and development partners to give priority to the urban sector, and take a cross-sectoral and integrated approach to managing their growing towns and cities.

National Urban Policy Initiatives

At the country level, various initiatives have been undertaken thus far for developing urban policies, strategies, projects, and programs to address urban issues at the national, city, and community levels. In general, Pacific urban interventions have occurred with the assistance of development partners such as ADB, AusAID, JICA, New Zealand Aid Program, and the World Bank, as part of multilateral and bilateral support that includes technical assistance. There are also partnership initiatives supporting the Pacific urban sector which include PRIF, and, more recently, the Cities Development Initiative for Asia (CDIA). CDIA assists in prioritizing urban development projects, including feasibility studies, and linking to funding options (Box 27).

The national experience of Pacific DMCs in sustaining urban reform has lacked uniformity, as countries are constrained by limited human and technical resources, institutional capacity, and community and political support. Project integration and sequencing have not been thoughtfully planned, and pre-conditions for governance are not always in place, or sustained. As such, there
is an absence of urban management practices, skills, and commitment for comprehensively addressing urban problems (Jones 2005).

Recently, Pacific urban management initiatives have been undertaken with development partners, normally as a precursor to putting in place urban development projects. ADB, for example, has supported the realignment of national and city urban management and policy systems to varying degrees in Kiribati, Samoa, Timor-Leste, Tonga, and Vanuatu, as a basis for strengthening the design and implementation of urban development projects. These projects being supported by ADB and other partners include those for upgrading water supply and drainage facilities in Nukualofa, sanitation in South Tarawa, water supply in Dili, and drainage and sanitation facilities in Apia and Port Vila.

Some of the major urban management and policy initiatives undertaken with varied implementation success in the Pacific include those listed below.


**Box 27: Toward Inclusive Urban Development in the Greater Suva Urban Area**

The Cities Development Initiative for Asia (CDIA) is a regional initiative established in 2007 by the Asian Development Bank and the Government of Germany, with additional core funding from the governments of Austria, Spain, and Sweden; and the Shanghai Municipal Government. CDIA provides assistance to medium-sized Asian, and, more recently, Pacific cities in bridging the gap between their development plans and the implementation of infrastructure investments. CDIA uses a demand-driven approach to support the identification and development of urban investment projects under existing city development plans that emphasize environmental sustainability, pro-poor development, good governance, and climate change adaptation.

In December 2010, CDIA approved a request coordinated by the Ministry of Local Government, Urban Development, Housing and Environment, and UN-Habitat in Fiji, for the four town/city councils—Lami, Suva, Nasinu, and Nausori—in the Greater Suva Area. The four councils have a shared goal of developing the Greater Suva urban corridor as a well-planned, well-serviced, and economically vibrant urban area. However, rapid urbanization is putting a serious strain on existing infrastructure, with a large part of the urban population living in poorly serviced squatter and informal settlements. The deteriorating level of urban infrastructure is significantly impeding local economic development and threatening the quality of life for residents of the urban area. In this context, the councils have requested CDIA to support the city region in producing an integrated investment program for urban infrastructure. It will focus on urban transport, wastewater management, drainage, flood protection, and solid waste management. Based on the priorities of the investment program, CDIA will prepare prefeasibility studies in urban transport and wastewater management, and pursue potential infrastructure financing through domestic, international, and private sector institutions.

With local and national support, the proposed investments were expected to lead to significant urban environmental improvements and benefits for informal and squatter settlements who would gain access to improved infrastructure services.


The national experience of Pacific DMCs in sustaining urban reform has lacked uniformity, as countries are constrained by limited human and technical resources, institutional capacity, and community and political support.
management system in the Pacific, PUMA and its accompanying national urban policy, institutional, and legislative arrangements evolved from a desire on the part of governments and communities to put into place an appropriate planning system prior to embarking on major urban development projects. These projects include infrastructure projects to improve facilities for sanitation, drainage, and flood management in Apia and its urban catchments, which were funded by ADB, the EU, and the World Bank.

- **Formulation of the Urban Policy Action Plan (UPAP) for Fiji (2004).** The UPAP evolved out of a national urban sector and subsequent greater-Suva-Nausori metropolitan area urban growth review. The metropolitan review linked future urban land requirements to upgrading of water and sanitation infrastructure in the greater Suva area.

- **Scoping for the Kiritimati Island Growth Center Project (2006–2008).** This work was undertaken at the request of the Government of Kiribati, which had plans for opening up Kiritimati Island as a growth center. Kiritimati Island comprises state-owned lands, half the land area of Kiribati (400 square kilometers). The technical assistance included feasibility studies for upgrading facilities for electrical power, water, and sanitation as well as studies on land development for meeting the growing demand for services and infrastructure generated by residents resettling from South Tarawa.

- **Informal Settlements Scoping Study, Fiji (2007).** Undertaken with funding from New Zealand Aid Program, this scoping study reviewed the extensive spread of squatter and informal settlements in Suva, and suggested varying entry points for assistance to support the settlements.

- **Urban Renewal Program Scoping Study and Sustainable Towns Program for Kiribati (2007).** This work, which was funded by AusAID and New Zealand Aid Program, assessed urban growth patterns in Kiribati, and recommended a program for upgrading overcrowded villages while, at the same time, commencing pilot projects to expand the supply of serviced land in South Tarawa.

- **Establishment of the Tonga Urban Planning and Management System (2008–2011).** Currently being implemented with the support of ADB and the EU, the Tonga Urban Planning and Management System is putting in place a revised urban planning system, including institutional, policy, and legislative amendments. These urban management changes are being undertaken concurrently with the ADB-funded Nuku’alofa Urban Development Sector Project which will improve water supply and drainage facilities.

- **National Urbanisation Policy for Papua New Guinea, 2010–2030 (Box 28).** As the most recent national urbanization policy in the Pacific, it was developed with AusAID support, and drew heavily from lessons learned from ongoing pilot projects in urban land development. The policy is being implemented by the PNG Office of Urbanisation in both urban and rural centers, including Port Moresby.

- **Urban Sector Profiles for selected towns and cities in PNG, Fiji, and Solomon Islands (2008–2010).** Funded by the Cities Alliance and coordinated by UN-Habitat, the urban sector profiles produced under
this initiative represent the first step in identifying priority urban issues and linking urban projects with potential sources of finance.

- **Vanuatu Fact-Finding Study on Urbanisation (2011).** Funded by AusAID, this study examines investment opportunities for AusAID and other donors in the urban sector, with a special focus on Port Vila. Options assessed include potential urban upgrading projects and institutional strengthening for improved urban planning and management.

- **National Housing Policy for Fiji (2011).** This is the latest housing policy prepared in the Pacific. Prepared by the Ministry of Local Government, Urban Development, Housing and Environment, this policy outlines the case for implementing a national housing policy in the context of increasing levels of urban poverty and growing squatter settlements in urban centers in Fiji.

### Lack of Regional and National Support for Urban Change

Despite regional initiatives and ongoing national efforts in urban reform, addressing urbanization challenges remains marginalized in both Pacific DMCs and Pacific-region development agendas. Although there exists a strong interest by a range of development partners in the Pacific, including ADB, AusAID, the EU, JICA, New Zealand Aid Program, and the World Bank, the amount of development assistance committed to improving the planning, management, and development of Pacific towns and cities remains comparatively minimal.

While there is a widespread agreement about the need for action, there is ample evidence indicating that management of urban growth remains only a documented priority for some development partners. “Supporters and donors need to treat the threat of unmanaged urbanization with respect before all effort elsewhere becomes a futile exercise” (Kep 2011a). A robust regional coalition of support that characterizes other development themes, such as climate change, economic development, education, gender, and health, remains lacking in the urban sector.

The reasons for lack of interest in Pacific urban issues continue to be diverse (see, for example, Jones 2007; Jones and Lea 2007). These reasons are summarized below.

- By their nature, Pacific urban management and development are cross-sectoral and multidisciplinary issues that require people and agencies to work together over a number of areas. The actions taken inevitably address the policy, institutional, and regulatory systems that underlie urban areas in a coordinated and orderly manner. However, such actions are often at odds with national development plans that address agriculture, construction, education, health, tourism, and other sectors.

- The benefits and gains of improved urban planning and management in Pacific towns and cities have not been clearly articulated by policy makers. This is partly due to the fact that urban development and planning resources are limited, national planners do not see “urban” as an economic sector, and few local champions are willing to promote better urban outcomes. Many Pacific urban areas account for 50%-80% of national gross national product. The fact that this contribution could be improved in terms of productivity and sustainability is not acknowledged in Pacific national development plans or regional economic assessments.
The National Urbanisation Policy for Papua New Guinea (PNG), 2010–2030 was endorsed by the government on 21 June 2010 (see figure below). The policy is a framework and plan for strengthening the economic, social, and environmental fabric of PNG’s towns and cities by better managing the urbanization process. Implementation is based on a slate of projects in PNG cities and towns, which fall under five core policy components as follows:

- provision of primary and trunk infrastructure and services in towns and cities such as water supply, power, roads, and sanitation;
- development of sites and services on customary, freehold, and state lands, including upgrading of unplanned settlements in towns and cities;
- development, rejuvenation, and strengthening of provincial and district service centers, especially including investments that enhance the economic base of towns;
- building local and community capacity for better managing urbanization, urban management, and urban development at the national, district, provincial, and local levels; and
- development of local urbanization, urban management, and urban development policies, plans, and programs, including elevation of physical planning functions.

Implemented by the Office of Urbanisation, the National Urbanisation Policy is an initiative strongly linked to reforms in land administration, customary land registration, and upscaling of the amount of customary and other land available for urban development. These initiatives need to be seen within the wider policy context of the government’s long-term development objectives contained in Vision 2050, and importantly, as detailed in the PNG Development Strategic Plan, 2010–2030, and the recently endorsed Medium-Term Development Plan, 2011–2015 (Government of PNG 2010).

Source: Office of Urbanisation, Port Moresby, PNG. July 2011.
Pacific politicians are acutely aware that improving urban development and urban management will likely require addressing land tenure issues, and, in particular, issues relating to customary land. Land issues underpin many of the urban issues in Pacific towns and cities (see, for example, Jones and Holzknecht 2007; Yala 2010). While planning involves achieving both short- and long-term gains, the tenure of many politicians is short. Any approach to improving urban outcomes is often met with extreme caution, especially when land tenure issues are involved. Islanders rely on land in both urban and rural areas for their livelihoods, with the social safety nets attached to customary land tenure arrangements strongly embedded and resilient. Tampering with such systems is fraught with unintended consequences and fear of the unknown.

Urban issues must often be balanced with rural and outer-island concerns. When the urban population is under-represented nationally—for example, South Tarawa in Kiribati has nearly 50% of the national population, but it is assigned only 5 of the 43 members of the national Parliament—it is difficult to address urban issues at the national level, and to collectively address them at the regional level.

For many Pacific DMCs, household survival takes priority over longer-term issues in day-to-day living. Issues such as security of land tenure; shelter; and ensuring adequate monies are available to pay for clothing, food, electricity, gas, and school tuition are far more important to urban residents than long-term urban development plans and policies.

Historically, both Pacific DMCs and development partners have supported rural development heavily. One consequence of this approach is that rural areas have received the bulk of attention in poverty alleviation in the Pacific. This has occurred despite the fact that urban hardship has increased, and that the future of Pacific DMCs is increasingly urban (Storey 2010). In this context, some researchers have questioned the view that urban poverty is considered less serious than rural poverty (Lea 2011). The fixation on rural development permeates approaches to capacity building and training. This is demonstrated by the applications of Pacific residents for scholarships in urban management and urban development being rejected as thematic areas undeserving of priority support, while scholarship applications for rural development are often positively supported.

At a broader level, the stance of regional development partners aligns with wider Pacific and global trends for governments to disengage from involvement in land and housing markets in urban areas. This trend is part of a wider focus on privatization and deregulation of markets that is consistent with neoliberal policies. In Pacific DMCs, such trends are apparent in the priority given to urban development functions such as sites and services, which existed during the 1980s and 1990s in Fiji and PNG, but which have now been downscaled or phased out.
Key Messages

- There are major donors, such as ADB and the World Bank, which are engaged in the urban sector in the Pacific on a consistent and programmatic basis. They have well developed sector goals, strategies and policies, reflecting their niche and comparative advantage over other stakeholders in the urban sector. The region’s leading development partner, AusAID, is engaged in urban projects and programs at a range of levels, but it has not placed the urban sector as a priority theme at the institutional level.

- Pacific urban issues cut across sectors and have increasingly become complex, requiring a commitment to coordination, prioritization, and systematic plan of action. This invariably requires a long-term view, which does not sit well with results-based approaches. Despite the robust efforts by UN-Habitat and UNESCAP in coordinating the PUA and the RAP over the last 5 years, there is still no critical mass of regional donor support and initiatives for its implementation. The work, however, continues to form an important platform for regional dialogue and development of Pacific initiatives.

- For some of the region’s largest development partners, there is a disconnect between understanding the broader urbanization process and being able to conceive urban management and what form it may take at the town, city, and national levels. There is little understanding of the functioning of towns or cities in terms of their role in generating economic productivity, and what must be done to achieve and measure their contributions. Maintaining progress on liveability and sustainability goes hand in hand with economic growth. There is a perception, albeit incorrect, that a preoccupation with urban management is solely about urban development projects. An integrated regional and national approach on the urban sector, including why towns and cities are functionally important, is needed.

- The global focus on the MDGs, especially MDG 7D—improving the lives of 100 million slum dwellers—has had little impact in galvanizing an urban focus and increasing urban aid in the Pacific. This is reflected in the poor performance of Pacific DMCs in making gains in improving the living conditions of squatter and informal settlements (see, for example, PIFS 2010).

- An opportunity for revitalizing the urban sector in the Pacific lies in the building of partnerships, including sharing of experiences. Partnerships, such as PRIF, offer promise for upscaling Pacific urban development projects and institutionalizing urban management and coordination arrangements. This includes appropriate institutional arrangements to anchor urban projects and other activities over time. Many of the current projects are strongly development partner-led, with some operating without close coordination with government departments, their staff, and the communities they should be assisting.

- Sociocultural concerns continue to emerge as important factors in the discussion on the effectiveness of urban projects and programs. While the concerns acknowledged as important in shaping development outcomes—such as in ADB’s 2010 report on *The Political Economy of Economic Reforms in the Pacific*—the implications of what this means for
'checks and balances' in project design and implementation have not been fully articulated, particularly in the urban sector.

- Development partners need to balance both short- and long-term imperatives in their engagement with Pacific DMCs. All the evidence indicates that short-term, 3–5 year projects in urban development activities struggle to be sustainable. While overall development objectives such as poverty reduction, supporting economic growth, and investing in health and education, may be sound, the means of 'how to get there' remain problematic when many national and local preconditions are not in place.

All the evidence indicates that short-term, 3–5 year projects in urban development activities struggle to be sustainable.
Strengthening Urban Governance in the Pacific

The City Nation Nexus
The prosperity of nations is intimately linked to the prosperity of their cities. No country has ever achieved sustained economic growth and rapid social development without urbanizing. Evidence shows that the transition from low-income to middle-income country status is almost always accompanied by a transition from a rural to urban economy.


Constraints to Improving Urban Governance, Management, and Planning in Pacific Developing Member Countries
The urbanization process in many Pacific developing member countries (Pacific DMCs) is increasingly fragile. The liveability, productivity, and sustainability of Pacific urban areas are negatively impacted by a lack of access to land and affordable housing, difficulties in mobilizing customary lands, limited employment opportunities, deficiencies in infrastructure and service delivery, unabated ethnic tensions, and growing urban poverty. Thus, all Pacific urban areas are characterized by widening gaps in income, assets, access to infrastructure and services including land and housing, and participation in decision-making processes. These conditions are most apparent in Melanesian DMCs where cultural diversity is greatest. Under such conditions, improving urban governance and management is a challenging task, particularly in Pacific DMCs characterized by mixed economic performance or political fragility.

Identifying opportunities for improving Pacific urban management requires awareness of the structural causes of the inequalities in various aspects of urban areas. These include issues related to economic growth performance; maintaining law and order; access to land, education, and health services; availability of human capital; and social barriers that prevent optimal urban outcomes such as gender- and ethnicity-based barriers. Ultimately, improving urban governance and management in the Pacific requires these issues to be addressed. This is reflected in the following observation on Papua New Guinea (PNG) urbanization: “In PNG cities, the first change is [for] ‘order, peace and harmony’ to replace chaos, mayhem and anarchy; [this we must do] before we talk sustainability and resilience” (Kep (2011b),16). In sum, undertaking urban improvement initiatives at the town or city level in the absence of a
national development framework that addresses wider structural constraints is a futile task that is bound to lead to suboptimal outcomes.

While there are similarities in Pacific urban management and urban development issues exist across the region, Pacific urban planners and policy makers face significant variations in the context in which they attempt to improve urban governance and management. The variations among the Pacific DMCs are summarized as follows:

- social, cultural, ethnic, linguistic, political, economic, and environmental diversity that is most apparent in Melanesia;
- the scale of issues facing Pacific urban areas which include squatter and informal settlements, shortcomings in the quality and reliability of urban services and infrastructure, and the breadth and scale of urban poverty; and
- the intensity of issues facing Pacific DMCs in formulating their urban and national development agendas.

Despite the above diversity of challenges involving Pacific urban areas, all Pacific DMCs face eight common challenges to improving the management of the urbanization process. These are as follows:

1. **Addressing growing and changing urban population.** With a few exceptions, the population of the Pacific will grow rapidly. Most Pacific populations are forecast to double in 15–25 years. This will profoundly increase the overall unemployment rate in most Pacific DMCs, as current growth in formal sector employment is insufficient to absorb all new labor force entrants. Rapid population growth also confronts Pacific policy makers with two additional demographic challenges. First, for most Pacific DMCs, the urban population growth rate exceeds that of the overall population growth rate, which means that demographic pressures on Pacific urban areas will continue to increase. Second, rapid population growth skews the age composition of the population toward the young, which means that the number of youth is rising more quickly than other age groups. This will only increase youth unemployment as young ones are often the least skilled and thus the least likely to find gainful employment. The implications of all of these demographic factors on demand for land, housing, and health services include a rapid proliferation of informal housing settlements and “village cities,” as well as increasing pressure on health and education facilities.

2. **Accessing land and affordable housing, and financing urban infrastructure.** Improving the efficiency of urban land markets remains a major constraint to the orderly development of Pacific urban areas. This particularly relates to releasing customary land into the formal land market. Dysfunctional land markets exacerbate social tensions, increase housing costs, and constrain land development. In many cases, Pacific institutions fail to acknowledge the plethora of informal tenure agreements and land allocation processes that operate in urban areas. Further, in many Pacific DMCs, water supply, sanitation, and solid waste disposal facilities are incapable of meeting even current demand, let alone that created future development. Providing financing for increasing the quantity and quality of land, the supply of affordable housing, and basic urban infrastructure is of paramount importance if urbanization in the Pacific is to be orderly and efficient.
(3) **Supporting the urban economy.** While the linkage between Pacific urbanization and economic growth is weaker than in other urbanizing regions, improving the efficiency with which Pacific DMCs urbanize will facilitate economic growth. This means investing in infrastructure and services that underpin Pacific economic activities such as tourism, land and housing development, and transport and communication. Since growth in formal sector employment in most Pacific DMCs falls short of that necessary to absorb all new labor force entrants, the employment and income-generating capacity of the informal sector will need to be recognized and supported if urbanization is to be efficient. Examples of policies that underpin such support include reducing barriers to participation in markets of all legitimate types and reducing small-scale commercial transactions costs. Finally, central to encouraging growth of the private sector and increasing the productivity of Pacific urban areas is the relaxation of the constraints to the development of customary lands, to allow both land and capital to be mobilized more efficiently than at present. In sum, an analytical approach to increasing urban gross domestic product (GDP) performance on the part of policy makers is required for Pacific urban areas to become more efficient engines of economic growth.

(4) **Targetting urban poverty.** Unless the challenges of Pacific urban poverty are addressed, the number of poor living in Pacific urban centers will increase. This will in turn cause existing income disparities to widen and social unrest to grow. Many Pacific urban residents already live in overcrowded, unhealthy settlements. This issue is best addressed by improving the functioning of land markets; investing not only in housing and basic infrastructure, but also in health and education; and improving the efficiency of both labor markets and urban governance.

(5) **Blending formal and traditional forms of governance.** In the Pacific context, improved governance implies a leadership committed to equitable distribution of public resources and participation in economic activities by all members of society. However, in most Pacific DMCs, power is centralized in national government institutions, the resources allocated to local government agencies are inadequate for them to fulfill their mandates, and the integrity of some politicians and public institutions remains questionable. Further, in many Pacific DMCs, impartial governance and best practices are often constrained by ethnic and cultural factors, particularly in Melanesia. Efficient integration of formal and traditional forms of governance requires both transparent delineation of functional responsibilities and increased accountability. This is particularly true of government programs that provide basic infrastructure and services.

(6) **Strengthening Pacific urban planning and management.** The responsibility for addressing the consequences of urbanization lies at the core of efficient urban management. Achieving this in the Pacific context will require attuning Pacific institutions, policies, and legislative frameworks with desired outcomes. This in turn will require the strengthening of Pacific urban planning and management systems in a holistic manner rather than focusing on particular components of the
Lagging growth in per capita income and inequitably shared benefits of economic growth inevitably lead to environmental stress through pollution and degradation of the natural resource base.

overall system at the expense of others. Ultimately, the objective of reform of Pacific urban planning and management institutions is to create the ability to articulate a holistic urban sector vision that is accompanied by supportive policy making, as well as financing adequate to operationalize that vision. Thus, fulfilling a holistic urban development plan requires answering several key questions. These include: (i) What are the core functions required for meeting the urban liveability, economic, and sustainability objectives articulated under the holistic plan? (ii) What are the mechanisms or scenarios by which these objectives can be achieved? and (iii) How can these objectives be made acceptable to the community-at-large? Answering these questions is central to minimizing the tensions that arise when governments implement urban plans based on the public interest. Successfully implementing such plans will require Pacific governments to be continually aware that Pacific stakeholders with vested interests will invariably ask the question, “Whose ‘public interest’?”

(7) Addressing climate change and other environmental issues. The environmental issues specific to the Pacific pose additional challenges to urban management systems. Lagging growth in per capita income and inequitably shared benefits of economic growth inevitably lead to environmental stress through pollution and degradation of the natural resource base. This is particularly true of the Pacific urban poor who have little choice but to exploit the natural resource base in any manner possible to ensure their day-to-day survival. In the Pacific context, the outcome of such a scenario is nearly always the degradation of both land and marine resources. In short, addressing Pacific urban poverty is in many ways equated with moving toward sustainable development of the environment and natural resource base. This is likewise true of advance planning for, and mitigation of, the impacts of climate change, since it is the urban poor who are at the greatest risk of negative climate change outcomes.

(8) Integrating urban management issues into national and regional development agendas. With few exceptions, Pacific urbanization issues have yet to be embedded into national or regional planning and development agendas. This is unfortunate, since ensuring that these issues are reflected in formal planning documents is a necessary first step in formulating an operational plan for addressing Pacific urban management issues. In this regard, there are existing initiatives, such as the Pacific Region infrastructure Facility (PRIF), that offer the best opportunities for formulating the urban investment programs and securing the funding necessary for achieving desired outcomes. At the regional level, improving the efficiency of Pacific urban management is a necessary first step in strengthening regional political stability, accelerating economic growth, and increasing the rate at which new labor force entrants are absorbed into gainful employment throughout the region. Ultimately, the responsibility for improving the efficiency of urban management rests with the Pacific governments themselves, since even a plethora of funding will not achieve this goal without an operational plan, appropriate leadership, and a broad-based desire to achieve it.
These eight common challenges to improving management of the urbanization process are summarized in Figure 9 below.

**Lessons to be Learned**

What does the urban experience in the Pacific tell us? Aside from the generic lessons learned from Pacific program and project design and implementation, there are a number of features of efficient urban management in the Pacific context that are particularly relevant to improving urban governance and management. These are summarized below.

(a) **Understanding urbanization versus undertaking urban management.** In addition to a generic understanding of the urbanization process, achieving efficient urban management in the Pacific context requires establishing systems to formulate an operational plan for addressing the urban management issues relevant to a particular Pacific DMC. Fulfillment of an operational plan in turn requires supportive policy making and appropriate funding. The economic growth corridors and growth centers currently being developed by PNG and Kiribati provide examples of components of operational economic development plans. Similar plans, as well as supportive policy making and funding, are likewise required at the local level if efficient urban management is to be achieved, and the immediate requirements of urban residents for basic urban services are to be addressed.

**Figure 9: Major Challenges of Managing Pacific Urbanization**
(b) Taking complexity and diversity of the Pacific urban fabric into account. In many Pacific DMCs the urban landscape is complex, in that it encompasses a broad range of public and private stakeholders drawn from a variety of ethnic and cultural groups. This impacts all facets of Pacific urban life including governance. Key to the formulation of an operational plan for improving the efficiency of urban management is the identification of appropriate entry points for initiating urban reform. The entry points differ across Pacific DMCs, as they are unique to each country and time period.

(c) Embedding urban development initiatives into an overall urban development plan. Many Pacific urban development initiatives have been undertaken in isolation. As a result, these initiatives did not benefit from either linkages to national—or even local—development plans; or in some cases, even from a basic understanding of the urban context in which they were to be implemented. Further, gaining the support of stakeholders is vital to successful implementation of the initiatives. This includes a shared understanding of the specific objectives of the initiative, how these objectives relate to stakeholder expectations, and, most importantly, the ability of beneficiaries to pay for and maintain any infrastructure constructed. In short, the successful implementation of urban development initiatives—and this particularly relates to initiatives for constructing infrastructure—requires a shared, operational vision of what is to be accomplished, as well as a long-term commitment on the part of stakeholders and development partners.

(d) Tailoring urban management systems to specific country settings. One of the hallmarks of Pacific DMCs is their diversity. Pacific DMCs that have successfully put into place efficient urban management and planning systems have tailored these systems to their particular national and urban settings. Further, the most successful reforms have been those that have rejuvenated the urban system in its entirety, and that have been ultimately driven by the Pacific DMCs themselves. Similarly, the new approaches to efficient urban management that have been successfully introduced are those that have built on existing governance arrangements, and recognized the respective roles of the governance system’s component institutions.

(e) Taking advantage of the potential contribution of partnerships. The fact that few Pacific DMCs have achieved efficient urban management suggests that initiatives aimed at achieving it fare better when implemented in partnership with international development agencies, nongovernment organizations (NGOs), and local stakeholders. Successful partnerships are generally characterized by ownership of the initiative by the country concerned, open dialogue between Pacific representatives and coalition partners, and mutual respect for their differences and similarities. In fact, country relevance ownership is a core principle of the Paris Declaration on Aid Effectiveness, which asserts that development priorities should be articulated by the recipient countries themselves. This implies involvement of stakeholders and partnerships at all levels. Finally, there exists substantial evidence that countries lacking strong central urban ministries are unlikely to formulate an operational framework for achieving the objectives of national urban development strategies (Kharas, Chandy, and Hermias 2010).
(f) **Addressing land tenure issues within the context of urban reform.** A number of Pacific land use and development reform initiatives have attempted to institute new urban management and planning arrangements without altering existing land tenure arrangements. Similarly, land tenure reform initiatives have often been implemented in the absence of reform of the land use planning system. This has in part occurred because Pacific governments are often reluctant to implement urban land development programs that require consolidation of customary land and its subsequent release onto formal land markets. Thus, most Pacific land use and development reform initiatives have simply placed a new set of rules and regulations over existing land tenure arrangements, which in part accounts for the failure of such initiatives to fulfill their intended objectives. In sum, urban reform requires a long-term commitment. Land tenure systems are not static, but instead they evolve over time in response to tensions that arise when these systems are revised or reformed. Because this is likewise true of newly created or reformed land tenure systems, their implementation must be seen as a long-term, step-by-step process that is successful only when supported by an unwavering commitment on the part of the national government, local government, and development partners alike.

(g) **Addressing the shortcomings of Pacific urban data and knowledge management systems.** One of the constraints confronted in preparing this report was the paucity of data on Pacific rural and urban conditions. This lack of information constrains policy making and formulation of development initiatives in the Pacific. This is particularly true of data and information relating to the size of Pacific urban population, the economic performance of the Pacific urban areas, and Pacific urban governance and financing. Some of the constraints faced by Pacific policy makers and planners, as well as development partners, could be relaxed by establishing a knowledge base appropriate to efficient Pacific urban management. This requires a consistent approach to data collection and analysis at the country level, or, ideally, in the region.

**Strategies for Upgrading Urban Management in the Pacific**

Because addressing Pacific urban management issues is neither an easy nor a straightforward task, most Pacific DMCs would benefit from a reassessment of the entire urbanization process in the Pacific setting, and a decision as to how each country's urban management issues are to be addressed. On the part of the development community, its greatest contribution to efficient Pacific urban management would be to outline a collective operational plan for strengthening the management of Pacific urban areas. At the minimum, this would include reassessing major Pacific urban issues such as productivity of the urban population, and the liveability and sustainability of urban areas as viewed by Pacific residents themselves. Fundamental to this process would also be a reassessment of who participates in Pacific urban area development, who governs these areas, who is marginalized in the urbanization process, and what are the mechanisms for determining how public resources are to be shared.

At the Pacific dialogue session of the ADB Asia Urban Forum on Financing Future Cities convened in Manila on 15–17 November 2011, Pacific planners
and policy makers identified several essential steps to improving Pacific urban management. The steps include the following:

- **Formulate a vision for improving management of Pacific urban areas that is embraced at the national level.** The first step in improving Pacific urban management is placing the issues to be addressed in order of priority. This is most efficiently accomplished through a national policy dialogue involving all stakeholders to identify the urban management issues to be addressed and the available options for addressing them. These issues can then be grouped into two: (i) those that must be addressed at the national level, and (ii) those that are best addressed at the local level through specific urban management initiatives. The land summits convened in PNG and Vanuatu provide examples of this approach, in that these meetings provided a venue for national dialogue. More importantly, these meetings provided a mechanism for determining how, when, and where urban reform initiatives might best be undertaken. Table 10 presents a checklist for identifying possible national and local level entry points for reform of urban management systems in the Pacific.

- **Build on existing initiatives.** The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and UN-Habitat Pacific Urban Agenda provides a foundation for formulating both regional and Pacific DMC-level initiatives. Similarly, the Pacific Region Infrastructure Facility has already formulated draft urban investment plans for some Pacific urban centers. Further, the Cities Development Initiative for Asia is helping to link some Pacific DMCs to financing sources for urban development initiatives, and a number of national urban development projects supported by the Asian Development Bank are underway in some Pacific DMCs. Formulating Pacific urban management initiatives that both reflect government and community imperatives and that build on existing initiatives is an efficient approach to strengthening Pacific urban management. Further, it demonstrates awareness of government’s plans for upgrading urban management.

- **Balance short-term concrete objectives with longer-term institutional strengthening.** The primary urban management concerns of local Pacific stakeholders often include concrete outputs for improving their day-to-day lives such as upgrading of water supply, drainage, and sanitation facilities. Conversely, the urban management objectives of many Pacific national governments are longer term in nature, focusing on improving urban management through capacity building and institutional strengthening. In such cases, balancing the fulfillment of the short-term urban management imperatives of local stakeholders with the longer-term objectives of the government is an urban management task, and one that should be afforded high priority if sustainable Pacific urban growth is to be achieved. Until such a balance is struck through an operational urban management plan that is widely embraced, the credibility of the Pacific institutions responsible for urban quality-of-life gains will be continually questioned. This is particularly applicable to environmentally fragile Pacific DMCs.

- **Forge partnerships and seek long-term commitments.** The most sustainable partnerships for strengthening Pacific urban management are
those that (i) are developed at all levels, (ii) fulfill both local and national urban management agendas, and (iii) are driven by the Pacific DMCs themselves. Partnerships with development partners allow the gains from each unit of local financing to be multiplied, and also provide opportunities for engaging the private sector in the urban management process, which further multiplies the development impact of each unit of local financing. The context that offers the greatest probability of success in improving urban management includes an incremental approach formulated as part of a long-term overall urban sector management plan for which a strong commitment has been secured from a wide range of stakeholders.

■ Use an incremental approach to integrating formal and informal land and housing markets. Cases in which land and housing markets are dysfunctional due to customary land accounting for a significant share of available urban land often require politically unpopular decisions to be made. While in such cases it may be politically palatable to conclude separate agreements with formal and informal land tenure stakeholders, such a move prevents interaction between the two systems. This makes the barriers between them more rigid, and will only make tenure insecurity and social tensions to continue or even escalate over time. A continuum approach to formalizing nonformal land tenure arrangements tends to work best, as it allows the two land tenure systems to be integrated over time. This in turn allows both markets and social norms to adjust to an urban context that is amenable to sustainable urban growth. Formalizing informal land tenure arrangements is an important first step in this process, as it acknowledges the historical role that customary land markets have played in national economic development.

■ Build a base of evidence from initiatives that have successfully strengthened urban governance. Numerous urban management pilot projects are currently underway in Pacific urban areas. These initiatives focus on a wide range of urban management issues including development of state and customary lands, provision of microcredit, local employment generation, adaptation to climate change, and upgrading of all aspects of urban governance. To ensure that the optimal approach to upgrading urban management is adopted in each of its dimensions in a particular Pacific DMC, the pilot projects should be analyzed to determine which techniques would work best in a particular country. This information should then be summarized and disseminated to decision makers. This course of action builds a base of qualitative and quantitative evidence that facilitates informed decision making.

■ Ensure that decision makers possess necessary urban management skills. The skills required by today’s Pacific urban planners and policy makers differ greatly from those required a decade ago. This is particularly true of skills relating to negotiation, advocacy, dispute resolution, mediation, and dissemination of the benefits of formulating a long-term operational plan for upgrading Pacific urban areas. Ensuring that decision makers are properly equipped with the skills necessary for addressing today’s urban management challenges is a task that is often ignored. It is nonetheless an integral part of upgrading Pacific urban areas.
<table>
<thead>
<tr>
<th>Parameter</th>
<th>Possible Entry Points for Reform of Urban Management Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Champions</td>
<td>Are there local champions in civil society or government committed to advocating change in urban management? Is there a coalition that would support urban improvements?</td>
</tr>
<tr>
<td>Political Support</td>
<td>Are there political advocates for urban change? Is there leadership and commitment? How can such political support be leveraged?</td>
</tr>
<tr>
<td>Traditional Governance Systems</td>
<td>What is the status of traditional governance arrangements? Are they effective or marginalized in the urban setting? How well do the traditional governance systems and practices function? Do they contribute to improving the condition of the urban area? Do traditional systems blend with modern forms of governance and work hand-in-hand with them?</td>
</tr>
<tr>
<td>Awareness of Urban Issues</td>
<td>How well mobilized and active are local community groups and civil society? Is there a groundswell of concerns for local urban issues? Is there an awareness of urban issues? What are their main urban issues? Who are the strongest advocate groups? Is concern for the environment strong?</td>
</tr>
<tr>
<td>Institutions</td>
<td>What is the status of land planning and urban-oriented institutions? How well do the institutions concerned with urban planning and urban management function? Has there been an urban institutional audit? Is there an institution responsible for urban management? How are current urban development needs evaluated and assessed?</td>
</tr>
<tr>
<td>Legislative Framework</td>
<td>What is the status of the legislative framework relevant to urban management? Is there specific legislation for urban management and planning that sets out processes for coordinating urban development at the various levels of government? Is this legislation often ignored?</td>
</tr>
<tr>
<td>Planning and Policy Framework</td>
<td>What is the status of the urban policy framework? What urban plans and policies exist? What type of plans exist—investment, spatial, land use, etc.? How were they designed and prepared? Are they at national, city, and town level? Are they being implemented, and if not, why not? Are there resources for plan implementation? If so, what financial and human resources are available?</td>
</tr>
<tr>
<td>Urban Management Issues</td>
<td>What is the depth and extent of urban management issues to be resolved? How well are these issues documented and understood? What are current trends in policy toward land, housing, squatter and informal settlements, urban services and infrastructure, urban livelihoods, and the urban economy? Is there a need for a broad-based review of such policies?</td>
</tr>
<tr>
<td>Land Tenure Status</td>
<td>How problematic are land issues? What is the current mix and level of demand for state, freehold, and customary lands? Is there increasing conflict over land tenure issues? How well are informal land tenure arrangements accepted?</td>
</tr>
<tr>
<td>Development Partners</td>
<td>Is there a critical mass of development partners committed to supporting urban reform? Which development partners are active at the national, city, and local levels? Which urban projects are ongoing or in the pipeline? Is there finance potentially available for key urban development projects? What is the status of partnerships such as the Pacific Region Infrastructure Facility and Cities Development Initiative for Asia, or is there potential for forming a partnership supportive of urban management? Has any development partner made a long-term commitment to supporting the urban sector?</td>
</tr>
</tbody>
</table>

DMC = developing member country.  
Source: Author.
## Pacific DMC Urbanization Indicators, 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Melanesia</td>
<td>8,293,266</td>
<td>Suva</td>
<td>85,691 (2007)</td>
<td>51</td>
<td>1.5</td>
<td>Off track</td>
<td>31.8</td>
<td>92</td>
<td>93</td>
<td>92</td>
<td>96</td>
<td>51</td>
<td>3,610</td>
</tr>
<tr>
<td>Fiji</td>
<td>851,745</td>
<td>Fiji</td>
<td>51</td>
<td>1.5</td>
<td>Off track</td>
<td>31.8</td>
<td>92</td>
<td>93</td>
<td>92</td>
<td>96</td>
<td>51</td>
<td>3,610</td>
<td></td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>6,888,297</td>
<td>Port Moresby</td>
<td>254,158 (2008)</td>
<td>13</td>
<td>2.8</td>
<td>Off track</td>
<td>16.1</td>
<td>89</td>
<td>87</td>
<td>78</td>
<td>71</td>
<td>8</td>
<td>1,300</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>553,224</td>
<td>Honiara</td>
<td>64,609 (2009)</td>
<td>20</td>
<td>4.7</td>
<td>Off track</td>
<td>32.2</td>
<td>94</td>
<td>94</td>
<td>98</td>
<td>98</td>
<td>–</td>
<td>1,030</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>251,784</td>
<td>Port Vila</td>
<td>29,356 (1999)</td>
<td>24</td>
<td>3.5</td>
<td>Off track</td>
<td>32.8</td>
<td>91</td>
<td>96</td>
<td>53</td>
<td>66</td>
<td>18</td>
<td>2,760</td>
</tr>
<tr>
<td>Polynesia</td>
<td>314,081</td>
<td>Rarotonga</td>
<td>14,153 (2006)</td>
<td>72</td>
<td>2.6</td>
<td>–</td>
<td>30.5</td>
<td>99</td>
<td>98</td>
<td>100</td>
<td>100</td>
<td>77</td>
<td>–</td>
</tr>
<tr>
<td>Cook Islands</td>
<td>15,576</td>
<td>Apia</td>
<td>37,708 (2006)</td>
<td>21</td>
<td>–0.6</td>
<td>–</td>
<td>23.3</td>
<td>99</td>
<td>90</td>
<td>100</td>
<td>100</td>
<td>25</td>
<td>2,930</td>
</tr>
<tr>
<td>Samoa</td>
<td>183,617</td>
<td>Honiara</td>
<td>64,609 (2009)</td>
<td>20</td>
<td>4.7</td>
<td>Off track</td>
<td>32.2</td>
<td>94</td>
<td>94</td>
<td>98</td>
<td>98</td>
<td>–</td>
<td>3,380</td>
</tr>
<tr>
<td>Tonga</td>
<td>103,682</td>
<td>Port Vila</td>
<td>29,356 (1999)</td>
<td>24</td>
<td>3.5</td>
<td>Off track</td>
<td>32.8</td>
<td>91</td>
<td>96</td>
<td>53</td>
<td>66</td>
<td>18</td>
<td>2,760</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>11,206</td>
<td>Port Vila</td>
<td>29,356 (1999)</td>
<td>24</td>
<td>3.5</td>
<td>Off track</td>
<td>32.8</td>
<td>91</td>
<td>96</td>
<td>53</td>
<td>66</td>
<td>18</td>
<td>2,760</td>
</tr>
<tr>
<td>Micronesia</td>
<td>290,884</td>
<td>Kolonia</td>
<td>6,068 (2010)</td>
<td>22</td>
<td>–2.2</td>
<td>–</td>
<td>33.9</td>
<td>93</td>
<td>95</td>
<td>55</td>
<td>61</td>
<td>–</td>
<td>2,700</td>
</tr>
<tr>
<td>FSM</td>
<td>102,360</td>
<td>Kolonia</td>
<td>6,068 (2010)</td>
<td>22</td>
<td>–2.2</td>
<td>–</td>
<td>33.9</td>
<td>93</td>
<td>95</td>
<td>55</td>
<td>61</td>
<td>–</td>
<td>2,700</td>
</tr>
<tr>
<td>Kiribati</td>
<td>102,697</td>
<td>South Tarawa</td>
<td>40,311 (2005)</td>
<td>44</td>
<td>1.9</td>
<td>Off track</td>
<td>24.2</td>
<td>76</td>
<td>77</td>
<td>36</td>
<td>49</td>
<td>47</td>
<td>2,010</td>
</tr>
<tr>
<td>Marshall Islands</td>
<td>54,999</td>
<td>Majuro</td>
<td>23,676 (1999)</td>
<td>65</td>
<td>1.6</td>
<td>Off track</td>
<td>–</td>
<td>94</td>
<td>92</td>
<td>77</td>
<td>83</td>
<td>69</td>
<td>2,990</td>
</tr>
<tr>
<td>Nauru</td>
<td>10,185</td>
<td>Yaren</td>
<td>9,233 (2006)</td>
<td>100</td>
<td>–2.1</td>
<td>–</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>50</td>
<td>50</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Palau</td>
<td>20,643</td>
<td>Koror</td>
<td>15,399 (2005)</td>
<td>77</td>
<td>0.0</td>
<td>On track</td>
<td>26.2</td>
<td>73</td>
<td>80</td>
<td>76</td>
<td>96</td>
<td>87</td>
<td>6,460</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>1,066,582</td>
<td>Dili</td>
<td>193,563 (2010)</td>
<td>30</td>
<td>–</td>
<td>Off track</td>
<td>45</td>
<td>69</td>
<td>85</td>
<td>55</td>
<td>76</td>
<td>49</td>
<td>1,280</td>
</tr>
</tbody>
</table>

FSM = Federated States of Micronesia; MDG = Millennium Development Goal; Pop. = population.

Notes: A dash (–) indicates information is not available in the source references, or there is insufficient information upon which make a decision.

a Data for 2007.
b Data for 2010.

Appendix 2: Country Case Studies

The following country case studies are based on the following sources of information: (i) responses to the survey questionnaire (see Appendix 3) distributed to the 14 Pacific developing member countries (Pacific DMCs), and (ii) various references used in this report. Because of considerable variation in the quality of responses to the survey, caution should be exercised in the interpretation of the results. While the survey results have been included for the insights provided on the Pacific urban context, the survey information is not meant to be used either for making official cross-country comparisons or for any policy- or decision-making purpose. Any policy advice provided to the countries concerned should be based on a rigorous quantitative analysis and a thorough review of the economy and urban sector.

Melanesia

Fiji

- **Country population in mid-2011:** 851,745 persons.
- **Country land area:** 18,271 square kilometers (sq km).
- **Geographic features:** Fiji is a mountainous archipelago of volcanic origin comprising 322 islands and 522 smaller islets. The largest island is Viti Levu, which accounts for approximately 57% of Fiji’s total land area.
- **Major cities:** Suva, followed by Lautoka.
- **Other major cities and towns:** Ba, Nadi, Nasinu, Nausori, and Sigatoka.
- **Urban population in mid-2011:** 434,390 persons.
- **Latest urban growth population rate:** 1.5%.
- **Estimated percentage of the urban population living below the official national poverty line:** 31.8%.
- **Urban economic development—Suva.** The major urban sectors contributing to national gross domestic product (GDP) are commerce (including finance and business services), industrial activities (such as garment production), transport and communication, and services activities focused on tourism (such as hotels and restaurants). Suva’s share of national GDP is approximately 60%. In Suva, tourism, downstream processing, and business services form the nucleus of private sector activity. Approximately 45% of the workforce are in the informal sector, and 55% in the formal sector. Women comprise approximately 60% of the informal sector labor force.
- **Urban services and infrastructure—Suva.** An estimated 90% of the urban population is connected to the main water supply system. The city is serviced by a reticulated sewage system, with use of pit latrines and septic tanks prevalent in squatter and informal settlements. There is no formal system of septic disposal. The coverage of urban infrastructure and services in settlements is rated *medium*. The major transport concerns are traffic congestion, road maintenance, vehicle exhaust emissions, and careless driving. The major infrastructure priorities in the urban and peri-urban areas are:
  - electricity supply,
  - roads,
  - health facilities, and
  - water supply.
- **Land and housing—Suva.** Land ownership comprises customary land; alienated land, including land in private ownership such as freehold; and land owned by the state. The Native Land Trust Board is the custodian of customary lands, and is the formal mechanism through which native landowners develop their lands. The proportion of the population in Suva living in squatter and informal settlements on state and customary lands is estimated at 30%. Squatter evictions are common. The Ministry of Local Government, Urban Development, Housing and Environment (MLGUDHE) is responsible for squatter upgrading schemes, and has an annual program focusing on Suva and other urban centers. There are 15 city-wide upgrading schemes underway, including those at Badrau, Caubati, Lakena, and Omkar (Stage II); Lagilagi; and Narere. Ninety percent of house-building activity is in the formal sector. The 13 municipal councils and MLGUDHE are responsible for facilitating land for urban...
Country Case Studies

development. National land and housing policy reforms are progressing, including the drafting of the 2011 National Housing Policy.

- **Country progress in achieving the urban Millennium Development Goal (MDG) Target 7D:** By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Off-track (Pacific Islands Forum Secretariat [PIFS] 2011b).¹

- **Urban security—Suva:** Urban security risk in Suva, the capital city, is rated *medium*. Unreported crime (60%) outweighs crime reported through formal systems. Both the institutional effectiveness of the police and court systems and the degree to which human rights violations are committed was rated *medium*. Adequacy of community social safety nets in the urban context was rated *high*, while the level of government social services was rated *medium*.

- **Urban management and effectiveness of the planning system:** While Fiji has no specific national urbanization policy in place, it has a number of guiding documents that are used at the national level. These include the Urban Policy Action Plan (2004), the Greater Suva Urban Growth Management Plan (2005), the draft National Housing Policy (2011), and the results of the Local Government Review of Reform Initiatives (2008). Both the municipal councils (and provincial, district, or rural advisory councils when peri-urban areas are involved) and MLGUDHE are responsible for national and city urban policies and their implementation.

The major governance and urban management issues faced by Fiji are

- high urban densities and overcrowding,
- limited urban land supply,
- lack of urban finance,
- poor solid waste management,
- vulnerability to climate change, and
- traffic congestion.

The capacity of the lead local government agency (the Suva City Council) to manage the Suva urban area was rated *medium*, as is the level of interest by international development partners in urban-based projects and programs.

The major source of funding for investment in infrastructure is the central government (primarily water and sanitation facilities and roads), while local government funds drainage facilities and other public facilities.

In terms of the impact of Fiji’s planning system on influencing city functions in Suva, the responses to the survey show that the current system has

- a major impact on land administration (both supply and security of tenure), housing, and population growth (with the exception of a minor impact on upgrading squatter and informal settlements, and a moderate impact on providing adequate open space);
- a major effect on the functions of city structure and services;
- a major effect on the city environment (with the exception of a moderate effect on protecting biodiversity and green spaces); and
- a major effect on city security and lifestyle.

The management and monitoring of nonrenewable resource extraction was rated *average*.

- **New drivers of urban change:** Suva was seen as not experiencing direct impacts from climate change, although other urban centers adjoining the coast or river systems, such as Ba, Labasa, Nadi, Nausori, and Navua, are subject to flooding. The impact of the global economic crisis has not had a major impact on urban life. The major drivers of social, economic, and environmental impacts in Suva were identified as population and cultural change.

**Papua New Guinea**

- **Country population in mid-2011:** 6,888,297 persons.
- **Country land area:** 462,824 sq km.

¹ The latest Pacific Island Country progress report on the eight MDGs is contained in the *2011 Pacific Regional MDGs Tracking Report*. PIFS. August 2011.
Geographic features: Papua New Guinea (PNG) is located on the eastern half of the island of New Guinea and it includes the major islands of Bougainville, New Britain, and New Ireland; and smaller islands. PNG primarily comprises mountains covered with tropical rainforest, fringed by coastal lowlands and rolling foothills.

Major cities: Port Moresby, plus two other declared cities, Lae and Mount Hagan.

Other major cities and towns: Goroka, Madang, and Wewak.


Latest growth rate of urban population: 2.8%.

Estimated percentage of the urban population living below the official national poverty line: 16.1%.

Urban economic development—Port Moresby: The major urban economic sectors contributing to national GDP are business services and finance, communication, construction, public administration, transport, and the selling and distribution of goods. The major areas of private sector activity are business services and finance, construction, and informal sector activities. An estimated 70% of the workforce are in the informal sector. The bulk of the workforce lives in squatter and informal settlements and are employed in the informal sector. More women than men work in the informal sector; one of the reasons for this is that women do not have the skills required for entering the formal sector.

Urban services and infrastructure—Port Moresby: All planned areas have reticulated water connections, while connection to water supply in the settlements is estimated at approximately 62% of the urban population. Illegal connections to the water supply system are estimated at around 30% (primarily in settlements), with approximately 80% of the urban area being connected to the main city sewerage system. Pit toilets dominate sanitation facilities in settlements, with the coverage of infrastructure and services in settlements are generally rated as underserviced. There is no formal system of septic disposal. Rising numbers of imported cars and increasing traffic congestion are major transport issues in Port Moresby. The major urban and peri-urban area infrastructure priorities in Port Moresby are
- water and power,
- sanitation,
- roads,
- housing,
- parks and amenities, and
- public safety and security.

Land and housing—Port Moresby: Land ownership is estimated at 40% in customary land; and 60% in alienated land, which is either owned by the state or under private ownership. The proportion of the population living in squatter and informal settlements on state and customary lands is estimated at 45%; and is increasing, notwithstanding ongoing squatter evictions by the government and private developers. The lead local government agency for Port Moresby, the National Capital Development Commission (NCDC), is undertaking some small-scale settlement upgrading in June Valley and Moitaka settlements. Housing-building activity is prominent in both planned and settlement areas, with 25% of development estimated as being illegal. Only an estimated 60% of the housing stock meets formal planning and building regulations. The NCDC, the Department of Lands and Physical Planning, and the Office of Urbanisation are responsible for facilitating land for urban development. National land policy reforms are underway, although problems with customary landowners remains a constraint to implementation.

Country progress in achieving the urban MDG Target 7D: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Off-track (PIFS 2011b).

Urban security—Port Moresby: The security of urban residents was rated medium, with an estimated 45% of city crime being reported. The institutional effectiveness of the police and court systems was rated low to medium, while human rights violations (such as freedom of speech, violence, abuse against women and children, and squatter evictions) were rated as medium. The adequacy of community social safety nets was considered medium, while the level of government social services was rated low to medium.

Urban management and effectiveness of the planning system: PNG has a National Urbanisation Policy, 2012–2030, which is being slowly implemented. The stand-alone Office of Urbanisation is responsible for its
implementation; and, although its work program is ambitious, the agency has little technical capacity and lacks broad-based political support. Planning legislation is enshrined in the Physical Planning Act, 1989.
The major governance and urban management issues in PNG are
• availability of serviced land;
• ineffective enforcement and coordination;
• unwillingness to integrate settlements into urban management, planning, and decision making; and
• affordability and access to funding.

The capacity of the lead local government agency, NCDC, to manage the urban area of Port Moresby was rated low to medium, while the level of interest by international development partners in urban-based projects and programs was rated low. The estimated percentage of expenditure on water and sanitation is 15%–20% for development purposes, and 80%–85% for maintenance. The major source of funding for investment in development works is the central and local government, grants, and loans.

In terms of impact of PNG’s current planning system on city functions in Port Moresby, the current system has
• a minor to non-existent impact on land administration (in terms of both supply and security of tenure), housing, and population growth (with the exception of a moderate impact on providing open space);
• a moderate impact on the functions of city structure and services (with the exception of a minor effect on reducing traffic congestion, and a major impact on maintaining infrastructure);
• no impact on improving air quality and adaptation to climate change, a minor impact on protecting biodiversity, and a moderate effect on efficient waste collection and enforcement of planning and building regulations; and
• a minor impact on crime and urban security issues, a moderate impact on encouraging nongovernment organizations (NGOs) and community involvement, and a major impact on supporting the informal sector and promoting social cohesion.

Nonrenewable resource extraction, weak management, and monitoring are the norms.

- **New drivers of urban change:** Port Moresby is impacted by climate change, as seen in changes in weather patterns, sea-level rise, and temperature fluctuations. The recent global economic crisis led to increased urban hardship in terms of high cost of goods and services, higher interest rates, and introduction of lower cost but of lower quality goods for sale. The major driver of social, economic, and environmental change in Port Moresby is the multibillion dollar PNG Liquefied Natural Gas Project. This project has greatly impacted the Port Moresby area by (i) widening disparities in income and standard of living, (ii) promoting continued rural–urban migration, and (iii) highlighting the absence of infrastructure and serviced land for planned urban expansion.

**Solomon Islands**

- **Country population in mid-2011:** 553,224 persons.
- **Country land area:** 28,370 sq km.
- **Geographic features:** Solomon Islands comprises many island groups, including Bellona, the Florida Islands, Guadalcanal, Malaita, Makira (San Cristobal), the New Georgia Islands, the Russell Islands, Santa Ana, the Santa Cruz Islands, Santa Isabel, and the Shortland Islands. While Solomon Islands has some low-lying coral atoll islands, most of the islands have a mountainous interior and are rich in natural resources.
- **Major city:** Honiara (on the island of Guadalcanal).
- **Other major towns:** Auki, Buala, Gizo, and Noro.
- **Urban population in mid-2011:** 110,645 persons.
- **Latest urban population growth rate:** 4.7%.
- **Estimated percentage of the urban population living below the official national poverty line:** 32.2%.
- **Urban economic development—Honiara:** The major economic sectors contributing to GDP in Honiara are business services and finance, commerce, manufacturing, public administration, and services industries. Honiara is the nation’s main focus of tourism activities, in particular, diving in Guadalcanal and other island groups. However, growth in tourism in Honiara and the whole of Solomon Islands is hampered by a lack of infrastructure, including transport. The major areas of private sector activity in Honiara are retailing and wholesaling, small-
scale manufacturing, and construction. Honiara's manufacturing sector comprises several small factories, with the country's major exports being coconuts, copra, fish, and timber. The informal sector plays a key role in economic activity in Honiara, with an estimated 52% of the workforce being in informal employment. The informal sector labor force comprises approximately 75% women.

- **Urban services and infrastructure—Honiara:** Honiara has a rapidly increasing urban population, with an equally rapidly changing land use patterns and growth in peri-urban areas. The city's water system faces challenges in quality, quantity, and distribution. Managed by the Solomon Islands Water Authority, Honiara's water supply is sourced from surface water and groundwater. Approximately 75%–80% of the urban population is connected to the main reticulated water supply system, though approximately 40% of water retrieved is lost through leakage. Approximately 10%–15% of the urban population is illegally connected to the water supply system. The planned portions of Honiara are served by a reticulated sewerage system with raw sewage discharged into Honiara's coastline. Pit latrines and septic tanks are also used, particularly in Honiara's rapidly expanding squatter and settlement areas. Major transport issues include unregulated and poorly coordinated public transport, and traffic congestion.

The major urban and peri-urban-area infrastructure concerns in Honiara are
- lack of recreational facilities,
- maintenance of the road network,
- lack of street lighting and traffic lights, and
- lack of pedestrian amenities such as walkways.

- **Land and housing—Honiara:** Honiara's built-up area is primarily located on alienated freehold land and some state land, but is increasingly expanding onto land under customary ownership. The growth of squatter and informal settlements occurs primarily on state land, with an estimated 25% of Honiara's population residing on such land. While many residents do not have secure land tenure, Honiara has been using a system of temporary occupation licenses (allocated by the Commissioner of Lands) as a means of formally allocating land for housing. However, this system has been overwhelmed since its introduction in the 1970s, and has issued a plethora of occupation licenses. Temporary licenses have become permanent, with squatters and informal settlements having escalated in both number and density. These areas are poorly planned, with infrastructure and service coverage in such areas being rated underserviced. Poor water supply and sanitation facilities, and a lack of proper access roads are the norms. Demand for expatriate housing has pushed middle- and lower-income residents out into peri-urban areas. Most new housing development in Honiara occurs in squatter and informal settlements. There is little coordination in planning between the local government (Honiara City Council) and national government agencies. The provision of open space is rated low.

- **Country progress in achieving the urban MDG Target 7D:** By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Off-track (PIFS 2011b).

- **Urban security—Honiara:** High levels of urban unemployment and ethnic tensions cause Honiara's urban security issues to be rated medium. Reported crime is estimated at approximately 70% of crimes recorded. The institutional effectiveness of the police and court systems was rated medium to high, while human rights breaches were rated low. The adequacy of social safety nets at the community level was rated medium to high, while the level of government social services was rated low. Urban security issues are not confined to squatter and informal settlements, but are prevalent throughout Honiara.

- **Urban management and effectiveness of the planning system:** Solomon Islands does not have a national urbanization policy in place. While a number of capacity building programs in support of urban planning in Honiara were implemented from 2000–2010, most focused on land use planning, and land administration in particular. This included strengthening of physical planning capacity, such as attempts to rationalize and regularize temporary occupation licenses and associated lease systems. There are no integrated urban management plans that address squatter and informal settlement issues. There is little planning coordination between Honiara City Council and national agencies, including the Ministry of Lands and Housing. These agencies have been overwhelmed by the scale and rapidity of urban growth.
While there has been an improvement in the administrative and financial capacity of Honiara City Council since 2000, its ability to manage, plan, and implement urban development projects and programs is limited. The major sources of funding for development and maintenance works comprise central government funding and development partner support.

In terms of impact of the Solomon Islands planning system on influencing major town and capital city functions in Honiara, the survey responses indicated that the current system has

- a minor effect on administration of land, housing, and population growth (with the exception of no effect on supply of a range of lands to the market, and adequate open space);
- a minor effect on the functions of town structure and services (with the exception of no effect on maintaining existing infrastructure, and a moderate effect on providing access to safe water supply and attraction of new investment);
- a minor effect on the town and city environment (with the exception of no effect on efficient waste collection and management); and
- a minor to moderate effect on maintaining town and city security and lifestyle.

The management and monitoring of nonrenewable resource extraction in Honiara was rated average.

**New drivers of urban change:** Climate change affects Honiara in the form of increased rainfall that causes damage to road networks and drainage systems; and sea-level rise and tidal surges that accelerates coastal erosion and damage to road infrastructure, and impacts on the built infrastructure adjoining Honiara's foreshore. The effects of the recent global economic crisis on urban residents were felt in terms of increased prices for food and fuel, and generally increasing levels of hardship for low-income families. Other drivers of social, economic, and environmental impacts in Honiara are migrants aspiring for better education, because education facilities are concentrated in Honiara.

**Vanuatu**

- **Country population in mid-2011:** 251,784 persons.
- **Country land area:** 12,190 sq km.
- **Geographic features:** Vanuatu is a mountainous archipelago of more than 80 islands of volcanic origin with narrow coastal plains.
- **Major city:** Port Vila.
- **Other major towns:** Luganville, and four smaller provincial centers.
- **Urban population in mid-2011:** 60,428 persons.
- **Latest urban growth population rate:** 3.5%.
- **Estimated percentage of the urban population living below the official national poverty line:** 32.8%.
- **Urban economic development—Port Vila:** The urban economy of Port Vila has strengthened since 2000, with commerce, communication, finance and business services, transport, and tourism being the major contributors to its growth. An estimated 65% of national GDP is produced in Port Vila, chiefly through tourism and related services (hotel accommodation, sourcing of local produce, and restaurants). Commerce, finance, and tourism form the mainstay of private sector activities. Port Vila and Luganville (on the island of Santo) combined account for approximately 80% of GDP. Approximately 60% of the overall labor force are in the informal sector, and approximately 60% of the informal sector labor force are women.
- **Urban services and infrastructure—Port Vila:** An estimated 80% of Port Vila’s population is connected to the main water supply system, though access to non-piped water via streams and wells is prevalent in the city’s settlements. In 2009, an estimated 47% of the urban population used pit latrines and 21% used flush toilets. Use of septic tanks predominates sewerage systems in Port Vila’s formal planned areas. The major transport issues noted were a weakly regulated public bus system (no formal routes, and too many registered vehicles), poorly planned traffic bays and parking spaces, noncompliance with driving rules and regulations, and a lack of interisland shipping.
The main urban and peri-urban area infrastructure priorities noted in Port Vila are

- drainage,
- water supply and sanitation,
- roads, and
- waste management.

**Land and housing—Port Vila:** There are no customary lands in Port Vila. Land is either freehold or state land. Approximately 80%–85% of state and freehold land is already developed in the Port Vila urban area. An estimated 25%–30% of the urban population lives in squatter and informal settlements. There is no clear line of demarcation between squatter and informal settlements as there are numerous long-established settlements such as Blacksands, and squatters living within Port Vila’s planned areas. There are no upgrading schemes in place, and evictions have recently occurred in some areas (in Tagabe). The Port Vila Municipal Council and the National Housing Corporation are responsible for facilitating the supply of land for urban development. An estimated 70% of all new housing development undertaken in Port Vila occurs in squatter and informal settlements. Of new housing constructed, an estimated 60% is approved through formal planning and building-and-safety procedures; while 40% are being constructed illegally. Of the existing housing stock, approximately half would meet formal planning and building regulations and standards. Port Vila’s most rapid urban growth is occurring in peri-urban areas, where public health and social concerns characterize the underserviced squatter and informal settlements.

**Country progress in achieving the urban MDG Target 7D:** By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Off-track (PIFS 2011b).

**Urban security—Port Vila:** Urban security issues in Port Vila were rated **medium** risk, notwithstanding increases in tourism numbers. Reported crime is estimated at approximately 70%. The institutional effectiveness of the police and court systems was rated **low to medium**, while human rights breaches were rated **medium**. The adequacy of social safety nets at the community level was rated **medium**, while the level of government social services was rated **low to medium**.

**Urban management and effectiveness of the planning system:** While there are a number of urban initiatives underway including urbanization reviews, Vanuatu does not have a national urbanization policy in place. Much of past and current efforts in support of the planning system have focused on land use planning, and more recently, land policy reform. A draft urban policy was prepared in October 2009, following national dialogue, but there remains no national clarity regarding urban area priorities and no agreed agenda. There is also no single agency responsible for addressing urban issues.

The major governance and urban management issues identified are

- limited technical capacity,
- poor coordination and interagency collaboration, and
- limited human and financial resources.

The capacity of the lead local government agency (the Port Vila Council) to manage the Suva urban area was rated **medium**. The major sources of funding for infrastructure development are grants, loans, and the central government. Maintenance accounts for the majority of central government expenditure on infrastructure. Private sector utilities provide water and power to Port Vila residents.

In terms of the influence of Vanuatu’s planning system on major functions in Port Vila, the survey responses indicated that the current system has

- a minor impact on functions relating to land administration (supply and security of tenure), housing, and population growth (with the exception of a moderate impact on facilitating security of tenure, and no impact on upgrading squatter and informal settlements);
- a minor effect on the functions of town structure and services (with the exception of a moderate effect on providing improved sanitation management, and no impact on maintaining an attractive town center and reducing traffic congestion);
- a minor impact on the town environment (with the exception of no impact on improving air quality and enforcing planning and building regulations); and
• no impact on providing opportunities for the informal sector and addressing crime and urban security issues, and a minor impact on promoting social cohesion and encouraging NGOs and community involvement. The management and monitoring of nonrenewable resource extraction in Port Vila was rated as **average to weak**.

### New drivers of urban change

Climate change impacts affecting Port Vila include increased flooding, storm surge, and coastal erosion. Urban change is also driven by rural–urban migration caused by environmental factors, including shortage of land and land degradation. The recent global financial crisis affected Vanuatu’s urban areas by increasing the costs of fuel and food, and decreasing tourist arrivals which impacted local economic activity through job losses and downsizing of commerce. Other drivers of social, economic, and environmental change noted in Port Vila were political instability and a growing, young population.

---

### Polynesia

#### Samoa

- **Country population in mid-2011:** 183,617 persons.
- **Country land area:** 2,935 sq km.
- **Geographic features:** Samoa comprises two large mountainous islands (Upolu and Savai’i) with narrow coastal plains, and eight smaller islands.
- **Major city:** Apia (on Upolu).
- **Other major towns:** Salelologa (on Savai’i).
- **Urban population in mid-2011:** 38,560 persons.
- **Latest urban growth rate:** –0.6%.
- **Estimated percentage of the urban population living below the official national poverty line:** 23.3%.
- **Urban economic development—Apia:** Commerce and retail sales, construction, finance, public administration, tourism-related activities, and transport are the major contributors to GDP, an estimated 70% of which was generated in Apia in 2001. Much of Samoa’s economic activities depend on maritime transport, including visiting cruise ships calling at Apia Port which accounts for approximately 97% of Samoa’s foreign trade. While the devastating tsunami of 2009 constrained economic growth for some time, Apia’s level of economic activity has increased, mainly as a result of reconstruction of housing and construction of new infrastructure including roads, schools, and tourism-related facilities.
- **Urban services and infrastructure—Apia:** It is estimated that 100% of the urban population is connected to the main water supply system. Septic systems dominate sewerage systems in Apia, with the exception of a recently implemented small central business district reticulated system. Apia has no formal septic collection and disposal system. Instead, sewage is treated at the Tafaigata landfill. Major transport issues in Apia are identified as poor traffic circulation, deteriorating road conditions due to lack of maintenance, and traffic safety concerns. Management and monitoring of nonrenewable resource extraction in the Apia urban area was rated **weak**.

Apia’s major urban and peri-urban area infrastructure priorities are
- transport,
- well-functioning utilities,
- drainage, and
- wastewater.

- **Land and housing—Apia:** Apia’s composition of land ownership is mixed; and it includes freehold, state, and customary lands. Essentially, all customary land has been developed, as it is owned and regulated by a patchwork of traditional villages interspersed throughout alienated state and private lands. An estimated 90% of available state and freehold land is already developed. Squatter and informal settlements are few in number as they house 5%–10% of the urban population. Squatter evictions, primarily from state lands such as at Sogi, occur from time to time. Of all new housing constructed, nearly all is approved through formal planning and building regulation processes, with 98% meeting approved formal planning and building standards. Most new urban growth is occurring in Apia’s northwest section in Vaiete and Vaiele. Given the dominance of customary land ownership and strict control over such lands, peri-urban growth is minimal. There are no designated institutions responsible for planning and development of serviced land, as Samoa has no formal local government system.
Country progress in achieving the urban MDG Target 7D: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Insufficient information to determine progress in achieving MDG 7D (PIFS, 2011b).

Urban security—Apia: Urban security issues in Apia were rated low, which is consistent with the country’s image as an attractive tourist destination. Reported crime is estimated at approximately 65%. The institutional effectiveness of the police and court systems was rated medium, while human rights violations were rated low. Adequacy of social safety nets at the community level was rated medium, while the level of government social services was rated low.

Urban management and effectiveness of the planning system: While Samoa approved a highly regarded urban planning and management system and framework in 2002, which has since been implemented, it does not have in place a single national urbanization policy. However, under the auspices of the Ministry of Natural Resources and Environment, the Planning and Urban Management Agency (PUMA), Samoa’s lead urban administrative body, has actively addressed a broad range of urban growth and land use issues. PUMA activities have included the preparation of the draft Apia Spatial Plan (2011), the Sanitation Policy (2010), Flood and Development Guidelines (2007), the Noise Policy (2006), Housing Guidelines (2006), and the Outdoor Advertising Signage Policy (2006). The major governance and urban management issues identified concern the

- appropriateness of urban institutions (including clarity regarding their core functions and mandates);
- weak coordination and interagency integration;
- sustainability of public and political interests; and
- need to build a coalition of change for addressing urban issues.

In the absence of a formal urban local municipal authority, capacity at the local level in urban planning and management was rated low. Although some development partners are active in the urban sector, such as the Asian Development Bank (ADB), interest by international development partners in urban-based projects and programs was rated low. The major source of funding for infrastructure development is the central government; and, secondary sources are grants and loans. Maintenance works account for the bulk of central government expenditure on infrastructure, funded from taxes, levies, and import tariffs.

In terms of the impact of the Samoan planning system on influencing Apia’s city functions, the survey indicated that the current system has

- no impact on land administration functions (supply of land and security of tenure), housing, and population growth (with the exception of a minor impact on planning edge and peri-urban development);
- no impact on functions relating to town structure and services (with the exception of a minor impact on providing access to safe water supply, improved sanitation facilities, and reducing traffic congestion);
- no impact on the town environment (with the exception of a minor impact on enforcing land use and building regulations); and
- no impact on town security and lifestyle issues.

Management and monitoring of nonrenewable resource extraction in Apia was rated weak.

New drivers of urban change: Climate change impacts affecting Apia include increased flooding and mangrove inundation. The recent global economic crisis affected Apia residents through increased fuel costs and reduced economic activity (mainly exports).

Tonga


Country land area: 650 sq km.

Geographic features: Tonga is an archipelago of 170 islands of which 36 islands are inhabited. The islands are divided into three main groups—Vava’u, Ha’apai, and Tongatapu—with the capital city, Nuku’alofa, located on the largest island, Tongatapu.

Major city: Nuku’alofa.

Latest urban growth rate: 0.5%.

Estimated percentage of the urban population living below the official national poverty line: 23.6%.

Urban economic development—Nuku’alofa: An estimated 40% of national GDP is generated within Nuku’alofa. Main sources of economic activity include commerce, communication, public administration, transport, and a growing tourism sector which includes tourism-based businesses such as hotels and restaurants. Economic growth is heavily supported by remittance inflows. Much of the Nuku’alofa central business district (CBD) was destroyed during the 2006 riots, and it is still being redeveloped under the Nuku’alofa CBD Reconstruction Project. The private sector plays a key role in commerce, tourism, and transport. An estimated 40%–50% of the overall labor force works in the informal sector; and of the informal sector workers, an estimated 40%–60% are women.

Urban services and infrastructure—Nuku’alofa: An estimated 90% of the urban population is connected to the main water supply system which is operated by the Tonga Water Board. Illegal connections to the citywide supply system are few. Septic tanks dominate the sewerage system, with some package treatment plants operating in the CBD. Septic tanks are the major source of contamination of the aquifer within the Nuku’alofa area. Improvements in the water supply, sanitation, and solid waste disposal facilities are underway in Nuku’alofa. For example, in 2007, a new landfill was commissioned at Tapuhia, and a household solid waste collection system was implemented on Tongatapu. The improvements also include the establishment of the Waste Authority Limited to manage solid waste collection and disposal, including the responsibility for septage disposal at the Tapuhia facility. Nuku’alofa’s major transport issues are poor road maintenance, limited availability of parking spaces, rapid growth in urban traffic, and poor street signages. Nuku’alofa’s major urban and peri-urban-area infrastructure priorities are

• road maintenance (which impacts drainage);
• drainage;
• sewage (quality of septic tanks and their maintenance);
• waste disposal;
• upgrading of power supply; and
• street lighting, adequacy of footpaths, and bicycle safety.

Land and housing—Nuku’alofa: State and freehold land dominates Nuku’alofa’s land tenure system. Land suitable for development is gradually decreasing in supply, as an estimated 80% of state land and 65% of freehold lands have been developed. Land for urban expansion of Nuku’alofa is limited to peripheral agricultural and environmentally sensitive areas. All land for development is required to be leased, not bought or sold. There are few squatter and informal settlers (estimated at approximately 2% of the urban population), with most development occurring within planned areas. An estimated 50% or more of new housing is approved through formal planning and building regulation procedures. Of the total existing stock, an estimated 50% meet current planning and building standards. Peri-urban growth has resulted in a gradual increase in informal settlements. In Nuku’alofa, the recently established Planning and Urban Management Agency (PUMA) is the designated institution responsible for planning and development of serviced land for urban development.

Country progress in achieving the urban MDG Target 7D: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Insufficient information to determine progress in achieving MDG Target 7D (PIFS 2011b).

Urban security—Nuku’alofa: Urban security issues in Nuku’alofa were rated medium, with reported crime estimated at approximately 75%, compared to 25% not reported. The institutional effectiveness of the police and court systems, and human rights violations were both rated high to medium. The adequacy of social safety nets at the community level was rated high to medium, while the level of government social services as provided ranged from high to low.

Urban management and effectiveness of the planning system: Tonga is at the initial stage of developing and implementing its formal planning system as part of the Tonga Urban Planning and Management System (UPMS). A national urbanization policy was completed in 2011, along with the introduction of the National Spatial Planning and Management Bill in Parliament. Much of the work was undertaken by the government together with development partners that included ADB and the European Union (EU). The emphasis of both
institutions included: (i) institutional strengthening and capacity building, and (ii) prioritizing Nuku’alofa’s urban infrastructure requirements (including traffic management). Much of the initiative for urban reform has come from the central government, with the Ministry of Lands having taken the lead in the establishment of PUMA. The only form of local governance is exercised by the town officials, as well as district officials who have been popularly elected since 1965. The town official represents the views of the central government in the villages, while the district official has authority over a group of villages. The country has no formal municipal government authorities.

The major governance and urban management issues identified are
• progression of the new National Spatial Planning and Management Bill,
• access to land through an appropriate land tenure system,
• interagency coordination,
• lack of capacity and expertise (including enforcement) in building construction approvals, and
• public awareness and consultation.

In the absence of a formal municipal authority, the capacity at the local level in urban planning and management was rated low. Interest by international development partners in urban-based projects and programs was rated high. Infrastructure development expenditure has focused on water supply, sanitation, roads, drainage, and waste management facilities; while expenditure on major transport infrastructure such as the airport and port has focused on maintenance. The major sources of funding for infrastructure development and maintenance are the central government budget, grants, loans, and funding from village groups.

In terms of impact of the planning system on urban functions in Nuku’alofa, the survey results indicated that the current system has
• minor impact on land administration (supply of land and security of tenure), housing, and population growth;
• varied impact on town structure and services (varying from no impact on infrastructure maintenance and attracting new investment, to a moderate impact on maintaining an attractive town center and improved sanitation, and to a major impact on providing safe access to water);
• no impact on the town environment (with the exception of a minor impact on waste collection and enforcing land use and building regulations); and
• no impact on town security and lifestyle (with the exception of a minor impact on encouraging involvement by community groups and NGOs).

Management and monitoring of nonrenewable resource extraction in Nuku’alofa was rated weak to average.

New drivers of urban change: Climate change impacts affecting Nuku’alofa include increased flooding from sea-level rise and storm surge. The consequences of the recent global economic crisis affected Nuku’alofa through reduced tourist arrivals and remittances (which led to a slowdown in economic activity); and increased prices of goods and services, and unemployment. For example, in 2010, the economy contracted by about 1.2% as a result of reduced remittances and tourist receipts, especially from New Zealand and the United States (US).

Micronesia

The Federated States of Micronesia

• Country population in mid-2011: 102,360 persons.
• Country land area: 701 sq km.
• Geographic features: The Federated States of Micronesia (FSM) consists of 607 islands extending 2,900 kilometers (km) across the archipelago of the Caroline Islands; these islands comprise four main states: Chuuk, Kosrae, Pohnpei, and Yap.
• Capital and main towns: Palikir (capital) and Kolonia (on the island of Pohnpei).
• Other towns: Colonia (Yap), Tofol (Kosrae), and Weno (Chuuk).
• Urban population in mid-2011: 22,519 persons.
• Latest urban growth rate: −2.2%.
Estimated percentage of the urban population living below the official national poverty line: 33.9%.

Urban economic development—Kolonia: A new town located 10 km southwest of Kolonia in the Palikir Valley, Palikir was proclaimed the FSM’s official capital in 1989. However, the nearby coastal town of Kolonia is the principal commercial center of Pohnpei and the FSM. Kolonia is the largest urban center on Pohnpei Island, and the most developed of the FSM’s four main island groups. Located in Kolonia are hotels, housing, the Pohnpei state government offices, public and private schools, restaurants and bars, retail shops, and small tourism-related retail outlets. Major economic activities in Kolonia include fishing, public administration, services, construction, and tourism-related businesses (ecotourism, and diving and sports fishing in particular). Approximately half of the FSM’s population is employed in subsistence farming and fishing. The country thus depends heavily on imports of food and manufactured goods, and the public sector plays a significant role in the urban economy (primarily as the administrator of US-Compact grants). National and state governments employ an estimated 50% of the FSM’s workforce, and account for more than 40% of GDP. The major areas of private sector activity in Kolonia are tourism-based services activities such as hotel accommodations and restaurants. Tourism offers development potential, but it is constrained by a lack of infrastructure. Informal sector employment is estimated at approximately 30%, with women representing approximately half of the informal sector workforce.

Urban services and infrastructure—Kolonia: The Kolonia water system is the largest in the FSM, supplying water to approximately 85% of the city’s population. The Pohnpei Utility Corporation manages the system, which sources water from the Nanpil River, as well as shallow and deep wells during drought and low-flow periods. Residents increasingly use their household catchment systems for water storage. As with the three other state capitals, Kolonia has a reticulated sewage system. The sewage treatment plant is a trickling filter type, with sewage ultimately being discharged into Sokehs Harbor. Outside the main urban center and peri-urban area, there is heavy reliance on septic systems and pit latrines. Major transport issues in Kolonia concern the lack of any formal public transport system, poor road maintenance, and weak and unenforceable traffic laws. The main urban infrastructure priorities involve improvements to
• the road network, including maintenance;
• schools and health facilities; and
• the Pohnpei International Airport.

Land and housing—Kolonia: While complex and diverse customary land systems characterize the FSM, Kolonia has a mixture of freehold, state, and customary lands. Customary land is held in family trusts, with rights passed from generation to generation. With freehold land increasingly now being developed, landowners lease their lands to developers. There is a mixture of indigenous designs, colonial influences, and western style housing in Kolonia; while approximately 10% of the population are living in squatter and informal settlements. An estimated 70% of new housing developments occur in planned residential areas, and the remainder in informal areas. Of the total new housing development, an estimated 70% is approved through the formal planning and building regulatory system. There is no lead agency for urban development at the national level. The respective state governments comprise municipalities including town councils. For example, Kolonia Town Government is one of 11 local governments that comprise the Pohnpei State Government. Town councils tend to operate with minimal capacity and tend to be under-resourced.

Country progress in achieving the urban MDG Target 7D: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Insufficient information to determine current status achievement of MDG Target 7D (PIFS 2011b).

Urban security—the FSM: Urban security issues in the FSM were rated medium, with reported crime at approximately 50%. The institutional effectiveness of the police and court systems was rated medium, while human rights violations were rated low. The adequacy of social safety nets at the community level and the level of government social services were rated medium. Urban security was considered the worst in town business areas.

Urban management and effectiveness of the planning system. Given the size of the FSM, its isolation, and the relative smallness of its urban towns and villages, there is no separate national urbanization policy or urban policies in place at the national or state level. Given the distances and costs involved, the FSM faces major challenges in preparing national plans. While the FSM Strategic Development Plan for 2004–2023 addresses
specific economic sectors such as agriculture, environment, health, private sector development, and tourism, the distance and cost constraints prevent the overall national development plan from being translated into implementable sector plans at the state level. The objective of urban towns and villages focuses mainly on basic and secured availability of clean water and adequate sanitation in order to meet community health and environmental standards.

The major governance and urban management issues in Kolonia are

- the absence of town growth policies,
- weak enforcement, and
- limited technical and financial resources.

The capacity of the Kolonia Town Government in urban planning and management was rated low, while interests by international development partners in urban-based projects and programs was rated medium. Expenditures on drainage, sanitation, roads, waste management, water, and transport primarily focus on development; while the focus for airport facilities, ports, and roads is on maintenance. The major source of funding for development and maintenance of infrastructure is grants.

Management and monitoring of nonrenewable resource extraction in the FSM were rated weak.

**New drivers of urban change.** Most of the FSM’s population lives in villages and towns in coastal areas. The interior mountain areas are thus largely uninhabited. As a result, climate change impacts, such as flooding of road infrastructure, increasing frequency of rain, and sea-level rise, significantly affect FSM residents. The recent global economic crisis impacted the FSM through increases in prices of food and fuel and reduced employment opportunities. Major drivers of economic, environmental, and social change in the FSM are divorce, need to maintain adequate food intake, and selling of property.

**Kiribati**

- **Country population in mid-2011:** 102,697 persons.
- **Country land area:** 711 sq km.
- **Geographic features:** Kiribati comprises 32 atolls and one island (Banaba) scattered over a total area of more than 3 million sq km. The three major island groupings are the Gilbert Islands, Line Islands, and Phoenix Islands. Kiritimati Island is located in the Line Islands. The largest atoll in the world, Kiritimati Island is 400 sq km, approximately half of Kiribati’s total land area.
- **Major city:** South Tarawa (in the Gilbert Islands).
- **Other major towns:** London and Tabweaka (on Kiritimati Island).
- **Urban population in mid-2011:** 45,187 persons.
- **Latest urban growth rate:** 1.9%.
- **Estimated percentage of the urban population living below the official national poverty line:** 24.2%.

**Urban economic development—South Tarawa:** Survey responses indicated that the urban areas of South Tarawa and Kiritimati Island contribute approximately 60% of GDP. The major sources of economic activity in South Tarawa are commerce, communications, finance and business services, processing of fish and copra, public administration, and transport. The country’s relatively small private sector, as well as tourism and related services, accounts for most commercial activities. The informal sector plays a strong role in economic activity, with an estimated 60%–65% of the South Tarawa and Kiritimati Island labor force employed in the sector. Women comprise approximately 60%–80% of the informal sector workforce.

**Urban services and infrastructure—South Tarawa:** An estimated 60% of South Tarawa’s population is connected to the main water supply system. Operated and maintained by the Public Utilities Board, the system operates intermittently, with water available only for approximately 1–2 hours per day. A mixture of reticulated sewage facilities, septic tanks, and pit latrines comprises the sanitation system, though beach defecation is still common. The reticulated sewage system only services the villages of Bairiki, Betio, and Bikenibeu; these three villages account for approximately half of Kiribati’s urban population. Sewage is not treated, but is instead disposed of through ocean outfalls as there is no formal septic disposal system. The two urban councils, Betio Urban Council and Teinainano Urban Council, collect solid waste which is disposed in landfills in the respective council
areas. Urban sector improvements primarily focus on efficient delivery of urban services on sanitation and water supply (including water source protection). Improvements in road and waste management facilities are currently underway. South Tarawa’s major transport issues include the deterioration and poor maintenance of the main arterial road, local government restrictions on private sector bus transport providers, pedestrian safety (few footpaths, especially in the Teinainano Urban Council area), and inadequate condition of lower-order access roads and tracks. Access to usable open space in South Tarawa was rated medium.

Major urban and peri-urban area infrastructure priorities include
- sanitation,
- water supply,
- waste disposal and management,
- road maintenance, and
- access to alternative energy sources.

**Land and housing—South Tarawa:** South Tarawa comprises primarily customary and freehold lands, with a small amount of state land (primarily in Temaiku). The government holds 99-year leases on land in Bairiki, Betio, and Bikinibeau villages, which it subleases for housing and commercial purposes. Identifying land boundaries and determining who has an interest in the ownership of land are problematic, both in formal and informal sector land development. Squatter and informal settlements provide housing for 25%–60% of the population, with the government undertaking evictions of squatters who live on state lands such as water reserves and foreshore accretion areas. Most squatters reside in the three villages that sit on government-leased land, often with the permission of landowners. Approximately 70% of new housing development occurs in squatter and informal areas, with up to 60% of new housing development being undertaken without formal approval from planning and building regulatory authorities. There is no lead government agency that coordinates planning and development of urban land. The Land Management Division coordinates the release of state land on Kiritimati Island to the leasing market as approved by the government.

**Country progress in achieving the urban MDG Target 7D:** By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Off-track (PIFS 2011b).

**Urban security—South Tarawa:** Urban security issues in South Tarawa were rated medium, with an estimated 50%–65% of all crimes being reported. Both the institutional effectiveness of the police and court systems, and the degree to which human rights violations occur were rated medium. Adequacy of social safety nets at the community level ranged from low to high, while government social services ranged from low to medium. Urban security concerns are considered to be prevalent across all of South Tarawa, and are viewed as not necessarily being related to squatter and informal settlement areas.

**Urban management and effectiveness of the planning system:** Kiribati does not have a national urbanization policy. The Kiribati National Development Plan makes reference to general policies regarding improved management of urbanization in South Tarawa and Kiritimati Island. Land issues tend to dominate urban planning and management issues in Kiribati. While the Land Management Division is responsible for urban planning and management at the national level, it has minimal capacity and suffers from a lack of political support. Land is a sensitive issue in Kiribati. There is thus reluctance on the part of government stakeholders to endorse development initiatives that tamper with existing land tenure arrangements. Because the Betio Urban Council and the Teinainano Urban Council both lack urban planning expertise and have access to limited resources, they rely heavily on the central government for technical and financial support. Urban management issues are rarely addressed by the national development agenda as it implies a change in existing land tenure arrangements. Urban land planning policies and institutional arrangements for land use planning are based on the outdated British-based Colonial Land Planning Act of 1979.

Major governance and urban management issues include
- lack of national urban policies,
- no transparent institution responsible for urban planning or management,
- no coordination of efforts for addressing cross-sectoral urban-based issues,
- land tenure issues,
lack of skills and resources at the local and central government level, and
lack of understanding of core planning issues.

The urban planning and management capacity at the local government level was rated low to medium, while interest by international development partners in urban-based projects and programs was rated medium. Development expenditure focuses on drainage, roads, sanitation, and water supply facilities. The major source of funding for infrastructure development is grants, while that for maintenance is a combination of central government funding and grants.

In terms of the impact of the Kiribati planning system on influencing major town and capital city functions in South Tarawa, the responses varied considerably, indicating that the current system has

- a minor impact on housing, land administration (supply and security of tenure), and population growth (with the exception of a major impact on provision of open space);
- a minor to moderate impact on town structure and services (with the exception of a major impact on access to safe water);
- a minor impact on the town environment (with the exception of a major impact on waste collection and on enforcing land use and building regulations); and
- a minor to no impact on town security and lifestyle (with the exception of a moderate impact on encouraging involvement of community groups and NGOs).

Management and monitoring of nonrenewable resource extraction in South Tarawa, primarily sand and gravel from beaches and causeways, was rated weak to average.

**New drivers of urban change:** Climate change impacts are increasingly affecting South Tarawa through tidal inundation and increased flooding, deterioration of the water lens and loss of agricultural potential from increased salinity due to sea-level rise, changing rainfall patterns, and damage to public infrastructure (causeways) from storm surge and sea-level rise. The recent global economic crisis impacted South Tarawa through increased prices of imported goods and unemployment, rising inflation, and bankruptcy of some government-owned enterprises. Other main drivers of economic, environmental, and social change in South Tarawa are population growth, lack of land regulation, “unsustainable development practices,” scarce resources, and loss of traditional practices and culture.

**The Marshall Islands**

- **Country population in mid 2011:** 54,999 persons.
- **Country land area:** 181 sq km.
- **Geographic features:** The Marshall Islands comprises 29 atolls and 5 remote islands situated in the North Pacific Ocean, which include Bikini and Enewetak atolls (former US nuclear test sites) and Kwajalein (a US military missile base).
- **Major city:** Majuro (on Majuro atoll).
- **Other major town:** Ebeye (on Kwajalein).
- **Urban population in mid-2011:** 35,749 persons.
- **Latest urban growth rate:** 1.6%.
- **Estimated percentage of the urban population living below the official national poverty line:** Not available.
- **Urban economic development—Majuro:** Majuro (approximately 28,000 persons in 2011) and Ebeye are the major centers of economic activity in the Marshall Islands. Majuro is the national economic hub and has a port, a central shopping district, hotels, and an international airport. Majuro’s economy is driven by the services sector, mainly from banking and insurance, professional services, public administration, restaurants, repair services, retail and wholesale trade, construction, copra processing, and fishing. Fish products are the country’s largest exports, with frozen fish being exported to Asia and fresh fish exported by air to Japan and Hawaii. Majuro is a port for commercial fishing vessels (especially from Asia), cruiseliners, and sports fishing boats. US transfer payments under the Compact of Free Association account for the majority of GDP. While the government is the largest employer, the private sector is active in Majuro in fish processing, real estate, and wholesale and retail business. In Ebeye, the economy is driven by government expenditure and the US Army installation on Kwajalein atoll. Government employment dominates...
formal sector employment, which accounts for 69% of total employment. The informal sector labor force comprises approximately 57% women, and it accounts for 31% of total employment.

- **Urban services and infrastructure—Majuro**: While estimates vary, the proportion of the urban population connected to the main water supply system is estimated at approximately 30%. Many residents depend on community-based or individual water catchment systems, as freshwater is limited in supply. Rainwater is the primary source of freshwater on Majuro. In addition to the airport runway, which is used as a water catchment, some freshwater is pumped from seven wells in Laura. Reservoirs then store the retrieved water. Expanding water supply at the household level has been the focus of recent attempts to improve the sustainability of urban services. This has mainly been implemented through improved guttering and installation of tanks. The reticulated sewage system covers an estimated 80% of Majuro’s population, primarily supplemented with septic tank systems and a formal septic disposal system. Coverage of urban services and infrastructure in squatter and informal housing areas was rated underserviced. Waste management is a major issue, as disposed cars, used containers, vessels, and other metal structures line Majuro’s foreshore. The Majuro Atoll Waste Management Company was recently established to oversee the collection, treatment, storage, and disposal of waste on Majuro, as well as recycling. Major transport issues on Majuro include a road system in central Majuro that is inadequate to absorb vehicular traffic and congestion, a deteriorating peri-urban road network (such as the road that links the airport with the major peri-urban growth area of Laura village), and a general lack of road maintenance (which exacerbates drainage and flooding problems).

Main urban and peri-urban area infrastructure priorities concern
- the water supply system, including water collection and storage;
- waste disposal and management;
- road maintenance;
- provision of recreational facilities, and improving pedestrian safety; and
- education and social services (such as hospital services).

- **Land and housing—Majuro**: Land in Majuro is held in perpetuity by customary landowners including clans and extended families. While there has been some freehold purchase, the majority of urban households occupy land with permission from titleholders of customary land (the iroij/ alap). Thus, long-term urban land leases via various formal and informal agreements have become popular in Majuro, providing income to landowners. Most of the Majuro urban area that comprises the connected islets of Delap-Uliga-Djarrit is well developed. Thus, little undeveloped land remains. Living conditions and quality of life vary widely on Majuro, with dilapidated and overcrowded plywood dwellings beside million-dollar homes. Land tenure arrangements have been cited as a constraint to improvement of housing and infrastructure development. Limited land availability and land tenure issues have caused migration of those who can afford modern homes and motor vehicles from the central urban district to villages that extend from Laura and Rairek to Majuro. Much peri-urban housing development occurs on Majuro, though no government agency is responsible for urban development planning. Urban issues on Ebeye exceed those on Majuro in magnitude, with Ebeye being one of the most densely populated atolls in the world. Majuro faces overcrowded living conditions, inadequate social services, and major urban service issues, including constrained water supply.

- **Country progress in achieving the urban MDG Target 7D**: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Off-track (PIFS 2011b).

- **Urban security—Majuro**: Urban security issues on Majuro were rated medium, with reported crime estimated at 40%. The institutional effectiveness of the police and court systems was rated low, while human rights violations were rated high. The adequacy of social safety nets at the community level and the level of government social services were both rated low. Urban security concerns are most prevalent in informal settlements.

- **Urban management and effectiveness of the planning system**: Despite major urbanization issues, the Marshall Islands lacks a national urbanization policy. The Economic Policy, Planning, and Statistics Office of the Marshall Islands Government, which works in conjunction with the Majuro Atoll Government, is responsible for urban management as mandated by the Planning and Zoning Act. This law also provides for the building and zoning codes and regulations. Other planning legislation includes the Local Government Act; the Land Recording and Legislation Act; the Coast Conservation Act; the Marine Resources Act; and the Public Health, Safety and
Welfare Act. There is no modern land use planning on either Majuro or Ebeye, and both islands lack building and zoning codes, which exacerbate existing public health and disaster risk management problems. Constraints to developing an integrated planning system include a lack of appreciation of urbanization issues, complexity of existing land tenure arrangements, and lack of political support for change. The importance of land in the existing planning system is reflected in the permanency of the Traditional Rights Court (which is one of four courts) that adjudicates disputes relating to land titles, land rights, and other disagreements regarding land arising from customary law and traditional practices.

Major governance and urban management issues concern the

- lack of national urban policies and planning policy;
- coordination between and engagement with the Ministry of Internal Affairs, local governments, NGOs, traditional groups, leaders, and local champions;
- land tenure issues, including lack of government lands; and
- environmental health issues, including those relating to solid waste management, sanitation, water supply, food security, home gardens, population density, and provision of recreational spaces.

The urban planning and management capacity of the Majuro Atoll Government was rated medium, while interest by international development partners in urban-based projects and programs was rated high. Funds for infrastructure development and maintenance are sourced from loans and grants that are primarily provided through foreign aid (especially the US Compact Funds and the capital project fund of Taipei, China). Loans and grants account for approximately 11% of total national expenditure. Infrastructure development accounts for an estimated 73% of total infrastructure expenditure, with maintenance accounting for the remaining 27%.

In terms of the impact of the Marshall Islands planning system on influencing major town and capital city functions in Majuro, the survey responses indicated that the current system has

- a minor impact on land administration (supply and security of tenure), housing, and population growth (with the exception of no affect on land supply, open space, or upgrading of informal areas);
- a minor impact on town structure and services (with the exception of a moderate impact on water and sanitation; and no impact on maintaining an attractive town center, reducing traffic congestion, and attracting new urban investment);
- no impact on the town environment (with the exception of a minor impact on protecting biodiversity and efficient waste collection, and moderate impact on adaptation to climate change and disaster risk management); and
- no impact on town security and lifestyle (with the exception of a minor positive impact on urban security, and a moderate impact on encouraging involvement of community groups and NGOs).

Management and monitoring of nonrenewable resource extraction in Majuro was rated weak.

**New drivers of urban change:** Climate-change impacts affecting Majuro include threats to livelihood from sea-level rise, prolonged droughts due to altered weather patterns, and negative impacts on coral-reef marine life. The recent global economic crisis impacted Majuro through inflation, increased poverty levels, and continued rural–urban migration. The outer islands are sparsely populated due to lack of employment opportunities and economic development. Thus, rural–urban migration to the capital continues. The major drivers of economic, environmental, and social change on Majuro are limited economic opportunities in the face of population growth, heavy reliance on foreign aid, lack of access to health care services, and constraints to capacity building among government agencies.

**Nauru**

- **Country population in mid-2011:** 10,185 persons.
- **Country land area:** 21 sq km.
- **Geographic features:** Nauru is a small island comprising phosphate rock with a coastline of 30 km. It has a raised phosphate plateau that comprises approximately 70% of the island, and is fringed by narrow coastal lowlands.
- **Major town and district:** Yaren (1 of 14 districts).
- **Urban population in mid-2011:** 10,185 persons.
Latest urban growth rate: –2.1%.

Estimated percentage of the urban population living below the official national poverty line: Not applicable.

Urban economic development—Nauru: It is the smallest and only Pacific DMC to be classified as 100% urban whose phosphate mining and fishing rights account for most of its GDP. While the government generates foreign-exchange-denominated income from licensing foreign fishing vessels that exploit Nauru’s rich skipjack tuna fishery, the country’s major export is phosphate. Aid primarily from Australia, New Zealand, and Taipei, China also helps support the Nauru economy. Nauru’s national income has traditionally relied heavily on export of phosphate mined from the island’s elevated top layer. While in the 1990s Nauru’s primary phosphate reserves were exhausted, which caused commercial-scale phosphate mining to cease, mining of a deeper layer of phosphate commenced in 2006–2007. More recently, Nauru began deriving foreign exchange income from registration of offshore banks and corporations, and small-scale processing of coconut has begun on the island. Nauru imports all goods consumed on the island including food, fuel, and manufactured articles. Aside from phosphate mining, commerce, education, and public administration are the foundation of the local economy. Most formal sector economic activities including government offices, Parliament, and the island’s phosphate processing complex, are located in the southwest portion of the island from Makwa (the international airport) to Waboe village. Although unemployment rates are high, animal husbandry, production of arts-and-crafts items, and fishing remain popular small-scale economic activities. An estimated 30% of the total labor force is employed in the informal sector, with the informal sector workforce comprising approximately 40% women.

Urban services and infrastructure—Nauru: Water supply is a major issue on Nauru. Less than 1% of the island’s population is connected to a reticulated water supply system, as no island-wide system exists for providing a secure supply of drinking water. Freshwater for Nauru’s villages comes from desalination plants, rainwater, and shallow groundwater, there being several hundreds of wells in place on the island. A large-scale desalination plant commissioned by the National Phosphate Commission uses waste heat from power generation to desalinize water. This plant is a major source of freshwater, which is delivered in tanker-trucks to households and storage tanks. Households maximize catchment of rainwater by installing and maintaining gutters and using tanks to store caught-water, which is boiled before use. Water supply is a major health and environmental issue on Nauru, as breakdowns in desalination plant operations and droughts repeatedly occur. Most business establishments use septic or package sewage treatment plants to dispose of human waste, while septic tanks and pit latrines are the more popular means of sewage disposal by households since a formal septic-tank-disposal system exists on the island. Major transport issues concern the cost of imported fuel and noncompliance with vehicle safety standards.

The major urban and island infrastructure priorities on Nauru are on
• appropriate fuel storage facilities (Nauru is 100% dependent on diesel-powered generators for producing electricity and desalination plants for producing drinking water),
• water collection and storage systems, and
• sanitation facilities.

Land and housing—Nauru: Land on Nauru is under customary ownership. All Nauruans hold claim to land by virtue of their having been born of Nauruan parents. Thus, non-Nauruans are not allowed to own land, and both government and private businesses must enter into leases with landowners before using or developing land on the island. All land parcels on Nauru are registered and recorded by the Nauru Lands Board. While some land parcels are small, they can be important sources of mining royalty revenue. Excluding the “Topside” mining plateau, the only land suitable for development on the island consists of the narrow coastal plain 100–300 meters in width referred to as “Bottomside.” Housing standards vary widely, from quality-housing provided for expatriates to high-density, run-down, dilapidated dwellings. Less than 1% of the total population live in squatter or informal settlements. There is no central government agency responsible for urban land development, and local government institutional capacity remains weak. Since 1992, local governance has been the responsibility of the Nauru Island Council, which has limited powers, although it advises the national government on local matters. As the Nauru Island Council focuses on local activities, council members cannot be members of Parliament. As a result, land planning tends to be treated as a peripheral issue at the national level. There are no urban-based land
reforms currently underway.

- **Country progress on achieving the urban MDG Target 7D**: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers—Insufficient information is available to determine the degree of progress achieved in achieving MDG Target 7D (PIFS 2011b).

- **Urban security—Nauru**: Urban security issues on Nauru were rated *medium*, an estimated 60% of crime were reported. The institutional effectiveness of the police and court systems was rated *high*, as are human rights violations. The adequacy of social safety nets at the community level and the level of government social services were both viewed *medium*.

- **Urban management and effectiveness of the planning system**: Given Nauru’s size, no national urbanization policy is in place. Instead, the National Sustainable Development Strategy (2009, as amended), the lead planning and land use policy document for Nauru, adopts a whole-island approach to planning for the country. This document, which is implemented by the Ministry of Finance and Sustainable Development, sets out the sectors, strategies, and performance indicators relevant to improving quality of life on Nauru. It thus addresses issues relating to economic development, health, water supply and sanitation, and waste disposal and sewerage. Nauru faces many development challenges including a high unemployment rate, constrained opportunities for expanding its relatively small GDP, wide variation in living standards, limited institutional capacity on the part of the government, and few options for diversifying the island’s economic base. Approximately 50% of the labor force works in government service. Intensive phosphate mining over the past 90 years has left most of “Topside” a wasteland, which constrains the productive potential of Nauru’s limited remaining land resource, and thus its opportunities for expanding GDP.

  The major governance and urban management issues are
  - land tenure (ownership, remuneration, and regulations),
  - water supply, and
  - sanitation.

  The capacity of the Nauru Island Council in urban planning and management was rated *low*, while interest by international development partners in urban-based projects and programs was rated *medium*. Most expenditure on water, sanitation, and waste management facilities is for development; while expenditure on the airport, ports, and roads focuses on maintenance. The major sources of funding for infrastructure development and maintenance are grants and loans.

  In terms of the impact of Nauru’s planning system on influencing major town and island functions, the survey results indicated that the current system has
  - no impact on land administration (supply and security of tenure), housing, or population growth;
  - no impact on city structure or services (with the exception of a major impact on maintaining an attractive town center, and providing access to safe water and improved sanitation facilities);
  - no impact on the town environment (with the exception of a minor impact on adaptation to climate change, and efficient waste collection and management); and
  - a mixed impact on town security and lifestyle issues (including a minor impact on stimulating income-generating opportunities for the informal sector, a moderate impact on addressing crime and urban security issues, and a major impact on encouraging involvement of community groups and NGOs).

  Management and monitoring of nonrenewable resource extraction on Nauru was rated *weak*.

- **New drivers of urban change**: Climate change impacts affect Nauru through coastal erosion, deterioration in health status due to increased temperatures, and reduction in both supply and quality of freshwater. The recent global economic crisis impacted Nauru by reducing income from the country’s limited export base, lowering the foreign exchange value of its currency, and increasing the local currency cost of goods and services. The major drivers of economic, environmental, and social change on Nauru are land issues, infrastructure costs (including maintenance), and fuel rationing due to intermittent shipping services.
Appendix 3: Questionnaire

Theme 1—Population and Urbanization Trends
* Attached to the questionnaire is the 2011 midyear population estimates for all Pacific Island Countries (PICs), including urban data for each PIC (see Table 2 on page 24).

Country name: __________________________________________________________

1.1 Based on your country’s definition of urban, how many urban areas are in your PIC with over:
* 5,000 persons: __________
* 10,000 persons: __________
* 50,000 persons: __________
* 100,000 persons: __________

1.2 What is the estimate of the urban population living in peri-urban areas (that is, outside the defined urban boundary) at the:
* main capital city/town level: __________
* at the national level: __________

Theme 2—Population and Economic Development

2.1 What is the percentage estimate of national Gross Domestic Product (that is, the value of goods and services produced being equal to 100%) that is produced within:
* the capital city: __________
* all urban areas: __________

2.2 What are the main economic sectors that contribute to Gross Domestic Product that are based or undertaken within the national capital/town? Highlight four from the following in order of importance (1 representing the most important)—manufacturing, construction, processing (such as fish products), commerce, tourism and hotels and restaurants, public administration, finance and business services, transport and communications, others).

1: __________________________________________________________
2: __________________________________________________________
3: __________________________________________________________
4: __________________________________________________________

2.3 What are the main areas of private sector activity in the PIC capital? List the top three.

1: __________________________________________________________
2: __________________________________________________________
3: __________________________________________________________

2.4 What is the percentage of informal to formal workforce in the PIC capital? (must total 100%)
* % in informal employment: __________
* % formal employment: __________

2.5 What is the percentage estimate of males and females working in the informal sector in the PIC capital? (must total 100%)
* % females: __________
* % males: __________

**Theme 3—Urban Services, Infrastructure and Environment: Capital City**

3.1 What is the percentage estimate of the urban population (including peri-urban) that is connected to the reticulated water supply in the capital city? __________

3.2 What is the percentage estimate of the urban population (including peri-urban) that is illegally connected to reticulated water supply? __________

3.3 What is the main type of sewage system in the capital city, and what is its coverage?
* main type of system (e.g., reticulated, septic, pit latrine, etc.): _______________
* % estimate of coverage of main urban area (excluding peri urban): __________

3.4 Is there a formal system of septic disposal? (encircle) Yes No

3.5 How would you rate the level of nonrenewable resource extraction (example, sand, gravel, tree cover, etc) within the urban and peri-urban areas? (encircle)
* well managed/monitored
* average management/monitoring
* weak management/monitoring

3.6 What do you see as the main transport issues in the capital city?
1: __________________________________________________________________________
2: __________________________________________________________________________
3: __________________________________________________________________________

3.7 List the four main infrastructure priorities for the urban and peri-urban areas?
1. __________ 2. __________ 3. __________ 4. __________

3.8 How would you rate the coverage of urban infrastructure and services as provided in the squatter and informal settlements? (encircle) High Medium Underserviced

3.9 How would you rate the provision of usable open space in the capital city? (encircle) High Medium Low

**Theme 4—Land and Housing**

4.1 Within the main town/capital city (excluding peri-urban areas), what percentage of the following land tenure types are developed or undeveloped?
* freehold: developed % __________ undeveloped vacant % __________
* State lands: developed % __________ undeveloped vacant % __________
* customary lands: developed % __________ undeveloped vacant % __________

4.2 Within the main town/capital city (excluding peri-urban areas), what percentage of the urban population lives in squatter and informal settlements? % __________

4.3 Within the main town/capital city (excluding peri-urban areas), are there any government managed or organized squatter and informal settlements upgrading schemes underway? (encircle) Yes No
4.4 Within the main town/capital city (excluding peri-urban areas), were there any evictions or demolition of squatter and informal settlements in 2010? (encircle) Yes  No
If yes, number in 2010: __________

4.5 Of the total housing development undertaken in the main capital city, what percentage occurs in the squatter and informal areas, compared to the planned areas? (must total 100%)
*  % new housing in squatter and informal areas: __________
*  % new housing in remaining planned areas: __________

4.6 Of the total housing development undertaken in the main capital city, what percentage is approved through the formal planning and building systems (that is, regulations, codes, etc.), compared to illegal housing developments? (must total 100%)
*  % approved in the formal planning and building systems: __________
*  % constructed illegally: __________

4.7 Of the total existing housing stock in the main capital city, what percentage would you estimate as meeting approved formal planning and building systems where they exist (that is, regulations, codes, etc.) and those that do not meet such requirements? (must total 100%)
*  % meeting formal planning and building systems: __________
*  % not meeting formal planning and building systems: __________

4.8 Is there a lead government agency that provides serviced land for urban development (excluding public servants)? (encircle) Yes  No
If yes, name: _____________________________

4.9 Are there urban land reforms underway in terms of:
*  policy changes: (encircle) Yes  No
*  on the ground pilot/demonstration projects: (encircle) Yes  No
*  or both of the above: (encircle) Yes  No

4.10 Where is urban population growth happening the fastest - in the (i) main town/capital city, or (ii) in the peri-urban areas? (list one) _____________________________

4.11 Is peri-urban growth an issue in other urban areas in your country, and if so, why?
*  Reason 1: _____________________________
*  Reason 2: _____________________________

Theme 5—Urban Security
5.1 How would you rate the security of residents in the main capital town/city? (encircle)
High  Medium  Low

5.2 What percentage of crime do you consider is reported, and not reported in the main town/capital city? (must total 100%)
*  reported crime % __________
*  unreported crime % __________

5.3 How would you rate the institutional effectiveness of the Police and Court systems? (encircle)
High  Medium  Low
5.4 How would you rate the level of human rights violations in the main town/capital city (such as freedom of speech, violence and abuse against women, children, squatter evictions, etc.)? (encircle)
- High
- Medium
- Low

5.5 How would you rate the adequacy of social safety nets in the main capital town/city?
* Community level: (encircle)
- High
- Medium
- Low
* Government service level (encircle)
- High
- Medium
- Low

5.6 In the capital town/city, is urban security worst in the squatter/informal settlements, or in other parts of the town/city? __________

** Theme 6—Urban Management and the Effectiveness of Planning Systems **

6.1 Is there a National Urbanization Policy approved? (encircle) Yes No If yes, what year? ______

6.2 Has there been any implementation of the National Urbanization Policy as approved? (encircle) Yes No If yes, briefly describe the two main implementation activities:
1. _____________________________
2. _____________________________

6.3 Is there a standalone agency/department responsible for national urbanization and urban management? (encircle) Yes No If yes, name: _____________________________

6.4 Is there stand-alone urban planning legislation? (encircle) Yes No If yes, what year? ______

6.5 What would you rate as the top three governance/management issues in regard to urban planning and urban management in your PIC?
1. _____________________________
2. _____________________________
3. _____________________________

6.6 How would you rate the capacity of the lead local government/city council in urban planning and urban management? (encircle)
- High
- Medium
- Low

6.7 How active are your country’s international development partners in undertaking urban-based projects and programs? (encircle)
- High
- Medium
- Low

6.8 What is the percentage estimate of expenditure on infrastructure for development purposes, compared to expenditure for maintenance?
* Water  % development ________  % maintenance ________
* Sanitation  % development ________  % maintenance ________
* Roads  % development ________  % maintenance ________
* Drainage  % development ________  % maintenance ________
* Transport hubs (airports, ports) % development ________  % maintenance ________
* Waste management  % development ________  % maintenance ________
6.9 What is the main source of funds for investment and development works for infrastructure (water, sanitation, roads and drainage)? Identify one
   * central government _____________________________
   * local government _____________________________
   * grants _____________________________
   * loans _____________________________
   * combination of the above _____________________________

6.10 What is the main source of funds for maintenance works for infrastructure (water, sanitation, roads and drainage)? Identify one
   * central government _____________________________
   * local government _____________________________
   * grants _____________________________
   * loans _____________________________
   * combination of above _____________________________

6.11 The table at the end of the questionnaire lists a range of functions that main towns/capital cities provide. Indicate how effective you think the planning system (that is, the combination of policies, institutions, regulations, and laws) is in achieving the town and city functions as outlined. In other words, how well does your capital town/city function in achieving the range of functions as outlined. Please complete the table at the end of the questionnaire.

Theme 7—New Drivers of Urban Change
7.1 Is the main town/capital city experiencing any impacts from climate change? (encircle)   Yes   No

7.2 If yes, what are these impacts (in order of importance)?
1. _________________  2. _________________  3. _________________

7.3 Did the global economic crisis have any impact on the main town/national capital? (encircle)   Yes   No

7.4 If yes, what were these impacts (in order of importance)?
1. _________________  2. _________________  3. _________________

7.5 Are there any other ‘drivers’ causing social, environmental and economic change in the main town/capital city? (encircle)   Yes   No

7.6 If yes, what are these impacts (in order of importance)?
1. _________________  2. _________________  3. _________________

Case Studies - Good Practice: what works, what doesn’t, and why?

The ‘State of Pacific Towns and Cities Report’ intends to highlight those urban projects, programs, activities, and system components such as policies, institutions and legal frameworks, that are ‘working’ in Pacific urban areas. If you think there is something good happening in your urban area, agency or group (or maybe something that didn’t work) that has good lessons learned and that should be shared with the Pacific region, please advise and we will follow it up with you.
Appendix 3

* Name of case study/theme: _____________________________
* Contact person for follow up on details for ADB report (name and email contact):

Thank you for your time. The analysis of questionnaire results will be published in the State of Pacific Towns and Cities Report in early 2012.

Contact details of additional questionnaire recipients:

Name:
Position Title:
Contact Details (tel or email):

Name:
Position Title:
Contact Details (tel or email):

<table>
<thead>
<tr>
<th>Pacific Island Country/PMDC Main town—capital city function</th>
<th>No Effect</th>
<th>Minor Effect</th>
<th>Moderate Effect</th>
<th>Major Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Land, housing and population growth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodating population growth by</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- providing a range of land supply</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- providing affordable housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilitating use of customary land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing security of tenure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing adequate open space</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning edge and peri-urban development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upgrading squatter and informal settlements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Town/City structure and services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintaining an ‘attractive’ town - city center</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing access to safe water for all</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing sanitation management and disposal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reducing traffic congestion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equitable distribution of new infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equitable maintenance of existing infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attracting new industries and investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. Town/City environment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protecting biodiversity and nonrenewable resources, including green spaces, tree corridors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving air quality—reducing air pollution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adapting to climate change and disaster management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient waste collection and management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcing land use planning and building regulations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. Town/City security and lifestyle</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promote social cohesion/integration with ethnic groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing opportunities for the informal sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addressing crime, violence and urban security issues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encouraging NGOs, community involvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
References


ADB, United Nations Development Programme (UNDP), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and World Health Organization (WHO). 2006. *Asia Water Watch, 2015—Are Countries on Track to Meet Target 10 of the MDGs?* Manila.


——. 2011c. The Rise of the ‘Rural Village in the City’ and ‘Village Cities’ in the Pacific Region. Paper presented to the Asia Pacific Network for Housing Research Conference on ‘Neoliberalism and Urbanization in the Asia Pacific.’ University of Hong Kong. 9 December.


Rokotuibau, L. 2011. ‘*The Urban on Government Agenda,*’ Presentation to the UNESCAP Commonwealth Local Government Forum (CLGF) and UN-Habitat Pacific Urban Forum, Nadi, 1 December 2011.


_____. 2011. Settlements are here to stay. Port Moresby. 24 March.


The State of Pacific Towns and Cities

Urbanization in ADB’s Pacific Developing Member Countries

This report investigates urbanization trends across the 14 Pacific developing member countries of the Asian Development Bank. It examines the history of Pacific urbanization, current state of infrastructure and service provision within urban areas, and systems of urban governance. It presents key actions that Pacific countries need to take to manage urban growth, to meet the needs of their urban citizens, and to benefit from the potential of the urban economy.

About the Asian Development Bank

ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region’s many successes, it remains home to two-thirds of the world’s poor: 1.8 billion people who live on less than $2 a day, with 903 million struggling on less than $1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.