

IMPLEMENTING
THE NEW
URBAN AGENDA

Implementation of the New Urban Agenda in the Asia and the Pacific

A review in preparation for the second Quadrennial report
(2022)

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This report documents the progress made in the implementation New Urban Agenda in Asia and the Pacific between 2018 and 2021. The Report is based on desk review and analysis of a wide range of data sources including the Voluntary Local Reviews for cities in the region and national reports on the implementation of the New Urban Agenda.

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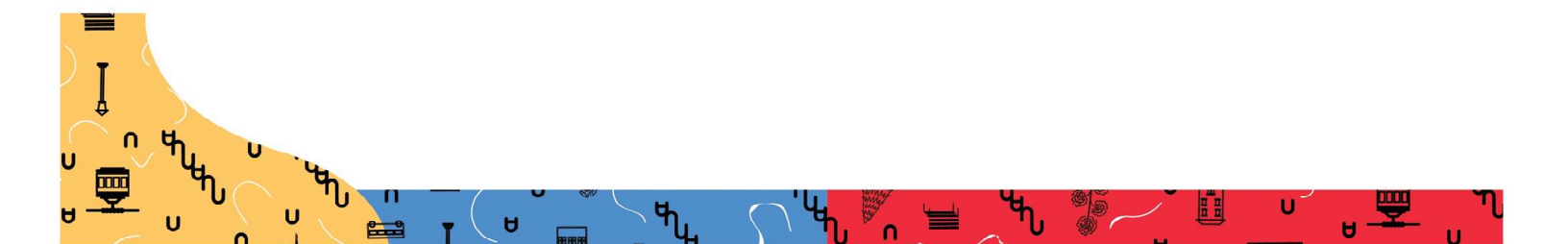




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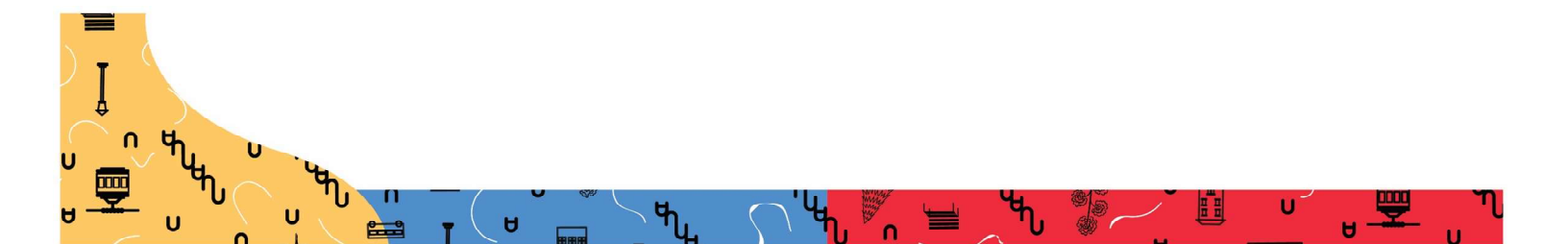
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List of Acronyms Used

ADB	Asian Development Bank
AFD	Agence Française de Développement
AIB	Asian Infrastructure Investment Bank
CDIA	Cities Development Initiative for Asia
CityNet	The Regional Network of Local Authorities for the Management of Human Settlements
DMCs	Developing Member Countries
DRR	Disaster Risk Reduction
GCF	Green Climate Fund
GHG	Greenhouse Gas
ILO	International Labour Organization
IMF	International Monetary Fund
LGA	Local Government Association
LOCALISE	Leadership Ownership and Capabilities for Agenda 2030 Local Implementation and Stakeholder Empowerment
MSMEs	Micro-, Small- and Medium-sized Enterprises
NUA	New Urban Agenda
RDIF	Regional Infrastructure Development Fund
SDG	Sustainable Development Goal
SNIF	Sub-National Investment Fund
UCLG ASPAC	United Cities and Local Governments – Asia Pacific Section
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UN-ESCAP	UN Economic and Social Commission for Asia the Pacific
UNICEF	United Nations Children’s Fund
UNITAR	United Nations Institute for Training and Research
VNR	Voluntary National Review
WHO	World Health Organization
WSUD	Water Sensitive Urban Design

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Executive summary

A. Key Findings

1. Three transformative commitments of NUA

- Under *social inclusion and ending poverty*, the notable transformative commitments include: (i) targeted interventions towards addressing urban and rural poverty, particularly in response to the COVID-19 pandemic; improving women's political representation in national parliaments, local deliberative bodies, and managerial positions at both national and regional level; (iii) enhancing youth civic engagement and their involvement in sustainable development projects; (iv) legal provisions to enhance accessibility for persons with disabilities irrespective of their level of national economic development; (v) investments and programmatic support for providing housing and community infrastructure for the urban poor; (vi) improving access to drinking water and sanitation, and solid waste management systems; and (vii) providing accessible public and green spaces.
- On *inclusive urban prosperity and opportunities for all*, the notable transformative commitments include: (i) dedicated COVID-19 response resources to bolstering the incomes of the people most in need, including by the small developing Member States with extremely limited fiscal space; (ii) rapid responses to support the informal workers in quick and creative ways. For instance, Member States with comprehensive social protection systems upscaled benefits to reach informal workers; (iii) supporting MSMEs with public sector support in the form of four modalities: specialised banks for MSMEs, soft loan programmes, mandatory lending schemes, and credit guarantees; (iv) supporting in-depth assessments to identify legal and regulatory barriers to effective and efficient development of e-commerce; and (v) passing legislation to make it easier and faster to start and run a business.
- Under *environmentally sustainable and resilient urban development*, the notable transformative commitments include: (i) taking climate change mitigation actions to free their economies from diesel dependence; (ii) implementing innovative leveraging mechanism to catalyse private, institutional, and commercial finance for the development of climate-friendly infrastructure and business; (iii) building urban resilience to natural disasters and climate change; (iv) containing urban sprawl and the loss of fertile agricultural land; (v) adopting WSUD that integrates water management with urban development; and (vi) environmentally sound management of water resources and urban coastal areas, and recharging groundwater.

2. Effective implementation of the New Urban Agenda in Asia-Pacific

- *Urban governance structure.* India, Indonesia and the Philippines have made long-term transformative commitments towards decentralisation that has resulted in improvements in urban governance. Further, India is linking urban policies to finance mechanisms and budgets under the second phase of 'Atal Mission for Rejuvenation and Urban Transformation'.
- *Planning and managing urban development.* Armenia, Azerbaijan, Georgia, Philippines, and Uzbekistan have conducted National Urban Assessments toward integrated and balanced territorial development, strategic policy planning and vision setting, and strategic investment programming.



3. Means of implementation of the New Urban Agenda in Asia-Pacific

- **Finance.** Cambodia is establishing SNIF to address regional disparities in investment for basic delivery. Indonesia has established an RIDF with financial and technical support from the World Bank and AIIB.
- **Capacity development.** India has made transformative commitments towards reforming urban planning capacity in the country. Thailand has made transformative commitments towards capacity development in its 'National Strategy 2018-2037', which was drafted under the National Strategy Act (2017). At the regional level, UCLG ASPAC, and CityNet promote cooperation among local governments, and between local governments national and international stakeholders that are committed to sustainable urban development.
- **Innovation and technology.** The Asian and Pacific countries have been developing and advancing with the use of user-friendly and citizen-centric digital platform and governance tools. This is particularly evident in two areas: (i) growing digital payments or cashless transactions; and (ii) development and use of mobile applications (or apps) for urban services. National-level innovation ecosystems have been initiated and are in various stages of development in Asian countries such as Armenia, China, Bangladesh, Myanmar, Nepal, Singapore, Thailand, and Viet Nam. In the Pacific subregion, some countries, such as Fiji, are in more advanced stages of developing national ecosystems than others.

4. Lack of synergy between global agendas. There is limited evidence of building synergy between the implementation of the NUA and the various global agendas. Only one subregional programme on building urban resilience in the North and Central Asia mentioned such a synergy.

5. Limited monitoring and reporting on NUA. At the national level, there is limited monitoring and reporting on the implementation of the NUA. Only two Member States, Indonesia, and Lao PDR, have submitted their national reports on the implementation of the NUA.


6. Important role of financial intermediaries for urban financing. Financial intermediaries, including multilateral institutions, regional development banks, subnational and local development funds, and pooled financing mechanisms, have played an important role in supporting Member States for the financing of urban programmes and projects. Such financial support is often accompanied with technical assistance which fills in critical capacity gaps in many developing Member States.

B. Key Messages

1. Clear and express transformative commitments are needed towards the implementation of NUA in Asia and the Pacific. It is evident from the foregoing that the UN Member States in the Asia-Pacific region have made several transformative commitments towards implementing the NUA. Many of these commitments involved huge investments by central/federal governments. However, in most cases, no express mention was made that such commitments were aimed at implementing the NUA.

2. Synergy among the various global development agendas needs to be promoted in the Asia-Pacific region. At present, there is little evidence to ascertain that the synergy among the

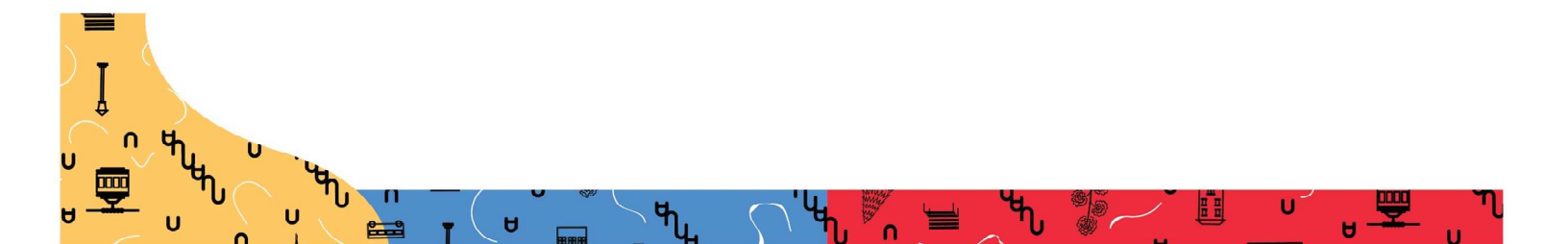




various global development agendas, such as the NUA, Paris Agreement, Sendai Framework, Addis Ababa Agenda, and the like, exists in the Asia-Pacific region.

3. Monitoring of and the reporting on the implementation of NUA needs to be strengthened in Asia and the Pacific. Until the finalisation of this report, only two countries – Indonesia and Lao PDR – had submitted their national reports on the implementation of the NUA. Therefore, there is an urgent need to put in place the systems and frameworks for the regular monitoring and reporting of NUA.

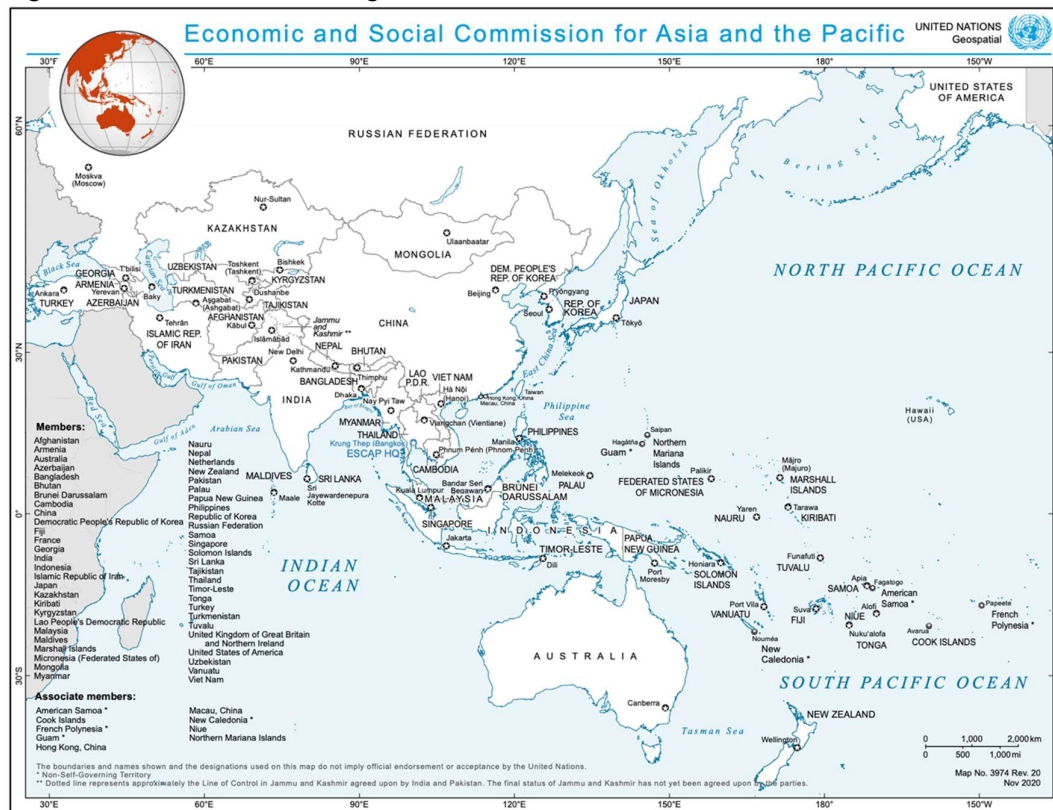
4. Capacity development is much needed for the implementation of NUA at sub-national and local levels in the Asia-Pacific region. This is particularly the case of small- and medium-sized cities and towns, which are going to see major demographic growth compared to their larger counterparts.



I. Introduction

Asia and the Pacific is the largest developing region in the world. It has a total of 58 countries and areas with 37 in Asia and 21 in the Pacific (**Figure I.1**). Its long history and vast geography of makes Asia-Pacific a culturally rich and diverse region. For promoting cooperation in pursuit of solutions to sustainable development challenges, the Asian and Pacific countries and areas are grouped into five subregions: (i) East and North-East Asia, (ii) South-East Asia, (iii) South and South-West Asia, (iv) North and Central Asia, and (v) the Pacific (**Box I.1**).


Figure I.1. The Asia-Pacific Region



Source: <https://www.un.org/Depts/Cartographic/map/profile/escap.pdf>

Asia and the Pacific is an economically dynamic region. Given its large industrial sector output over the past several decades, the region has often been referred to as 'the factory of the world'. The region also has a vibrant services sector that not only serves the domestic population but also a large foreign population that resides in its cities. The main drivers of the region's urban economies include export-led growth by taking advantage of globalization, infrastructure and services, foreign direct investment and related competition among cities, urban connectivity to global markets, improving business practices in cities, economies of scale, and cheap labour.¹

¹ UN-Habitat and UN-ESCAP (2010, p.79-85).



The region's economic dynamism is supported by its fast growing and thriving cities. The Asian-Pacific cities produce over 80 per cent of its total GDP². They function as centres of political power and socio-cultural creativity, and hubs of manufacturing, innovation, tourism, transportation, infrastructure, and services. The leading medical tourism destinations include Thailand, India, Singapore, Taiwan Province of China, Malaysia, and Republic of Korea.³ Out of the world's top 50 most visited cities, 26 are in Asia-Pacific, including Hong Kong, China, Bangkok, Macao, China, Singapore, Delhi, Istanbul, Kuala Lumpur, Mumbai, Shenzhen, Phuket, Tokyo, and Agra.⁴

Box I.1. Asia-Pacific subregions

By geographic subregion, the 58 countries and areas of Asia and the Pacific are:

East and North-East Asia (ENEA): China; Democratic People's Republic of Korea (DPR Korea); Hong Kong, China; Japan; Macao (China); Mongolia; Republic of Korea.

South-East Asia (SEA): Brunei Darussalam; Cambodia; Indonesia; Lao People's Democratic Republic (Lao PDR); Malaysia; Myanmar; Philippines; Singapore; Thailand; Timor-Leste; Viet Nam.

South and South-West Asia (SSWA): Afghanistan; Bangladesh; Bhutan; India; Iran (Islamic Republic of); Maldives; Nepal; Pakistan; Sri Lanka; Turkey.

North and Central Asia (NCA): Armenia; Azerbaijan; Georgia; Kazakhstan; Kyrgyzstan; Russian Federation; Tajikistan; Turkmenistan; Uzbekistan.

Pacific: American Samoa; Australia; Cook Islands; Fiji; French Polynesia; Guam; Kiribati; Marshall Islands; Micronesia (Federated States of) (Micronesia (F.S.)); Nauru; New Caledonia; New Zealand; Niue; Northern Mariana Islands; Palau; Papua New Guinea; Samoa; Solomon Islands; Tonga; Tuvalu; Vanuatu.

Source: UN-ESCAP (2021e).

The Asia-Pacific region has the largest urban population among the world's major developed and developing regions. In 2022, it has an estimated urban population of 2.48 billion.⁵ The proportion of urban population to the total population in the region stands at 52.4 per cent. Given their historical, geographical, socio-cultural, and economic background, the five subregions in the Asia-Pacific present varied urban demographic features.

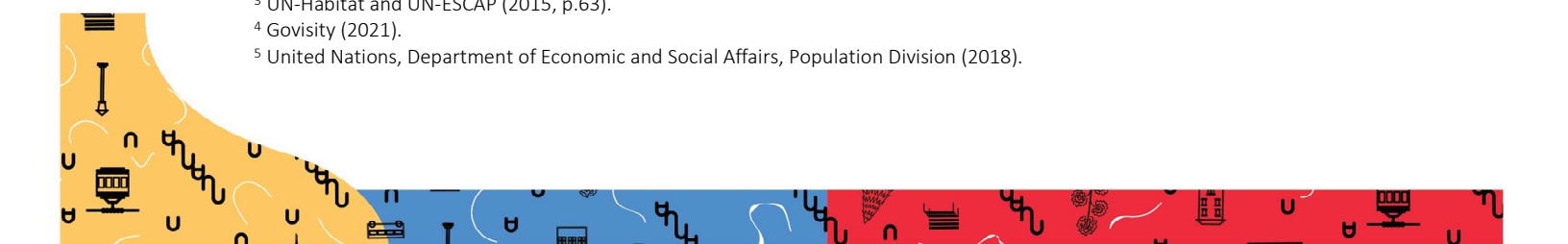
In Asia and the Pacific, as elsewhere, the reporting period of 2018-2022 has been dominated the wide-ranging impacts of COVID-19 pandemic. Prolonged school and university closures due to COVID-19 lockdown have severely affected education and the wellbeing of children and youth.

² UN-Habitat and UN-ESCAP (2010, p.72).

³ UN-Habitat and UN-ESCAP (2015, p.63).

⁴ Govistry (2021).

⁵ United Nations, Department of Economic and Social Affairs, Population Division (2018).





II. Progress on the three transformative commitments of the New Urban Agenda in Asia-Pacific

A. Social inclusion and ending poverty

(i) Eradicating poverty and reducing inequality

Results Achieved

The target of extreme poverty eradication (international poverty indicator – 1.1.1) under SDG1 remains within reach by 2030, out of the 10 indicators for which data is available, according to a 2021 policy note published by ESCAP.⁶ At the global level, enormous progress has been made to reduce extreme poverty (PPP \$1.9 per day). The World Bank notes that during 1990-2017 the total number of extreme poor was reduced by over 689 million, from 1.9 billion to 1.2 billion.⁷ In the Asia-Pacific region, the progress in the reduction of extreme poverty varies across its five subregions. In 2018, the region had 5.2 per cent of its total population living in extreme poverty. The South and South-West Asia (10.2 per cent) and East and North-East Asia (0.3 per cent) had the highest and the lowest incidence of extreme poverty. On achieving the eradication of extreme poverty in the Asia-Pacific region, the five subregions present a diverse picture.

“Out of the five sub-regions only North and Central Asia seems to achieve fully the target, the other three East and North-East Asia, South-East Asia, and South and South-West Asia are very close to attain the target by 2030. On the other hand, there is reversal in the Pacific with an increase in poverty in the recent past.”⁸

Compared to extreme poverty, a higher proportion of the Asia-Pacific region lives in multidimensional poverty (Figure II.2).⁹ The developing countries in the region had 16.4 per cent of their total population living in multidimensional poverty, with the lowest figures of 1.8 per cent for North and Central Asia subregion. South and South-West Asia had the highest proportion (29.2 per cent) with 550 million people living in multidimensional poverty.¹⁰ If Asia and the Pacific region must achieve eradication of all forms of poverty, it requires focusing concerted efforts on the South and South-West Asia subregion.

Social Protection. *Less than half (46 per cent) of the population of Asia and the Pacific is covered by at least one social protection scheme.¹¹ The subregions of North and Central Asia as well as the Pacific have the highest coverage (both at 78 per cent) of their populations with at least one social protection scheme. South-East Asia and South and South-West Asia have the lowest proportion of their population covered with at least one social protection scheme at 33 per cent and 24 per cent respectively.*

⁶ UN-ESCAP (2021a, p.3).

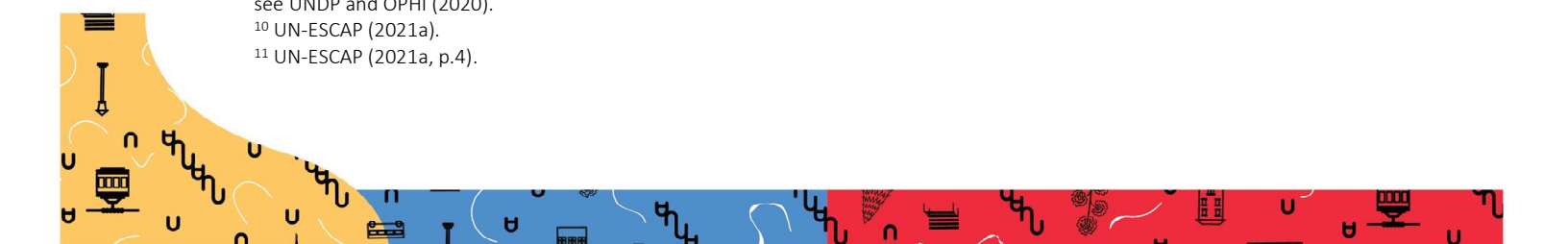
⁷ World Bank (2020a).


⁸ UN-ESCAP (2021a, p.4).

⁹ “The multidimensional poor is identified using multidimensional poverty index (MPI) measured by Alkire-Foster Method. The MPI was launched by UNDP and Oxford Poverty and Human Development Initiative (OPHI) in 2010 Human Development Report. The (global) MPI is measured using 10 indicators in three equally-weighted dimensions: health, education and standard of living. The 10 indicators include nutrition, child mortality, years of schooling, school attendance, drinking water, sanitation, cooking fuel, electricity, housing, and assets.” Quoted from UN-ESCAP (2021a), p.17. For details, see UNDP and OPHI (2020).

¹⁰ UN-ESCAP (2021a).

¹¹ UN-ESCAP (2021a, p.4).





*The Government of Lao PDR has made a long-term transformative commitment (2002-2024) to reducing poverty in rural areas where, in 2019, poverty stood at 28 per cent compared to 10 per cent in urban areas.*¹² With the financial and technical assistance from the World Bank, Lao PDR established the Poverty Reduction Fund (PRF) in 2002. By 2019, three phases of PRF “helped improve the lives of more than 1.2 million people living in nearly 3,000 of the poorest villages in the country with improved village roads, sanitation, irrigation, schools and health facilities.”¹³ In 2019, the third phase of PRF (or PRF-III, initiated in 2016) was extended until 2024 with a total project cost of US \$58.5 million with a US \$6 million contribution from the Government of Lao PDR and US \$52.5 million from the World Bank.¹⁴ PRF-III includes four project components: (i) community development sub-grants; (ii) local and community development capacity building; (iii) project management; and (iv) nutrition enhancing livelihood development.¹⁵ Lao PDR’s ‘National Progress Report on the Implementation of the New Urban Agenda’ notes that PRF also contributes to “nurturing public participation in decision making, village planning, gender equity, [and] equal rights and opportunities for the disadvantaged, ethnic minorities and migrant groups”.¹⁶

Challenges Experienced. The COVID-19 pandemic has posed serious challenges poverty eradication efforts in the Asia-Pacific region. Due to the COVID-19 pandemic, an additional 89 million people in the region could have been pushed back into extreme poverty (US \$1.9 per day), according to an estimate.¹⁷ In 2020, the working hour losses in the region totalled the equivalent of 140 million full-time jobs.¹⁸ Some countries in the Asia-Pacific region, such as **Afghanistan**, have made *targeted interventions to address urban and rural poverty*, particularly in response to the COVID-19 pandemic (**Box II.1**).

Box II.1. Afghanistan Key Policy Responses to COVID-19 vis-à-vis Urban and Rural Poverty (as of July 1, 2021)

The Government of Afghanistan initially used contingency funds for emergency pandemic response, including for urgent health needs, such as establishing testing labs; setting up special wards to boost hospitalization and care capacity; and procuring critical medical supplies.

In April-June 2020, the government provided free bread to the poor in Kabul, later extended to other cities. In May, it waived electricity bills of less than Afghani (Af) 1,000 (US\$13) for a family residence in Kabul for two months and paid utility bills of the past two months for 50 percent of households in Kabul. The decision benefited more than 1.5 million Kabul residents. The authorities rolled out about 0.8 percent of GDP social assistance under the World Bank-funded Results in Education for All Children (REACH) programme in 2020, with the remaining 0.6 percent of GDP continuing in 2021. The programme targets Afghan households with incomes of US\$2 per day or lower (twice the national poverty line), with households in rural areas receiving an equivalent of US\$50 in essential food staples and hygiene products, while those in urban areas a combination of cash and in-kind equivalent to \$100, in two tranches.

Altogether, the authorities spent about 2.2 percent of GDP to fight COVID in 2020, including: (a) Health package of around Af 10.9 billion, of which Af 2.6 billion on building hospitals and provincial clinics; (b) The social package of around Af 14.7 billion, of which Af 2 billion on the

¹² World Bank (2019a, p.7).

¹³ World Bank (2019b).


¹⁴ World Bank (2019a, p.7).


¹⁵ World Bank (2019a, p.7-8).

¹⁶ Ministry of Public Work and Transport, Government of Lao PDR (2021, p.11).

¹⁷ For this and the following sentence, see: UN-ESCAP (2021b, p.v).

¹⁸ UN-ESCAP (2021b, p.v).





bread distribution programme and Af 12.7 billion on the World Bank supported social distribution programme; (c) Transfers to provinces to finance Covid-19 response of about Af 1.3 billion; and (d) Support to agriculture and short-term jobs of about Af 5.2 billion and Af 1.0 billion respectively. Similarly, the 2021 budget includes the following COVID-related spending: (a) Health package of Af 2.4 billion; (b) Social package of Af 8.9 billion; and (c) Other Af 3.3 billion.

Source: IMF (2021).

A key lesson learned is that for Member States need to make long-term commitments to eradicate poverty and reduce inequality. These commitments include three four dimensions: leadership in (political) decision making, policy change/reform, financial allocations, and technical capacity building, as is evident from the case of the PRF in Lao PDR.

(ii) Achieving social inclusion of vulnerable groups (women, youth, older persons and persons with disabilities and migrants)

The Asia-Pacific region has been making a slow but steady progress towards achieving social inclusion of vulnerable groups in cities and human settlements.

Gender. In the Asia-Pacific region, like elsewhere, women participate in public life and decision making in various ways. In their respective countries, women participate in the political process as voters, members of political parties, political candidates in elections, and as elected representatives at local, sub-national and national levels. They also serve as staff members and leaders of government institutions, including local governments. Thus, they are involved in policymaking and decision-making processes, including formulation and implementation of urban policies and plans.

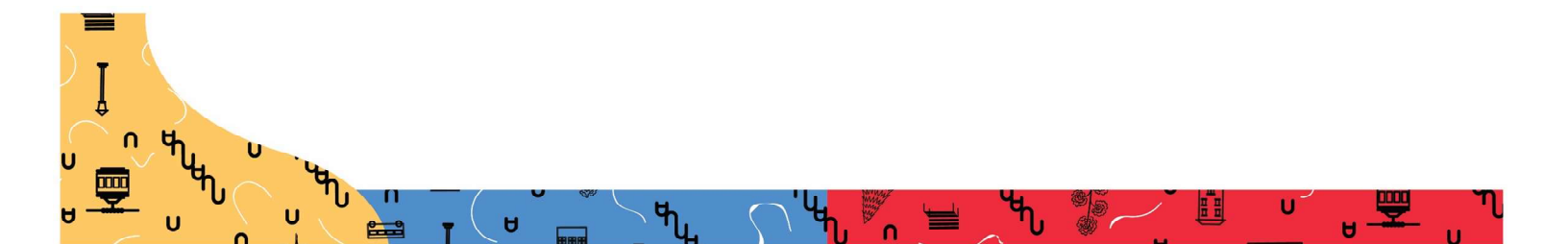
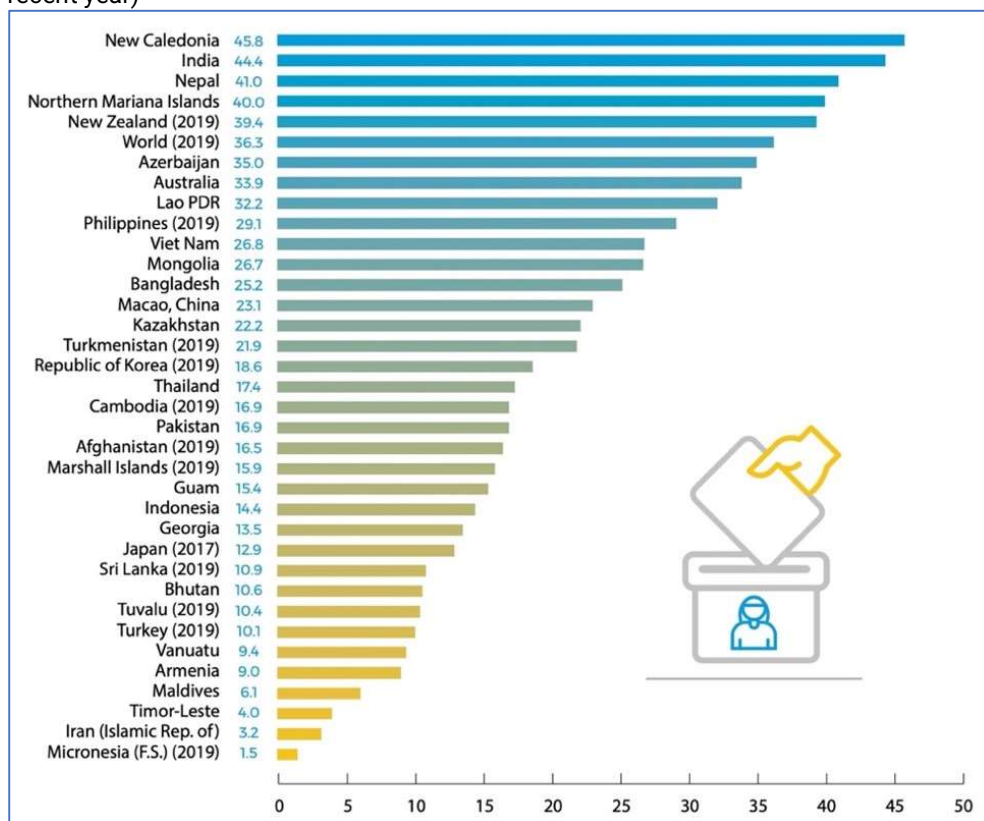


Figure II.1. Proportion of elected seats held by women in local deliberative bodies (2020 or most recent year)



Source: UN-ESCAP and UN Women (2019, p.108).


*In the Asia-Pacific region, women's political representation in national parliaments, local deliberative bodies, and managerial positions has been improving both at national and regional level.*¹⁹ Among the 35 countries for which data is available, 15 countries feature over 20 per cent women's representation in the deliberative bodies of local governments.²⁰ Five countries and territories in the region, viz., **India, New Caledonia, Nepal, Northern Mariana Islands and New Zealand**, have surpassed the world average of 36.3 per cent in regard to women's representation in the deliberative bodies of local governments (see **Figure II.1**). Further, women's representation at both the local and national levels has reached the 20 per cent threshold in nine countries, viz., **Australia, Bangladesh, Kazakhstan, Lao PDR, Nepal, New Zealand, the Philippines, Turkmenistan and Viet Nam**.

Youth. The Asia-Pacific region is home to 700 million young people (15–29 years of age); thus, the youth account for 16 per cent of the region's total population and 54 per cent of the world's young population.²¹ The region's total population also includes 986 million children (under 15 years old). Like many adults in the region, the youth also face poverty in terms of hunger, under-nutrition and often restricted access to social services. In low-income and poor households, youth are unable to go to school, and often forgo education for employment that compromises their future opportunities. "As such, poverty experienced during youth can have health,

¹⁹ UN-ESCAP and UN Women (2019, p.105).

²⁰ For data in this and the following two sentences, see: UN-ESCAP and UN Women (2019, p.108).

²¹ For this and the following sentence, see: United Nations (2015).



educational, livelihood and participatory implications across the life-course of an individual and, where chronic, can be transmitted across generations.”²² Despite their demographic importance in the Asia-Pacific region, youth participation in political processes and public life remains low.

“The impact is felt strongest at the local level, manifesting in social and political exclusion, inequitable provision of services and in access to employment, variable access to justice, and unresolved human rights violations. Those particularly affected include the indigenous youth, young persons with disabilities, and youth who identify as lesbian, gay, bisexual, transgender, intersex or queer/questioning (LGBTIQ). Across the region, gender inequalities continue to reflect a disparity in young women’s participation, politically, socially and economically.”²³

*The Asian Development Bank and the UN agencies have made **transformative commitments towards enhancing youth civic engagement and their involvement in sustainable development projects** in the Asia-Pacific region.* In collaboration with youth networks and leaders, they are engaged in activities aimed at expanding the civic space, building capacities and promoting the role of youth as partners, leaders and innovators, as follows:

- The Asian Development Bank’s ‘ADB Youth for Asia’ is a programme that aims to ‘mainstream youth participation in ADB operations as it believes that empowered youth are a force for innovative and effective development.’²⁴ Youth for Asia initiative also aims to serve as the ‘knowledge centre for meaningful youth engagement’ in the Asian Development Bank. It has been organising the Asia Pacific Youth Symposium since 2013. Attended by over 3,200 (including 700 registered) participants, the Asia Pacific Youth Symposium 2021 held ‘a series of knowledge sessions on youth economic empowerment and the ‘new normal’ impacted by the coronavirus pandemic’.²⁵
- UNESCO Asia and Pacific Regional Bureau for Education’s work programme on ‘Youth Participation and Empowerment’²⁶, under its ‘Operational Strategy on Youth 2014-2021’²⁷, supports three initiatives: (i) Inclusive, rights-based National Youth Policies, (ii) Strengthening youth voices, and (iii) Building capacity of youth as agents of change.
- UNITAR’s ‘Youth Ambassador Asia Pacific Programme 2021’ aims to empower high school students in Hong Kong, followed by the various cities in China, and in other Asia-Pacific countries ‘to help our world build back better, greener, and stronger from the COVID- 19 pandemic’.²⁸ Through its Hiroshima office, it has been running has been running the ‘UNITAR Hiroshima Young Ambassador Programme’ for high school students in the Japanese city of peace.²⁹ Through a partnership with ITS Education Asia³⁰, UNITAR plans to extend the Youth Ambassador Programme to various cities in China in 2022, followed by other Asia-Pacific countries in 2023.

Persons with disabilities. The region has been implementing the ‘Incheon Strategy to “Make the Right Real” for Persons with Disabilities in Asia and the Pacific’³¹ and ‘Asian and Pacific Decade

²² United Nations (2015, p.19).

²³ United Nations, ADB and UNDP (2019, p.36).

²⁴ For this and the following sentence, see: ADB (2021a).

²⁵ ADB (2021b).

²⁶ UNESCO (2021a).

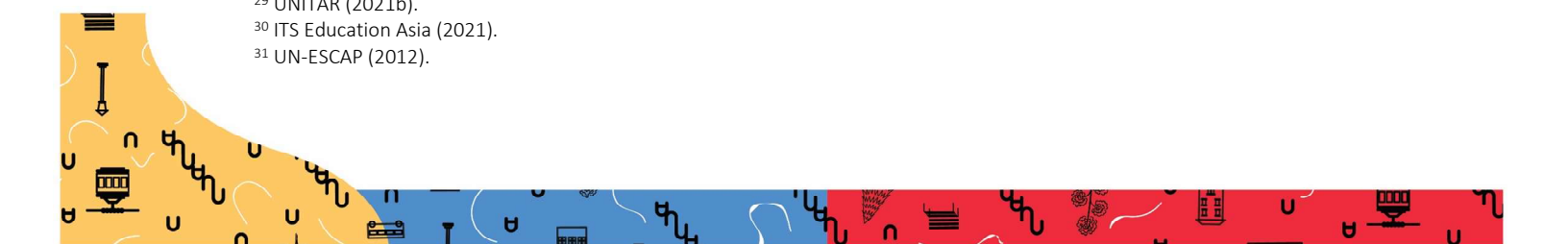
²⁷ UNESCO (2014).


²⁸ UNITAR (2021a).

²⁹ UNITAR (2021b).

³⁰ ITS Education Asia (2021).

³¹ UN-ESCAP (2012).





of Persons with Disabilities, 2013-2022'. The mid-point review (2017) of the current Asian and Pacific Decade of Persons with Disabilities and the UN e-Government survey (2018) conducted in the region showed that there are growing levels of awareness of accessibility for persons with disabilities in countries, irrespective of their level of economic development.³² For instance, eight countries, viz., **Indonesia; Micronesia (Federated States of); Mongolia; Republic of Korea; Russian Federation; Singapore; Thailand; and Turkey**, have mandates in their national laws and/or regulations for access audits in government buildings. Further, 12 countries and areas, viz., **Bhutan; Georgia; Macao, China; Malaysia; Micronesia (Federated States of); Mongolia; Philippines; Republic of Korea; Russian Federation; Singapore; Thailand; and Turkey**, have in their national laws and/or regulations for access audits in international airports.

These legal and/or regulatory provisions have had a discernible impact in terms of a significant proportion of accessible polling stations, accessible government buildings, and accessible international airports: (i) a 100 per cent of all polling stations are accessible in the national capitals of **Mongolia; Nauru; New Caledonia; Republic of Korea; Singapore; Thailand; and in Macao, China** (Figure A.1 in Appendices); (ii) a 100 per cent of all government buildings are accessible in **Armenia; Hong Kong, China; New Caledonia; Russian Federation; and Singapore** (Figure A.2 in Appendices); and (iii) a 100 per cent of international airports are accessible in **Georgia; Hong Kong, China; Kyrgyzstan; Macao, China; Malaysia; Micronesia (Federated States of); Mongolia; Nauru; New Caledonia; Philippines; Singapore; Thailand; and Vanuatu** (Figure A.3 in Appendices).³³

The mid-point review of the 'Asian and Pacific Decade of Persons with Disabilities 2013-2022' showed that only 10 governments in the region had national standards applied to 'accessibility of emergency shelters and disaster relief sites'; further, most of these standards only address the requirements of persons with mobility disabilities, such as wheelchair users.³⁴

(iii) Ensuring access to adequate and affordable housing including slum upgrading and access to safe drinking water, sanitation and solid waste disposal

Slum Upgrading. *The Asia-Pacific region presents a mixed picture on the progress towards slum upgrading.* At the regional level, the proportion of urban population living in slums stood at 29.6 per cent in 2018.³⁵ At the subregional level, while there is a decrease in the proportion of urban population living in slums, the actual number of slum dwellers has recorded an increase. During 2016-2018, the proportion of urban population living in slums decreased in Eastern and South-Eastern Asia from 28.0 to 27.2 per cent but the actual number of slum dwellers increased from 365 to 370 million.³⁶ Similarly, in Central and Southern Asia, the proportion of urban population living in slums decreased from 32.3 to 31.2 per cent but the actual number of slum dwellers increased from 224 to 227 million.

Thailand's 'Baan Mankong' or Secure Housing programme stands out as a **longstanding transformative commitment** towards slum upgrading in the Asia-Pacific region.³⁷ During its operation from January 2003 to March 2018, the Secure Housing Programme has supported 1,042 housing projects covering 2,166 communities in 406 cities located in 76 (out of total 77) provinces. These projects have benefitted a total of 105,739 households who received secure land and housing. Using redevelopment strategies, such as onsite upgrading, reblocking,

³² For information/data in this and the following two sentences, see: UN-ESCAP (2019, p.41).


³³ UN-ESCAP (2019, p.43-45).

³⁴ UN-ESCAP (2019, p.46).

³⁵ Data sourced from UN-ESCAP (2021c).

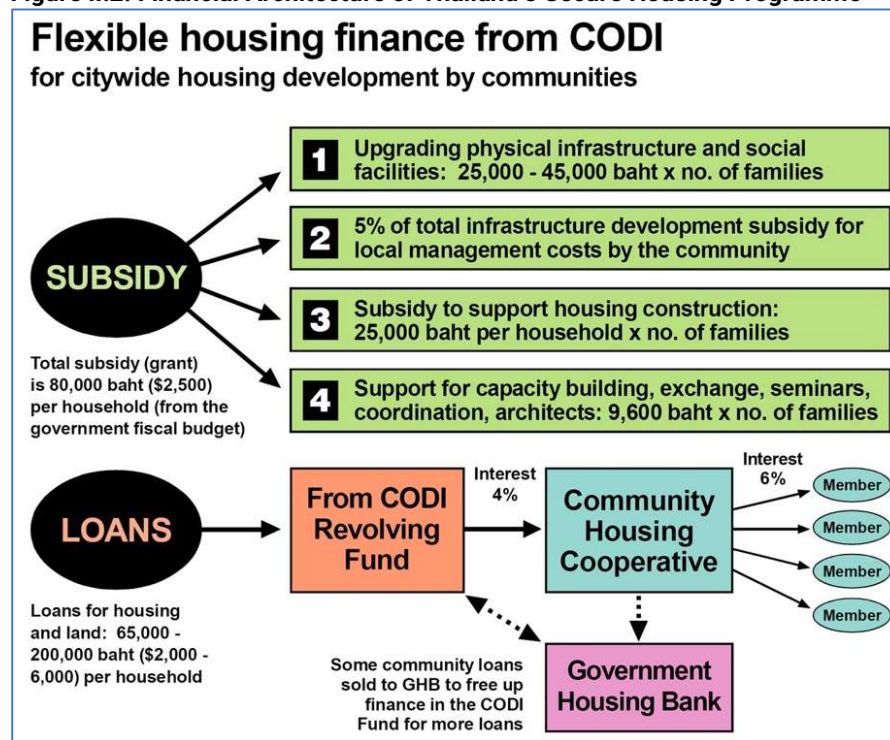
³⁶ For data in this and the following sentence, UN-Habitat (2020, p.318).

³⁷ CODI (2021).



reconstruction and land-sharing, 61 per cent of all assisted households have been given new housing on the same site. Baan Mankong programme has provided public sector financial support to the poor communities to the tune of US \$121.89 million as grants (subsidy) for infrastructure and housing, and US \$272.57 million as loans for land and housing (Figure II.2).

Figure II.2. Financial Architecture of Thailand's Secure Housing Programme




Source: CODI (2021).

In June 2015, **India** launched the *Pradhan Mantri Awas Yojana* (PMAY), or the Prime Minister's Housing Programme, which aims to provide affordable housing to 20 million households by March 2022. India's VNR for 2020 noted that:

"Housing for All. To ensure adequate, safe and affordable housing and basic services for all and upgrade of slums by 2022, India has launched the *Pradhan Mantri Awas Yojana* (PMAY) for urban households. PMAY has four components: in-situ slum redevelopment; credit linked subsidy scheme; affordable housing in partnership with public or private sector; and beneficiary-led individual house construction/enhancements. **The government has made it necessary to have at least one woman member registered as the house owner, and preference is given to women in house allotment.** Assistance is provided through Urban Local Bodies (ULBs) for in-situ rehabilitation of existing slum dwellers using land as a resource through private sector participation and subsidy for beneficiary-led individual house construction/enhancement. By the end of FY 2019-20, out of 11.2 million housing demand, 3.2 million houses have been completed, with the remaining at different levels of progress (emphasis added)."³⁸

³⁸ NITI Aayog (2020, p.101)



The main challenges in slum upgrading are as follows: (i) the lack of (political) willingness to make transformative commitments towards improving the lives of urban slum dwellers; (ii) the lack of public sector funds in low-income countries; (iii) challenges related to providing high value urban land to slum dwellers compared to using it for other revenue generating activities; (iv) lack of technical knowhow in several countries on systematic community-led slum upgrading (for example, as practised in Thailand's Secure Housing Programme); and (v) rapid urban demographic growth in Asian-Pacific cities that outpaces the rate and process of slum upgrading as reflected in the growth in the number of slum dwellers during 2016-2018.

The key lesson learned is that when governments make long-term (political) commitments that are backed by financial allocations, policy makers and planners can support urban poor communities through programmatic interventions. The long-term interventions, such as Secure Housing Programme of Thailand, allow concerted efforts towards developing combining public sector financial and technical support with community mobilisation and organisation into saving groups and community development and/or housing organisations (or cooperatives) to systematically implement slum upgrading projects. The active participation of urban poor communities is essential towards tackling the challenge of growing slum population in the Asia-Pacific region.

Access to safe drinking water and sanitation. Access to drinking water and sanitation is another SDG1 target (other than 'extreme poverty') where the Asia-Pacific region has made some modest progress; "however, none of the sub-regions seem to attain the target by 2030, at the current rate of progress.³⁹ For instance, Central and South Asia SDG region had the lowest proportion of urban population with drinking water 'accessible on premises' 2020, which increased marginally from 79 to 80 per cent during the first five years of the SDG reporting period, i.e., 2015-2020 (**Table II.1**). On sanitation, the Oceania SDG region had the lowest proportion of urban population with 'sewer connection', which increased from 33 to 34 per cent during 2015-2020.

Solid waste disposal. Solid waste collection rates are low in the cities of developing countries in the Asia-Pacific region. According to the World Bank estimates, 44, 77 and 96 per cent of the total solid waste is collected in its 'South Asia', 'East Asia and the Pacific' and 'Europe and Central Asia' subregions respectively.⁴⁰ A large proportion of solid waste in the Asia-Pacific region is disposed of in an insanitary manner. For example, 46 per cent of total solid waste in 'Europe and Central Asia,' 64 per cent in 'East Asia and the Pacific' and 79 per cent in 'South Asia' is disposed of in 'landfills (unspecified)' and 'open dumps'.⁴¹ Further estimates show that between 2016 and 2030, the total solid waste generation will grow from 334 to 466 million tonnes in 'South Asia', from 392 to 440 million tonnes in 'Europe and Central Asia', and from 468 to 602 million tonnes in 'East Asia and the Pacific' subregion of the World Bank.⁴²

³⁹ UN-ESCAP (2021b, p.8).

⁴⁰ Kaza et al (2018, p.39,69).

⁴¹ Kaza et al (2018, p.45,51,75).

⁴² Kaza et al (2018, p.28).

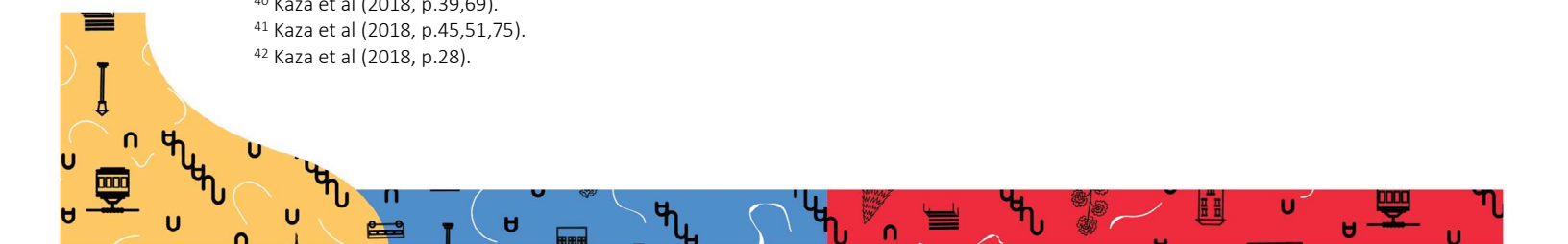


Table II.1. Urban Drinking Water and Sanitation in the Asia-Pacific region, 2015-2020

SDG Region	Year	Drinking Water (Urban)						Sanitation (Urban)						
		Proportion of population using improved water supplies						Proportion of population using improved sanitation facilities (excluding shared)				Proportion of population using improved sanitation facilities (including shared)		
		Safely managed	Accessible on premises	Available when needed	Free from contamination	Piped	Non-piped	Safely managed	Disposed of in city	Emptied and treated	Wastewater treated	Latrines and other	Septic tanks	Sewer connection
Central and Southern Asia	2015	62	79	81	62	67	30	38	24	-	14	20	35	34
	2020	63	80	77	63	65	33	41	25	-	16	20	39	38
Eastern and South-Eastern Asia	2015	92	92	95	92	85	13	62	8	-	54	6	24	65
	2020	93	93	95	95	86	12	72	8	-	63	6	25	67
Oceania	2015	53	81	53	80	78	16	-	-	-	17	11	38	33
	2020	53	90	53	78	72	21	-	-	-	17	11	36	34
Australia and New Zealand	2015	97	>99	97	99	94	6	-	-	-	-	-	-	-
	2020	97	>99	97	>99	>99	>1	-	-	-	-	-	-	-

Source: WHO and UNICEF (2021, p.159-161).


The Government of India has made a **transformative commitment to make the Indian “cities garbage-free”** by launching the second phase of the ‘Swachh Bharat Mission-Urban’ (or Swachh Bharat Mission-Urban 2.0) on 01 October 2021. The other goals of this initiative include ‘sewage and safety management, making cities water-secure and ensuring that dirty drains don’t merge into rivers’.⁴³ The Swachh Bharat Mission-Urban 2.0 ‘will focus on source segregation of solid waste, utilising the principles of 3Rs (reduce, reuse, recycle), scientific processing of all types of municipal solid waste and remediation of legacy dumpsites for effective solid waste management’.⁴⁴

The main challenges in solid waste management include (i) poor source segregation of solid waste, (ii) outdated systems of waste collection, transportation and disposal, (iii) poor administrative and technical capacities of local governments, especially in small- and medium-sized cities and towns, and (iv) poor financial condition of local governments that reflects in the lack of or limited capital investments in solid waste management systems.

The lessons learned is that cities and local governments need to be proactive in responding to the problem of increasing amounts of solid waste by improving their administrative and technical capacities and securing finances for and making capital investments. Further, local

⁴³ India Today (2021).

⁴⁴ India Today (2021).



governments need to look into the probability of levying service or user charges in an incremental manner so that the low-income groups are not adversely affected.

(iv) Access to public spaces including streets, sidewalks, and cycling lanes

Asian-Pacific countries have made concerted efforts to develop public spaces including streets, sidewalks, and cycling lanes, and provide access for all. For instance, in 2020, **Mongolia** completed the development of the 'National Garden Park' in the capital city, Ulaanbaatar.⁴⁵ The development of the National Garden Park addresses two problems: (i) the explosive growth in the population of Ulaanbaatar city; and (ii) a continuous decrease in urban green space over the past decade due to ninefold growth in urban construction. The objectives of this project included: (i) Improving the quality of life of citizens with public open spaces; (ii) Protecting drinking water sources by safeguarding the Tuul River basin from construction threats; and (iii) Reducing air pollution and creating a healthy, safe and comfortable environment for citizens of the capital city for leisure. The National Garden Park was developed during 2009-2020 with a total budget allocation of US \$7.22 million with the following social and environmental outcomes and impacts: First, the project created a number of public open spaces, sport courts, treadmills, bicycle paths, fountains, playground, cultural monuments and the like. Second, by building the National Garden Park, the project created gardening and landscaping of 183 hectares of land (equivalent to 30 per cent of city's green area) that increased green space in Ulaanbaatar by 1.5 sq. m per capita.

In the Asia-Pacific region, due to the scarcity of land for developing public spaces, urban planners have been making efforts to bring 'dead' land to life in the region's space starved cities.⁴⁶ For example in **Thailand**, the Bangkok Metropolitan Administration opened the Chao Phraya Sky Park in Bangkok--the first public park over the Chao Phraya River.⁴⁷ The 'sky park' is built over an unfinished and abandoned skytrain (i.e., metro transit) structure that was constructed in 1984. The renovation of the area into a public park cost about US \$4 million (Thai Baht 130 million).

As elsewhere, the Asia-Pacific region faces two main challenges in expanding access to public spaces including streets, sidewalks, and cycling lanes. First, due to the fast-growing urban populations of and the ever-growing demand for developed land in Asian-Pacific cities leaves little land to be provided as public spaces. Second, this desk review found that there is paucity of systematic and up-to-date data on access to public spaces, including streets, sidewalks, and cycling lanes in the Asia-Pacific region.⁴⁸ At the global level, the 'SDG Tracker' notes in regard to SDG indicator 11.2.1: proportion of population that has convenient access to public transport, by sex, age and persons with disabilities: "We are currently not aware of data for this indicator. You can notify us of available data for this indicator via our feedback form".⁴⁹ The online literature refers to efforts made by individual city governments to build/create open, green or public spaces.

The three key lessons learned here are: First, to expand public spaces, urban policy makers and planners need to be creative and find ways to convert unused and/or seemingly unusable land into public spaces, as was done in the case of Chao Phraya Sky Park in Bangkok. Second, the urban and territorial planning needs to be proactive to strictly reserve land for public spaces for the future. Third, Asian-Pacific countries as well as cities need to develop up-to-date databases

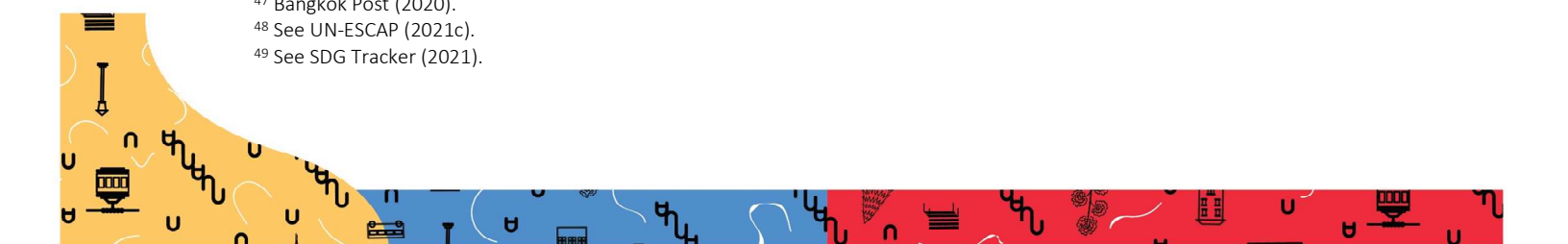
⁴⁵ Information on the National Garden Park in Ulaanbaatar is derived from Citynet (2021, p.32-33).

⁴⁶ Chandran (2019).

⁴⁷ Bangkok Post (2020).

⁴⁸ See UN-ESCAP (2021c).

⁴⁹ See SDG Tracker (2021).





on the planning, design and development public spaces including streets, sidewalks, and cycling lanes, and related indicators of access.



B. Inclusive urban prosperity and opportunities for all

(i) Productive employment for all including youth employment

Challenges Experienced. It is important to state at the outset that Asia and the Pacific has been hit hard by the COVID-19 pandemic. The economic impacts of the pandemic have been extremely severe because the region is highly integrated in the global economy and the related network of supply chains. “Developing countries in Asia and the Pacific registered their weakest economic performance since at least 1990, with an estimated 1.0 per cent output contraction in 2020, although this is somewhat better than the 1.8 per cent contraction expected earlier.”⁵⁰ The COVID-19 pandemic has varied impacts across the subregions ‘owing to the actual spread of the virus, the stringency and scope of the measures adopted to curb transmission, and the different composition of output, exports and employment across countries.’⁵¹

The Asia-Pacific region has been impacted by prolonged lockdowns, travel bans and mobility restrictions and the related decline in global demand. One of the sectors that has taken a serious toll is tourism which supports jobs and contributes to local economies in cities and towns. ILO’s latest global flagship report⁵² has made a detailed assessment of the impacts of COVID-19 pandemic on the world employment and social outlook, which are worth noting here (**Box II.2**).

Box II.2. Employment and Social Impacts of COVID-19 Pandemic in Asia and the Pacific

*Although no country in the Asia-Pacific region was spared by the COVID-19 crisis, **the hardest-hit countries included those doubly impacted by the collapse of tourism and the disruption of manufacturing supply chains**, such as Malaysia, the Philippines and Thailand.⁵³ Labour markets in the Pacific Islands, which are highly dependent on tourism and its spillovers to other economic sectors, were heavily impacted as well.⁵⁴*

*The initial **labour market** impacts on Asia and the Pacific in the first quarter of 2020 were reflected in significantly reduced working hours, equivalent to 115 million full-time jobs. In terms of net job losses (actual, not full-time equivalent jobs), the ILO estimates point to a jobs gap of 73 million at the regional level in 2020 relative to the no-pandemic scenario, which may be broken down into 47 million in South Asia, 15 million in East Asia, and 11 million in South-East Asia and the Pacific Islands.*

*At the regional level, the **manufacturing sector** accounted for over 30 per cent of estimated net job losses in 2020 relative to the no-pandemic scenario. The construction sector accounted for a further 21 per cent, the wholesale and retail trade sector for 16 per cent, accommodation and food services (mainly tourism and hospitality-related industries) for 10 per cent, and “other services” (including personal services) for 7 per cent.*

***Women** in the region were on average affected by working-hour and employment losses to a greater extent than men, largely owing to their over-representation in most of the heavily impacted sectors. Women were also far more likely than men to exit the labour force, while men accounted for a larger share of the increase in un-employment. **Young people** in the*

⁵⁰ UN-ESCAP (2021b, p.v).

⁵¹ ILO (2021a, p.66).

⁵² ILO (2021a).

⁵³ ILO (2020b).

⁵⁴ ILO (2020b).

region were also more heavily impacted by job losses, with a 10.3 per cent decline in employment in 2020, compared with 2.4 per cent for adults.

Migrant workers from the Asia and the Pacific region were another group that was highly affected by the crisis. These workers include many employed in Gulf Cooperation Council countries and Europe, and also in other countries of the region (particularly Australia, Brunei Darussalam, Japan, Malaysia, New Zealand, the Republic of Korea, Singapore and Thailand). The crisis resulted in significant return migration and a sharp decline in remittances to some countries in the region. For instance, India used special flights and shipping vessels to repatriate over 600,000 stranded migrant workers.⁵⁵ As of October 2020, over 230,000 overseas Filipino workers had returned to the Philippines, representing nearly half of migrant workers from that country who had lost their jobs. Approximately 120,000 migrant workers are estimated to have returned to Cambodia from Thailand.⁵⁶ Remittances to East Asia and the Pacific are estimated to have declined in 2020 by 7.9 per cent to US\$136 billion.⁵⁷

The crisis further exposed huge inequalities in the region, disproportionately affecting lower-skilled workers and informal workers living in poverty or on the margins of poverty. Lower-skilled workers accounted for 49 per cent of job losses among women and for 47 per cent of job losses among men in 2020 relative to the no-pandemic scenario. Micro and small enterprises, often operating in the informal sector, were also disproportionately affected, particularly in the second quarter of 2020, and are likely to take longer to recover.⁵⁸ Evidence from countries for which labour force survey data are available suggests that informal workers accounted for a large share of the job losses across many sectors, owing to the limited employment protection that is available to them. For instance, in Viet Nam, informal workers accounted for 61 per cent of job losses in the second quarter of 2020, while formal workers experienced relatively larger reductions in working hours.⁵⁹

Lost working hours and jobs resulted in major declines in incomes and a deterioration of livelihoods in Asia and the Pacific. The labour income in 2020 is estimated to have declined by 6.6 per cent at the regional level. In terms of subregions, and before accounting for the offsetting impact of income support measures, the decline was estimated as 13.4 per cent for South Asia, 5.0 per cent for South-East Asia and the Pacific, and 4.1 per cent for East Asia. The extreme working poverty rate—that is, the share of workers living with their households on less than US\$1.90 per day—is estimated to have increased by 1.4 percentage points in 2020, which translates into an additional 24 million workers. The moderate poverty rate is also estimated to have increased, namely by 3.9 percentage points, which is equivalent to approximately 65 million additional workers living with their families on between US\$1.90 and US\$3.20 per day. Many governments stepped up their assistance to enterprises and workers during the crisis, and in some cases, contributory and non-contributory social protection schemes were broadened to cover previously excluded groups. **The crucial institutional challenge facing the region now is how to translate short-term emergency support during the crisis into the creation of more adequate social protection systems in the medium to long term.**⁶⁰

Source: ILO (2021a, p.66-71).

⁵⁵ Ratha et al. (2020, p.33).


⁵⁶ Ratha et al. (2020, p.6).

⁵⁷ Ratha et al. (2020, p.3).

⁵⁸ ILO (2020b).

⁵⁹ ILO (2020b, p.43).

⁶⁰ See ILO and UN-ESCAP (2020).



Results Achieved. *The Asian-Pacific countries have made and implemented transformative commitments focused on sustaining consumption through social protection measures, including universal transfers, to minimise economic slowdown during the difficult times of COVID-19 pandemic. “For the region as a whole, the median commitment to income or revenue assistance as a share of the total fiscal response is currently at 65 per cent.”*⁶¹

A key element of strategy for inclusive recovery, according to ILO, is supporting workers and enterprises through income and revenue assistance.⁶² Therefore, 10 out of 36 countries in the Asia-Pacific region (for which comparable data is available⁶³) have dedicated COVID-19 response resources to bolstering the incomes of the people most in need. Mostly with extremely limited fiscal space, these small developing countries include **Afghanistan, Cambodia, Cook Islands, Kiribati, Marshall Islands, Palau, Samoa, Solomon Islands, Tonga and Tuvalu** (Figure A.4 in Appendices).⁶⁴

Youth Employment in Asia-Pacific. The Asia-Pacific region has over 700 million young people of which only about 300 million have jobs.⁶⁵ Out of the region’s total workers, young workers (aged between 15 and 24 years) account only for 20 per cent. However, the youth constitute almost half of the jobless people in the Asia-Pacific region. Although young people are who are ‘an incredible source of energy and creativity’, without decent work they ‘struggle to maintain dignity, build a family and invest in their future’.

Impact of COVID-19 pandemic on young workers. The young workers in the Asia-Pacific region have been severely affected by the COVID-19 pandemic in three ways⁶⁶. First, young workers have faced significant employment and associated income losses. Second, they have been impacted by disruptions to education and training systems. On-line instruction has replaced in-person classes in many countries. However, not all youth have benefitted from such alternative due to the unaffordability of IT equipment and lack of internet access. In South-East Asia, for instance, only three countries, viz., Brunei Darussalam, Malaysia and Singapore, have internet penetration rates greater than 80 per cent.⁶⁷ Finally, the “school-to-work transition has become a challenge for many young workers, as have career transitions among youth already working and seeking to move up the career ladder or transition to other work”.⁶⁸

Youth Entrepreneurship in Asia-Pacific. Youth Co:Lab, a joint project of UNDP Regional Bureau for Asia and the Pacific and Citi Foundation, “aims to establish a common agenda for countries in the Asia-Pacific region to empower and invest in youth, so that they can accelerate the implementation of the SDGs through leadership, social innovation and entrepreneurship”.⁶⁹ A survey of youth-led enterprises conducted by Youth Co:Lab found that 92 per cent have been impacted by the COVID-19 pandemic related lockdowns, slump in demand, broken supply chains and a credit crunch.⁷⁰ Consequently, 85 per cent of youth-led enterprises ‘had to take action to shrink their business model or limit their growth in order to protect their survival’; 59 per cent experienced a decrease in their cash flow; 51 per cent were forced to partially or fully close at some point; and 21 per cent had to ‘lay off staff or reduce staff hours or wages’.⁷¹ To overcome these challenges, the youth-led enterprises applied four strategies: “Adapting

⁶¹ ILO (2020b, p.51).

⁶² ILO (2020a).

⁶³ ADB (2021c).

⁶⁴ For details, see Figure A.1 in Appendices.

⁶⁵ Information in this para is source from ILO (2021b).

⁶⁶ ILO (2020b, p.46-47) and ILO and ADB (2020).

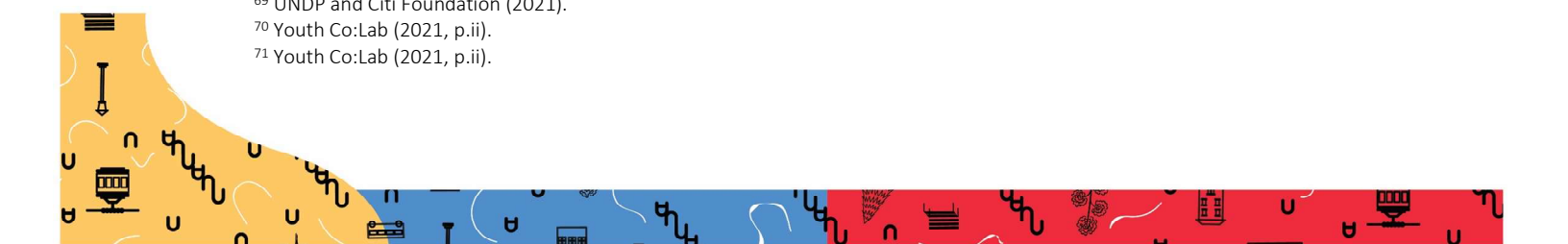
⁶⁷ Jalli (2020).


⁶⁸ ILO (2020b, p.47).

⁶⁹ UNDP and Citi Foundation (2021).

⁷⁰ Youth Co:Lab (2021, p.ii).

⁷¹ Youth Co:Lab (2021, p.ii).





business model to respond to needs brought on by the pandemic and the recovery; Maximising digital and mobile solutions; Pursuing financial coping strategies; and Harnessing partnerships and networks.”⁷²

(ii) Strengthening the informal economy

During the COVID-19 pandemic, urban informal economies have been hit hard across the region (as mentioned in **Box II.2**). ***Some Asian-Pacific countries have responded rapidly to support the informal workers in quick and creative ways.***⁷³ For instance, countries with comprehensive social protection systems upscaled benefits to reach informal workers. Viet Nam had a social insurance coverage for informal garment factory workers; when the pandemic struck, they were able to avail the unemployment insurance. To other workers and the self-employed who had to reduce their working hours due to the pandemic and had no social insurance, the Government of Viet Nam provided a monthly stipend.⁷⁴ Some countries supported informal workers through active labour market measures. For example, the Government of **India** allocated an additional US \$5 billion to the Mahatma Gandhi National Rural Employment Guarantee Scheme to provide 100 days of unskilled manual wage employment.⁷⁵ Similarly, the Government of **Indonesia**, through the Kartu Pra-Kerja pre-employment card programme, supported 5.6 million informal workers based on their national identification numbers. In **Sri Lanka**, the daily waste and vulnerable workers, who were verified by local administrator, were provided a short-term payment.⁷⁶ In **Nepal**, a public infrastructure works programme was extended to informal workers who had lost their jobs. In the **Philippines**, the Government added a sub-programme to the ‘Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers – a community-based package of assistance, to provide 10 to 30 days of work to displaced, underemployed or seasonal workers.’⁷⁷

Lessons Learned. Looking ahead in the medium to long term, the Asian-Pacific countries will need to move beyond the short-term emergency support provided during the COVID-19 pandemic towards the creation of more adequate social protection systems.⁷⁸

(iii) Support small- and medium-sized enterprises

*In Asia and the Pacific, the South-East Asian countries have been making **transformative commitments toward supporting micro-, small- and medium-sized enterprises (MSMEs).*** Since late-1990’s, National governments have supported SMEs with public financing and guarantees. This support has come in four modalities: specialised banks for MSMEs, soft loan programmes, mandatory lending schemes, and credit guarantees (**Box II.3**).⁷⁹

Box II.3. Public Financing and Guarantees supporting MSMEs in South-East Asia

Specialized banks for MSMEs. The majority of Southeast Asian countries have a specialized bank dedicated to MSMEs; most are state-owned banks. In Brunei Darussalam, the government

⁷² Youth Co:Lab (2021, p.15).

⁷³ ESCAP (2021d, p.19).

⁷⁴ ILO (2020c).

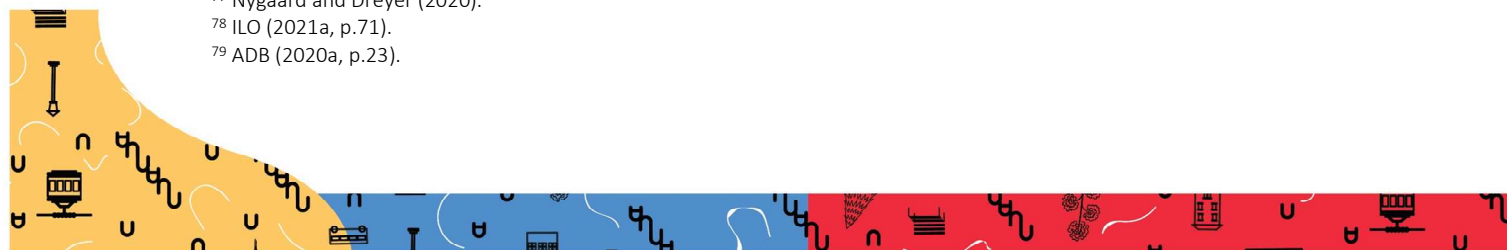
⁷⁵ ILO (2020c, p.10).

⁷⁶ Bacil and Soyer (2020).

⁷⁷ Nygaard and Dreyer (2020).

⁷⁸ ILO (2021a, p.71).

⁷⁹ ADB (2020a, p.23).





established an Islamic compliant SME Bank (Bank Usahawan) in 2017. Cambodia launched a state-owned SME Bank in April 2020, which offers guaranteed loans at below-market rates for MSMEs. In the Lao PDR, the government appointed a state-owned Lao Development Bank as an MSME-focused bank in 2008. Malaysia's state-owned SME Bank, launched in 2005, offers Islamic financing to MSMEs. In Myanmar, in addition to state-owned banks offering subsidized loans to MSMEs, there is the private sector Small and Medium Industrial Bank, established in 1996 as a dedicated bank for financing MSMEs. Thailand has the Small and Medium Enterprise Development Bank, a specialized financial institution established by the government in 2002, which offers subsidized loans to MSMEs. In Viet Nam, the state-owned Vietnam Development Bank (undergoing restructuring in 2020), while not specializing in MSMEs, helps service some of their financing needs.

Soft loan programmes. Most countries offer soft loan programs, special funds, and/or refinancing schemes for MSMEs. The Lao PDR's SME Promotion Fund, restructured in 2018, offers financial intermediation loans via six participating commercial banks, offering concessional loans with subsidized interest rates up to 10 years. Since 1993, Malaysia's central bank has managed special funds to facilitate concessional MSME loans—there were 26 government funds with interest rate subsidies (as of end-2018) including an Islamic compliant SME Financing Scheme—with a non-collateral microcredit program since 2005. In Myanmar, the Japan International Cooperation Agency (JICA) offers two-step (financial intermediation) loans at below-market rates for MSMEs. In the Philippines, the government-funded Access of Small Enterprises to Sound Lending Opportunity (ASENSO) program for MSMEs has been operating since 2003, with a P3 Program (Pondo sa Pagbabago at Pag-Asenso) launched in 2017 to finance unserved or underserved microenterprises and entrepreneurs in the poorest provinces. The Singapore government streamlined existing firm-level financing schemes in 2019 under its Enterprise Financing Scheme, which includes SME working capital loans and credit risk sharing with participating financial institutions. Viet Nam has 10 state-owned MSME funds, which include the SME Development Fund and Credit Guarantee Fund. There are also several thematic financing programs for MSMEs in Southeast Asia such as Malaysia's SME Bank financing program for women entrepreneurs and Viet Nam's Fund for Science and Technology Innovation addressing high-tech MSMEs.

Mandatory lending scheme. Some countries set mandatory MSME lending targets. Since 2012, Indonesia's mandatory lending requires banks to allocate 20% of their loan portfolios to MSMEs—with target milestones of 5% by 2015, 10% by 2016, 15% by 2017, and 20% by 2018. Banks can meet their targets by either direct lending or indirectly channeling loans to MSMEs via linkage or intermediation loan programs or syndicated bank loans. In the Philippines, the 1991 Magna Carta mandated banks to allocate 10% of their loan portfolio to MSMEs but expired in 2018, while the Philippine Innovation Act of 2019 sets 4% in new mandatory lending for innovation activities targeting start-ups and MSMEs.

Credit guarantees. Credit guarantees are a popular tool for governments to help narrow MSME financing gaps. Most countries in Southeast Asia have credit guarantee schemes supporting MSME access to finance. In 2017, Indonesia launched KUR, a public guaranteed loan scheme for MSMEs, backing both non-collateral and collateral loans (with government interest rate subsidies). In Malaysia, MSME credit guarantees are mainly provided by the private Credit Guarantee Corporation Malaysia Berhad (CGC) and Prokhas (based on government guarantee funds). The centralized Philippine Guarantee Corporation (PhilGuarantee) was established in September 2019, combining five existing guarantee corporations (including the Small Business Corporation [SBC], which was a major credit guarantor for MSMEs). The state-funded Thai Credit Guarantee Corporation (TCG) provides three major MSME products: portfolio guarantees, guarantees for start-ups and innovative businesses, and guarantees for micro community businesses. Viet Nam runs a state-owned Credit Guarantee Fund for MSMEs.

Source: ADB (2020a, p.24-25).



(iv) Promote an enabling environment for business and innovation

Asian and Pacific countries are making transformative commitments towards promoting an enabling environment for business and innovation.

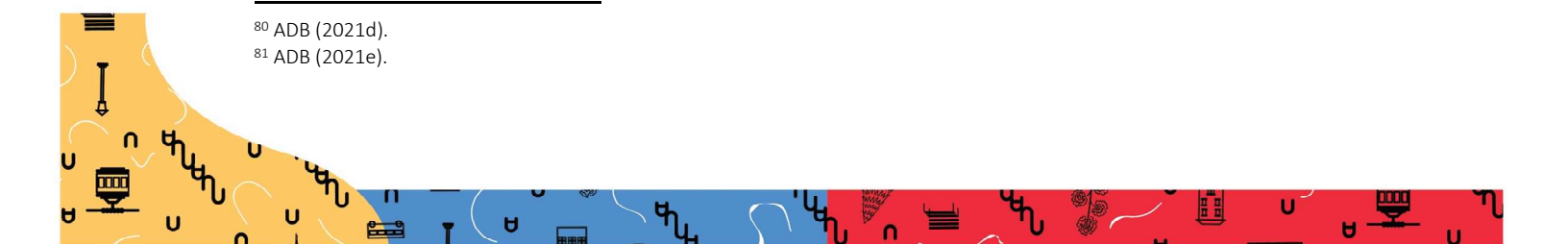
Cambodia, Georgia, Kyrgyzstan, and Mongolia are part of a regionwide initiative that is supporting in-depth assessments to identify legal and regulatory barriers to effective and efficient development of e-commerce in these four countries from four different subregions. With technical and financial support (US\$225,000) from the ADB, the 'Enabling a Conducive Environment for the Digital Economy' initiative has three objectives: "to deepen knowledge and enhance national and regional expertise on legal and regulatory framework for e-commerce in select ADB developing member countries (DMCs), to provide capacity building to private sector and government officials, and to promote policy dialogue to enable the expansion of the digital economy".⁸⁰ With focus on governance and capacity development, knowledge solutions, partnerships, and private sector development as 'drivers of change', the expected impact of this regionwide initiative is greater penetration of e-commerce in participating DMCs.

In 2021, **Palau** passed a new 'Corporations Act' that will make it easier and faster to start and run a business in this SIDS in the Pacific subregion.

"The new act modernizes and simplifies business start-up and operation requirements by eliminating unnecessary and outdated formalities, which will make it simpler, faster, and more cost-effective to register and manage businesses in the future. The act also ensures that Palau complies with global anti-money laundering/countering the financing of terrorism obligations, strengthens and clarifies director duties, and makes the provisions for foreign companies seeking to do business in Palau more robust."⁸¹

⁸⁰ ADB (2021d).

⁸¹ ADB (2021e).



C. Environmentally sustainable and resilient urban development

(i) Climate change mitigation and adaptation actions

The Asian and Pacific countries are committed to acting on climate change mitigation and adaptation. These actions include developing and implementing climate change mitigation and adaptation projects, updating old or making new policies, and making financial commitments. Such actions differ in ranging from as small as Tokelau and Niue (with one and two thousand population respectively in 2022) to as large as China and India.

Climate change mitigation actions

Results Achieved. Climate change actions are particularly important for **Small Island Developing States (SIDS)**. Seven SIDS, **Cook Islands, Tonga, Republic of Marshall Islands, Federated States of Micronesia, Papua New Guinea, Nauru and Samoa**, have committed themselves to take climate change mitigation actions. Partnering with GCF under the 10-year 'Pacific Islands Renewable Energy Investment Programme' (2016-2025) worth US\$29.2 million, these seven SIDS are working towards freeing their economies from diesel dependence. Specific actions under the investment programme⁸² include conducting feasibility studies on how to expand renewable energy coverage; reforming power utility management; and encouraging private sector engagement by identifying opportunities for independent power providers. On its completion, the programme will offset 3.0 million tonnes of GHG emissions and benefit 580,000 people in the seven SIDS.

Through a US\$1.4 billion investment programme, **China** has committed itself to implementation of an innovative leveraging mechanism to catalyse private, institutional, and commercial finance for the development of climate-friendly infrastructure and business in Shandong Province. To be implemented over a 20-year period (2019-2039), the Shandong Green Development Fund is one of the largest GCF projects that support climate change actions in multiple sectors including renewable power generation, urban transport, water supply, sanitation, sponge cities and drainage, solid waste recycling and waste-to-energy, and information and communication technology for smart cities (**Box II.4**).

Box II.4. Catalysing Climate Finance with the Shandong Green Development Fund, China

In 2019, the ADB and the Green Climate Fund (GCF) approved a US\$100 million loan each contributing to climate finance for the US\$1.4 billion Shandong Green Development Fund (SGDF) Project in China. The SGDF will be structured as an investment pooling vehicle for climate financing. By 2030, the project is expected to reduce CO₂ equivalent emissions by 3.75 million tonnes per year and directly build resilience for 7.5 million people in Shandong Province by 2040, supporting the Intended Nationally Determined Contributions (INDCs).

The fund introduces an innovative leveraging mechanism to catalyse private, institutional, and commercial (PIC) capital for the development of climate-friendly infrastructure and business in Shandong Province, China. The project focuses on the twin strategic agendas of environmentally sustainable growth and inclusive economic growth. The fund will finance a portfolio of mitigation and adaptation projects assessed against both financial and climate eligibility criteria using the Green Climate Fund investment framework. The project will

⁸² Green Climate Fund (2021a).

contribute to the transition to low-carbon and climate-resilient development paths in Shandong Province. The fund will act as the financial arm of the Shandong Provincial Government to implement its progressive climate policies and to decarbonize its economy.

The SGDF is an innovative and disruptive financing model for catalysing green and climate finance and crowding in PIC funds into climate-positive projects. The SGDF aims to support transformative and advanced technology options that can contribute to both SDG's and the China's climate commitments. Thus, the SGDF promotes a strategy of low-carbon infrastructure and industrial development while addressing the challenges posed by rapid urbanization and scaling up action by the public sector to meet the more ambitious goals of ecological civilization of the government. Furthermore, the SGDF is structured to catalyse PIC (private, institutional, and commercial) funding both at the fund and project levels. It will provide a funding contribution of up to 50% of the project cost to qualifying projects for the first 5–10 years, lowering the risk profile of the climate-friendly projects in order to leverage the remaining financing from PIC sources.

The SGDF will focus on: (i) defining aggressive and time-bound umbrella climate change indicators in line with the GCF investment framework and sector-specific indicators to target better land and water use, and sustainable, low-impact urban development and urban liveability; (ii) developing a pipeline of bankable climate friendly projects with at least 25% “transformational” and 50% “advanced benefits” (as defined under the GCF investment framework), going beyond renewable power generation and including urban transport, water supply, sanitation, sponge cities and drainage, solid waste recycling and waste-to-energy, and information and communication technology for smart cities to reduce water and carbon footprints and addressing the water–food–energy nexus at the core of its vulnerability; (iii) establishing a financing framework to incentivize such climate-friendly projects to explicitly crowd in PIC finance, and advanced technology to maximize environmental impacts and benefits to the population; and (iv) creating integrated monitoring, evaluation, reporting, and verification systems on both agreed climate and financial indicators based on climate investment eligibility criteria to measure climate impacts, and safeguards monitoring systems.

Source: Jenny et al (2020).

Climate change adaptation actions

Tonga, an SIDS in the Pacific subregion, has committed to building urban resilience to existing extreme natural events and to the threat of climate change in its low-lying capital city Nuku'alofa, and improving living standards for its population. In cooperation with the ADB, which is providing a grant funding of US\$18.27 million, Tonga is implementing the 7-year 'Integrated Urban Resilience Sector Project' (2019-2026). The project is aimed at achieving four outputs: (i) Effective flood risk management infrastructure through the rehabilitation and provision of new flood management and drainage infrastructure at seven flood prone locations throughout Nuku'alofa; (ii) Improvement of water supply service in Nuku'alofa through the reduction of non-revenue water (NRW) by rehabilitating and upgrading of Nuku'alofa piped water distribution network and by improving the Tonga Water Board leak detection, monitoring, repair and maintenance capabilities; (iii) Enhancement of public and environmental health through improving septage and solid waste management; and (iv) Strengthening of urban resilience by preparing a gender sensitive 'Climate and Disaster Resilient Urban Development Strategy and Investment Plan for Greater Nuku'alofa' area to guide further government urban planning and investments.⁸³

⁸³ ADB (2021f).



(ii) Systems to reduce the impact of natural and human-made disasters

In North and Central Asia subregion, **Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan** have made a transformative commitments to improve urban resilience to disasters and climate change. Over the past three decades, disasters due to natural hazards have affected 10 million people and cause a loss of almost US\$2.5 billion in Central Asia. Funded by the European Commission (EUR3.7 million), the three-year ‘Strengthening financial resilience and accelerating risk reduction in Central Asia’ project is being implemented by UNDRR “to strengthen urban resilience in five capital cities across Central Asia and support implementation of the global plan to reduce disaster losses, the Sendai Framework for Disaster Risk Reduction.”⁸⁴ The five capital are: Nursultan (Kazakhstan), Bishkek (Kyrgyzstan), Dushanbe (Tajikistan), Ashgabat (Turkmenistan) and Tashkent (Uzbekistan).

The project is providing financial and technical support at three levels⁸⁵: (a) Regional-level: Strengthening regional coordination, including the development of the Central Asia regional DRR strategy, disaster loss accounting systems, and enhancing the role of Kazakhstan-based ‘Centre for Emergency Situations and DRR’ as the centre of excellence, the secretariat of the regional platform for DRR, and a hub for regional coordination. (b) National-level: Assistance in developing and/or adjusting the national DRR strategies, disaster loss database, and the establishment of national platforms for DRR; (c) Local-level: Support for the assessment of resilience of major cities to disasters.” The project methodology focuses on: (i) national disaster loss data (DLD) collection plans; (ii) risk informed and accountable governance mechanisms; (iii) local-level resilience, and (iv) community-based activities.

At local government level, the project supports the use of the ‘Disaster Resilience Scorecard’⁸⁶ which meets ISO standards and allows the development of local DRR strategies aligned with the Sendai Framework targets for reducing mortality, numbers of people disaster affected, economic losses and critical infrastructure.⁸⁷ In October 2021, in cooperation with UNDRR, **Kyrgyzstan** completed Bishkek’s Preliminary Disaster Resilience Scorecard Assessment.⁸⁸

(iii) Minimize urban sprawl and loss of biodiversity

Indonesia has made a transformative commitment to contain urban sprawl, the loss of fertile agricultural land used for paddy cultivation, and thus support national food security. Indonesia’s ‘Voluntary National Review for Implementation of New Urban Agenda’ notes that of the spatial planning challenges in the country is the ‘massive conversion of agricultural land to non-agricultural functions.’⁸⁹ Statistics Indonesia (the national statistical organisation) noted that during 1998-2003, the conversion of paddy fields to non-agricultural land use reached around 12.7 thousand hectares. If this continues, it will affect food production (especially rice) and food security. In response, the Government enacted Law No. 41/2009 concerning ‘Sustainable Food Agricultural Land’, which is expected to restrain the rate of conversion of rice fields, especially those with technical irrigation, to support national food security. The Law stipulates that such categories of land cannot be converted to other uses.

⁸⁴ UNDRR (2019).

⁸⁵ European Commission (2020).


⁸⁶ UNDRR (2017).

⁸⁷ UNDRR (2019).

⁸⁸ UNDRR (2021).

⁸⁹ Ministry of Public Works and Housing, Republic of Indonesia (2021, p.53).





Challenge Experienced. However, the implementation of Law No. 41/2009 has been far from satisfactory. Evaluations in some locations conducted by the National Development Planning Agency/Bappenas have shown that the inclusion of lands categorised under Law No. 41/2009 in the National Spatial Plan was “carried out unilaterally by the government, not based on opinions or suggestions from the community.”⁹⁰

Fast growing cities in the Asia-Pacific region, as elsewhere, are often exposed to environmental degradation and are vulnerable to climate change-related disasters such as flooding. In **Viet Nam**, Ho Chi Minh, and the secondary cities of Vinh Yen and Hue, have planned to adopt water sensitive urban design (WSUD) that integrates water management with urban development and the built environment,⁹¹ and restores and enhances urban ecosystem and biodiversity. The flexible nature of WSUD can be optimised for each community based on the local conditions. “For example, city planners in Ho Chi Minh are exploring options to mitigate flood risks by integrating floodplains and sloping topography in the large Go Vap Cultural Park. On a smaller scale, Hue City is experimenting with new types of edge treatments and WSUD tools to improve water quality along the Lap River and create a green community space.”⁹²

(iv) Environmentally sound management of water resources and urban coastal areas

*Asian and Pacific countries have made **transformative commitments towards environmentally sound management of water resources and urban coastal areas.***

Several countries in the Asia-Pacific region are confronted with depleting water resources, and water scarcity, such as China, India, Mongolia⁹³. Some cities such as Chengdu, Delhi, and Ulaanbaatar⁹⁴ have seen their water demand rise and possible challenge on the horizon. In view of this, some countries have started to address the problem head on.

In April 2021, **India** made a **long-term transformative commitment to artificially recharge groundwater across the country** by launching the ‘Master Plan for Artificial Recharge to Groundwater in India’.⁹⁵ The master plan will be implemented with a total cost US \$17.98 billion, with US \$13.03 billion (72%) for rural areas and US \$4.9 billion (28%) for urban areas. The concept of artificially recharging groundwater reservoirs involves modifying the natural movement of surface water utilizing suitable civil construction techniques. The techniques for artificially recharging groundwater generally address the following issues: (i) Enhancing groundwater sustainability in areas where over-development has depleted the aquifer; (ii) Conserving and storing excess surface water for future requirements since these requirements often change within a season or a period; and (iii) Improving the quality of existing groundwater through dilution.⁹⁶

Coral Triangle Initiative in the Pacific. Three countries of the ‘Coral Triangle Initiative’--**Papua New Guinea, Solomon Islands, and Timor-Leste**, and two neighbouring countries--**Fiji, and Vanuatu** have jointly implemented the ADB TA project, ‘Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific (Phase 2)’ worth US\$13.6 million during 2014-2019.⁹⁷ The project had planned three main substantive outputs: (i) capabilities of

⁹⁰ Ministry of Public Works and Housing, Republic of Indonesia (2021, p.53).

⁹¹ ADB (2021g, p.126).

⁹² ADB (2021g, p.126).

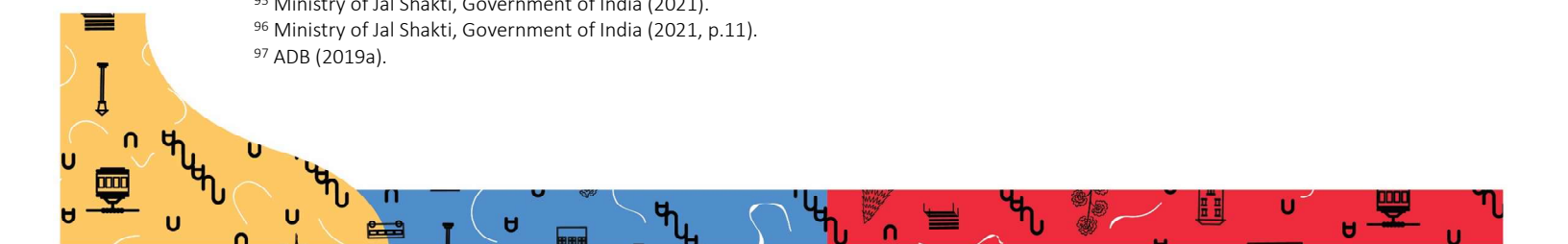
⁹³ ADB (2020b).


⁹⁴ Dalai et al (2019).

⁹⁵ Ministry of Jal Shakti, Government of India (2021).

⁹⁶ Ministry of Jal Shakti, Government of India (2021, p.11).

⁹⁷ ADB (2019a).





national and local institutions strengthened for sustainable coastal and marine resource management, and (ii) coastal communities experienced in applying best practices in ecosystem-based management and climate change adaptation, (iii) resilience of coastal ecosystems to climate change enhanced.

Results Achieved and Lessons Learned. The project completion report notes that:

“Under Output 1, targets for institutional strengthening were achieved; while the target for the skills upgrading indicator was surpassed. Regional and in-country training programs and workshops were conducted on various topics such as integrated coastal resources management (ICRM), ecosystem-based fisheries management, marine protected areas management, climate change, data collection, and environmental and resource management law. However, the targets on establishing policy, legal and regulatory framework were fully achieved only in [two countries], and partly achieved in [one country]. The indicator on organizational reform proved most difficult, as none of the participating countries achieved the target. The policy and organizational reform related outputs were too ambitious because such initiatives require more time and externally-initiated reform process are politically sensitive. Under Output 2, biodiversity planning targets were achieved partially. The target of 48 community demonstration subprojects was initially assessed to be too high, but the NGOs contracted directly by ADB eventually overshot the target. Subprojects were completed on fish aggregating devices (FADs), community-based resource management including a study on saltwater crocodiles, locally-managed marine areas (LMMAs), gillnet exchange, diversification of gardening practices, seascape planning and development of national fisheries strategy. Targets under Output 3 were fully achieved or surpassed through the regional or community resource maps and various studies. These included the vulnerability assessment and mapping that spanned 34,440 kilometers of coastline (16 times the target) in the five countries, and other habitat and resource maps. The indicators on integrating adaptation measures in ICRM Plans of districts also surpassed targets.”⁹⁸

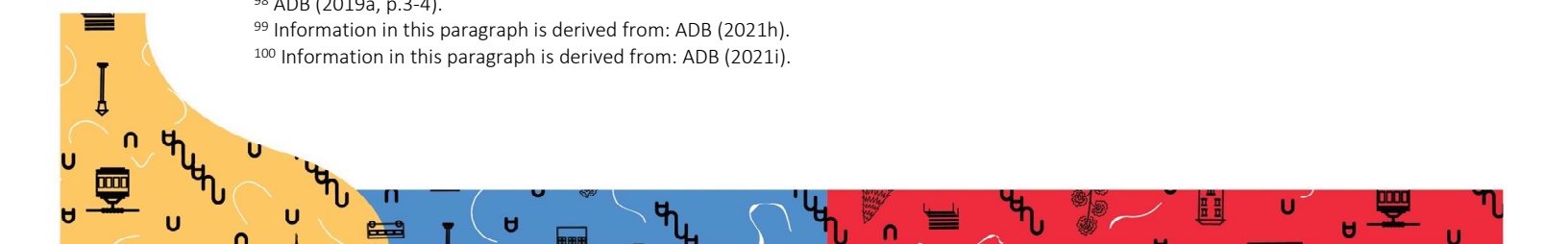
Bangladesh has made **transformative commitments towards developing climate resilient infrastructure in eight vulnerable coastal secondary towns**. Supported by the ADB, the country is implementing an 8-year long ‘Coastal Towns Environmental Infrastructure Project’ (2014-2022) worth US\$103.5 million (including grants of US\$18 million).⁹⁹ Taking a holistic and integrated approach to urban development, the project aims to: (i) provide climate-resilient municipal infrastructure; and (ii) strengthen institutional capacity, local governance, and public awareness for improved urban planning and service delivery considering climate change and disaster risks. Targeted to support the urban poor and women, investments are being made in infrastructure such as drainage, water supply and sanitation, cyclone shelters, and other municipal infrastructure, including emergency access roads and bridges, solid waste management, bus terminals, slum improvements, boat landings, and markets.

In 2021, **Bangladesh** requested the ADB for further support “to strengthen the climate resilience of vulnerable coastal towns, thereby enhancing their ability to anticipate, absorb, accommodate, and recover from the effects of climate shocks and stresses.”¹⁰⁰ With the investment of US\$250 million (including US\$4 million grants), the proposed ‘Second Coastal Towns Environmental Infrastructure Improvement Sector Project’ will extend support to “selected coastal towns in pursuing sustainable development and enhancing the quality of life of all residents. It will also help in strengthening rural resilience, as these small towns often act as service centers for

⁹⁸ ADB (2019a, p.3-4).

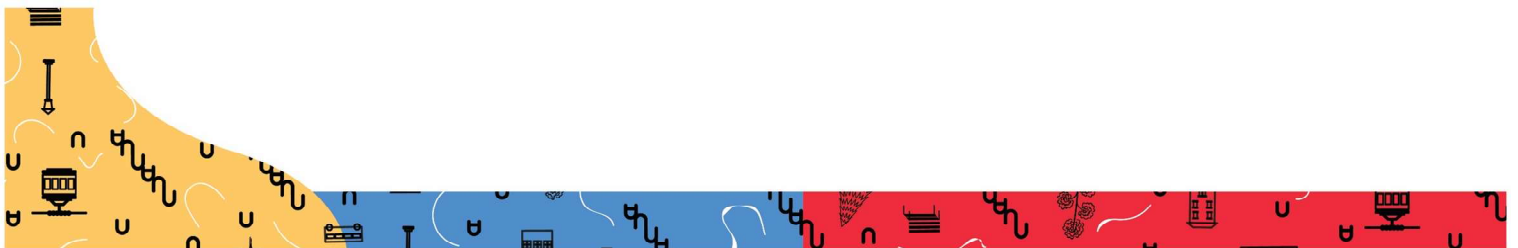
⁹⁹ Information in this paragraph is derived from: ADB (2021h).

¹⁰⁰ Information in this paragraph is derived from: ADB (2021i).





surrounding rural areas.” This project focuses on two strategic agendas, i.e., environmentally sustainable growth, and inclusive economic growth.



III. Effective implementation of the New Urban Agenda in Asia-Pacific

A. Urban governance structure

(i) Decentralization to enable subnational and local governments undertake their assigned responsibilities

Following the enactment of the Local Government Code (1991) in the **Philippines**, several countries in the Asia-Pacific region have implemented decentralisation legislations and/or policies. These include **Bangladesh, Cambodia, India, Indonesia, Lao PDR, Pakistan, and Thailand**. Different countries have met varied levels of success in their efforts to decentralise and delegate powers to subnational and local governments.

Results Achieved (1). *Indonesia has made a **long-term transformative commitment** towards decentralization of powers to local governments since 1998*. On decentralization in Indonesia, the 'Voluntary National Review for Implementation of New Urban Agenda' notes that the legal provisions have resulted in several benefits in terms of improving local governance. Nevertheless, the process of decentralization in Indonesia, as in other countries, is far from a finished product. In fact, local governance in Indonesia is still evolving as the Act No. 23 of 2014 on the Local Government has been amended three times (**Box III.1**).¹⁰¹


Box III.1. The Evolving Process of Decentralization in Indonesia

Since the decentralization reform of 1998, local governance has changed substantially Indonesia compared to the 'period of centralization' (1945-2000). A higher level of autonomy exercised by local governments, through direct elections has created dynamics on local development that have not been experienced since the 'Old Order Era'. These days, citizens experience local democracy not only through participation in elections of mayors and members of city councils but also by engaging in open, participatory discussions and gaining access to communicate with local authorities.

During 1999-2004, the local governments in Indonesia gained the autonomy to plan and build their cities. It was followed by the direct local elections in 2008 in which the vision and mission of the elected leaders would be used as a reference for preparing a mid-term development plan. The changing structure in the government system, rapid and massive urbanization, fast environmental changes, and progressive communication and information technology demanding a good governance framework. The consistent national regulatory system would create an enabling environment for cities to develop effective and inclusive governance. Having strong leadership, increasing urban financial capacity, encouraging active stakeholders, and promoting collaborative works are few of the initiatives and practices that occur in Indonesian cities.

The complexity of urban development issues in Indonesia has necessitated the development of various sectoral policies. The decentralization period (2000-present) has witnessed the generation of more urban policies and programmes in both number and variety compared to those produced in the 'period of centralization'.

¹⁰¹ Ministry of Public Works and Housing, Republic of Indonesia (2021).



The key regulation regarding urban governance is the 'Act of the Republic of Indonesia No. 23 of 2014 on the Local Government', which followed the Presidential Regulation No. 38 (2004) regarding the division of central–regional authority. The Act No. 23 of 2014 establishes the composition, duties and responsibilities of local governments in the country. This Act is divided as follows: Distribution Territory; Powers of Government; Government Affairs; Authority at Provincial Level; Arrangement; Operator of Local Government; Regional Development; Enterprises; Public Service and Participation; Urban and Special Zones and State Border; Regional Cooperation and Disputes; Village; Guidance and Supervision; Legal Action Against Apparatus of State in the Civil Institution; Regional Innovation; Local Government Information; Regional Autonomy Advisory Council; Penalty Provisions; Transitional Provisions; and Closing.¹⁰² This law has been amended three times.

The Act No. 23 of 2014 makes provision for the decentralization of certain powers from the national government to municipalities and regencies and some are to the provincial governments. Partial authority in several sectors, such as mining activities, ocean and fisheries, and high school education is decentralized to provinces. The national government maintains the authority on the management of border regions and housing for low-income groups, in addition to the sole purview of national defence, international relations, justice, statistics, fiscal and finance matters, and religions. Law No. 6 (2014) was enacted on villages' governance and finance. Villages are recognized as 'self-governing entities' and obtain broader authority and resources. Budget for villages is allocated by 'direct financial transfer' from the national level 'Village Fund' (Bahasa: *Dana Desa*) through municipalities or regencies by a process called Village Fund Allocation (Bahasa: *Alokasi Dana Desa*). With such allocations, villages are required to develop their own 'Local Mid-term Development Plans', 'Local Annual Working Plans' and 'Local Annual Budget Allocations'.

Source: Ministry of Public Works and Housing, Republic of Indonesia (2021, pp.41-42).

Results Achieved (2). *The case of decentralization in the Philippines provides clear evidence that continuous efforts need to be made to achieve measurable improvements in local governance.* A 2018-note prepared by Agence Française de Développement (AFD) on the delegation and decentralization shows that these processes are still evolving.¹⁰³ It states that in the Philippines, which is an archipelago of more than 7,600 islands, "decentralized power is a keystone to development, but many reforms are needed to achieve effective governance."¹⁰⁴ This is because the Philippines has 18 regions, 81 provinces, and 145 major cities, towns and barangays--the latter is an administrative and political division that has a geographical size of a neighbourhood. The ADB and AFD implemented the 'Philippines: Local Government Finance and Fiscal Decentralization Programme' during 2014-2017 with an investment of US\$769 million. It included an incentive programme called 'Seal of Good Local Governance' that 'designed to promote best practices in local governance, including preparation for natural disasters.'¹⁰⁵

Country-specific Lessons learned (Philippines). From the implementation of the joint ADB-AFD 'Philippines: Local Government Finance and Fiscal Decentralization Programme', the following four lessons are learned:

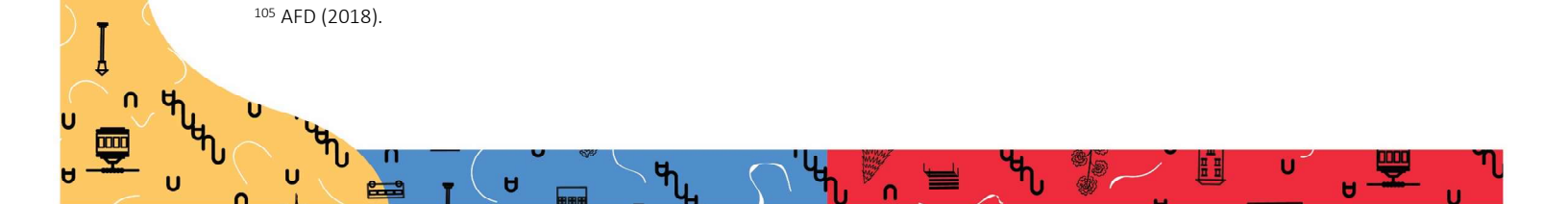
"(i) the reform of central-local fiscal relations is extremely difficult, but program results justify the effort involved, for example, in introducing downward, incentive-driven


¹⁰² Land Portal (2021).

¹⁰³ AFD (2018).

¹⁰⁴ AFD (2018).

¹⁰⁵ AFD (2018).





accountability mechanisms that lead to measurable improvements in local governance, such as the Seal of Good Local Governance; (ii) there is a strong link between the TA activities and the achievement of program outcomes and outputs; [and] (iii) changes to tools and regulations must be accompanied with measures to align local incentives to maximize impact and should include an incentive mechanism related to sustainable capacity development for core local PFM officials; and (iv) future support efforts should explore expanding the scope of service delivery to include the business community.”¹⁰⁶

Lessons Learned (Asia-Pacific region). *Experience of the Asian and Pacific countries shows that the ‘decentralization to enable subnational and local governments undertake their assigned responsibilities’ is a continuously evolving process with incremental impacts achieved along the way.*

(ii) Linking urban policies to finance mechanisms and budgets

Linking urban policies to finance mechanisms and budgets has the potential to effect policy reforms and improve multi-level urban governance. However, it is easier said than done.

India has made a transformative commitment towards linking urban policies to finance mechanisms and budgets by launching the second phase of ‘Atal Mission for Rejuvenation and Urban Transformation’ or AMRUT 2.0 in October 2021. The Mission has two main objectives. First objective is to achieve universal coverage of water supply from the present 500 cities to 4,700 statutory towns. In other words, AMRUT 2.0 aims to focus on making Indian cities ‘self-reliant’ and ‘water secure’. Second objective is to provide universal coverage of sewerage and septage management in 500 AMRUT cities.


Urban policy reform, finance mechanisms, and budget. AMRUT 2.0 has a total indicative budget of US\$37.3 billion, including US\$10.4 billion from the Central Government, for five fiscal years (FY2021-22 to FY2025-26). The Mission has a reform agenda focused on financial sustainability through enhanced creditworthiness and market borrowing by urban local governments. There are other planned reforms on recycling/reuse of used water, and reduction in non-revenue water. Projects up to 10 per cent of allocation to metropolitan cities (with over one million population) will be required to implement PPPs. Financial assistance from the Central Government will be provided in three instalments with the ratio of 20:40:40. The disbursement of third instalment of 40 per cent will be based strictly on the achievement of project outcomes. Starting from the second year of implementation, the release of financial support from the Central Government will be conditional upon implementing reforms on property tax and user charges.

To achieve its objectives, AMRUT 2.0 aims to provide 26.8 million water supply connections and 26.4 million sewer connections. Cities will prepare their ‘Water Balance Plans’ that will help to identify projects in the form of city-level and State-level ‘Water Action Plans’. Project components/activities will include functional water tap connections for at household level; water source conservation; rejuvenation of water bodies and (dug) wells; recycling/reuse of treated used water; and rainwater harvesting. A ‘drinking water survey’ will be undertaken in cities, and is expected to instil healthy competition among cities and to act as a monitoring tool and Mission accelerator.

Technology and Capacity Building. Under AMRUT 2.0, a ‘Technology Sub-mission’ will focus on identifying proven and potential global technologies in the water sector. Entrepreneurships and start-ups involved in low-cost indigenous equipment and processes will be encouraged.

¹⁰⁶ ADB (2020d, p.10).





Capacity building programmes under the Mission will benefit elected representatives, municipal functionaries, and other stakeholders, including contractors, plumbers, plant operators, students, women, and others. The added benefit of capacity building programme will be to enhance the functional knowledge and to improve the job-related skills of targeted groups.

(iii) Capacity of local and subnational governments to implement local and metropolitan multilevel governance

While on one hand, there an important role of capacity development of local and subnational governments to implement local and metropolitan multilevel governance. This is particularly important in some countries, where capacities of cities, especially those of secondary cities, are quite low. Other the other hand, multilevel governance is emerging as a strategy for capacity development of local and subnational governments.¹⁰⁷ Contingent upon the state of (sustainable) urbanisation in the various countries in the Asia-Pacific region, different approaches have been used for capacity development.

Myanmar has implemented a TA project on ‘Transformation of Urban Management’ with US\$2 million grant support from the Japan Fund for Poverty Reduction administered through the ADB (during 2015-217).¹⁰⁸ According to the project completion report published in 2018, with the strategic agenda of ‘inclusive economic growth’, the project provided capacity development to six cities: Yangon, Mandalay, Mawlamyine, Patheingyi, Monywa, and Lashio. The project achieved the following outputs: (i) development of training modules, with 16 training modules prepared, covering nine topics on two levels (beginner and advanced); (ii) implementation of training activities with 51 training courses delivered, benefitting 1,200 participants, with 6,000 days training; (iii) on-the-job-training was conducted for the formulation of urban services business operation plans, with one such plan prepared for each of the six cities; and (iv) institutional sustainability of capacity development through the training for trainers and the development of business plan for the Urban Research and Development Institute.

Pakistan has been implementing a four-year capacity building programme, ‘Local Empowerment, Advocacy and Development (LEAD) for Localisation of SDGs in Pakistan’.¹⁰⁹ Initiated by UCLG ASPAC and co-funded by the EU, the programme is being implemented by the Association for Development of Local Governance (ADLG) at the federal level, and by the Local Councils Associations (LCAs) of Baluchistan and Local Councils Association of Sindh at the provincial level in Baluchistan and Sindh. Launched in 2019, it supports two provincial governments of and 61 district governments and municipal corporations in Baluchistan and Sindh. In 2020, the programme: (i) developed a ‘comprehensive criteria and final selection of pilot districts in Baluchistan and Sindh’ taking into account political will, security, accessibility, women leadership and LCAs’ ongoing contribution; (ii) formed and launched the first-ever provincial alliances on SDGs in Baluchistan and Sindh provinces; and (iii) conducted an orientation session on VNR guidelines for SDG achievement in Pakistan.

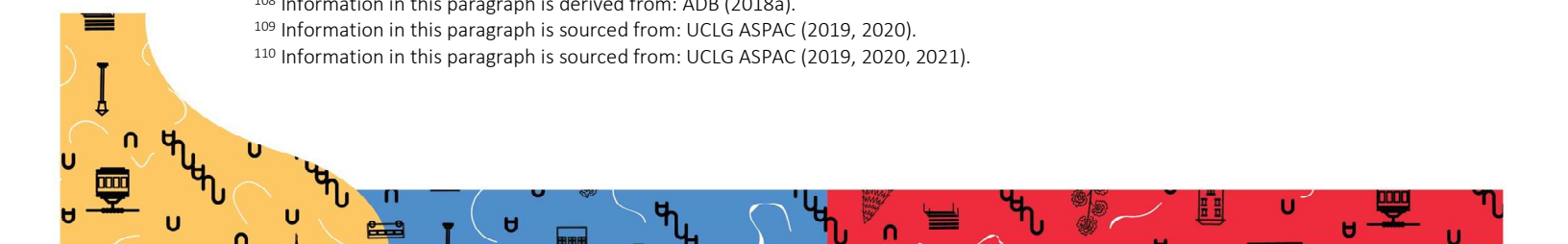
Indonesia has completed a three-year countrywide capacity development programme, ‘Leadership Ownership and Capabilities for Agenda 2030 Local Implementation and Stakeholder Empowerment’ (LOCALISE SDGs).¹¹⁰ Launched in July 2018, this programme was jointly implemented by UCLG ASPAC and the Association of Indonesia Municipalities (APEKSI) and funded by the EU. It organised three national-level, 38 local-level, and three collaborative


¹⁰⁷ Pierre (2019).

¹⁰⁸ Information in this paragraph is derived from: ADB (2018a).

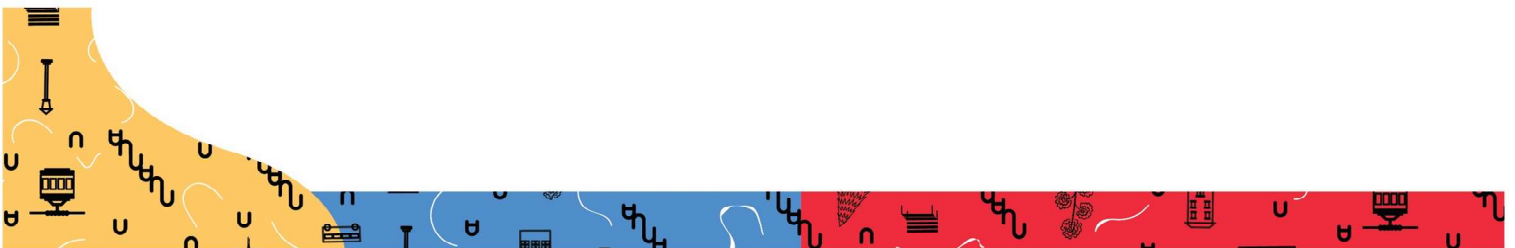
¹⁰⁹ Information in this paragraph is sourced from: UCLG ASPAC (2019, 2020).

¹¹⁰ Information in this paragraph is sourced from: UCLG ASPAC (2019, 2020, 2021).





training events that were attended by 30 'local associations' (16 provinces and 14 municipalities) and five 'associations of local associations' (APEKSI, APKASI, APPSI, ADEKSI, and ADKASI). During the COVID-19 pandemic, the programme provided TA for tourism recovery to five local governments: East Kalimantan Province, South Sulawesi Province, Gorontalo City, Padang City, and Sawahlunto City. A dedicated website (<https://localisesdgs-indonesia.org>) was developed to demonstrate the long-term commitment of LOCALISE SDGs programme towards supporting capacity building and knowledge sharing on SDGs and related developments for 'local associations' and five 'associations of local associations'.



B. Planning and managing urban development

(i) Integrated and balanced territorial development

To promote integrated and balanced territorial development, **the ADB has made a transformative commitment** and has been supporting Asian-Pacific countries to conduct 'National Urban Assessments'. The National Urban Assessments 'are intended to provide a clear set of principles for action in the urban sector'.¹¹¹ The scope and objectives of the National Urban Assessments include: (i) Integrated framework for sustainable urban development; (ii) Strategic policy planning and vision setting; (iii) Strategic investment programming; and (iv) 3E – Economy, Environment and Equity – theme prioritization to streamline targeted investment.¹¹² The value added by the ADB's National Urban Assessments include: (a) Development of urban indicators database; (b) Identification of cross-sectoral constraints; (c) Strategic view on targeted investments; and (d) Financial sustainability (**Box III.2**). The ADB has supported five countries, i.e., **Armenia, Azerbaijan, Georgia, Philippines, and Uzbekistan**, in North and Central Asia and South-East Asia subregions in conducting National Urban Assessments.¹¹³

Box III.2. Value Added by Asian Development Bank's National Urban Assessments

a. Development of Urban Indicators Database

- i. Benchmarking – Baseline Audit Studies to establish baseline indicators and to commence collection of baseline data at the national and regional levels to assess data availability and the relevance of indicators.
- ii. Time series – Updating spatial plans to develop consistent urban database.
- iii. Standardized approach – for cross-country and regional comparability.
- iv. Results Framework – Input for preparation for the Urban Sector Development Effectiveness Review (DEFER).
- v. Improving quality at entry – of sovereign programs/projects and nonsovereign projects
- vi. Sustainability – The assessments will enable programming that takes into account sustainability of impacts through the evidence-based approach to planning and financing. With regard to sustainability of impacts, a study¹¹⁴ conducted by the Independent Evaluation Department emphasized the need to rigorously address risks to sustainability in Country Partnership Strategy sector assessments at the national level and in the process of project formulation at the project level (ADB 2013).

b. Identification of cross-sectoral constraints

- vii. There have been concerns in the emergence of cross-sectoral constraints that hinder the success of urban sector projects given the complexity of the sector. Identifying the potential constraints, particularly those related to cross-cutting issues such as lack of institutional capacities or procurement delays, will enable focused interventions in the design of projects and effective implementation. For example, the ADB's Independent Evaluation Department study¹¹⁵ found that noncompliance of water sector reform was a hindering factor to the financial sustainability of an urban sector project. The importance of providing an enabling environment through relevant legal and regulatory reforms can be highlighted and identified through National Urban Assessments. This could potentially lead to reorienting the project cycle to bring in regulatory reforms and capacity development at the forefront of project planning.

¹¹¹ Naik Singru and Lindfield (2016, p.4).

¹¹² Naik Singru and Lindfield (2016, p.5-6).

¹¹³ See ADB (2016a, 2018b, 2019b, 2021j); Naik Singru and Lindfield (2014).

¹¹⁴ ADB (2010).

¹¹⁵ ADB (2006).

c. Strategic view on targeted investments

The assessments generate an evidence-based system that supports informed decision making toward directing indicative investment needs in:

- viii. Key geographic areas within a country and urban region; and
- ix. Key thematic sectors under the green, competitive, and inclusive agenda of the ADB's Urban Operational Plan.

d. Financial sustainability

Financial sustainability of infrastructure assets is an important aspect of asset management. Assessments could highlight the lack thereof within operation and maintenance where encountered to propose actions to be undertaken for development of sustainable finance systems or innovative mechanisms for financing robust subnational infrastructure (both capital expenditure, and operation and maintenance).

Source: Naik Singru and Lindfield (2016, p.6-8).

By conducting a National Urban Assessment with support from the ADB, the Government of Uzbekistan has made a transformative commitment towards integrated and balanced territorial development, strategic policy planning and vision setting, strategic investment programming, and theme prioritization on economy, environment, and equity to streamline targeted investment. The National Urban Assessment of Uzbekistan reveals that Uzbek cities have the potential to become more competitive, equitable, inclusive, green and resilient, in a country that is in the midst of transitioning from a command-and-control to a market-based economy.¹¹⁶ Agglomeration benefits can be harnessed through interventions related to trade facilitation policies, border improvements, and local infrastructure upgrades in the urban centres along transport corridors; These interventions would also support the development of secondary cities. Strategic urban master plans would focus on an integrated vision of urban growth to benefit residents, firms, and other economic sectors. Urban master plans would also aim to focus on higher urban density and to achieve urban efficiency. Privatisation of urban land, in this erstwhile centrally planned economy, has the potential to unlock economic opportunities, and to create and distribute wealth among urban residents. In addition to their market potential, 'area development plans' may be designed in view of communities' and public interests.

(ii) Planned urban extensions and infills

In Lao PDR, the Master Plan for the capital city Vientiane for 2030 has provided a higher floor area ratio (FAR) of 5.0 or above and building coverage ratio (BCR) of less than 70 per cent in order to support planned infills and increase population density.¹¹⁷ This is to address the current population density Vientiane is less than 180 persons per hectare with FAR less than 2.0 and BCR of 100 per cent. The Master Plan study conducted by JICA¹¹⁸ proposes higher population density for accelerating redevelopment for business and commerce.¹¹⁹ According to the Lao PDR 'National Progress Report on the Implementation of the New Urban Agenda', "when the quality of buildings, infrastructure and environment of an area is depleted or decayed and can no longer function in accordance with the standard, the area shall be subject to a partial or full renewable process. This should be done by an assessment of the existing status of urban elements to provide an analysis of their future uses in order to ensure economic efficiency,

¹¹⁶ ADB (2021j).

¹¹⁷ Ministry of Public Work and Transport, Government of Lao PDR (2021, p.28).

¹¹⁸ JICA (2011).

¹¹⁹ Vongpraseuth, T. (2020, p.12).

social harmony, the environment, architecture, natural protection and sustainability of the urban form.”¹²⁰

(iii) Urban renewal and regeneration of urban areas

Myanmar has been implementing the ‘Yangon Urban Renewal and District Cooling Project’ with the financial support (US\$100 million) from the ADB, and in cooperation with private sector companies from Myanmar and Japan.¹²¹ The investment is a non-sovereign loan to two companies: Mee Ya HTA International Hotel Limited, and Meeyahta Development Limited. It is a ‘landmark project’ focused on urban renewal, district cooling and heritage restoration project in central Yangon. The project is an ‘anchor development’, forming a central part of the business infrastructure of Yangon. It supports the development of a district cooling plant and network; nearly 2 million square foot of hotel, retail, office and residential space across four 26-story towers; and the preservation of a historical Victorian building, the former headquarters of the British Burma Railway Company called ‘The Old Lady’ that was built in 1877. ADB’s loan is dedicated to fund the district cooling plant and network, which will be the first energy efficient district cooling system in Myanmar.

(iv) Role of small and intermediate cities and towns

China implemented the ‘Shanxi Small Cities and Towns Development Demonstration Sector Project’ with financial assistance from the ADB (US\$100 million) during 2010-2019. The aimed to “promote balanced and environmentally sustainable urbanization; narrow the urban-rural gap; and improve production, employment, and living conditions in small cities and towns in Shanxi Province.”¹²² Shanxi provincial government implemented the project to respond to the rapidly changing needs of cities and towns across the province. In the subprojects focusing on six cities, viz., Pingayao County, Wutong Town, Youyu County, Niangziguan Town, Xinghuacun Town, and Qingxu County, the project strengthened the capacity of infrastructure and service providers to plan, construct, operate, and maintain facilities (**Table III.1**).

Table III.1. Strengthening the Role of Small Cities and Towns in Shanxi Province, China

Subprojects	Project Accomplishments
Pingayao County	<i>Component 1: Huiji River Improvement</i> 1.1 Riverbed is dredged, and embankments are constructed. 1.2 Water storage reservoirs are built, rubber dams are installed.
Wutong Town	<i>Component 1: Caoxi Road and Associated Services</i> 2.1 Road is widened and reconstructed, drainage channel is improved. <i>Component 2: Heat Supply</i> 2.2 New heat exchange stations and distribution network operational. <i>Component 3: Gas Supply</i> 2.3 New gas supply storage and distribution system operational. <i>Component 4: Wastewater Treatment</i> 2.4 WWTP and collection network operational. <i>Component 5: Social Services Facilities</i> 2.5 New schools and vocational training centres in use.
Youyu County	<i>Component 1: Heat Supply</i>

¹²⁰ Ministry of Public Work and Transport, Government of Lao PDR (2021, p.28).

¹²¹ ADB (2021k).

¹²² ADB (2021l).

	3.1 New heat stations, heat exchange stations, and distribution network operational. <i>Component 2: Roads</i> 3.2 New roads in the new town operational.
Niangziguan Town	<i>Component 1: Mian River improvement works</i> 4.1 Mian riverbed is dredged, and embankments are constructed. 4.2 A rubber dam is built by local government financing. 4.3 A steel dam is installed.
Xinghuacun Town	<i>Component 1: Roads and associated services improvement</i> 5.1 Xinshi Road construction & associated services 5.2 Xinqunan Road and Xinquzhong Road construction and associated services.
Qingxu County	<i>Component 1: River and lake rehabilitation and landscaping</i> 6.1: Northern East Lake rehabilitated, and landscaping works completed. 6.2: Baishi River rehabilitated, and landscaping works completed.

Source: ADB (2021I).

In **Pakistan**, the ‘Punjab Intermediate Cities Improvement Investment Project’ aims to “improve the quality of life of the residents in the intermediate cities of Sahiwal and Sialkot in Punjab Province, making these cities more livable and sustainable”.¹²³ With a loan of US\$200 million from the ADB, the project is making investments to improve urban infrastructure and services, as well as the operations and maintenance capacity for urban service delivery in Sahiwal and Sialkot cities. Thus, this project focusing on two intermediate cities is helping implement Pakistan’s ‘Vision 2030 and Framework for Economic Growth’.

(v) Multimodal public transport systems including non-motorized options


Several countries in the Asia-Pacific region have implemented programmes and projects on building multimodal public transport systems including non-motorized options. Large cities in countries such as Japan, Republic of Korea, Malaysia, Singapore, Hong Kong (China), and Taiwan (China) have well developed mass rapid transit (MRT) systems. Countries such as China, India and Thailand are in different stages of developing MRT systems. Other countries such as Indonesia, Mongolia, Philippines, and Viet Nam are in earlier stages of developing MRT and Bus Rapid Transit (BRT) systems in their large cities.

Results Achieved. During the reporting period, **Mongolia** has made a transformative commitment to provide efficient, safe, and affordable urban transport services in Ulaanbaatar through the development of BRT system. During 2015-2020, the country has been implemented the ‘Urban Transport Development Investment Programme–Tranche 1’ project worth US\$69.9 million that included an ADB loan of US\$59.9 million and US\$10 million as Government counterpart fund.¹²⁴ The project achieved the following results: (i) Infrastructure for BRT installation developed; (ii) Sustainable, affordable, and efficient BRT system established and operational; (ii) Intelligent Transport System (ITS): bus management, bus information, and smart-ticketing systems developed; (iv) Traffic and pedestrian safety improved; and (v) Public transport and traffic management, policies, and institutional capacity improved.

During 2014-2021, **India** supported the developing the MRT system in Jaipur, country’s 10th largest city and the capital city of Rajasthan state. In cooperation with the ADB, which provided

¹²³ ADB (2021m).

¹²⁴ Information in this paragraph is sourced from: ADB (2021n).



technical and financial support worth US\$157 million, the Jaipur MRT Line 1-Phase B was completed along with the updating of MRT Line 2 plans.¹²⁵ Similar projects are being implemented in Delhi and the National Capital Region, Mumbai, Kolkata, Bengaluru, Chennai, Hyderabad, Lucknow, Ahmedabad, Nagpur, and Kochi.

Since 2018, **Thailand** has been implementing the 'Thailand: Bangkok Mass Rapid Transit Project (Pink and Yellow Lines)' through a PPP modality with an ADB loan of US\$318 million.¹²⁶ The project aims to achieve the following outputs: (i) completion of two MRT monorail lines (Pink Line and Yellow Line); (ii) generation of local employment; (iii) local purchase of goods and services; and (iv) support to gender and diversity in operations.

Bangladesh is conducting a study for the development of 'Line 5, Southern Route' for the Dhaka MRT system with the support of an ADB loan 'Dhaka Mass Rapid Transit Development Project Readiness Financing (Line 5, Southern Route)' worth US\$33.26 million.¹²⁷ To be implemented during (2020-2024), the project aims to prepare the detailed feasibility study, engineering design, and procurement document on the proposed MRT Line 5; and provide assistance in procurement-related processes.

Challenges Experienced. The development of BRT and MRT systems is a monumental task that involves huge investments, and specialised technical knowhow. All of this requires long-term commitment by the high-level decision makers. Without these, cities continue to face the quotidian challenges of ambient air pollution, traffic congestion, and related costs to the GDP. According to one estimate, the Asia-Pacific region loses three per cent of its annual GDP due to traffic congestion and long commuting hours.¹²⁸

(vi) Culture as a priority component of urban planning

Countries in the Asia-Pacific region have been making efforts to include culture as a priority component of urban planning.

In Gansu province of **China**, the 'Longdongnan Regional Strategic Planning Study for the Cultural and Natural Heritage Conservation and Sustainable Tourism Development' provided the basis for the design of the 'Second Gansu Cultural and Natural Heritage Protection and Development Project' with investments of US\$100 million from the World Bank and US\$60 million from the Government of China. Under implementation during 2017-2023, the project has components: (i) heritage conservation and tourism services improvement; (ii) community basic services delivery; and (iii) capacity building, institutional strengthening, and project management support. The project supports six sites: Kongtong Mountain Scenic Area (Kongtong District); Jinchuan Hundred Mile Grottoes Corridor (Jinchuan County); Yunya Temple Scenic Area (Zhuanglang County); Guan'egou Scenic Area (Tanchang County); Yangba Scenic Area (Kangxian County); and Hua'er Songmingyan Scenic Area, and Hezheng Ancient Fossil Museum (Hezheng County).

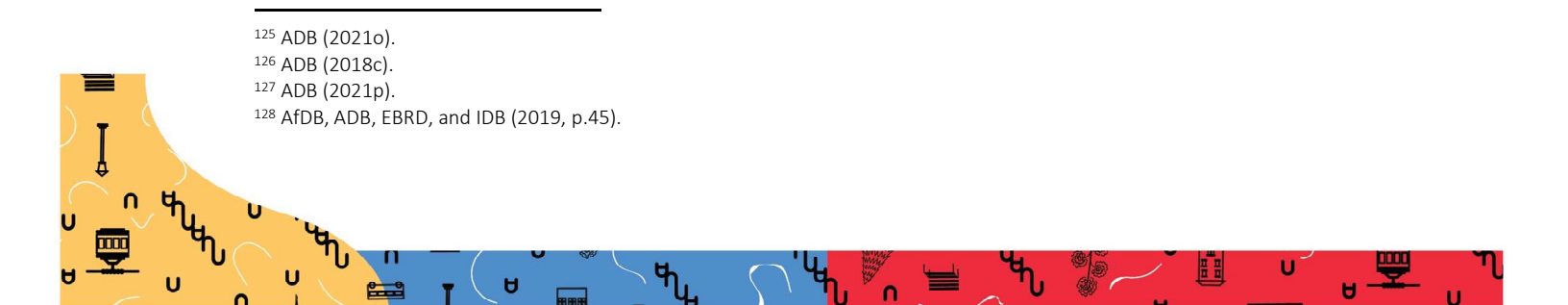
In Rajasthan state of **India**, the ADB supported TA project, 'Promoting Smart and Integrated Urban Planning for Liveability and Cultural Economy in Rajasthan' (US\$750,000, 2021-2023) aims to achieve the integrated and heritage-sensitive urban planning and programming in Jodhpur and Nawalgarh cities. The project has the three objectives: (i) development of information and communication technology-based urban planning mapping tools for Jodhpur


¹²⁵ ADB (2021o).

¹²⁶ ADB (2018c).

¹²⁷ ADB (2021p).

¹²⁸ AfDB, ADB, EBRD, and IDB (2019, p.45).





and Nawalgarh cities; (ii) preparation of feasibility studies for priority urban investments in Jodhpur and Nawalgarh; and (iii) capacity strengthening of the state and urban local governments for heritage-sensitive urban planning, development, and management.



IV. Means of implementation of the New Urban Agenda in Asia-Pacific

A. Finance

(i) Financing frameworks for implementing the NUA at all levels of government

As cities in the Asia-Pacific region continue to grow rapidly, financing for sustainable urban development is an everyday challenge for national, subnational, and local governments. Often the rate of urban demographic as well as spatial growth outpaces the rate at which all levels of governments are able to invest in building, operating and maintaining urban infrastructure and basic services. Hence, national governments, along with international development banks and financial institutions are constantly making efforts to develop financing frameworks for implementing the NUA.

Results Achieved. **Cambodia** and **Indonesia** have established financial frameworks that support subnational and local governments towards with investments for local infrastructure, services and social benefits.

Cambodia has made a transformative commitment by establishing the Sub-National Investment Fund (SNIF) to address regional disparities in investment for basic delivery, with a loan (US \$20 million) and technical support from the ADB under 'Decentralized Public Service and Financial Management Sector Development Project, Subprogram 2'. The project addresses five interrelated problem and challenges:¹²⁹ (i) large regional disparities in poverty incidence and access to services; (ii) inefficient service delivery systems across levels of administration; (iii) weak local revenue bases and financial management systems; (iv) fledgling local governance systems and social accountability mechanisms; and (v) support to national priorities. To be implemented during December 2016 to June 2022, the SNIF is guided by a project administration manual--a few key highlights of which are given in **Box IV.1**.

Box IV.1. Cambodia: Sub-National Investment Fund

The Sub-National Investment Fund (SNIF) is a financing instrument, separate but complementary to regular grants for subnational administrations (SNAs) that aims to achieve two policy objectives: (i) to promote socio-economic development at the subnational level by financing high quality and strategic public investments by subnational administrations; and (ii) to provide SNAs with incentives to improve their overall performance and public investment management. To that extent, the SNIF aims to absorb larger, bulkier investment expenditures from SNAs, and thus release the use of regular grants for recurrent expenditure commitments.

The SNIF will be governed by a Board chaired by the Ministry of Economy and Finance. Day to day activities will be led by the SNIF Secretariat, located at the MEF. Through an annual performance assessment, the SNIF will select, among the country's 159 districts, those eligible for funding in a given year. In addition to the target districts, some municipalities may be included on pilot basis at later stage of the Project, which will be fully funded by the government. Selection will be based on the annual performance assessments (APA) of districts to identify eligible SNAs under the SNIF and so project areas may therefore vary from

¹²⁹ ADB (2021q).

year to year. The ultimate beneficiaries of the projects funded under the SNIF will be the households and individuals in the selected districts.

Roles and responsibilities of the participating SNAs. At the participating districts, the administrations, headed by the District Governor, will coordinate and supervise project identification and implementation activities. In particular, they will lead the identification of project proposals in coordination with communes, will facilitate community participation in all project activities; will coordinate participatory consultation processes, etc. District administrations will ensure that no local project will involve physical displacement, denial of access, and/or resettlement activities. District administration will also conduct activities related to environment management; indigenous people development; gender action plan; and will monitor and report on the implementation progress.

The SNAs shall receive two streams of funding from SNIF if they pass both the annual performance assessment (APA, which determines the SNAs that can apply to SNIF) and the investment project proposal (IPP) approval process. The fund releases are triggered by the same two processes: (a) District APA results and eligibility: when a district has passed the APA and is found eligible to submit Investment Project Proposal (IPP) for SNIF financing eligible for submitting investment proposals to the SNIF secretariat, a Project Preparation Grant (PPG) of two per cent (2%) will be released to cover technical advisory services related to preparation of IPP(s); and (b) Approval of District IPP: when a district get confirmation about approved IPP(s), the actual amount of the IPP(s) will be made available.

Source: ADB (2016b, pp.2-3,25-26).

Indonesia has made a transformative commitment by establishing a Regional Infrastructure Development Fund (RIDF) with financial and technical support from the World Bank and Asian Infrastructure Investment Bank (AIIB). The objective of RIDF project is 'to increase access to infrastructure finance at the subnational level through a financially sustainable financial intermediary'.¹³⁰ The total cost of RIDF project is US \$406 million, which includes US \$100 million loan from the World Bank, co-financing of US \$100 million from AIIB, US \$200 million contribution from the Government of Indonesia, and US \$3 million grant from Indonesia Sustainable Urbanisation multi-donor trust fund. The duration of RIDF is from June 2017 to November 2022, and it supports subprojects being implemented by subnational governments including Balikpapan, Semarang, Sorong, Batam, Bogor, Denpasar, and Yogyakarta cities, and Sidoarjo, Gresik, and West Lombok regencies; the priority investment sectors include roads and drainage, water supply, sewerage, and hospital.

(ii) Mobilization of internal sources of finance and expand the revenue base of subnational and local governments

A 2021-study by the ADB notes that local government revenue remains below 20 per cent of GDP in the Asian and Pacific countries.¹³¹ Compared to high-income countries in Europe where the local government revenue is about 10 to 35 per cent of GDP, in the Asia-Pacific region's developing countries this proportion is below 10 per cent.¹³² Within the local government revenue in the region, the share of tax revenue, the proportion of tariffs and fees, and property-related income is much lower (**Figure IV.1**). While this points towards the enormous potential

¹³⁰ Information on RIDF is sourced from: World Bank (2017, p.6).

¹³¹ Sharma et al (2021, p.285).

¹³² OECD and UCLG (2020) cited in Sharma et al (2021, p.285).

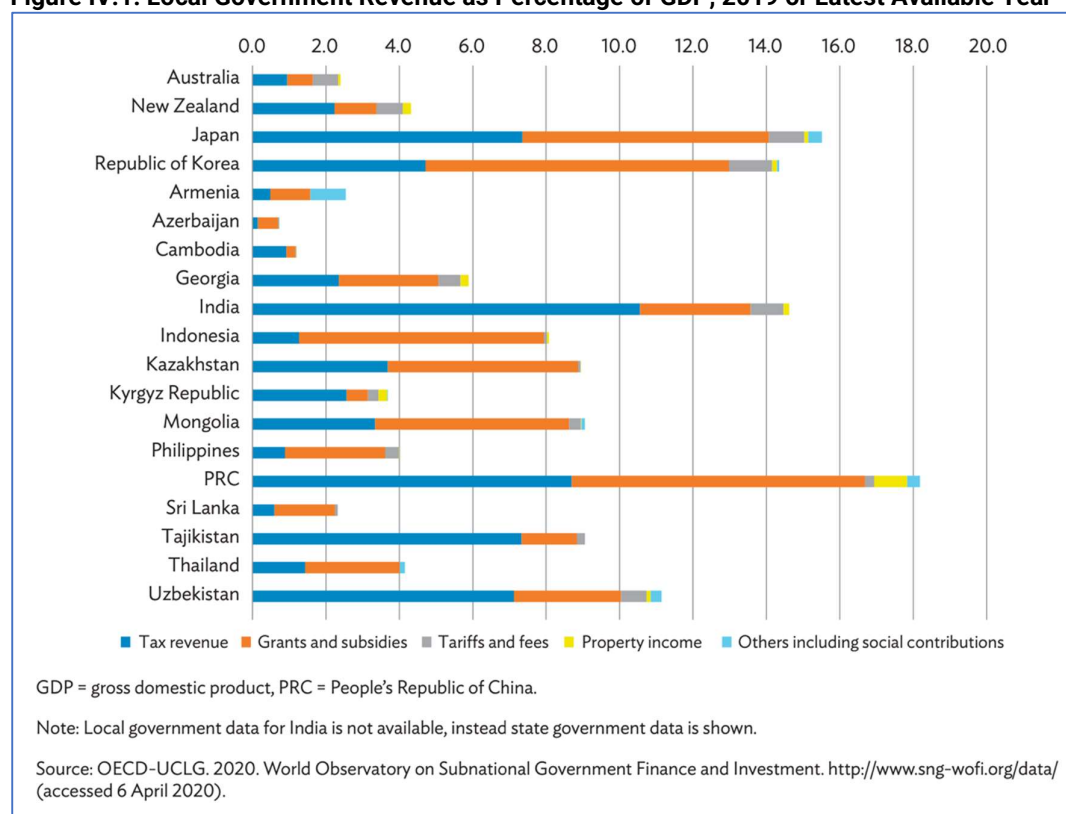
of generating local government revenues in the region, it also highlights the difficulties that countries face in levying tariffs, fees, and property-related taxes.

Results Achieved. In recent years, transformative commitments are being made in Asian and Pacific countries to enhance local government revenue through improving their systems for collecting property taxes, and increasing tariffs and user fees for urban services, such as water supply.

Property Tax

Thailand has passed the Land and Buildings Tax Act (2019).¹³³ Enacted in 2020, it “decreases income disparity; improves and encourages land use; increases efficiency in tax collection; and increases public revenue.”¹³⁴ The Thailand Land and Buildings Tax Act (2019) supports four important changes: (i) the change of the tax base from the annual rent determined by individual district officials to the value of the land, buildings, and condominium units as appraised by the government, which is intended to increase impartiality and reduce the scope of discretion for individuals; (ii) the change of the tax rate from the flat rate of 12.5 per cent to different rates, depending on the use of the property; (iii) tax collection from residential properties that were not previously subject to property tax; and (iv) the tax collection to be done by the local ‘sub-district administrative organization’ for each ‘sub-district’.¹³⁵

Figure IV.1. Local Government Revenue as Percentage of GDP, 2019 or Latest Available Year




Source: Sharma et al (2021, p.286).

¹³³ Krisdika (2019).

¹³⁴ Charoenkitraj and Amonpicharoen (2019).

¹³⁵ Charoenkitraj and Amonpicharoen (2019).



In **India**, several initiatives have been taken that bode well for mobilizing internal sources of finance and expand the revenue base of subnational and local governments.¹³⁶ For instance, in Jharkhand state, a PPP appointed three tax collection agencies and a project management unit across 41 cities and towns.

“Based on a self-assessment form, a digital system linked to property tax and water connection registry was developed. Cross-mapping municipal license data with property tax data and water user charge data then allowed for a gap assessment and corresponding reduction in unassessed households by more than 35%. To facilitate payments, rebates were offered for payments at decentralized collection centers and online. Within just 5 years, property taxes increased from [US]\$1.36 million to [US]\$13.87 million, while their share among own-source revenues more than doubled from 19% to 51%.”¹³⁷

Karnataka state has implemented the Aasthi—a GIS based property tax system, which has brought an additional 54 per cent properties under the tax administration and has helped in improving tax compliance.¹³⁸ In Maharashtra state, Pune Municipal Corporation ‘adopted a capital value-based system where increasing market value of properties was considered for tax assessment’.¹³⁹

Urban water and wastewater tariffs. A study found that the regional average combined tariff for urban water and wastewater in the Asia-Pacific region in 2019 stood at US\$1.06/m³, which recorded an increase of 5 per cent during 2018-2019.¹⁴⁰ In the Pacific subregion, South Tarawa, **Kiribati** implemented the largest combined tariff increase (for both water and wastewater) of 394.0 per cent to US\$5.72/m³; this was caused by the implementation of a project funded by the ADB, the World Bank, and GCF. Such a large increase in tariff has been unaffordable to the local population, and the South Tarawa Public Utilities Board was able to collect only 50 per cent of its revenue.

(iii) Sound systems of financial transfers from national to subnational and local governments based on needs, priorities and functions

In the Asia-Pacific region, as elsewhere, the systems for financial transfers and actual funds transferred are often contentious between national governments on one hand and the subnational and local governments on the other. Intergovernmental transfers include shared tax revenues, matching funds (particularly in relation to capital investments for infrastructure development), earmarked grants (for particular purposes), unconditional grants (non-earmarked),¹⁴¹ and subsidies.¹⁴²

An ADB study shows that financial transfers from national to subnational and local governments ‘play a dominant role in infrastructure finance, local service provision, and recurrent government expenditures’.¹⁴³ In the Asia-Pacific region, the share of grants and subsidies of local government total revenues in developing countries ranges from over 10 per

¹³⁶ Awasthi and Nagarajan (2020).

¹³⁷ Sharma et al (2021, p.294).

¹³⁸ Mukherjee (2018, p.594).

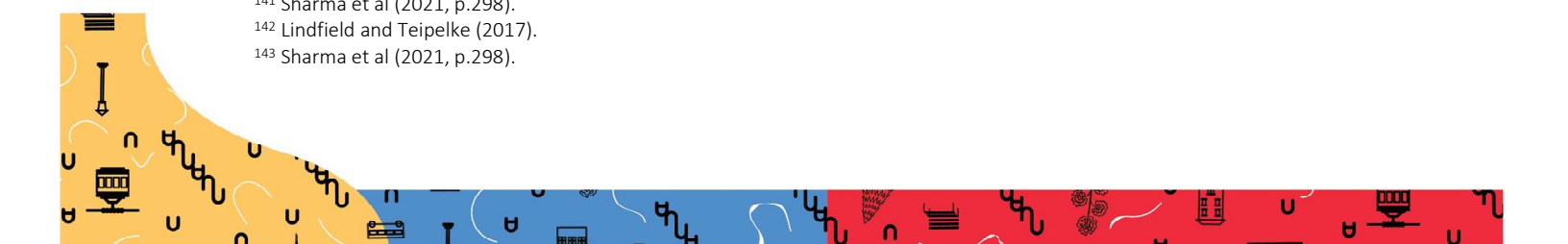
¹³⁹ Pathak and Dahiya (2021).

¹⁴⁰ Information in this para has been derived from: Damkjaer (2020).

¹⁴¹ Sharma et al (2021, p.298).

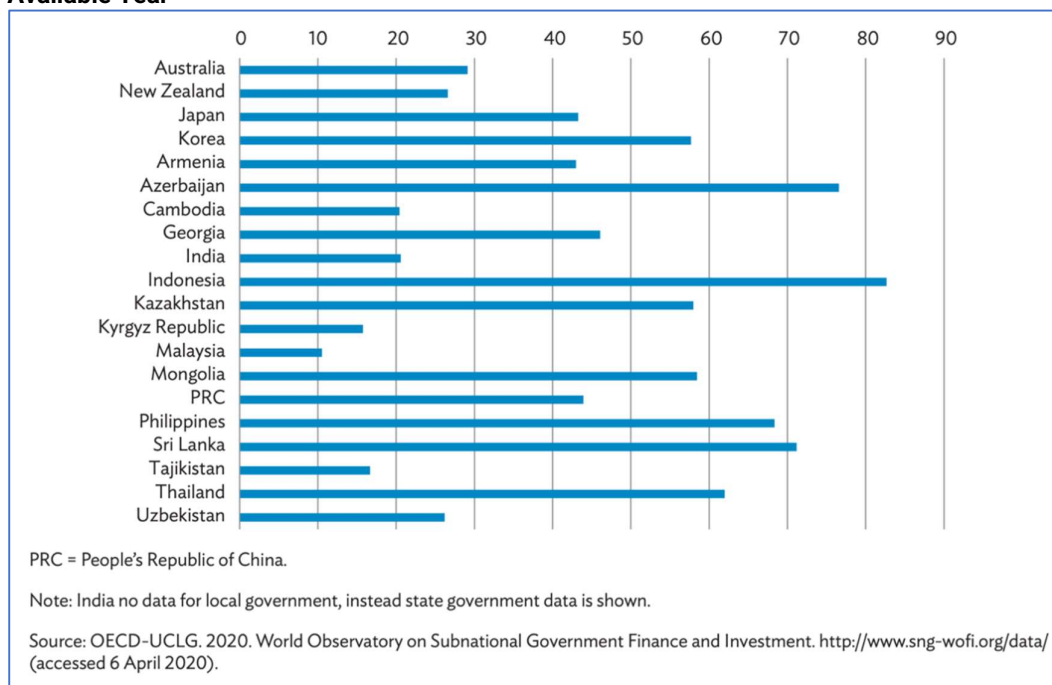
¹⁴² Lindfield and Teipelke (2017).

¹⁴³ Sharma et al (2021, p.298).



cent in **Malaysia** to over 80 per cent in **Indonesia** (Figure IV.2). Among the developed countries, this share ranges from over 25 per cent in **New Zealand** to over 55 per cent in the **Republic of Korea**. Therefore, this urban development finance issue is not a feature of developing countries only.

Figure IV.2. Grants and Subsidies Share of Local Government Total Revenues, 2019 or Latest Available Year




Source: Sharma et al (2021, p.298).

An Innovative Way Forward. The ADB notes that:

“An innovative way to promote local economic development and mobilize higher tax collections is linking tax collections to intergovernmental transfers. Central governments can adopt policies to transfer to the local governments a part of their collection of income tax and consumption tax, which in turn, incentivizes local governments to boost local economic development through increasing local production, income, and expenditure, among others. The consequent higher tax revenues in a local government’s jurisdiction are used by the central governments to enhance the amount of intergovernmental transfers to that local government.”¹⁴⁴

Results Achieved. This approach has been implemented by the **Republic of Korea** since 2010. It has multiple benefits that include: (i) strengthened local economies through local economic development, (ii) fiscal independence of local governments through the mobilisation of higher tax collections, and enhanced creditworthiness of local governments.

¹⁴⁴ Sharma et al (2021, p.299).



(iv) Financial intermediaries (multilateral institutions, regional development banks, subnational and local development funds; pooled financing mechanisms etc.) for urban financing

Several financial intermediaries have made **transformative commitments for urban financing** in the Asia-Pacific region. These include the World Bank, the ADB, the Asia Infrastructure Investment Bank (AIIB), and the Green Climate Fund (GCF). Multilateral and bilateral trust funds, such as Cities Development Initiative for Asia, and ASEAN Australia Smart Cities Trust Fund also provide much needed funds to support urban development investments in the region.

The World Bank. Towards the implementation of NUA and the achievement of SDGs, the World Bank “aims to build sustainable cities and communities through an urbanisation process that is green, inclusive, competitive, and resilient”.¹⁴⁵ Every year, it invests an average of US \$5 billion annually in planning and implementing lending projects in the urban sector around the world. Its active global portfolio of 225 urban sector projects investing US \$29.7 billion, which includes investments in the Asia-Pacific region.¹⁴⁶ Its integrated approaches to transform the fundamental systems of cities include four priorities: (i) enhance planning system and local capacity; (ii) strengthen fiscal and financing systems; (iii) promote territorial and spatial development; and (iv) build climate smart and urban resilience.

Asian Development Bank. *The ADB has made transformative commitments to increase its urban development sector investments in the Asia-Pacific region from US \$1.2 billion per year in 2018 to US \$3.0 billion by 2024.*¹⁴⁷ ‘Making Cities More Liveable’ is among the seven corporate level strategies of the ADB.¹⁴⁸ The ADB’s vision for the urban development sector is “to transform the archetypical chaotic, polluted, inequitable cities of Asia and the Pacific into a competitive, equitable, environmentally sustainable, and climate resilient urban centres”.¹⁴⁹ To achieve and implement this vision, the ADB has chalked out three operational strategies: (i) improve the coverage, quality, efficiency, and reliability of services in urban areas to make them energy-efficient, gender-responsive, inclusive, and sustainable by supporting integrated development, building capacities, and promoting high-level technologies; (ii) strengthen urban planning and financial sustainability of cities by promoting inclusive and participatory processes and supporting cities to develop and efficiently use their financial resources; and (iii) improve urban environments, climate resilience, and disaster management through, for example, enhancing resources and building capacity.¹⁵⁰

Green Climate Fund. *The GCF has made transformative commitments by investing US \$3.5 billion, with an additional US \$11.6 billion as co-financing, in the Asia-Pacific region.*¹⁵¹ *These investments are being made under its 79 projects, including several urban development sector projects.* GCF is the world’s largest climate finance fund, which was established in 2010 by the UNFCCC ‘to support global climate action by promoting a low-emissions and climate resilient transition in developing countries.’¹⁵² By supporting developing countries to reach their nationally determined contributions (NDCs), GCF directly serves the Paris Agreement. For designing and implementing climate projects, it aims to mobilise private sector capital that would otherwise be unviable. GCF’s online portfolio dashboard shows that by November 2021 it has committed US \$10 billion, of which US \$6.1 billion are under implementation through 190

¹⁴⁵ Information on the World Bank in this paragraph is sourced from: World Bank (2020b).

¹⁴⁶ Separate figures on urban sector investments for the Asia-Pacific region are not available on the World Bank website.

¹⁴⁷ ADB (2019c, p.2).

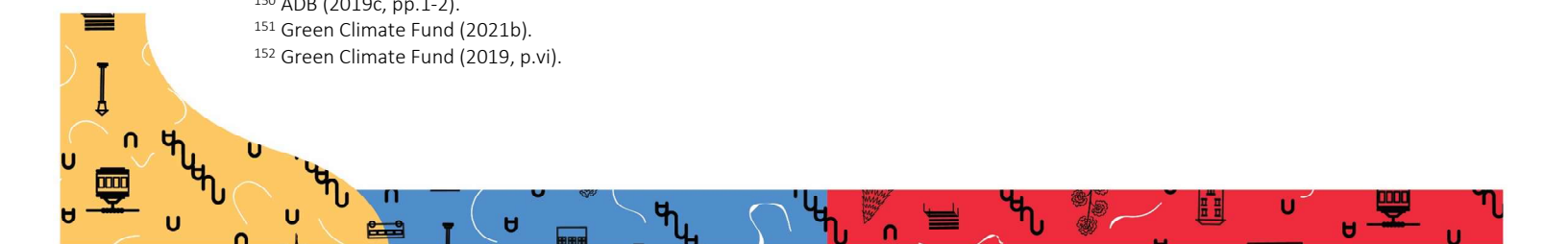
¹⁴⁸ ADB (2018d).


¹⁴⁹ ADB (2021r).

¹⁵⁰ ADB (2019c, pp.1-2).

¹⁵¹ Green Climate Fund (2021b).

¹⁵² Green Climate Fund (2019, p.vi).





projects; these projects are anticipated to build increased resilience for 613 million people worldwide and will offset 2.0 billion tonnes of CO² equivalent.¹⁵³

To guide its investments in the urban development sector, GCF has launched a ‘sectoral guide’ on ‘Cities, Buildings and Urban Systems’ that underlines the importance of the urban sector in climate mitigation and adaptation efforts.¹⁵⁴ The sectoral guide focuses on four paradigm-shifting pathways which have a strong potential to deliver high-impact, cost-effective climate benefits at scale, as well as local benefits to both mega/large and secondary cities: (i) decarbonisation of urban energy systems; (ii) energy efficiency in building stock; (iii) compact and resilient urban development; and (iv) circular urban economy.¹⁵⁵ Shandong Green Development Fund in **China** is an innovative example of a collaborative project between ADB and GCF as well as a pooled financing mechanism aimed at implementing climate change actions (**Box II.3**).

AIIB. The AIIB has made transformative commitments by approving nine urban development sector projects with a total investment of over US \$1.3 billion in the Asia-Pacific region during (2018-2021).¹⁵⁶ The AIIB launched its ‘Sustainable Cities Strategy: Financing Solutions for Developing Sustainable Cities in Asia’ in 2018. It is identified ‘financing infrastructure for the sustainable development of cities in Asia as a key priority’.¹⁵⁷ AIIB’s Sustainable Cities Strategies focuses on five dimensions: (i) Green—Protect and enhance environmental sustainability; (ii) Resilient—Develop the ability to withstand both sudden shocks (e.g., natural disasters) and slow-onset impacts; (iii) Efficient—Deliver the best possible outputs with the least possible inputs; (iv) Accessible—Provide households (especially low-income and vulnerable groups) and firms with easier access to infrastructure and social services; and (v) Thriving—Contribute to sustained economic growth and job creation.¹⁵⁸

ADB Urban Financing Partnership Facility. Established in 2009, UFPF ‘aims to raise and utilise development partner funds for investment co-financing in urban environmental infrastructure projects and support a wide range of technical assistance to help lay the groundwork for such projects’.¹⁵⁹ It gives priority to ‘investments in climate change mitigation and adaptation of urban infrastructure projects by local governments and cities that benefit the poor.’ The UFPF is comprised of: Urban Climate Change Resilience Trust Fund (Multi-Partner Trust Fund); Urban Environmental Infrastructure Fund (Single-Partner Trust Fund); Cities Development Initiative for Asia (Multi-Partner Trust Fund); and ASEAN Australia Smart Cities Trust Fund (Single-Partner Trust Fund). These UFPF supports pre-feasibility studies, project preparation, and development of knowledge products.

¹⁵³ Green Climate Fund (2021c).

¹⁵⁴ Green Climate Fund (2021d).

¹⁵⁵ Green Climate Fund (2021d, pp.1-2).

¹⁵⁶ AIIB (2021).

¹⁵⁷ AIIB (2018).

¹⁵⁸ AIIB (2018).

¹⁵⁹ Information in this paragraph is sourced from: ADB (2021s).



B. Capacity development

(i) Opportunities for city-to-city cooperation and exchange of urban solutions and mutual learning

Urban stakeholders in the Asia-Pacific region have organised a number of multilateral events, forums and conferences that provide opportunities for city-to-city cooperation, exchange of urban solutions and mutual learning, and academic reflections. Some of the prominent events are as follows:

Asia Pacific Urban Forum. Organised quinquennially by ESCAP and various stakeholders, the Asia Pacific Urban Forum is a multilateral platform to discuss the latest developments on sustainable urbanisation in the region. The 7th Asia Pacific Urban Forum was held in Penang, Malaysia, in October 2019.

Pacific Urban Forum. Led by UN-Habitat Regional Office for Asia and the Pacific (ROAP) in cooperation with multiple stakeholders, the Pacific Urban Forum is a biennial forum that discusses the sustainable urban development challenges in this subregion. The 5th Pacific Urban Forum on 'Accelerating the implementation of the NUA to Achieve the SDGs in the Pacific' was held in Nadi, Fiji, in July 2019.¹⁶⁰ In August 2021, UN-Habitat ROAP organised the 2021 Virtual Pacific Urban Forum on the theme 'Accelerating the Pacific New Urban Agenda: Regional Progress and Priorities in 2021'.¹⁶¹

Other Regional Events. Apart from these forums organised by the UN agencies, other multilateral organisations, local government associations, knowledge institutions (universities and research institutions) organise regional level forums, conferences, symposia, and workshops that provide opportunities for city-to-city cooperation, exchange of urban solutions and mutual learning, and academic reflections. Some of these are listed below:

- Second Regional Partners Forum – '@Quito+5: Accelerating Action for Sustainable Urbanization in Asia and the Pacific', co-organised by ESCAP, UN-Habitat and Penang Platform for Sustainable Urbanization (online, October 2021).¹⁶²
- ASEAN Sustainable Urbanisation Forum 2021, co-organised by ASEAN and UN-Habitat (online, October 2021).¹⁶³
- 8th UCLG ASPAC Congress and International Conference: From Steady Recovery to Sustained Prosperity in Post COVID Asia Pacific (Zhengzhou, China, September 2021).¹⁶⁴
- Asia-Pacific Partnership for Disaster Risk Reduction Forum (online, December 2020).
- 39th Executive Committee Meeting of CityNet (online; October 2020).
- 3rd Asian Regional Conference on Peri-Urbanisation: Sustainable Urban-Rural Futures (Bhopal, India, December 2019).
- 1st Asia Pacific Urban Symposium: Transforming Sustainable Urban Development (Bangkok, Thailand, December 2019).
- 15th Asian Urbanization Conference – Urban Futures: Critical Transformations in Asian Cities (Ho Chi Minh City, Vietnam, November 2019).¹⁶⁵

¹⁶⁰ UN-Habitat (2019).

¹⁶¹ UN-Habitat (2021).

¹⁶² UN-ESCAP (2021f).

¹⁶³ ASEAN Sustainable Urbanisation Forum (2021).

¹⁶⁴ <https://uclg-aspac.org/en/8th-uclg-aspac-congress-and-international-conference/>

¹⁶⁵ Huong and Pomeroy (2021).

- 38th Executive Committee Meeting of CityNet (Lalitpur, Nepal, November 2019).
- 7th Asia-Pacific Urban Forum: APUF-7 (Penang, Malaysia, October 2019, ESCAP).
- 2nd International Forum on Low Carbon Development in Cities – representatives from Central Asia and Northeast Asia (Seoul, Republic of Korea, September 2019; CityNet and ADB).
- 5th ASEAN Mayors Forum (Bangkok, Thailand, August 2019).
- First Regional Networking Event at the UN Asia-Pacific Forum on Sustainable Development, organised by International Urban Cooperation – Asia Programme (Bangkok, Thailand, March 2019).
- International Strategy for Disaster Reduction Asia Partnership Forum (Bangkok, Thailand, December 2018).
- 37th Executive Committee Meeting of CityNet (Da Nang, Viet Nam, November 2018).
- International Seminar on Investing in Sustainable Urbanisation (Da Nang, Viet Nam, November 2018, CityNet).
- 7th UCLG ASPAC Congress: Innovation-Driven Development for Sustainable Cities (Surabaya, Indonesia, September 2018).
- Asian Ministerial Conference for DRR (Ulaanbaatar, July 2018).
- Bilateral City-to-City Cooperation between four Korean and 4 European cities, including Seoul, Busan, Suwon, Gwangju, Barcelona, Tampere, Eindhoven, and Scottish Cities Alliance, World Cities Project (Busan, April 2018, EU and CityNet)
- 14th Asian Urbanization Conference – SDGs in Asia (Bangkok, Thailand, January 2018).

(ii) Capacity development as an effective approach to formulate, implement, manage, monitor and evaluate urban development policies

In the Asia-Pacific region, there is growing recognition that for implementing the NUA and other global agendas, capacity development is an effective approach to formulate, implement, manage, monitor and evaluate urban development policies. *Accordingly, national governments have started to make transformative commitments for capacity development in their long-term policies and strategies.*

In response to the NUA, the Government of India has made transformative commitments towards reforming urban planning capacity in India. In September 2021, the NITI Aayog¹⁶⁶ Advisory Committee on 'Reforms in Urban Planning Capacity in India' submitted its recommendations, which include (i) programmatic interventions for planning healthy cities; (ii) programmatic intervention for optimum utilization of urban land; (iii) mainstreaming capacity-building activities and rejuvenation of capacity-building centres; (iv) re-engineering of urban governance; (v) revision of Town and Country Planning Acts; (vi) de-mystifying planning and involving citizens; (vii) enhancing the role of private sector; (viii) strengthening human resource and match demand–supply; (ix) building local leadership through a 'short-term training programme for city-level elected officials on the economic and social benefits of urban planning'; (x) ramping up of human resources; and (xi) ensuring qualified professionals for undertaking urban planning – a few of these are elaborated in **Box IV.2**.¹⁶⁷


Box IV.2. Reforms in Urban Planning Capacity in India

¹⁶⁶ NITI (National Institution for Transforming India) Aayog is 'the premier policy think tank of the Government of India, providing directional and policy inputs. Apart from designing strategic and long-term policies and programmes for the Government of India, NITI Aayog also provides relevant technical advice to the Centre, States, and Union Territories.' See: <https://www.niti.gov.in/content/overview>

¹⁶⁷ NITI Aayog (2021).

The recommendations of the NITI Aayog Advisory Committee on the Reforms in Urban Planning Capacity in India include:

- *Programmatic intervention for planning of healthy cities:* Every city must aspire to become a 'healthy city for all' by 2030. This would need a convergence of multi-sectoral efforts at the intersections of spatial planning, public health, and socio-economic development. Also, the focus of planning urban development must encompass not only the million-plus cities but also hundreds of small- and medium-sized towns. The Advisory Committee recommends a central sector scheme '500 Healthy Cities Programme', for a period of 5 years, wherein priority cities and towns would be selected jointly by the States and the local bodies.
- *Programmatic intervention for optimum utilization of urban land:* All the cities/towns under the proposed 'Healthy Cities Programme' should strengthen development control regulations based on scientific evidence to maximize the efficiency of urban land (or planning area). The Advisory Committee recommends a sub-scheme 'Preparation/Revision of Development Control Regulations' for this purpose.
- *Mainstreaming capacity-building activities and rejuvenation of capacity-building centres:* Concerted efforts are required by the States/Union Territories to ensure regular capacity building of their town planning staff. Also, the existing centres of excellence established by the Ministry of Housing and Urban Affairs and State-level training institutions need to be further strengthened to regularly build the skills and expertise of urban functionaries.
- *Re-engineering of urban governance:* The Advisory Committee recommends the constitution of a high-powered committee to re-engineer the present urban-planning governance structure. The key aspects that would need to be addressed in this effort would be: (i) clear division of roles and responsibilities among various authorities, appropriate revision of rules and regulations, etc., (ii) creation of a more dynamic organizational structure, standardisation of the job descriptions of town planners and other experts, and (iii) extensive adoption of technology for enabling public participation and inter-agency coordination.
- *Revision of Town and Country Planning Acts:* Most States have enacted the Town and Country Planning Acts, which enables them to prepare and notify master plans for implementation. These Acts provide a fundamental basis to transform cities, regions, and their character. However, many need to be reviewed and upgraded to the latest advancements in technology, urban and regional planning approaches and policies. Therefore, the formation of an apex committee at the State level is recommended to undertake a regular review of planning legislations (including town and country planning or urban and regional development acts or other relevant acts).
- *De-mystifying planning and involving citizens:* Due to the planning process being highly technocratic in nature, the public's participation in it is limited. While it is important to maintain the master plans' technical rigour, it is equally important to demystify them for enabling citizen participation at relevant stages. Therefore, the Advisory Committee strongly recommends a 'citizen outreach campaign' for demystifying and making urban planning more accessible.
- *Enhancing the role of private sector:* The private sector needs to be evolved to heighten its role and employment opportunities for planners. Adequate capacities for project planning, risk structuring and negotiating to enter public-private partnerships or manage private consultancies need to be built at various levels in the public sector. The Advisory Committee recommends that concerted measures must be taken at multiple levels to strengthen the role of the private sector to improve the overall planning capacity in the country. These include the adoption of fair processes for procuring technical consultancy services, strengthening project structuring and management skills in the public sector, and empanelment of private sector consultancies.
- *Strengthening human resource and match demand–supply:* The profession needs more structuring, skill-mapping, and data-basing of the workforce to bridge the gap between demand and supply. The Advisory Committee recommends the constitution of a 'National Council of Town and Country Planners' as a statutory body of the Government of India.



Also, a 'National Digital Platform of Town and Country Planners' is suggested to be created within the National Urban Innovation Stack of the Ministry of Housing and Urban Affairs. This portal is expected to enable self-registration of all the planners and evolve as a marketplace for potential employers and urban planners.

Source: NITI Aayog (2021, p.xviii-xxi).

The Government of Thailand has made **transformative commitments towards capacity development** in its 'National Strategy 2018-2037', which was drafted under the National Strategy Act (2017). The vision of the National Strategy is that "Thailand becomes a developed country with security, prosperity and sustainability in accordance with the Sufficiency Economy Philosophy".¹⁶⁸ The National Strategy focuses on six areas with related key strategies on: (i) security, (ii) competitiveness enhancement, (iii) developing and strengthening human capital, (iv) social cohesion and equity, (v) eco-friendly development and growth, and (vi) public sector rebalancing and development.¹⁶⁹ Key strategies (ii), (iv) and (v) include recommendations related to economic, social and environmental dimensions of cities and local communities. Capacity development features prominently in the National Strategy as an effective approach towards achieving the development goals including those related to cities and local communities.

At the subregional level in South-East Asia, the 'ASEAN Sustainable Urbanisation Strategy' has highlighted the critical importance of capacity development.¹⁷⁰ The lack of poor institutional, technical and implementation capacities in local governments, particularly those of secondary cities, is a major problem not only in South-East Asia but also across the Asia-Pacific region. The first-ever 'ASEAN Sustainable Urbanisation Report'¹⁷¹ (being jointly prepared by ASEAN and UN-Habitat), also underlines the lack of 'resource capacity', 'budget capacity' and 'planning capacity'. The fact that ASEAN Sustainable Urbanisation Strategy as well as ASEAN Sustainable Urbanisation Report underscore the importance of capacity development is a first major step towards addressing this critical gap at the subregional level.

(iii) Local government associations as promoters and providers of capacity development

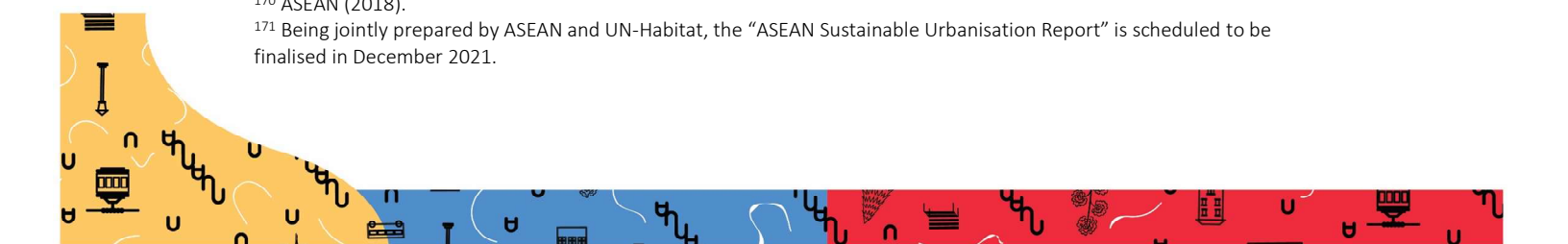
In the Asia-Pacific region, two regional and a multitude of national local government associations function as promoters and providers of capacity building on sustainable urban development, with particular emphasis on achieving SDGs and implementing the NUA. At the regional level, 'United Cities and Local Government – Asia Pacific' (UCLG ASPAC), and CityNet promote cooperation among local governments, and between local governments national and international stakeholders that are committed to sustainable urban development in the Asia-Pacific region. UCLG ASPAC, the Asia-Pacific section of UCLG, was established in April 2004, and is headquartered in Jakarta. Established with the support of ESCAP, UNDP and UN-Habitat in 1987, CityNet is a regional association of urban stakeholders committed to sustainable development in the Asia-Pacific region and is based in Seoul. The vision, mission, and mandates of these regional-level LGAs include supporting their members on knowledge exchange, promoting city-to-city cooperation, and capacity building on sustainable urban development. In


¹⁶⁸ NESDB (2019, p.5).

¹⁶⁹ NESDB (2019, p.7-9).

¹⁷⁰ ASEAN (2018).

¹⁷¹ Being jointly prepared by ASEAN and UN-Habitat, the "ASEAN Sustainable Urbanisation Report" is scheduled to be finalised in December 2021.





many countries, national-level LGAs are engaged in promoting knowledge exchange and building capacity of their members and other urban stakeholders.

In the Asia-Pacific region, some of the prominent national-level LGAs include: All **India** Institute of Local Self Government (AIILSG, established in 1926); Association of Cities in **Viet Nam** (ACVN); Association of **Indonesian** Municipalities (APEKSI); Municipal Association of **Nepal** (MuAN); Municipal Association of Urban Centres (MAUC) in **Mongolia**; and National Municipal League of **Thailand** (NMLT).¹⁷²

During the reporting period (2018-2021)¹⁷³, UCLG ASPAC and CityNet have supported a number of capacity building activities in the Asia-Pacific region, as follows:

Regional-level capacity building events:


- Training Programme on Climate Change and Cities (New Delhi, October 2019; Housing and Urban Development Corporation, India, and CityNet).
- Climate Financing Training, at 7th Asia-Pacific Urban Forum (Penang, Malaysia, October 2019, UCLG ASPAC).
- Peer-Learning Workshop on Building a Local Government Alliance for Localising New Urban Agenda and Sustainable Development Goals in Asia and the Pacific (Guangzhou, China, December 2018, UCLG ASPAC).
- Peer Learning Workshop in Building a Local Government Alliance for Localising the Sendai Framework for Disaster Risk Reduction 2015-2030 at the 7th UCLG ASPAC Congress (Surabaya, Indonesia, September 2018, UCLG ASPAC).
- Sustainable Urban Transportation for the NUA (Kuala Lumpur, July 2018; CityNet).
- Transport Strategy Workshop for Asian Cities (Seoul, July 2018; CityNet, Seoul Human Resource Development Centre, and the World Bank).


National-level capacity building events supported by UCLG ASPAC and CityNet:

- Indonesia--Leadership Ownership and Capabilities for Agenda 2030 Local Implementation and Stakeholder Empowerment (LOCALISE SDGs) (2020, EU, UCLG ASPAC and APEKSI).
- Indonesia--Capacity Building on Vulnerability and Climate Risk Analysis (Palembang, December 2019, EU & UCLG ASPAC).
- Indonesia--Capacity Building on GHG Inventory based on National GHG Inventory Framework (Palembang, November 2019, EU & UCLG ASPAC).
- Indonesia--LOCALISE SDGs (various cities, July-September 2019, EU, UCLG ASPAC and APEKSI).
- Malaysia--Climate Change Adaptation Training (Iskandar, Malaysia, March 2019, IUC & UCLG ASPAC).
- Indonesia--Building Local Governments Capacity in Fighting Fire (seven capacity building sessions for firefighting personnel), supported by Seoul Metropolitan Government, and the Government of Indonesia (5 Indonesian provinces and one regency, and Seoul, April-December 2018, UCLG ASPAC).
- India--Training on Leadership and Gender Equality for Improved Local Governance, supported by AIILSG (New Delhi, May 2018, UCLG ASPAC).

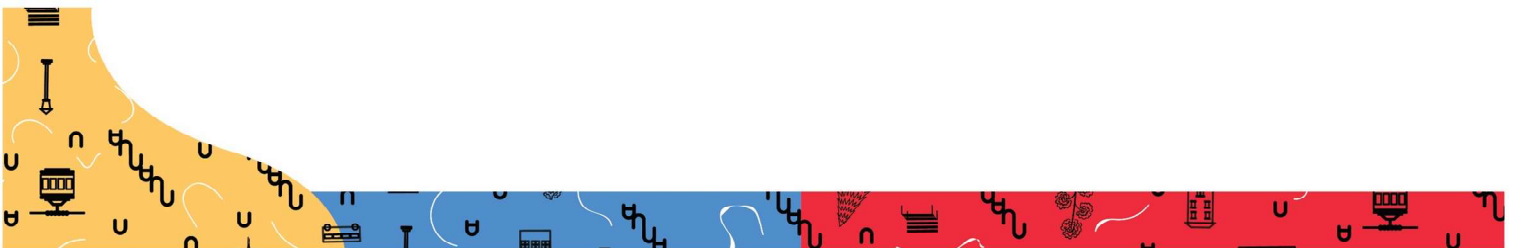
¹⁷² In the preparation of this Report, the Consultant browsed the Internet for information on the activities of AIILSG, ACVN, APEKSI, MuAN, MAUC and NMLT; however, no information was available for the NUA reporting period.

¹⁷³ At the time of writing this Report, both the UCLG ASPAC and CityNet websites carried their respective annual reports for 2018, 2019 and 2020. In other words, their annual reports for 2021 were not available at the time of writing of this (draft) Report.



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- Republic of Korea—City Energy and Climate Action: How to set targets and develop and plan – A training event for practitioners from local governments in Republic of Korea (Gwangju, March 2018, CityNet).

Challenges Experienced and Lessons Learned. There are three challenges here: First, the UCLG ASPAC and CityNet have been able to organise a number of regional- and national-level capacity building events in the in the Asia-Pacific region. However, they often have limited budgets for undertaking large-scale and systematic capacity building efforts. Second, the regional-level LGAs have a limited though gradually growing membership. As a result, they rely heavily on resource mobilisation from bilateral donors (the UN agencies and multilateral donors can provide only limited in-kind support to LGAs). This owes perhaps to the cash-strapped local governments in a majority of Asian-Pacific countries. Finally, in general, the regional- as well as national-level LGAs (with some exceptions) have limited institutional, technical and implementation capacity.





C. Innovation and technology

(i) User-friendly and citizen-centric digital platforms and governance tools

The Asian and Pacific countries have been developing and advancing with the use of user-friendly and citizen-centric digital platform and governance tools. This is particularly evident in two areas: (i) growing digital payments or cashless transactions; and (ii) development and use of mobile applications (or apps) for urban services.

Cashless Transactions. According to a report on ‘Asia-Pacific Online Payment Methods 2021 Post COVID-19’, Asia is the world leader in cashless transactions; further, during 2020-2025, it is projected that cashless transactions in Asia may grow at an average annual rate of 16 per cent.¹⁷⁴ In 2020, digital payments in the region surged during the COVID-19 pandemic.¹⁷⁵ This points towards the widespread and growing adoption of user-friendly and citizen-centric digital platform and governance tools in the Asia-Pacific region. In 2021, for instance, digital payments in Thailand quadrupled compared to those in pre-pandemic times; in 2019, the country recorded an average of seven mission daily cashless transactions, which have shot up to an average of 28 million in 2021.¹⁷⁶

Mobile Apps for Urban Services. The Asian-Pacific countries have been making efforts towards developing digital platforms and mobile apps to help their citizens make use of them for improved urban services. Three urban services have been made easier for citizens using mobile apps. First are the digital platforms that link urban users to taxi/cab services. Several Asian and Pacific countries have developed cab/taxi hailing mobile apps such as Didi in **China**, Ola in **India**, GO-JEK in **Indonesia**, and Grab in **Malaysia**.

Second are the mobile apps on solid waste management. For instance, in 2016, **China** launched the ‘Baidu Recycle’ app to tackle the problem of growing e-waste by connecting consumers, dismantlers and manufacturers.¹⁷⁷ The app has achieved success in helping improve the management of e-waste as it has been supported by the Government of China. In 2019, Sembcorp launched in Singapore the ‘ezi’ app that makes solid waste recycling more convenient to the users.¹⁷⁸

There are added benefits of using mobile apps for formalising informal workers engaged in solid waste collection and recycling. In recent years, several cities in **Indonesia** have started the use of solid waste collection apps that include: the E-Recycle app in Jakarta, the Rapel app in Yogyakarta and Central Java, the Kepul app in North Sumatera’s Medan, and the Octopus app in eastern Indonesia, Bali, and West Java.¹⁷⁹ The use of the apps and digital platforms in Indonesia has supported the process to “formalize the position of waste pickers by providing them with real job descriptions and training, giving them uniforms and proper equipment, and allowing them to generate a fair income. Some apps even include medical insurance.”¹⁸⁰

Finally, some countries are developing digital platforms to helping improve road travel, report potholes, and save lives. For instance, in 2017 in **India**, 3,600 people lost their lives due to potholes and many more were suffered grievous injuries. RoadMetrics is developing a digital

¹⁷⁴ Global News Wire (2021).

¹⁷⁵ Research and Markets (2021).

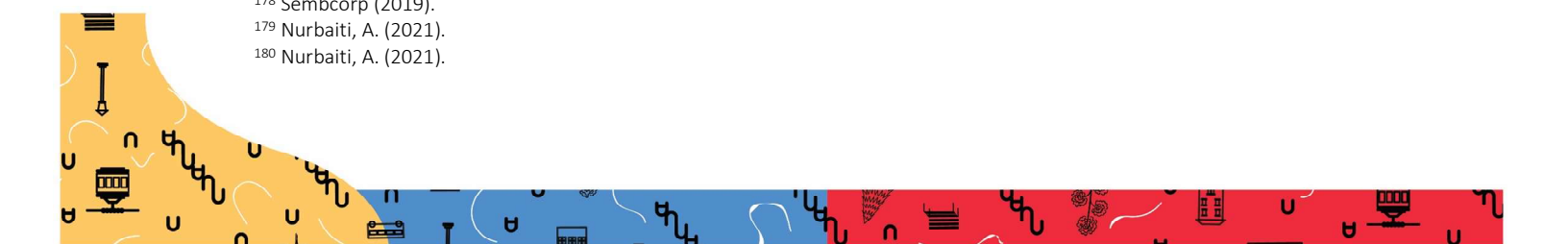
¹⁷⁶ Reuters (2021).


¹⁷⁷ UNDP (2016).

¹⁷⁸ Sembcorp (2019).

¹⁷⁹ Nurbaiti, A. (2021).

¹⁸⁰ Nurbaiti, A. (2021).





platform of the same name and its mobile app will guide the users of road conditions including potholes. The roads will be coded green, yellow, orange and red on a good-to-poor scale of the road condition. Earlier in 2016, mobile apps to report potholes were launched in two Asian countries. For example, in India, the mobile app 'Meri Sadak' (literally: 'My Road') was launched in August 2016.¹⁸¹ In **Malaysia**, citizens can use the 'Waze' app launched in October 2016 to report potholes in the Selangor state.¹⁸² Similarly, **Pakistan** is also developing a mobile app to identify potholes.¹⁸³

(ii) Frontier technologies and innovations to enhance shared prosperity of cities and regions

*The Asia-Pacific region has made **transformative commitments** towards and is surging ahead in developing and utilising frontier technologies and innovations to enhance shared prosperity of cities and regions.* These initiatives include national-level innovation ecosystems, city-level innovation ecosystems, and virtual cities and digital twins. These initiatives involve multiple stakeholders including national, sub-national and local governments, private sector, academia, local communities, professionals and practitioners.

National-level Innovation Ecosystems. In 2016, the Government of **India** launched the Atal Innovation Mission as its flagship initiative to create and promote a culture of innovation and entrepreneurship in the country. Its objective is "to develop new programmes and policies for fostering innovation in different sectors of the economy, provide platforms and collaboration opportunities for different stakeholders, and create an umbrella structure to oversee the innovation & entrepreneurship ecosystem of the country."¹⁸⁴ The Atal Innovation Mission builds on five pillars.¹⁸⁵ The first pillar is 'demographic dividend' as 65 per cent of the total population of India is below 35 years of age. Second pillar is 'infrastructure' as the country is investing heavily to support over 715 districts, more than 4,000 cities and over 600,000 villages. Third pillar focuses on 'demand' as the country has over 1.3 billion population, an expanding middle class, and one of the fastest growing economies in the world. Fourth pillar concentrates on 'technology' as the information technology (IT), information technology enabled services (ITES), and biotechnology industry in the country have shown their scientific, engineering and technological prowess and capabilities. The fifth and final pillar is 'socio-economic growth' as India needs to support its 22 per cent population living below poverty line, many districts with unacceptable rates of infant and maternal mortality, and only 13 per cent of women entrepreneurs.

The Atal Innovation Mission takes a holistic approach and includes six components:¹⁸⁶ (i) Atal Tinkering Labs at school level, which has supported over 8,700 labs with the engagement of over seven million students. (ii) Atal Incubation Centres at university, institutional, and industry level, which has developed 70 such centres and created over 70,000 jobs; (iii) Atal Community Innovation Centres that support unserved and under-served regions of India; (iv) Atal New India Challenges to create product and service innovations with national impact; (v) Applied Research and Innovation for Small Enterprises (ARISE) to stimulate micro, small and medium enterprises industry related innovation; and (vi) Mentor of Change (with over 5,000 mentors) who provide mentorship and partnerships with public, private sector, NGOs, academia, and other institutions.

¹⁸¹ Auto Car India (2016).

¹⁸² Irran, S. (2016).


¹⁸³ The Express Tribune (2021).

¹⁸⁴ Atal Innovation Mission (2021).

¹⁸⁵ Ramanan et al (2020, pp.12-13).

¹⁸⁶ Ramanan et al. (2020, p.13-14.) and Atal Innovation Mission (2021).





The Atal Innovation Mission has supported over 2,200 start-ups including 625 led by women entrepreneurs.

National-level innovation ecosystems have been initiated and are in various stages of development in Asian countries such as **Armenia**,¹⁸⁷ **China**,¹⁸⁸ **Bangladesh**,¹⁸⁹ **Myanmar**,¹⁹⁰ **Nepal**,¹⁹¹ **Singapore**,¹⁹² **Thailand**,¹⁹³ and **Viet Nam**.¹⁹⁴ In the **Pacific subregion**, some countries, such as **Fiji**, are in more advanced stages of developing national ecosystems than others. The UN and international development agencies and academia have made efforts to support the entrepreneurship and innovation agenda in the Pacific.¹⁹⁵

City-level Innovation Ecosystems. In some Asian-Pacific countries, cities have initiated and developed their own innovation ecosystems. For instance, **China** has 19 city-level innovation ecosystems which are ranked in the following (descending) order: Beijing, Shanghai, Shenzhen, Hangzhou, Guangzhou, Nanjing, Chengdu, Tianjin, Wuhan, Suzhou, Chongqing, Changsha, Hefei, Xi'an, Dongguan, Guiyang, Foshan, Zhuhai, and Zhengzhou.¹⁹⁶ International development banks, such as the ADB, have been supporting the development of city-level innovation ecosystems. One such effort has been made in Chongqing city, located in the Yangtze River Economic Belt, which has seen its urban economic growth decline in recent years. In the design of the ADB-financed 'Chongqing Innovation and Human Capital Development Project'¹⁹⁷ (US \$200 million loan project), Cities Development Initiative for Asia trust fund supported five important assessments: (i) socio-economic assessment of Chongqing and the Yangtze River Economic Belt region; (ii) socio-economic assessment of Chongqing and the Yangtze River Economic Belt region; (iii) innovation assessment of Chongqing; (iv) higher education assessment; and (v) innovation and entrepreneurship education assessment.¹⁹⁸ These assessments helped to improve the design of the 'Chongqing Innovation and Human Capital Development Project' towards building an 'inclusive innovation ecosystem' (**Box IV.3**).

Box IV.3. People-focused Economic Development in Chongqing, China: Building an Inclusive Innovation Ecosystem

Cities Development Initiative for Asia's (CDIA) interventions in the design of the ADB's 'Chongqing Innovation and Human Capital Development Project' (the Project) proposal helped the Project to focus on a socially inclusive vision, which will help address the current skills mismatch between the needs of Chongqing's enterprises and the labour force. The revised Project is designed to develop an ecosystem in which all types of innovation entities – enterprises, research institutes, colleges and universities, social organizations, government departments and others – interact in a coordinated way, thus promoting an open, smooth and efficient innovation network.

The Project includes six subprojects: (i) Chongqing Jiaotong University – 'Science and Technology Innovation and Engineering Training Base'; (ii) Chongqing University of Science

¹⁸⁷ Yushkevich, N. (2019).

¹⁸⁸ Deloitte China (2019).

¹⁸⁹ The Financial Express (2021).

¹⁹⁰ GSMA (2019).

¹⁹¹ Gautam (2020).

¹⁹² See: Singapore Economic Development Board (2021) and Chua and Nakamura (2020).

¹⁹³ Startup Thailand (2021).

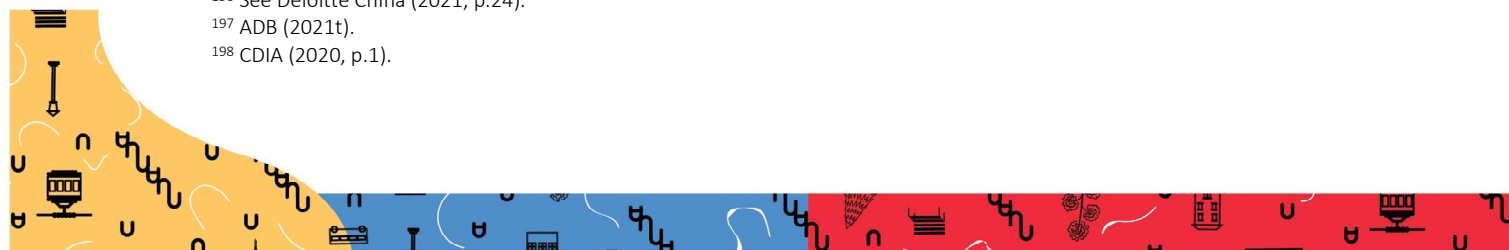
¹⁹⁴ Austrade (2019).

¹⁹⁵ See: UNDP, University of the South Pacific, and AusAid (2019); University of the South Pacific (2021).

¹⁹⁶ See Deloitte China (2021, p.24).

¹⁹⁷ ADB (2021t).

¹⁹⁸ CDIA (2020, p.1).



and Technology – Science and Technology Innovation Education Base; (iii) Chongqing Sanxia Vocational College – Smart Agriculture Innovation and Open Practice Platform; (iv) Chongqing Vocational Institute of Engineering – Intelligent Manufacturing and Intelligent Logistics Sharing Platform Construction; (v) Changshou – International Cooperation Industrial Park Innovation Base Development; and (vi) Dianjiang – Returning Home Entrepreneurship and Employment Demonstration Park Development.

In addition to developing the concept of the innovation ecosystem, CDIA's support for the subprojects involved analysing the specific circumstances of each educational institution and industrial park/Technical and Economic Development Area (TEDA), engaging in debate, and providing a broader perspective on industrial transformation. This led to significant conceptual development and revision of the subprojects, resulting in a shift in the Project's orientation, from the simple provision of additional buildings to a more holistic and integrative approach, focused on developing and attracting talented people to engage in entrepreneurship and innovation.

As well as promoting innovation in industry, the revised Project also seeks to encourage colleges and universities to accelerate their reforms to introduce heuristic, inquiry-based, research-based, and practical teaching methods, and promote a more efficient two-way flow of researchers between research institutions, universities, and enterprises.

By 2027, the Project will enable at least 8,000 graduates – at least 25% of them women – to gain employment in strategic emerging industries in Chongqing. It will also enable at least 600 skilled technicians – at least 25% of them women – who work in enterprises and R&D institutions in the Changshou and Dianjiang TEDAs to gain improved entrepreneurial skills.

With the support and guidance of the Chongqing Municipal Government and the district governments involved, the Project is likely to set an example of the effective integration of vulnerable groups with education, capital, technology, philosophy, and management to enable a unique and inclusive innovation ecosystem. It is also hoped that this pilot project will provide a strong driving force for green industrial transformation in Chongqing – and that the inclusive innovation ecosystem concept will be replicable in other cities in the Yangtze River Economic Belt, particularly in the middle and upper reaches of the Yangtze, and elsewhere in China and the Asia Pacific Region.


Source: Cities Development Initiative for Asia (2020).

Virtual Cities and Digital Twins. Some cities in the Asia-Pacific region are in different stages of developing their 'virtual cities' and 'digital twins'. Championed by its Prime Minister's Office, **Singapore** has been developing the 'Virtual Singapore', which is a 'dynamic three-dimensional (3D) city model and collaborative data platform' of the city.¹⁹⁹ "When completed, Virtual Singapore will be the authoritative 3D digital platform intended for use by the public, private, people and research sectors. It will enable users from different sectors to develop sophisticated tools and applications for test-bedding concepts and services, planning and decision-making, and research on technologies to solve emerging and complex challenges for Singapore."²⁰⁰ Government agencies are now working on developing the Singapore's 'digital twin'. In **Japan** and **China**, cities such as Tokyo and Shanghai have developed their respective 'digital twins'.²⁰¹ "A digital twin refers to a realistic representation of what exists in the physical world (real world) in a digital space. It is a technology that enables realistic simulations by building structures and operating conditions of real space in virtual space. With the spread of IoT, data acquisition of

¹⁹⁹ National Research Foundation (2021).

²⁰⁰ National Research Foundation (2021).

²⁰¹ Unreal Engine (2021); Savage (2020).



all objects has become possible, and the technology of digital twins has also evolved dramatically.”²⁰²

(iii) Capacity of all levels of government and the civil society in the collection, disaggregation, and analysis of data

Metropolitan Indicators Initiative. *Barcelona-based Metropolis has made a transformative commitment by launching its ‘Metropolitan Indicators’ initiative to collect, compile and periodically analyse data on its member cities.* This initiative is part of Metropolis Observatory and supports the organization’s vision: “‘Metropolis for and by people’ where participatory and effective metropolitan governance fosters economic development, sustainability, social cohesion, gender equality and quality of life.”²⁰³ The overall objectives of the ‘Metropolitan Indicators’ initiative are threefold: Develop a coherent and comparable system of metropolitan indicators; Build a data base with gender perspective; and Create a methodology that allows us to identify metropolitan territories.”²⁰⁴ According to Metropolis, these “[i]ndicators try to respond to a substantial data challenge faced by a global comparative research on metropolitan activities. By proposing this system of indicators, Metropolis seeks to generate new empirical insights about the metropolitan realities across the world, comparable across jurisdictions.”²⁰⁵

Since the launch of ‘Metropolitan Indicators’ initiative in June 2019, Metropolis has collected and compiled data on 38 metropolitan indicators on 71 metropolitan space where 82 Metropolis members operate.²⁰⁶ Based on the analysis of these data, Metropolis has prepared two regional metropolitan reports on Africa and Asia respectively.²⁰⁷ By supporting the ‘Metropolitan Indicators’ initiative, Metropolis has started a process that has the potential to build capacity of metropolitan city governments towards collecting, compiling, updating and managing a system of indicators that would be useful in analysing future trends and innovative developments in metropolitan governance worldwide.

Asian Metropolitan Report. Launched in November 2021, Metropolis’s first-ever ‘Asian Metropolitan Report’ analyses the status of metropolisation of 28 Asian territories where 35 of its members operate.²⁰⁸ It analyses a set of 38 indicators grouped under five categories: ‘context and governance’, ‘economic development’, ‘social cohesion’, ‘environmental sustainability’, and ‘quality of life’. To mainstream gender equality into the research, its analysis has been incorporated into the five categories. The report includes relevant examples from Metropolis member cities in Asia and is supported by 40 figures include maps and graphs. The preparation of the first-ever Asian Metropolitan Report has set a benchmark against which to measure future progress to be achieved in relation to the SDGs, the New Urban Agenda, and the other international development agendas.

²⁰² Smart City Korea (2021).

²⁰³ Metropolis (2020, p.17).

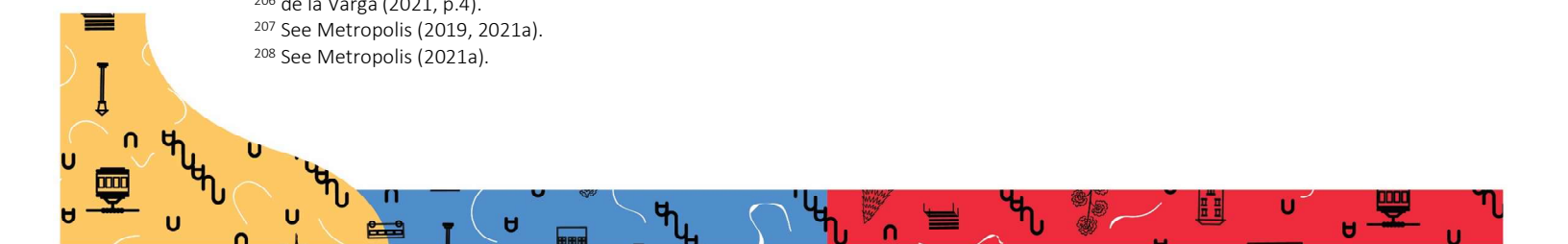
²⁰⁴ Metropolis (2021b).

²⁰⁵ Metropolis (2021b).

²⁰⁶ de la Varga (2021, p.4).

²⁰⁷ See Metropolis (2019, 2021a).

²⁰⁸ See Metropolis (2021a).





V. Concluding Remarks and Lessons for Policy

A. Concluding Remarks

The following are a few concluding remarks based on the findings of this report.

1. Implementation of the NUA in Asia and the Pacific requires enormous efforts by the Member States. This is because, in 2022, the region has a large urban population of estimated 2.48 billion.²⁰⁹ This report shows that the Member States have made a number of transformative on: (i) social inclusion and ending poverty, (ii) inclusive urban prosperity and opportunities for all, and (iii) environmentally sustainable and resilient urban development. However, challenges related to these three areas abound in the region, and Member States will need to step up their efforts towards the implementation of the NUA.

2. At the national level, countries in the Asia-Pacific region have focused more on infrastructure development and service provision compared to policy reform. This is due to the fact that the Member States have focused on achieving sustained economic growth. During the reporting period (2018-2022), some countries have started to link infrastructure investments to urban policy reform in the region. However, more needs to be done in this direction.

3. Member States have been setting up subnational funds to support urban infrastructure investments in small- and medium-sized cities and towns. This is the case in Cambodia and Indonesia where multilateral development banks have supported the establishment of such subnational funds. However, small- and medium-sized cities and towns need enormous investments in infrastructure development as they are likely to experience higher demographic growth compared to metropolitan and megacities. They also require support for institutional, financial, and technical capacity development.

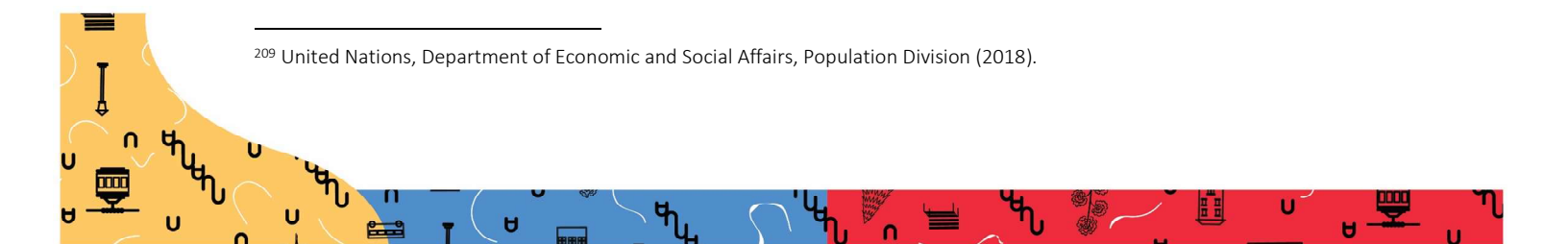
4. Member States have been taking numerous initiatives towards implementing the NUA but there is little monitoring and reporting. Some reporting on the initiatives and achievements on sustainable urban development is made under SDG11 in the VNRs. However, this report shows that compared to the initiatives and achievements, there is little systematic reporting on the NUA.


B. Lessons for Policy

The following points summarise the key lessons for policy with regard to the implementation of the NUA in Asia and the Pacific.

1. More integrated approaches are needed towards the implementation of NUA in the Asia-Pacific region. Integration of the three key dimensions – economic, social, and environmental – is required for achieving sustainable urban development. Accordingly, urban policies, strategies and programmes are needed that can deliver sustainable urban development outcomes by integrating efforts on the three dimensions of the NUA. As the COVID-19 pandemic unfolds, Member States will need to come up with integrated and innovative approaches to address multiple challenges.

²⁰⁹ United Nations, Department of Economic and Social Affairs, Population Division (2018).



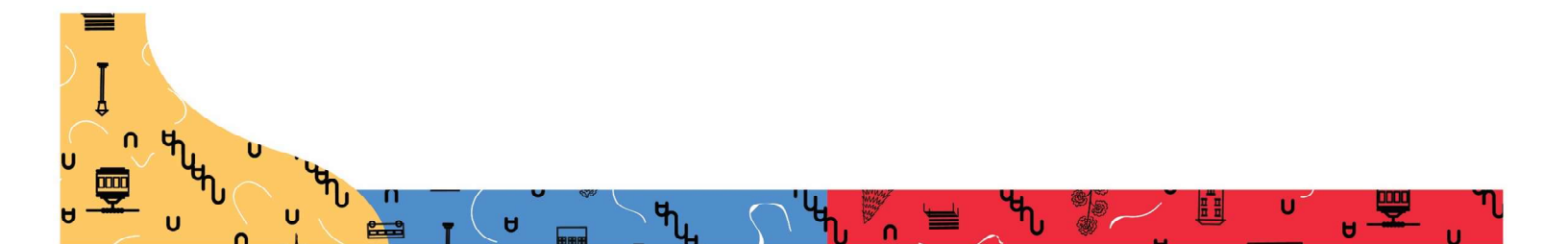


2. For the effective implementation of the NUA in Asia and the Pacific, Member States need to keep up their efforts towards improving urban governance structure, and planning and managing urban development. Outdated urban governance structures and planning systems are huge impediments in managing rapidly growing cities and towns. As cities and towns grow demographically, they will require continuous improvements in their governance as well as urban and territorial planning in the Asia-Pacific region.

3. Although Member States in the Asia-Pacific region have taken several initiatives as ‘means of implementation’ of the NUA, a lot more work needs to be done. Local governments in several countries need enormous financial support for urban infrastructure investments. Small- and medium-sized cities and towns require institutional and technical capacity development. And though many cities in the Asia-Pacific region have taken initiatives to promote innovation and utilise technologies, including ICTs, there are many other cities that have been lagging in this crucial area of urban economic development and management. Therefore, Member States will do well to pay more attention to the ‘means of implementation’ of the NUA going forward.

4. For the better implementation of NUA in Asia and the Pacific, its recommendations need to be integrated into national development policies. Further, urban policy makers should be able to demonstrate that the implementation of NUA leads to sustainable development at national, subnational, and local levels. This may require some applied research as well as policy dialogue to be led by the relevant ministries focusing on urban development and housing.


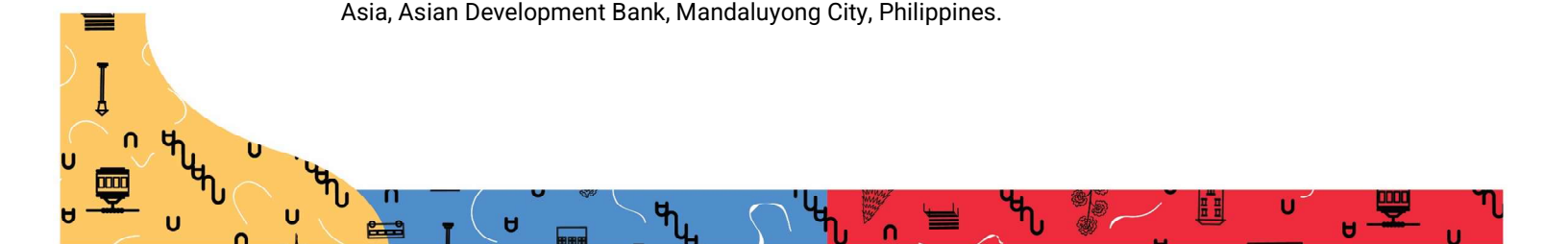
5. There is an urgent need to strengthen the monitoring of and reporting on the implementation of NUA in the Asia-Pacific region. Until the finalisation of this report, only two countries – Indonesia and Lao PDR – had submitted their national reports on the implementation of the NUA. As evident from this report, Member States have made numerous transformative commitments, taken initiatives, and made, and have been making, enormous infrastructure investments – all of which contribute to the implementation of the NUA. However, the little formal reporting on these commitments and achievements leaves a lot to be desired. Improving monitoring and reporting on the implementation of the NUA may require capacity development at multiple – including national, subnational, and local, levels. This needs to be addressed moving forward.




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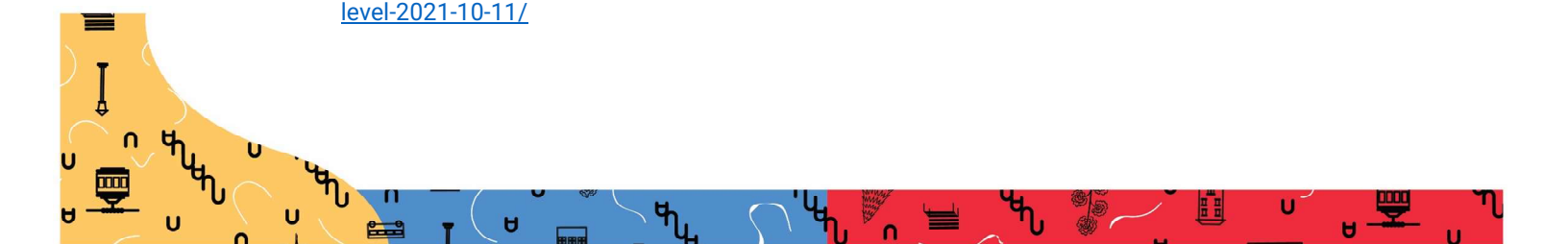
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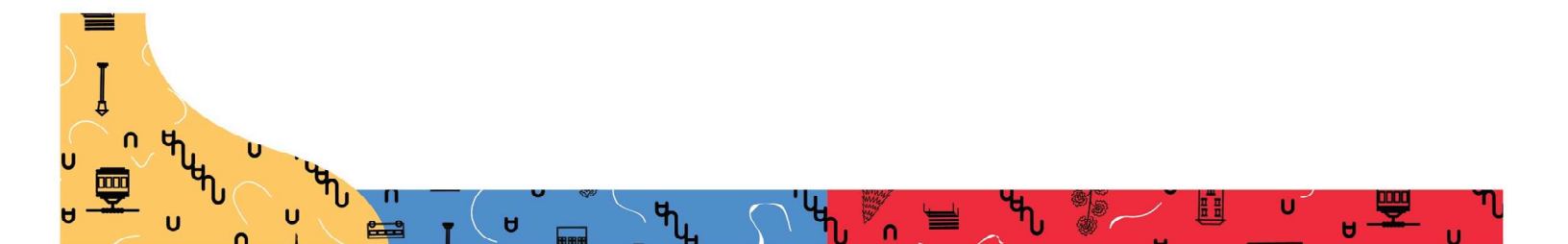
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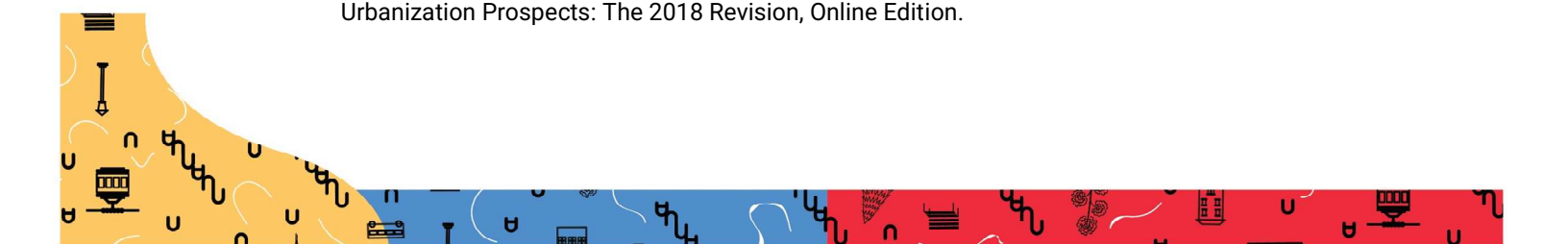
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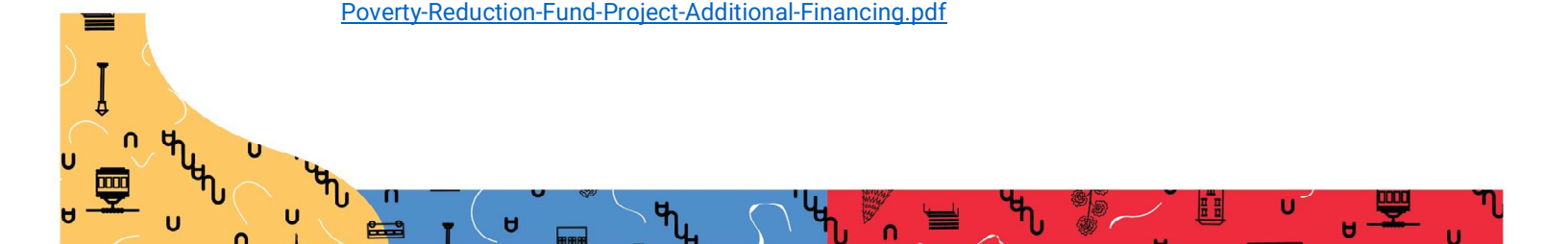
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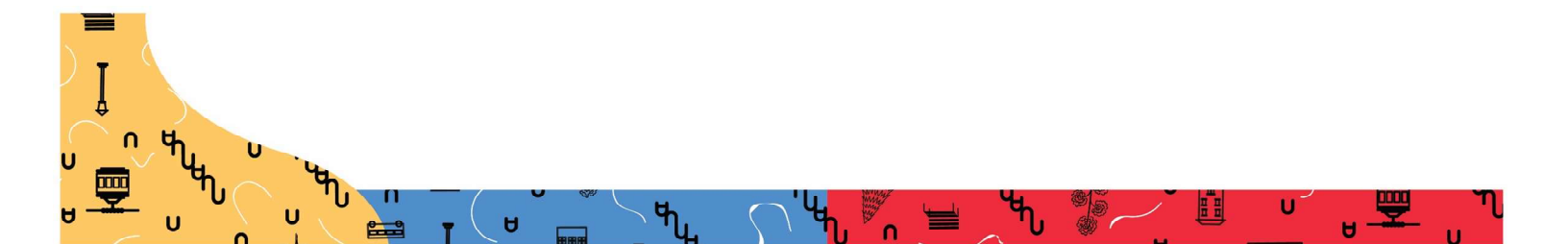
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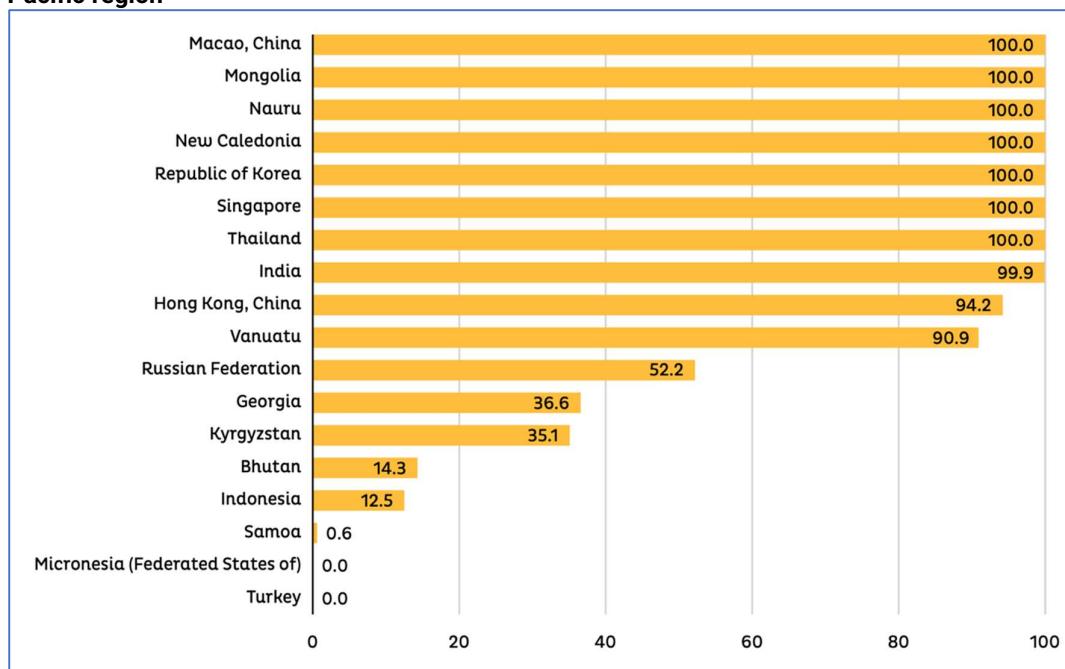
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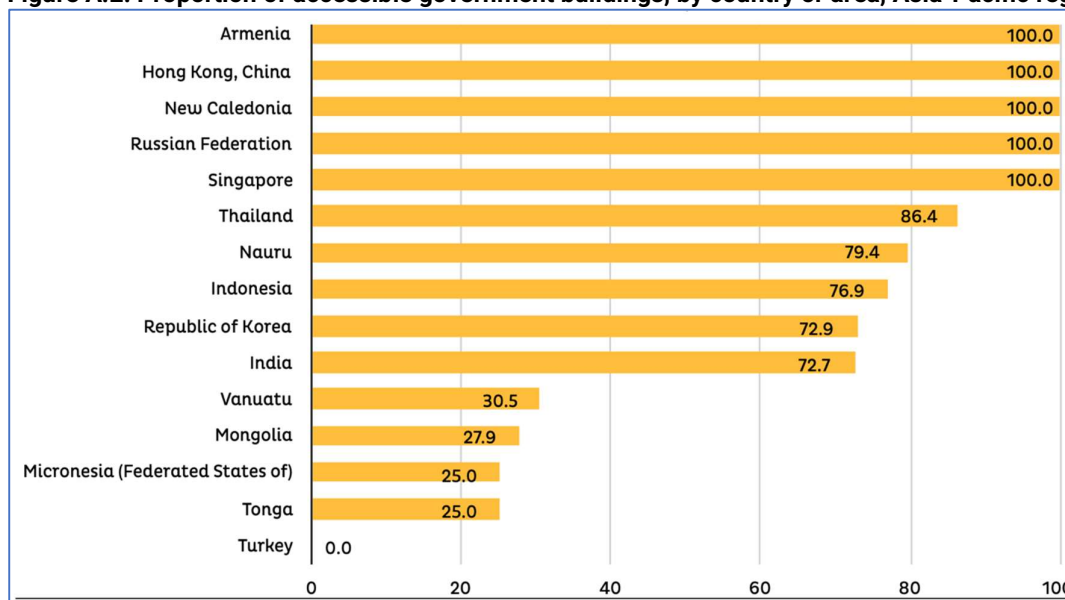
Appendices

Figure A.1. Proportion of accessible polling stations in national capitals, by country or area, Asia-Pacific region



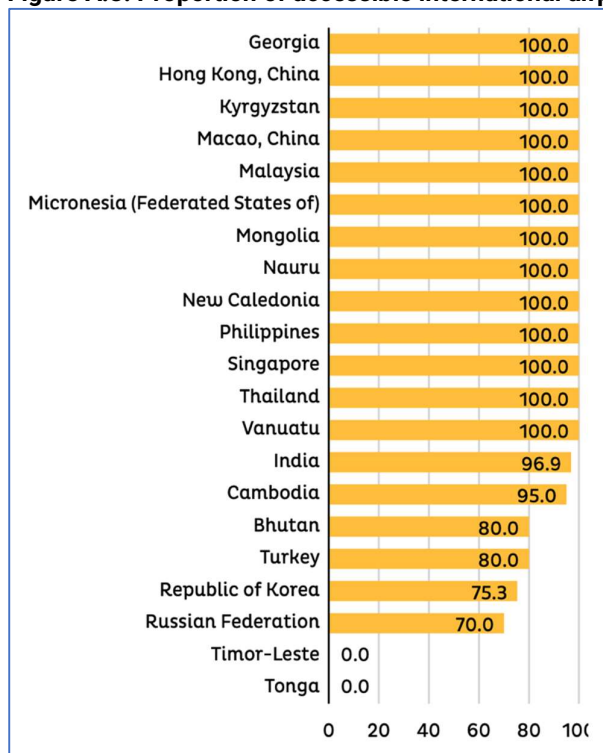
Source: ESCAP (2019), p.43.

Figure A.2. Proportion of accessible government buildings, by country or area, Asia-Pacific region



Source: ESCAP (2019), p.44.

Figure A.3. Proportion of accessible international airports, by country or area, Asia-Pacific region



Source: ESCAP (2019), p.45.

Figure A.4. Government support to income or revenue (percentage of total COVID-19 policy expenditure)



Source: ILO (2020b, p.52).