



IMPLEMENTING
THE NEW
URBAN AGENDA
IN THE PACIFIC

pu f5

PRESENTATIONS SIDE EVENT 4

SIDE EVENT 4:

Spatial development challenges of Pacific Island Countries

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PACIFIC ISLANDS
FORUM SECRETARIAT

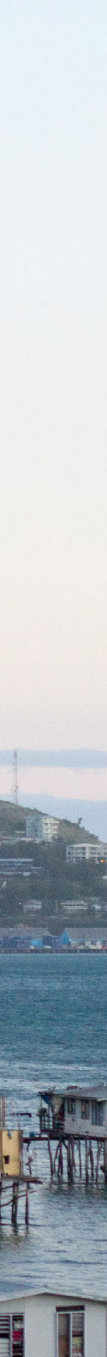
rise
REVITALISING INFORMAL
SETTLEMENTS AND
THEIR ENVIRONMENTS



PARTICIPATORY
SLUM UPGRADING



compass
housing services



SIDE EVENT 4:

Spatial development challenges of Pacific Island Countries

Day 2 (2 July, 2019. Nadi, Republic of Fiji).

Organized by: The World Bank

Moderator: Mr. Robert Utz - Lead Economist and Program Leader, World Bank

Speakers:

- Mr. Darian Naidoo, Poverty Economist, World Bank,
- Mr. David Craig, Senior Governance Consultant, World Bank
- Ms. Artessa Saldivar-Sali, Senior Municipal Engineer, World Bank

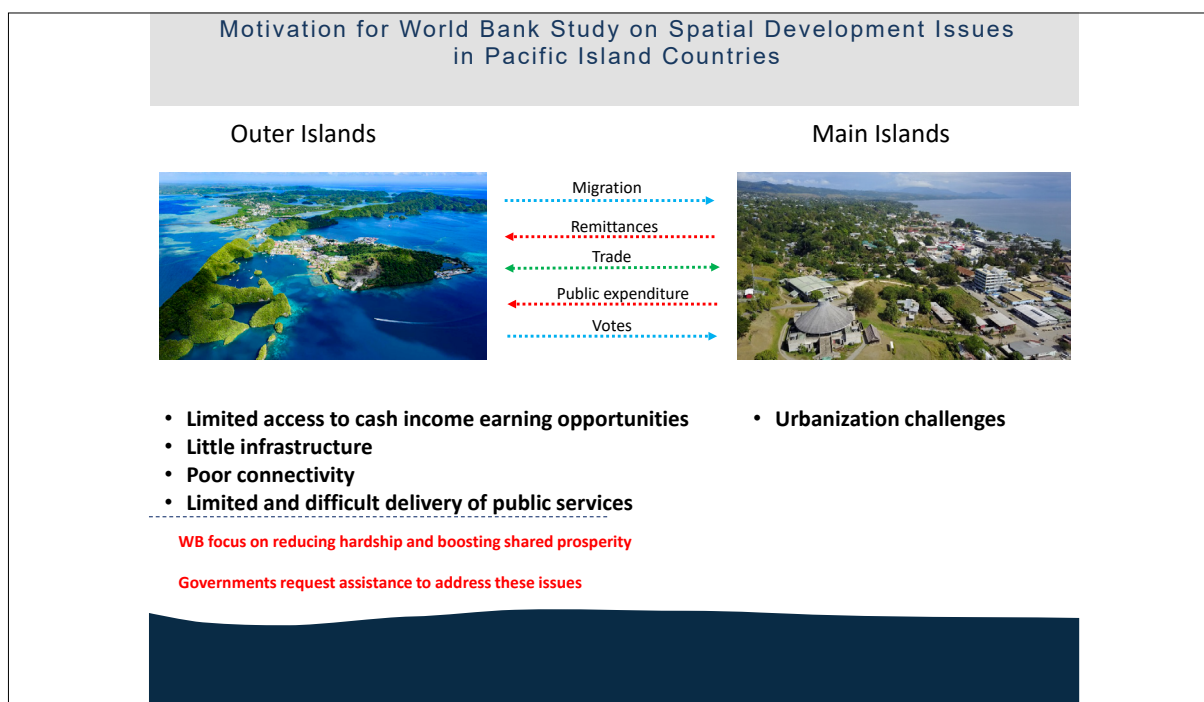
Pacific Island Countries have very unique geographic characteristics which include extreme remoteness, small land-masses and populations dispersed over a large number of islands and vast ocean areas, vulnerability to economic shocks, and environmental fragility.

The dispersion of small populations over a large number of islands which are often remote from the capital raises a range of questions which an ongoing study by the World Bank is examining. These include

- Spatial dimensions of socio-economic development and hardship in the Pacific
- The role of political institutions in shaping Pacific Island Countries spatial development agenda
- Challenges of service delivery and investment in remote areas and on the outer islands
- Migration and urbanization as mechanisms to improve standards of living

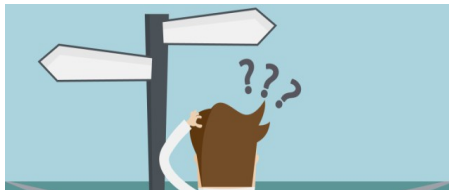
SPATIAL DEVELOPMENT CHALLENGES IN THE PACIFIC ISLAND COUNTRIES

Robert Utz, Program Leader and Lead Economist, The World Bank



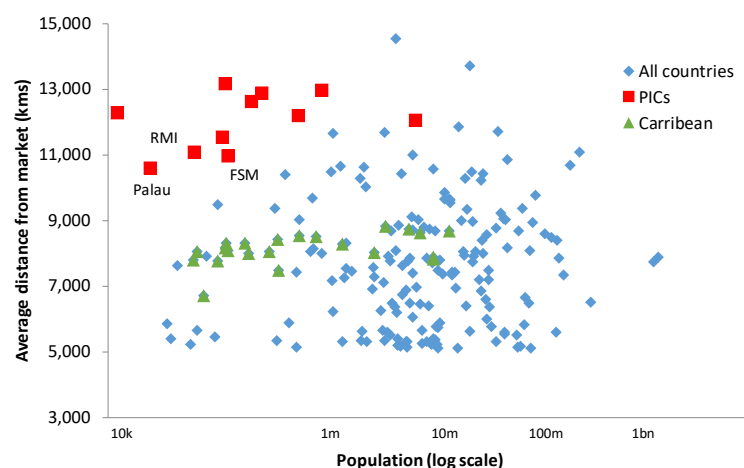
Objectives of World Bank Study on Spatial Development Issues in Pacific Island Countries

- Deepen understanding of spatial inequalities in socio-economic development of Pacific Island Countries

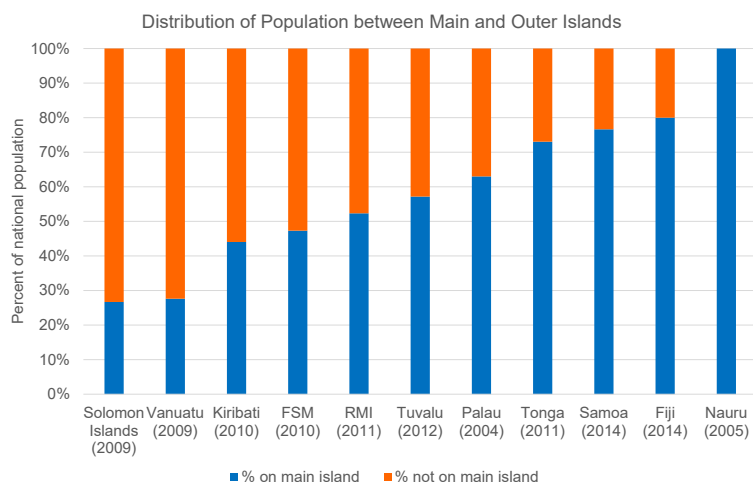


- Review policy and investment options for fostering the socio-economic development of **outer islands populations**

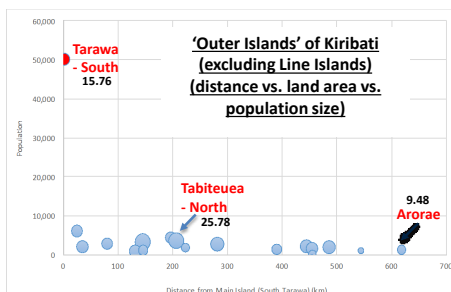
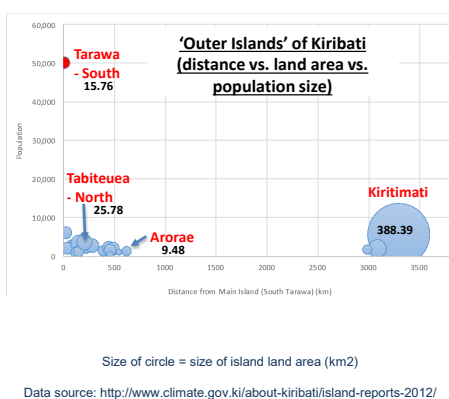
PICs are unique with respect to distance and size



... and with respect to geographic dispersion



Kiribati: distance from main island



Socio-economic development gaps raise important policy questions

- How to address spatial inequalities with respect to socio-economic development and hardship
- What are the trade-offs between investing on OIs vs investing on islands with higher population density?
- What role does (internal) migration play and what are the policy options to respond to internal migration?
- What are cost efficient ways of providing services on OIs?



Spatial development concepts provide helpful directions for understanding the situation in Pacific Island countries...

Spatial concepts	Characteristics and focus
Urban - rural	Each category considered to represent distinct development issues - focus on urban management and rural development
Leading-lagging regions	Focus on spatial differences in productivity, with some areas of the country able to produce goods and services that are internationally competitive Facilitate movements of people and capital to where the greatest opportunities are
Remote and low population density areas	Focus on challenges of service delivery (e.g., Sahel, Australia)

...but need to focus on
particularities of archipelagic
small island states.

Spatial concepts

Characteristics and focus

Main-outer island

- Geography implies limited private sector production of tradables and elevated cost of public service delivery on main island and even more so on outer islands.
- Main island stands out as seat of government and connector to rest of the world through air and sea connectivity which are key sources of employment and cash income.
- Aid, resource rents, and remittances (and in a few cases tourism) as the main sources of foreign exchange.
- Political process determines how aid and resource rents are divided between main and outer islands (in the form of public services, infrastructure, transfers and subsidies).

• "Islandness" adds additional challenges in

Focus areas of WB study

1. **Spatial dimensions of socio-economic development and hardship indicators**
2. Spatial policies and decision making framework
3. **Political Economy of spatial policies**
4. Internal migration
5. Interisland connectivity (sea, air, ICT)
6. Health and education service delivery on outer islands
7. Livelihoods on outer islands
8. **Urban settlements and resilience**



Agenda

1) Introduction	Robert Utz, Program Leader and Lead Economist, WB
2) Spatial Dimension of Socio-Economic Development in Pacific Island Countries	Darian Naidoo, Economist, WB
3) Political Economy of Spatial Development in the Pacific Island Countries	David Craig, Consultant, WB
Q&A	All
4) Affordable and resilient settlements in Port Vila metro area	Colleen Butcher-Gollach, Consultant, WB
Q&A	All



WORLD BANK GROUP

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AFFORDABLE & RESILIENT URBAN SETTLEMENTS



Urban Settlements in PICs – What we know from national statistical databases



Clustering and Prosperity

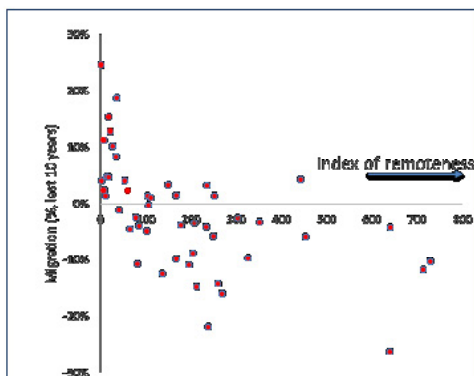


Clustering - Migrants move to less remote islands

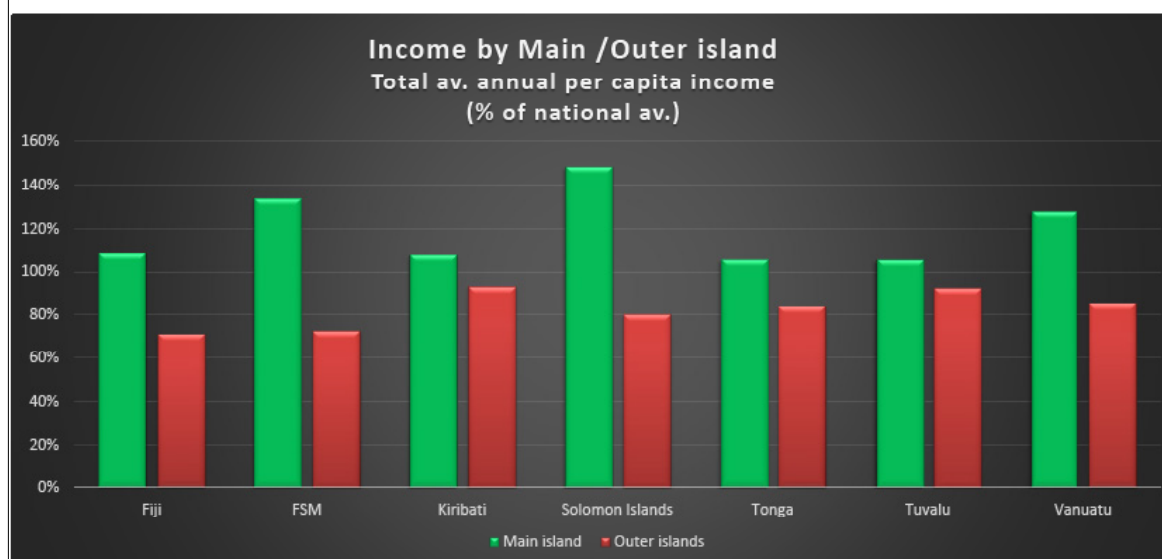
Positive economic effects of clustering (agglomeration)

- o Deeper networks of buyers/suppliers and specialized inputs (sharing)
- o Finding the right worker, supplier, investor (matching)
- o Knowledge spillovers (learning)

(Marshall, 1890; Deichmann, 2016)

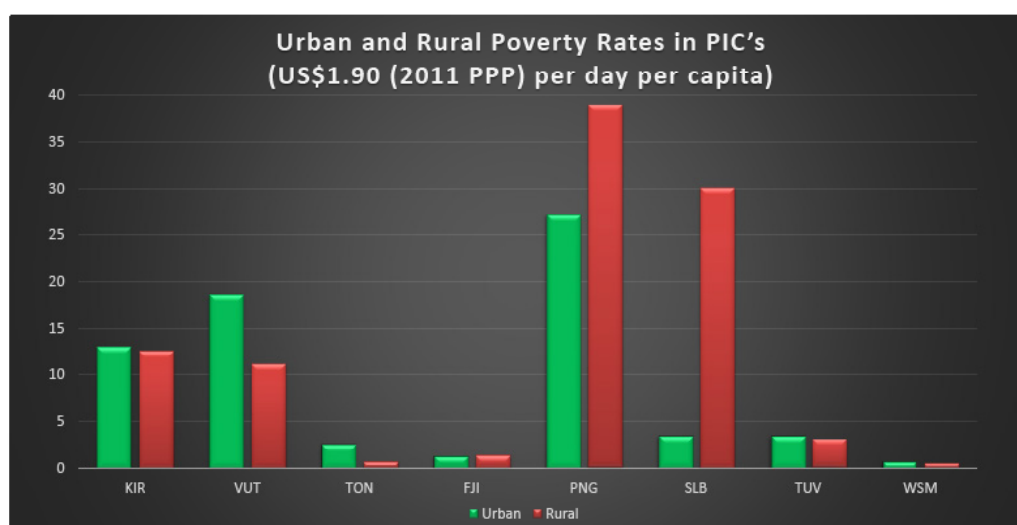


Primary driver: urban-rural income differential



5

Poverty is not solely a rural condition – Urban areas do not make people poor but they attract poor people looking for opportunities

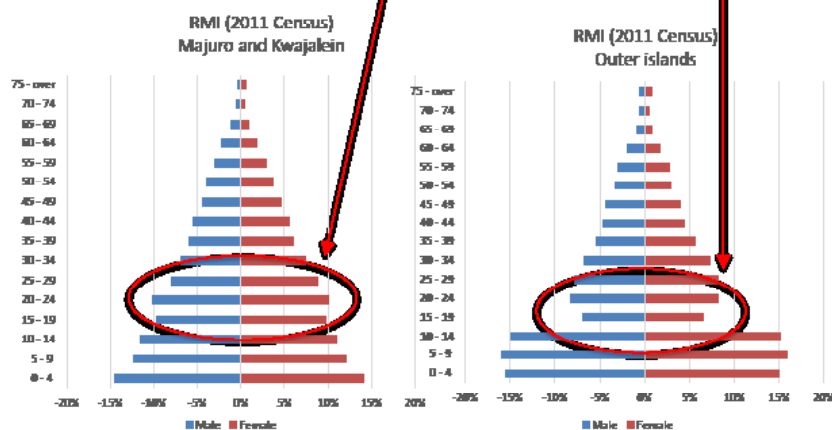


Source: Estimates reported in Poverty and Equity Briefs 2019, based on most recently available HIES data

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Urban growth - also a function of high natural population growth rates

'Missing middle' people of working age in outer islands ... migrate to islands with job opportunities (urban)

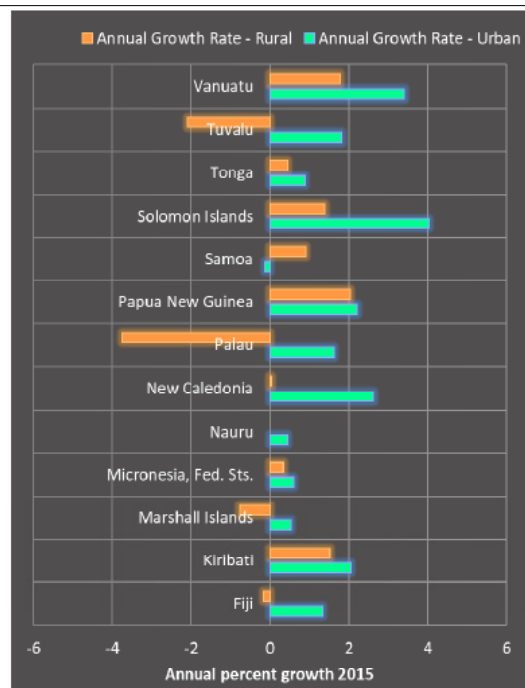


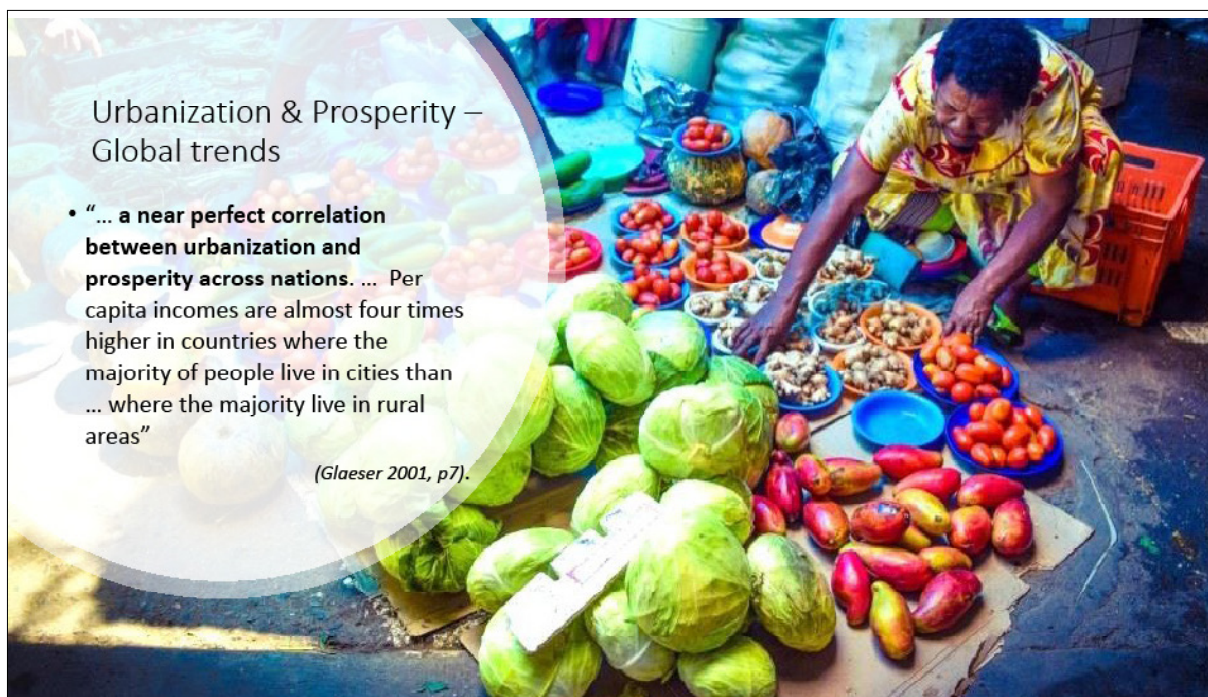
e.g. 120-150 new plots are needed in South Tarawa every year to keep up with natural population growth

7

Clustering | Urbanization is not a new phenomenon in PICs

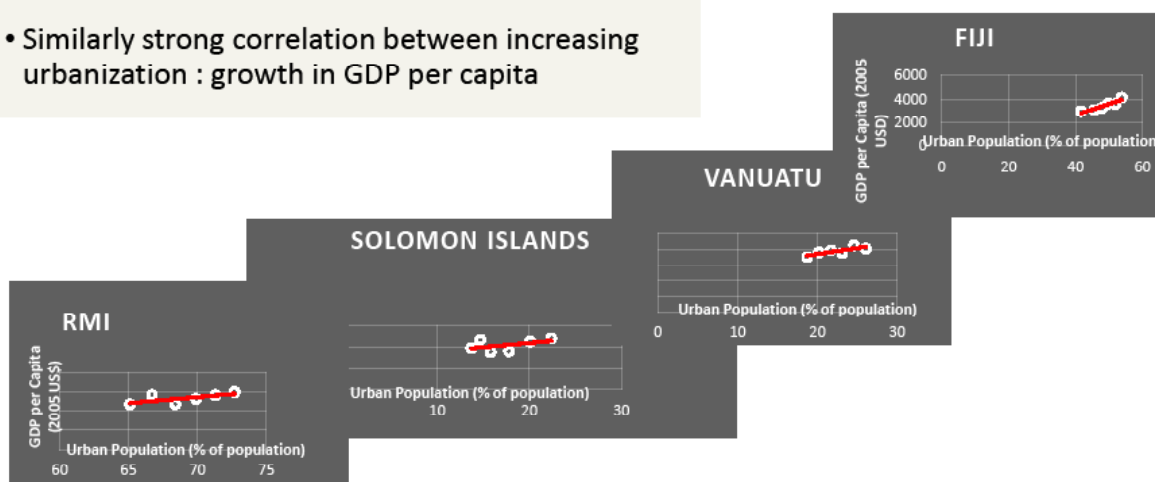
- In the past 30 years, urban growth rates > rural growth rates in all PICs except FSM, Samoa & French Polynesia
- Not a new phenomenon (stability & permanence?)





Urbanization & Prosperity – Pacific trends 1990-2015

- Similarly strong correlation between increasing urbanization : growth in GDP per capita



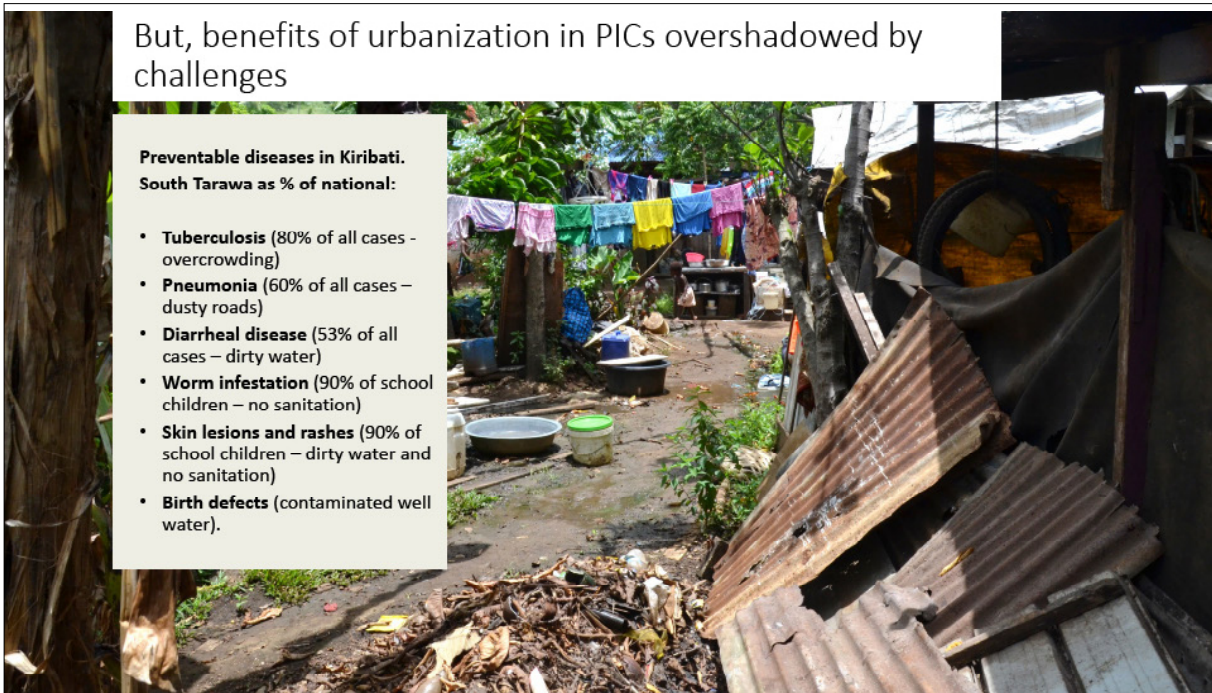
Clustering and Challenges



But, benefits of urbanization in PICs overshadowed by challenges

Preventable diseases in Kiribati. South Tarawa as % of national:

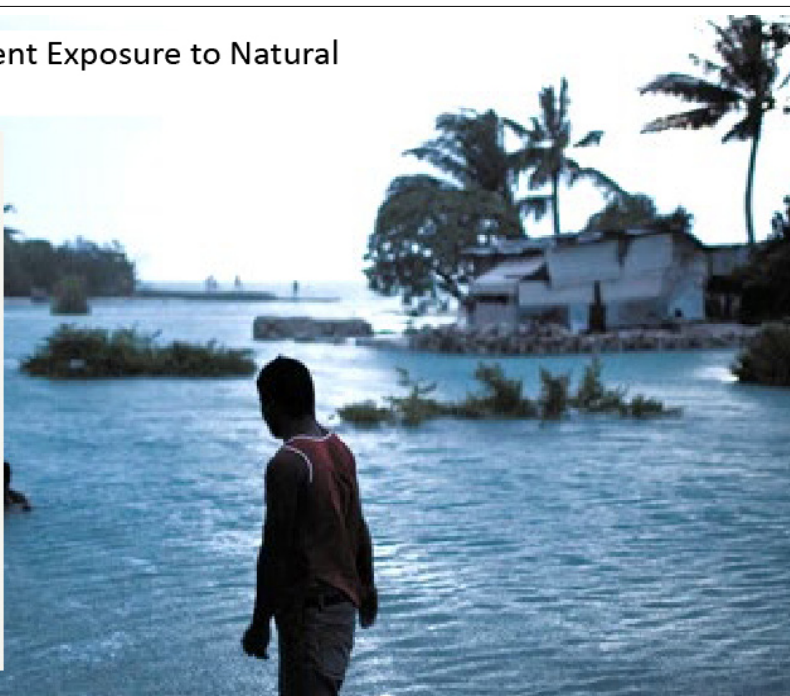
- **Tuberculosis** (80% of all cases - overcrowding)
- **Pneumonia** (60% of all cases - dusty roads)
- **Diarrheal disease** (53% of all cases - dirty water)
- **Worm infestation** (90% of school children - no sanitation)
- **Skin lesions and rashes** (90% of school children - dirty water and no sanitation)
- **Birth defects** (contaminated well water).



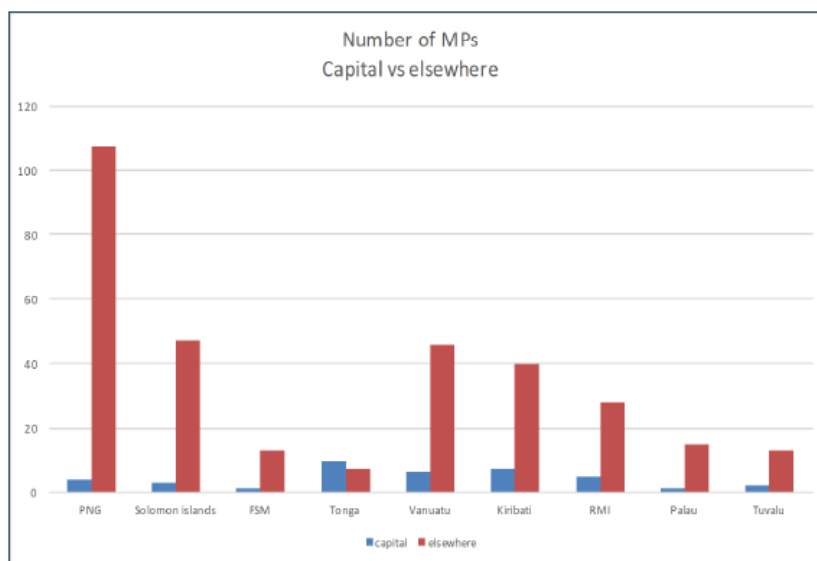
Increasing Urban Settlement Exposure to Natural Hazards

Urban expansion largely unguided and increasingly into hazardous locations, e.g.

- South Tarawa, growth rates of 'extreme-high risk' villages:
Antebuka 10.4% p.a.
Fita 2.6 %
Bikenibeu 3.6%
Temaiku 6.8%
- Honiara informal settlements in flood plains:
1984 = 5 ha
2010 = 131 ha
- Greater Port Vila: 15% buildings & population are exposed to **moderate** levels of earthquake and cyclone risk; 15% at **high** levels

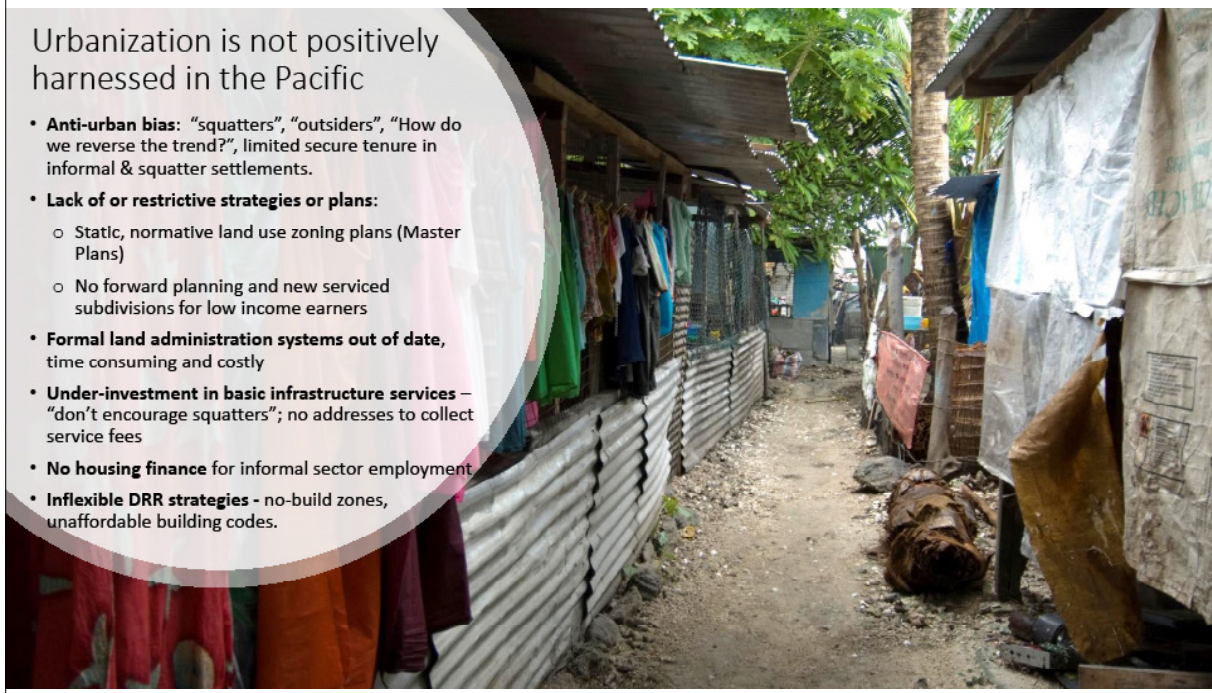


Political weight in PICs

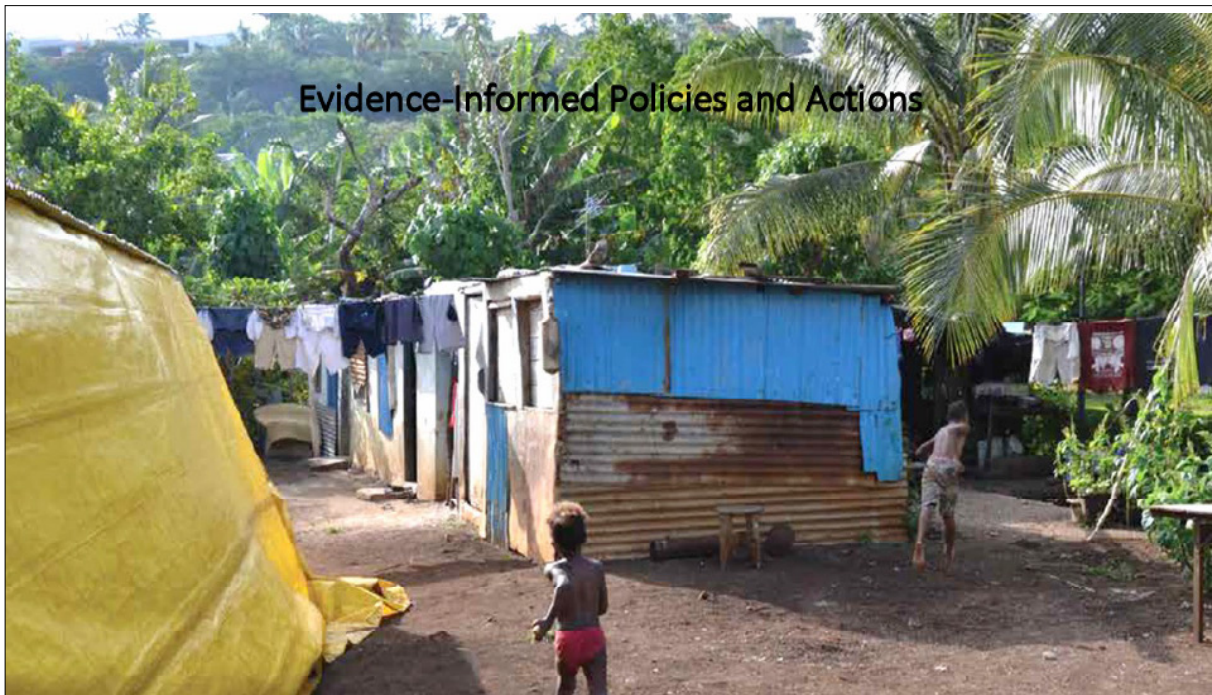


Urbanization is not positively harnessed in the Pacific

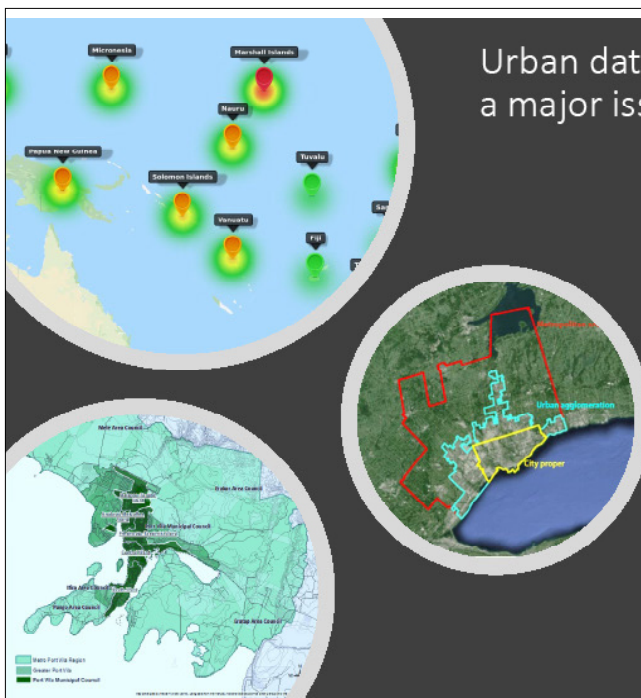
- **Anti-urban bias:** “squatters”, “outsiders”, “How do we reverse the trend?”, limited secure tenure in informal & squatter settlements.
- **Lack of or restrictive strategies or plans:**
 - Static, normative land use zoning plans (Master Plans)
 - No forward planning and new serviced subdivisions for low income earners
- **Formal land administration systems out of date,** time consuming and costly
- **Under-investment in basic infrastructure services** – “don’t encourage squatters”; no addresses to collect service fees
- **No housing finance** for informal sector employment
- **Inflexible DRR strategies** - no-build zones, unaffordable building codes.



Evidence-Informed Policies and Actions



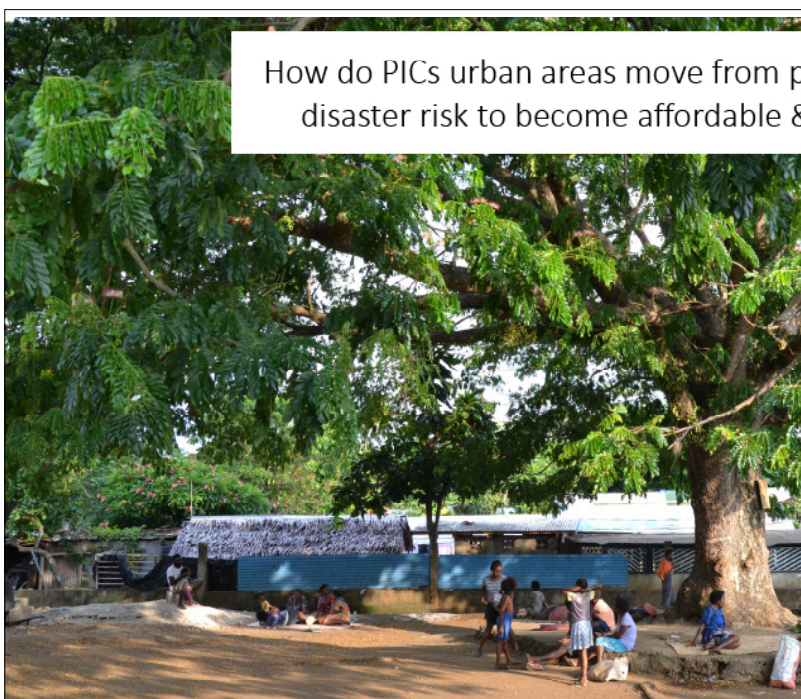
Urban data deprivation – is a major issue in the Pacific



- No standardized definition of "urban."
 - e.g. Port Vila municipal boundary population = ~66,000 people (Census) BUT
 - Port Vila functional city* = ~114,000 people (2018)
- Census and HIES data do not disaggregate peri-urban (unplanned, informal, squatter) data:
 - 35% of Honiara's popn
 - 45% of Port Moresby's popn.
 - Port Vila 74% growth from 1999-2009 in Shefa province (peri-urban)
- Census and HIES data do not provide qualitative insights:
 - e.g. South Tarawa access to improved water source = 60% BUT
 - 2 hours' supply every 48 hours
 - Water is highest priority (HH surveys)

* The functional city = economic and social connectedness

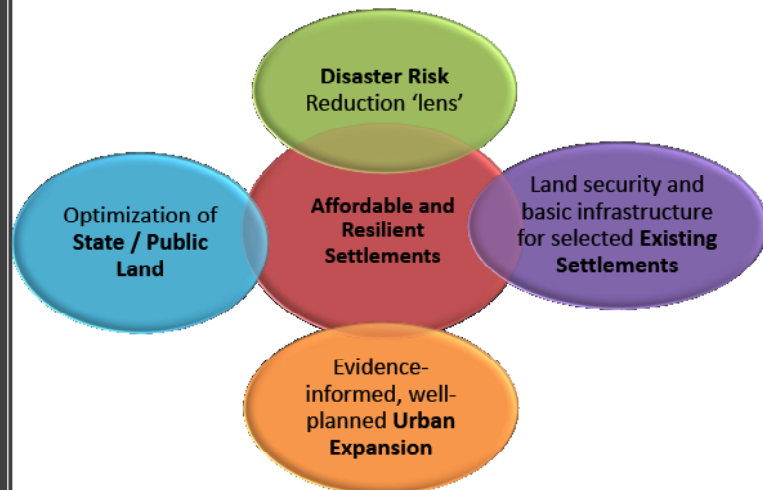
How do PICs urban areas move from poverty of access and high disaster risk to become affordable & resilient settlements?



- Case studies: Kiribati, Vanuatu, Fiji (urban continuum)
- **Vanuatu MOLNR** – three key questions:
 1. Future land & housing needs for low-middle income earners?
 2. Where and how can needs be met (affordable & low-medium risk)?
 3. Role of Government to lead and enable public and private sector investment, guide future expansion, and 'capture' urban benefits of economic growth and prosperity for all residents?

Vanuatu Enabling Affordable & Resilient Settlements (VEARS)

ToC: Housing needs of low income groups requires a multi-pronged approach to serviced land delivery in safer areas



1. Underutilized Public & State Lands in Prime Locations

- Using satellite imagery and ground-truthing, assist MoL staff:
- 1. **Inventory of vacant and non-leased lands** in Port Vila municipal boundary
- 2. **Inventory registered leases vacant for 5+ years** in Port Vila municipal boundary
 - Identified 348 plots (8%) = 65 ha.
Opportunity cost = 600 new dwelling units.
- **Detailed investigation 29 (of 50) vacant Commercial sites:**
 - 72% had 0 to very little development after 5 years (breach of Lease).
 - 35% in rental arrears (breach of Lease). 17% had land rents outstanding since 2012.
 - Some existing leases had no land rent rates reviewed for 36 years.
 - **Last property valuation in Port Vila: 2003**
- **Training workshops** with MoL Leasing & Enforcement Sections – strengthen **existing monitoring and management procedures**.





2. Backlog in serviced land supply is at choke-point

- 75% of urban growth is occurring on peri-urban *kastom* land outside municipal boundary with no infrastructure services
- Low incomes
- Length of time to register a lease (632 days)
- High construction costs – unable to meet Building Code requirements
- No bridge finance for land development/services
- No mortgages for house construction

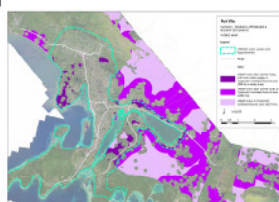


3. Future land needs are not being planned for

- 2018-2030: 11,830 new households will be formed (4.8 ppl/hhd)
- 2018-2030: 11,130 new houses will be needed excluding existing backlog (1.28 hhd/house, 2009 Census)
- 2018-2030: 1,170 ha needed for new serviced plots in low hazard areas
- Of which, 900 ha needed for low-middle income residential land uses.
 - Allowing for 20% replacement of houses damaged by disasters over this time.
 - Allowing for 17% roads, 10% open

4. Greater Port Vila has Guided Land Development Options

- ❑ Multiple-hazard information (VGMD-MDRR Project)
- ❑ Distance to major employment nodes
- ❑ Main transportation routes, UNELCO water coverage, location of school
- ❑ Existing rapidly growing unplanned settlements
- ❑ Vacant, well located land (safe and close to employment)
- =
- ❑ Guided land development options



Findings

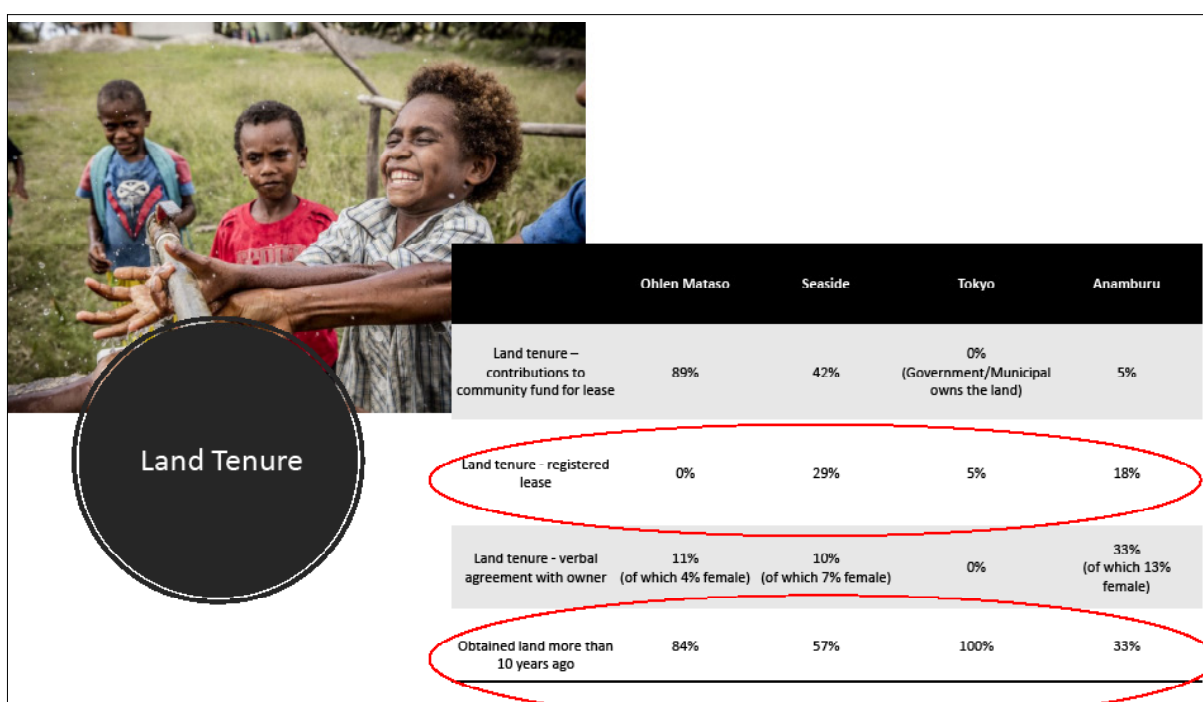
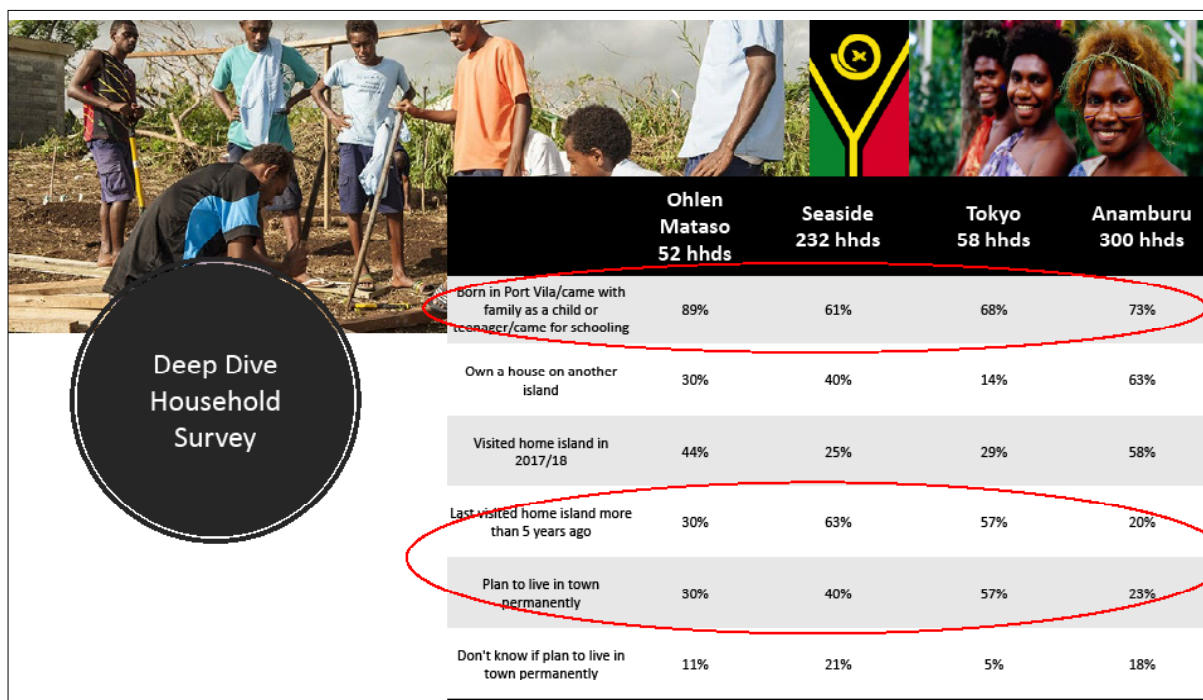


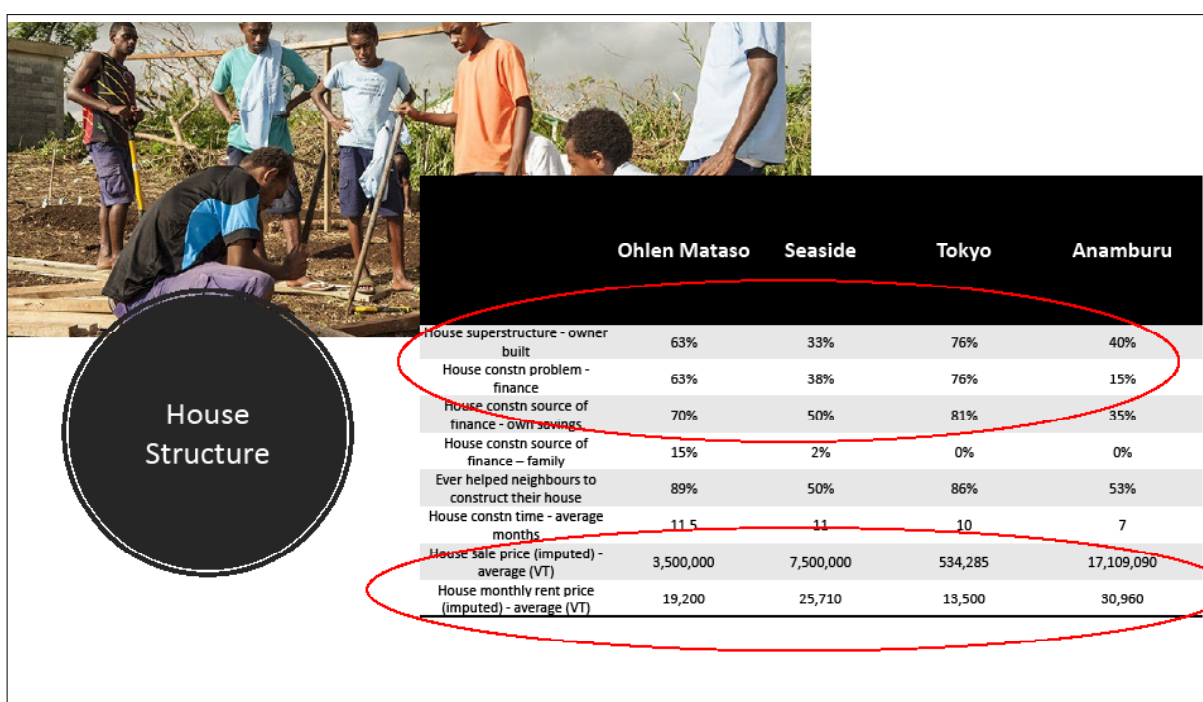
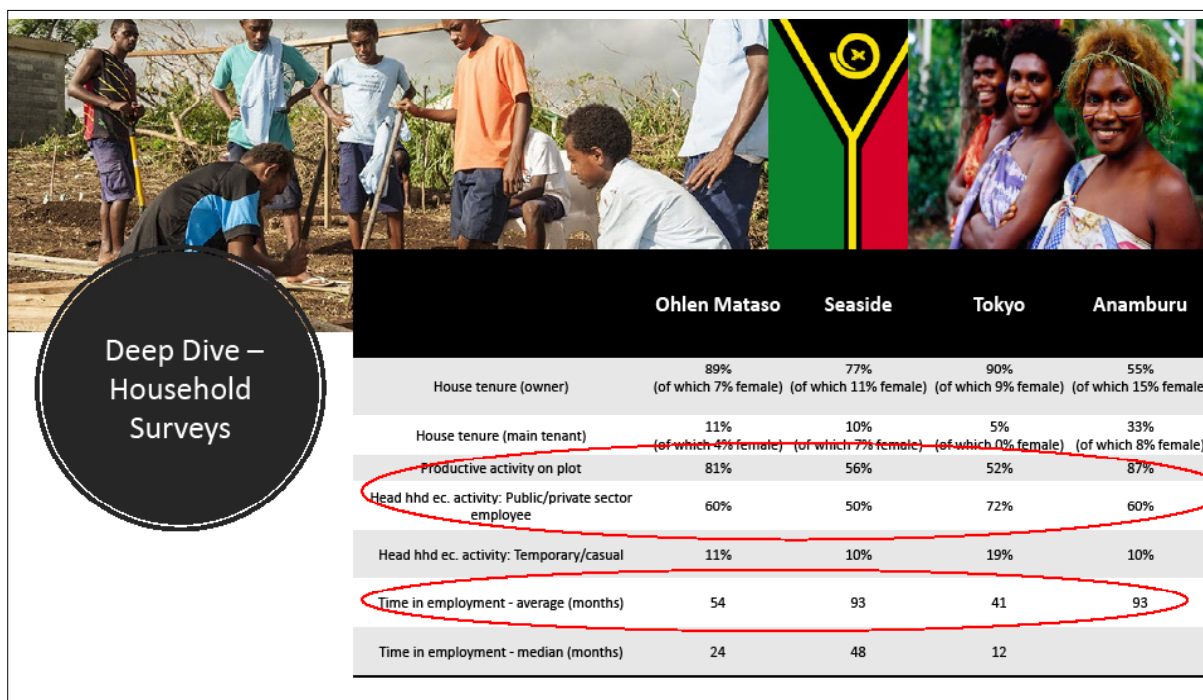
Recommendations


- Unbuilt areas near paved roads, with trunk water supply, in 'moderate' combined hazard zone (208 ha in study area)
- Unbuilt areas near paved roads, in 'moderate' combined hazard zone (2386 ha)
- Unbuilt areas in 'moderate' combined hazard zone (6372 ha)

5. Existing Settlements 'Deep-Dive'

	level	(ha)	Tsunami (worst case)	Riverine flood (100-year)	Coastal inundation	Overall risk (100-year)	supply			center (mtrs.)		
Seaside (3 areas)	Fully settled	5.6	<0.3m	stormwater flooding based on resident report ~1m	None	Moderate	UN	CO	Has roads	Close to schools	4	Island origin community, sub-lease arrangements; leases with piecemeal internal subdivisions; strong traditional leadership.
Anamburu	Fully settled	5.6	<0.3m	stormwater flooding based on resident report ~1m	None	Moderate	UN	CO	Has roads	Close to schools	7	
Ohlen Mataso	Fully settled	5.6	<0.3m	stormwater flooding based on resident report ~1m	None	Moderate	UN	CO	Has roads	Close to schools	11	Government-owned, new subdivision
Ohlen Mataso	Fully settled	5.6	<0.3m	stormwater flooding based on resident report ~1m	None	Moderate	UN	CO	May need internal roads	Close to schools	8	Kastom. Owned by Ujia, informal resident agreement and multiple sub-rental agreements.
Ohlen Mataso	Fully settled	5.6	<0.3m	stormwater flooding based on resident report ~1m	None	Moderate	UN	CO	Has roads	Has primary school	10	NHC subdivision
Ohlen Mataso	Fully settled	5.6	<0.3m	stormwater flooding based on resident report ~1m	None	Moderate	UN	CO	May need internal roads	Close to schools	10	Community-Govt lease arrangement, no services overcrowding
Ohlen Mataso	Fully settled	5.6	<0.3m	stormwater flooding based on resident report ~1m	None	Moderate	UN	CO	May need internal roads	Close to schools	10	Community-Govt lease arrangement, Block leased piecemeal internal subdivisions
Tokyo (2 areas)	Fully settled	1.9	under whole site faces 5-8m inundation	flooded ~0.5m based on resident report	None	Moderate	UNELCO	Has limited roads	Primary school ~2km away	8	Kastom. Land historically to community but held under corporate/community lease	







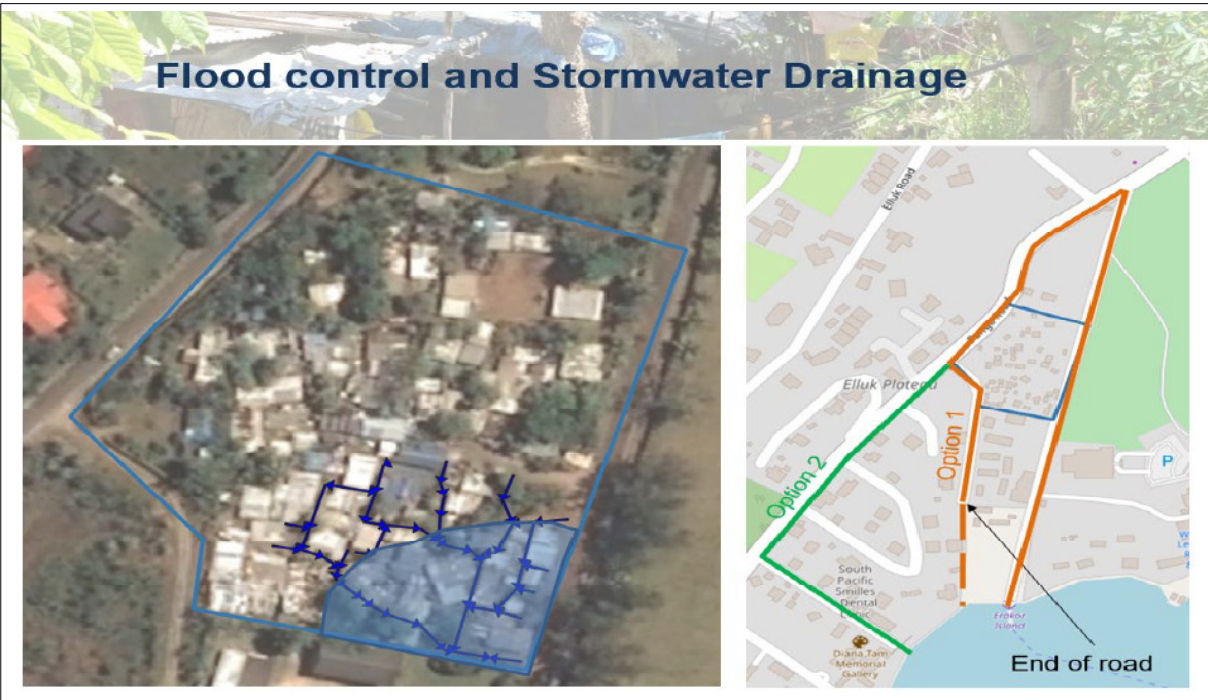
"Things I most like about my settlement ..."

- Sense of community/
collective living/
safety/ church
- Buses/
close to town
or work
- Near to
natural
resources
- Affordable
Rent

"Things I don't like about my settlement ..."

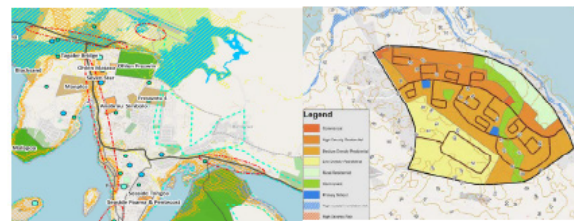
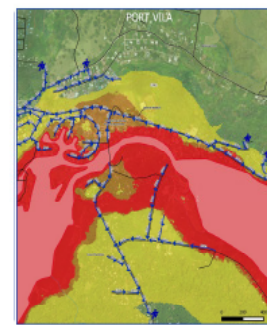
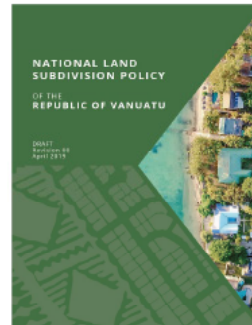
- Overcrowding
inside +
outside
- Noise
- Flooding
- Public
drinking,
youth,
unsafe
- Older,
Temporary
Housing
- Public
health/no
swm



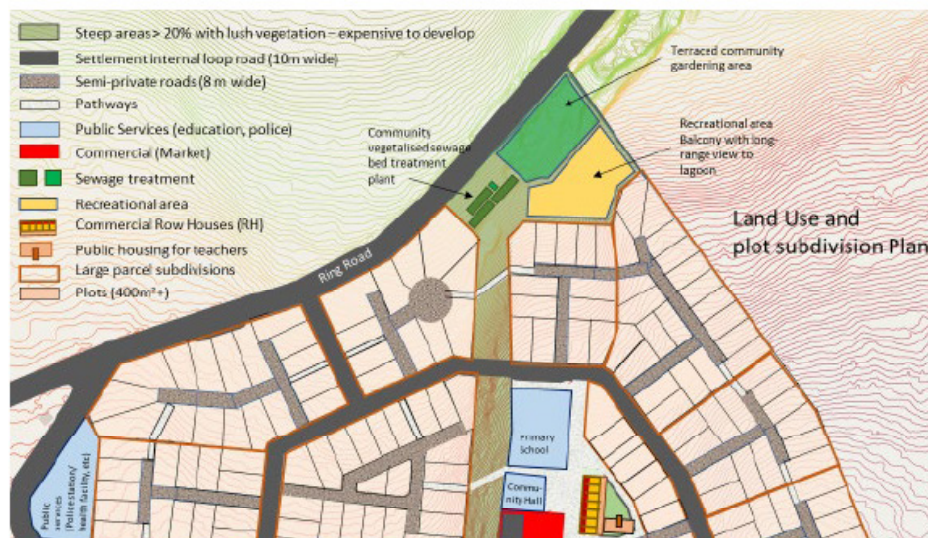


6. Forward Planning for Urban Expansion

- Upgrading existing settlements is **not enough**
- New serviced land/greenfield subdivisions **urgently needed** (low-moderate hazard areas, close to employment nodes and transport routes, plot sizes and service costs affordable by **low-middle income earners**).
- Changes from past practice include:
 - Make use of **robust hazard information**
 - Ensure **economy (efficiency) of layouts** (professional training for planners and surveyors)
 - Understand the site, adjacent land uses, provide a mix of land uses (livability)
 - Subdivision Policy, Regulations and Guidelines – clear ‘rules of the game’.



Applying the National Subdivision Policy Affordable, Resilient, Sustainable Future Settlements



Take-outs for Policy and Practice

Urbanization is not new in the PICs – 3 decades

Well functioning cities don't happen by chance – need risk- and evidence-informed policies and strategic infrastructure investments -- guide and manage (not prevent) urban expansion.

Existing land administration systems are choked – the urban poor have no option but to seek their own solutions

Existing unplanned and informal settlements have stable and employed populations – upgrading of basic services is feasible, at low per capita cost, if in low- to moderate-risk locations.

Upgrading existing settlements is not enough to meet demand for new, well located, serviced, subdivisions for the future - but much can be done to engage with private sector (developers, Kustom owners, community-based savings groups, individual households)

Clearly set out clear rules of the game for mixed land uses, minimum sizes for middle income residential development.

Need new ways of doing business - public sector (with external support partners) to bridge the financing gap for servicing new, safe, well-located land to enable private sector investment in housing.



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Dr. Colleen Butcher-Gollach, Lead Urban & Housing Specialist (cgollach@worldbank.org)



Sources

- Slide 1 (Cover): Photo: Jerome Costanzo, Tokyo informal settlement, Port Vila, Vanuatu (May-2019).
- Slide 10: Photo: Jerome Costanzo, Tokyo informal settlement, Port Vila, Vanuatu (May-2019).
- Slide 11: <http://www.nature.com/news/before-we-drown-we-may-die-of-thirst-1.18652>
- Slide 15: Photo: Jerome Costanzo, Seaside informal settlement, Port Vila, Vanuatu (May-2019).
- Slide 35 (End): Photo: Colleen Butcher-Gollach, South Tarawa, Kiribati, (Jan-2017)

POLITICAL ECONOMY OF OUTER ISLANDS AND OTHER PACIFIC PERIPHERIES

Mr. David Craig, Senior Governance Consultant, World Bank Group



Pacific
centres and
peripheries

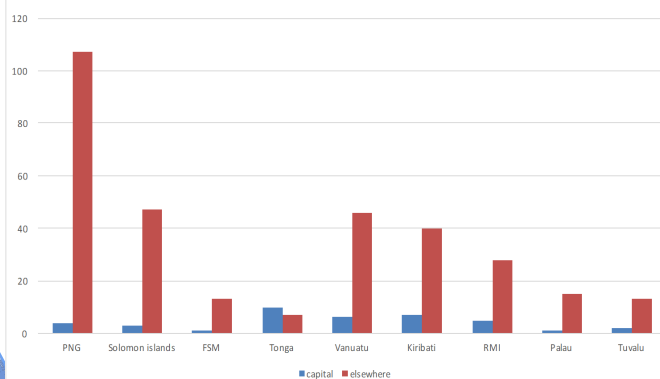
- Centripetal forces: primacy of the main island/ capital city
- But does this translate into political power and OI neglect?
- Centrifugal forces: Electoral power and representation are slanted to Outer Islands
- But allocation of resource and other rents is centralized , leaving OIs dependent or marginalized, losing 'scale wars' around resources, especially in 'areas of limited statehood'

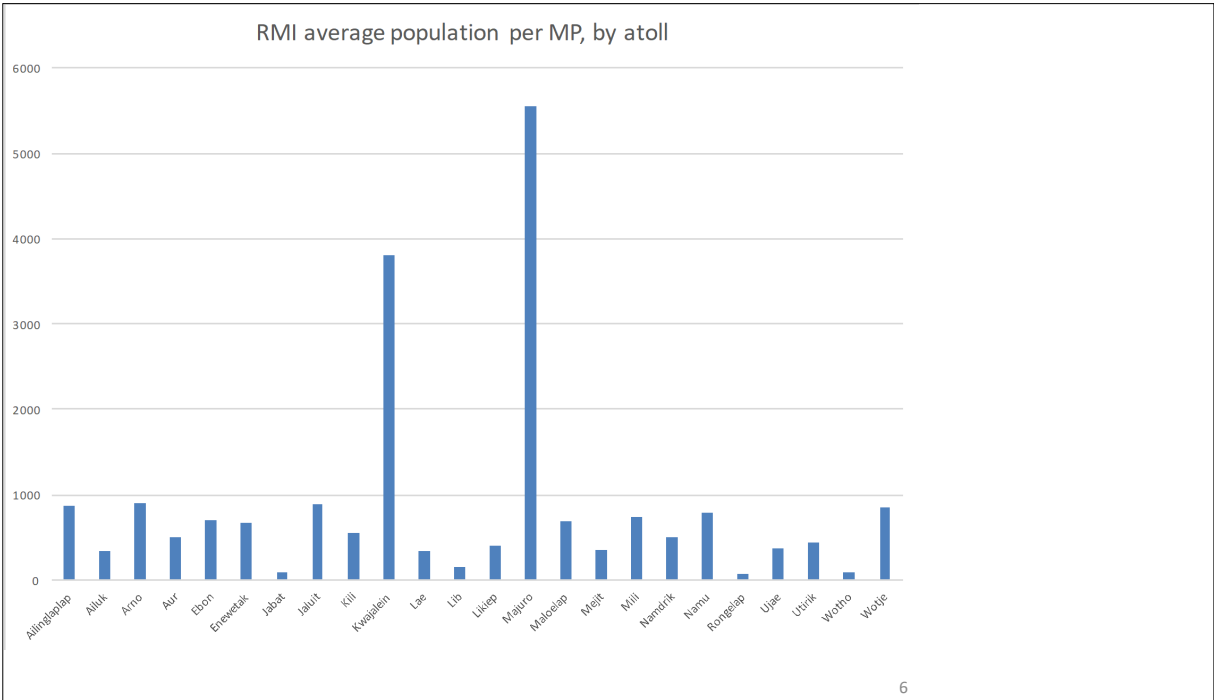
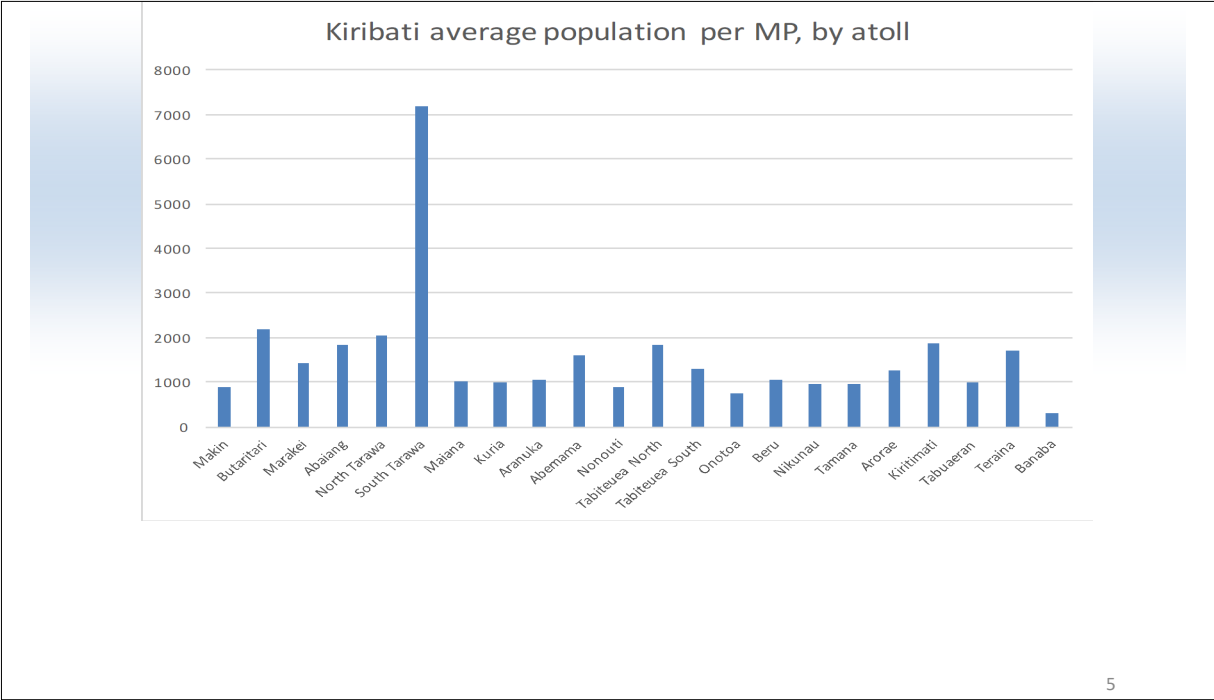
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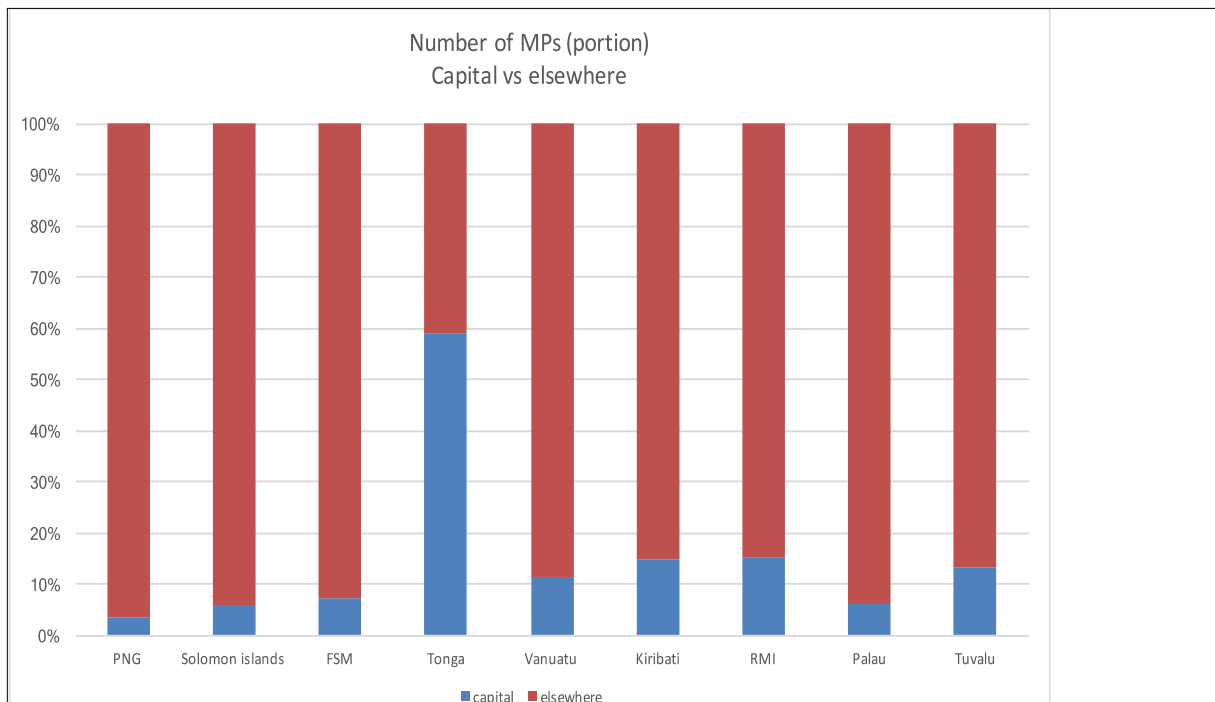
Outer Islands
representation:
In Solomon
Islands, a
Shortlands vote
is worth 4 times
a Honiara vote



Number of MPs
Capital vs elsewhere







Centralised
archipelagic
states

- In some PICs, political power is much more centralized
- But Outer Islands still do well in securing services and resources
- Hybrid systems can bring both centralized power and strong peripheral participation
- Dominant, policy programmatic parties use aid rents to extend state power out through services and infrastructure
- OIs support powerful links to centre
- Samoa, Tonga, ?Kiribati?, ?Fiji?

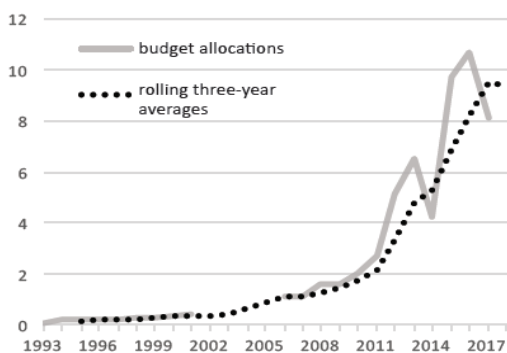
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Towards fragmentation and personalized politics?

- Many Pacific states are more fragmented: local or regional power matters, and representation is about securing rents from centre
- ?anti-urban policy, rural/ OI gerrymander
- Westminster systems across very different local communities
- Weak parties, VONC threats, high MP turnover, resource/ aid rents
- Politicians less reliant on government to deliver: active personal patronage
- Rise of constituency development funds, marginalisation of Local government. Autonomy?
- Solomons, PNG, ?Vanuatu? RMI

9

Figure 1: CDF budget allocation for individual MPs from 1993 to 2017 (nominal SBDm)



Sources: Solomon Islands Ministry of Finance and Treasury; Fraenkel 2011.

10

Areas of Limited Statehood and the shadow state

- State doesn't reach all the way to outer locations
- Communities improvise: the "shadow state"
- "Limited scope and capacity for negotiating with larger states and private sector entities"
- Scale wars: local communities bypassed by resource grabbers, driving local conflict
- Eg Rennell and Bellona, parts of Bougainville, parts of Papua New Guinea

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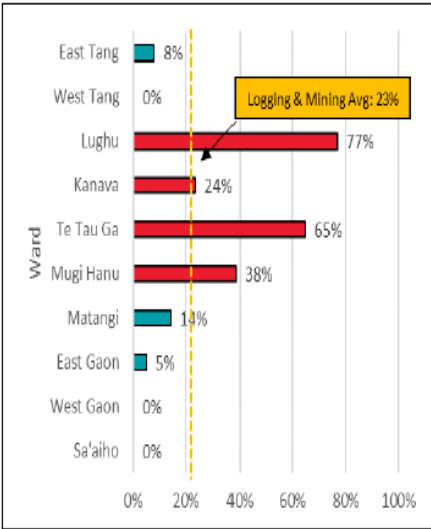


Figure 3: Income from Logging & Mining Royalties
(Renbel, % of Households)

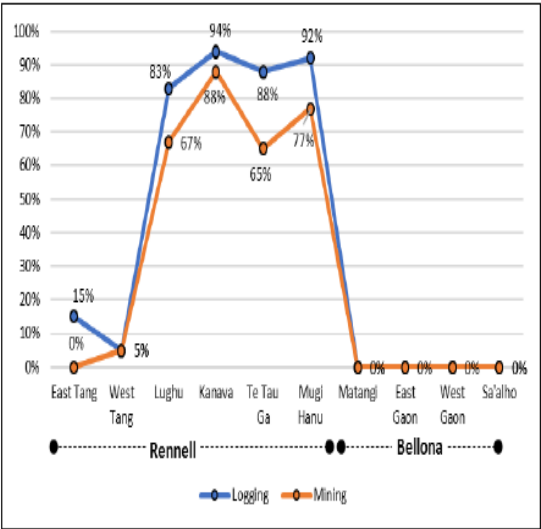
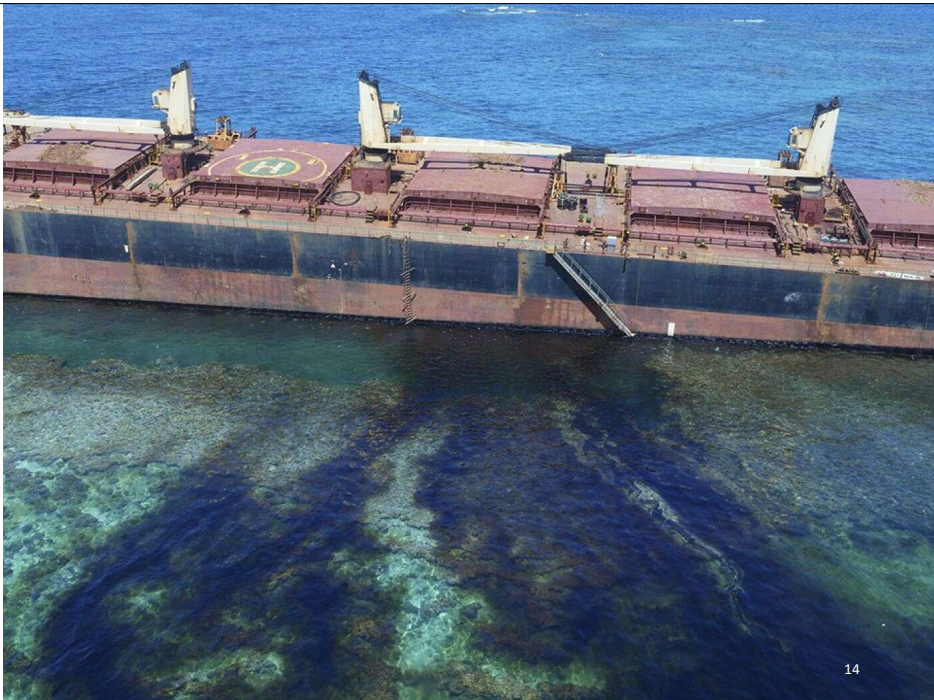


Figure 4: Logging & Mining Dispute Prevalence
(Renbel, by Ward, % of Individuals)





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