



EXECUTIVE SUMMARY

The Future
of Asian
& Pacific Cities

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The Asian and Pacific region became majority urban in 2019 for the first time in human history. With more than 2.3 billion people in the region living in cities, the need for a sustainable urban future has never been greater. *The Future of Asian and Pacific Cities* is the third in a series of reports on urbanization in Asia and the Pacific. Unlike the report's previous two iterations, this report is intentionally forward-looking and charts 15 policy pathways that can guide future urbanization in the region in order to deliver on the 2030 Agenda for Sustainable Development and the New Urban Agenda.

While recognizing that the Asia-Pacific region is exceedingly diverse, ranging from small island developing States to powerful global economies, the report identifies four major development challenges across the region: natural resource management; climate change; disaster risk; and rising inequalities. These four overarching challenges are endemic to the region, from the spillover impacts of forced migration across Western Asia to the existential threat of sea level rise in the Pacific islands.

These challenges are woven throughout the report, which in turn identifies four aspects of city-making that organize the report's policy pathways: urban and territorial planning; urban resilience; smart and inclusive cities; and urban finance. Together, these competencies are the components of today's increasingly complex cities. Getting all of them right can help transition cities towards a sustainable and inclusive future, well positioned to weather the challenges and seize the opportunities of the next several

decades – a period that will witness both heightened impacts of global climate change as well as the proliferation of exciting new technologies that will reshape how people live, work and play in cities.

The cities of 2030, 2050 and 2100 will be very different from today. They will be cities transformed: in their demographic composition, in their implementation of technology and in their wider ecological contexts. The challenges of building cities sustainable enough to meet the changing needs of the future will require new ways of thinking and working, as well as new kinds of multi-stakeholder initiatives and partnerships. Learning to ask new and better questions, and building new approaches to tackling old problems, will be the role of any stakeholder, private or public, looking to be part of the solutions to these challenges.

As presented here, the report makes the case for four priorities and four approaches to realize a sustainable urban future in Asia and the Pacific, each of which contain specific policy pathways. A sustainable future occurs when planning lays a foundation; resilience guards against future risk; smart cities deploy the best technology for the job; and financing tools help pay for it all. Getting these essentials right in cities today is vital in order to adapt to the demands of tomorrow.

The report opens with urban and territorial planning, the necessary prerequisite for creating a city's future vision. This first chapter contains an overview of the state of planning in the region, acknowledging recent successes in Indonesia,

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Malaysia, the Philippines, and other Asian countries in areas such as strengthening local planning and developing national systems of cities, even as the region as a whole struggles to make effective planning systems a cornerstone of national policy, as China did in 2018. It notes the Asian and Pacific cities that have risen to the top of global liveability rankings and the peer influence of planning education and institutes in Australia, Japan, the Republic of Korea and Singapore. Chapter 1 offers three policy pathways:

The future of urban & territorial planning



.01 Integrate sustainability and quality-of-life targets into urban planning to future-proof public and private investment in cities



.03 Identify specific urban regeneration and growth strategies that optimize urban-rural and city region collaborations that spur sustainability and investment



.02 Co-produce with citizens urban planning solutions that align technological investment with adequate local government capacities

In the light of the uncertain environmental, social and economic future facing Asian and Pacific cities, the report then turns to urban resilience, or a city's ability to respond to shocks and stresses. Chapter 2 highlights the extensive resilience activities that have taken place thus far in the region, from the number of cities that have tasked high-ranking city officials with this cross-cutting topic to those that have prepared resilience

strategies and climate action plans. The chapter scans the major shocks and stresses likely to afflict the region, from natural disasters, such as typhoons and earthquakes, to economic reliance on single industries in the face of the "Fourth Industrial Revolution", to an ageing population set to follow the greying trends of Japan and the Republic of Korea. The chapter concludes with the following policy pathways:

The future of urban resilience



.04 Scale up the use of nature-based solutions and resilient infrastructure in integrated urban and climate change planning



.05 Understand the informal economy and support urban poor groups to be change agents for implementing city-resilience actions



.07 Utilize big data sources to connect communities, cities and regions and to improve local government technological literacy



.06 Create and strengthen partnerships to bring more attention and resources to long-term urban resilience strategies that break siloes between national, state and local actors

The twenty-first century's digital revolution has undeniable implications for cities, which are captured in chapter 3 on smart and inclusive cities. Asian and Pacific cities have been at the forefront of adopting smart city key performance indicators and plans, as has been done in Goris, Armenia, combined with new technologies to manage city services, as evidenced by new forms of collaboration, such as the ASEAN Smart Cities Network. The region is a hub of both tech-savvy citizens, characterized by high levels of smartphone penetration, and centres for high-tech industries, such as the start-up culture of Bengaluru, India's answer to Silicon Valley. However, the chapter also acknowledges the potential limitations and drawbacks of an overreliance on technology, from a failure to address the digital divide to the need to regulate the use of technology in order to protect citizens' privacy. The chapter makes the following policy pathway recommendations:

The future of smart & inclusive cities



.08 Improve smart city governance across urban systems, institutions and actors to overcome inequalities and make more informed and integrated planning decisions



.09 Encourage technology firms to become more civic minded and create sustainable smart city solutions with social enterprises



- .10 Adopt cybersecurity safeguards in both digital and physical urban infrastructure development planning



- .11 Develop smart mobility investment plans that prioritize sustainable urban mobility options for citizens

Finally, the report acknowledges that no city will succeed without the ability to finance its development and infrastructure needs sustainably. To that end, the report concludes with chapter 4, which is focused on urban finance. While finance is a complex world with potentially endless possibilities, the report takes a practical approach by narrowing down the key types of finance that are most likely to offer sustainable and inclusive solutions for the region's diverse economies and governance structures, which influence the degree to which cities can raise revenue. Specifically, the chapter analyses the potential of public-private partnerships (PPPs), targeted environmental levies or charges, land value capture mechanisms, municipal pooled financing and climate funding sources in cities as diverse as Suva in Fiji, Tra Vinh in Viet Nam and Kolkata in India. The chapter concludes by offering the following policy pathways:



- .12 Expand viable smart city funding mechanisms by enabling cross-sector partnerships and business matching platforms

The future of urban finance



- .13 Scale up public-private partnerships and community schemes to transition to localized housing finance solutions



- .14 Adopt land-linked financing mechanisms that leverage urban growth to build people-centred urban infrastructure



- .15 Introduce congestion-charging and environmental user fees to improve urban air quality



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To realize the future vision of inclusive, safe, resilient and sustainable cities will require focused efforts on the thematic priorities in this report. The approaches to which all urban stakeholders must contribute are clear:



1. Plan the foundations of a sustainable future. All cities must strengthen their capacities, adopt inclusive planning processes and develop long-term spatial and investment plans that effectively consider urban growth, quality-of-life goals, resource implications and smart approaches.



2. Guard against future risks. To ensure sustainable growth and development, it is critical that cities adopt resilience strategies that break down governance siloes to improve policy efficacy, provide opportunities to scale up nature-based infrastructure solutions, and engage the creativity of the urban poor as solution providers to guard against potential shocks and stresses, including natural disasters.



3. Capitalize on frontier technologies to develop people-centred smart cities. City leaders must develop smart cities road maps across different urban systems that capture the innovation of technological entrepreneurs, bridge the digital divide, support smart mobility and include the perspectives

of local stakeholders, while ensuring their safety.



4. Mobilize financing to invest in sustainable urban solutions. Local governments must access or adopt innovative investment tools, such as land value capture instruments, PPPs and environmental user fee models. These can serve as important levers to catalyse economically impactful capital investments that create long-term value for citizens, businesses and the city as a whole.

Taken together, these policy pathways comprise a guidebook for future urbanization in Asia and the Pacific. While not every policy pathway will prove applicable to every city in the region – a near impossibility given the size, scale and diversity found in Asia and the Pacific – this collection of policy pathways endeavours to offer the best summation of cutting-edge urban thinking as the region’s cities are poised to enter the critical final decade to deliver on the Sustainable Development Goals. If the 2019 demographic milestone that has made Asia and the Pacific a majority urban region is a potential tipping point, then this report and these policy pathways are designed to tip the scales in the right direction towards creating sustainable, resilient and inclusive cities for all.

In this context, the report can be used to launch a dialogue in the city. If there are no mechanisms for stakeholders to come together and discuss the local urban future, one should be created, such as a local urban forum, an online platform



to discuss the city or a media campaign that promotes civic conversation. No city will fare well with a top-down, go-it-alone approach. To that end, this report will serve as a vital road map to the next decade of Asia-Pacific urbanization, from booming intermediate cities to ageing legacy cities, and serve as a reference for how to shape urbanization while heading into the crucial 2020-2030 window.

The depth of these concepts can at first appear overwhelming in their scope, but this report endeavours to cut through the noise of

sustainable urban development and focus on the four major areas that cities must get right if they wish to deliver on the Sustainable Development Goals and the New Urban Agenda in the coming decade.

Wherever a city is on its progression, it is never too late to embark on the path to a sustainable city.