

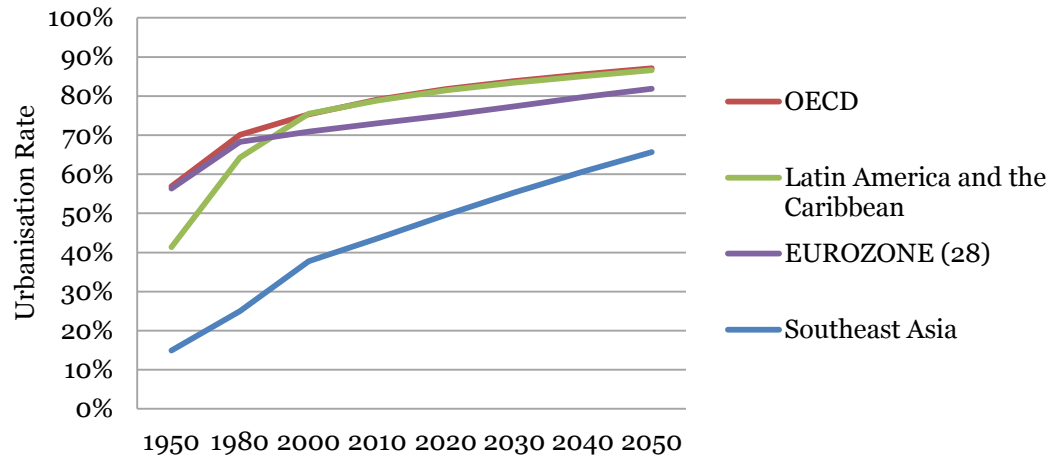


CHAPTER 4

MANAGING THE IMPACTS OF URBANISATION



Urbanisation rates in SEA are comparatively low but rapidly growing

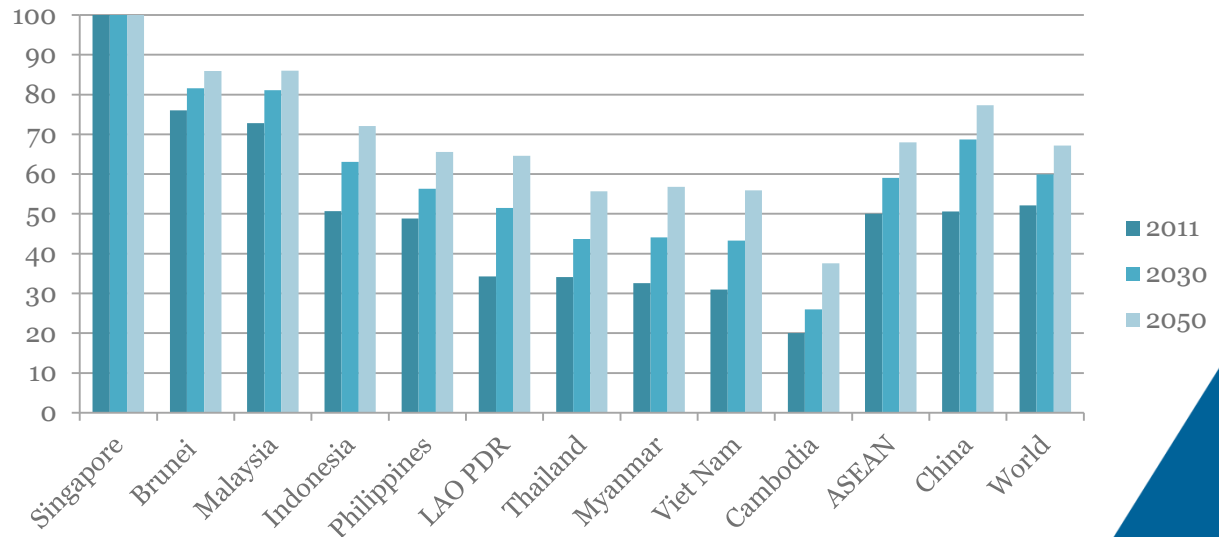


Urbanisation Rate by Region 1950-2050

Source: United Nations, Department of Economic and Social Affairs, Population Division, World Urbanisation Prospects: The 2011 Revision.

Urbanisation rates in ASEAN economies (%)

Source: United Nation (2012), World urbanisation prospects: the 2011 revision, Department of Economic and Social Affairs, New York





The costs of poorly managed urbanisation

- Air pollution
- Water pollution and inadequate sanitation
 - Cambodia, Indonesia, the Philippines and Vietnam lose an estimated US\$9 billion a year because of poor sanitation (based on 2005 prices)¹
- Extending and maintaining infrastructure
- Spatial segregation
- Vulnerability to natural disasters and climate change impacts

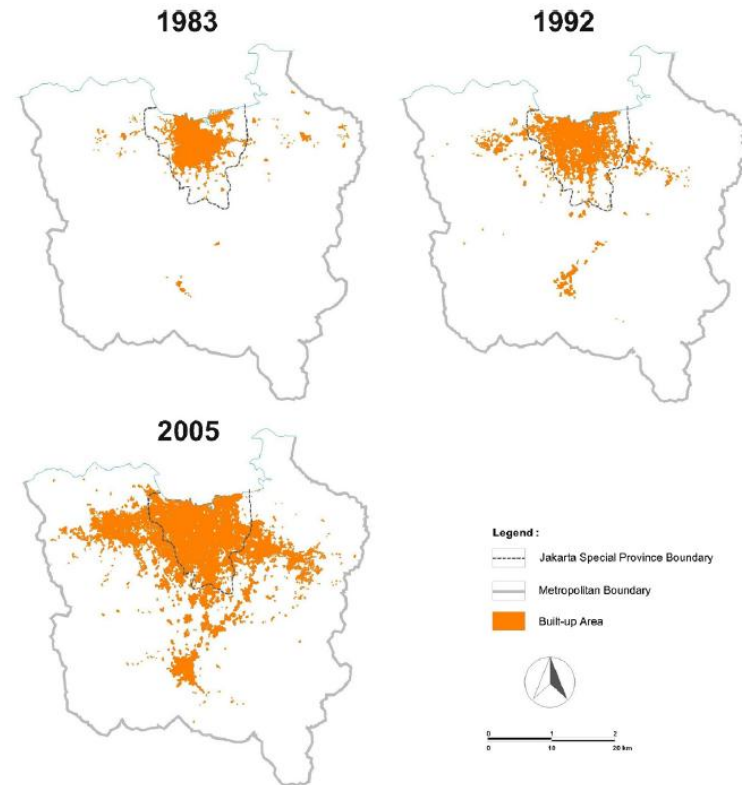
1. World Bank (2008), Economic Impacts of Sanitation in Southeast Asia: A four-country study conducted in Cambodia, Indonesia, the Philippines and Vietnam under the Economics of Sanitation Initiative (ESI), Research Report February 2008, World Bank, Jakarta, Indonesia.



Urban areas will need to grow- national policy can support sustainable expansion

- Facilitate metropolitan governance
- Support slum upgrading
- Review hidden incentives in property taxes and other local revenue mechanisms
- Encourage developer fees for infrastructure
- Support investment in trunk infrastructure ahead of urban development
- Incorporate risk into infrastructure investment

Expansion of built-up areas in Jakarta Metropolitan Region 1983-2005



Source: Hudalah, D. and T. Firman (2012), "Beyond property: Industrial estates and post-suburban transformation in Jakarta Metropolitan Region" *Cities*, vol. 29, pp. 40-48, Elsevier, based on Rustiadi (2007)



National policy levers for green urbanisation

- **Transport**
 - Facilitating metro-level co-operation on transport
 - Facilitating transport-oriented development
 - Supporting expansion of public transport
 - Regularising and greening private collective transport
 - Setting emissions standards for vehicles
 - Removing fuel subsidies
- **Resilience**
 - Providing data and mapping on vulnerable areas
 - Enforcing building codes and related standards
 - Building risk into infrastructure planning
- **Improved services and informal settlement conditions**
 - Supporting the expansion of sanitation services
 - Enabling appropriate pricing mechanisms
 - Prioritising investment in informal settlements.