Asia Pacific Ministerial Conference on Housing and Urban Development

Statement by the Chairperson, APMCHUD at the 23rd Governing Council Meeting of the UN-HABITAT

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At the outset, on behalf of APMCHUD, I would like to thank the UN-HABITAT for providing me this opportunity to address the distinguished gathering at the 23rd Governing Council Meeting of the UN-HABITAT. The Asia Pacific Ministerial Conference on Housing and Urban Development, established in December 2006 under the aegis of UN-HABITAT, has over time evolved into a vibrant body representing a collective voice of the Asia-Pacific region on the Housing and Urban Development sectors. May I take this opportunity to express APMCHUD's deep appreciation to the UN-HABITAT for its continued support and guidance in all the initiatives.

The Solo Implementation Plan adopted in the Third APMCHUD, held in June 2010 in Solo, Indonesia, offers a unique framework to address regional challenges through collaborative efforts and sharing of experiences and best practices. In order to ensure effective implementation of the Action Plan, the Conference has called upon the countries of the region to promote and establish technical networks and working groups relating to the different sub-themes.

Towards addressing comprehensively the challenge of housing and urban development in the Asia Pacific region, the APMCHUD has identified five specific areas for focused thrust, covering urban and rural planning and management, slum upgrading, delivery of Millennium Development Goals for water and sanitation, financing sustainable housing, and enhancing affordability and quality of low income housing, and development of sustainable urbanization with a focus on natural disasters. Climate change and its impact on human settlements development as a focal theme for attention by the member countries has evolved in the recent past. The inability to assess the anticipate impact is indeed a concern. There needs to be a collective visioning for a comprehensive understanding of the likely problems as well as possible solutions to adequately address the anticipated concerns.

Poverty in terms of low income, health and education, as well as lack of access to basic services, deprivation of knowledge and communication are wide-
spread in the Asia Pacific Region, and it is very important to enhance community empowerment for sustainable urbanization. All over the world, 'bottom-up' community initiatives have been proving more successful, and partnerships amongst all actors - government, private and civil society, are essential to the achievement of sustainable urbanization. Partnerships can integrate and mutually support objectives of broad-based participation through, inter alia, forming alliances, pooling resources, sharing knowledge, contributing skills and capitalizing on the comparative advantages of collective actions.

Asia Pacific is a dynamic region characterized by growing wealth, diversity and change. In 2010, the Asia-Pacific region accommodates about 60% of the world population, and is likely to add another 397 million population by 2020. Further, the Asia-Pacific region is urbanizing rapidly. By 2020, the urban population is estimated to increase by another 419 million from around 1.8 billion in the year 2010. The Asia-Pacific urban population is growing more than twice as fast as the population as a whole – 2.3% per annum. This indicates that most urban population growth is due to rural-urban migration, along with reclassification of rural areas into urban areas, while a smaller proportion is due to natural population growth. Cities are growing and expanding at an unmanageable pace.

Urbanization in Asia and the Pacific has also resulted in the growth of megacities - those with more than 10 million people. Of the world’s 19 megacities, the Asia-Pacific region has 11, including 6 of the 10 largest.

A positive offshoot of rapid urbanization in the region has been high levels of economic growth. The Asia-Pacific region has, since 2006, become the world’s second largest aggregated economy – accounting for about 29% of global GDP. In 2008, the real GDP of Asia and the Pacific grew at 3.8%, faster than the world average of 2.2%. Despite the financial and economic crisis, FDI flows to Asia and the Pacific have continued. However, the flows are not distributed evenly. Some countries have had a slowdown of FDI inflows, and others even a decrease.

The high urban growth had its negative impacts too. Despite the region’s many successes, it remains home to two-thirds of the world’s poor: 1.8 billion people who live on less than $2 a day, with 947 million struggling on less than $1.25 a day. According to UN estimates over 40% of urban population of Asia and Pacific countries live in slums. If no ameliorative action is taken, it is apprehended that the global slum population would
reach 1.4 billion by 2020 with a majority located in the Asia-Pacific region. One out of every 2 persons in urban areas would be living in slums. This implies that the benefits of high economic growth are yet to trickle down to the poor.

ESCAP estimates that Asia and the Pacific now has around 571 million slum dwellers. As of 2005, the proportion of Asia-Pacific urban residents living in slums was around 35%. The slum dwellers in many countries live in unhygienic conditions with lack of access to decent housing, drinking water, sanitation, healthcare and education. The issues relating to Slum Upgrading are one of the major focus areas of APMCHUD.

According to ADB, over half of the world's all inadequate housing units are located in Asia and the Pacific. Asian cities are among the most profound sufferers from limited availability of infrastructure services such as water supply, sanitation and sewerage. Compounding these factors, the region's mortgage sector is also the least developed in the world - lacking access to housing finance, many city dwellers are forced to live in slums and squatter settlements.

We can see some common threads running through the fabric of housing across Asia Pacific despite the differences between countries in respect of their stages of economic development. One of these is the structural weakness in the region's capital markets.

Developing countries throughout the region are constrained by limited knowledge of housing finance and mortgage lending, and have few tools to perform risk and credit assessment in environments characterized by informal income and limited collateral. Also in many countries there is no credit guarantee mechanism to encourage the lending institutions to lend to the informal sector.

The Asia-Pacific region has made striking progress towards achieving the MDGs. In addition, the trends are exacerbated by the disparity in achieving the MDGs indicators among sub regions in the Asia and the Pacific, as well as within a country. It gives me immense pleasure to mention that one of the greatest MDG successes in Asia and the Pacific has been on poverty reduction. Between 1990 and 2008, the countries of the region reduced the number of people living on less than $1.25 a day from 1.5 billion to 947 million, and the region is on track for the poverty goal. Moreover, for few other indicators the Asia-Pacific region as a whole has already achieved
the targets – for reducing gender disparities in primary, secondary and tertiary education enrolment, for example, for preventing a rise in HIV prevalence, for stopping the spread of tuberculosis, for reducing consumption of ozone-depleting substances, and for halving the proportion of people without access to safe drinking water.

However, achieving the MDGs in Asia and the Pacific will require stronger basic infrastructure, particularly better road transport, water supplies, sanitation, electricity, information technology, telecommunications and urban low-income housing. In turn, a better infrastructure will ensure faster attainment of MDGs. But meeting infrastructure gaps would be expensive. For the period 2010-2020, it has been estimated that the required investment would be to the tune of $7.7 Trillion.

Addressing all these issues would need innovative planning and management approaches. If urbanization has to act as a positive force for economic development, we must aim at an urban and regional planning system that is inclusive and takes into account the needs of the poor and informal sector. The solutions would emerge clearly once we realize that the cities are not simply about space, they are about people, their quality of life, the future of their children and the hopes and aspirations of their families.

The rapid growth of slum population in the urban areas in the region has to be tackled on a war-footing using multi-pronged strategy. There is no 'universal solution' that can be offered to all cities in the region. Our overall approach should be 'for the people and by the people' ensuring people's participation rights from planning to implementation.

As far as mobilizing funds for housing and infrastructure is concerned, evolving innovative financing strategies would be key solution. Efforts should be made to move away from the conventional dependence on public sector sources and to chart out ways to stimulate the private sector. Another important focus area should be to tap the pool of household savings and channelize for funding housing and infrastructure by means of innovative financing instruments.

We need to add the recent Tsunami disaster in Japan, as well as other related natural disaster in the region, together with post-conflict rehabilitation and refugees. Meaning, countries now need to mobilise funding and other resources for infrastructure rehabilitation and disaster prevention. This also underlines the need for international
and regional cooperation to support and help each other. The role of APMCHUD has become more essential in the recent months after the last conference in Solo, Indonesia.

The APMCHUD is actively pursuing its ambitious agenda, as identified in its SOLO Declaration and Implementation Plan, which however needs active support of all the countries in the Asia-Pacific region, the multi-lateral bodies like UN-ESCAP, ADB, etc, besides other stakeholders. UN-HABITAT has been consistently supporting APMCHUD in all its initiatives and I look forward to the continued support of UN-HABITAT and related organizations in achieving the desired objectives for the Asia-Pacific region as set out in the action plans and strive to achieve a sustainable development in the Housing and Urban Development sectors in the Asia-Pacific Region.

Thank You