

Collaborative Urban Governance: A better way to Improve the Management and Development of Cities

Discussion Paper

United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

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Abstract

The Asia-Pacific region is home to billions of people. The region continues to exhibit strong economic growth, challenging the way cities, communities and regions are managed for a sustainable economic, social, cultural and environmental future. This paper provides an overview of the evolution of collaborative urban governance, which is of increasing interest to governments worldwide in helping to improve the development, operation and management of cities. The paper provides strong evidence that traditional forms of urban governance, based on formalised structures and institutional arrangements, are not performing well. The challenge of silo mentalities in many public agencies, organisations and institutions, is resulting in a 'culture' associated with a general lack of trust, cooperation and information sharing. Extensive duplication of effort in the processes of government, resource wastage, a reluctance to innovate, a risk averse and secrecy governance culture, and resistance to change management feature strongly. The paper highlights the inefficiencies of current urban governance systems that result in lost opportunities to leverage resources and capital, and increase transaction costs to business and governments in cities. The poor are marginalised and their interests excluded, while other important groups and business interests are unable to participate in and contribute to the sustainable development of cities. The paper utilises case studies and assessment tools to highlight how collaborative urban governance is a way forward for an ESCAP agenda to improve the management and development of cities in the region. In doing so, it makes an important contribution to the post-Rio+20 sustainable development framework and Habitat III.

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EXECUTIVE SUMMARY

This discussion paper describes an initiative to support the United Nations Conference on Sustainable Development (Rio+20) on the Future We Want and the Sustainable Development Goals (SDG). The paper provides an overview of the evolution of collaborative urban governance, an area of increasing interest to governments worldwide in helping to improve the development, operation and management of cities. The paper details evidence of how traditional forms of urban governance, based on formalised structures and institutional arrangements, are not performing well and result in poor decisions. In exploring the concept and application of collaborative urban governance, the authors offers reasons why collaborative urban governance is an innovative approach that ESCAP could use to support programs of activities to improve the management, competitiveness and development of cities in the Asia-Pacific Region.

The paper commences with a discussion of the challenges facing the region, emphasising the problems that have arisen with the development and planning of urban areas and the impediments to sustainable development in a region that is home to billions of people. The authors review existing urban governance systems and their failures as a preview to the concept of collaborative governance and its application. By using case studies and analytical tools, the author highlights the strengths of collaborative governance. The paper closes with an action agenda for ESCAP and recommendations for the next step. The authors acknowledge the time needed to implement collaborative urban governance, given deeply entrenched practices, the need to tailor efforts to suit local conditions, and the importance of unlearning and learning new ways to manage cities.

Urban governance and management needs new ideas and approaches to make cities more sustainable. These must blend the need for competition and economic growth with responsible urban governance and management arrangements. Some issues identified by the author with respect to current urban governance systems include a predilection to working in silos in many public agencies, organisations and institutions, resulting in a 'culture' associated with a general lack of trust, cooperation and information sharing. There is extensive duplication of effort in the processes of government, resource wastage, a reluctance to innovate, a risk averse and secrecy governance culture, and resistance to change management. These features of governance do little to support the sustainability of development, and result in lost opportunities to leverage resources and capital through public, private and community partnerships and the like to bring about change for the better. The inefficiencies of current urban governance systems have increased transaction costs to business and governments in cities. Further, the poor are marginalised and their interests excluded, while other important groups and business interests are unable to participate in and contribute to the sustainable development of cities.

Collaborative urban governance is a useful approach and next step in the evolution of inclusiveness in public decision-making. It encompasses greater collaboration between institutions, business and civil society to achieve more open and improved decision making. It involves the provision of the means to engage individuals and organisations outside government through structures and mechanisms that support effective relationships across the public, private and community sectors as they collaborate in decision making. It reduces costs and time delays to business and government, encourages more sustainable use of capital and resources, and fosters competition within and between cities. It is achieved by engaging in partnerships and alliances between government and firms to overcome those barriers of entry that prevent many smaller city businesses gaining access to markets.

Collaborative urban governance combines two basic concepts:

- Collaborative: To collaborate and cooperate to achieve common goals, working across boundaries in multi-sector relationships. Cooperation is based on the value of reciprocity.
- Governance: To steer the process that influences decisions and actions within the public, private and civic sectors.

As an open system, collaborative urban governance can be an important catalyst for change and provide opportunities for greater creativity in accessing resources, utilising innovative financial solutions, and engaging people in meaningful dialogues.

Key challenges for collaborative urban governance, which also present opportunities, include:

- adapting, modifying or changing current models of urban management and governance to strengthen the enabling environment of cities to attract investment, improve the management of urbanisation, ensure more effective planning and management of resources and increase the business capabilities and capacities to self-fund and maintain essential strategic infrastructure needed to support the growth of the economy
- overcoming institutional barriers to support a more collaborative approaches to integrated decision making for policy development
- improving the organisational culture and administrative arrangements for urban governance
- breaking down the silos to cooperation and joined-up decision making (APR governments must build capacity in fostering sustainable urban development, financing, governance, and the effective integration of social and environmental issues into planning for economic growth by adopting a programmatic approach)
- enforcing, monitoring and evaluating the performance of plans to support the operation and development of cities
- improving the quality of leadership needed to steer cities along pathways to sustainable development
- identifying the types of urban governance models and plans needed for APR cities
- addressing the ineffectiveness of integrated metropolitan strategic planning and development
- managing the demand placed on natural resources, many of which are finite
- building the required human and social capital to provide the knowledge, competencies and skills needed to conduct the operational machinery of government and business
- identifying mechanisms to strengthen the relationship between urban institutional governance, planning and resource base management so cities can become more efficient, competitive and sustainable in their approach to development
- mitigating risk, including interference by central government through directions and regulations; complex politics between regional and local governments; severe competition between local governments to obtain a central budget; and the possibility of local politicians taking advantage of projects as an election strategy for becoming or remaining a mayor or local councillor
- opening up data to open up government, increase transparency and improve the effective functioning of democratic institutions
- the role of central government as a facilitator of change
- the role of inclusive stakeholder engagement and having the right engagement tools that are transparent and which encourage and respect diverse views and opinions

- Providing opportunities for stakeholder engagement to take place, through for example community-led improvement projects that are 'owned' by communities.

Benefits of adopting a more collaborative governance model include, but are not limited to:

- reduced resource consumption and wastage through resource sharing
- reduced overlap of effort and responsibilities for business and public institutions
- increased trust and confidence in decision making
- increased accountability, certainty and consensus decision-making processes
- removal of institutional silos
- expanded access to common-user data and information
- reduced time and cost of processing approvals, planning and budgeting systems
- improved inputs by business and civil society into strategic planning, budgeting and risk management
- improved risk management
- mobilising underutilised/underperforming private and public capital, property and other assets.

For ESCAP, the research indicates that if it was to adopt collaborative urban governance as a tool to improve decision making and enhance city competitiveness for central and local governments, it will be necessary to develop a themed suite of action-learning projects and programs that provide a catalyst for change. Importantly, given ESCAP's capacity to support large-scale programs, it is suggested that projects and programs be incorporated into learning and change management initiatives. ESCAP could provide targeted assistance focused on national policy reform and institutional change within local government to achieve an effective outcome.

Ways that ESCAP may support institutional capacity building and improved city management include:

- aligning support to the core operation and competencies of organisations in the delivery of infrastructure, services and city development to identify opportunities to leverage resources, reduce duplication, avoid conflict and manage risk
- target areas for supporting collaborative urban governance, including the identification of collaborating partners/organisations (for example, central government, local government, public utilities, authorities and corporations, professional organisations, NGOs, SIGs and the private sector) and their roles as either leaders or supporters.

The author proposes an action agenda for ESCAP consideration, commencing in October 2014 and culminating with a session on collaborative urban governance at Habitat III in March 2016.

Based on the research, two recommendations are provided for consideration by ESCAP:

R 1: That ESCAP agree to investigate the feasibility of a Collaborative Urban Governance program for the Region as an initiative to support the agenda for *The Future We Want*.

R 2: That ESCAP conduct a workshop in 2015 to discuss the options and framework for developing a Collaborative Urban Governance as an initiative to support the Sustainable Development Goals and a focus for Habitat III.

1 INTRODUCTION

1.1 BACKGROUND

Despite many attempts at change, the governance and management arrangements for cities and municipalities has changed little for most of the Asia-Pacific Region (APR). The powers and responsibilities of local governments for the delivery of services, administration and financial management, are devolved from central governments largely through national constitutions or other regulatory means. Historically, the administration of governance was hierarchical, top down, relatively inflexible, edicts and rule-based. Consultation with business, communities and interest groups was limited, with a clear separation between the functions of this interest group in decision making. Input into public decision making was little more than tokenism. By the latter part of the 20th century, demands for greater involvement by interest groups in public decision-making and policy led to reforms and more open governance systems. However, these are still not delivering sustainable development outcomes for cities and urban growth areas in the region. Fresh approaches and ideas for urban or city governance and management are needed.

City governance has been the subject of extensive studies, investigations and development assistance over many decades by international development assistance agencies and financial institutions keen to improve the management and sustainability of cities. Despite huge efforts to improve the planning, management and development of cities, governance issues continue to plague their development. Indications that current urban governance models are not working include:

- general failure of metropolitan region land-use, infrastructure, economic and environmental planning to coordinate and manage urban development
- poor performance of many public agencies to deliver adequate and reliable services
- limited improvements in transparency, accountability and reduced corruption in public institutions
- poor understanding by public officials and urban managers of the way cities have become increasingly linked in a global system of trade and investment so that greater attention must be given to the way external factors impact city development and sustainability
- poor attention to public finances, risk and the maintenance of public assets.

To overcome these failings, new approaches for urban management decision making and governance are necessary. These must build a platform for greater trust, accountability, and willingness to share, collaborate and cooperate within the public administration and decision-making systems of cities.

Collaborative urban governance is a new concept of increasing interest for governments in many countries to improve the management and development of cities. Traditional forms of urban governance, based on formalised structures and institutions, are not performing effectively in response to the demands of urbanisation. A silo mentality and lack of trust, cooperation and information sharing between public agencies and organisations have resulted in massive duplication of systems and processes and resource wastage. This has led to many lost opportunities to leverage social and economic capital through a wide range of public, private and community partnership arrangements. The inefficiencies of current urban governance systems have resulted in increased transaction costs to business and governments in cities. Further, the poor are marginalised and their interests excluded, while other important groups and business interests cannot participate in and contribute to the sustainable development of cities.

In 2012, the United Nations (UN) Conference on Sustainable Development (Rio+20) on the *The Future We Want* was held in Rio de Janeiro, Brazil. One conference outcome was a mandate for the UN Economic Commission for Asia and the Pacific (ESCAP) and other UN agencies and commissions to develop an agenda for implementation of a programme of activities. The activities seek to:

- secure a commitment to the urban sector for action to implement the *Future We Want*
- map out a “New Urban Agenda” in the lead up to the third Conference on Human Settlements and Sustainable Urban Development (Habitat III).

The discussion paper highlights many of the challenges facing local governments in the context of the management of rapid urban development and transformation in the region. Local government is located at the cross point between the traditional vertical axis of power and public administration and the new horizontal axis of partnership between government, private and civil sectors of society. Local government is increasingly centre stage and encouraged to be innovative, closer to its citizens and work in partnership and collaborative arrangements. In both developed and developing countries, there is a lack of capacity in local government to achieve this role.

The paper represents a first step in response to:

- the overall post-Rio+20 sustainable development framework
- regional discussions on themes related to Habitat III
- the role of ESCAP in addressing key challenges facing local governments, including how ESCAP could support collaborative governance in urban management to reduce the impasse in contemporary governance systems and decision-making processes which prevent the development of sustainable cities.

1.2 SCOPE AND OUTLINE OF THE PAPER

Improved urban management and governance are central to the UN Habitat conference sustainable urban development agenda, as well as a vital component of Rio+20 outcome implementation, the Sustainable Development Goals (SDGs) and post-2015 development agenda. This was underscored by the inclusion of “sustainable cities and human settlements” as an important thematic areas under the framework for action and follow-up. Pursuant to General Assembly Resolution 67/216 and UN-Habitat Governing Council Resolution 24/14, ESCAP and other regional commissions are required to contribute to all stages of the preparatory process. This includes, but is not limited to, regional report preparations, global report contributions, convening regional meetings, and utilising regular sessions to provide inputs to the preparatory process for Habitat III. ESCAP commissioned the discussion paper as a contribution to the New Urban Agenda.

In outlining the concept of collaborative urban governance and its application to urban management, the paper is useful for indicating how ESCAP could support better urban governance arrangements to improve the sustainability and management of cities in the APR. For the purpose of this paper, the discussion focuses on cities in developing countries and acknowledges the uniqueness of cities and urban areas in both Asia and the Pacific islands. The paper explains:

- why urban governance systems are failing to deliver sustainable development outcomes for cities
- what collaborative urban governance encompasses and its benefits for urban management and development
- examples of current Initiatives as potential best practices approaches of collaborative governance applicable to the APR
- some major challenges facing the introduction of collaborative urban governance
- how ESCAP could support collaborative governance as part of its responsibility to implement the Agenda for Action for the *Future We Want* and Habitat III.

The discussion draws upon current literature, theory and practice of collaborative urban governance, citing examples and case studies of its application. Applying collaborative urban governance will require significant discussion by ESCAP, given the concept's relative newness. The paper concludes with a proposed program for ESCAP and its partners to support collaborative urban governance. The research for this paper included a series of workshops, an expert panel, desktop research and consultation with government officials to focus on particular aspects of urban governance that were proving particularly problematic. This highlighted areas of concern that were contributing to urban governance failure – institutional governance, strategic planning and resource management.

2 THE CHALLENGE IN MANAGING ASIA PACIFIC CITIES

2.1 THE SIZE OF THE CHALLENGE IN ASIA

By the middle of this century, the APR will be home to 45% of global urban population (per the UNDP definition of the APR). The APR includes 58 countries and territories grouped into five geographic sub-regions (Dahiya, 2012). The Pacific sub-region is the most urbanised due to the high urbanisation in Australia and New Zealand. Asia comprises 30% of the global land mass and 60% of the world's population. While Asia is the second least urbanised region in the world, its cities are growing rapidly (see table 2.1). In 2010, an estimated 1.7 billion people lived in urban areas. By 2030, a further 1.3 billion people are expected to live in Asian cities (UN, 2012). Its cities are in a constant state of flux due to population growth. APR urban forms span extremes of poverty and prosperity, from Shanghai and Singapore's wealth and green development to developing cities characterised by insecure employment, terrible living conditions and degraded natural resources.

Table 2.1: Urbanisation Trends in Asia, 1950–2030

	GDP per capita (PPP, \$) 2003	Population (million) 2005	Urban population (million) 2005	Proportion urban			Estimated increase in urban population	
				(%) 1950	(%) 2005	(%) 2030	(million) 2005–2030	(%) 2005–2030
World		6,453.6	3,172.0	29	49	61	1,772.7	56
Asia		3,917.5	1,562.1	17	40	55	1,102.2	71
Malaysia	9,512	25.3	16.5	20	65	78	10.8	66
Thailand	7,595	64.1	20.8	17	33	47	14.6	70
PRC	5,003	1,322.3	536.0	13	41	61	341.6	64
Philippines	4,321	82.8	51.8	27	63	76	34.8	67
Sri Lanka	3,778	19.4	4.1	14	21	30	2.4	59
Indonesia	3,361	225.3	107.9	12	48	68	80.0	74
India	2,892	1,096.9	315.3	17	29	41	270.8	86
Vietnam	2,490	83.6	22.3	12	27	43	24.5	110
Pakistan	2,097	161.2	56.1	18	35	50	79.3	141
Cambodia	2,078	14.8	2.9	10	20	37	5.8	197
Bangladesh	1,770	152.6	38.1	4	25	39	48.4	127
Lao PDR	1,759	5.9	1.3	7	22	38	2.3	177

Lao PDR = Lao People's Republic; GDP = gross domestic product; PPP = purchasing power parity; PRC = People's Republic of China.

(Source: UN, 2012 *World Population Prospects: 2002 Revision*, UN, 2003 *World Urbanization Prospects: 2003 Revision*, UNDP, 2005 *Human Development Report*)

Most Asian urban dwellers do not reside in large metropolises. Over 50% live in secondary cities and peri-urban areas with populations between 500,000 and 1.5 million. Most secondary cities exhibit

weak urban governance systems and will be unable to manage the expected population growth over the next 20 years. Many struggle to control urban development. Many are overcome by problems of migration, shelter, resource and infrastructure shortages, and high unemployment rates. New World Trade Organization (WTO) regional and bilateral trade agreements and structural reforms have removed protection measured enjoyed by nationalised industries against foreign competition. The ensuing structural changes have significant impacts on the reform of national and local governments.

Current APR urban governance systems for managing cities are failing to realise the necessary changes and transformations to enabling environments. While reforms supporting greater decentralisation of administrative and financial systems of local government have been slow, they are driving structural changes at the local government level (Pepinsky and Wihardja, 2011, World Bank, 2005). New trade agreements under negotiation by the Association of South East Asian Nations (ASEAN) and Asia-Pacific Economic Cooperation (APEC) will accelerate the pressure for change and reform of governance systems. APR cities are experiencing greater competition and pressure to reform, which will require changes in the role and culture of urban governance systems. Resistance to changes is often evident as it threatens long-established administrative systems, introduces new technology that displaces jobs, and includes more open and less authoritarian management structures. The role of urban governance is shifting from service delivery to strengthening location competitiveness, by fostering the development of strategic infrastructure systems to support local production, foreign investment, and endogenous growth driven by the private sector (World Bank, 2011).

Urban regions with the greatest competitive advantage will continue to develop and increase in size and income. Many, like Ho Chi Minh City, Shenzhen and Bangalore have evolved into very large conurbations and city clusters (Choe and Laquian, 2008) and attract the greatest share of national and international investment. The less competitive parts of countries struggle to catch up, especially less accessible secondary cities with poorer infrastructure and limited skilled persons and resources. Some, like Khulna in Bangladesh, are experiencing population decline.

Urban planning systems are not keeping pace with the demand for infrastructure and services. In Asian cities, many master and local planning systems are dysfunctional, resulting in uncontrolled urban development, lack of basic infrastructure and community services, degradation of natural systems and poor building control. Metropolitan regional planning systems face massive issues related to territoriality of responsibilities, lack of resources, and political interferences in the policy and planning decision-making processes. Corruption and rent-seeking activities have reduced public confidence in planning systems, while the lack of integrated planning results in long delays to development approvals, adding substantially to development costs.

Studies on the flow of investment show large disparities in levels of investment in developing countries of Asia (Organisation for Economic Co-operation and Development (OECD), 2013, Sustainable Development Institute (SDPI), 2013). Many secondary cities lack basic infrastructure and support services necessary to compete for investment and business nationally and globally. Business transaction costs and informal sector employment are high. In South Asia, local government revenue recovery and management is among the highest in the region (SDPI, 2013). These growing regions have become poverty traps, driven by consumption and remittances with very limited growth prospects (Siddique et al., 2010). A major challenge facing the rapidly urbanising developing APR countries is to ensure the benefits of urbanisation are sufficiently widespread.

Municipal finance is critical to address a broad range of problems associated with urban growth in Asian cities and achieve more sustainable development outcomes. There are two closely interrelated

issues of urban finance affecting most developing cities. First, there is the enormous amount of money needed to fund infrastructure and service provision. Second, there are the financial systems and arrangements required to mobilise funds and ensure their effective use. The current demand for infrastructure and services far outstrips supply in most Asian cities. Governments are investing far too little in infrastructure, undermining economic growth, private sector development, and the achievement of social and poverty reduction goals.

It is estimated that the total requirement for infrastructure and maintenance in Asia is between \$250-300 billion per annum, or over 6% of Gross Domestic Product (GDP) (Asian Development Bank (ADB), 2008). Urban governance must create a competitive enabling environment to capture an adequate share of economic activity to finance this investment. There is little evidence that present funding shortfalls are the result of market factors, such as unwillingness in urban areas to pay for services, or the failure of capital markets. Rather, the failure to mobilise sufficient resources reflects structural weaknesses in the enabling environment for urban governance, as well as institutional weaknesses and capacity constraints in local governments and special-purpose authorities responsible for urban governance. Other challenges facing the APR in the quest for sustainable forms of development include:

- land administration, planning and management of peri-urban areas
- urban regeneration
- decontamination of brownfield sites
- urban boundary extension and metropolitan management
- urban financing.

Despite efforts to address these, there has been little progress in improving the urban management and governance systems of Asia's developing cities. In many situations, these problems are so acute that some parts of cities are dysfunctional and no longer liveable.

2.2 THE STATE OF PLAY IN THE PACIFIC ISLAND COUNTRIES

The Pacific Island Countries (PICs) are not immune from those development and management pressures experienced in Asian urban areas and the poverty in rural and remote areas. At June 2011, the Pacific region's population was over 10 million (Jones, 2012). Table 2.2 provides key urban population indicators for PICs. Many countries share similar challenges as small and remote island economies. Their small size, limited natural resources, narrow-based economies, vast distances to major markets, and vulnerability to exogenous shocks, can affect growth. At times, these factors have resulted in a significant degree of economic volatility. Added to this, many small island country towns and cities are the most vulnerable globally to the impacts of climate change and natural disasters.

The average urban share of urban population in the PICs is 51%. In 2011, just over 2.1 million persons resided in Pacific urban areas, or nearly 21% of the regional population (i.e. one-in-five Pacific islanders resides in a Pacific town or city) (Jones, 2012).

In the Pacific area, many islands are urbanising at a worrying pace, while countries such as Papua New Guinea (PNG) are at an early stage of urbanisation. PNG is the least urbanised of the PICs, with some 13% of its population being urban at the 2000 census (Jones, 2012). PNG has the largest urban populations in the Pacific Region, and Port Moresby is the largest city (Jones, 2012:7).

The Pacific island urbanisation process is concerning as it is resulting in dramatic regional urban transformations, with alarming consequences. Factors contributing to ongoing growth in urban areas include a young age structure, high fertility rates and the movement of rural populations to

urban areas in search of employment and services. There will be a deepening of poverty due to a lack of basic services such as sanitation, waste disposal and secure housing. There is increasing pressure on hard infrastructure, unemployment and social problems are increasing in many towns, environmental conditions and health are deteriorating, inequality in access to income is growing, and evidence of poverty, vulnerability, and hopelessness is increasingly visible among an underclass of landless urban poor. This, in turn, is leading to high crime, high unemployment and low social capital development.

Table 2.2: Key urban population indicators for Pacific island countries, mid-2011

Country and Pacific Sub-region	Mid-year population estimate (2011)	Population growth rate (%)	Capital city or town	Urban population (%)	Last inter-census annual growth rate urban (%)	Last inter-census annual growth rate rural (%)	Land area (km)
Melanesia	8,797,410						
Fiji Islands	851,745	0.5	Suva	51	1.5	-0.1	18,271
Papua New Guinea	6,888,297	2.1	Port Moresby	13	2.8	2.7	462,824
Solomon Islands	553,224	2.7	Honiara	20	4.7	2.5	28,370
Vanuatu	251,784	2.6	Port Vila	24	3.5	1.9	12,190
New Caledonia	254,525	1.3	Noumea	67	2.3	-0.7	18,576
Polynesia	668,470						
Cook Islands	15,576	0.3	Rarotonga	72	2.6	-1.4	237
Niue	1,446	-2.3	Niue	36	-1.1	-2.3	259
Samoa	183,617	0.3	Apia	21	-0.6	0.7	2,935
Tonga	103,682	0.3	Nuku'alofa	23	0.5	0.4	650
Tuvalu	11,206	0.5	Funafuti	47	1.4	-0.2	26
American Samoa	66,692	1.2	Pago Pago	50	2.4	1.7	57,291
Tokelau	1,162	-0.2	Nukunono	0	-	-4.6	1,151
Wallis and Futuna	13,193	-0.6	Mata-Utu	0	-	-2.1	13,445
French Polynesia	271,831	1.2	Papeete	51	0.7	1.8	259,706
Micronesia	546,491						
FSM	102,360	0.4	Kolonia	22	-2.2	1.0	701
Kiribati	102,697	1.8	South Tarawa	44	1.9	1.8	711
Marshall Islands	54,999	0.7	Majuro	65	1.6	1.3	181
Nauru	10,185	2.1	Yaren	100	-2.1	-	21
Palau	20,643	0.6	Koror	77	0	3.9	444
Guam	192,090	2.7	Hagatna	93	1.8	-1.4	154,805
Northern Mariana Island	63,517	-0.1	Saipan	90	3.7	2.3	69,221

Source: Adapted from Secretariat of the Pacific Community *Pacific Island Population Estimates and Projections*, April 2012, in Jones, 2012

The role of cities in the PICs cannot be underestimated. They have an increasingly important part to play in the economies of their countries and account for a dominant or growing proportion of GDP, employment and investment (Storey, 2006). As in Asia, the PICs increasing importance in national dysfunctional governance threatens economic development. Storey's (2006: 3-4) work highlights how past transfers of Western prescriptions, values and institutions have been largely ill-fitting

institutions that have been ineffectual in dealing with crisis and the unique social, demographic and geographic nature of many Pacific Island cities. The growth of peri-urban areas is likely to continue well into the future. There is inflexibility of urban municipal boundaries, and the vast proportion of future growth will be in these peri-urban margins, “unless there are measures to increase significantly the density of the core of urban centres” (Storey, 2005: 3). Storey (2005: 3) calls these ‘borderless places’ – places where expansion continues and the bounds of authority are unclear – as well as sites of conflict, where the urban poor, recent arrivals, existing landowners, new entrepreneurs and politicians battle for land, jobs and housing.

In an assessment of governance, Storey (2005: 2) found that appropriate, affordable and relevant forms of governance are missing, and are urgently needed if the challenges facing PICs are to be managed “...in a context of rapid demographic growth and change coupled with globalising economies which are vulnerable to external shocks. The capacity to deal with such demands is limited, which has led many to claim that the Pacific faces an urban nightmare. However, some states and cities have succeeded in arresting decline and others are successfully negotiating innovative paths forward, from which much can be learned. A unique set of circumstances prevail in the island states of the Pacific. In some ways, these exacerbate the problems; in other ways they may point the way forward to their amelioration.”

Current models of governance are mostly managerial, neoliberal/entrepreneurial and customary, and while each can provide some outcomes, none on its own can give a complete answer when considering peri-urban growth. For example, who would take responsibility for management of growth (housing, services, land use, environment etc, contends Storey (2005: 4), “especially when central state may have putative power but this is often weak and contested at the local level (by customary landowners or local power brokers for example.” Storey (2006) argues for stronger partnerships with governments and civil society, with donors re-examining the foundations of a successful intervention and the donor’s role in achieving this. Success will be measured (among other things) in terms of its collaborative approach, innovation, dynamism and incorporation of local realities. “Local government, and forms of local governance occupy the pivotal space between global demands, states and increasingly poor, marginalised urban spaces and are in a position to reconcile the tensions between them” (McCarney, 2003:39 cited in Storey, 2005).

2.3 UNDERLYING CAUSES OF THE PROBLEM

2.3.1 Historic context

Across the APR, most public sector models used for governing and managing cities were developed in the early part of the 19th century from colonial or socialist systems. Driven largely by rules, decrees and regulations, the organisational arrangements for public sector institutions emphasised the scientific method, efficiency, professionalism, structural reform and executive control. Administrators’ duties focused on planning, organising, staffing, directing, coordinating, reporting and budgeting. Government organised itself on a structured hierarchical system of departments and agencies. Employment focussed on a career for life, with promotion based on experience and length of service.

While the past century has witnessed some change to governance and public administration and business arrangements, the above model for urban governance still prevails in most developing regions, including the APR. The model does not respond well to the forces of open market economies, open systems of government and merit-based employment and promotion arrangements. In the late 1980s, New Public Management (NPM) evolved to address urban

governance. NPM advocated the use of private sector-style models and organisational ideas and values to improve the efficiency and service-orientation of the public sector. It led to greater outsourcing of public functions to the private sector, introduced corporate planning, flattened management structures and moved towards partnerships for development. NPM introduced greater accountability, transparency and consultation in the decision-making process for planning, budgeting and addressing the concerns of public interest groups. NPM was widely adopted in many market economies, including New Zealand, Australia, UK and USA.

However, only some of NPM elements were adopted (accountability measures, consultation and development partnerships for development). In developing countries and cities, including APR. In APR, NPM governance is not understood. In addition, it is not widely accepted by central and local governments. It poses a risk to those institutions that have not experienced competition, as well as those under pressure to be more efficient. NPM is viewed as a threat to existing bureaucratic power structures, nepotism and living wage and working conditions, and is seen as a way to increase organisational and institutional criticism and accountability. With the advent of social media, every aspect of traditional and NPM urban governance models is being exposed and challenged in developing regions such as APR (Kwak et al., 2013, Castells, 2008 #12827).

NPM split large bureaucracies into small entities. Areas like waste management and engineering services devolved to the private sector, or were corporatised, as they were not central to the new streamlined functions of local government. NPM encourages competition between different public agencies and between public agencies and private firms, and using economic incentives based on performance bonuses or user-pay models. There is a philosophy of treating public users of services as individuals as "customers" or "clients" and not citizens (Osborne and Gaebler, 1992). Experience shows that NPM has largely failed to provide a universal way to improve urban governance performance in developing economies, and its wider application in APR is questionable given many indicators of urban governance reform inherent in NPM have not improved over the past decade. Clearly, new forms of governance the best avenue if APR cities are to utilise their assets and resources more efficiently and effectively and improve their planning and institutional governance systems.

2.3.2 The failure of management in developing cities

Better urban management is pivotal to meeting the daunting challenges of urbanisation for many local and national governments. While the rate of population growth of some cities is slowing, the annual growth rate across the region exceeds 2%. Urban areas continue to spread and grow at over 5% per annum. At the same time, population densities are falling in some areas (Angel et al., 2012). The annual amount of land converted from rural to urban in Asia is estimated to increase from 3,000 km² to over 5,000 km² in 2030 (Roberts and Kanaley, 2006). Only a small percentage of this area will be fully serviced.

The growth of most Asian urban centres will be constrained by an inability to manage their size to maximise scale opportunities and minimise costs. According to Dobbs and Remes (2011), "the larger urban centres in the region have highly complex urban systems, demanding environments that require a long planning horizon and extraordinary managerial skills. Enormous public funds will be allocated to reforming and developing governance institutions. Many city governments are just not prepared and able to cope with the speed at which their populations are expanding."

Many regional, local governments faced with managing rapid urbanisation will simply continue to muddle through as best they can (Lindblom, 1959). Consequently, some cities will not achieve

sustainable development. Since the quality and performance of city governance are the most significant barriers to improving the sustainability of cities (UNDP, 2013), identifying better ways to improve the urban management and development of cities, (especially their peri-urban areas) is imperative for governments and international development assistance agencies and financing banks. Investing large capital outlays for infrastructure development in the absence of asset maintenance, or the outlays recoverable, is not sustainable. As well, failing to integrate transport, infrastructure and land-use planning activities is an important issue in the development and ongoing management of cities.

Issues of economic, environmental and social sustainability must be addressed aggressively to develop dynamic, sustainable cities (Hildebrand et al., 2013). Most problems in these areas have well-known solutions, and effective action is within the remit of 'city governance' at both central and city government levels. The challenges of managing urbanisation and urban management across the region occur at different scales, scope, geography and levels of development.

2.2.3 The failure of institutional governance

Institutional governance systems (WEF, 2012) relate to the vertical and horizontal sharing of responsibilities, powers and finance between public agencies and organisations across levels of government in dealing with the implementation of public policies, plans, programs, laws and regulation. Devolution, decentralisation and delegation of the role of government impact significantly on decision making, institutional cultures and operations, civic engagement, information sharing and trust in governance. New hybrid institutions are emerging which cut across the boundaries of sectors, government departments and geographic units. These are clustered and networked models of governance that cut across traditional dichotomies of governance, which tend to separate the state from markets and civil society.

In situations where urban institutional governance systems are autocratic and hierarchical and management structures bureaucratic, institutional governance systems are less able to respond to the pressures of an increasingly linked and corporate world. Top-down and politically-driven decision making can lead to a closed and untrusting workplace culture and environment. The failure of rigid institutional governance systems to adopt flexible, open and collaborative decision making and institutional responsiveness to change is resulting in cities being unable to manage urbanisation and development processes. This failure is amplified in developing regions that exhibit rapid growth.

2.2.4 The failure of planning systems

There are numerous examples of planning's failure to support the development and management of cities in both developed and developing countries. Urban planning tends to focus on physical land use planning and development, with most cities having master or strategic development plans. Few cities in the APR have fully implemented these plans. Planning fails for many reasons (see box 2.1), with the primary cause cited as a lack of commitment to implementation (Talen, 1996, UN-Habitat, 2000).

Box 2.1

Primary reasons for the failure of planning

- The reason for doing it in the first place
- No precise destination of success
- Is it a good plan or just a plan?
- Part-time project management
- Under-estimating the resources required
- Over-reliance on consultants
- Customisation issues
- On-the-job training
- Insufficient testing
- Insufficient user training
- Having a plan only for plan's sake
- Not understanding the environment, or focusing on results
- Partial commitment
- Not having the right people involved
- Writing a plan, then leaving it un-actioned on a shelf somewhere
- Unwillingness or inability to change
- Having the wrong people in leadership positions
- Ignoring marketplace reality, facts and assumptions
- No responsibility or follow through
- Unrealistic goals or lack of focus and resources

Source: (Forbes, 2011, ERP, 2013)

City planning is not just concerned with physical development and land use. Other discipline areas, including finance, economic, and social development, asset management and the environment, play a key role in city management, development and operation. Economic, environmental management, social and business plans are integral in shaping the multiple objectives and strategies needed to achieve more sustainable city development. However, a failure to adopt integrated planning of urban systems makes the sustainable development of cities difficult to achieve. Integrated strategic planning takes a holistic management approach by combining communications, technologies, applications and processes to connect and integrate the planning function across multiple agencies. It aims to improve organisational alignment and business performance to meet an agreed set of strategic goals and outcomes. Linking strategic urban planning and organisational operational planning with financial planning is vital to the management and development of cities. The lack of integrated strategic planning leads to inefficiencies in resource management in cities.

2.2.5 The failure of resource management

Research shows that urban institutional governance and planning systems are not delivering and maintaining essential assets, urban infrastructure, land, shelter, and necessary services to enable cities to function more efficiently and grow. City resources and assets are either wasted or underutilised. Many infrastructure assets are designed to address short-term problems, without considering the long-term operational, depreciation and maintenance costs. Other urban assets were constructed legally (and in some cases illegally), with no record of their location, value and condition and cost of operation and replacement.

Most of the world's development capital is embedded in the investment of land, property and infrastructure in cities. In developing cities, much of the investment in public assets is poorly maintained and not capitalised. As a result, there is significant underperformance of public investments and public revenue returns from urban assets. In many situations, public assets and resources need high levels of subsidy to provide even a basic level of service. The level of urban management skills and competencies has a significant impact on city management. Poorly managed public institutions can undermine confidence in how government conducts its responsibilities and provides services in a cost- and resource-effective way. Wasted effort and the high costs of delivering urban services result from:

- duplication in gathering data and information
- restrictions on its use and distribution

- underutilisation of public assets
- slowness in embracing partnerships as a way of leveraging and stretching limited public resources.

This paper contends that collaborative models of governance will help overcome waste in urban systems, add significantly to the sustainable use of resources, and increase productivity. However, few cities in the APR understand the models, their application and benefits for urban governance and management performance (Ansell and Gash, 2008, O'Brien, 2012, Zadek and Radovich, 2006.).

3 URBAN GOVERNANCE

3.1 DEFINITION OF URBAN GOVERNANCE

UN-Habitat defines urban governance as the many ways that individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests are accommodated and cooperative actions taken. It includes formal institutions and informal arrangements, as well as corporate and the social capital of citizens. Beliefs shape many of the ideas and approaches to urban governance, paradigms and practices (much of which is enshrined in public policy documents). These ideologies, beliefs and methods have a major role in shaping the physical form, management and development of cities.

All cities operate and function in response to a complex set of interacting flows and forces that shape the dynamics of urban systems and environments. Urban governance provides the overarching structure to guide the management, development and operations of cities. It is the strategic architecture (Hamel and Prahalad, 1994) or decision-making blueprint that includes a city's development goals, the use of capital and other resources, laws, rules, plans and policies governing society, and the delivery of urban development, infrastructure, community services, investment and the city's image.

Initially, urban governance was concerned with local issues associated with the management and development of cities. This is no longer the case as globalisation, technology and improvements to communications have changed the way that cities are planned, developed and managed and their economies managed. In an increasingly borderless world, cities no longer function in isolation as they connect and move towards a world system of integrated cities. As a result, city governments and businesses realise the need to improve continually their urban governance and management systems to remain competitive and efficient.

Governance systems are becoming more open, transparent, accountable, engaging, and information driven. This is due partly to the internet age, but also because citizens are less trusting of government and demand they be more engaging, transparent and accountable in decisions that affect people's livelihoods and well-being. There is also growing recognition that the future growth of cities will become more reliant on endogenous growth. Access to good, reliable information, open platform systems for data sharing and collaboration will be necessary to solve problems and attract new ideas and innovative systems to create jobs and a sustainable future.

Elected leaders, governments and business can no longer make decisions about development, community attitudes and vision without considering factors, including attracting outside investment to develop local economies and create jobs and aligning governance systems to the demands of particular localities. This will challenge the leadership, governance and management of cities. Developing and reforming urban governance systems, planning for sustainable urban development,

ensuring expeditious management of public resources, and building competitive smart infrastructure is not easy, even for the most developed countries and cities of the world. Older urban governance systems are not responding well to change and competition. Recently, urban governance challenges have become more difficult due to the global financial crisis, changing demands and nature of markets, demands for improvements in living standards and competition, and growing social and environmental risks affecting the health and wellbeing of city dwellers.

3.2 CAUSES OF POOR URBAN GOVERNANCE

The reasons for the failure of urban governance and management in Asia and elsewhere are well documented. The UNDP paper on 'Sustainable and Inclusive Urbanization in Asia' (Hildebrand et al., 2013), the UN-Habitat report on State of Asian Cities(2008) and the ADB Study 'Managing Asian Cities' (2008) provide a comprehensive review of urban systems failures in delivering more sustainable development outcomes. Other reports and studies have explored similar themes (ADB, 2005, Dahiya, 2012, Harashima, 2000, Jusoh et al., 2009, Tibor et al., 2003, World Bank, 2006).

While compelling arguments exist for improving urban governance systems, the way to achieve this is not clear or easy. Current approaches to addressing structural adjustment programs, while reforming national institutions and industries, have not resulted in a significant change at the local government level, especially in secondary cities. Traditional management models proposed for restructuring local governments based on consultative and western corporate business practices often do not align well to cultural values and workplace practices. New urban governance systems and practices are required to guide Asian cities towards a more competitive and sustainable development future. However, these must be hybrid models of urban governance management if reforms are to occur.

In addressing the causes of poor urban governance, the challenge is to determine those causes of failure or weakness to address at the outset. This requires extensive research and consultation with those stakeholders with a significant role in decisions that shape a city's development.

3.3 EMERGING URBAN GOVERNANCE SYSTEMS

That cities must compete in smarter ways to secure investment is not well understood by many governments, public institutions and corporations. Cities in less developed countries tend to compete independently for trade, with business and investment based on cheap labour, land and subsidised infrastructure costs. Environmental issues, construction standards and worker conditions are mostly sacrificed, until national GDP and wages reach a level where these issues are addressed. As city wealth increases, the demand for improved environmental conditions, better urban services and good governance becomes more important. This is the case for residents, investors and businesses seeking locations that offer a comparative advantage and competitive advantage in terms of quality, productivity and good governance (Brenner, 1998: 8, Brochie et al., 1995, Pengfei & Kresl, 2010).

In the APR, a dichotomy exists between the need to promote sound economic development, investment and employment while ensuring more inclusive and environmentally sustainable approaches to development. Cities must broaden their economic base to support productivity and incomes increases, while ensuring a liveable and investor-friendly environment. This calls for increased dialogue and better ways to manage cities in the future. City management needs new approaches that blend competition and economic growth with responsible urban governance, sustainable development and resource management.

New and emerging urban governance systems call for greater public engagement in decision making across wide-ranging matters between business, civil society and government. New approaches to urban governance need to have more flexible and responsive intuitional governance systems, with a focus on collaborative governance and collaborative competition between cities. Collaborative urban governance can address these issues, as it functions on the premise that collaboration between institutions, business and civil society results in more open and improved decision making. It reduces costs and time delays to business and government, encourages more sustainable use of capital and resources, and fosters competition using collaborative partnerships and alliances between cities and their firms to overcome entry barriers prevent many small city businesses gaining access to markets. Box 3.1 outlines some characteristics of good urban governance.

Box 3.1

Characteristics of good urban governance

- Sustainability: balancing the social, economic and political needs of present and future generations.
- Subsidiarity: taking decisions at the appropriate level with clear frameworks for the delegation of authority.
- Cooperation: developing collaboration between spheres of government and shared competencies.
- Equality of access: in decision making, especially in the involvement of young people and women.
- Efficient delivery of services and local economic development: achieved through the development of good public/private partnerships.
- Transparency and accountability: to minimise corruption in government activities, including predictable and fair regulatory arrangements.
- Civic engagement and citizenship: identifying ways in which the ethic of civic responsibility can be fostered.
- Avoidance of conflict and natural disaster (Building and Social Housing Foundation, 2012).

Source: Authors (2014)

In summary, good urban governance is much more than an exercise of authority by government. It involves working across boundaries within the public sector as well as between the public, private and community sectors. Good urban governance is a necessary, but not sufficient, condition to achieve increased equity or sustainability; rather, it increases the chances of a better outcome than in the absence of governance principles. It must be understood as part of a general system for managing cities, and not as an isolated process.

4 COLLABORATIVE URBAN GOVERNANCE

4.1 DEFINITION AND APPLICATION OF COLLABORATIVE GOVERNANCE

Collaborative urban governance is a relatively new approach to the theory and practice of urban management and development. It has the potential for city managers to meet concurrently the needs for economic growth, environmental management, inclusive cities and responsible urban governance. Collaborative governance offers prescriptions for inclusive, deliberative, and often consensus-oriented approaches to planning, problem-solving, and policy-making. It combines two basic concepts:

- Collaborative: To collaborate and cooperate to achieve common goals, working across boundaries in multi-sector relationships. Cooperation is based on the value of reciprocity.
- Governance: To steer the process that influences decisions and actions within the private, public and civic sectors.

It involves a governing arrangement where one or more public agencies directly engage public and private non-state stakeholders in a collective formal, consensus-oriented and deliberative decision-

making process to make or implement public policy or manage public programs or assets (Ansell and Gash, 2008). The approach shows considerable promise in overcoming the complexity and conflicts in decision making that affect the management of cities. However, the approach requires more testing if it is to be more widely accepted and utilised.

In 2012, the ADB undertook a regional study to understand how collaborative governance could improve the competitiveness in South Asia's cities. The complexity and interconnectedness of the urban environment make it increasingly evident that collaboration is essential across sectors, institutions (both horizontally and vertically) and administrative boundaries to enhance the competitiveness of governance systems in cities and city regions. This model of collaborative governance for city regions requires new thinking, and greater integration of systems both within and between institutions, including data-sharing platforms. Whether in the development of trade, or the fighting of crime and tax evasion, new governance arrangements are emerging that require increasing levels of collaboration.

4.2 BENEFITS OF COLLABORATIVE URBAN GOVERNANCE

Collaborative governance reduces costs and time delays to business and government, encourages more sustainable use of capital and resources, and fosters competition using a collaborative model involving partnerships and alliances between cities and their firms to overcome barriers of entry, which prevent many smaller city businesses gaining access to markets.

Transformations in trade, production and governance systems are exerting pressure on all levels of government to be more collaborative and integrate their administrative systems with global systems. Collaborative approaches would allow cities to better leverage resources and move beyond a compliance and piece-meal approach to development, towards the objective of city-wide transformation. The latter requires cities that are forward-looking and responsive, with a vision that seeks to realise their full economic potential.

Collaborative governance builds on the emergence of new business practices that focus on collaboration of firms in the same or other geographic locations. Today, most major manufacturing industries are involved in collaboration with competitors, for example developing a new type of airplane or new line of pharmaceutical products (Tapscott and Williams, 2006). Collaborative strategy has resulted in innovations, including firms standardising parts and protocols to enable the integration of software and design standards under ISO conventions.

4.3 COLLABORATION AS PART OF CITY DEVELOPMENT STRATEGY

Experience shows that no city or organisation has the resources to develop and trade new products or services when working in isolation. Even if they did, it is unlikely any city or organisation can effectively control the distribution, marketing and retail networks required to deliver products and services to consumers and other markets. Cities and firms are becoming increasingly dependent upon networks, partnerships and alliances to conduct business (Buck and Schmida, 2010, Segil, 1996). This is resulting in the emergence of strategy as collaboration through strategic alliances, networks and partnerships (Segal, 1998, Yves and Hamel, 1998).

Strategy as collaboration leads to new opportunities to stretch and leverage a city's resources, technology, and infrastructure in ways not previously conceived. It enables business, government, citizens and communities to capture and create new opportunities for economic development. It helps to reduce the risk in expanding economic development frontiers that single or pioneering firms

or organisations would never attempt. Collaborative strategy reduces risks, improves efficiencies, helps conserve resources and advances innovation frontiers.

Collaboration as strategy requires one important element to transform the benefits of networks, alliances and partnerships into development outcomes. This element is catalysts – the economic activities usually expressed in the form of industry clusters. Catalysts are mechanisms, persons, firms or other instruments that promote linkages and transactions between business, government and community to:

- identify potential business investment contracts and infrastructure
- build networks and clusters of core competencies attractive to business
- draw together people, resources and technology
- facilitate investment through a range of finance, land and business packages.

Catalysts allow greater creativity in accessing available resources in a region than would be possible through a single development organisation, or the individual efforts of business enterprises or government.

4.4 THE TRANSFORMATION FROM CLOSED TO COLLABORATIVE SYSTEMS OF GOVERNANCE

International trade and development, industry collaboration and city-to-city partnerships are leading to a massive transformation in the nature of urban governance and management arrangements for cities. These are top-down and externally-driven factors that have forced central and, increasingly, local governments to reform and become more open, accountable and competitive. Table 4.1 shows the transformation of urban governance from closed to collaborative governance systems. These changes are happening in many developed countries and are taking place in some developing countries in the APR.

The transition from closed to open systems of urban governance will take significant time. It is an incremental, gradual process, commencing with collaboration on agreed issues and problems between all interested parties as a way to proceed. It involves a negotiated process between the government, business and civil society to determine agreed priorities and levels of limited public resources to improve urban governance systems.

Table 4.1: Transformation of urban governance from closed to collaborative governance systems

Closed governance	Open governance	Collaborative governance
Hierarchical management	Matrix management	Team and cluster management
Master planning	Strategic planning	Integrated strategic planning
In-house sourcing	Outsourcing	Partnerships
Confidentiality non-disclosure	Community engagement	Civic engagement
Internal decision making	Coordinated decision making	Collaborative decision making
Closed information systems	Share information systems	Integrated open information systems

4.5 COLLABORATION AS A NEW PATHWAY TO ENHANCED CITY COMPETITIVENESS

Collaborative governance is the urban governance model for cities in the future. Old approaches to urban governance that see public agencies and organisations operating in silos and making little effort to become more efficient are increasingly less attractive world-wide. Key features of collaborative urban governance include sustainability, subsidiarity, equity, efficiency, transparency

and accountability, civic engagement and citizenship, and security, all of which are interdependent and mutually reinforcing. Although collaborative governance presents a challenge to local governments and society as a whole, evidence shows growing awareness and cautious support for its role.

Collaborative governance will enhance city competitiveness by improving its management, performance and competitiveness. The benefits for city competitiveness include:

- reduced resource consumption and wastage through resource sharing
- reduced overlapping of effort and responsibilities for businesses and public institutions
- building trust and confidence in decision making
- increasing accountability, certainty and consensus decision-making processes
- breaking down institutional silos
- expanding access to common-user data and information
- reducing time and cost of processing approvals, planning and budgeting systems
- improving inputs by business and civil society into strategic planning, budgeting and risk management
- spreading risk
- mobilising underutilised/underperforming private and public capital, property and other assets.

Collaborative governance can be an important catalyst for change, but requires ‘unlearning’ and changes to well-accepted, historical protocols and approaches to negotiation, decision making, budgeting, financing, planning and urban management practices. Time is required to build trust, respect and cooperation between those traditional institutional and sector rivalries with an inherent distrust of each other. It needs to evolve and not be an impost on cities and metropolitan regions if it is to succeed.

For cities to be competitive, urban governance and management systems must align with contemporary business management practices and be more open and e-engaged. Collaborative urban governance offers a way forward for the management of urban systems to be more efficient, responsive, and adaptive to changing societal, local and global business needs. Its application will require the development of urban governance indicators to provide a baseline for strategies and actions to meet targeted development outcomes based on a realistic assessment of resources, risks and willingness of local governments to implement.

4.6 PRINCIPLES FOR COLLABORATIVE URBAN GOVERNANCE

Important principles of collaborative urban governance are identified by Dahiya (2012) and include the following examples of their application.

4.6.1 Participation and representation

China’s direct participation includes social dialogue and consultation with local officials. In India, task-specific non-government organisations fight for development and remedial issues. In Indonesia, some urban communities engage using ‘bottom-up’ planning mechanisms to highlight local concerns. In the Republic of Korea, citizens are demanding audits of and investigations into government programs.

4.6.2 Participatory budgeting

Parts of India have embraced participatory budgeting (for example, Pune) to achieve solid waste collection goals, construction of bus stops and municipal markets and the allocation of designated

zones for street vendors. In 2005-06, the ADB implemented the pilot program Institutionalising Civil Society Participation to Create Local Pro-poor Budgets in Indonesia, Marshall Islands and Pakistan and found that the interests of the poor and marginalised were upheld, only when a vocal civil society and other non-governmental organisations championed their own causes.

4.6.3 Mechanisms for accountability and transparency

Hong Kong and Singapore have implemented practices to deal with graft and corruption, including punishment for perpetrators. In India, a Code of Ethics has been adopted by the City Manager's Association Gujarat to ensure municipal officers do not seek favours and do not use inside information to secure personal advancement. In Pakistan, the Integrity Pact for Transparency in Public Procurement Procedures adopted by the Karachi Water and Sewerage Board includes a formal no-bribery commitment by all bidders.

4.6.4 New technologies and e-governance

The rapid advancements in Information and Communication Technologies (ICT) has impacted significantly on payment of municipal charges to property assessments, tax collections, police operations, online responses to public enquiries, grievances and complaints, information collection, transport management and accounting systems. In Delhi, traffic management includes an automated, electronic vehicle tracking system. In Bangalore, a Funds-based Accounting System makes the city's quarterly financial statements available online. In Malaysia, all local authorities use computers and the internet for public transactions. Impediments to wider use of ICT include the wide gap among citizens and geographical areas in terms of access, issues of computer hacking and identity theft, and the interoperability among the myriad of operating and communication systems.

5 COLLABORATIVE URBAN GOVERNANCE INITIATIVES IN THE REGION

The following case studies provide a useful snapshot of initiatives focused on collaborative governance that are relevant to the APR.

5.1 THE CITIES DEVELOPMENT INITIATIVE FOR ASIA

In 2011, The Cities Development Initiative for Asia (CDIA, 2011) investigated the burgeoning population growth in the APR in an era of climate change, given climate change is expected to have a significant impact on the future development of the region's cities. Asia's cities currently consume 75% of the planet's resources and generate some 70% of greenhouse gases (industry, transport, housing and waste) (CDIA, 2011). These same cities will experience the adverse impacts of climate change. Urban management will be fundamental to tackling climate change and building liveable and sustainable cities. Key to this is good collaborative urban governance to address risks and vulnerabilities, involving inter-governmental cooperation, spatial planning and land-use management, local governance and leadership, monitoring and evaluation systems, inter-municipal cooperation, metropolitan and regional governance and citizen and industry awareness raising to foster adaptation and mitigation methods.

Community-based adaptation (CBA) focuses on communities that are most vulnerable to climate change and aims to understand how climate change will affect a community's capacities and assets. CBA is bottom-up and community-driven, placing a strong emphasis on incorporating indigenous knowledge, social capital, and local context in adaptation planning. Participatory approaches help communities develop social capital that promotes the positive engagement necessary to reach collective goals, including addressing the challenges of climate change.

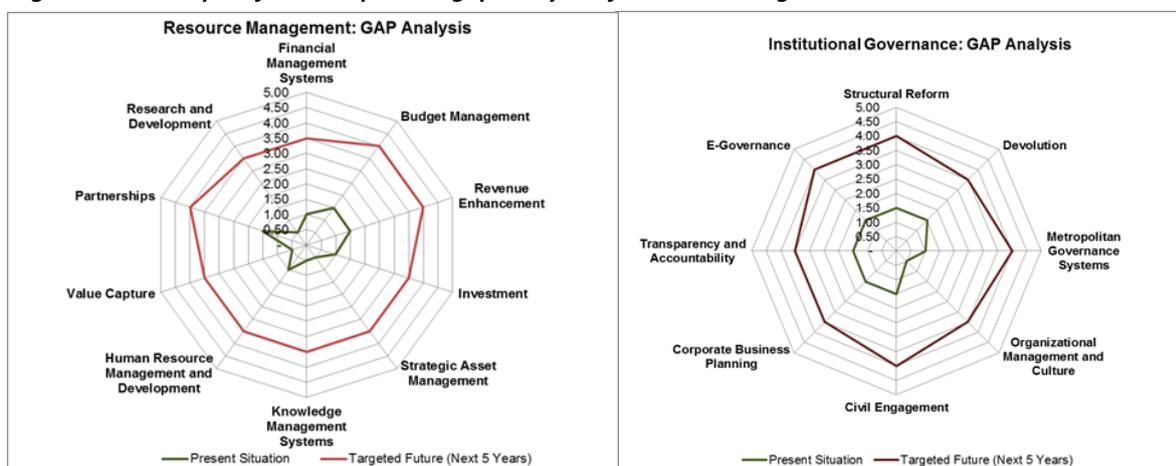
CDIA (2011) cite access to finance for climate action as a massive challenge for local governments, cities and citizenry. While there is a plethora of global and national priority programs and public and private funding pools aimed squarely at climate change, local governments face many obstacles in accessing these. Tools are required to enable local governments to tap into voluntary carbon markets, green climate funds, dedicated carbon facilities of international financial institutions and the Global Environment Facility. There are opportunities to use public funds to leverage significant additional funding from the private sector. There are also opportunities to use regional networking and knowledge exchange and a capacity development and training program through CDIA and its partners (CIDA, 2011). The UN-Habitat Planning for Climate Change toolkits is invaluable for APR cities as it provides advocacy and educational materials and a mayoral handbook to assist local government decision making.

5.2 COLLABORATIVE GOVERNANCE INDEX FOR CITY-REGIONS

The Asian Development Bank (ADB) is conducting a study to develop a Collaborative Governance Index (CGI) for city regions. The initiative intends to develop a benchmarking tool for city managers to use to develop a corporate plan and improve the professionalism of urban management. The indicators are both strategic in their vision and embedded in a city's' business processes. This pilot initiative includes case studies of the the cities of Guwahati and Bangalore in India, Pohkara in Nepal, Khulna and Gazipur in Bangladesh and Kurunegala and Panadura in Sri Lanka. A standard methodology developed for the case studies will gather evidence on 32 attributes of collaborative governance competitiveness (Christensen et al, 2012). The focus of the study is to understand how local government can better respond to and enhance city competitiveness, with the goal to increase investment and the number and quality of jobs.

The CGI use a basic multi-criteria index method to measure current levels of competitiveness for three key drivers: institutional governance, strategic planning and resource management (see table 5.1). Using panel assessments and other sources of data, an agreed score (0-5) is arrived at for the competitiveness of an indicator at the present time, and a future targeted level of competitiveness for the same indicator in five years-time provided local governments take action to address the weaknesses of specific indicators (a score of 0 = no knowledge of the concept, and 5 = high level of inter-agency integration of the attribute measured). From this assessment, a gap analysis is derived between the future and present situation. The wider the gap, the greater the prospects are for improving the competitiveness of the indicator over the selected time horizon. Results of the analysis are presented using simple spider diagrams developed by the author (see figure 5.1).

Figure 5.1: Example of the competitive gap analysis of collaborative governance indicators



The gap analysis helps to prioritise a range of projects to prepare roadmaps for implementing collaborative governance reforms. The technique's advantage is that it enables an evaluation of weaknesses in the current governance arrangements within local governments, in a simple way. It is useful when local governments have little qualitative data to work from to evaluate the performance of local government systems. While not finished, some preliminary findings suggest that engaging local government officials, professionals and business organisations in a dialogue to evaluate levels of collaboration within their local government jurisdictions, provides opportunities for different agencies to identify areas for collaboration with other agencies with minimal conflict.

Table 5.1: Attribute measures by Asian Development Bank Collaborative Governance Index (CGI) for city regions

Indicators	Present situation	Targeted future (next 5 years)	Deficiency GAP
INSTITUTIONAL GOVERNANCE			
Structural Reform	1.50	4.00	-2.50
Devolution	1.50	3.50	-2.00
Metropolitan Governance Systems	1.00	4.00	-3.00
Organisational Management and Culture	0.50	3.50	-3.00
Civil Engagement	1.50	4.00	-2.50
Corporate Business Planning	1.50	3.50	-2.00
Transparency and Accountability	1.50	3.50	-2.00
E-Governance	1.50	4.00	-2.50
STRATEGIC PLANNING			
Metropolitan Planning	1.50	4.00	-2.50
Development and Fiscal Planning	1.50	3.50	-2.00
STRATEGIC PLANNING	1.00	3.50	-2.50
Local Economic Development Planning	1.50	3.50	-2.00
Land and Infrastructure Development Planning	1.50	4.00	-2.50
Social Services Planning	1.50	3.50	-2.00
Environmental Services Planning	1.50	3.50	-2.00
Emergency Management	1.50	4.00	-2.50
Action Planning	2.00	4.00	-2.00
Risk Management	1.50	4.00	-2.50
Development Assistance Process	1.50	4.00	-2.50
Development Control Planning	1.00	4.00	-3.00
Monitoring and Evaluation	1.00	3.50	-2.50
Project Management	1.00	4.00	-3.00
RESOURCE MANAGEMENT			
Financial Management Systems	1.00	3.50	-2.50
Budget Management	1.50	4.00	-2.50
Revenue Enhancement	1.50	4.00	-2.50
Investment	1.00	3.50	-2.50
Strategic Asset Management	0.50	3.50	-3.00
Knowledge Management Systems	0.50	3.50	-3.00
HRMD	1.00	3.50	-2.50
Value Capture	0.50	3.50	-3.00
Partnerships	1.50	4.00	-2.50
Research and Development	0.50	3.50	-3.00
Summary			
Institutional Governance	1.50	3.75	-2.50
Strategic Planning	1.50	4.00	-2.50
Resource Management	1.00	3.50	-2.50
CGI Index	1.50	3.50	-2.50

Source: Adapted by authors from ADB White Paper, 2013

In an urban context, the collaborative governance work being undertaken by the ADB has been useful through the case study analysis in identifying partnerships between the public and private sectors – not only in the management of services, but also in information sharing, planning and decisions on investments. The CGI initiative seeks to establish a broader view of collaborative governance that when effectively applied, would increase city competitiveness. This new vision of collaborative governance as set out by ADB (2013) seeks collaboration, between not only the public and private sectors, but also:

- sectorally (e.g. economic planning with spatial planning; land use with transportation planning)
- institutionally (both horizontally and vertically)
- administratively through boundaries (i.e. taking a city-region approach to development).

The adoption of collaborative governance will require new ways of working and integrating information systems, aligning institutional incentives, and increasing the knowledge culture of local governments. It will require a more forward-looking and professional approach to city management (for more information <http://lnadbg4.adb.org/sard041p.nsf/>).

5.3 FINANCIAL ADAPTATION AND CLIMATE VULNERABILITY IN BANGLADESH

Christensen et al (2012) investigated financing local adaptation for ensuring better access for climate vulnerable communities in Bangladesh. Their work resulted in the identification of the following key factors for financing local adaptation:

- Strong community participation is essential across all aspects of the planning, budgeting, implementation, monitoring, and evaluation processes.
- Local government institutions must be transparent and accountable, adhering to principles of participatory planning and budgeting and democratic processes.
- Safeguards are needed to prevent political influence from elites, pressure groups, and other tiers of government.
- Local government institutions should receive finance through direct transfers that give them the authority and flexibility to use these funds at their discretion.
- Adaptation finance should be mainstreamed into existing systems, including disaster/risk reduction frameworks, local government financing mechanisms, and broader development planning.
- Local government institutions should create sound plans for disaster risk reduction and climate change adaptation that include a multi-year perspective.
- Activities must be well coordinated between all players, with each having a clearly defined role in line with its jurisdiction, authority, and capacity.
- Capacity and knowledge building are necessary at all levels and should be undertaken through a coordinated effort with the support of relevant government agencies and NGOs.
- NGOs should play a supporting role that helps to strengthen local government institutions where needed, but does not undermine the authority of those institutions as the primary centres for planning and decision making at the local level.
- The definition of adaptation should be broad to allow communities and local government institutions enough flexibility to use finance for adaptation needs they prioritise, without restrictive limitations.
- Rigorous systems for monitoring and evaluation are required and should combine top-down approaches with participatory methods undertaken by communities themselves.

5.4 THE AUSTRALIAN URBAN GOVERNANCE INITIATIVE

The Australian Urban Governance Initiative (TUGI) is a UNDP program guided by Local Agenda 21, and promotes five principles for liveable and sustainable cities: social justice, popular participation, economic productivity, ecological sustainability and cultural vibrancy. To facilitate progress towards good governance, TUGI has developed report cards to assess the performance of local government processes and procedures in governance. TUGI developed two sets of indicators to measure governance:

- one combines with a set of report cards to assess a council's systems, processes and procedures (does not focus on outcomes but on decision making)
- the other focuses on outcomes.

Essential to the development of the indicators was that data was readily available, accessible and able to help assess governance. The data could when needed effectively help change governance, and it did not require the use of surveys and studies. The indicators and report cards were developed as self-assessment tools and to help local government and citizens determine how local governance is proceeding, the impact of local governance in the short term, and the level of democratic participation in local governance per Local Agenda 21 aims (Porter, 2002). Report cards are a good management tool when used to identify the strengths and weaknesses and help with continuous performance improvement programs.

5.5 COLLABORATIVE GOVERNANCE IN URBAN PLANNING IN SOUTH KOREA

Since the 1980s, collaborative planning has been adopted variously (formally and informally) in South Korea and includes public hearings, public displays for planning proposals, consultation with select committees on plans, review by an urban planning board and a resident's proposal systems. This is a significant move away from the past, when conflicts were addressed by administrative and judicial power (in one instance, it took 27 years to select a nuclear waste site through the administration conflict resolution process).

The Korean experience involved two case studies: 1) Si-hwa land reclamation process incorporated a collaborative planning process, with a joint council established by presidential decree and a directive from the Ministry of Land, Transport and Marine Affairs; and 2) the Buk-Gu case liveable community-improvement project in Gwang-ju Metropolitan City (Tae Byung Kim, 2010). Consensus building, a strong focus on social learning, shared understanding, adequate procedures and mutually informed, empowered and respected participation were paramount to address conflict and mediate an acceptable outcome. Lessons learned from the experience in South Korea include:

- promoting the institutional capacity of residents was the most important factor in developing collaborative governance (promoting the institutional capacity of stakeholders is essential as high institutional capacity encourages stakeholders to tackle future issues and establish a long-term community vision)
- the institutional capacity of residents contributed to harmonising the community-improvement projects with urban regeneration schemes, even though these schemes sometimes produced results that contradicted the outcomes of community-improvement projects
- promoting the institutional capacity of residents required the support of other key stakeholders (e.g. government, NGOs and experts), and was closely linked to government, because enhancing the institutional capacity of residents needed the financial, administrative and legal support of government (e.g. government support encouraged resident participation and enhanced the quality of participation through institutional designs)

- inclusive stakeholder involvement in a governance system enhanced the legitimacy and stability related to the outcomes of urban planning
- the importance of the participation of residents in relation to that of other stakeholders, because residents provided legitimacy and practical knowledge and contributed to the establishment of a sound long-term regional strategy through a bottom-up process
- the importance of harmonising representative and participatory democracy; for example, through cooperation with community leaders to represent residents voices and with local councillors to obtain financial and legal support from government
- the need to maintain balanced power relationships requires continuous involvement of new participants who can help compensate for any initial weaknesses in the existing governance system
- collaborative engagement requires an extended fit-for-purpose engagement toolbox suited to the situation (for example, public hearings can be captured by vested interests and stymie collaborative decision making; committee membership may not be representative of all interests and points of view, as is the case with the case study resident's proposal system which can be captured by special interest groups)
- there are inherent difficulties changing draft plans set out by government at a late stage of decision making, pointing to the need to engage earlier in the decision-making process
- collaborative leadership, based on the recognition of mutual interdependence between stakeholders, played an important role in establishing, protecting and encouraging a governance system; for example, when a system was faced with obstacles, leaders endeavoured to protect the collaborative process by mediating conflict between stakeholders and providing a long-term vision for a region
- successful collaboration may not guarantee success as a successful collaborative governance system may contain the seeds of conflict even with excellent collaborative outcomes (Tai Byung Kim, 2010).

The Korean experience showed that government played a significant role in a collaborative governance system, not as a controller but as an active facilitator. As the role of central government reduced gradually through decentralisation and public involvement, local government increased its powers due to the delegation of central power. Those involved focused on the benefits of cooperation between central, regional and local governments to produce outcomes that were more positive than might have been the case.

The central government encouraged stakeholder participation by enacting a law, giving guidance and providing financial support (Tae Byung Kim, 2010). The regional government mediated conflicts among local governments to help integrate a long-term vision for the region, despite being criticised for its indifference and limited knowledge about local places, compared to central and local governments. The local authorities played a significant role in supporting local governance financially, administratively and legally and implementing agreements through cooperation with residents (Tae Byung Kim, 2010).

When residents took the initiative in conducting community-improvement projects with the experts and local government, they were provided with financial support and the help of a support team and support centre through an ordinance to establish the status of this support. As community-improvement projects became larger, local government assisted by contributing to enhance efficiency and effectiveness and supporting residents administratively and legally (Tai Bung Kim, 2010).

5.6 COLLABORATIVE URBAN GOVERNANCE CHALLENGES

Good governance is a powerful way to make cities great places to live and work in. Many of the ideas and approaches to urban governance are shaped by beliefs, paradigms and practices, much of which is enshrined in public policy documents. These ideologies, beliefs and new ways of thinking have a key role in shaping the physical form, management and development of cities. There is no one size fits all answer to overcoming the challenges of poor urban governance in developing cities. Poor urban governance exists in advanced nation cities, but the scale and resource limitations are not the same.

The case studies and an analysis of trends in the region suggest there are some common challenges, but the magnitude and variation of these across the region's countries is significant. Each country will need to address these challenges in its own way. Key challenges of collaborative urban governance include:

- adapting, modifying or changing current models of urban management and governance to strengthen the enabling environment of cities to attract investment, improve the management of urbanisation, ensure more effective planning and management of resources and increase the business capabilities and capacities to self-fund and maintain essential strategic infrastructure needed to support the growth of the economy
- overcoming institutional barriers to support a more collaborative approaches to integrated decision making for policy development
- improving the organisational culture and administrative arrangements for urban governance
- breaking down the silos to cooperation and joined-up decision making (APR governments must build capacity in fostering sustainable urban development, financing, governance, and the effective integration of social and environmental issues into planning for economic growth by adopting a programmatic approach)
- enforcing, monitoring and evaluating the performance of plans to support the operation and development of cities
- improving the quality of leadership needed to steer cities along pathways to sustainable development
- identifying the types of urban governance models and plans needed for APR cities
- addressing the ineffectiveness of integrated metropolitan strategic planning and development
- managing the demand placed on natural resources, many of which are finite
- building the required human and social capital to provide the knowledge, competencies and skills needed to conduct the operational machinery of government and business
- identifying mechanisms to strengthen the relationship between urban institutional governance, planning and resource base management so cities can become more efficient, competitive and sustainable in their approach to development
- mitigating risk, including interference by central government through directions and regulations; complex politics between regional and local governments; severe competition between local governments to obtain a central budget; and the possibility of local politicians taking advantage of projects as an election strategy for becoming or remaining a mayor or local councillor
- opening up data to open up government, increase transparency and improve the effective functioning of democratic institutions.

In the case of the Pacific island urban transformation, urban poverty is now more prevalent than rural poverty with an estimated 800,000 to 1 million people living in sprawling squatter settlements (ADB, 2012). The challenge will be to have targeted rural investments to stymie the movement of people while addressing the issues of peri-urban development outlined in previous sections of the

paper. Such initiatives must feature equitable land access and service delivery and be based on rights-based partnerships and stakeholder consultation, to avoid ongoing expansion in largely unplanned peri-urban areas. However, arrangements for urban governance are fragmented and politicised, due in large part to the relative newness of addressing issues by taking a cross-sectoral approach and the highly contentious nature of urban growth management. The ADB (2012) highlight two parallel forms of urban governance that overlap and intersect to varying degrees of effectiveness:

- urban governance based on formal state systems supported by public administration and bureaucracy that are necessary for achieving the development objectives of the formal government
- urban governance based on traditional practices and social hierarchies, the latter includes structures that have their roots in social affinity and connections to family or land-owning groups.

The challenges outlined above will be difficult and take considerable time to overcome. They will need strategic, long-term solutions. They call for the engineering of new approaches to the management and governance of cities, experimentation and learning from others and a strong commitment to leadership and change management. The priorities must be to identify reforms that are relatively easy to implement, require limited demands on resources and do not threaten or destabilise in the short-term incumbent urban systems. Reform of institutional governance will take more than a decade to achieve in most cities, and must be undertaken in an environment of learning, trust building, cooperation and collaboration if the long-term objective of improved urban governance is to be achieved. Boxes 5.1, 5.2 and 5.3 provide summaries of how some countries are addressing the challenges and creating positive environments for collaboration.

Box 5.1

Meeting the Challenges Kenya Open Data Initiative

Open data is a precursor to open government. Although outside the APR, this case study has potential learnings for the APR. In 2011, the Kenyan Government launched the Kenya Open Data Initiative as an accountability measure, with the aim to improve innovation and government modernisation in delivering services. By 2012, the Kenya Open Data Portal had released in excess of 400 datasets, including geomapped school facilities, national census information, financial data and community development funding spending. While some data remain confidential, the initiative is utilising the creativity of a new generation of technologists who are keen to facilitate open data. Examples of how the initiative has spawned new open data ventures follow.

- The EduWeb website was launched by a Kenyan entrepreneur to provide an interactive tool for parents to compare school performance. The popularity of the website led to the Ministry of Education looking at ways to better share information with the public.
 - Open data is leading to reforms in the media, through Code for Kenya, launched by a consortium of public sector, media and technology partners to scale the use of open data across Kenya.
 - The Ministry of Lands introduced a new technology platform to enable people to view the location, current use, size and geographic coordinates of public lands. This allows people to determine land under their ownership and halt corrupt land grabbers.
 - Public hospitals have instigated a low-cost open-source health system that has saved \$1.9 million compared to propriety solutions, improved service delivery and provides published performance data.
 - A new national Integrated Education Information Management System is utilising best practice open data.
- (Source: Weinstein & Goldstein, 2012)

Box 5.2

Meeting the challenges

The role of ICT in Pacific Island Countries

ICT has an important role in the development of PICs, and has a transformative impact in the delivery of services and the facilitation of planning and formalisation of urban settlements. Deregulation in the ICT sector has resulted in over 60% of Pacific Islanders having access to a mobile phone. Mobile access to the internet is removing geographical, financial and access barriers to information and the promotion of political and social change. At November 2012, there were 700,000 Pacific Island Facebook users, translating into a significant online community and a way to engage people in domestic, regional and international dialogues. Bloggers, digital entrepreneurs and social media groups now have an influential role. ICT can improve resource allocation and service delivery, connect people with health providers, provide access to learning materials, facilitate online banking, and help promote more inclusive economic development. The examples below highlight the potential for ICT as part of urban governance in the Pacific Islands. Evidence shows that ICT is challenging the ways people are governed and is improving accountability and transparency.

- Irish-owned Digicel's Mobile Money service provides a range of financial services, including funds transfers and bill payments.
- As one of the region's largest trading partners, China is proactively supporting low-cost digital and communication services in Pacific Island countries. Vanuatu's e-government network is funded by a Chinese loan and secured by Chinese-owned Huawei.
- Sharp Talk is a Papua New Guinea Facebook initiative that has provided a forum for discussion across a range of issues, from Chinese ownership of business to domestic violence, rape, the cost to transfer funds through banks and Australia's visa system. It is emerging as a useful debate forum for young people and emerging leaders.
- Yumi Tok Tok Stret Facebook in Vanuatu has 10,000 members and is a forum for debating political, social and economic issues, within strict no discrimination/regionalism guidelines and gender equity protocols.
- The United States State Department has sponsored the first Pacific Island Youth Tech camp to give young people a greater understanding of ICT, internet governance issues, freedom of expression and the role of women in ICT.
- Dr. SMS is a health service developed by the Vodaphone Foundation that gives subscribers access to doctors and provides issues alerts about emerging disasters. In excess of 5 million text conversations per year take place.

(Source: Cave, 2012)

Box 5.3

Meeting the challenges

Breaking out of silos: Joined up policy locally

OECD Local Economic and Employment Development Programme (LEED)

Policy silos are abundant at a local level, with fragmentation thwarting economic opportunities. The OECD LEED Programme addressed the issue of policy integration in 11 countries to highlight key factors that enable or inhibit policy integration at a local level and to provide transferable lessons for other countries.

Key factors include:

- The degree of national cooperation and alignment with policies locally: cooperation at national and state/provincial levels does not translate into cooperation at local levels, necessitating new ways of including local governments.
- Existing local governance arrangements: the degree of local cooperation affects strongly on the degree of integration and alignment at a local level. Targeted interventions on specific clusters and sectors are an effective tool to enhance local cooperation with the private sector. National schemes in operation at a local level need strong exit strategies and must result in mainstream changes in the way institutions work to avoid a proliferation of parallel short-term initiatives. Being able to manage conflict is a necessary step in moving from policy fragmentation to integration (e.g. when considering trade-offs and synergies). Ambiguity of roles, fear of conflict, differences in geographical boundaries, contested leadership and narrow institutional mandates are key obstacles to cooperation.

- Policy flexibility (constraints and opportunities): Flexibility needed in the ability to influence the design of policies and programs, the ability to decide how budgets are spent, and the ability to negotiate on performance targets.
 - Capacities available a local level: Staff must have the skills to participate locally and be well regarded for their innovative actions. Vocational training must align with new economic realities to harness economic development opportunities. Local leadership must move from short-termism and beyond political allegiances affecting project selection. Good information and data sharing is essential to galvanize local action.
- (Source: Fray, 2010)

5.7 NEED FOR INSTITUTIONAL UNLEARNING AND NEW LEARNING

There is a substantial body of knowledge about the need for organisational learning and knowledge management (Easterly-Smith & Lyles, 2011). However, there is a need for organisations and individuals to improve their knowledge and the need to unlearn both formal and tacit knowledge as systems, technologies and situations change. Unlearning is hard, as knowledge is something that is embedded in corporate, institutional and personal memory. It is not easily removed, revised or changed.

Collaborative governance involves a change of mindset and behaviour in the way institutions, governments, business and other groups make decisions. This begins with a formal and tacit process of unlearning things (Rebernik & Sirek, 2007, Trang & Zahra, 2008). Changing organisational behaviour, especially in government, to become more engaging, cooperative open and transparent with business and civil society over things like planning, budgeting, open platforms for information sharing, requires enormous changes in thinking and behaviour. The 'Machiavellian practices' of employment of cunning, secretive and duplicity in statecraft or general conduct of government is as widespread today as it was when first identified many centuries ago (Machiavelli & Adams, 1992). In many cases, the systems of governance in practice across the region continue to service well the rent-seeking opportunities, nepotism and corruptive practices and an obvious unwillingness to adopt more open and transparent systems of government.

Current urban governance decision-making processes in the region are not sustainable. Nor are they in line with the transformations in business and demands by communities for more collaborative decisions making processes (Siranni, 2009). While new transformative learning in collaborative governance will take many decades to become accepted practice, some local governments have begun to embrace more open systems and collaborative decision making, as the case studies above show. New learning must incorporate change management programs, with a focus on assessment, initiation, deliberation, and implementation of collaborative governance systems (Morse & Stephens, 2012) of decision making in government, in a partnership with business and civil society.

5.8 DEFINING RESPONSIBILITY DOMAINS AND OVERCOMING BARRIERS TO BUILDING INSTRUCTIONAL TRUST

Collaborative governance is an integral part of introducing corporate reforms into government and business. Generally, the region's business sector is more advanced in this respect. The internationalisation of business practice is widespread and driven by the need to find efficiencies and to innovate to remain competitive. However, there is limited understanding of the need for promoting efficiency and greater self-reliance in local government across the region. This is due to a dependency on central government for funds and resources and highly parochial and politicised nature of local government.

The adoption of collaborative governance as an improved means of decision making begins by defining clearly the roles and responsibility of governments, institutions and public corporations. Areas of duplication, conflict and co-delivery must be defined. This is important, as barriers and the domains of decision-making responsibilities require mapping and the territories clearly defined. It is in areas of contested responsibility that collaborative governance offers ways to leverage resources and introduce mediation mechanisms to overcome conflict, silo mentalities, power cliques and territoriality.

Overcoming barriers to change and introducing the concept of collaboration is a trust-building process. Where trust, cooperation and division of responsibilities are weak or ill-defined, then the process of overcoming institutional or societal barriers must focus on the non-contested spaces. These are often located in areas of technical cooperation, such protocols for data capture and storage, but not sharing. This comes later. Other areas for developing platforms for collaborative governance to overcome barriers include uniformity of curricula for training staff and building common competences needed to develop a framework and processes for improved collaboration in the future. The linking of budgets to planning operations, initially at a department level, and later at a corporate level, are steps in overcoming incrementally barriers to learning and change, towards an environment of greater trust and cooperation within governments, institutions and corporations.

Far too many initiatives to encourage greater transparency, engagement and cooperation between local government, business and civil society fail because of the toxicity, lack of trust and instructional secrecy that surrounds decision making. Creating better urban governance begins with changing the internal culture of organisations and decision-making processes. If organisational reforms internally threaten staff positions in public institutions, the culture becomes defensive and the inertia of change very quickly slows down. Collaborative governance starts with identifying barriers to change to be addressed, those that are of mutual benefit to members of organisations, and those not personally threatening.

An analogy to this is the introduction of the internet, which required hardware and the reliance on cooperation and connectivity, to open the space for a collaborative environment of knowledge-sharing. Learning the language and technology of the internet was a small barrier to overcome to open up this space. Collaborative governance requires the identification of appropriate catalysts for change that offer more open and engaging systems of decision making and operations. These must be least threatening to established power structures. Once trust building and collaboration are established within institutions and governments, the metamorphosis of transforming organisational and operational requirements towards collaborative governance becomes much easier. Without internal institutional trust building and better inter-departmental cooperation, the prospects of engaging in wider forms of collaborative governance in decision making about the development, operation and management of cities just becomes more difficult.

5.9 STRATEGIES, LEADERSHIP AND INSTITUTIONAL SUPPORT FOR URBAN GOVERNANCE REFORM

Achieving collaborative governance will require a shift in conventional governance and management practices. Reforming urban governance and establishing collaborative arrangements requires a substantial investment of time and resources. This may slow down the first stage of a response to an issue. It is important to establish whether the issue under investigation requires such a move, or whether one institution can more effectively deal with it. The Engaged Government Project, a collaborative initiative between the Queensland Government, three universities and local government, was recognised by the UN as significant for its contribution to decision-making tools for collaboration. The project resulted in the creation of the Issue, Context and Stakeholder Analysis

(ICASA) system to enable government and leaders to determine when collaboration is a useful strategy. Conditions include:

- when the issue is a high priority for a government agency
- when the issue is a high priority for the community being served
- when senior managers within an agency cannot agree on how to resolve the issue
- when an agency does not have the resources or skills to resolve the issue
- when an agency needs the help of other agencies to resolve the issue
- when other agencies have an interest in resolving the issue (Howes, 2008).

When all these conditions are identified, a collaborative approach is recommended.

Huntjens et al (2011) propose eight broad institutional design propositions in support of adaptive governance which describes a fit-for-purpose governance framework to assess the levels of appropriateness of planned and current governance strategies for an issue, in their case water management (see table 5.2) (Huntjens et al, 2011).

Table 5.2: Characteristics of adaptive governance

Component	Characteristic	Description
What	Anticipation	Forecast long-term changes (e.g. population growth, climate change) and preparedness.
	Reflexivity	Review policies and effectiveness of governance strategies.
	Flexibility	Ability to adjust strategies to changing drivers and problems.
	Robustness	Incorporating a degree of redundancy to change by avoiding emotive decision making and ensuring rational decisions continue to regulate behaviours and provide a predictable space for interaction.
Who	Self-organisation	Everyday interactions and those brought about by a crisis between individuals and organisations can lead to emergent outcomes, such as learning, adoption, and rejection of new approaches.
	Leadership	Leaders can generate a breakthrough in dominant mindsets, introduce and/or impose visions for the future and strategically bring people, resources and knowledge together.
How	Collaborative decision making	Governance involves many stakeholders. Processes of co-initiation, co-design and complementation are encouraged to synthesise and implement different knowledge and experiences and avoid inappropriate decisions.
	Multi-level governance	Create nested institutional arrangements amongst national, state, regional and local governments and the private sector, and facilitate formal and information networks of individuals within and between organisations.
	Research and development	Testing and applying new solutions is critical for the learning process. Research enhances discovery and understanding, supports capacity building and helps deliver practical outcomes.
	Data management	Monitoring and evaluation, collection, storage and preparation of data for a range of applications by different users.

(Source: Farrelly et al, nd)

Leadership is not necessarily the key to transformation (O'Brien, 2012). "Everyone has a piece of the truth." A leader has a role to play, yes, and in that role, he or she can provide... many important elements: vision, insight, expertise, focus, resources, and so on... But being the formal leader in

creating a culture of collaboration is not the same as being the all-seeing, all-knowing provider of the “right way” to make it work. It takes the village to raise the child. Moreover, isn’t that the whole point of creating a collaborative culture to begin with?”(Huntjens et al., 2011).

With collaborative governance, the traditional understanding of leadership does not apply; rather, it is replaced instead with the more “...equal, horizontal relationships (that) are focused on delivering systems change” (Mandell & Keast, 2009). For Mandell & Keast (2009) leaders are required as catalysts, facilitating rather than directing, developing the interdependence, the new relationships, the new styles of thinking, and new ways of behaviour while working towards systems changes.

5.10 ENGAGING NEW STAKEHOLDERS IN NEW URBAN GOVERNANCE ARRANGEMENTS

Training, education programs and participatory learning programs are important for encouraging public involvement, the sharing of information and knowledge, the establishment of a future vision for a region and the fostering of new community leaders through social learning processes. Programmes that contribute to enhancing the institutional capacity of stakeholders are essential as they encourage stakeholders to build new collective ways of thinking. Education and training for community leaders plays an important part, and many NGOs are in a good position to help community leaders (this was evident in South Korea in the development of a long-term vision for the region through cooperation with other stakeholders).

There is a need to expand existing engagement tools to find ways to involve the disadvantaged in the decision-making process, for example utilising the support of skilled professionals and credible voluntary organisations. Good collaborative governance requires an investment of time and money to develop education and training to reach more actors, particularly hard-to-reach groups such as the disadvantaged. Not all stakeholders may want to engage in the process. Some may be potentially difficult when they are engaged. In addition, a collaborative process that starts legitimately with key stakeholders, may be questioned when participants realise that the process must include not only those with interests in the outcome, but also those affected by the outcomes (O’Brien, 2012). Box 5.4 summarises work carried out in Bangkok in the area of stakeholder approaches to governance, which has learnings relevant to good practice inclusive engagement.

Box 5.4

Engaging New Stakeholders

Samut Prakan, Bangkok: A Stakeholder Approach to Governance

Samut Prakan has a population of 1.8 million people living in an area of 10,000 km². Two-thirds of the population works in the manufacturing sector, which generates 91,400 tons/year of hazardous waste, 455,000 m³ of wastewater per day and 916 tons of solid waste per day. The challenge for the Thailand Environmental Institute (TEI) was to mobilise people to participate in a major cleanup and recuperation of heavily polluted areas. TEI adopted a stakeholder approach to incorporating central, provincial and local government together with commerce, industry, lower income communities, schools, higher education providers, NGOs and the media. Engagement took a staged approach commencing with a formal opening, round table meetings, and planning group meeting. This gave stakeholders an opportunity to raise concerns and priorities and take on the issue. A conference followed with representatives from each stakeholder group attending, which then led to the formation of an executive committee. TEI provided training to the executive group and its working committees in the areas of environmental management, clean technology, environmental auditing, strategic planning and conflict negotiation. The aim was to reduce waste and green the town. Funding was made available from the European Community for the project which is ongoing. The stakeholder approach to governance may provide useful information for wider incorporation across Bangkok.

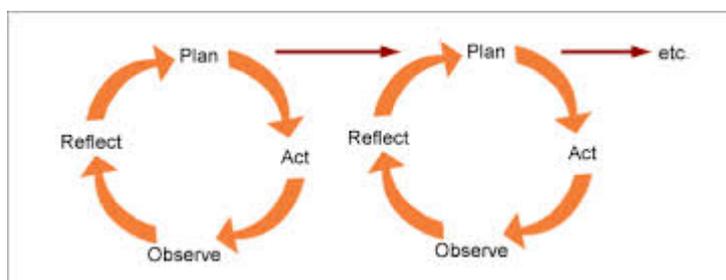
(Source: Nicro, cited in Friedmann, nd).

5.11 DEVELOPING PROJECTS AND PROGRAMS THAT WIN COMMON INTERESTS SUPPORT

For ESCAP to support the adoption of collaborative governance as a tool for improved decision making for central and local government, the organisation will need to develop a theme and identify and develop projects and programs that will provide a catalyst for change supporting governance reform. It is important that projects and programs are not overly ambitious. ESCAP has limited capacity to support large-scale programs. If a program for collaborative governance is adopted, it is best targeted as part of a learning and change management initiative.

A program on the theme of collaborative governance must be part of a continuous action-learning process, providing a pathway to governance reform in cities across the region (see figure 5.2). There is a need to gain acceptance for collaborative governance, through improved education about the process and its benefit, and highlighting the potential for greater efficiencies, more transparent governance systems and the practices and processes of government (especially local government).

Figure 5.2: Action-learning process cycle



As a first step in developing a program for collaborative governance, ESCAP must gain support from governments for a targeted assistance program aimed at national policy reform and institutional change within local government. A collaborative governance program would be most effective at a local government level, although some opportunities exist to build enabling frameworks to enable its introduction at a central level. ESCAP will need to inform and educate interested parties in such a program about its dimensions, benefits and importance to improving the sustainability of governance in cities and regions.

6 HOW ESCAP COULD SUPPORT COLLABORATIVE URBAN GOVERNANCE

A program of support for collaborative governance to APR governments would underpin strongly the mandate ESCAP has to support the directives of the Rio declaration document *The Future We Want*. City sustainability is strongly linked to improving the performance of governance systems. Current governance systems are performing poorly, resulting in massive duplication and the functions of government, lack of clarity in the responsibility of governments, institutions and organisations in the management and development of cities, and conflict.

The following discussion outlines two strategic initiatives that could be supported by ESCAP. These would help to embed the concept and practice of collaborative governance into the management and development of the region's cities. Efforts could be targeted at central and local government.

6.1 ALIGNING SUPPORT TO CORE OPERATION AND COMPETENCIES OF THE ORGANISATION

The alignment of core operations and competencies of organisations in the delivery of infrastructure, services and development to cities are essential, if cities in the region are to function more efficiently and effectively. There is a significant mismatch and duplication in functional responsibilities of agencies, utilities, institutions and authorities in implementing projects and maintaining programs of activities and infrastructure in cities across the region. Very few cities have mapped their core business operations and competencies to identify where there are opportunities for leveraging resources, reducing duplication, avoiding conflict and managing risk.

The alignment and clarification of roles and responsibilities between central and local government administrations and utilities require mapping to discern areas of conflict and duplication, as well as to identify opportunities for resource leveraging. The layering of these hierarchical functions and responsibilities for the delivery of urban services would provide valuable data and information to identify opportunities for introducing collaborative governance in areas of minimal conflict. There is also a need for complimentary mapping of business supply-chain linkages to government, to identify where the private sector could collaborate with government in areas of mutual benefit. In undertaking the organisation of supply-chain linkages in the public and private sectors, consideration is required on the way that civil society can contribute in a collaborative way to improve the efficiency and effectiveness of governance systems in cities and regions.

6.2 TARGET AREAS FOR SUPPORTING COLLABORATIVE URBAN GOVERNANCE

The scope and scale of activities for supporting collaborative governance program by ESCAP must be clearly defined and targeted. In supporting a program of activities in the area of institutional capacity building, ESCAP must seek to identify collaborating partner governments, international development agencies, professional associations, institutions, NGOs and public interest groups. Table 6.1 provides possible target sectors for ESCAP to have a role in helping to support the introduction and application of collaborative urban governance across APR. In some cases, ESCAP could lead the initiative. In other instances, this would be the role of partner organisations and governments.

Table 6.1: Target sectors and possible initiatives ESCAP Collaborative Governance Program

Target sector	Initiatives	Potential partners
Central government	<ol style="list-style-type: none"> 1. National protocols and specifications for data storage and information management/sharing by governments. 2. Mapping organisational structures of government for the delivery of urban services to identify conflicts, overlaps and potential for resource sharing and leveraging. 3. Information on best practice initiatives designed to support collaborative governance. 	Public works departments, public utilities and authorities, private utilities (i.e. water, telecommunications), land and natural resources, UNOPS, ADB, WB and ODA.
Local government	<ol style="list-style-type: none"> 1. Standardisation of mapping and inventories of infrastructure and asset mapping. 2. Programmatic mapping funding and maintenance responsibilities for all urban services delivered by government and private sector. 	Line and local government urban services agencies. Public utilities.

Target sector	Initiatives	Potential partners
	<ol style="list-style-type: none"> 3. Development of programmatic education and training programs for introducing collaborative governance to planning, finance, infrastructure and services delivery. 4. Programmatic standardisation and integration of contract and procurement systems of government services. 5. Standardisation and integrated tracking of planning approval systems, development and construction project using a virtual one-stop-shop information platform. 6. Programmatic piloting of integrated systems for participatory planning and budgeting of the annual development program activities of local governments with knowledge dissemination program. 	
Public utilities, authorities and corporations	<ol style="list-style-type: none"> 1. Technical cooperation between utility agencies to integrate the location and features of urban infrastructure services. 2. Develop common platform and user services fee system to access public information on building and infrastructure location. 3. Promote support for co-payment systems of bills, receipts, fees, taxes and local government services. 	Local government urban services agencies. Public utilities and corporations.
Institutions	<ol style="list-style-type: none"> 1. Support the programmatic development of open knowledge platforms for the sharing of information, research and data on local economies. 2. Support programmatic R&D forums that encourage collaboration in the development of ideas, products and services. 	Universities, public and private research organisations, public agencies, government utilities, libraries, professional and specialised interest groups.
Private sector	<ol style="list-style-type: none"> 1. Support programmatic business development networks to identify factors adding to the externality costs of business and collaborative solutions to solve these. 	Business networks, industry and professional interest groups.
NGO and Special Interest Groups (SIGs)	<ol style="list-style-type: none"> 1. Support programmatic NGO and SIGs that foster community-based collaborative partnerships with industry and government for SME development. 2. Foster support for programmatic collaborative governance initiatives to improve engagement with government, utilities and agencies on local services delivery and maintenance. 	International and local NGOs, CBO

(Source: Authors)

6.3 AN ACTION AGENDA

An action agenda and timetable to develop a collaborative governance program for ESCAP is set out in Table 6.2. The author recognises that collaborative governance is a new concept for ESCAP, and that effort will be required to educate staff within the organisation about the approach and its application in program activities supported by UNDP in the region.

Table 6.2: Proposed action agenda and time line for ESCAP

Action	Activity	Time line
1	Circulate discussion paper to key staff within the agency for feedback on developing a collaborative governance program by ESCAP.	October 2014
2	Gain support from ESCAP senior management to proceed with a proposal to develop an urban governance program of activities as part of its support for implementing the agenda of <i>The Future We Want</i> collaborative governance (to be identified as a key initiative by ESCAP to supporting the sustainability development goals and the agenda for Habitat III).	January 2015
3	Conduct a workshop and series of discussions involving experts from government, utilities, institutions, international development organisations, professional and NGO groups to provide input into the design of a collaborative governance program.	March 2015
4	Design, cost and gain approval for a collaborative governance program for two countries and at least two cities in each country.	September 2015
5	Identify two countries and potential partnerships to initiate the development of a collaborative governance program.	November 2015
6	Organise a session for collaborative governance at the Habitat III conference.	March 2016

(Source: Developed by author)

6.4 RECOMMENDATIONS

The following recommendations are provided for consideration by ESCAP:

R 1: That ESCAP agree to investigate the feasibility of a Collaborative Urban Governance program for the Region as an initiative to support the agenda for *The Future We Want*.

R 2: That ESCAP conduct a workshop in 2015 to discuss the options and framework for developing a Collaborative Urban Governance as an initiative to support the Sustainable Development Goals and a focus for Habitat III.

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