URBAN DEVELOPMENT IN HONIARA
Harnessing Opportunities, Embracing Change

Meg Keen, Julien Barbara, Jessica Carpenter,
Daniel Evans and Joseph Foukona

Australian National University
State, Society & Governance in Melanesia
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MAY 2017
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FOREWORD

As Solomon Islanders we haven’t thought enough about our cities. Our capital, Honiara, was developed by chance as a result of World War II. Many see the city as a temporary stopping place, even as it continues to grow and new generations make it their home. The rapid growth of Honiara and surrounding areas has created challenges that have been hard to manage, but urban growth also offers many development opportunities. Cities can drive national development. This report offers insights into where those opportunities may lie, and presents some options for Solomon Islanders to consider.

Taking advantage of the opportunities provided by urbanisation will not happen by chance. It requires good planning, policies and sensible investments in urban development, such as roads, housing, services and infrastructure. To move forward, we Solomon Islanders, the community, the government, businesses, development partners, and non-government organisations need to work together to create a widely supported vision for the city. Our urban plans have to fit our culture and priorities. We also need innovative ways to find and mobilise resources to support inclusive urban development and enforce our plans for a better Honiara.

This report has been prepared following extensive consultations with a wide range of stakeholders in Honiara and its neighbouring region. My Ministry supported and was involved in discussions held over the course of 2016 with other government representatives, urban communities, businesses, Honiara City Council, Guadalcanal provincial representatives, and development partners to identify what Solomon Islanders, urban residents, experts and policy-makers believe are important for the prosperity and security of the city.

The report does not prescribe a specific approach to managing urbanisation. This is the responsibility we Solomon Islanders need to proactively fulfill. Rather, the report seeks to present the outcome of discussions and research, to identify community priorities, and to provide us with a set of engagement principles and urban development options to help us think about managing urbanisation in inclusive ways. Working together, we can make Honiara city a better place that benefits us all.

The Hon. Moses Garu
Minister for Lands, Housing & Survey
Solomon Islands Government
ACKNOWLEDGEMENTS

The authors would like to express their appreciation for the financial support of the Australian National University and the Australian Department of Foreign Affairs and Trade for this research. We are also grateful to our many collaborators in Solomon Islands, in particular our colleagues at: the Solomon Islands Ministry of Lands, Survey and Housing, and the Office of the Prime Minister and Cabinet—our discussions were invaluable and your support for our research gratefully received; the Honiara City Council members and officials for many long conversations about local governance; and, the Guadalcanal Provincial government members and officers for making time to engage on peri-urban issues affecting your people and your land. We also benefited from the insights of the Land and Urban Management Sector group who welcomed us to their meetings.

We are in debt to our non-government colleagues at: the Solomon Islands Chamber of Commerce and Industry for the member breakfast they helped us to run to gain insights into business issues, as well as their facilitation of smaller meetings with members; World Vision—Solomon Islands who partnered with us to conduct discussion groups in the informal settlements; and, the Young Women’s Parliamentary Group who patiently explained their role in putting the small bus routes on the urban agenda. Other groups around Honiara were very generous with their time for which we are very thankful.

The list of those who helped us in preparation of this report and State, Society and Governance in Melanesia In Brief issue papers is too long to enumerate but we hope you will accept our appreciation for sharing your insights and knowledge with us. We do, however, feel we must express special appreciation to those who gave their time to make this project a success (in alphabetical order): James Bosamata, Don and Joyce Boykin, Osborn Cairns, Don Ricky Freddie, Dr Fred Isom Rohorua, Luke Kiddle, Don Kudu, George Kuper, Steve Likaveke, Dennis Lee, Margi Martin, Hannah McMahon, Jenny Munro, Alan McNeil, Eddie Ngava, Kristy Nowland, Alice Pollard, Mia Rimon, Buddley Ronnie, Geoff Samuel, Keithie Saunders, Charles Sisimia, Agnes Takutile, Martha Tasaira, Vanessa Teutao, Greg Tyrol, Stanley Walenesia, Fred Warereau, and Lysa Wini.

We would also like to acknowledge the following individuals and agencies, whose Creative Commons licensed photographs illustrate the report: Asian Development Bank; Australian Department of Foreign Affairs and Trade; Commonwealth Secretariat; Global Environment Facility; ILO in Asia and the Pacific; Phillip Capper; Ryan & Nada (Flickr); Simon Ager; and, Nathanael Coyne. The cover photo was sourced from the Asian Development Bank. Special thanks also goes to Tom Perry for granting permission to use his photographs in this report.

Finally, we would all like to thank our families for their patience and support as we conducted this research.

Meg Keen Julien Barbara Jessica Carpenter Daniel Evans Joe Foukona
## ABBREVIATIONS

<table>
<thead>
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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td><strong>ANU</strong></td>
<td>The Australian National University</td>
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<tr>
<td><strong>APEC</strong></td>
<td>Asia–Pacific Economic Cooperation</td>
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<tr>
<td><strong>AUD</strong></td>
<td>Australian Dollar (conversion as of 5 May 2017 using OANDA convertor)</td>
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<tr>
<td><strong>CDC</strong></td>
<td>Community Development Committee</td>
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<td><strong>DCC</strong></td>
<td>Democratic Coalition for Change</td>
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<td><strong>FHA</strong></td>
<td>Fiji Housing Authority</td>
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<td><strong>FTE</strong></td>
<td>Fixed-term estate</td>
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<td><strong>GDP</strong></td>
<td>Gross Domestic Product</td>
</tr>
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<td><strong>GST</strong></td>
<td>General Service Tax</td>
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<td><strong>HCC</strong></td>
<td>Honiara City Council</td>
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<td><strong>HCM</strong></td>
<td>Honiara Central Market</td>
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<tr>
<td><strong>ICT</strong></td>
<td>Information, Communications and Technology</td>
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<tr>
<td><strong>JICA</strong></td>
<td>Japanese International Cooperation Agency</td>
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<tr>
<td><strong>LPS</strong></td>
<td>Local Planning Scheme</td>
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<td><strong>LUMS</strong></td>
<td>Land-Use Management Sector</td>
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<td><strong>MLHS</strong></td>
<td>Ministry for Lands, Housing and Survey</td>
</tr>
<tr>
<td><strong>MPs</strong></td>
<td>Members of Parliament</td>
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<tr>
<td><strong>NCDC</strong></td>
<td>National Capital District Commission</td>
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<tr>
<td><strong>NGO</strong></td>
<td>Non-government Organisation</td>
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<tr>
<td><strong>NUP</strong></td>
<td>National Urbanisation Policy</td>
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<td><strong>PCN</strong></td>
<td>People's Community Network</td>
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<td><strong>PNG</strong></td>
<td>Papua New Guinea</td>
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<td><strong>PPP</strong></td>
<td>Public-private partnerships</td>
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<td><strong>PVELTA</strong></td>
<td>Port Vila Efate Land Transport Association</td>
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<td><strong>PVMC</strong></td>
<td>Port Vila Municipal Council</td>
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<td><strong>REP</strong></td>
<td>Rapid Employment Project</td>
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<td><strong>SDB</strong></td>
<td>Solomon Islands Dollar</td>
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<td><strong>SDG</strong></td>
<td>Sustainable Development Goal</td>
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<td><strong>SICCI</strong></td>
<td>Solomon Islands Chamber of Commerce and Industry</td>
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<td><strong>SIHFL</strong></td>
<td>Solomon Islands Home Finance Limited</td>
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<td><strong>SME</strong></td>
<td>Small and Medium Enterprise</td>
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<td><strong>SSGM</strong></td>
<td>State, Society and Governance in Melanesia</td>
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<td><strong>TLTB</strong></td>
<td>iTaukei Land Trust Board</td>
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<tr>
<td><strong>TOL</strong></td>
<td>Temporary Occupation License</td>
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<tr>
<td><strong>UN</strong></td>
<td>United Nations</td>
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<tr>
<td><strong>USP</strong></td>
<td>University of the South Pacific</td>
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<td><strong>YWPG</strong></td>
<td>Young Women's Parliamentary Group</td>
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<td><strong>Y@W</strong></td>
<td>Youth at Work</td>
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Benchmarking: to evaluate something by comparing with a set of defined standards or indicators. For example, Sustainable Development Goals (SDGs) for global cities are being developed by the United Nations Development Programme, and nationally based state of the environment reports use indicators in urban contexts.

By-law: a rule or regulation made by a local authority to control permitted developments and activities within its jurisdiction.

Customary Land: land which is owned and regulated under customary law.

Economic Empowerment: when men and/or women are able to participate in, contribute to, and benefit from economic growth in ways that recognise and respect the value of their contributions, and that make it possible to negotiate a fairer distribution of the benefits.

Fixed-term estate (FTE): state land registered by lease to an individual, usually for a period of 50–70 years.

Formal Economy: forms of activities which are legally recognised, usually taxed, and regulated by government, for example wage jobs and registered corporations or businesses.

Freehold Land: land acquired by private persons or entities under state rules of land tenure.

Inclusive Development: a participatory approach to development that equally values and incorporates the contributions of stakeholders to address development issues, including low-income families, and seeks to share the benefits of development more equitably.

Inclusive Urban Process: a process which increases citizen participation in shaping the form and function of the city.

Indexed: to link the value of price, wages or other payments automatically to the value of a price index; indexed charges and prices go up at the same rate as the cost of living.

Informal Economy: also called the ‘informal sector’; part of the economy that is not taxed or monitored by government; it may also include activities which may not be legal.

Informal Settlement: cluster of households without legal land tenure or permission from landowners.
Jacob’s Ladders: staircases and pathways in Honiara which link settlements to urban areas.

Kaon: purchasing goods and services on credit.

Kwaso: cheap, illegal, home-brewed alcohol.

Land Tenure: the relationship among people, as individuals or groups, with respect to land; and the rules to regulate land use, control and allocation, as well as associated responsibilities and restraints.

Lokal: a term of derision used to describe people who exhibit ‘village like’ behaviour in the city.

Outsourcing: to obtain goods or services by contract from an outside supplier; an effective cost-saving strategy when used properly.

Peri-urban: an area surrounding a city or town, which is neither urban nor rural. These urban fringes are often the most rapidly growing areas of a city and the least well serviced.

Government Land: land which is owned or held in trust by the government; includes public land and state land.

Regularise: to bring into conformity with rules, principles or usage. For land, to regularise usually means to convert land without legal tenure to land with legal tenure, often by surveying and lease.

Temporary Occupation License (TOL): regularises informal occupation of land for a short period of time; seen as a transition to more formal tenure under a legal agreement with landowners.

Urbanisation: a process by which towns and cities are formed, and by which the proportion of people living in towns or cities increases.

Wantok: a person with whom one has a strong social and/or cultural bond, usually based on shared language, kin or other familial connections; generally a relationship of reciprocal obligation.

Youth: people aged under 24 years of age.
Honiara and its surrounding urban areas have the highest levels of population growth in the South Pacific, and the population could treble by 2050. Such rapid growth presents huge challenges, but also great opportunities. This report looks at how the people living in Honiara can manage growth and embrace urban opportunities. We consider possible pathways to enhance:

» urban policy and governance

» diverse partnerships across communities, sectors and levels of government

» economic prosperity and livelihoods, and

» urban-rural linkages.

In preparing this report we conducted discussion groups across the city with residents in settlements, the private sector, planners, Guadalcanal province and youth groups; this involved well over 150 people. We also conducted over 50 individual interviews with urban planners, professionals, business people, utility providers, government officers and non-government organisations (NGOs).

Within the community, there are many ideas and initiatives occurring right now to make Honiara a better place, and also many views of appropriate pathways forward. This report is an effort to capture current practice, the lessons learned that can shape the future, and possible pathways forward for Solomon Islanders to consider. A summary of possible ideas to improve urban development is presented. Some key messages are outlined below.

Cities are powerful drivers of national development.

Around the world, cities make a major contribution to national growth and can stimulate economic activity across a nation. Cities are powerful drivers of development. The benefits of cities are many: services and infrastructure can be provided at a lower cost, businesses can strengthen urban–rural linkages, and rural economies can gain larger markets for their goods. We survey the experiences of other Melanesian cities—Port Moresby, Port Vila, Suva—and consider the lessons for Honiara (see Box 0.1 and Section 2) with respect to urban prosperity, liveability and engagement. In Honiara, our talks with the private sector reveal many opportunities for Honiara to contribute to national development (See Chapter 10 and Box 0.2).
Box 0.1 Lessons from other Melanesian cities

1. Uniform building and development standards help create certainty and consistency; even so, town plans within urban areas can still be tailored to address place-specific priorities.

2. Residents without legal land tenure need ‘good enough’ security (legal or community-based) to invest in, and support urban development. Where legal land tenure is uncertain, policies can still be developed to allow resident access to services.

3. Community-based governance and dispute resolution systems can work in the city; particularly if they are compatible with community values, and are supported by government institutions.

4. Pacific Island cities can become financially viable, but need systematic and accountable revenue collection systems that are applied consistently over time.

5. Partnerships between governments, communities, the private sector and donors are key to overcome resource and capacity gaps, and enhance urban infrastructure.

6. Sector-based initiatives are often more successful than broad aspirational projects. When visions for the city are too ambitious, they can fail at implementation.

7. Hosting major events can provide opportunities to advance urban development, but also can create infrastructure that won’t be maintained. Consultation and evaluation processes can help ensure big urban development projects are sustainable and socially valuable.

8. Urban development can be messy and daunting; new initiatives need to be prioritised and well supported by the receiving community.

9. Local, provincial and national agencies responsible for urban land, housing and infrastructure benefit from agency coordination and policy.
Executive Summary

Box 0.2 Principles for building national prosperity through urban development

1. National prosperity requires strong and cost-effective urban-rural linkages.
2. Business can enhance urban-rural linkages by providing financial services, commerce based on rural produce, improved transport services and investment in emerging sectors.
3. Affordable, safe and efficient transport linkages between rural and urban areas can boost livelihood opportunities and commerce.
4. Policy incentives and supportive facilities for emerging industries such as tourism, information, communications and technology (ICT), and rural produce processing help create an economically vibrant city.
5. Dedicated areas for inter-linked manufacturing or processing businesses can reduce production and transaction costs.
6. Improving and expanding urban food and craft market facilities can boost livelihoods and development benefits nationwide.
7. Government collaboration with the private sector and donor partners can increase urban services and linkages by tapping into additional resources and human skills.

Inclusive and well-coordinated urban development efforts are at the heart of a vibrant city.

From international experience and the interviews and discussions we held, it is clear that inclusive processes—which increase citizen participation in shaping the form and function of a city—can help to better define urban priorities and achieve economic and social goals. Engaging residents helps to ensure policies and plans fit the local situation and build on existing community and government processes. Many people we spoke to felt that Honiara’s development could benefit from greater coordination across levels of government, and from new channels of communication between government and non-government sectors (including the private sector) and communities.
Achieving urban development goals requires attention to policy and planning cycles, including implementation, evaluation and adaptation.

Urban planning and policy can help shape a city, but it is only as valuable as its implementation. There are benefits to be had from focusing more attention on enforcing existing plans and policies, setting performance standards for contractors, strengthening development and business partnerships, and clarifying government agency responsibilities. Globally, more attention is also being paid to setting urban sustainable development goals (SDGs)—the United Nations (UN) Sustainable Cities indicators focus on urban culture, housing, services, transport and safety. What are Honiara’s development goals?

Hurdles for achieving urban development goals in Honiara are shortfalls in resourcing and capacity. Some gaps can be filled by strategic partnerships with communities, the private sector, development partners and civil society, providing there are supportive political and social environments. As urban management becomes more complex and involves more agencies and people, the need increases for accountability, transparency and agency cooperation. Small steps toward greater engagement across Honiara have been taken, for example the first National Urban Conference, held in 2016, and the Parliamentary Inquiry into Public Transport (see Boxes 5.1 and 5.2). What more could be done?

Urban land and housing pressures are mounting and need locally generated responses that create greater affordability, certainty and equity.

Urban population growth will continue, and that means people will need homes, land and services. All are in short supply in Honiara, so proactive and innovative planning is needed to meet future needs. Home affordability is a concern for many, and more options are needed to house Honiara’s population which could include higher density living, different forms of housing, and targeted low-income policies. Even more possibilities could emerge from wider consultations with the community.

Land pressures are also building, particularly on customary land. There could be big benefits from starting a conversation with customary landowners about acceptable ways to support those who want to develop their land, and to resolve disputes as they arise. As one local expert notes, a failure to engage in urban land issues now could lead to law and order problems in the future (see Box 6.1).

Residents living in settlements can make a valuable contribution to setting priorities, harnessing community skills and leadership, and creating new work options.

Although different settlements have different priorities, there are common issues and themes. We found that many people are positive about living in the city, believing there are greater economic opportunities, and better access to services and goods. But they could also see room for improvement.

During our consultations, there were strong calls for more certainty of land tenure, better market facilities close to residential areas, and accessible services. Generally, residents were willing to work with government or anyone else to achieve better services, including community policing, stronger local governance, and community projects. They wanted help with connecting to government agencies and planning processes, generating livelihood options, and dealing with law and order problems.
Youth make up more than half of Honiara’s population; they are the future of the city. Significant gains could be had from more targeted policies and programs.

Based on discussions with Honiara’s youth and evaluations of youth programs, it is clear that more attention to youth issues could boost future urban prospects, and possibly social harmony. Programs targeted at youth are not well understood. We know little about what works, particularly with respect to youth training, employment and integration in Honiara. Stronger monitoring and evaluation of youth programs could help set future programs with good potential for getting results. Creating a better future for Honiara’s youth—possibly by training linked to labour market needs, boosting entrepreneurial skills, creating urban spaces where they can gather, and improving coordination of youth programs—could also bring social dividends.

Guadalcanal Province is a key player in managing rapid urban growth. Places like Henderson have high potential to make a positive contribution.

Our workshop in partnership with the Guadalcanal Provincial Government highlighted the importance of adequate planning frameworks and enforcement, engaging local landowners, and clarifying roles and responsibilities for urban management. Improved support from, and communications with, central agencies could help advance urban planning for Henderson as an urban hub which complements Honiara. There are private and community groups with plans for Henderson’s development, but they need greater clarity over development priorities and conditions. Some believe Henderson could play a bigger role in hosting major national events and supplying urban services, if landowners shared equitably in development gains.

National prosperity can benefit from urban development.

Some of the highest returns on public investment can be gained from strengthening urban-rural linkages. Honiara is the business and service hub of the nation, and making the core strong will benefit rural areas. Business has a key role to play; our workshop with the business community highlighted the value of transport connectivity, financial service accessibility in rural and urban areas, PPP, and joint labour-market initiatives.

Local urban markets are key linkage mechanisms between rural and urban areas, and are extremely valuable for livelihood and income generation, contributing millions to the economy. Fish sales in Honiara Central Market (HCM) demonstrate the crucial contribution to local incomes and the flows of benefits to the provinces. More policy attention to, and investment in, market infrastructure and management could have large returns locally and nationally.

The report sets out a summary of steps to improve urban development (Box 1.1). If urban growth is well-managed and opportunities embraced, Honiara’s future looks bright.
Honiara has one of the highest urban growth rates in the region, and indeed globally. Urban areas are growing at nearly twice the rate of the nation, approximately 4.7 per cent every year— that’s a doubling of the urban population almost every 16 years. Some peri-urban areas (settlements on the outskirts of Honiara, often in Guadalcanal Province) are growing at twice this rate, or more, according to the 2009 Solomon Islands census.

The Minister for Lands, Housing and Survey estimates that the population of Honiara could reach as much as 350,000 by 2050, which is about 250,000 more than today. Such a large number of people will put a lot of pressure on land, infrastructure and services. Most of Honiara is already settled with little space for more settlements within the 22 square kilometre city boundaries (see Map 1.1). Agencies responsible for urban management at the national and local levels are already under-resourced and lack the capacity to adequately plan for urban expansion. Partnerships with non-state actors will be key.

The process of urbanisation cannot be reversed. The factors pulling people to Honiara, such as economic and educational opportunities, will only become more powerful over time.

While there are many challenges, urbanisation also opens up many opportunities. This report focuses on options that could positively contribute to urban development in the Honiara area:

» strengthening urban policy and governance
» expanding partnerships across sectors and with communities
» boosting economic opportunities, and
» improving urban-rural linkages.

To address these issues, we draw on international, regional and local experience. Many ideas in this report come from discussions with local residents, business people and NGOs, as well as people living in other Melanesian cities. The first section sets the scene for our study, highlighting a number of key findings from around the region and the world.
Cities are powerful drivers of national development.

No country has achieved prosperity without urbanisation. By bringing many people together in urban spaces:

» services and infrastructure can be provided at a lower cost
» business and job opportunities increase, and
» rural economies gain larger markets for their goods.

Cities are powerful drivers of development. The benefits of urban development are spread widely. Rural areas around the country benefit from strong urban infrastructure, such as: international ports and airports; city markets for rural producers to sell their goods; and, urban-based businesses and services which can benefit provincial towns and villages. For example, the most recent winner of the Solomon Islands Business Awards 2016, Kokonut Pacific Solomon Islands, is a business that links rural producers, urban export facilities and international markets.

Of course, prosperity is not an inevitable outcome of urbanisation. To benefit from urbanisation, well targeted social and economic policies, plans and investments are needed:

» to create living and working spaces for people who come to Honiara
» to provide adequate services for those who live in Honiara and those who visit, and
» to facilitate economic activities in Honiara, and between Honiara and its regions.

Without concerted policy, planning and action, many negatives can arise: unserviced settlements, unemployment, poverty and social unrest. Community and policy action to manage urban growth and improve urban living environments can make a difference.

Inclusive urban development models are at the heart of a vibrant city.

“Maybe the success [of some donor initiatives] is not because of money, but because of partnerships and the involvement of the community.”

Gwen Salu, Guadalcanal Community Leader

One of the objectives of this report is to present the perspectives of communities living in and around Honiara. Many valuable insights were gained from: the first Solomon Islands National Urban Conference, held in 2016; a series of sectoral workshops we ran throughout 2016; community focus group discussions; and many stakeholder interviews. Looking forward, a key challenge facing the country is how to include more community groups in urban planning and program implementation.

More inclusive development, particularly through community partnerships and urban forums, taps into under-used human resources and builds a stronger sense of belonging. A conversation has already begun in Solomon Islands on the issue of urbanisation with strong recognition of the importance of urban-rural linkages, planning, housing, jobs and youth.
Planning for the expansion of Honiara and the surrounding region to best accommodate the estimated 39,000 additional households by 2050 will require ongoing community engagement. Because of the spill-over of people into peri-urban areas, Guadalcanal Provincial Government will need to be an integral partner in future planning efforts. Customary landowners in Guadalcanal Province who are affected by urban sprawl require support to assess whether they want to allow their land to be used for urban development, and if so under what conditions. At the moment there is little support for these communities.

Partnerships between government, NGOs and civil society groups could extend to community-based work. Efforts to upgrade informal settlements by the Ministry for Lands, Housing and Survey (MLHS) in partnership with UN Habitat is one starting point for greater community involvement. People want practical and inclusive actions to improve living conditions and land security.

One distinctive characteristic of Honiara is that youth, those aged under 24 years, make up more than half of the population. They struggle to gain skills to boost their job prospects, and to find spaces in the city to gather and remain safe—they are often the victims of crime, and at times have to turn to crime to survive. Better outcomes are possible. Our discussions with youth and those working with them provide insights into possible pathways forward to improve their lives and livelihoods (see Chapter 8).

Equitable and fair access to land and housing is needed for a prosperous and secure city.

> Solomon Islands land law is not creating a clear balance between customary tenure and state rules of tenure … The starting point now is to find ways to forge partnership, negotiation, collaboration and participation between the state, other stakeholders and customary landowners to address planning and development issues relating to Honiara’s urban land tenure system.

Joe Foukona, Solomon Islands Land Law Reform Specialist, University of the South Pacific

One of the most difficult challenges arising from urbanisation is the need for affordable housing. In the past, the high cost of purchasing a fixed-term estate (FTE)—that is registered urban land—and building a house and paying annual land rates, meant many had no choice but to live in settlements without secure title. FTEs alone, without any building, did cost SBD50,000–70,000 (about AUD8,400–11,700) which was far beyond the finances of most—so informal settlements expanded rapidly as few could meet these costs. In these settlements, payment of annual land rentals and council fees are avoided, however there are also few services.

Recently the Land Board approved a policy to reduce the cost of FTEs substantially to only 10 per cent of the unimproved land value. So now FTE costs could be as low as SBD2,000 for some (AUD336). High housing standards, rarely imposed, could also be reviewed to make accessing a legal land/house package more affordable. There are other opportunities for innovations which are explored further in Section 3.

Upgrading informal settlements on public land through subdivision and conversion to secure tenure is one way to provide increased certainty, investment and return on capital. Better recognition by central agencies of community-based or customary agreements can also provide more certainty and ‘good enough’ tenure.
Of concern to many is that regardless of tenure, many settlements lack services and infrastructure, such as access paths and roads, solid waste collection, sanitation, electricity and water. There are many ways to reduce costs of services and infrastructure including community partnerships for building infrastructure, introducing pre-paid deals for services (so you only pay for what you can afford), and public-private partnerships (PPP). Some of these are being trialled in Honiara, and others could be piloted (see Chapter 6).

Innovative policy solutions on a number of fronts will be needed to address the problem of affordable housing. Enduring solutions will only be realised by working with all stakeholders. They will need to include challenging issues such as opening more land for controlled development and developing more affordable and resilient housing (see Chapter 6). Many of these options would benefit from development partner and/or NGO partnerships to help meet costs.

**Strengthening urban-rural linkages contribute to national development.**

> "The best way to boost business is to improve transport and communication linkages between Honiara and the rural areas"

Honiara Business Executive, Interview 1

Most of Solomon Islands’ population still live in rural areas, so it is very important to think of rural and urban development as complementary—together they support each other and national development. Strengthening the linkages between rural and urban areas opens up economic opportunities, especially in the areas of transport, markets and financial services. We demonstrate these important synergies in Chapter 10.

Honiara is the economic hub of the nation and creates strong pull factors into the city. Many new arrivals find income opportunities in the informal sector, for example growing food and/or making clothes and crafts to sell. Market spaces are in high demand and if more spaces were made available this could open up income-generating opportunities and provide easier access to goods for residents. Rural vendors in the city take much needed income home to their communities (see Box 10.3), and urban residents transfer finances to rural kin.

**Cities have to effectively mobilise resources for infrastructure and services to boost urban and national development.**

> "We are now self-sufficient [in Suva], no government transfers. Our main revenue is from urban buildings taxes, business licenses, and market stalls charges."

Suva City Council Executive, Interview 2

In order to capitalise on the opportunities provided by urbanisation, it is important to invest in urban infrastructure and services. This means thinking about how decisions on urban issues are made, socio-economic priorities, and how communities affected by urbanisation can best participate in the development of the city and urban decision-making.
Urban authorities need to be resourced adequately to manage urban spaces better. The HCC and the Guadalcanal Provincial Government have important responsibilities for Honiara and its surrounds, but they lack financial and human resources to meet demands. For example, the HCC budget increased by only one per cent between 2011 and 2013, but the population grew by about 2.7 per cent per annum. That means per capita spending is actually falling at a time of increasing need for services.

When cities grow quickly, many can be left without adequate water, sanitation, electricity and/or waste services. In Honiara, reforms to utilities and their management are resulting in better services, but many still go without, particularly the approximately 40 per cent of Honiara’s population living in informal settlements. HCC would benefit from a stronger financial basis to deliver services. Some cities in Melanesia have more effective revenue collection systems and a greater share of taxes levied in the city (see Section 2).

**Partnerships are the foundation on which many cities grow and develop.**

> "The Solomon Islands Chamber of Commerce and Industry (SICCI), as the peak body representing the private sector, could not agree more that meaningful consultation and policy dialogue with the government and relevant stakeholders is a must. There is no secret to success — partnership is the key word here."

*Dennis Meone, CEO Solomon Islands Chamber of Commerce and Industry, Central Bank of Solomon Islands 40th Anniversary Speech 2016*

One key player in the development of urban spaces and livelihoods is the business community. When the Honiara business community was asked how the private sector could contribute to economic vitality, they overwhelmingly focused on improved connectivity to allow their businesses to grow, to strengthen urban-rural production chains, and to better service regional areas (see Chapter 10). In particular, they saw the value of:

- strengthening shipping services between Honiara’s export port and regional areas
- connecting road networks with ports to better link rural to urban areas
- ensuring electronic communications are strong between rural and urban areas, and
- encouraging banks to extend financial services to rural production centres.

They also expressed a strong willingness to engage more with policy-makers and boost the role of business as a constructive partner for driving growth and employment in the city.

Urban communities and NGOs are already partnering to improve their local circumstances. For example, the Panatina Valley community and their NGO and government partners have worked together to improve public spaces, access to water and sanitation, and drainage. World Vision is playing a vital role in promoting healthy settlements. The HCC and UN Women are working with urban market vendors to improve working conditions and returns from sales. A key role for government is to help these communities, and others like them, to strengthen partnerships, and to support more coordinated approaches across the city.
Urban solutions work best when they are tailored to the local context.

“Many migrants to Honiara bring big hopes. To achieve their hopes, they have to learn about urban lifestyles and urban planning laws that are unfamiliar. The city is different from the village, but it also holds many opportunities.”

Stanley Waleanisia, Permanent Secretary, Ministry of Lands, Housing and Survey

City spaces are different to rural spaces, so if Honiara is to work better as a city and national economic hub, then tailored policies, plans and behaviour are needed. The Democratic Coalition for Change (DCC) government has strongly supported better urban management, setting out a framework for action suited to the Solomon Islands context. A National Urbanisation Policy (NUP) and a National Housing Policy are being developed, among other initiatives. This report attempts to support Solomon Islanders to advance urban development in a manner which fits local priorities and preferences.

Honiara has a bright future if all work together to maximise the benefits of urbanisation for the city and the nation.

Charting new pathways for a sustainable urban future helps to define key principles and goals. Drawing on our research and regional and local experience, we suggest 10 possible actions for enhancing urban development. These are explored in more detail in the chapters to follow.
**Box 1.1 Actions to improve urban development**

1. Support multi-stakeholder dialogue on urban issues to build a common vision for the development of Honiara and surrounding urban areas.

2. Improve coordination on urbanisation issues across government agencies, and between state and non-state actors.

3. Strengthen urban governance so institutions and policy processes are ‘fit for purpose’ and can support effective, accountable and inclusive decision-making on urban development.

4. Support customary landholders who may wish to develop their urban land, ensuring equitable outcomes for landowners, tenants and communities. Strengthen formal and informal institutions for land dispute resolution.

5. Increase investment in urban infrastructure and services by expanding broad-based revenue-raising mechanisms and by ensuring central government transfers are fair, regular and indexed.

6. Improve the spatial development of Honiara by exploring ways to increase urban density, develop urban hubs in east and west Honiara, and create public spaces for community interaction.

7. Increase the availability of secure, affordable and safe housing by creating policy incentives to encourage low cost housing and accessible financing options. Ensure housing is not in areas at high risk from severe weather events or other hazards.

8. Expand urban livelihoods, possibly through investing in new and existing market infrastructure, creating accessible financing for small and medium enterprises, and urban spaces for business expansion.

9. Strengthen connectivity between rural and urban centres through better transport, financial and communications linkages, allowing rural communities to access benefits from urban development.

10. Support evidence-based policy processes, and ongoing urban monitoring and evaluation processes. When possible, consistently benchmark key urban-development indicators and use these to monitor and adjust policy implementation.
LESSONS FROM MELANESIA

Learning from the region.

Melanesia offers a wide variety of approaches to urban development and governance. We review the experiences of three Melanesian cities—Suva, Port Moresby and Port Vila—and draw out a few positive lessons that may help Solomon Islands chart its own pathway forward.

Focusing on the urbanisation experiences of Suva, Port Moresby and Port Vila we consider:

» what are the shared challenges?
» what pathways have others used to navigate urban challenges?
» have these pathways worked well, and what are the lessons for Honiara?

In particular, we focus on issues like urban governance, land management and housing. Drawing on these experiences, we present lessons learned on managing urbanisation (see Box 2.0).

Box 2.0 Lessons from other Melanesian cities

1. Uniform building and development standards help create certainty and consistency; even so, town plans within urban areas can still be tailored to address place-specific priorities.

2. Residents without legal land tenure need ‘good enough’ security (legal or community-based) to invest in, and support urban development. Where legal land tenure is uncertain, policies can still be developed to allow resident access to services.

3. Community-based governance and dispute resolution systems can work in the city; particularly if they are compatible with community values, and are supported by government institutions.

4. Pacific Island cities can become financially viable, but need systematic and accountable revenue collection systems that are applied consistently over time.

5. Partnerships between governments, communities, the private sector and donors are key to overcome resource and capacity gaps, and enhance urban infrastructure.

6. Sector-based initiatives are often more successful than broad aspirational projects. When visions for the city are too ambitious, they can fail at implementation.

7. Hosting major events can provide opportunities to advance urban development, but also can create infrastructure that won’t be maintained. Consultation processes can help ensure big urban development projects are sustainable and socially valuable.

8. Urban development can be messy and daunting; new initiatives need to be prioritised and well supported by the receiving community.

9. Local, provincial and national agencies responsible for urban land, housing and infrastructure benefit from agency coordination and policy integration.
Fiji has been undergoing rapid urban development over the last three decades, transforming from a mostly rural society to one where the urban population comprises more than 50 per cent of the total population. Fiji is now the most urbanised state in Melanesia and relies on its capital city, Suva, and other urban centres, to drive growth. Over 244,000 people live in the Suva–Nausori corridor—that’s about 150,000 more than in the Greater Honiara area. As Fiji’s cities grow, so too do informal settlements—that is clusters of households without legal land tenure. This leads to familiar urban problems like patchy water, sanitation, electricity and waste management services, and even evictions.

“There are a number of challenges we face in informal settlements, these include temporary housing, sanitation, building in low-lying areas, water pollution and environmental challenges … There’s lots of pressure.”

Senior Fiji Government Official, Interview 3

Planning schemes can be tailored to address the unique circumstances of different areas, whilst maintaining consistent standards.

Suva uses town planning schemes and by-laws to manage urban development. There is a dedicated Town and Country Planning Department which sits in the Ministry of Local Government, Urban Development, Housing and Environment and regulates land-use and zoning. The municipal councils of Suva, Lami, Nasinu and Nausori each have town planning schemes (similar to Honiara’s Local Planning Scheme (LPS) and the one being developed for Henderson). The plans fit the unique development priorities of each area, but also maintain fairly uniform standards for buildings and roads.

“Forward planning development is really being encouraged by the Department of Town and Country Planning — all councils are encouraged to work on a planning scheme, and that governs what development takes place.”

Senior Fiji Government Official, Interview 4

Suva City Council is self-funding, and no longer reliant on central government transfers now that rates and revenue collection are much improved. The rates are regularly collected and based on property values which means rates grow with the city. This has been achieved partly through the central government’s appointment of ‘Special Administrators’, who are particularly skilled and focused on improving rate collection. Special Administrators also provide more control and oversight over council finances and linkages back to central agencies.
An inclusive attitude towards city residents, coupled with ongoing government commitment, is a key step towards positive management.

Over the last decade, there has been a shift in urban policy in Fiji with much greater attention to how informal settlements can be included in town plans and services. This has included a shift away from resettling informal settlers, to upgrading settlements without moving settlers. New settlers are seen as adding to the economy and urban vibrancy. Fiji now recognises the rights of informal settlers and extends services to them. Evictions occur less frequently; government agencies are starting to facilitate negotiated solutions among stakeholders (see Box 2.1).

**Box 2.1 Urban mediation processes—the Nanuku example**

Suva is developing alternative dispute resolution mechanisms to resolve urban land issues. An inter-agency body facilitates negotiations with multiple stakeholders, including informal settlers, private land owners and the iTaukei Land Trust Board (TLTB). This socially negotiated scheme helps to broker solutions that need to span formal (legal) and informal (community-based) systems.

One example is in Nanuku in Vatuwaqa, where there is 64 acres of freehold land owned by an Indian–Fijian family. Over decades, 381 people have settled without permission on their land, which the owners now wish to subdivide into industrial, commercial and residential estates.

Following negotiations between the stakeholders facilitated by the inter-agency body, a mutually acceptable solution to re-location was found. The Department of Housing successfully negotiated with the TLTB to access 52 acres of land for resident relocation in another area of the city. It was agreed that the Indian–Fijian owners would provide SBD3,750 (AUD630) goodwill payments per family. Most residents are happy with the relocation plan. But there are concerns; landowners don’t like paying to relocate informal settlers, and relocation can disrupt people’s livelihoods and social networks.

Even with these concerns remaining, those developing this mediation process argue it is better than eviction, legal battles, or solutions without consultation.
‘Good enough’ land tenure can be all that is needed to generate a sense of security and belonging, and so encourage housing investment.

“To truly call a place home, there needs to be a sense of ownership, a sense of belonging and a sense of security… In my vision of what we can become as a country, equal opportunity applies to every Fijian… irrespective of their socio-economic status.”

Fiji Prime Minister Bainimarama

Like elsewhere in Melanesia, governments have little control over the development of customary land. Fiji has an iTaukei Land Trust Board (TLTB) which aims to support customary landowners in the development of their land, but for some this formalised process is not satisfactory because of concerns about who has the power to make decisions over customary land, and the lack of control over the terms and benefits that customary landowners receive after development contracts are made.

Frustration with the formal land allocation system has led some to use customary land agreements to lease their land directly to tenants, known locally as vakavanua arrangements. Under these arrangements, economic returns to landowners can be higher, and they maintain control over their land. While informal arrangements are not legally secure, many prefer them and feel that land access is ‘secure enough’ to warrant housing investment. Supportive arrangements for customary land leases and rentals are still evolving to ensure fair agreements and dispute resolution processes. Could Honiara learn from Suva when developing customary land in urban areas?

One challenge for Suva is to develop a consistent approach to housing. Prior to the National Housing Policy (2011), urban housing development was regulated by more than 25 Acts covering finance, land, environmental planning, infrastructure, services and construction—all leading to confusion and delays. The Housing Policy aims to integrate the administration of informal settlements, emergency housing and private housing under one legal framework, but implementation is hindered by budget constraints and a lack of clear authority. For now, measures are being taken to improve coordination between agencies.

Fiji is also developing other initiatives to address affordable housing and legal land access, especially for the poor (see Box 2.2). It has a pilot partnership with the People’s Community Network (PCN), which is a Christian NGO that advocates for the poor. PCN has organised government agencies and Catholic aid to build a high density, low-cost housing estate in central Suva to gradually re-house informal settlers. Residents can contribute ‘sweat equity’ towards the housing, to reduce costs and develop skills. So far in this pilot project, 70 households have been settled with 70 more to follow. Economic empowerment workshops are also held to build financial literacy and encourage community savings.
Box 2.2 Urban land access

To increase access to urban land, the Fiji government is making land titles to state land available at reduced costs under the Crown Lands Act. The government subsidises half of the land cost and the long-term residents without land titles collectively pay the remaining 50 per cent, equally shared amongst the community. Once land is available, residents have six months to save and pay; those with superannuation can use it. Not all can raise the money and some must move elsewhere, creating personal hardship and potentially shifting the problem of informal settlements around the city.

There are restrictions on the subsidised leases to avoid rent seeking. Residents with subsidised leases cannot sell their title for 10 years, or if they do they must repay the full cost. The program is expensive for the government, but they recoup some expenses through rates that would not be paid by informal settlers. To reduce upfront costs, the government has formed partnerships with NGO and development partners. Infrastructure and servicing costs have been reduced by lowering some new subdivision requirements, for example sizes of lots and road easements. These compromises do not affect safety and security, and make upgraded settlements more affordable.

By engaging all stakeholders and the community, long-term and complex issues, such as affordable housing, can start to be addressed.

Another key player in the housing sector is the Fiji Housing Authority (FHA) which provides affordable accommodation for people who cannot afford it, and offers mortgage financing for low to lower-middle income earners. These initiatives are attempts to boost urban equity and create a policy bridge between low-income informal settlers and government agencies.

“... this policy is not a hand-out but is a social desire to assist the marginalised and those most at risk of losing their homes.”

Fiji Prime Minister Bainimarama, Speaking at the 2011 launch of the Fiji Housing Policy

The FHA is a market-friendly alternative to banks, which gives disadvantaged families a leg up to home ownership. For those who cannot afford home ownership, there is a Public Rental Board to help ensure rents are fair. Inequalities persist, but incremental change is being taken to minimise these, and recognise the central role of communities and networks through saving cooperatives, partnerships and improved access to finance.
Outsourcing services with strong oversight is one way of developing reliable, efficient amenities and conveniences like waste management.

In the struggle to service the rapidly growing settlements, outsourcing and PPP are employed. For example, the Suva Council uses its substantial rates base to pay garbage collection contractors. Key to the success of this system is close monitoring and clear performance standards which are firmly enforced. Honiara is also outsourcing waste collection, but may be able to learn from Suva’s experience with monitoring and performance standards.

Fiji is recognised as a regional leader in providing piped, treated water services for urban households, including in informal settlements. Ninety-four per cent of Fiji’s urban population has access to clean water. The water authority of Fiji will provide temporary water connections to any tenant who has formal permission from the Department of Housing, or the landowners. For some communities without legal land tenure, water meters are placed at the edge of the settlement, rather than at each household, which reduces water theft by making the community, rather than the individual, accountable.

Fiji’s urbanisation experience shows the importance of:

- tailoring planning and enforcing common standards
- establishing a stable and growing financial base through improved rate collection
- evolving policies which are inclusive of all residents
- maintaining political and government commitment to urban environments, and
- providing ‘good enough’ land tenure using legal and customary approaches, and out-sourcing services with strong oversight.
Vanuatu and Solomon Islands have the most rapidly urbanising populations in the South Pacific. Port Vila has more than tripled in size since independence (1980), with rural-to-urban migration driven mainly by the pursuit of cash income, lack of economic opportunities in rural areas, and aspirations for a ‘modern’ lifestyle. This migration is increasingly permanent, with most young people born in the city, or having spent most of their lives there. Around 30 per cent of Vanuatu’s population now live in the city and its fringes. Most urban growth occurs in peri-urban areas where few residents have legal land title.

Clear planning mechanisms are crucial to controlling development, but need community support and government enforcement.

Vanuatu currently has no national planning policies or strategies for managing urban growth. A framework for urban planning exists under the Physical Planning Act, but physical plans for Port Vila have never been adopted. So Port Vila Municipal Council (PVMC) uses by-law controls rather than formal planning tools. A national building code has been drafted, but not enacted. According to a senior planning officer, the result is that building construction in Port Vila often simply follows the wishes of the builders. In the settlements, this can create urban vulnerabilities when dwellings are not well constructed or located in flood zones.

A Strategic Plan for Port Vila is in the very early stages of development and aims to go beyond the technical and take into account culture, custom and heritage. But good intentions are being thwarted by a lack of funding, agency support and political backing. A second plan, the National Sustainable Development Plan (sometimes called ‘The People’s Plan’) has also been launched by the government and aims to set high-level directions for development, including urban areas, policy frameworks for urbanisation are still lacking.

Urban strategic plans use zones to guide development activities, but can also take account of other values like cultural and customary usages.

Customary forms of governance have often helped to fill some of the gaps left by weak formal planning. Although quite different to customary practices and values in the village, custom is still strong in the city, and continues to adapt to urban pressures. Many urban communities still organise themselves around the chiefly system, but in ways that take into account the mixed cultural values of urban neighbourhoods, and the different needs of residents living in the city (see Box 3.1). The chiefs and other informal institutions at the community level are viewed by many people as more relevant to their lives than the government.
Box 3.1 Chiefly structures in Port Vila

The organisation of customary systems in the city is different to that in rural areas, owing to the fact that Port Vila is made up of migrants from across the country, each of whom brings their own distinct island traditions with them. Each urban community has its own chief or equivalent representative, and many of the larger communities have their own chiefly town councils. Organisation is often ad hoc, and powers and structures differ across communities.

An Urban Council of Chiefs was established under the 2006 National Council of Chiefs Act, and is comprised of chiefs living in urban areas representing their home islands. The role of the council is to: resolve disputes according to local custom; oversee custom marriage exchange; promote the use of custom and culture; promote peace, stability and harmony; and promote and encourage sustainable social and economic development. Most chiefs only exercise authority in their own urban or island areas.

Each island also has its own chiefly council, including Efate where the capital is located. The Efate Council of Chiefs, the Vaterisu, represents Efate’s customary land owners, including in peri-urban areas. The Vaterisu is concerned with the way the police and mobile police force have evicted informal settlers in peri-urban areas, and wants a more permanent solution to the issue of informal settlements. Driven by a desire to regain control over their land and for improved income and property value, they are considering options such as expanding the area of their jurisdiction, providing more land for informal settlers, helping people to return to the islands, and improving living conditions in the settlements.
Customary governance and dispute resolution can complement more formal processes, particularly when formal systems are hard to access.

The chiefs provide a degree of stability and security by mediating disputes and facilitating reconciliation, particularly in relation to urban pressures such as crime, tensions over land, and dissatisfaction with national government. The sorts of problems which chiefs deal with vary, depending on whether the chief believes he or she has the power and the skills to handle the dispute, the level of community support for the chief, how easily the state system can be accessed, and the wishes of the aggrieved parties. Chiefs can play a complementary role with the state, filling gaps where people are unable to access the state legal systems, and helping to mitigate or deal quickly with violence and other grievances.

Empowering communities and customary leaders can help resolve urban tensions, especially over customary land.

Chiefs can also play a role in resolving land disputes, especially as rapidly growing urban populations can put significant pressure on customary land. As part of the Custom Governance Program launched in mid-2016, the national government has mandated the Malvatumaui Council of Chiefs—the national council of chiefs—to enforce legislation dealing with land disputes involving customary land. A budget of SBD1.1 million (around AUD184,800) has been devoted to implementing the program, with pilot projects launched in several areas in July 2016, including Efate. The program aims to identify village custom boundaries, sacred sites for protection and accepted village chiefs.

This program has the potential to have a transformative effect on custom, changing decision-making processes in a way unfamiliar to village-based custom, so not all are comfortable with it. It encourages (on paper) a participatory approach to recognising customary land owners, and formalises arrangements in ways that better fit the urban context, but still value custom. Even so, processes for identifying boundaries and leadership may need to evolve further in consultation with stakeholders to ensure equitable outcomes.

For now, progress is hindered by uncertainty around customary land boundaries and the legitimacy of some chiefs. Care has to be taken to ensure legitimacy of leadership across cultural and social groups. Another challenge for this program is how services will be provided, such as water and electricity, on customary land. With scarce resources, gaps inevitably emerge. Getting customary arrangements to work in partnership with central agencies in the city will be a process of adaptation, and learning.
Development partnerships can help enhance urban infrastructure, but for long-term benefits locally-based resourcing for maintenance is needed.

Development partnerships can play a crucial role in supporting and implementing urban projects once urban development priorities are set. For example, the SBD283 million (around AUD47.5 million) joint Australian, ADB and Vanuatu Government Port Vila Urban Development Project supports climate-resilient urban infrastructure development. The project will improve drainage, roads and sanitation systems within the city boundary, but requires ongoing maintenance through government commitment.

The first phase of the project was launched in May 2016, upgrading the main roads, and improving drainage to prevent flooding. As in Honiara, upgrades will occur only on existing roads, and will have to be maintained locally. Early planning for future maintenance financing is required, and a strategy for extending roads to new settlements has yet to evolve.

Partnerships between community groups, the private sector and government can accommodate and advance multiple urban interests and priorities.

Another interesting development which deals with pressing transport issues similar to that of Honiara has been efforts to improve the regulation and organisation of public transport in urban areas. The lead organisation behind these efforts, the Port Vila Efate Land Transport Association (PVELTA) was created in 2012 to represent taxi and mini-van operators. It provides a range of services to its members, including dispute management, assistance with licensing and permits, and advocacy. Its President represents members by working with infrastructure and transport stakeholders. For example, members of the Port Vila Tourism Cruise Ship Committee, alongside service providers and residents, contribute to discussions about public transport routes and pedestrian crossings. PVELTA, which has over 1,000 members, began as a charitable organisation without government funding.

In response to the need for a more coordinated approach to public transport, the Vanuatu Government passed the Public Land Transport Act 2015. The Act establishes a Public Land Transport Authority, which includes directors from the Departments of Local Authorities and Tourism, the police force, a representative from internal affairs, and a chairperson from each provincial Public Land Transport Association. The Act establishes strict standards, and limits the number of public vehicles.
Benefits of these initiatives include a safer, more convenient transport service—for example through strict regulations to prevent over-charging of customers—and support for tourism in Port Vila, particularly from the cruise ship industry. Although there are still concerns among bus and taxi drivers over equitable access to business opportunities, and implementation of the Public Land Transport Act, the steps taken since 2012 have helped to implement an inclusive approach to the regulation of the public transport industry. Port Vila’s urbanisation experience shows the importance of:

» formal institutions and planning mechanisms which are supported by the community and enforced by government

» customary governance and dispute resolution in urban environments, particularly when it complements formal systems or services areas of neglect

» the value of development partnerships to achieve urban development goals, providing development is sustainable and ongoing maintenance can be covered locally, and

» support for issue-based multi-sectoral groups which can deal effectively with key urban issues such as public transport.
Port Moresby is Melanesia’s biggest city, housing at least 400,000 people from around the country and, increasingly, the Asia-Pacific. By some estimates, as much as half the city’s population lives in informal settlements. The city has been growing for a long time, but over the last decade has been increasing in speed and intensity, changing the urban landscape. The evolving economy and labour market have created an urban population with higher levels of disposable income boosting spending on housing, services and goods.

Papua New Guinea’s (PNGs) resource boom has been influential in the city’s development, leading to significant investment in urban infrastructure, housing and social services. The Liquefied Natural Gas project, in particular, has been key to rapid urban development. The physical transformation of the city is also attracting big public events, including the 2015 Pacific Games and the impending 2018 Asia-Pacific Economic Cooperation (APEC) Summit, and by the desire of national leaders to showcase the city to the world and to investors. While benefits of large events can be considerable, the upfront costs are also significant and gains only endure if investments can be locally maintained and are valued.

“We would like to promote Port Moresby as the regional hub for sports, creating a pathway for our young people.”

The Hon Powes Parkop, Governor, National Capital District

Talking about the 2016 FIFA U-20 Women’s World Cup

Over the past decade, municipal leaders and communities have become more determined to engage with urban issues and to build a more liveable city. This is due in part to a growing recognition of the importance of urban areas as major economic drivers and forces for improving human development.

Port Moresby has developed some of the most comprehensive formal urban governance structures and powers in the South Pacific. As well as the National Capital District Commission (NCDC)—which functions as a municipal body—PNG is the only Melanesian country to have an office dedicated to urban issues, the Office of Urbanisation, which was established in 2003, and the first to have NUP, finalised in 2010 and launched in 2012, which looked to coordinate urban development.
Overly ambitious initiatives often fail at implementation, if not backed up with adequate capacity and resources—an incremental approach focused on high priorities can be more successful.

Despite these commitments several challenges persist, including issues with city-level governance, and implementation of the NUP. Although the NCDC has basic urban management structures in place, it still faces shortfalls in capacity and resources, so translating ambitious urban plans into actions can falter. There are gaps in governance arrangements, particularly related to policy coordination. For example, the NCDC does not have responsibility for urban land management; and, coordination between local and national agencies responsible for land, utilities and the police is weak. Powerful development interests can often find ways around ‘policy on paper’.

“The [NCD and Lae] city plans are technically competent meaning that they are based on international principles. Unfortunately, both plans are unable to direct and coordinate actual development. The gap between the reality and the plan visions is hugely wide.”

PNG National Research Institute 2016 report on urban development

The NUP, while comprehensive, is overly ambitious and exceeds the capacity of the system to implement. It deals with a wide number of urban issues extending beyond the city and fails to prioritise issues or enunciate a practical action strategy. As Dr Paul Jones (2012), an experienced urban development and management practitioner, has noted, PNG’s experience with its NUP highlights that:

» urbanisation is a cross-cutting issue, requiring coordinating mechanisms and an integrated approach to management
» urbanisation can be messy and daunting, and issues need to be prioritised, and
» policy-makers must remain committed to the urban agenda and supportive of initiatives, including through adequate resource provision.

Improvements to revenue collection coupled with innovative PPP can help advance priority infrastructure projects.

Ensuring better control over resourcing has been one of the key steps towards improving urban management in Port Moresby. The NCDC has been able to proactively manage various urbanisation issues because it has its own revenue base. Its revenue is derived from a range of taxes, national government grants, court fees and rates. The largest source of revenue by far (around 90 per cent) is a General Service Tax (GST) from the sales of goods and services in the city. This means that Port Moresby can spend a lot more on urban residents on a per capita basis than Honiara, despite there being more urban dwellers in Port Moresby (see Box 4.1).
PPP and development support have also been crucial to financing infrastructure improvements. Over SBD12.1 billion (AUD2 billion) of private, public and donor investment has been committed to new roads, hotels, government buildings and sporting venues. The National Infrastructure Tax Credit scheme has generated revenues to progress the roll-out of urban infrastructure. The scheme grants private businesses a tax credit for approved public infrastructure investments, and has seen energy and mining companies pay for, manage and oversee significant construction projects in the capital.
Where state capacity and resources are weak, development partners can help support more ambitious infrastructure and service initiatives.

Waste management is a challenge facing all Melanesian cities. In Port Moresby, a successful donor-government partnership has upgraded the main rubbish dump—the largest in the Pacific Islands—the Baruni Dump. For 30 years, rubbish disposal had been carried out by means of open burning, resulting in toxic black smoke emissions. Efforts by the NCDC and the Japanese International Cooperation Agency (JICA) have rehabilitated the dump, upgrading it to a proper sanitary landfill. This has improved not only waste management in the city, but also the appearance of the site. Plans in 2017 to convert rubbish such as tyres and plastic into energy at the dump site could help provide services as well as raise revenue.

The benefits of many urban initiatives will be gradual and can require a multi-sector and adaptive approach.

As cities grow so can law and order problems, but Port Moresby is slowly reducing its notoriously high crime rates. Since independence, concern around urban security in the city has had a profound effect on development and investment. However, over the last decade there has been a gradual reduction in urban law and order incidents, as evidenced through official crime statistics. While there are difficulties with the data, the number of households reporting at least one crime decreased from 67 per cent in 2004 to 38 per cent in 2009. Problems with raskol gangs, blamed for many of the city’s ill, are falling. Criminal activities still occur, but these positive gains may hold valuable lessons for others.

In addition to increased police numbers and capacity building, the number of foot patrols in the NCDC has increased and infrastructure improved—fixing deteriorating police houses, rundown barracks and dilapidated police stations/cells. Private security, funded by wealthy residents, is also on the rise with small steps occurring to improve networked policing, that is the cooperation between public and private police. Police-community relations and cooperation is being slowly enhanced, and alternative, community-based dispute resolution mechanism piloted. This blend of technical and social improvements to law and order reflects a whole-of-community approach.
Innovative approaches to service delivery can harness local skills and involve local communities to fill urban governance and service gaps.

Port Moresby’s communities are resourceful. Some communities have developed their own methods for managing conflict and other law and order issues, which fall through the cracks of the state systems. One community-based response is neighbourhood mediation—where individuals and communities come together in a common location with a recognised communal leader and/or organisation, to negotiate and resolve disputes. This approach was developed in concert with communities by the Justice for Peace program of the World Bank.

In neighbourhood mediation, communities invest their own time and resources, motivated to improve their security and prosperity. It is generally considered more efficient and legitimate than Village Courts or police mediation, and operates in more difficult and complex mixed communities, which are beyond the reach of the state. Nonetheless, to be sustainable, government systems still need to support, or at least be compatible with, local efforts.

The informal sector generates economic and livelihood opportunities for many urban residents and can benefit from government support.

The informal sector, as in Honiara, is the backbone of urban livelihoods in Port Moresby. Around 80–85 per cent of the population is engaged in the informal economy—for example markets and gardening—in some form. The Informal Sector Development and Control Act (2004) is intended to encourage the development of informal businesses, and to regulate and control informal-sector development for the protection of public health and safety through inspections and minimum standards. Under the Act, informal vendors are not required to obtain licences or permits and can establish themselves anywhere that will not cause them to be a nuisance, obstruction or hazard. Unfortunately, just what is a nuisance, obstruction and hazard is not clearly defined which can lead to conflicting interpretations and tensions.

“I tend to say quite often we should not be bound by terms such as ‘unemployment’ in countries like Papua New Guinea, but promote more empowering words like ‘productive living’. Ninety-seven per cent of the wealth of this nation is actually owned by the people, in that they are actually the landowners and the owners of the resources.”

Dame Carol Kidu, then Minister for Social Welfare and Development
Although Port Moresby faces many challenges, it remains a vibrant space with people determined to improve its liveability. Port Moresby’s urbanisation experience shows the importance of:

» backing up national commitments to urban areas with adequate resources
» having a strategic vision, which agencies are able to implement and manage in partnership with communities
» ensuring development partner initiatives for infrastructure and services can be sustained locally over the long-term
» independent and efficient revenue collection and generation mechanisms
» innovative PPP, and
» working with, and within, communities to achieve improved urban living.
To maximise the benefits of urban development, effective urban planning and management are needed. Urban planning and development need to fit with local priorities and values. To achieve inclusive development, careful consideration needs to be given to:

- how decisions are made and who is involved in making them
- what incentives exist and are they achieving the desired goals, and
- how different interests in the city shape its form and functions.

Greater engagement of the diverse communities that make up cities have the potential to expand ownership, community-based development and community support. Having good policy and plans are vital, but it is not enough; they need to be well resourced and within the implementation abilities of agencies. Proactive planning for growth can pay big dividends in the future.

In this section, we examine the key components of good governance, as well as planning challenges facing the city and its fringes, such as land and housing affordability, planning enforcement, and the need to track development through appropriate indicators.
Ensuring positive outcomes from urban development requires accountable decision-making processes, policies tailored to social priorities and the capabilities of agencies, and mobilising resources. The Ministry of Lands, Housing and Survey (MLHS) in partnership with the HCC have been working hard to reform outdated policies and improve incentives to comply with urban plans, for example reducing the costs of land access, diversifying permitted urban building options, and making land allocations more transparent under the Lands Board. Yet many challenges still remain, including the lack of available urban land and difficulties in enforcing urban plans and policies.

“The state is unable to meet public demand in the urban areas it controls, and demand for urban land for residential, recreational, commercial and livelihood purposes is rapidly increasing. Despite the Land Board’s efforts to allocate land in a transparent manner, access to urban land remains a challenge.”

Joe Foukona, Solomon Islands Land Law Reform Specialist, University of the South Pacific

Urban planning and management in Honiara is very complex with responsibilities spread across many agencies, so coordination across sectors and levels of government remains difficult (see Figure 5.1). Our interviews in settlements (see Chapter 7) also suggest there is room to make planning more inclusive of community groups. Strengthening interactions and information flows among agencies and communities, and opening up more opportunities for joint decision-making processes are ways to improve planning outcomes.

This section considers the complex urban management system and explores:

» how are decisions made and who is involved in making them?
» where are the opportunities for improvement?
» what resources are available to urban communities to support service delivery and infrastructure development?

**Political decision-making: Governing Honiara.**

Honiara residents are represented at the municipal level by a 20-member HCC. This includes 12 elected councillors each representing a municipal ward (which vary in size but can be 6,000 residents), four appointed councillors chosen by the Ministry of Home Affairs (one of whom must be from Guadalcanal province), the three national Honiara Members of Parliament (MPs) representing east, west and central Honiara, and the Premier of Guadalcanal Province. Council elections are held every four years, with a Mayor chosen from amongst the elected councilors.

While the Council is theoretically the most important governing body in the city, councillor capacity to shape urban development and improve service delivery is limited. Councillors have important planning powers, but implementation remains weak. Councillors consulted for this report voiced concerns about how the limited resource base and administrative capacity of the HCC make it extremely difficult to enforce planning laws, fund services and invest in urban infrastructure.
With limited resources and administrative capacity, councillors have few ways in which they can support their residents, besides representing their interests and using limited ward funds (see below). But the problems run deeper than this; more resources could be available if there was better rate and fee collection. Senior officers in the HCC also thought policy implementation could be boosted by stronger employee performance management. All noted competing interests and pressures for development in constituencies can also hinder strong planning and enforcement action.

One of the ways city councillors support urban development and service delivery is through ward grants. Like Constituency Development Funds available to national MPs, these are discretionary funds available to elected councillors to be used to support local services and investments at the ward level. Councillors are under significant pressure regarding the allocation of these funds—expectations far exceed resources. Councillors reported that quarterly grants are usually fully allocated within days.

> Ward grants are not big. We have to decide how to allocate [the funds]. Often it is on a first-come-first-serve basis. It can be gone within one hour!

Honiara Local Councillor, Local Councillor/Official Focus Group Discussion

The potential for councillors to use such funds to make a significant difference to urban development is limited. The ward grants are small relative to the population they are intended to service. Each elected councillor receives a quarterly ward grant of around SBD$50,000 (AUD$8,400) or SBD$200,000 (AUD$33,600) annually, with little strategic direction on spending. This amount is much less than the constituency funds available to national MPs, who receive about SBD$8.5 million annually (AUD$1.4 million), including purpose-specific grants. Constituency funds are rarely used to provide basic urban services or infrastructure for the whole community, such as sanitation, waste management or community pathways. Fund accountability is weak.

Councillors noted several big challenges against allocating funds fairly across wards based on set criteria. Most felt that restricting funds to set criteria or priorities would be unpopular with constituents who want funds to meet household needs. The small value of ward grants also means it is only possible to support modest capital investments or cash grants, rather than larger projects with big community benefits or extensive community reach. Councillors’ report that they mainly help their constituents meet consumption priorities such as school fees, with some modest provision for community infrastructure, predominantly water tanks.

Electoral competition can also reduce incentives for coordination between councillors and across different levels of government. Despite the small size of the ward grants, they are politically significant. Ward grants can be used by ambitious councillors to build a support base, potentially putting councillors in competition with national MPs. This is one reason why the broad composition of the HCC has not resulted in stronger coordination across urban jurisdictions.

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1 This is made up of Constituency Development Funds of about SDB260 million supplemented by Taiwanese grants under the same program of SDB70 million. National MPs also receive additional funding under other sector specific programs, see Batley (2015). There are 50 national MPs.
Partnerships for change: Coordinating urban planning.

“There are good intentions, but some of this [urban challenges] is a problem of our own making … the more you talk, the more you realise, something has got to change.”

Donald Kudu, Outgoing Chair Solomon Islands Land Board

A key challenge to inclusive decision-making is to ensure that community members and stakeholders are involved in policy discussions. The linkages between central government agencies, local government agencies and community members could be strengthened. Our focus group discussions in communities, with the private sector, and local government suggest that some feel excluded, and that there would be benefits from more regular and predictable exchanges that focused on information exchange and action.

When asked who was important to include in urban consultations the responses were diverse, but consistently included:

» customary landowners and residents in informal and formal settlements
» business people
» policymakers from local, provincial and national government agencies
» elected representatives from the local, provincial and national parliaments
» service providers
» civil society and NGOs engaged in urban areas, and
» development partners.

There is no one forum to bring these groups together. In our interviews most expressed a desire to be more involved in urban decision-making processes, and participated in our workshops.

How stakeholders are included in decision-making impacts on the decisions that are made and their implementation. Community groups that understand decision-making processes and are well linked to interest groups can influence policy and play an important facilitating role in addressing urban issues. This is well demonstrated by the Young Women’s Parliamentary Group (YWPG) (see Box 5.1). Many other Honiara-based community groups lack the strong understanding of decision-making processes and entry points for influence. Our interviews and discussion groups with NGOs and community groups reflected a strong and unmet interest in creating more opportunities for sharing experiences and learning from each other about lobbying and engaging decision-makers.
Figure 5.1 Urban Planning and Management in Honiara: Complex connections
Box 5.1 Young Women’s Parliamentary Group – Putting public transport on the urban agenda

The Young Women’s Parliamentary Group (YWPG) was established in mid-2011 with the support of the UNDP Parliamentary Strengthening Project. It is a civil society group based in parliament whose patron is the Prime Minister. It has successfully promoted a policy campaign on short bus routes in Honiara. Mini-buses are one of the main methods of public transport in Honiara and surrounding areas, but can be expensive and poorly coordinated.

The campaign run by the YWPG to improve public transport engaged the public and government. The Group circulated a petition that received over 5,000 signatures, conducted a radio–based awareness campaign and held public forums. They used the public support to lobby members of parliament to establish a special select committee. In 2013, the committee called for public submissions, held public forums, and then published a final report with recommendations to improve public transport. The public inquiry process provides a good example of an urban development policy process that was transparent, accountable and inclusive.

Implementation of the committee recommendations remains a challenge because of unclear government responsibilities and tight resources, so the YWPG continues to push for change through its close interactions with parliamentarians and like-minded interest groups.

This case provides some valuable lessons for community engagement:

» create public support by making information and participation open to all
» generate awareness of the public importance of the issue
» build a coalition of stakeholder groups to campaign together for reforms
» identify key decision-makers and policy champion(s) in government to progress campaign priorities and policy actions
» develop a good understanding of relevant policy-making processes and be a constructive policy partner by identifying practical solutions to policy problems, and
» ensure campaign activities are timed to fit with policy-making processes and decision-points.

The YWPG are willing to share their experiences with other community groups.

Special thanks to the executive of the YWPG for sharing their insights.

Within government, consultative bodies can boost information sharing. The Land-Use Management Sector (LUMS) coordination group, based in the MLHS, is a valuable information-sharing body of planning and urban development professionals which has provided direction for development partners and policymakers. There still may be a useful role for an urban coordinating group with decision-making powers to ensure urban activities and strategic planning are well integrated.

Inclusive development—bringing communities on board.

“It is important for the community to analyse their own issues, because then they take ownership of them.”

Selina Berah, Executive, Guadalcanal Province Women’s Council

Communities need to be involved in planning but can find it hard to connect with government. For example, in settlements most have informal governance arrangements that are not well linked to government decision-making bodies and some lack strong leadership. Many communities rely on personal connections with politicians or bureaucrats to try and resolve problems, but these channels can shift, or break down, when MPs or officials change. There are few formal and regular consultation mechanisms.

“Community planning is what is missing from urban governance… Through small projects, the community can work together to develop a sense of community, a sense of accomplishment.”

Urban Expert, Solomon Islands, Interview 6

One effort to boost community engagement, which is in its early stages of development, is the establishment of Community Development Committees (CDCs) (see Box 5.2). Local leaders feel CDCs have potential because they can give legitimacy to community leadership and governance and, ideally, serve to better link communities to government agencies. At present, some felt CDCs still needed stronger links to key decision-making agencies such as the HCC and MLHS. Consultations do occur, but the communication channels might be better if they were regular and central to decision-making processes, and this would also afford the committees more authority and acknowledgment in the community.

Policy-makers and leaders, particularly at the national level, do not always prioritise urban issues because they affect a minority of the population. Some worry that investing in urban areas will attract more people, but a policy of non-investment in urban areas has never successfully stemmed urban growth. More often it results in growing urban inequality and poverty. Views are shifting. The current government has made urban development a policy priority. A NUP is being developed, the Honiara LPS updated, and new urban reforms introduced.
There could be benefit in more public urban forums to exchange ideas and boost community engagement in Honiara’s development. The public engagement around the development of the Honiara’s LPS was strong, but broad public awareness of it contents and implications could still be increased. There was good national participation in, and media coverage of, the first National Urban Conference in 2016, setting the foundations for enhanced dialogue and action across national and provincial agencies. Notable in the latter and in our Guadalcanal workshop was the enthusiasm of youth to be involved in urban discussions, yet for youth, and for the media trying to cover urban issues, there are few background resources and limited opportunities to engage.

**Box 5.2 Community Development Committees**

Community Development Committees (CDCs), initiated by UN Habitat, are run by communities. CDCs aim to encourage community cooperation and to prepare community action plans to support informal settlement upgrading. Components of these plans include roads, drainage, water supplies, and health services. It is hoped that the CDC will facilitate interaction between communities and the Honiara City Council (HCC), but some noted this still needs to be strengthened.

The CDCs aim to build upon existing social groups in the community—for example church groups and women’s groups—and provide a structure for all to work together. While confined to one pilot area in the HCC, there are hopes CDCs will help facilitate coordinated action across ethnicities and religious groups within a community. In one case, a community successfully advocated for more water services through the CDC. In late-2016, three communities worked together to run a workshop on family protection and crime prevention, run by the police.

It is unclear how sustainable this new structure is without external support, and whether CDCs can mobilise people to work together in every community. Political commitment, agency support, resources and cultural compatibility are all factors that will affect their future.

In seeking to build strong partnerships, the following considerations may be useful:

- who has an interest in this issue and what is the best way to engage them?
- what skills may be needed to tackle a specific issue?
- can forums of multi-stakeholders help reveal and balance priorities?
- what resources are needed, who has access to them, and can the needed funding be secured and sustained in the future?
Enabling institutions.

In Honiara, a complex set of agencies are responsible for planning, service delivery and land management. They span all levels of government and community and can have overlapping or, seemingly, unrelated roles. For example, consider the overlaps in responsibility for road infrastructure, or the perceived different roles of electricity provision and youth services.

There are an increasing number of development partners who are now focusing on urban issues (see Figure 5.2). This will make more resources available, but also require clear priority setting by Solomon Islanders and careful coordination of effort. The NUP has the potential to provide a framework for raising awareness, coordinating action, and prioritising issues (see Box 5.3). It could also help to clarify responsibilities for important urban policies such as public housing, public transport and service provision to informal settlements. How this policy is implemented will depend on sustained commitment, the capabilities of national and municipal authorities, and the available resources to support service delivery and infrastructure investments.

Box 5.3 The value of a National Urbanisation Policy

A National Urbanisation Policy can:

» create community awareness of urban issues
» explore key issues specific to urban contexts
» define national priorities for action
» clarify roles and responsibilities, including decision-making and implementing roles
» identify relevant legislative and policy contexts, and any gaps
» explore options for resource mobilisation, and
» suggest key urban indicators for monitoring and evaluating progress.

While a NUP can help manage rapid urban growth, it will not in itself lead to improved urban management. Evolving policy processes that support participation, accountability and equitable outcomes are key, as well as the coordinated implementation of urban programs. Other Melanesian countries, like PNG, have a NUP but it is not well implemented, largely because of a lack of resources and political support (see Chapter 4).

In June 2016, the challenges and policy options for urban areas were considered at the first Solomon Islands National Urban Conference. Participants at the workshop recommended that a biannual National Urban Conference be used to boost information sharing and collaboration between national, provincial and local authorities.

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2 Note: Four PICs have an urban policy: Fiji, PNG, Samoa and Tonga, Solomon Islands will soon be the fifth.
governments. Participants at the conference concluded that more constructive discussions of urban issues could be achieved by:

» a national coordinating body to drive the urban agenda
» forums for dialogues between HCC, Guadalcanal Province and other key stakeholders on planning for Honiara and its surrounds, and urban provincial areas
» better engagement of the private sector and landowners, and
» stronger capacity within national and provincial agencies with urban responsibilities.

Resourcing urban management.

Even if institutions are well placed to manage the challenges of urban growth, they cannot fulfill their roles without adequate resourcing. Municipal authorities need finances to pay for urban services such as waste disposal, and to invest in urban infrastructure such as roads. An important challenge facing nations with growing urban areas is how to develop effective and sustainable financing arrangements for urban authorities.

Authorities have under-invested in urban development for decades. This means municipal authorities do not have adequate resources to fund urban services and infrastructure development. This is best illustrated when looking at the revenue available to the HCC. The HCC budget increased by about one per cent between 2011–13, but the population grew by about 2.7 per cent—that means that per capita spending is actually falling despite increasing national demands on urban areas. It is notable that the combined constituency funds of Honiara’s three national MPs exceed HCC’s budget.4

In addition to money, better urban governance also requires investment in people. Many urban institutions lack the skilled staff required to implement urban policy effectively. HCC has very few staff and little capacity to deliver even basic services. Most remarkable is the lack of planners and the lack of personnel with skills to build and maintain modern land registration and rates systems. There are a number of challenges which limit resources, including:

» key local authorities, such as the HCC, do not have a sufficient independent revenue base and do not consistently collect fees and rates
» national government transfers to HCC are too low to fund urban responsibilities (see Section 2 for alternative models in Melanesian cities), and
» many new arrivals to the city work in the informal sector and live in informal settlements, and thus do not pay rates or taxes.

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Figure 5.2 Key External Agencies Engaged in Urban Projects: Honiara

This representation is indicative only, and does not cover the full breadth of agencies or programs in Honiara. The size of the bubbles does not portray the scope of work.

Source: Key external agencies — ANU
Urban governance: Some key considerations.

Managing rapid urban growth requires a focus on urban governance. From our discussions with community members, we have identified a few key steps:

» ensure decision-making processes are inclusive and involve key community groups
» work to coordinate decision-making and implementation across relevant agencies—whenever possible build on existing institutions
» build the skills of community groups to more effectively engage with decision-makers, this could include facilitated networking and experience sharing workshops
» create more linkage mechanisms between government agencies with urban responsibilities and community-based groups
» assess resource allocations (financial and human) in relation to responsibilities, and
» mobilise resources via more robust revenue collection systems.
Urban planning processes can help guide the future development of the city and prioritise development activities in particular areas. Effective urban planning ensures that plans reflect local priorities and values, and that once in place they are implemented efficiently and fairly.

Honiara is growing so quickly that planning agencies are struggling to keep up with the rapidly expanding number of settlements (see Plate 6.1), and demands for infrastructure and services. The MLHS predicts that by 2050 the households located in, or near, Honiara will increase by 39,000—a trebling of the population. This chapter raises some key questions:

» what are the key planning issues facing Honiara and surrounding areas?
» what are some options for boosting land and housing affordability?
» how can the challenges of urban planning enforcement be managed?
» what are the possibilities for urban development indicators for sustainability?

Urban Planning: What are the priorities?

A key challenge for urban planning is setting priorities for action and ensuring responsibilities are clear. We asked Honiara’s LUMS coordination group, whose members are Honiara-based planning and infrastructure professionals, about planning priorities (see Figure 6.1). These views can be a basis for more local discussion and action.

The Honiara LPS (2015) is sound, but planning controls are not always enforced, and coordination between key planning agencies and jurisdictions is limited. For example, Guadalcanal Province has representation on the HCC but not the opposite, and interactions at the working level are few. As Honiara’s population grows, it continues to spill into Guadalcanal Province and so a more integrated approach between the two jurisdictions on land development, services, transport and markets will be needed (possibilities are explored in Chapter 9).

“\n\nThe increase of informal settlements in Guadalcanal is a national issue now—people are coming from all over the country—we have to work together to plan for them.\n\nAnthony Veke, Premier, Guadalcanal Province\n"
Figure 6.1 Honiara Land-Use Management Sector Group — Views on urban management priorities

1. Enhanced Planning
   - Develop a master plan (or integrated plans) for Greater Honiara with Guadalcanal Province, HCC and key stakeholders
   - Better enforce planning regulations, controls and land allocation processes
   - Improve agency coordination
   - Directly link plans and budgets

2. Settlements
   - Strengthen building controls to comply with planning schemes
   - Increase housing affordability
   - Reduce vulnerability of settlements to disasters and environmental change

3. Urban Services: Upgrades and Extensions
   - More accessible and affordable service delivery models
   - Upgrade and extend sewerage systems; Increase public toilets
   - Improve and expand waste collection & management

4. Institutional Strengthening
   - Enhance training in key agencies
   - Improve land approval processes eg. transparency and accountability

5. Honiara Beautification
   - Upgrade buildings and streetscapes
   - Green/landscape town

Positive Pathways: Planning Perspectives

Source: Honiara Land-Use Management Sector group consultations with ANU (15 March 2016).
Note: The length of line from centre reflects the number of people who gave the issue priority for improving Honiara prosperity and liveability; those mentioned most in our survey are closest to the centre.
Chapter 6—Urban Planning: Supporting Communities to Benefit from Urban Growth

Plate 6.1 Urban Growth: West Honiara, 2002–2017
The rapid growth of informal urban settlements means many residents do not have legal land title, and essential services such as water, electricity and sanitation are largely lacking. The main response has been to offer informal settlers on state land 50–75 year leases (that is, FTEs), but the process has many bureaucratic steps and most cannot afford the lease price. Until very recently, an FTE could cost over five times the annual median income, but just recently the Land Board reduced costs to as little as 10 per cent of the land value, so FTEs can cost just SBD2,000 (AUD336) for some.

Even with lower costs, the registration of land may still involve several hurdles. Some will not be able to afford the FTE because they struggle to meet daily costs and have little access to financial services. For others, registration may not be possible because the title of the land on which they live is disputed. Others may still find it too complex to navigate the registration process. Public awareness of the change, assistance to register land for those who can afford it, incentives to register, and transition programs with incremental payments or access to low-cost credit as occurs elsewhere in Melanesia, are all possible paths forward.

**Service shortfall: Bridging the gaps.**

In informal settlements there are many service shortfalls as a result of high costs and rapid growth, but state-owned enterprise management reforms have improved operations and strategic planning in recent years. Water and electricity services are being extended and options for different charging models developed to boost coverage and access. Even so, issues remain in relation to service access and equity, particularly for informal settlements.

“We are still chasing the people … We need to find a new water supply and expand coverage in ways which are affordable and sustainable.”

Senior Officer of Solomon Islands Utility, Interview 7

Environmental constraints on water supply are rising as population pressures grow, for example increasing ground water extraction, particularly in Panatina, is increasing water quality problems and threatening supply. Across Honiara, Solomon Water estimates that 80 per cent of water is pumped from surface and ground supplies, and this extraction is not sustainable in the long run. A new water source for the city is needed, and while there are options all are likely to encounter land- and water-access difficulties and thus take time to develop.

In the short-term, steps can be taken to boost water security including: decentralised solutions such as water tanks; equitable and enforced water take-off agreements; and better cost recovery. Engaging communities to create their own solutions can help too. According to an UN Habitat consultant, some communities have improved water services by building their own infrastructure, and by managing their own shared water meters or sanitation facilities. Some communities are collectively accessing and paying for water services. In the longer term, a new water source, better waste water management, and revised water charging regimes (all part of the Solomon Water 30 year strategic plan under development) should help achieve greater water security.
Electricity coverage is also a challenge although it is rapidly expanding and services are more reliable. About 64 per cent of Honiara is connected to the main grid, according to a Solomons Electricity spokesperson. The challenges ahead include increasing affordability—currently Honiara electricity costs are very high. Given the high costs of fuel and rapid urban growth, renewable energy—solar and hydro—hold much potential, are well suited to development partnerships and can be decentralised and locally maintained. While hydropower and solar farms are well suited to Honiara, both face challenges of land access.

Waste collection and management remain difficult with more than 50 per cent of the city left unserviced. Progress has been made by outsourcing collection and through development partner investment in better waste management, demonstrating the value of strategic partnerships. Other Melanesian cities have benefited from higher levels of outsourcing with stronger contract and performance oversight.

While urban and strategic plans help to shape cities, natural forces like flooding can transform urban spaces and settlements, and add to vulnerability. The recent changes to the Lunga River provide a graphic example of how land, settlements and housing can be affected by environmental changes (see Plate 6.2). Reducing vulnerability will take many steps. The most important of these will be strong community engagement to boost disaster risk awareness and preparedness, and support for protective planning measures.

Studies like the UN Habitat Honiara Climate Change Vulnerability research project are important foundations on which to increase resilience through community, planning and engineering measures, but implementation of the findings will need development partnerships to meet costs, increase awareness, and enhance Honiara’s durability. With solid groundwork done by the UN Habitat study, concerted action on local priorities has the potential to save lives in the future.

The shape of the city.

The growth of the city needs to complement its geography and layout. Honiara is a long, narrow city with limited mobility along its congested roads. Most people rely on patchy and poorly coordinated public transport to get around, and many settlements are not well connected to central Honiara, lacking road access or even safe walkways into the city. Getting the form and function of the city right for future needs is a key challenge.

Most planners and business people we consulted thought ‘nodular’ or ‘satellite’ urban development was best suited to Honiara, with settlements clustered around a few well-developed shopping and service areas to the east and west of the city. The nodular development approach is not new (see Figure 6.2). Implementation would benefit from clear business incentives to develop, or re-develop hub areas; plans alone will not be enough.

A nodular urban design could relieve some of the pressure on central Honiara, and open up opportunities for more decentralised jobs, markets and development. PPP and tax incentives for developers have worked to encourage investment elsewhere in the Pacific (see Chapter 4), and could work for Honiara too. Our consultations with Solomon Islands Chamber of Commerce and Industry (SICCI) suggest a willingness to work with government on this (see Chapter 10).
Accessing land in the city.

A limiting factor for Honiara and its development is land. Much has been said about land reform in a separate State, Society and Governance in Melanesia (SSGM) report produced in 2015, entitled *Building a Pathway for Successful Land Reform in Solomon Islands* (see Box 6.1).

In addition to other constraints, the complexity of land mobilisation in Solomon Islands restricts the availability of this important factor of production to willing and capable entrepreneurs.

Prime Minister Sogavare, Opening of the 2015 National Land Reform Conference

High land costs in part reflect urban land shortages. Although the MLHS has identified some available land within the Honiara town boundaries for development, this will not be adequate to absorb the growing population. Our discussions with Guadalcanal politicians and officials, as well as our joint Australia National University (ANU)–Guadalcanal Workshop (see Chapter 9) reveal that it may be possible to identify land in Guadalcanal for urban development, providing landowners are fully involved. Currently, land development is largely unmanaged and uncontrolled.

We are not about opposing development. It’s about how government recognises customary land and looks after the interests of landowners.

Anthony Veke, Premier, Guadalcanal Province

Many approaches to managing urban growth in Honiara are designed around property rights that are mostly held by the state, but today urban growth is spilling onto customary land. Some Solomon Islander land-use experts, like Joe Foukona, feel that urban land tenure systems need to evolve further (Box 6.1). More clear and secure land management systems could increase land availability, ensure that customary landowners are well informed about their options, and well supported if they want to develop their land.

The views of experts like Joe Foukona raise some interesting questions, such as:

- what are culturally appropriate development options for voluntary registration and development of customary land?
- how will community registered land be recorded and tracked to ensure the rights to the same land are not sold multiple times, or vulnerable to legal challenge?
- would an agency which supports customary landowners to secure fair development deals work in the Solomon Islands context?
- could alternative land dispute resolution processes reduce legal cases?
how will government agencies monitor urban development and the social consequences for customary land?

**Housing: Priced out of the market?**

*“It is virtually impossible for the average Solomon Islander to buy a home in Honiara.”*

Ms Joan Toitoëna, Director, Housing Division, Ministry for Lands, Housing and Survey

The high cost of shelter and land mean that few can afford to buy a house. Even high-income earners struggle to secure housing. Solomon Islands Home Finance Limited (SIHFL)—charged with developing affordable homes—have been selling dwellings at SBD495,000 (AUD83,100) to SBD735,000 (AUD123,500) (SIHFL 2016). That is over 50 times the annual median wage, according to the 2009 Solomon Islands census. SIHFL reports that nearly all of their houses have been bought by government for public servants; few others can afford them.

More housing options could help to reduce costs. Like other Melanesian cities, Honiara has to consider whether denser city settlement patterns are now a good option, and what other options could drive down housing prices:

- Could options such as multi-story apartment living, strata titles and townhouses relieve some pressures driving up housing prices?
- Are there cheaper construction materials, or housing models that are safe, but less costly, than current options?
- How can housing finance be made more accessible?
- Is there a need for rental controls to ensure costs and access are fair and equitable?

Public-private and public-NGO partnerships can help generate lower cost options for housing. Elsewhere in the Pacific this is achieved through low-interest loans, home repayment schemes adjusted according to household income, house building partnerships, and subsidies and rental controls (see Chapter 2), or through alternative housing for low-income, vulnerable people (see Box 2.2 and 6.2).
Box 6.1 Joe Foukona, Land Law Reform Specialist
Some Views on Land Tenure in Urban Spaces

“Honiara land tenure system has a major impact on urban planning and development. However, Solomon Islands land law is not creating a clear balance between customary tenure and state rules of tenure. There is an increasing demand for urban land for residential, recreational, commercial and livelihood purposes. Currently, the urban areas controlled by the State are unable to meet this public demand. The default option now is the encroachment onto customary land, establishment of squatter settlements and illegal land transactions.

There is no single solution—options for better legal support for the development of customary land need to be explored.

The starting point is to find ways to forge partnerships, negotiations and collaborations between state and non-state stakeholders, including customary landowners, in order to address planning and development issues. If customary land tenure is not given the support it deserves in terms of state intervention or legislative reform to achieve tighter controls on the use of customary land through leaseholds and planning laws, it is highly likely that Honiara urban issues will translate into law and order problems.

In addition to legal frameworks and clarity over rules and responsibilities, non-legal dispute resolution processes and support services for customary landowners could help ensure equity and fairness in urban land development. Efficient and uncomplicated ways to enforce agreements between landowners and developers would also create more certainty for all.”
Box 6.2 Cheap, cyclone-proof housing in Fiji

Around the world, affordable housing is a tough issue, especially where cash is short and needs high. On the outskirts of Lautoka at Koroipita, small, simple and affordable cyclone-proof housing has been built. After 2016 Tropical Cyclone Winston—the strongest cyclone to make landfall in Fiji in recorded history—all were still standing.

Peter Drysdale, who designed the houses, said the houses in Koroipita could be built in five days and cost about SBD76,300 (AUD12,800) each. ‘It’s here for the replicating … We don’t have any patent on this. We’d like to see them spring up all over the place,’ he said. The houses are small, but adequate for many and can be expanded.

There are many other examples of inexpensive kit and modular homes around the world.

» Can housing experts in Honiara survey the options and find other cheap and safe housing options for low income people?

Enforcement and benchmarking: Can we do better?

One of the biggest challenges preventing better urban planning and management is the enforcement of planning rules and regulations. Limited enforcement of existing frameworks, such as the collection of land rates and taxes, and of building codes and residential zones, is one reason why city authorities find it so difficult to finance urban services and improve the function of the city. The informal nature of the settlements makes regulation and revenue collection hard. Urban management issues, which involve land ownership and rights to the city, can be contentious and very political.

Property owners and developers can have strong interests to resist planning restrictions on how they use their land. Cultural factors also sometimes make it difficult for authorities to enforce rules on wantoks (relations, clan and kin). As a consequence, the government misses out on much-needed revenue, making it difficult to provide services to communities.

The lack of data on which to base planning makes managing Honiara’s growth hard. Planners we consulted believe that the data gaps which seriously hinder planning efforts include: basic urban migration, health and transport statistics, water quality tracking, and land settlement and development records. While data will never be perfect, some basic indicators are worth tracking and sharing among government departments and agencies (see Box 6.3).

Urban planning: Some key considerations.

This chapter has raised the importance of planning and highlighted that:

» inclusive processes to set priorities can help to build ownership of urban plans
» urban planning frameworks are necessary but not sufficient; they work best when coupled with effective coordination and enforcement
» land and housing affordability, and security of tenure, are key issues affecting the quality of urban living
» in rapidly growing cities services can become patchy; decentralised and community-based solutions can help fill the gaps, as can incentives for greater private sector investment, and
» benchmarking the state of the urban environment can help direct urban planning and management, and create community awareness of changing trends.
Box 6.3 What are possible sustainable urban indicators for Honiara?

Urban indicators can be used to help policy-makers track progress on key urban development issues and to shape policy priorities. They can be developed for a wide range of urban issues and need to be tailored to the needs of specific cities. The UN is developing a set of indicators for Sustainable Development Goal 11, *Sustainable Cities and Communities*, which may include measurements of:

**Social well being**
- inclusive urban and settlement planning
- human health
- crime rates
- affordability of housing, services and transport
- access to public spaces and recreation
- transport options

**Economic opportunity**
- urban growth and productivity
- cost of doing business
- access to capital and credit
- access to education, jobs and training

**Environmental quality**
- pollution levels, especially water and air quality, waste management
- urban areas vulnerable to natural disasters and climate change
- functional ecosystems
- carbon efficiency

What urban indicators could help Honiara manage growth better?
Effective urban management requires national and provincial governments, councils and other stakeholders to engage with urban communities. Although these communities face significant challenges, they are also resourceful and want to be more involved in urban planning, according to our community consultations.

In this section, we examine the experiences of men, women and youth living in three of Honiara’s settlement communities (communities which lack formal land tenure and/or many basic services), as well as the experiences of youth trying to make a living in the city.

By working with city residents we can get insights into:

» how residents view their place in the city
» the pressing challenges facing city residents
» how people earn a living and what issues affect their success
» the outcomes of youth employment programs, and what more could be done
» how city residents would like their priorities met, and
» how urbanisation can be harnessed in a positive way for the men, women and young people living in Honiara.
VOICES FROM THE SETTLEMENTS

Settlements in Honiara and surrounding areas are rapidly increasing. UN Habitat estimates that about 40 per cent of those living in urban areas in Honiara dwell in informal settlements—that is, clusters of houses that lack secure land tenure. Settlers come from all of the nation’s islands seeking education, work and an urban lifestyle, establishing homes, livelihoods and families on both public and customary land. Informal settlements are an urban reality and play a powerful role in shaping future economic and social developments.

From August to September 2016, SSGM partnered with World Vision Solomon Islands to conduct 10 focus group discussions with over 90 men and women aged 18–65 from three settlements in, and on the outskirts of, Honiara: Sun Valley (Guadalcanal province), White River, and Lord Howe (Plate 7.1). The discussions revealed insights into the experiences and priorities of settlement residents, which are reflected in this chapter. Although settlements are unique, there were many shared needs and priorities in the places where we held talks.

By working with people residing in settlements, we can get insights into:

» the pressing challenges for city residents
» how people earn a living and what issues affect their success
» whether the concerns of women, men and youth differ; and
» how residents would like their priorities met.

A place to call home?

For most, settlements are not temporary or transitional homes, despite the lack of services and tenure. Most of the people we spoke with continued to identify with their home islands, but nevertheless viewed Honiara as their permanent place of residence. Some people have lived in their community for over 50 years; many of their children and grandchildren were born in the city. Most participants in our study, particularly the women, were clear that they would rather live in Honiara than the village.
Plate 7.1 Sun Valley, Lord Howe & White River Settlements, Honiara, 2017
Many we spoke to preferred city life because it offers the most opportunities for earning a living and accessing government services, however imperfect. The city lifestyle gives residents a taste of ‘luxury’—that is, more variety in goods and food, more transportation and markets, better technology, and better access to services like schooling and healthcare. More extensive surveying would be needed to know if these views are shared across settlements or differ between those who have lived longer in town or are from different provinces. But if widespread, it suggests Honiara will continue to attract migrants.

While the city offers opportunities, informal settlements also face significant and pressing challenges. Settlements are permanent, but many residents lack a sense of belonging to the city. They continue to identify with their provinces of origin, while being expected to adjust to city life. Youth in particular feel this identity tension; those who show ‘village like’ behaviour are often subtly mocked as being lokal (local). There are few governance mechanisms that strongly link these settlements and their people to urban decision-making bodies.

Younger generations are lost in a way. In their speaking they belong to the province, but they might not have ever been there. In real life they are Honiara citizens … it is a conflict within each person.

Urban Expert, Solomon Islands, Interview 9

Both men and women are also worried about changing cultural influences in town, which is linked at times to disrespect for kastom (custom), community and place. It was generally believed, particularly among the older participants, that reinforcing cultural values might help address some urban social issues.

There is a change in culture in town. People forget their culture and lose respect for each other.

Male, White River Community Resident 1, Focus Group 6

Most lament the prevalence of marijuana and alcohol, which fuel community disturbances and crime, especially theft. This was consistently ranked as one of the worst things about living in the city. Many believe that youth turn to these substances because they lack opportunities and see no other life for themselves (see Chapter 8). Residents felt that opportunities—formal or informal work, more secure land tenure, social activities—may help address these problems. Some communities have created their own local markets or canteens; others have sewing clubs or even resort to illicit ways of gaining income. A major barrier to expanding local livelihoods is the lack of low-cost microfinance and low financial literacy. For women, another disincentive can be the lack of control over their earnings.
The increasing cost of public transport and lack of services to all communities can make earning a living hard. With little regulation, service providers can set prices and alter services with little notice or consultation. The growing traffic congestion adds to transport time and costs. Services, such as water, sanitation and power are unavailable in many settlements raising health and security issues, but also limit livelihood options. Many noted the link between uncertain land tenure and service gaps.

“We live on unregistered land, and it is hard to extend water and electricity supply to our homes.”

Male, Sun Valley Community Resident 1, Focus Group 4

Participants from Sun Valley and Lord Howe also noted the vulnerability of their communities to climatic events (see Plate 7.2). They understood the risks, but felt they needed more support to respond effectively. Resettlement, for most, was a very last resort. Most would prefer modest support to allow their communities to set priorities and do more to help themselves.

Making a living in the city.

Informal jobs, such as in street markets, are one reason that city living is often referred to as an ‘easy life’, especially in comparison to rural living. Informal livelihood activities include selling cooked foods, betel nut, cigarettes, garden produce and illicit products (like kwaso) at markets or roadside stalls. Most families living in the settlements rely on informal jobs to survive. But these settlements also have a growing number of wage earners who are simply priced out of the Honiara housing market, or prefer to be close to their own community. For example, within these communities there were: nurses, security guards, tradespeople, teachers, doctors and even the Mayor of Honiara.

Common informal livelihood challenges identified include:

» the lack of space and adequate facilities at markets
» the threat of informal market closures by HCC
» increasing market fees and high transport costs
» the need for support to diversify marketed goods to increase returns, and
» some heavy-handed council approaches to vendors, such as betel nut sellers.
Plate 7.2 Environmental Change, Lord Howe Settlement, 2002-2017
Markets play a crucial role in maintaining livelihoods and supporting families in the city. For this reason, many raised the need for more markets and better market facilities. Nearly all the markets in Honiara are technically illegal, so this left many feeling vulnerable. Much could be achieved by creating more dedicated (and legal) market spaces and ensuring they have basic facilities, such as water and sanitation.

“Markets are not just an important need. It's a great need. I cannot say how important it is. It is urgent.”

Selina Berah, Executive, Guadalcanal Province Council of Women

Women’s voices.

Women’s experiences of the city differ from men’s in several unique ways. For some, the city offers opportunities for leadership and skills development generally not found in the village. They value the greater role they can have in earning income for the family—often becoming the main breadwinner. More women work in the informal sector than men; 90 per cent of market vendors are women for example. These opportunities allow them access to the finances necessary to provide for their families’ needs.

While women can earn money, they can be harassed by males in their community to ‘share’ their earnings. The lack of access to saving facilities or banks increases their vulnerability to these demands, as most have to keep their savings in cash. This is a significant issue impacting on empowerment, education for children, food security and poverty; unaddressed it can lead to violence against women. Some women leaders believe that access to trustworthy and easily accessible savings facilities can reduce this problem.

Women’s livelihood activities are often helped along by community networks and associations, including lending schemes (Box 7.1) and savings clubs. Strengthening these associations has helped many women to balance earning a living with other competing roles and duties, including cooking, cleaning and caring for children and the elderly. Yet lending schemes are largely unregulated, and coupled with low financial literacy, can lead to financial exploitation and stress. A combination of greater oversight of schemes and community-based financial education could be valuable.
Supportive community-based networks, which may be facilitated by church-based or other NGOs, are important in helping to reduce domestic and community violence in the city, which is seen to be on the rise. Many parents restrict the movement of their young daughters when outside of the settlement, partly due to concerns about security. This is not unique to Honiara, but it does raise an issue of how girls can be helped to feel safer and better able to engage in education, jobs and urban life. In other cities, female-only buses and support networks have been helpful. But the real change will come from community-wide work at schools, churches and other key institutions to change attitudes and stop violence against women.

Box 7.1 Community lending schemes

Women’s lending schemes are spreading ‘like wildfire’ throughout the city, motivated by the pressing need to access finances to support families and livelihoods. Lord Howe residents (in the centre of the city) noted that it is a lot harder to save money in the city than the village as earnings are needed to purchase food.

There are many lending schemes in each settlement, both community-based and individually operated. Most are unregulated. The dominant urban lending scheme is the South Pacific Business Development Microfinance Institution, which has disbursed over SBD33.7 million (AUD5.6 million) in the form of 9,100 loans since commencing operations in January 2013. Most lenders provide small loans of around SBD2,000 (about AUD336), at a 20 per cent interest rate, for a one-year term. The loans are used to pay for school fees, house upgrades, small business fees, debt repayments, or just to ‘buy something nice for yourself’.

The people we talked to identified both positive and negative impacts of lending schemes in their communities. Beyond access to finance, women said lending schemes help connect women in communities, and can improve livelihood incomes of families. On the other hand, participants said that lending schemes can cause debt distress because of high interest rates, and cause tensions within families as women begin to earn incomes. Intimidation tactics are used by lenders when repayments are delayed, and some borrowers call upon relatives at times to help repay debts. Despite risks and pressures, most people view lending schemes as helpful, but ripe for improvement.
Men’s voices.

Men remain, for the most part, the head of the household, but family dynamics are changing and urban living is creating new social and economic pressures for men to navigate. Lack of opportunities and changing roles for both men and women can lead to negative social impacts, including violence, drunkenness and crime. The men we interviewed wanted more opportunities to engage in the city, both in the formal and informal sectors. There was a clear preference for wage labour and jobs. Many claimed that unemployment was not just about too few jobs, but also a lack of equal opportunity—sentiments also expressed by youth (see Chapter 8). Some felt the wantok system was rampant, so recruitment and promotion was often not merit-based, and many queried if there was a way to address the situation.

“In Honiara, even if you have qualifications, it is hard to find work, and the wantok system is a major cause of this.”

Male, White River Community Resident 2, Focus Group 6

In the communities where we held discussions, the men were more concerned than women about land issues, including insecure tenure and disputes, indicating that it is an issue for which many feel responsible. Most felt there were limited, or even no, options to secure land tenure fuelled frustrations. Men want the government to help them make legal claims to the land on which they live, or at least to open up options to obtain services and to legally undertake self-improvements to their homes.

“We must solve the problem with land. Government must help us register the land we reside on.”

Male, Sun Valley Community Resident 2, Focus Group 4
Aspirations for a more inclusive city.

Future priorities were the hardest topic for study participants to talk about because many are working hard to just survive and look after their families and communities.

“We don’t talk about it [aspirations] because we see the city as our only means to survive. For us, there is no alternative.”

Female, Sun Valley Community Resident 2, Focus Group 1

Most felt that their needs were not being met, and that their opinions and experiences were not commonly sought out by leaders in the HCC or national government. One community leader from Sun Valley said that no one in the government listens to them, adding that things will not change until the government sees the real stresses in their communities. Communities want to be involved in the development of their own livelihoods and neighbourhoods and see value in partnerships.

Participants expressed a desire for better governance, in particular law enforcement. There was a willingness to explore community policing to make gains. Most believed that renewed community policing efforts have helped address some law enforcement concerns and provided one way in which they could make a bigger contribution to their community.

Improved services and infrastructure development are priorities for everyone we spoke with, though each group prioritised different needs. For Sun Valley, the furthest community from town, a second market space was the number one priority. For Lord Howe, which is hemmed in by the ocean, buildings and the main road, people wanted improved sanitation and waste management. For White River, better community policing was one of the most important objectives. For all of these, with only a little support and encouragement the community could play a major role in achieving these goals.

Reducing violence through improved law enforcement, opportunities for youth, and cultural connections was highlighted in all three communities. Many judged awareness programs on anti-social behaviour as one effective way to mitigate violence. Social activities, such as sports, also created opportunities for youth to engage and stay occupied. Even so, the need to develop livelihood options and skills remained a concern. More options for youth were thought vital to securing a good future for families, communities and the city (see Chapter 8).
Moving forward.

More community consultation in settlements about the future could assist the government and donors to better integrate people into planning, acknowledge their priorities, support self-help, and target policy and program initiatives.

The experiences of residents show:

- the vibrancy and permanency of settlement communities
- the crucial need for new and improved market facilities to support families
- the importance of culture in the city and desire for it be integrated into urban planning and management
- the strong desire for more secure land tenure to improve security and encourage housing upgrades and services, and
- support for more inclusive forms of urban governance that recognises settlement residents as city residents.

“If the community comes together, and all the leaders work together, then we can make a vision for our community.”

Male, White River Community Resident 3, Focus Group 6
Honiara has a young, growing population. According to the 2009 census, around 56 per cent of Honiara’s population is aged 24 or under. There are more youth in the city than any other age group (see Figure 8.1). While many young people were born in Honiara and regard it as their home, others are ‘pulled’ to the city to pursue livelihood opportunities, access services that are unavailable in rural areas, or simply experience the ‘bright lights’ of town.

“It’s better in Honiara, to access main markets, transport and even easier to access schools and hospital when you are sick.”

Youth Participant 1, Focus Group Discussion, Honiara

Having a young population poses a number of challenges, but also numerous opportunities. Within Honiara, like many other developing cities, young people are often under-educated and under-employed. Some youth are seen to contribute to social instability through their involvement in criminal or socially disruptive activities. However, they also represent the country’s future. The opportunities and experiences of children and youth today will have a profound effect on the future direction of Solomon Islands.

This chapter focuses mainly on two issues of key importance to urban development: youth employment and livelihoods. It draws on data collected from a number of ongoing youth employment programs in Honiara as well as the experiences of trainers and the young participants involved in these initiatives. By examining these programs we can question:

» how well are these programs performing?

» what more could be done to assist young people make a future in the city?

» how can urbanisation be harnessed in a positive way for Honiara’s youth?
Working in the city.

There are no accurate employment figures for youth in Solomon Islands. Definitional problems and inaccurate data contribute to this situation. Wider estimates suggest that the country has an unemployment rate of 60–75 per cent. Research conducted in White River in 2010 found that 67 per cent of young people said they had no regular source of cash employment and were seeking work. No matter which figures you look at, Honiara has a significant youth unemployment problem, with an unemployment rate equal to some of the highest in the world. Past studies have found a link between youth joblessness and insecurity, including the possibility of crime and violence.

Youth with limited or no education often face hardships when it comes to finding formal work in Honiara. Jobs in the private sector or with the government provide regular income and other benefits. There are few of these jobs which typically require a minimum level of education and can be difficult to obtain, frequently requiring the assistance of friends or wantoks to ‘open the door’.

“In Honiara ‘blood to blood’ is really strong. If you have your paper [qualifications] and you give it to the boss he will only look at your surname. He doesn’t need to screen your paper. He will take his wantok.”

Youth Participant 2, Focus Group Discussion, Honiara
Owing to the difficulties involved in finding formal employment, many young people turn to informal work (such as cash-in-hand work, selling in the markets). In Honiara this often involves activities such as selling betel nut, cigarettes and other items, particularly fruit and vegetables. Informal work also includes providing services under private arrangements: building, carpentry, electrical work, mechanical repairs and transport. Young people in Honiara sometimes also sell illegal items such as marijuana, *kwaso*, stolen goods and ‘black market’ alcohol, as the returns on effort are high.

Starting a private business is often believed to be an easy way to make a living, but it is not without its challenges. It requires start-up capital, a physical space to market goods or carry out services and, perhaps most importantly, market demand. Pressures can also come in the form of obligations to *wantoks* who seek to purchase goods and services on *kaon* (credit). Those selling illegal items, such as *kwaso*, run the risk of detection, their goods being confiscated and their livelihood activities shutdown.

**Helping youth find work in the city.**

The difficulties in finding formal work or starting a business in Honiara have led to a number of initiatives aimed at helping youth. The two most well-known ongoing programs are Youth at Work (Y@W) and the Rapid Employment Project (REP). Both are mainly Honiara-based, are development partner-driven, and have been in operation for over five years. Around 9,000 youth have been involved in these programs. These initiatives provide young people with skills, experience and a potential pathway to secure work.

The two employment programs operate differently. REP gives participants a week of training before they commence a short period of physical work, such as rubbish collection, roadside grass cutting, drain cleaning, or access path construction. Participants generally work for 20 days and are paid the minimum hourly wage of SBD4 (AUD0.67). Importantly, REP does not just employ youth, but it does try to have 50 per cent youth participation.

Y@W, on the other hand, is only for young people. The program begins with a period of community volunteering and training. After this, participants take one of two paths. The first path places the participant in an internship, generally with a business or government organisation, and includes on-the-job mentoring. Internships last 3–12 months. The other path helps youth start their own businesses. After further training and the development of a business plan, participants are given resources equivalent to SBD2,000 (AUD336) to start a business. Examples of past businesses include mobile phone ‘top-up’ services, second-hand clothing sales, jewellery making, catering and T-shirt screen printing.

**Urban youth work: Evidence, aspirations and attitudes.**

It is difficult to assess the performance of youth employment programs in Honiara. This is mainly because of a lack of data and indicators for success. Few programs track participants. However, it is clear that skills gaps persist. Although there are high levels of unemployment in the city, employers still report difficulty finding people with the right skills to fill their vacancies. It is hard to know why this is the case because key information is lacking about the youth employment market. Generally, we do not know:

- what motivates young people to seek and undertake certain types of work (or not)
- how long youth stay in certain types of work and what contributes to job movement
where most of the youth are employed and where skill mismatches lie
what types of interventions are best suited to help address youth unemployment, and
what training youth are getting.

The ‘culture’ of youth employment in Honiara is also understudied and complex. However, with the information provided by REP and Y@W, and discussions with those involved, including youth, we can gain useful insights. Youth probably prefer formal work because of societal attitudes around what are ‘good jobs’. There is a strong belief held by many that employment 'success' is a nine-to-five job in an air-conditioned office with a fortnightly income and allowances. This is despite informal work frequently being more lucrative than formal employment. It is not known whether these considerations discourage youth from taking part in certain livelihood activities.

“You need to grow the market to make jobs, but the only way to do that is to nurture a generation with a strong work attitude and skills.”

James Edgecombe, General Manager, Pasifiki Services Ltd

We do not know if the youth who participate in youth training programs find it easier to find and keep a job than those who do not. It is hard to discern the long-term employment results of the two Honiara programs discussed. The data we have suggests that only a few REP participants go on to find permanent jobs. This is not surprising given that REP is mainly concerned with generating income and providing community services and infrastructure. Similarly, we do not know much about what happens to Y@W participants after their program ends, and if the youth who take part in both the mentoring and entrepreneur components perform any better in maintaining and securing work than those youth who do not participate.

Better education is one way for young Solomon Islanders to improve their chances of securing work—both formal and informal. Increased education is one of the best investments that young Solomon Islanders can make in order to secure work. As education levels increase, so does the prospect of finding work and moving out of poverty. When surveyed, participants in Y@W were consistently of the belief that their biggest hurdle to getting a job was a lack of experience and/or limited education. Support from family can also be lacking. Solomon Islands’ most recent poverty profile shows that around 40 per cent of those who live in poverty live in households where the ‘head’ lacks at least six years of primary school education.

“When a man doesn’t have an education we look at all of the vacancies and say ‘Oh, this one doesn’t fit, this one doesn’t fit’. They often end up being security guards. Education is the best thing to find a job in Honiara.”

Honiara Youth Program Manager, Focus Group Discussion
Beyond livelihoods: Needs of urban youth.

In addition to the difficulties associated with securing work, Honiara’s young people often face other challenges that limit their ability to improve their lives and contribute in a positive way to the development of the city. Many of these challenges relate to issues that we have already raised in this report such as the lack of basic services, like power, water and sanitation (see Chapter 6).

Another key need for young people living in the city is designated, youth-focused physical spaces, such as sporting or recreational areas where youth can mix in a socially constructive way. Other necessary spaces include environments where youth can:

- undertake activities to improve their education and livelihoods
- seek advice and counselling on a variety of issues
- be linked with relevant youth-related services, and
- nurture new youth-driven activities and programs.

For example, outside of school hours many students in Honiara do not have access to a space to undertake homework and study. They typically live in crowded houses without access to electricity, computers and other resources. A place dedicated to these needs, and fulfilling other functions, has the potential to positively impact on the lives of thousands of youth.

Many urban youth in Honiara feel left out of the political process. They are discouraged by what they perceive to be growing inequality and corruption within the Solomon Islands political system. Some have a difficult relationship with existing state agencies, such as the police. These young people can sometimes be persuaded by others, including adults, to take part in criminal activities. Efforts need to be made to make these youth feel like they belong to a community. A sense of belonging is perhaps best nurtured by:

- improving state and non-state community-based services and outreach programs
- proactive and regular engagement at the local level with youth by relevant state institutions, such as the police and health services
- more contact with government representatives and community leaders, including MPs
- providing socially constructive ways for youth to register their grievances, and
- increasing investment in education services and the type of youth-directed programs.
Moving ahead: Possible policy directions.

While there is room to improve existing programs, the interventions discussed in this chapter have had some positive results. The following lessons learned from youth employment programs can be incorporated into urban planning and management:

» there are insufficient formal positions for the number of new job seekers (on some accounts a shortfall of over 6,000 jobs per year); so, an entrepreneurial approach to job creation is likely to have more impact than formal employment programs

» ongoing training and mentoring in informal sector activities might help improve employment prospects and attitudes, due to the shortage of formal jobs

» proactively assisting youth in marketing their goods and services will require additional market spaces, and facilities and research into youth businesses, but it is one proven way to encourage entrepreneurship, and

» better data collection over time would help track the long-term success of youth employment programs and would be useful in developing future programs.

It may be the case that the Honiara-based programs discussed in this chapter, and others, would benefit from a more coordinated approach.
Rapid urban population growth in the city is leading to mounting settlement and infrastructure pressures in Guadalcanal province. Managing growth in the surrounding areas of Honiara (referred to as peri-urban areas) will be important for development, and for social harmony and security. In August 2016, ANU partnered with the Guadalcanal Provincial Government to hold a workshop to explore visions, priorities and options for the future development of Henderson. National, provincial and local governments participated, along with landowners, community groups, youth and utility representatives.

Henderson, an area east of Honiara, encompasses the international airport as well as rapidly growing market, retail and commercial developments, not all of which have been planned. By examining the urbanisation experiences of Henderson we can explore:

» what development challenges do peri-areas around Honiara face?
» how do people in these areas view their place in the city?
» what development opportunities are there for peri-urban areas?
» how can we harness opportunities?

“We cannot stop development, it has to happen, especially in a developing country like Solomon Islands. ... The issue is how we manage development and plan development so that it can be at a level and at a pace that we are all happy with.”

Senior Guadalcanal Provincial Officer 2, 2016 Australian National University–Guadalcanal Province Workshop
Pressures and challenges in peri-urban spaces.

Peri-urban spaces around Honiara change rapidly—they often face far greater development pressures on land, infrastructure and service provision than the city which has slower growth levels and better service coverage. Henderson’s closeness to Honiara makes it an attractive place for people to live, and for business and industry to develop. Although the boundaries between Honiara and Guadalcanal appear well-defined on maps, in reality they are fluid, with people and goods flowing easily between the two. This can cause tensions over land access, though most stakeholders felt attempts to harden, or rigidly define, boundaries would raise more problems. Solutions could be best developed locally and kept flexible with greater attention to protecting rights of landowners and tenants.

The shared city boundary and easy access to the city encourage urban growth, with both good and bad effects. Because growth is quick and unplanned, issues concerning shortfalls in service provision occur. Peri-urban areas in Guadalcanal Province struggle to access utilities like water, sanitation and waste collection services because they are often at the edge of, or beyond, the reach of the main networks. Even road maintenance cannot keep up with demand.

The current deteriorating sewerage system only services about 30 per cent of Honiara and reaches very few of the peri-urban areas in Guadalcanal Province. Housing is another big challenge. Supply is inadequate, planning frameworks are out of date and cannot meet today’s needs. Some informal settlements on the periphery of the city are vulnerable to severe weather events because they include less sturdy structures and are built on steep slopes, low-lying coastal areas or riverine areas prone to flooding and natural hazards.

“... there is no clarity on the provincial government’s role in terms of managing urbanisation.”

Senior Guadalcanal Provincial Officer 1, 2016 Australian National University–Guadalcanal Province Workshop

Many participants at our workshop felt that the roles and responsibilities of agencies and departments in charge of managing urban growth at local, provincial and national levels need more clarity. For example, the enforcement of national and provincial planning regulations is patchy and many saw value in better agency cooperation and resourcing. In Greater Honiara, people find loopholes or disregard outdated regulations when building homes and other structures. As a senior Guadalcanal Provincial officer put it: ‘Today everyone is free to do whatever they want.’ While the laws and powers exist to better manage urban growth, implementation and enforcement remain challenging, particularly when resources and capacity are inadequate.

Despite the challenges, the provincial government recognises that stopping development is not the answer, nor is it possible. Stakeholders feel that better planning and communication between agencies, and more capacity and support would help. Increasing the resource base of Guadalcanal Province to manage urban areas is therefore a priority. Many could see that by charging and collecting land and council rates, and collecting business and market stall fees, the provincial government could create a larger and more sustainable revenue base, but systems to support this were not yet in place.
Visions for the future—our place as ‘the face of the city’.
Government, business, land owners and other stakeholders in Henderson want to see Henderson become ‘a modern town’, the ‘face of Honiara city’, and the ‘pride of Guadalcanal Province’. They had plans to improve the character of Henderson, similar to what was envisaged for Honiara in its LPS (Figure 9.1).

Figure 9.1 Future Character, Honiara Local Planning Scheme—What could Henderson look like?
According to participants at the Guadalcanal workshop, the people of Henderson want future developments to be controlled by the provincial government. Given the challenges faced by HCC and national authorities, this would require significant investment in capacity. In the interim strong and equitable interagency partnerships may help. The real concern seemed to be with controlling development and providing better services for those living in Guadalcanal Province. This will require working together across agencies and levels of government because of how responsibilities are currently divided, for example utilities are nationally based. A recurring goal, especially among women (Chapter 7), was to have their own market space given the crowding in Honiara. While the Guale youth at the workshop supported these priorities, they emphasised that infrastructure built today needed to be maintained for tomorrow. Box 9.1 provides a full list of priorities emerging from the workshop.

“**Our hope and wish is that in the future we will have a market facility to call our own where our women will sit comfortably, and be comforted by the fact that this is their own facility … our vision is true prosperity and solidarity for Guadalcanal women and girls, achieved through equal participation in all development and decision-making.**”

Local Women’s Representative, 2016 Australian National University–Guadalcanal Workshop

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**Box 9.1 Henderson’s development priorities**

Some projects that were raised by workshop participants when considering future options to boost Henderson’s development prospects (in no particular order):

- expansion of Henderson International Airport
- sports or accommodation facilities for the 2023 Pacific Games
- a national park at Bloody Ridge, including a Bloody Ridge National Memorial
- a university or higher education institute at Betikama
- completion of the Tina River Hydro Project
- Telekom land subdivision behind the airport runway, and
- development of Henderson commercial areas.

Coordination among Guadalcanal province, the National Government, the HCC and other key stakeholders would be important to realise any of these goals.
Urban development opportunities.

“\[My view is that we as a province are lucky to host our capital city, Honiara. So let’s look at the positive side of urbanisation and the benefits that development and growth can bring.\]”

Guadalcanal Provincial Officer 3, 2016 Australian National University–Guadalcanal Workshop

The challenges in Honiara can be Henderson’s opportunities. The land available for development in Honiara has almost run out, so Henderson could meet some of the city’s needs and in the process gain investment for infrastructure and services. For example, it was suggested that Guadalcanal could offer land for a new hospital, sewage facility, cemetery, dump and amenities. As the city grows, people will need a place to live, and for some this could be Henderson. In the past, one challenge to realising such development goals has been securing land tenure. Currently there is little support for customary landowners to develop their land and few effective dispute resolution systems (see Box 6.1).

Commercial development can start to happen now. Participants at the workshop believed that there are a number of investors ready to increase investment in Henderson. For example, a local company has already purchased land to build a market and shopping complex. Local communities also have land to develop, but they need support, finance and advice. Well managed, the future for Henderson could be bright and it could be one of the urban nodes for the growing city (see Chapter 6, Figure 6.2).

The path ahead.

A LPS for Henderson is being developed and could help guide future development, but this will require measures to ensure strong implementation and enforcement—this has been a major challenge in Honiara. Partners like Solomon Water, Solomon Power and the Ministry of Infrastructure Development would be able to use the LPS to ensure that their own planning complements the development priorities of Guadalcanal Province. Their involvement in the development of the LPS will be key.

There are other initiatives and legal instruments that could be used to help manage urbanisation while the Henderson LPS is being developed. For example, Solomon Water is developing a 30-year strategic plan and a five-year action plan to help with the future development of Honiara, including Henderson. According to a local planning expert, the Town and Country Planning Board could also help guide interim development, if it was well supported.

“\[We don’t own the land, but we can control what we put on it.\]”

Senior Guadalcanal Provincial Officer 4, 2016 Australian National University–Guadalcanal Workshop

Some felt that decision-making mechanisms need to be made more inclusive. They believed that the best outcomes occur when stakeholders work together to manage challenges and realise opportunities. Presently, few multi-stakeholder forums exist to give voice to community and private sector concerns. Many women who participated in our settlement focus groups felt excluded from urban development and planning processes (Chapter 7). More community-based communication could enhance widespread ownership of plans, and generate fresh urban development ideas.
From our workshop, there was a sense that a change in attitude was occurring with Henderson being increasingly seen as part of the city. Even so, more dialogue could help create a common understanding of the issues, and a common vision for the future.

Importantly, the willingness to engage by members of the community appears high. The national government, provincial government, HCC, landowners, businesses and community members at the workshop recognised the value of collaborative action. Next steps could include more consultations among key stakeholders to further define priorities for Henderson, and to discuss with private sector and development partners possible joint development pathways.

“In reality, this is one continuous city in terms of the flow of people and services … if we are to address urban issues at Henderson, we have to see through these imaginary lines [boundaries] … we’re sometimes stuck on plans. We need to change the way we view things.”

Senior Guadalcanal Provincial Officer 1, 2016 Australian National University–Guadalcanal Workshop

Henderson’s challenges and opportunities show the importance of:

» adequate planning frameworks and enforcement
» communication and cooperation with all stakeholders and the community
» inclusive planning and development, including regular forums for consultation, and
» creating ways to tap public, private and community resources to boost investment and capacity.
The very rapid growth of urban areas, as is occurring in Honiara, puts a lot of pressure on land and services. It is hard to stem the flow of migrants without developing more employment and services in rural areas. That will take time and a large amount of resources to achieve, and in the meantime many will keep coming to Honiara. This chapter looks at ways in which we can build national prosperity through urban development, and in particular strengthen the city as the economic hub of the nation.

The stronger the linkages between rural and urban areas, the greater the national development benefits. Rural and urban areas depend on each other. In Honiara, urban populations rely on rural areas for food security, and for raw materials to support processing and retail businesses in the city. In rural areas, landowners earn much-needed income from selling produce in Honiara and can access a wider range of goods and services during visits than are available in their provinces. Large infrastructure developments such as national ports, international airports and the national hospital must be centrally located to serve the nation well. In small island states, it makes sense to make the core strong to support the economic development of the nation.

Connectivity: Benefits for business and national development.

It is important to think about rural and urban areas, not as rivals, but as complementing each other. Together they play an important role in stimulating and supporting livelihoods nationwide. Transport services and markets are key links in the product value chains between these regions. In other developing countries, some of the highest returns on public investment are from strengthening urban-rural linkages, mostly by improving access to transport and financial services.

A rapidly growing city can create many new business opportunities. The business community in Honiara recognises that it can do more to make Honiara a vibrant business hub with strong rural connections (Box 10.1). Honiara has a population 15-times larger than any other town in Solomon Islands and is the gateway to international markets. The economies of regional growth centres will be stronger and more viable if they are well connected to the main city.
Small and medium enterprises are where there is big potential for creating jobs. Expanding small and medium enterprises is one way to get more jobs and growth.

Dennis Meone, CEO, Solomon Islands Chamber of Commerce and Industry

High costs of transport, poorly maintained road systems, and inefficient ports in the city and rural areas can all add to the cost of doing business, and weaken urban-rural linkages. Reducing shipping and other transport costs between rural and urban areas can increase returns to rural producers and businesses.

The Solomon Islands’ National Transport Strategy aims to improve road maintenance and integrated transport networks, though it does not address feeder and settlement roads. Partnerships with development partners can help to clear the road maintenance and upgrading backlog in Honiara, especially when coupled with a more strategic approach to road transport planning. As elsewhere in Melanesia (Section 2), the challenge will be to maintain roads, while ensuring other connections into the city, such as water transport, are also supported.

Don’t build, neglect and rebuild! Make maintenance the highest priority.

Agnes Takutile, Ministry of Infrastructure and Development
2016 Solomon Islands National Urban Conference

Not everyone gets to Honiara via roads. Many people use water ways—on ferries, in water taxis and private boats. Studies of Solomon Islands market vendors have found water transport is one of the most expensive transport modes from rural areas. There could be great benefits from consideration of how public water transport could be made more efficient and low cost. In our interviews, many people raised concerns about infrequent services and the lack of cool storage for produce.

A lot of local residents and workers get to town by foot. Community partnerships with the support of development partners have built footpaths and Jacob’s ladders into town. Some settlements have even built their own basic community roads, but this is rare. If settlements can prove that their roads have community support and are not built on disputed land, then the Ministry of Infrastructure and Development has the processes in place to upgrade them. This has happened elsewhere on Guadalcanal Province, but is yet to happen in the city. There may be considerable scope for greater community engagement to boost transport options.

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We held a breakfast workshop with Solomon Islands Chamber of Commerce and Industry (SICCI) members and asked them to list their top steps for making Honiara a more vibrant business hub. They focused on partnerships and connectivity. Higher productivity requires access to efficient financial and transport services for business and producers in both rural and urban areas. In rural areas these services were judged to be mostly inadequate. Public-private partnerships could help fill gaps and extend networks. For example, the government has partnerships with banks to extend financial services into some rural areas.

SICCI members were also enthusiastic about being more involved in setting policy to create an environment conducive to increasing business, urban jobs and services. Improved cooperation between government, business and development partners could occur in many ways to improve infrastructure and urban services. Regular dialogues, or a standing public-private roundtable at senior levels, could help define ways forward. Joint efforts to address labour shortages in key skilled and semi-skilled areas were considered important for many and would benefit employers while, at the same time, reducing unemployment.
New catalysts for urban growth.

“Sustainable growth and prosperity will only be achieved through real partnership and joint effort between the private and public sectors. And it is this dialogue that will allow us to identify, implement and monitor the key issues affecting our businesses today.”

Jeremy Bartlett, Address, 3rd Annual Business Excellence Awards 2015

Governments can help boost business opportunities by providing the right policy settings, and investing in urban infrastructure and services. Our consultations with stakeholders identified three key areas with high potential for the private-sector-led development to augment government efforts aimed at improving urban development: service delivery, rural export business and tourism.

There are many models which could be supported by the government to encourage business to assist with service delivery. For example, outsourcing and PPP for waste management services are beginning to provide cost-effective services while improving coverage in Honiara. Other Melanesian cities, like Suva, have also followed this pathway with success. PPP could have value in other areas where government services are struggling to keep up with rapid population growth, such as water supply and housing. In other Melanesian cities, the key to success for PPP and outsourcing is strong performance conditions and monitoring.

SICCI workshop participants have identified the need to further develop Honiara as an export hub, which could also help stimulate the national economy with rural development benefits. This would require improved investments in road and water transport, more business space and measures to reduce the costs of doing business to facilitate export flows from rural areas through the capital to international markets.

Because resources are limited, some thought an incremental approach that established commercial ‘beach heads’ might work most successfully. This could be achieved by concentrating on one key sector (e.g. urban tourism) or one development hub (e.g. an integrated processing centre for rural produce) and then creating partnerships and policy to secure the ‘beach head’ which would support other developments and provide inspiration for similar developments.

Honiara has a number of successful export businesses, several of which have won business awards. Some of these businesspeople have expressed concerns about limited space in the city for expansion. They suggested that there would be benefits in a dedicated processing and manufacturing precinct with tailored facilities, and strong potential for inter-firm linkages along processing value chains. This idea may be worth exploring with the private sector.
Tourism is a potential high-growth industry. In 2015, visitor arrivals were up by 7.8 per cent. Many are hopeful that tourism, in particular the growing number of cruise ships to Honiara, could help transform the city through increased revenue, business opportunities and private sector investment. To get the most out of this emerging industry, coordinated and strategic investments would help market unique products in Honiara, such as World War II sites and tours, coral reef beach facilities and main market upgrades (see Box 10.2). A forum with tourism service providers and hoteliers may generate more ‘untapped marketing potential’ ideas.

“The economic impact from our cruise ship pop-up markets is delivering tangible benefits, with the local stall holders being able to financially support their families, their villages and the wider community.”

Rodney Begley, Country Manager, Guadalcanal Tourism Services

To harness business opportunities, some of the hurdles need to be addressed. High urban rentals and complex land registration processes hinder businesses and their ability to leverage land as collateral. For small and medium enterprises (SMEs), access to finances and land is difficult. According to a private finance provider in Honiara, and to those living in settlements, there are few borrowing options for SMEs, and those that exist are costly, especially if loans are under SBD10,000 (AUD1,680). Local financers believed that business and financial skills training for these small-scale operators could help them better manage debt and increase commercial activity.

Market linkages—life blood of a nation.

Economic linkages in Honiara occur in many different ways. They are forged through the activities of the private sector and community market places. Not enough is known in Honiara about the functions and value of the markets, but what we do know suggests big gains could be made by greater policy attention and investment.

Honiara markets are vibrant hubs of economic activity—the HCM has at least 1,000 vendors on weekends. About two-thirds of vendors grow their own produce while one-third sell produce from others. Either way, cash flows back to the areas around Honiara and the provinces providing livelihoods and income for many. The benefits are huge. A 2009 study estimated that each vendor on average earned SBD60,000 (AUD10,000) annually; today it would be much more. The high value fish markets in Honiara are even more lucrative (see Box 10.3). Earnings per annum from the HCM are at least SBD12 million (AUD2 million), with some estimates putting it as high as SBD31 million (AUD5.2 million) when on-selling and other related activities are included. Earnings could be even higher if adequate running water, ice-making, expanded vendor spaces, sanitation and market port facilities were more easily accessible.

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Box 10.2 Tapping into cruise tourism potential

Each cruise ship arriving in Honiara brings about SBD269,500 (AUD45,200) worth of direct earnings, with potential for returns to be much higher. The number of ships is steadily increasing, opening up new opportunities. Growth in tourism for Honiara is expected to be high because it is close to Australia, New Zealand and Asia.

Most revenue earned from cruise ships goes to government for national development, but much more could be earned by tourism operators, retailers and market vendors. A recent study on the Honiara cruise tourism market and interviews with providers suggests that Honiara could get more out of cruise tourism through:

- a tourism committee to better coordinate cruise operators, communities, vendors, retailers and government
- safe-access to ATMs near to Honiara Port Pop-Up Markets to make local currency easily available
- more shopping opportunities, especially for jewellery, souvenirs and retail
- improved toilet and shaded facilities at Honiara Port Pop-Up Markets, beaches, and historic sites, and
- more information on, and opportunities for, passengers to pre-book a wide range of tours.

**Investment today has upfront costs, but can deliver long-term development gains.**

Earnings from market sales have significant social benefits. After vendors cover their basic household needs and business costs, about 34 per cent of remaining income is spent on school fees, building materials and supporting kin.\(^4\) More income also means that more money flows through the economy, supporting other businesses and sectors.

There is no more room to expand the HCM without impinging on valuable urban land, and adding to traffic congestion and waste-management challenges. But there is potential for well-managed satellite markets, both to the east and west of Honiara. Our consultations with Guadalcanal Province on Henderson development (Chapter 9) indicated interest in, and support for, more talks about market development outside of Honiara. Some potential investors have already identified land on which a new commercial centre could be developed.

Market fees paid to government should cover basic market governance and maintenance, but currently the revenue is inadequate for supporting market expansion and upgrades. Because the benefits of markets go far beyond those who work in them, investment from general revenue or development partners could help to generate large social benefits.

Targeting investment to achieve social welfare gains requires a sound understanding of market functions from those who know the markets best—the vendors, the consumers and the market managers. UN Women in cooperation with the HCC is making a valuable contribution through its work in Honiara markets with vendors and communities.

Vendors from all around Solomon Islands benefit from Honiara’s fish markets. Fish make up about 80 per cent of the protein intake of Solomon Islanders, so good management of fisheries and markets is key to urban food security and sustainable livelihoods. Fish sales in the Honiara Central Market alone are valued at over AUD2 million per annum; and sold by vendors from the five surrounding provinces.

Earnings from these sales benefit rural households, but more research is needed to understand the growing pressures on marine ecosystems from rapidly increasing demand for fish from growing populations. We know that:

» investing in urban markets can result in rural revenue flows
» good transport facilities can boost product quality, value and sustainability
» investing in safe and equitable market spaces is an initiative with national benefits
» Honiara would benefit from market upgrades, as well as more peri-urban markets, and
» tracking sales trends, stocks in fisheries and marine ecosystems health is key to food and livelihood security.
Summing up.

Drawing on our workshops, literature and many reports, we can distil seven principles for strengthening national prosperity though urban development as discussed in this chapter.

**Box 10.4 Principles for building national prosperity through urban development**

1. National prosperity requires strong and cost-effective urban-rural linkages.
2. Business can enhance urban-rural linkages by providing financial services, commerce based on rural produce, improved transport services and investment in emerging sectors.
3. Affordable, safe and efficient transport linkages between rural and urban areas can boost livelihood opportunities and commerce.
4. Policy incentives and supportive facilities for emerging industries such as tourism, ICT, and rural produce processing help create an economically vibrant city.
5. Dedicated areas for inter-linked manufacturing or processing businesses can reduce production and transaction costs.
6. Improving and expanding urban food and craft market facilities can boost livelihoods and development benefits nationwide.
7. Government collaboration with the private sector and donor partners can increase urban services and linkages by tapping into additional resources and human skills.
CONCLUSION

This report has considered the challenges and opportunities posed by rapid urban development in Honiara and its surrounding areas. While managing urbanisation can be difficult, it also opens up possibilities to improve access to services, markets and jobs, as well as to develop a central hub to connect different areas of the country. Governments can use policy and community engagement to channel urban growth in ways that benefit city residents and the nation.

“It is up to all of us, all stakeholders, to combine our efforts to make this dream come true”

Senior Guadalcanal Provincial Officer, Interview 10

The report has identified a number of critical lessons learned from other countries undergoing rapid urbanisation. It has gathered together the experiences and ideas of numerous experts, policy-makers and citizens. Looking ahead, this report provides six key messages.

1. Solomon Islands has much to gain by supporting urban development.
International experience has shown that no country has enjoyed prolonged economic growth without urban development, and that cities are crucial drivers of national prosperity. Urbanisation, if managed well, can benefit not only urban residents but the entire country. Communities in Guadalcanal Province are particularly well placed to take advantage of the opportunities provided by a growing city. The business community can also play a key role in building rural-urban linkages and filling service gaps, if incentives and policy engagement are strong. Urban-rural connectivity—particularly with respect to transport, financial services and communications—can be pillars of development.

2. Strong political leadership can drive successful and inclusive urban development.
Capitalising on the possibilities offered by urban development will not come by chance. Good policies and strong leadership are required to ensure the benefits of urban development are equitably shared. This requires, amongst other things, strong political leadership. Political leaders, including national leaders, urban-based MPs, members of the Guadalcanal Provincial Government, the HCC, civil society and community leaders will all be important in making the case for urban reform and development. Engaging constructively with the legitimate worries community members have about urban development and communicating its benefits are key.

Land remains a sensitive issue that can only be resolved locally. Attention to urban land access, and housing security and affordability, are areas where more work still needs to be done. Inevitably, disputes will arise—the courts are one way to resolve problems but there is also much potential for other customary and alternative dispute resolution processes.
For leaders to lead they need others to follow—more platforms for dialogue about urban development and community priorities in settlements, around the town, in the media and among government and private sector would all help. Following the first successful National Urban Conference in 2016, subsequent conferences could engage a wider section of the community. The development of the Henderson LPS is another big opportunity for whole-of-community discussions, as are major events like the Pacific Games 2023 that Honiara will host.

3. **Communities must be involved in shaping urban development.**

Building strong partnerships will be important to making urbanisation work. This means strengthening collaboration across government agencies—national, provincial and municipal—and with key stakeholders outside of government, such as the private sector and civil society. The broader community, including women and young people, also has a crucial role to play. At the moment, some of these groups feel excluded from decision-making and are unaware of ways to gain greater influence.

Informal settlements are here to stay and those living in them need to be part of urban development. These people have expressed a desire for greater certainty about urban land tenure, greater respect for customary values and land rights, better access to the city via public transport, and more personal security. They are communities willing to act if given a little support—willing to contribute to community-based services, markets and security. While development partners are important in supporting efforts to improve urban development and infrastructure, efforts to improve urbanisation must ultimately be led and driven by Solomon Islanders.

Communities in settlements are already strengthening governance, building infrastructure and creating local enterprises; better supported and connected they could achieve much more. Youth are the future, and their understanding and commitment can make a big difference. In other cities, youth are involved in monitoring water quality, implementing recycling and creating future visions—Honiara’s youth could make a much bigger contribution if opportunities were created for them.

4. **In the urban policy cycle, more attention to implementation, monitoring and evaluation could help get results.**

Recently, there has been a flurry of activity to put in place urban policy, revise urban plans, develop new service strategies, update building development codes, reform land administration arrangements, and much more. For example, the development of a NUP is one important step in making urbanisation work better for Solomon Islands. However, it will not be the end of the process. Implementing such a policy will be difficult, and require ongoing commitment and adaptation. Policies need to be monitored and reviewed to ensure they are working and modified when necessary. Urban indicators can help track Honiara’s development and shape future policy.

Putting words from policies and plans into action with real benefits will require other measures such as rigorous record keeping, more broadly-based revenue collection, enforcement measures, performance standards, monitoring and evaluation processes, and community support and awareness. Some of these need formal and legal frameworks, but others can be advanced through administrative or program initiatives, or communities participation.
5. **Capitalising on urban opportunities requires greater investment in urban governance, policies and plans.**

Capitalising on the opportunities provided by urbanisation will require greater investment in urban governance so that the best policy solutions can be identified and implemented. This means strengthening key urban institutions, such as the HCC, and urban policy and planning processes so that authorities can better coordinate and engage with communities and stakeholders.

Improving the way different levels of government coordinate—national ministries, municipal authorities and the Guadalcanal Provincial Government—will be particularly important. Credible urban policy and planning will also require increasing the resources available to pay for urban services and infrastructure. This will mean thinking about taxes, rates and other municipal charges and how to mobilise these resources. Making the case for urbanisation will require convincing urban residents and those that benefit from a well-governed city of the need to finance urban development, and of their part in this.

6. **Supporting positive urban development is a long-term challenge.**

Supporting positive urban development is a long-term challenge, so it is important to be realistic in setting goals. Change will not be easy. Urban issues can be extremely complex, encompassing a raft of sensitive issues including land use, property ownership and livelihood issues. Urbanisation also impacts upon lots of people, often with divergent interests and competing preferences about how to resolve them. Identifying appropriate policy solutions and implementing them can take many years and much compromise.

Bringing the community along with the process of urban reform, by listening to their concerns and helping them identify policy solutions will be crucial. Government will need to consult widely and to support policy processes that build trust and community confidence. Getting incentives right will be key—complying with policies and regulations needs to be more beneficial than ignoring or undermining them. A whole-of-community approach can reduce enforcement costs. The city is now the home to a growing number of Solomon Islanders, almost one in five—they are a large potential pool of resources and people power that can be drawn on to make Honiara prosperous and liveable.

Solomon Islands can benefit from the experiences of others, particularly its Melanesian neighbours. This report has provided case studies showing how key urban challenges centred on livelihoods, planning, services and governance are being addressed in other countries around the region. It has also identified a number of important initiatives already being pursued in Honiara. The challenge now for Solomon Islands is to take forward its own process to manage urbanisation in ways the can benefit the whole nation.
OTHER SSGM RESOURCES ON URBAN DEVELOPMENT

SSGM has published other papers on urban issues (listed below and publications available as a compendium). We are committed to continuing our urban research as Melanesian cities and populations grow, and policies evolve. This will help foster a deeper understanding of the challenges and opportunities arising from rapid urban development.

This report and the compendium of SSGM Urban Development In Briefs and Discussion Papers (2017) lays a foundation for our future research efforts. In July 2017, we will also produce a Special Edition of the Development Bulletin on Urban Development, with contributions from experts and academics studying urban issues around the South Pacific region.

State Society and Governance in Melanesia: Papers on Urban Development in Melanesia

All reports can be found on the school website. Online: http://ssgm.bellschool.anu.edu.au/tags/urbanisation


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**Forthcoming**

**Development Bulletin Special Edition**

**Urban Development in the Pacific. July 2017.**

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**Solomon Islands’ Urban Land Tenure: Growing Complexity**

Joseph D. Foukona

This In Brief discusses contemporary land tenure in the Solomon Islands with reference to land titles on the capital city of Honiara. It provides a brief overview of how Honiara is being discussed in the context of urban land development.

**Background**

In the Solomon Islands, all land is owned by the state. The colonial period created new forms of land tenure, including customary tenure, leasehold, and freehold. The legislative framework that regulated these tenure forms is considered to be weak and ineffective. The current land tenure system is characterized by a lack of transparency and accountability, access to some of the land allocated by the government, and the involvement of private investors in land development projects.

**After the Floods: Urban Displacement, Lessons from Solomon Islands**

Meg Keen and Alan McNeil

The frequency and intensity of extreme climatic events in the South Pacific are expected to increase, creating additional pressures on urban areas. The 2014 Cyclone Ita, for example, destroyed many houses and left thousands of people homeless in the Solomon Islands. The government has attempted to relocate flood victims to safer areas, but the process has been slow and costly. The new land tenure policies that have been implemented after the disaster have been controversial, with many people questioning the government’s ability to effectively manage and distribute land.

**April Ridge: Only a Partial Solution**

After the April 2014 bush fires in the Palau region, the government decided to construct a new settlement area along the April Ridge to accommodate the displaced population. However, the project has faced numerous challenges, including a lack of funding, resistance from local communities, and concerns about the environmental impact of the development.

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**Priced Out of the Market: Informal Settlements in Honiara, Solomon Islands**

Meg Keen and Luke Kiddle

Informal urban settlements are rapidly growing in the greater Honiara area. Residents do not have legal land tenure and usually lack basic services, adding to urban inequalities. Government-led attempts to depoliticise land allocations and create new forms of land tenure, such as private land and state land, have been met with limited success. An informal settlement upgrading strategy, political will, and resourcing are all currently patchy. Traction will depend heavily on community engagement and power relations. National framing documents, including a national land policy, aim to create a profile of UN-Habitat and donors, aimed at creating a profile of urban areas.
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