

Systems of Cities

HARNESSING URBANIZATION FOR GROWTH AND POVERTY ALLEVIATION

The World Bank Urban and Local Government Strategy

Latin America and the Caribbean is the most highly urbanized of the developing regions, with over 75 percent of the population living in urban areas—and many of its countries are the most decentralized. With urban issues viewed as critically important on the national agenda in many countries, the region absorbs the largest share of World Bank urban lending. The Latin America and the Caribbean region urban team focuses on six regional priority areas: managing disaster risk, improving infrastructure and urban environment, promoting local economic development and tourism, expanding access to housing and land, upgrading slums and preventing crime and violence, and enhancing urban management.

The region's high inequality and high social tensions often manifest in urban areas through growing crime and violence. Approaches to preventing them include environmental design for safer spaces and social programs such as youth training, family support, and conflict resolution. Several Central American countries recently initiated new analyses of strategic crime and violence prevention with the Bank's urban team and Poverty Reduction and Economic Management Network. The World Bank Institute is developing a municipal capacity-building program on crime and violence, including toolkits, online courses, workshops, and a pilot on school-based violence prevention methodology.

In a region home to 17 of the world's 50 hotspots of vulnerability to natural events, hazard risk management is in high demand and includes vulnerability reduction, financing risk mitigation, and emergency reconstruction. The Bank is providing technical assistance in partnership with the Global Facility for Disaster Reduction and Recovery on risk modeling and mapping, adapting to climate change, and disaster legislation.

As Latin America and the Caribbean's cities compete globally, demand for lending

to promote economic growth increases.

The region's clients are demanding work similar to a recent national-level analysis of city competitiveness in Brazil. Cultural heritage and tourism development are also important tools for local economic growth for the region, home to many cultural heritage assets and tourist destinations. As interest in local economic development grows, the region's cities—such as Cusco, Peru—seek to integrate tourism into the local development agenda.

About one third of its urban residents live in slums, making urban poor people's access to services, such as solid waste removal, a large part of the region's portfolio. Approaches to scaling up narrow interventions in specific slum areas to citywide and national approaches are under exploration, and a Cities Alliance–Bank partnership to encourage such approaches could advance this agenda where there is client demand.

Expanding access to housing and land development is a priority for the region. The Bank has funded several national housing development policy loans over the past decade, conducting a detailed analysis of the housing sector including subsidy systems, housing finance schemes, regulatory reform, and land regularization. Clients are currently seeking to convert this work into investment operations, with countries such as Colombia and Mexico seeking to widen access to housing finance.

The Bank's Latin America and the Caribbean region is developing new approaches and interventions for issues involving climate change, regional development, land development, and municipal finance. In addition to operations, the region plans to scale up analytical and advisory activities and to integrate outreach to cities using upstream technical assistance. The region expects a solid pipeline and strong client demand in urban development over the next decade.

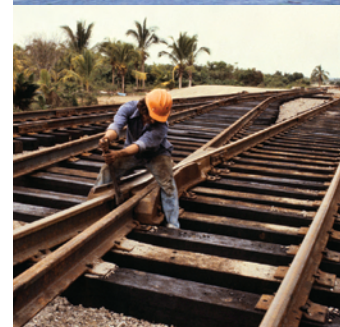


The New Urban Strategy realigns the World Bank's urban business with five business lines considered critical for cities and local governments in the decade ahead:

- Focusing on the core elements of the city system: city management, finance, and governance.
- Making pro-poor policies a city priority: reducing urban poverty and upgrading slums.
- Supporting city economies: cities and economic growth.
- Encouraging progressive urban land and housing markets: urban land, housing and planning.
- Promoting a safe and sustainable urban environment: urban environment, climate change, and disaster management.

LATIN AMERICA AND THE CARIBBEAN

Priority areas	Lending	Research, sector work, and technical assistance
City Management, Finance, and Governance		<i>Focusing on the core elements of the city system</i>
<ul style="list-style-type: none"> • Increase focus on municipal finance • Improve municipal management capacity 	<ul style="list-style-type: none"> • Regional and state-level policy-oriented development policy loans or sectorwide approaches 	<ul style="list-style-type: none"> • Urbanization Review tool • Strengthen municipal finance capacity and debt management • Technical assistance to strengthen planning capacity
Reducing Urban Poverty and Upgrading Slums		<i>Making pro-poor policies a city priority</i>
<ul style="list-style-type: none"> • Scale up slum upgrading • Apply new approaches to crime and violence prevention 	<ul style="list-style-type: none"> • National and regional slum-upgrading programs 	<ul style="list-style-type: none"> • Municipal capacity program in crime and violence prevention • Partnership with Cities Alliance on land, services, and citizenship
Cities and Economic Growth		<i>Supporting city economies</i>
<ul style="list-style-type: none"> • Promote city competitiveness through cultural heritage tourism • Encourage private investment in cities 	<ul style="list-style-type: none"> • Cultural heritage and tourism development projects • Regional development projects 	<ul style="list-style-type: none"> • Regional and city competitiveness analytical and advisory assistance
Urban Land, Housing, and Planning		<i>Encouraging progressive urban land and housing markets</i>
<ul style="list-style-type: none"> • Support downmarket housing finance and better targeted subsidies to the poor • Promote private-public partnerships in land development 	<ul style="list-style-type: none"> • Housing reform development policy loans • Support for mortgage market expansion 	<ul style="list-style-type: none"> • Analytical and advisory work on housing finance, subsidies, and housing supply issues
Urban Environment, Climate Change, and Disaster Management		<i>Promoting a safe and sustainable urban environment</i>
<ul style="list-style-type: none"> • Promote city-level actions for climate change • Develop disaster risk management financing • Integrated urban environment management 	<ul style="list-style-type: none"> • Emergency reconstruction and vulnerability reduction • Disaster risk financing • Deferred drawdown option for catastrophic risks • Solid waste management • Urban environment policy lending 	<ul style="list-style-type: none"> • Greenhouse gas emissions index • Energy Efficient Cities Grants • ECO² Cities pilot audit • Probabilistic disaster risk assessments



Sustainable Development Network
Urban and Local Government Anchor
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