



A Framework for Action for Sustainable Development

Urbanscapes – FAQ

Why is urbanization an important issue in development, and for the World Bank Group?

Put simply, because that is where most of the people are and that is where poverty is concentrated.

The world is experiencing an unprecedented wave of urbanization, taking place largely in developing countries, and which shows no sign of ending. Just over half the world's population now resides in urban areas, but by 2030 three-quarters of all people on earth will live there. More than 90% of the world's urban population growth will come in low-and-middle income countries. In those countries, some 70 million people each year move into urban areas.

This growth in urban populations in developing country cities throws up multiple and inter-connected challenges: how to provide adequate housing (more than a billion people currently live in slums); food, health, sanitation, waste collection, education, employment, safety and, overall, opportunity for urban residents. Our work on poverty reduction means that we are active in all of these areas, helping governments to provide the infrastructure and services that urban residents require to leave a life of poverty and achieve their full potential.

Is urbanization something to be feared?

No – in fact, while we see urbanization as inevitable, we also see that it presents both powerful opportunities and daunting challenges. For example, we know that cities are engines of growth, job creation, and poverty reduction. No country has reached middle-income status without industrializing and urbanizing. Most GDP growth occurs in cities.

At the same time, we also know that cities account for about 65% of global energy use and 75% of GHG emissions. Economic activities, consumption, and waste production by city residents have significant impacts on land use/agriculture, water resources, air quality, and biodiversity. Furthermore, cities are threatened by climate change impacts (e.g. 360 million residents live in low-lying coastal areas and are vulnerable to storm surges and rising sea levels. Projections show that this could rise to 600 million people being exposed by 2050).

Urbanization, therefore, can be a positive force for development, but rapid and unplanned urbanization can put more people and more assets into harm's way. The issue is not how to contain urbanization but rather how to prepare for it and harness it to ensure sustainable growth and poverty reduction.

How important is this sector in the work of the World Bank Group, and just what do you do?

Urban development, strictly defined as projects/programs originated in our urban department, represents about 10-11% to total World Bank Group financing each year. The current active portfolio has approximately \$22 billion in active commitments, with 395 projects in 90 countries. On the other hand, including all World Bank Group projects/programs that have a direct impact on residents of urban areas means that more than half of our financing each year is dedicated to the urban sector.

We provide financing to governments so that they can offer and/or expand basic urban services (supplying water, electricity, sewage and garbage collection, transport, health centers, schools, etc.) as well as improve housing, infrastructure, slum upgrading, municipal governance, local economic development (including cultural heritage), and capacity building. We also work with local and national governments on technical assistance projects, analytical work, and other knowledge products that give decision-makers the information they need to address the issues they face. For example, our focus on knowledge creation/sharing with municipal authorities encompasses our Urbanization Reviews, comprehensive analyses that offer city leaders diagnostic tools to identify policy distortions and analyze investment priorities.

At the global level, we work with many partner organizations (e.g.: Cities Alliance, UN-Habitat, United Cities and Local Governments, C-40/Clinton Climate Initiative, ICLEI Local Governments for Sustainability, Rockefeller Foundation, etc.) to assist city managers and political leaders in developing countries, and to advocate for their interests in global *fora*.

What are your priorities when working with client governments?

Our urban strategy unfolds along 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.

These set out the objectives and benchmarks for the Bank Group to monitor our financing and policy advice. Most of our clients still face an immense lack of resources, and it will take some time until all the poor will be fully integrated in the city tissue. For this reason, the strategy calls for a broader-based, scaled-up approach to urban poverty, focusing more than ever on policies and actions that can create livable cities.

Moreover, we work with local and national authorities to help them think through how to prepare for the influx of new residents by and while providing or improving essential basic services to all city residents. In particular, we help leaders on the urban agenda focus on the fact that urban infrastructure (buildings, roads, water systems, sewage plants) is long-lived. Decisions made today will impact urban residents for 50-100 years to come. We have an historic opportunity to avoid negative “lock-in” by promoting urbanization that is low-carbon, compact, inclusive, and equitable.

- As part of that approach, we advocate for “smart” city development. That means making enlightened decisions based on: Evidence and data collection (for example, on resident needs, state of service delivery, levels of pollution, etc.). Data is needed to implement, monitor, benchmark, and modify performance.
- Collaboration – “smart” decisions are made in consultation – with ALL stakeholders (residents, various levels of government, business, civil society organizations, etc.), transparently and with accountability.
- Generational balance – “smart” decisions provide for the needs of residents today without reducing economic, environmental, and social options for future generations.

Why does the WBG promote “density” in urban development?

Sustainable growth is based on the most efficient use of resources. On the whole, denser, more compact cities offer improved mobility via common transport services, greater energy efficiency, lower greenhouse gas emissions, stronger economic growth, and greater access to steady employment, decent housing, and essential services (health, education, social support systems). A minimum density (e.g. 1,500 people per hectare) enables urban planners and service providers to develop transportation systems, mixed land use, social amenities, and efficient service provisions (e.g. water supply, solid waste collection) that yield a higher quality of life with sufficient economic agglomeration.

Why doesn't the WBG encourage people to stay in rural areas and not migrate to cities?

The WBG has a significant agriculture and rural development program and portfolio that are helping to improve the living conditions of rural residents. Nevertheless, we recognize that the movement from rural to urban areas is unstoppable, and inevitable as agricultural productivity increases. People everywhere have always moved to cities to seek a better life – our challenge is to harness this energy so that all people in urban areas in developing countries can benefit from the advantages that city living offers.

Why does the WBG see “cultural heritage” as an important part of urban development?

Many cities in developing countries have historic roots and a unique cultural heritage reflected in buildings and monuments. These historic areas may be seen by some as less important in terms of surface area or the number of people who reside there, but they are important for local and national identities. They forge a sense of place, which is a source of pride and, in a globalizing world, this sense of identity anchors people to their communities. We see a unique opportunity to make urbanization more sustainable by building for the future while preserving the past.

Historic and cultural assets are also a critical resource for national and local economies (e.g. tourism, often dependent on cultural attractions, represents more than 10% of GDP in developing countries). Rehabilitating historical and cultural assets and surrounding neighborhoods can drive job creation and strengthen livelihoods, in particular for women and crafts people engaged in traditional work. As well, preserving and re-using buildings and materials can contribute to low-carbon city development.