



# **The World Bank Urban Strategy Update**

**2009 World Development Report  
& Urban Strategy Update  
Consultation Meetings**

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# Urban Context

- *Urbanization is the defining phenomenon of this century and the developing world is the locus in which this demographic transformation is taking place.*
- An Urbanizing World: Today, more than half the world's population resides in cities
- This global demographic transformation is squarely located in the developing world where over 90 percent of urban growth is taking place – 2 billion new urban residents from 2005-2030
- Cities are where economic activity takes place: Urban share of GDP in most developing countries has surpassed 60%
- Cities generate about 75% of GHG emissions



# Building on the Core Principles of “Cities in Transition”

The Bank’s Urban Strategy issued in 2000 sets out four core pillars or principles which remain sound and relevant:



# Internal Evaluation of the Bank's Urban Portfolio & Strategy

- Urban Portfolio generally performing satisfactorily and better than the Bank average according to most criteria
- Solid analytical sector strategy providing overall framework that is understood and supported by urban staff and well-regarded externally
- Impact of Strategy has been limited
- Advocacy effort needed to “put the urbanization challenge...more centrally in the Bank's corporate agenda”

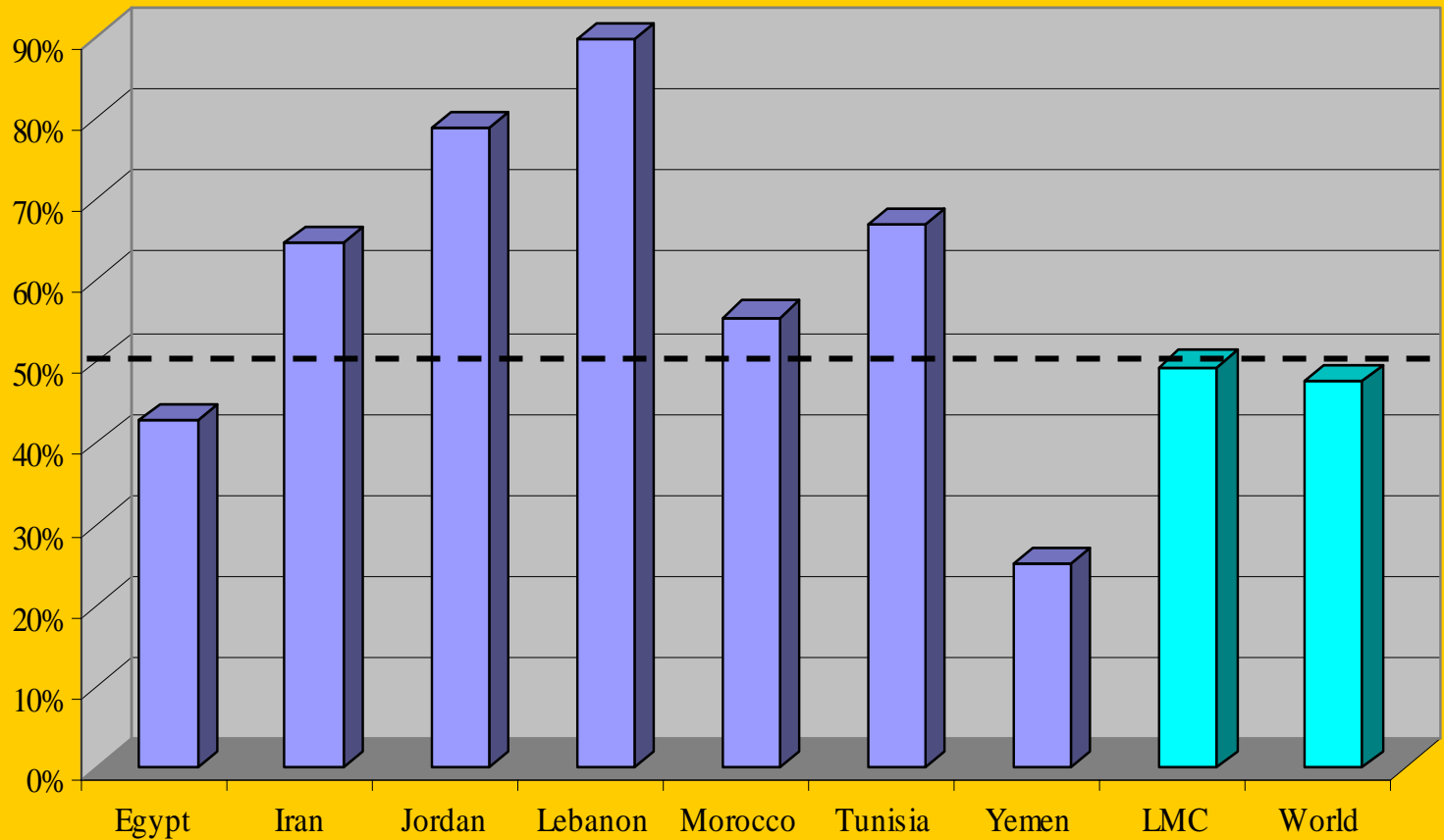


# Why an Update? Some Objectives

- ***Review recent global developments*** that have urban consequences & position the Bank to respond to emerging challenges
- **Operationalizing the WDR 2009**, which explores the relationship between scale economies, form and size of urbanization, policies and institutions, and managing a portfolio of spaces;
- ***Develop a clearer direction for the Bank's urban agenda, accompanied by better defined product lines***
- ***Elevate and mainstream policy dialogue on urban issues*** in national strategies and Country Assistance Strategies
- ***Apply new instruments*** to improve efficiency at the retail level (more standardized and better tested products and approaches) – need to scale up and expand reach
- ***Explore how to align the Bank's work with other donors*** and development partners who have adapted/adjusted their programs over time



# Share of Urban Population in Selected MNA Countries



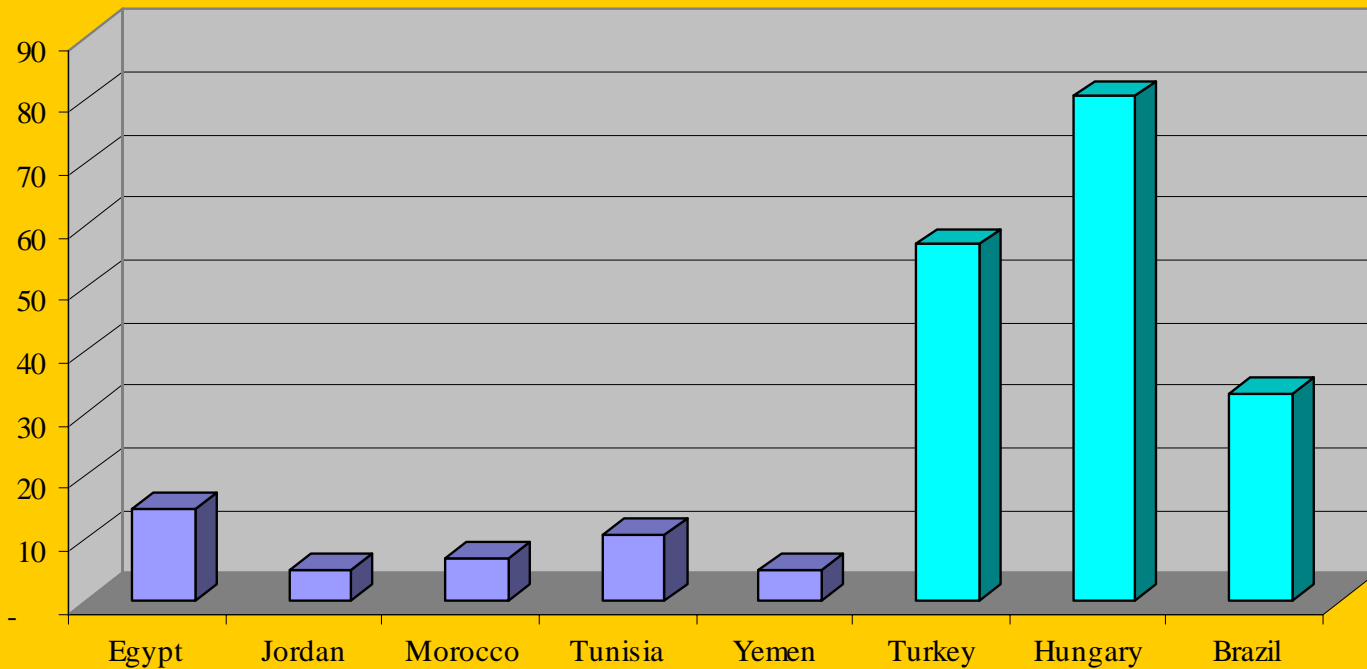
National Data, Selected Years 2002-4

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# MNA Region: Capital Investment at Municipal Level Remains Low

Municipal Investment (US\$ per capita)



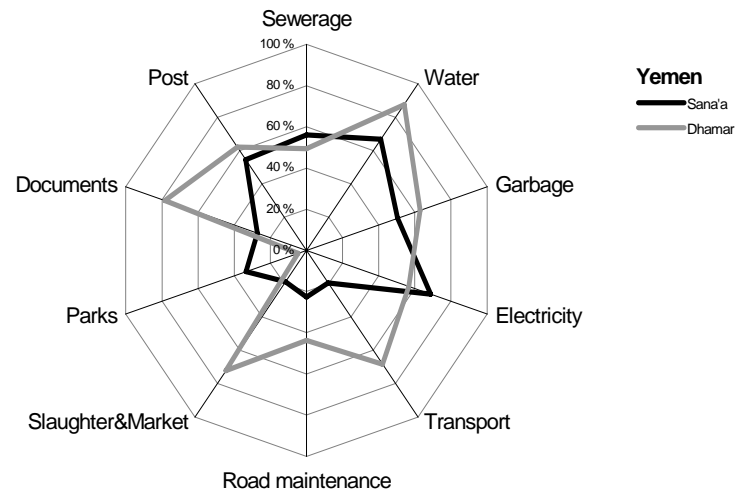
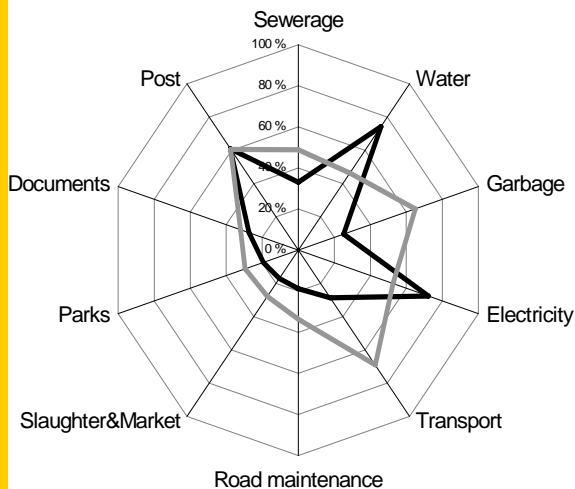
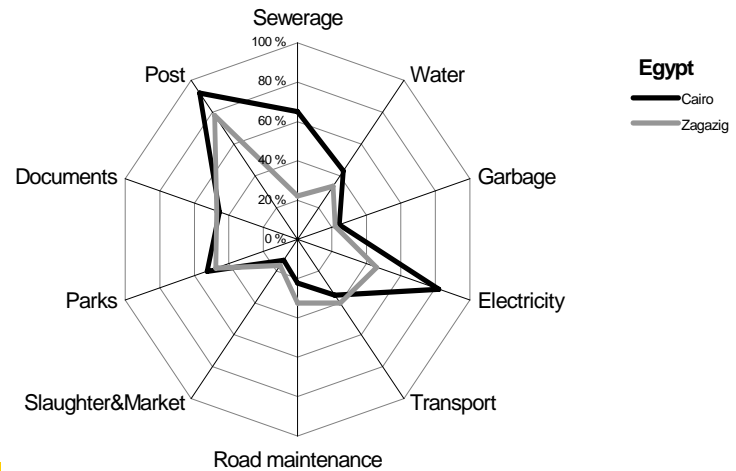
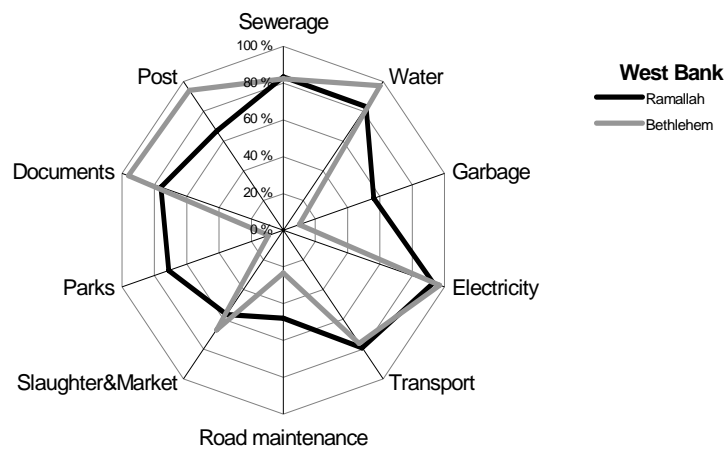
National Data, Selected Years 2002-4



# With Consequences on the Perception of Quality/Coverage of Municipal Services

## Satisfaction with services, by type of service and city

Percent of respondents who are very or somewhat satisfied with service





# Operationalizing the Urban Strategy

- Externally: Ensuring relevance, scaling up, providing just in time advice, developing new approaches to emerging challenges, extending cooperation with development partners (donors and Cities Alliance, PPIAF, Output-Based Aid...)
- Internally: Leveraging the strengths of the World Bank Group's comparative advantages, including:
  - Partnerships with IFC, FIAS on sub-national finance, city competitiveness, and urban growth agenda
  - Optimizing Urban Anchor services to regions through greater collaboration and learning exchanges across regions
  - Developing knowledge products that enhance design and delivery of development assistance and investment operations
  - Leveraging the new Sustainable Development Network and cross-sectoral linkages with Social, Agricultural Development and other World Bank Units within SDN



# Global Urban Knowledge Products





- Global City Indicators Program: Establishing comparative indicators and benchmarks that can be linked to MDGs and national level development strategies;
- City Global Rankings to create incentives to measure and improve performance
- Urban Growth Management Initiative (UGMI): Focused on land policies, markets and planning
- City Management Program: Rolling out certification-based approaches to improving municipal capacity (building on Indian experience)
- Regional Partner “Centers of Excellence” in City Management: Working with WBI to support “Good Practice Leaders” – Singapore, Amman, as training hubs
- Municipal Financial Management Information Systems (MFMIS) Toolkit: Cities need more than knowledge, they need systems



# Global City Indicators

*Establishing global city standards, benchmarks and a means of measuring performance*

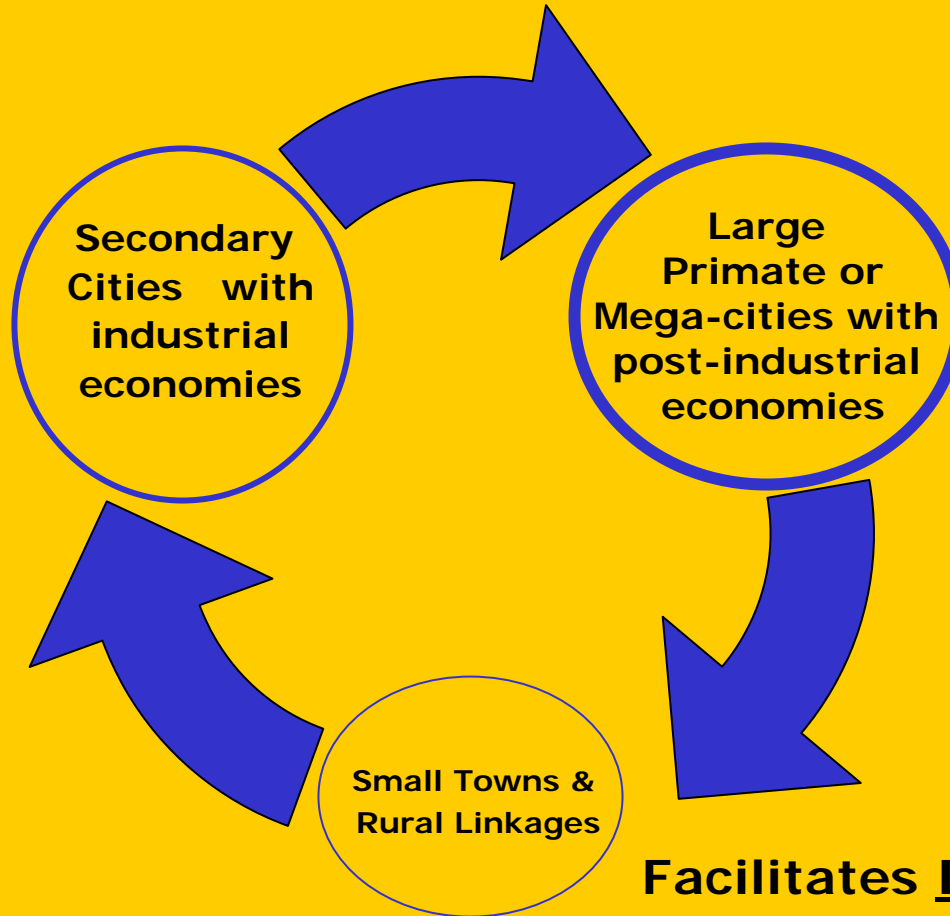
■ Core indicators ■ Supporting indicators

Theme	Global City Indicators
<b>City Services</b>	
<b>Education</b> 	<ul style="list-style-type: none"> <li>• <b>Percentage of children completing primary and secondary education: survival rate</b></li> <li>• <b>Percentage of school aged children enrolled in schools (by gender)</b></li> <li>• Student/teacher ratio</li> </ul>
<b>Energy</b> 	<ul style="list-style-type: none"> <li>• <b>Percentage of city population with authorized electrical service</b></li> <li>• Total electrical use per capita</li> <li>• Number and duration of electrical interruptions per year per customer</li> </ul>
<b>Finance</b> 	<ul style="list-style-type: none"> <li>• <b>Debt service ratio</b></li> <li>• Tax collected as percentage of tax billed</li> <li>• Own-source revenue as a percent of total revenues</li> <li>• Capital spending as percentage of total expenditures</li> </ul>
<b>Fire &amp; Emergency Response</b> 	<ul style="list-style-type: none"> <li>• <b>Number of firefighters per 100,000 population</b></li> <li>• <b>Number of fire related deaths per 100,000 population.</b></li> <li>• Response time for fire department from initial call</li> </ul>



# Adopting a City Systems Approach (linked to WDR 09)

**Facilitates Localization Economies from input-sharing and close competition within industry**



***Facilitates Urbanization Economies from diversity that fosters innovation***

**Facilitates Internal Scale Economies**

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# Country Urbanization Typologies

## *Creating a Normative Framework for Urban Strategies*

Table 1: Country Urbanization Typology<sup>i</sup>

<u>Countries</u>	<u>GDP per capita<sup>ii</sup></u> (PPP US\$)	<u>Total Population</u> (Millions 2007)	<u>% Urban</u>	<u>Urban Growth rate</u> (2005-2010)
<b>Type 1</b>				
Hungary	17,887	10.0	67	0.3
Poland	13,847	38.5	62	0.2
<b>Type 2</b>				
Argentina	14,280	39.5	90	1.2
Mexico	10,751	109.6	77	1.5
Columbia	7,304	47	73	1.8
Brazil	8,402	191.3	85	1.8
<b>Type 3</b>				
Algeria	7,062	33.9	65	2.5
Egypt	4,337	76.9	43	2.3
Philippines	5,137	85.9	64	2.8
Malaysia	10,882	26.2	69	2.9
<b>Type 4</b>				
Senegal	1,792	12.2	42	2.9
Ivory Cost	1,648	18.8	46	2.7
Nigeria	1,128	137.2	50	3.7
Sudan	2,083	37.8	43	4.2
Kenya	1,240	36.0	21	3.9
Burkina Faso	1,213	14.0	19	5.1
<b>Type 5</b>				
Pakistan	2,370	164.6	36	3.3
India	3,452	1,135.6	29	2.3
Indonesia	3,843	228.1	50	3.3
<b>Type 6</b>				
China	6,757	1,331.4	42	2.7
Korea	22,029	48.1	81	0.6




# Global Investment Products

***Scaling Up with instruments that enable the Bank to leverage itself, focus on substantive policy reforms***

- Urban Infrastructure Funds (UIFs) – expanding scope and scale to reach *secondary cities* – where growth is most prominent -- to address (a) city growth agenda; (b) slum upgrading; (c) national urban reform programs – using performance or challenge grants
- Sector Development Policy Loans -- Explore options for adapting existing Bank instruments to achieve sector objectives, e.g. Decentralization Programs and Sector DPLs in Housing, Solid Waste and Land Sectors
- Specific Investment Loans coupled with Carbon Finance Credits and using PPIAF/OBA Global Facilities



Strategic Level	Analytics	Product Lines		Outcomes
<i>Country &amp; City Typologies</i>	<i>Linking AAA to Operations</i>	<i>Instruments</i>	<i>Projects</i>	<i>Intermediate &amp; Final</i>
	City Indicators & Ratings	Urban Infrastructure Funds (wholesaling)	MDF/ Performance Grants Decentralization	Improving city management especially in secondary cities
Update World Bank Urban Strategy	Poverty Assessments	Sector DPLs (Focusing on Sector Policy Reforms) + OBA	Land Policy & Administration Solid Waste Slum Upgrading	Increasing access to services, property rights, land tenure security
Regional Urban Strategies Updated	Urban Environment Assessments	Specific Investment Loans + Carbon Finance	Urban Environment Projects	Reduce GHG emissions Introduce mitigation measures
Country Assistance Strategies	New Economic Geography (WDR 09)	Bundled packages with IFC/MIGA	Economic/ Enterprise Zones	Attracting private investment, creating jobs

# Timeframe

Consult with Regions, Countries, SDN	April-May 2008
Commission Background Papers & Commence Review of Urban Strategy Implementation to date (SSIU/Results Report)	May 2008
Complete Background Papers	September 2008
Finalize SSIU/Results Report Part II Input to OPCS	September 2008
Finalize First Draft of Strategy Update	November 2008
Organize and Convene Review Meetings	December 2008
Final Delivery	January 2009



# Team & Advisory Groups

- Advisory Group: Mila Freire, Vernon Henderson, Michael Cohen, Anwar Shah and SDN Colleagues
- Regional Committee: Incorporating all Six Regions in the formulation process
- Task Team: To Prepare Sub-Sector Background Papers (List to be Finalized):
  - Urban Planning, Housing and Land Issues
  - Urban Environment & Climate Change
  - Cities and Economic Growth
  - Urban Poverty
  - Governance and City Management

