

# Project results

In **Azerbaijan**, World Bank loans supported the rehabilitation of the main landfill site and establishment of a state-owned waste management company, increasing the population served by the formal solid waste management to 74% in 2012. Support also led to further sustainable waste management practices, helping achieve a 25% recycling and reuse rate.

In **Belize**, the Bank supported the national government in developing and implementing the National Climate Resilient Investment Plan (NCRIP) through the Climate Resilient Infrastructure Project, which helped position the country to leverage additional climate financing from international financing institutions. In the **Eastern Caribbean** countries, the Bank has mobilized over \$200 million for enhancing climate resilience and strategically reducing their vulnerability to climate change and natural disasters, including \$83 million from the Strategic Climate Fund, and immediately following natural disasters (e.g., Saint Lucia Disaster Vulnerability Reduction Project).

In **Colombia**, the national government has put forward a series of institutional and policy changes to promote the peace building process. With the support of the World Bank, these efforts focus on strengthening institutions for land management and territorial planning, as well as improving subnational financial management and investment prioritization.

In **Georgia**, the Regional Development Project assists the country's regions in improving their infrastructure in order to capitalize on a growing tourism market; thus assisting in improving their local competitiveness and economic development. In **Indonesia**, the Indonesia National Slum Upgrading Program, which includes substantial additional finance through co-financing from the Asian Infrastructure Investment Bank (AIIB), is improving access to urban infrastructure and services in targeted slums. In **Argentina**, the Metropolitan Buenos Aires Urban Transformation Project is supporting the improvement of living conditions for around 48,000 residents in disadvantaged neighborhoods in the Buenos Aires Metropolitan Area.

In **Jordan** and **Lebanon**, two related projects are supporting local authorities and communities hosting Syrian refugees, and include strong consultation and feedback mechanisms. The Jordan project to address the urgently needed rehabilitation of municipal

Infrastructure has benefitted about two million people, including 250,000 Syrian refugees. In **Lebanon**, interventions to release tensions reached 250,000 people within a year – three times the initial target – particularly those in the host communities close to refugee camps, and also improved service delivery to more than one million Lebanese people.

In **Pakistan**, the World Bank is helping the five largest cities in the province of Punjab improve their systems for planning, resource management, and accountability through a \$150 million results-based financing. The city governments are developing and implementing medium-term, integrated development and asset management plans with evidence-based prioritization for municipal infrastructure and services, resulting in increased revenue collection and reduced expenditures, providing financial headroom. Automated systems for public access to information and grievance redressal, as well as updated websites with information on budgets and procurements, are ensuring greater accountability.

In rapidly urbanizing **Vietnam**, the Vietnam Urban Upgrading Project – with \$382 million financing from the World Bank – improved the lives of 7.5 million urban poor with better water and sewage connections, as well as improved roads, sewers, lakes, canals, and bridges.

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THE WORLD BANK



# Building Sustainable Cities and Communities

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## CONTEXT

Today, over 4 billion people around the world – more than half the global population – live in cities. This trend is expected to continue. By 2050, with the urban population more than doubling its current size, nearly 7 of 10 people in the world will live in cities.

With more than 80% of global GDP generated in cities, urbanization can contribute to sustainable growth if managed well by increasing productivity, allowing innovation and new ideas to emerge.

However, the speed and scale of urbanization brings challenges, including meeting accelerated demand for affordable housing, well-connected transport systems, and other infrastructure, basic services, as well as jobs, particularly for the nearly 1 billion urban poor who live in informal settlements to be near opportunities. Conflicts are on the rise, resulting in 60% of forcibly displaced people living in urban areas.

Once a city is built, its physical form and land use patterns can be locked in for generations, leading to unsustainable sprawl. Urban sprawl and inefficient land use contribute to biodiversity loss, with around one million animal

and plant species threatened with extinction. Cities also play an important role in tackling climate change, as they consume close to 2/3 of the world's energy and account for more than 70% of global greenhouse gas emissions. As cities develop, their exposure to climate and disaster risk also increases.

Almost half a billion urban residents live in coastal areas, increasing their vulnerability to storm surges and sea level rise. In the 136 biggest coastal cities, there are 100 million people – or 20% of their population – and \$4.7 trillion in assets exposed to coastal floods. Around 90% of urban expansion in developing countries is near hazard-prone areas and built through informal and unplanned settlements.

Building cities that “work” – inclusive, safe, resilient, and sustainable – requires intensive policy coordination and investment choices. National and local governments have an important role to play to take action now, to shape the future of their development, to create opportunities for all.



The World Bank's work in urban development aims to build sustainable cities and communities through an urbanization process that is inclusive, resilient and low carbon, productive, and livable, contributing to the Sustainable Development Goal (SDG) No.11, implementation of the New Urban Agenda, as well as the World Bank's goals to end extreme poverty and boost shared prosperity.

Specifically, the Bank invests directly in urban infrastructure and helps national and municipal governments build fiscal and financial systems to expand revenues and provide enhanced access to

private capital to finance investment needs sustainably.

The World Bank invests an average of \$6 billion in urban development and resilience projects every year. The Bank's annual disaster risk management financing across the entire portfolio increased from \$3.7 billion from fiscal year (FY) 2012 to \$4.5 billion in FY 2019. Through a combination of investment project financing, policy development loans, and Program-for-Results funding, the Bank aims to help cities meet the critical demands of urbanization.

## The World Bank's Urban Development strategy focuses on three priorities that are essential for successfully implementing SDG11 and the New Urban Agenda:

1. Financing the New Urban Agenda
2. Promoting territorial development
3. Enhancing urban resilience to climate change and disaster risks

## The three priorities are translated into six business lines:

- Cities and economic growth
- Urban poverty and inclusion
- Municipal infrastructure and services
- Affordable housing and land
- Urban management, finance, and governance
- Cities and urban environment



## Research and analytical services

### Understanding urbanization

The World Bank is conducting research on urban spatial development, housing, and urban environment, focusing on regional, as well as country specific **Urbanization Reviews** that aim to support national and city-level policymakers in thinking strategically about the opportunities—and addressing the challenges—of urbanization.

Other recent analytical work and tools to help cities manage urbanization and support sustainable, inclusive growth include can be downloaded via [www.worldbank.org/worldurbanforum](http://www.worldbank.org/worldurbanforum)

### Financing the New Urban Agenda

The World Bank helps cities and national governments put in place the financial framework to attract investment and grow in a sustainable manner. The Bank is helping countries establish and strengthen urban institutions to deliver improved infrastructure and services, for example:

- In Sub-Saharan Africa, the World Bank has an operational portfolio of almost \$1.1 billion in urban projects focusing on improving financial and institutional performance and strengthening decentralization in Ethiopia, Kenya, Senegal, Tanzania, and Uganda.
- In Morocco, a \$200 million World Bank loan aims to improve the city of Casablanca's investment capacity by improving its revenue management systems and attracting private investment to municipal infrastructure and services through public-private partnerships.

Innovative ways of leveraging investment are also needed, including from private and non-traditional sources, such as land value capture, sometimes in combination with multilateral development banks (MDBs) and other agencies; by reforming intergovernmental fiscal transfers; and strengthening municipal finances.

- The **Resilient City Development Program (RECIDE)**, a partnership of the Spanish Agency for International Development Cooperation (AECID) and the World Bank, is empowering cities in Sub-Saharan Africa to strengthen resilience, and to access a broader range of financing options. RECIDE has been granted approval to access resources from the EU External Investment Plan of up to EUR 100 million in guarantees and EUR 14 million in technical assistance to source, originate, and execute transactions.
- The **City Creditworthiness Initiative (CCI)** aims to strengthen the financial performance of local governments and prepare them to tap domestic/regional capital markets without a sovereign guarantee. The initiative has trained over 630 municipal officials from 250 cities in 26 countries.

## Promoting territorial development

The **Convergence: Five Critical Steps Toward Integrating Lagging and Leading Areas in the Middle East and North Africa** report addresses the economic and institutional causes of spatial disparities and focuses on actions that can put countries in the MENA region on a path to territorial convergence.

The World Bank's report, **East Asia and Pacific Cities: Expanding Opportunities for the Urban Poor**, encourages cities in the region to ensure inclusive, equitable urban growth through a multi-dimensional approach to planning, incorporating aspects of economic, spatial, and social inclusion to foster economic growth and reduce poverty.



## Enhancing urban resilience to climate change and disaster risks

In recent years, the World Bank has worked in cities and towns across over 140 countries, investing \$4.5 billion during FY19 in disaster risk management.

The World Bank has also facilitated global partnerships, including with the Agence Française de Développement (AFD) and the Asian Infrastructure Investment Bank (AIIB), to support countries in their urban resilience work.

Urban resilience goes hand-in-hand with environmental sustainability. The World Bank's **Global Platform for Sustainable Cities (GPSC)** is a partnership and knowledge platform that includes 28 cities across 11 countries that have received \$151 million from the Global Environment Facility.

This support has leveraged \$2.4 billion in project co-financing. The platform promotes integrated solutions and cutting-edge knowledge for cities seeking to improve their resilience and overall urban sustainability in the areas of indicators and tools, integrated urban planning and management, and municipal finance.

One example of GPSC providing solutions and knowledge to cities is the **Urban Sustainability Framework**, a guidance document that incorporates 177 indicators into a clearly laid out process for cities to track their urban sustainability.