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President Wolfensohn - Briefings Books for Presidents Meetings - Communications
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Archive Management for the President's Office

Document Log

Reference # : Archive-00654

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A. CLASSIFICATION

- ☐ Meeting Material
- ☐ Trips
- ☐ Speeches

- ☐ Annual Meetings
- ☐ Corporate Management
- ☒ Communications with Staff

- ☐ Phone Logs
- ☐ Calendar
- ☐ Press Clippings/Photos

- ☐ JDW Transcripts
- ☐ Social Events
- ☐ Other

B. SUBJECT: "Media and Habitat II", report by Nicholas Van Praag on the Istanbul meeting.

DATE: 06/10/96

C. VPU

Corporate

- ☐ CTR
- ☐ EXT
- ☐ LEG
- ☐ MPS
- ☐ OED
- ☐ SEC/Board
- ☐ TRE

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- ☐ EAP
- ☐ ECA
- ☐ LAC
- ☐ MNA
- ☐ SAS

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- ☐ CFS
- ☐ DEC
- ☐ ESD
- ☐ FPD
- ☐ FPR
- ☐ HRO

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- ☐ GEF
- ☐ ICSID
- ☐ IFC
- ☐ Inspection Panel
- ☐ Kennedy Center
- ☐ MIGA

D. EXTERNAL PARTNER

- ☐ IMF
- ☐ UN
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- ☐ NGO
- ☐ Private Sector

- ☐ Part I
- ☐ Part II
- ☐ Other

E. COMMENTS:

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The World Bank/IFC/MIGA

OFFICE MEMORANDUM

DATE: June 12, 1996 09:09am

TO: Caio Koch-Weser

(CAIO KOCH-WESER)

FROM: Josie Bassinette, EXC

(JOSIE BASSINETTE)

EXT.: 80240

SUBJECT: Habitat Note (your EM of June 10)

Caio: JDW saw the Habitat media note that you forwarded. He responded with his thanks and congratulations! Josie

Embargoed for release until May 30,
1996 at 4 p.m. EDT (2000 GMT)

JDW
You may be
interested in the
Bank's press release
and publication for the
Habitat conference.



The World Bank *Habitat II*



gsc
5/28

NEWS RELEASE NO. 96/69S

Contacts:

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CITIES ARE THE WORLD'S FUTURE *Urban Problems Are Solvable*

WASHINGTON, MAY 30, 1996—The financial, economic, and social future of developing countries depends primarily on the future of their rapidly growing cities, the World Bank says in a new report.

Despite the staggering problems cities face in developing countries, more than half of all gross domestic product (GDP) now originates in cities, even though urban populations are less than half of the overall national population.

The urbanization of the developing world is unstoppable. In 1960, less than 22 percent of the developing world's population was urban. By 1990, it grew to 34 percent. It will exceed 50 percent by 2020.

"Cities everywhere are makers of wealth, magnets for the industrious, motors of invention," says the new World Bank report, *Livable Cities for the 21st Century*. The report will be presented to the **Habitat II Conference**, the UN conference on cities, to be held in Istanbul, Turkey, June 3-14, 1996.

"Experts are saying that cities are simply too big and too messy, but solutions to their problems do exist," says **Ismail Serageldin, World Bank Vice President for Environmentally Sustainable Development**. Problems caused by rapid urban growth in the cities of the developing world can be cheaper and easier to fix than many people imagine, the World Bank says in its new report.

The solutions to the crises cities face lie in the cities themselves, in their own human and investment capital, says the World Bank, which has invested \$25 billion in more than 5,000 cities and towns since 1972. Over the next five years, the Bank plans to invest an additional \$15 billion in urban programs.

The Bank is urging cities to put their financial houses in order by delivering services that people want and are willing to pay for. There are four recommendations:

- Charge more realistic user fees for water, electricity, and public transportation, instead of subsidizing the rich and the middle class;

- Make better use of other local sources of financing, such as the property tax and special levies for neighborhood improvement programs;
- Bring the private sector into areas where they are more efficient in managing and financing infrastructure; and
- Improve the nuts and bolts of city management, such as budgets and capital investment plans, to become creditworthy.

"In most cities, governments do not bring people in on the decisions that matter most to them," says Serageldin. "It's not surprising that people are reluctant to pay their local taxes, because they don't get the services they want."

Where cities do manage services responsively, they can attract financing from individuals, national governments, international agencies, and foreign investors.

Many cities must deal with central governments that do not set down clear policies, so that the cities can never plan on financial transfers they would receive from year to year. Instead, such transfers are made on an ad-hoc basis. Some national governments include irrational incentives for cities, such as granting more funds to cities with low tax efforts and weak financial management.

Good urban policies, on the other hand, provide sound government finances by rewarding cities based on how efficiently they manage their infrastructure. They also encourage the private sector to finance and manage urban infrastructure to meet expanding needs.

Cities Must Become More Competitive

The scale and speed of the urban transformation has created new political, economic, and social realities that have fundamentally changed the role of cities, the World Bank says.

"The path to the future still runs through the city square and the municipal market," says Serageldin. "But now these urban centers are linked electronically, by satellite television, faxes, and e-mail, to hundreds of other urban centers and to millions of private citizens both within their geographical confines, and around the world."

Cities that become productive and efficient will become centers of surging economic activity, and some cities that grow inefficient will be unable to compete, the World Bank warns. The economic prospects of various cities will rise or fall depending on how well they connect to the global economy.

To become competitive in the global economy, these cities have to offer secure power supplies, clean water, environmentally safe sanitation, secure streets, reliable transport links—in short, to become livable.

To remain livable for the 21st century, cities must include their poor and deal with their environmental problems, and at the same time find an institutional framework to mobilize their resources, the Bank says. To solve these three problems, cities must construct an urban infrastructure that delivers reliable services that people want, create a set of regulations that free their citizens to produce rather than tie them up in red tape, and build effective local institutions.

A L L - I N - 1 N O T E

DATE: 10-Jun-1996 11:53am

TO: Atsuko Horiguchi

(ATSUKO HORIGUCHI)

FROM: Caio Koch-Weser, EXC

(CAIO KOCH-WESER)

EXT.: 35250

SUBJECT: Habitat

Atsuko --

You may want to show this to Jim, particularly the conclusion at the end of Nick's note. (I briefed Jim very briefly over the phone already.)

Caio

A handwritten signature in dark ink, slanted upwards from left to right. It appears to be 'Caio' followed by a stylized surname.

*Many thanks
for
information*

*Jim
6/10*

A L L - I N - 1 N O T E

DATE: 10-Jun-1996 12:20pm EST

TO: MARK MALLOCH BROWN

(MARK MALLOCH BROWN@A1@WBWASH)

FROM: Nicholas Van Praag, EXTEU

(NICHOLAS VAN PRAAG@A1@PARIS)

EXT.: 3029

SUBJECT: Media and HABITAT II

Mark:

1. I have just returned from the Istanbul meeting and wanted to report on the media side of the event.

2. Despite the glitch with the leaded fuel story, the three releases prepared prior to the conference provided feature material that got the Bank good substantive coverage prior to and during the first week of the conference. The B roll was instrumental in our ability to place interviews with CNN and other electronic outlets at the conference. Marshall Hoffman's group was extremely effective in this regard.

3. Caio's speech on the opening day laid out the bank's agenda clearly and in a style that distinguished it from the monotony that is the norm. A press release put out to coincide with the speech got some wire service coverage (stressing the bank's \$15bn. "compact" with borrowers) and helped ensure a good turn-out at Caio and Ismail's joint press conference the following day. Some 75 print and radio journalists came as well as CNN. It was not a hard news event but many of the points made by Caio and Ismail on a broad spectrum of issues will emerge in the press - some already has.

4. In addition to the well-attended press conference, Caio and Ismail gave a number of interviews. You will have seen echo of these in the coverage to date. More will follow as the conference draws to a close.

5. ESD worked hard with HABITAT's organizers - with the additional leverage provided by a hefty subscription to the costs of the event - and it paid off. We got lots of credit, notably for our sponsorship of and participation in numerous seminars (N.B. those on finance and gender) and parallel events. Ismail was omnipresent, speaking at several engagements everyday and dealing with a posse of journalists and others in between.

6. Conclusion: If one looks back over the past three or four U.N. summits, the Istanbul event marks something of a breakthrough. The bank's critics were around and made their standard criticisms. But they no longer dominated the debate

nor managed to throw the bank onto the defensive. Rather, they seemed somewhat irrelevant as bank staff participated, listened and offered support based on the bank's breadth of experience with urban issues and financial instruments. Overall, it was a model performance in both tone and substance; one that should provide us with satisfaction. If Istanbul provides any guide, we are breaking the armlock of the skeptics and winning acceptance as a relevant and engaged institution.

Nick.

CC: CAIO KOCH-WESER
CC: ISMAIL SERAGELDIN
CC: Abdallah El Maaroufi

(CAIO KOCH-WESER@A1@WBWASH)
(ISMAIL SERAGELDIN@A1@WBHQB)
(ABDALLAH EL MAAROUFI@A1@PARIS)