



WORLD BANK GROUP
Urban, Disaster Risk Management, Resilience & Land

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World Bank at the World Urban Forum 11



85%

world's economic growth will happen in cities.

Over half of the global population currently lives in cities around the world. As global rapid urbanization continues, it is expected that cities will house over 70% of the world's population by 2050.

While well-managed urbanization can bring about improved productivity, sustainable economic growth, and poverty alleviation, it can also create significant challenges for cities and their residents.

Haphazard growth often results in a proliferation of slums, congestion, pollution, lack of affordable housing, poor access to sanitation and waste management, and vulnerability to natural hazards. Further, although cities only occupy 2% of global land area, they consume over two-thirds of the world's energy and account for over 70% of global GHG emissions. And urban centers' share of emissions is only expected to grow as global urban populations increase and countries invest in infrastructure to match their needs.

Combatting these challenges and creating more prosperous urban societies requires targeted and thoughtful investment in cities, prioritizing resilience, disaster risk management, and land rights and security.

As the consequences of climate change continue to have an increasingly deleterious impact on cities around the world, the need for resilient infrastructure is more vital than ever. Since 1980, more

than two million people and over \$3 trillion have been lost to disasters caused by natural hazards, with total damages increasing by more than 600% from \$23 billion a year in the 1980s to \$150 billion a year in the last decade. Without significant investment into making cities more resilient, natural disasters are expected to cost cities \$314 billion a year by 2030.

But investing in more resilient infrastructure can provide a net benefit in low- and middle-income countries of \$4.2 trillion and can reduce the impact of disasters on people's livelihoods and wellbeing by as much as 31%.

As extreme weather events become more prevalent and climate change threatens to push an additional 100 million people into extreme poverty by 2030, mainstreaming disaster risk management and resilience into development planning can reverse the current trend of rising disaster impact, save lives and assets, and create more sustainable, inclusive, and resilient cities for all.

The World Bank invests about

\$6 billion

in urban development and resilience projects every year.

STRATEGY

The World Bank's work in urban development aims to build sustainable cities and communities through an urbanization process that is green, inclusive, competitive, and resilient, 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.

The World Bank invests an average of \$5 billion in planning and implementing lending projects on sustainable cities and communities every year to help cities meet the critical demands of urbanization. The active portfolio stands at 225 projects amounting to \$29.74 billion, through a combination of instruments, including investment project financing, policy development loans, and Program-for-Results funding.

The Bank's Urban Development strategy adopts integrated approaches to transform the fundamental system of cities, focusing on four main priorities:

- 1. Enhancing planning systems and local capacity**
- 2. Strengthening fiscal and financing systems**
- 3. Promoting territorial and spatial development**
- 4. Building climate smart and urban resilience**

These four priorities are translated into six business lines:

- 1. Cities and economic growth**
- 2. Urban poverty and inclusion**
- 3. Municipal infrastructure and services**
- 4. Affordable housing and land**
- 5. Urban management, finance, and governance**
- 6. Cities and urban environment**

RESULTS

RESEARCH AND ANALYTICAL SERVICES

Understanding urbanization at different scales: The World Bank is conducting a rich set of research on sustainable urban development. At the regional and country scales, the Urbanization Reviews offer a framework for city leaders to identify policy distortions and analyze investment priorities. A series of prototypes has been piloted to build a body of knowledge on urbanization challenges and public policy implications in a variety of country settings across the globe.

ADDRESSING COVID-19

Disasters triggered by natural hazards can strike at a moment's notice, with devastating consequences on people, infrastructure, assets, and entire economies. The Coronavirus pandemic (COVID-19) fits into this category.

Beyond its enormous health impacts, there have been significant economic losses to households, firms, and governments, as well as large-scale disruptions to lives and livelihoods as a result of lockdowns, disruption of supply chains, and a steep decline in

“Investing in resilience is sound, profitable, and urgent. We get \$4 in net benefit for each \$1 invested in infrastructure resilience.”



Sameh Wahba
Global Director, World Bank

commercial activity as a result of COVID-19.

For decades, the World Bank and the Global Facility for Disaster Reduction and Recovery (GFDRR) have been helping national and local governments prepare for and mitigate the impacts of naturally occurring events and extreme weather hazards, investing \$5 billion, on average, in disaster risk management and urban resilience projects each year. Prevention and preparedness make economic sense, from strengthening infrastructure and other risk reduction efforts to developing policies and programs that help safeguard the poorest and most vulnerable against disaster impacts.

FINANCING THE NEW URBAN AGENDA

The World Bank helps cities and national governments put in place the financial framework needed 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, including:

- An operational portfolio of almost \$1.1 billion in urban projects in Sub-Saharan Africa, focusing on improving financial and institutional performance and strengthening decentralization in Ethiopia, Kenya, Senegal, Tanzania, and Uganda.
- A \$200 million World Bank loan in Morocco that 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.

It is also important to include innovative ways of leveraging investment, 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.

- Through the capital raising strategy of its City Resilience Program (CRP), the World Bank is pushing the boundaries in this area with its Capital Mobilization Strategy, which works with city leaders to consider the Bank a catalyst to develop financial solutions beyond World Bank loans. To do so, the program connects cities to co-financing by donors and other international financial institutions (IFIs). The program also supports cities in combining public investment with private opportunities through private sector engagement, where feasible.

Promoting Territorial and Spatial Development

A first-of-its-kind World Bank analysis, the 2021 report "Pancakes to Pyramids – City Form for Sustainable Growth" examines the shape and growth of nearly 10,000 cities between 1990 and 2015 and assesses the dynamic relationship between a city's economic growth and the floor space available to residents and businesses. It finds that a city is most likely to be its best version when its shape is driven by economic fundamentals and a conducive policy environment—namely, a robust job market, flexible building regulations, dependable public transit, and access to essential services, public spaces, and cultural amenities.

By 2050, 2 in every 3 people will live in cities

By 2030, disasters will cost cities

\$415 BILLION

Another World Bank report, *Which Way to Livable and Productive Cities? A Road Map for Sub-Saharan Africa*, brings together a large body of analytic work to show that urban livability and prosperity cannot be pursued effectively without distinguishing priorities for larger cities from smaller towns. Lack of institutional capacity in the smaller towns across Africa may require a slower transition of responsibilities for planning and investment management, as well as enhanced technical assistance so that institutions can perform their tasks.

The Bank is also actively engaged in promoting and investing in land tenure, which represents a significant challenge for a large part of the world population and especially the poor. Land and property rights reform is fundamental to achieving SDGs related to economic growth, urbanization, gender, climate change, jobs, and domestic resource mobilization. In particular, knowing who has which type of rights (ownership, use, protection, etc.) over land parcels is critical for managing all related natural resources, such as soil, water, and forests, that are affected by climate change. Today's multiple geospatial technical innovations (GIS platforms, drones, mobile devices) make the task easier, faster, cheaper, and more transparent. But governments' long-term commitment and local capacity to implement and sustain large-scale land administration projects is key—a major goal of the Bank, which is the largest financier of investments in land administration.

Enhancing Urban Resilience to Climate Change and Disaster Risks

While urbanization is key to growth and development, cities must build resilience to climate change and disasters in order to be sustainable, healthy, safe, and vibrant. The World Bank invests about \$6 billion in urban development and resilience projects each year, with many focusing on disaster risk management and climate-smart development to help cities meet the critical demands of urbanization.

Urban resilience goes hand-in-hand with environmental sustainability. The **Sustainable Urban and Regional Development (SURGE)** program is the World Bank's umbrella program for sustainable urbanization. Its objective is to enable cities and regions in developing countries to function as drivers of sustainable and inclusive economic development. This objective is achieved by supporting governments and local authorities to address challenges stemming from rapid urbanization and unequal regional development processes and to consolidate efforts to build livable, inclusive, competitive, low-carbon and resilient cities and regions.

Established in 2007, the **Global Facility for Disaster Reduction and Recovery (GFDRR)** is a multi-donor umbrella program hosted by the World Bank which supports climate and disaster risk management. Its objective is to support developing countries to mainstream disaster and climate resilience measures.

The **City Climate Finance Gap Fund (Gap Fund)** is a multi-donor trust fund that aims to support cities at a critical, early stage where ideas need to be turned into projects that are ready to be financed and implemented. It is currently supporting 81 cities in 34 different countries through planning and strategy development, project definition and

pre-feasibility work. See Annex 1 for a full list of approved TA grants. The GAP fund is supported by the Governments of Germany and Luxembourg and implemented by the WB and EIB.

The **Global Smart City Partnership Program** is supported by the World Bank, the Korea World Bank Partnership Facility, and the Ministry of Land, Infrastructure, and Transport. The goal of GSCP is to make the best use of data, technologies, and available resources to improve city planning, management, and service delivery; engage citizens, and enhance accountability. GPSC helps Bank teams and clients to develop smart city best practices and solutions and enhance the capacity for planning and implementing smart city solutions.

PROJECT RESULTS

The Metro Colombo Urban Development Project (\$213m) in **Sri Lanka** is helping reduce the risk and impacts of flooding while making the city more livable and competitive through investments in public spaces, wetlands, and infrastructure. By project closing, 232,000 residents will have greater direct protection from flooding and the entire city will benefit from the project's quality of life investments.

In **Kinshasa, DRC**, the Kin Elenda project (\$500m) focuses on improving basic city-wide services – water supply, sanitation, solid waste management and power – as well as neighborhood services, including urban mobility and roads, lessening flood risk and controlling erosion, and rehabilitating public spaces and other local infrastructure. Beyond physical infrastructure, it seeks to address socioeconomic inclusion and empowerment, skills development, and gender-based violence prevention, along with urban planning, land administration and improved city governance.

In **Vietnam**, the Scaling-up Urban Upgrading Project (\$240m) in the Mekong Delta Region has brought innovations to urban upgrading

approaches through mainstreaming green infrastructure and universal accessibility in its sub-investments financed under the project. In consultation with the national and local governments, a series of hands-on TA on green infrastructure and universal accessibility was offered to clients over the course of three years: improvement for investment designs in roads, canals, resettlement sites, development of Green Infrastructure and Universal Accessibility Design Guidelines for national-scale application and through a series of training courses for Government officials.

In **Morocco**, GFDRR supported a building regulatory capacity assessment to identify gaps and opportunities to advance the safety and sustainability of the built environment through enhanced regulations and practices. The government is now designing an implementation framework to initiate building regulatory reforms that reflect the prioritized actions with key stakeholder groups and ongoing technical support financed by GFDRR.

In the city of Beria, **Mozambique** the World Bank combined a major investment in rehabilitating the stormwater drainage system with nature-based solutions to develop green infrastructure along the city's river. As a result, over a quarter of a million people in Mozambique's fourth-largest city benefited from reduced flood risk. This was borne out during Cyclone Idai in 2019, when flood damage in the areas with investment was minimized compared to the rest of the city.

The World Bank is helping the city of Chisinau, **Moldova** to design resilient parking solutions that generate municipal revenue while adapting the city to flooding. The City Resilience Program mapped areas of poor water drainage to help select sites for flood-resilient parking lot development and delivered a study showing how different parking infrastructure options can help lower the flood risk while contributing to wider sustainable transport goals and generating additional revenue for the city.

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