

Livable Cities for the 21st Century: The Post Habitat II Agenda for the World Bank

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Habitat II, the Second United Nations Conference on Human Settlements, also known as the "City Summit," concluded its work on June 14, 1996, in Istanbul, Turkey. Habitat II indelibly marked the increasingly urban nature of the world and the urgency, extent, and increasing size of problems facing people in cities, especially the poor.

The conference developed consensus around the need to achieve sustainable development in urban areas, with special emphasis on the provision of basic services and shelter for the poor. To the maximum feasible extent, the private sector and individual initiatives should be relied upon. Decentralization and the consequently heightened role of local government in determining the future of cities is recognized as a significant global phenomenon. This framework is sound. The policy and programs of the World Bank are consistent with this approach.

A key achievement of Habitat II was to underscore the role of partnerships among the many actors that have a stake in making cities livable: nongovernmental organizations (NGOs), local governments, parliamentarians, community-based organizations (CBOs), the private sector, researchers, and foundations, to name a few. I have highlighted partnerships as one of the key thrusts of all our work at the World Bank, and we will be a strong partner in the implementation of the Habitat Agenda.

The World Bank has a long history of involvement with the urban sector. It has approved loans amounting to about \$25 billion for urban development, urban environment, water, and sanitation projects in the quarter century since it established a specifically urban lending program. Our assistance reaches thousands of cities and towns. The Bank's urban work has focused strongly on improving the living environment of the urban poor. It has developed new client relationships, established links with local governments, and worked directly with communities—backwaters at the time—at the forefront today in the wake of decentralization and democratization. There have been significant successes; although they give no reason for complacency, they should give rise to optimism. Many have argued that cities are "basket cases" without potential for improvement. After nearly a quarter century of experience of working with our partners worldwide, we know that tangible progress is possible.

Looking to the future, the Bank identified three key priorities for action to make cities livable today:

Bringing basic services to the poor. It is intolerable that so many millions of people still live in urban slums without basic services like clean water and sanitation, basic roadways, and drainage. The burden of these service failures in terms of the impacts on human health and productivity is heavy. Yet the costs of correcting the problem are affordable. Some countries have already tackled the problem successfully. Much more can and should be done now.

A healthier urban environment. The three main urban environmental problems affecting human health—lead, dust and soot, and microbial diseases—all lend themselves to solutions with modest costs. We need focus and action now. Efforts to phase out lead in gasoline should be accelerated. As noted above, clean water and basic sanitation must be provided to all city dwellers. Many investments to reduce dust, soot, and smoke from industry and power plants have high returns. They should be made.

Finance for people in cities. The way cities are financed needs to be revamped if we are to meet the challenge of making cities livable. Intergovernmental finances need to become more transparent, predictable and more closely related to the financial and managerial performance of local governments. Cities need to manage the resources at hand more effectively by pricing services better, building partnerships with the private sector to manage and finance urban infrastructure, and strengthening the nuts and bolts of city management. Finally, local governments need to forge stronger links with those who ultimately pay for the services provided—the people in cities. Without clearer links between expenditures and community improvements, urban finance cannot be made to work better.

To support this agenda for action, we made important commitments at Istanbul to those partners prepared to respond to the urban challenge. The Bank announced that it has the capacity to increase its support to urban development. The challenge to the developing world is to frame policies and develop programs and people-centered approaches to use our support effectively. The Bank is committed to provide support consistent with the quality and strength of country commitments to solving these problems.

I am directing the Bank's staff to focus on the commitments the Bank has made and to bring the best available and timely knowledge to bear in meeting country-specific needs. We intend to deliver the very best services to our clients. Our goal is a major improvement in the lives of poor people in cities. The needs are very great. The challenge is daunting. But we have learned, working together with our partners in developing countries, that with pragmatism and commitment, it is possible to make a difference.