

World Cities Summit Mayors Forum
Session 1: Advancements and Challenges of Cities: Planning and Governance
Speech by Ms. Victoria Kwakwa, Regional Vice President (East Asia and the Pacific), The World Bank
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Distinguished guests,
Ladies and Gentlemen,

1. In the developing world, five million people now move into cities every month, often in search of better prospects. **More than 80 percent of global economic activity is concentrated in cities, and evidence shows that urbanization goes hand in hand with lower rates of poverty and greater prosperity.**
2. **No country has achieved economic prosperity without urbanization.** At the same time, some of the world's greatest challenges play out in cities; they are responsible for 75 percent of global carbon emissions, and an increasing share of poverty is in urban rather than rural areas. An additional 2.5 billion people will live in cities over the next thirty years. As you can imagine, accommodating this growth will place immense strain on urban areas. **Today, I will focus on the need for good planning and strong governance to ensure that urban development is sustainable, resilient and inclusive.**
3. **Planning for land management and urban development should be a priority for countries and cities at all stages of urban growth.** Urbanization, if left unplanned, has often led to a host of negative consequences, including congestion, sprawl, pollution and social inequity. On the other hand, if planning takes a long-term view, is integrated and evidence-based, urban environments can be productive, green and highly liveable. Singapore, for example, is a model in this regard.
4. To enable the provision of basic services and affordable housing, attract private investment, and grow in an efficient and environmentally sustainable manner, **policymakers need to coordinate land use planning with infrastructure, and resilience against the risks of climate change.** Planning for connectivity is also critical; robust connective infrastructure must be developed to link residents to jobs and amenities, and businesses and industry to markets. With the number of

vehicles on roads expected to double to 2 billion by 2050, more sustainable and inclusive forms of mobility must be invested in. Overall, cities should adopt planning principles to encourage denser, more compact urban forms, which can reduce motorization, increase the efficiency of infrastructure and lower greenhouse gas emissions.

5. As part of the **National Slum Upgrading Program in Indonesia**, the World Bank is working with central, municipal and local governments to build capacity in an integrated, coordinated approach to slum upgrading and planning. With the project's reach extending to 154 cities, the capacity-building is an important complement to the infrastructure improvements in sanitation, clean water, solid waste, drainage and roads that are being made.
6. **To reduce extreme poverty and boost shared prosperity, governments will also need to scale up efforts in regional and territorial planning.** In developing countries, disparities between prosperous and lagging regions can rise to as much as 75%, and often persist for long periods. Lagging areas are more prone to instability, insecurity and even civil war. Economic growth may be uneven, but development can still be inclusive.
7. **Any planning system must go hand in hand with good governance in order to be effective.** The capacities and mandates of city governments for regulation and enforcement have to be strengthened. These are critical for effective management of cities, the provision of high-quality basic services and infrastructure, and the creation of a business-friendly environment that attracts investment, supports informal businesses and spurs local job creation. **Cities need both strong institutions and innovative financing mechanisms to realize their plans.**
8. **Many municipal governments struggle to keep up with the service and infrastructure needs of their cities.** Urban infrastructure financing challenges are now estimated at US\$4.5 trillion annually, and cannot be met on the basis of existing revenue sources, including ODA flows. City governments must improve their revenue mobilization efforts, rationalize expenditures and build robust financial management systems. This will create a conducive environment for innovative urban financing, including land value capture, as well as crowding in private investment through municipal borrowing and public-private partnerships.

9. **The World Bank, through its Tanzania Strategic Cities Project, supported 7 cities to improve their own source revenue collection by introducing a Geographic Information Systems-based tool.** Prior to this, the city relied on manual tax assessments, which were often inaccurate and incomplete. With the GIS tool, the cities can now collect tax revenues from multiple sources, including businesses and property-owners. This has led to an impressive 30% increase in the cities' own source revenues.

10. **Here in China, urbanization has supported the country's high growth and remarkable economic transformation.** China now has 102 cities with more than a million people, compared to just 10 in the U.S. This figure is expected to more than double to 221 by 2025. Cities here are taking strides towards denser, more efficient urban growth by embracing Transit-Oriented Development principles, raising fuel efficiency standards for cars, and investing in extensive public transport networks. By 2020, China is expected to have the world's longest metro network. Indeed, China continues to provide valuable lessons on how to effectively manage urbanization at an unprecedented scale. The World Bank, which has engaged in more than 80 projects with China since 1985, will continue to share these lessons with other member countries facing the multi-sectoral challenges of rapid urbanization.

11. **In conclusion, urbanization, in spite of its challenges, presents an opportunity for us to create cities that are liveable, sustainable and resilient.** With forward-looking, integrated urban planning, strong governance and innovative financing, cities can equip themselves to best address these challenges. It is my honor to be invited to join this panel at this year's Mayors Forum, and I look forward to our discussion this morning.

12. Thank you.