



# Cities in Transition

World Bank Urban and Local  
Government Strategy

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The World Bank  
Infrastructure Group  
Urban Development

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# Abbreviations

ADB	Asian Development Bank
AGETIP	Agences d'Execution de Travaux d'Intérêt Public
BOT	Build-operate-transfer
CIDA	Canadian International Development Agency
DAC	Development Assistance Committee
DEC	Development Economics
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ESSD	Environmentally and Socially Sustainable Development Network
EU	European Union
FPSI	Finance, Private Sector, and Infrastructure Network
IDA	International Development Association
IDB	Inter-American Development Bank
IFC	International Finance Corporation
LARI	Land and Real Estate Initiative
LG	Local Government
MEIP	Metropolitan Environmental Improvement Program
NGO	Nongovernmental organization
OD	Operational directive
OECD	Organisation for Economic Co-operation and Development
OED	Operations Evaluation Department
PREM	Poverty Reduction and Economic Management Network
QAG	Quality Assurance Group
TA	Technical assistance
TWU	Transportation, Water, and Urban Development Department
TWURD	Urban Development Division
UMP	Urban Management Program
UN	United Nations
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development

# Foreword and Acknowledgments

The exercise of preparing a new urban and local government strategy for the World Bank began in late 1997 as a cross-sectoral, cross-network effort coordinated by the Urban Anchor and Urban Partnership in the Transportation, Water, and Urban Development Department. With guidance from a Bankwide steering committee, the strategy activity focused initially on organizing eight workshops at the Bank, spanning all the major urban and local governance issues. These workshops brought together speakers and participants from central and local governments, academia, development assistance agencies, nongovernmental organizations, private companies, and numerous thematic groups and units of the Bank. This intensive period of debate and information gathering culminated in a three-day retreat, the Urban Forum, in May 1998, where more than a hundred urban staff and invited participants, including representatives of several donor agencies and local government officials, collectively articulated the main lines of the strategy. Each of the regional urban sector groups presented their views on strategic issues and priorities for their countries.

Based on these and other inputs, a first draft of the strategy document was prepared in July and circulated in the Bank and to external readers. The proposed strategy was also discussed at different stages with managers and staff in the Regional units and in networks and professional groups in the Bank and the International Finance Corporation, with external client focus groups in Sub-Saharan Africa and East and South Asia, and with representatives from several bilateral and multilateral aid agencies. In addition, a sample survey of urban clients was conducted to obtain their views on past and future Bank urban assistance.

The Bank's new urban strategy, *Cities in Transition: A Strategic View of Urban and Local Government Issues*, was discussed and approved by the Board of the World Bank in December 1999. Bank regional urban sector groups have continued to refine and begin implementation of region-specific urban strategies in collaboration with local and national clients and with each region's country teams in the Bank. The Bank's regional urban sector teams, thematic groups of urban experts, the Global Urban Partnership, and the new multidonor Cities Alliance are developing partnerships and defining requirements for implementing the new strategy as the Bank moves into its first fiscal year in the new century.

The strategy exercise has been managed by Christine Kessides, the main author of the draft report, under the direction of Angela Griffin, Anthony Pellegrini, and

members of the Urban and Water Sector Board (Messrs./Mmes. Bullmer, Friere, Gutman, Humplick, al-Khafaji, Khanna, Obeng, Racki, Thalwitz, and Varma). Many people within and outside the institution, too many to name here, have contributed ideas, analysis, and critiques to the production of this strategy, and as a living document it reflects continuing dialogues and debates. The guidance of John Flora, Sonia Hammam, Tim Campbell, Rene Costa, and Amy Osborn deserves special mention, and assistance from Laurent Capes, Katya Massey, Alfiya Mirzagalyamova, and Deepali Tewari is gratefully acknowledged. Tirsit Dinka and Laura Lewis assisted with document production.