

Urban mission and overall strategy objectives: To promote sustainable cities and towns that fulfill the promise of development for their inhabitants—in particular, by improving the lives of the poor and promoting equity—while contributing to the progress of the entire country

ATTACHMENT 1 MATRIX OF STRATEGIC VISION AND ACTIONS TO SUPPORT SUSTAINABLE CITIES

Goals and objectives for sustainable cities	Components and preconditions	Enabling policy and institutional framework	Bank instruments and supporting action ^a
<p>LIVABILITY</p> <ul style="list-style-type: none"> Decent quality of life for all, including basic living standard for the poor Low poverty and inequality Healthful environment (clean air and water, safe waste disposal) Safety and security (including low levels of crime, violence, and natural disasters) Full integration of all groups in urban society, including women and minorities Preservation of cultural heritage of urban areas, for enjoyment by all residents 	<ul style="list-style-type: none"> Households able to build up assets and reduce vulnerability to economic vagaries Secure tenure for all households, including those headed by women Infrastructure and social services, employment and training, and social safety nets available for all groups, designed with attention to gender-based and other differences in needs Viable communities with strong social capital Equitable political representation and opportunities for participation Mitigation and prevention of accidents and disasters Urban growth patterns that minimize negative impact on environment and congestion 	<ul style="list-style-type: none"> Removal of barriers to access to housing, land, credit, and infrastructure Resident participation in service and program design, including through informal institutions Regulatory frameworks and service delivery systems that support informal sector employment Efficient national programs for targeted subsidies (housing, food, transport), unemployment insurance, and welfare programs Gender-sensitive employment policies (such as childcare) Environmentally and socially balanced development of public transport Public justice system that is respected and applied fairly 	<ul style="list-style-type: none"> National urban strategies and action plans (L, P) Programs to provide services to poor communities, such as slum upgrading (L) City development strategies and action plans (L, P) Urban and city-specific poverty assessments (L, P) Urban environmental management strategies action plans (L) and management and improvement projects (L, P) Disaster management and related prevention programs and related assistance (L, P)

- Urban form providing accessibility of jobs and housing in relatively compact, mixed-use developments that foster communities and have minimal adverse environmental impact
- Public green spaces, recreational amenities, and cultural heritage assets protected and accessible to all
- Public and private commitment to respecting and preserving public areas, rights-of-way, and cultural heritage, such as through participatory and market-friendly land use planning
- Homeless shelters and programs for street children
- Social and economic infrastructure reform and investment programs (including public transport and water and sanitation) (P)
- Microcredit to households and small firms (P)
- Policy advice on social protection policies and programs (P)

COMPETITIVENESS

- Growth and increased productivity of city output, broad-based employment, investment, and trade in response to market opportunities
- Efficient factor markets (land, labor, capital), well integrated between rural and urban economies
- Efficient and demand-responsive markets for infrastructure
- Efficient local public administration that is business-friendly
- Healthy industry structures (with fluid entry and exit for firms of all sizes) that integrate informal sector firms
- Investment and industrial development corresponding to the comparative advantage of the city economy
- Legal and regulatory frameworks that support appropriate business incentives and impose minimal transactions costs
- Public-private partnerships to identify market opportunities and remove bottlenecks in developing land, infrastructure, and cultural heritage assets
- Land, real estate, and transport planning that supports spatially efficient land use and adequate supply of developed land for business and residential uses
- Rule of law and property rights protected
- City development strategies and action plans (L, P)
- Housing and real estate development programs and housing finance reforms (L, P)
- Urban regulatory audits (land, housing, business, labor) (L, P)
- Infrastructure subsector investment and reform programs, including public-private infrastructure framework analysis (P)

ATTACHMENT 1 MATRIX OF STRATEGIC VISION AND ACTIONS TO SUPPORT SUSTAINABLE CITIES (continued)

Goals and objectives for sustainable cities	Components and preconditions	Enabling policy and institutional framework	Bank instruments and supporting action ^a
<p>GOOD GOVERNANCE AND MANAGEMENT</p> <ul style="list-style-type: none"> Accountability, transparency, and integrity of local government Local government institutions sensitive to the needs of poor and disadvantaged residents and to gender differences in service requirements Cost-effective fulfillment of local government service obligations 	<ul style="list-style-type: none"> Modern communication and technology services Broad participation of all groups in urban governance, through both formal and informal channels and institutions Clear incentives for performance by all levels of government affecting urban development 	<ul style="list-style-type: none"> Clear frameworks for intra- and intergovernmental assignment and delegation of functions, responsibilities, revenues, and expenditures Mechanisms for objective, independent review of local government performance Good collaboration among local government agencies and informal institutions such as community-based organizations Development and application of management tools and best practices Professionalization and training of local government staff 	<ul style="list-style-type: none"> Macroeconomic dialogue and Structural Adjustment Lending frameworks for stabilization and economic liberalization (P) National urban strategies and action plans (L,P) Self-standing advisory services (L, P) City development strategies and action plan (L, P) Urban management projects (L)

- Appropriate public-private partnership frameworks implemented
- Regular public consultation and oversight in budget and local government decisionmaking
- Incentive structures for public representatives and employees that encourage integrity and minimize corruption
- Support to associations of municipalities for sharing best practices, technical assistance, training, and city twinning (L, P)
- Identification and dissemination of best practices in urban management (L, P)
- City awards for managerial excellence (L, P)
- Municipal management and public integrity training (World Bank Institute) (P)
- Institutional reviews and anti-corruption surveys including local government (P)

BANKABILITY

- Sound financial management permitting fulfillment of service obligations
- Social compact with users for fee-for-services
- Creditworthy local governments able to access market-based credit
- Intergovernmental finance system that is predictable and promotes appropriate incentives
- Sustained tax effort relative to revenue base
- Transparent and efficient management of expenditures, revenues, and municipal assets, publicly disclosed and audited
- Financial management capacity and information systems in municipal governments
- Viable financial institutions willing and able to bear municipal credit risk
- Regulatory and institutional infrastructure for developing capital market instruments for municipalities (bonds)
- Municipal development fund projects (L)
- Municipal finance (expenditure, revenue, and investment) reviews (L)
- Self-standing municipal finance advisory services (L)

ATTACHMENT 1 MATRIX OF STRATEGIC VISION AND ACTIONS TO SUPPORT SUSTAINABLE CITIES (continued)

Goals and objectives for sustainable cities	Components and preconditions	Enabling policy and institutional framework	Bank instruments and supporting action ^a
	<ul style="list-style-type: none"> • Viable domestic municipal finance market 	<ul style="list-style-type: none"> • Financial sector policies that foster development of domestic long-term savings instruments 	<ul style="list-style-type: none"> • Subnational or municipal adjustment loans (L, P) • Policy dialogue and lending to support intergovernmental fiscal reform program (P) • Technical assistance and advisory work on capital market development (P) • Financing or guarantee of municipal public-private investments for credit enhancement and risk mitigation (P)

^a The letters "L" and "P" indicate the Urban Development Unit acts as a leader or a partner in the activity. Items in bold are new emphases of the proposed strategy.