



**Presentation Sustainable Emerging Cities Platform**  
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Introductory remarks.

Everyone knows that our world is becoming more urban every day. Last year, for the first time, more than half of humanity lived in a city. The media constantly report on megacities with populations larger than those of many countries.

Cities as diverse as México, Sao Paulo, Cairo, Mumbai, and Seoul. But we sometimes forget that most of the world's cities are small or intermediate in size.

In fact, there are more than 35 hundred intermediate cities worldwide with populations between 100,000 and 2 million people.

More than 80% of these cities are in developing countries. Roughly two billion people work, sleep and play in these smaller cities. That's almost one out of every three people on the planet.

But we're not just talking about size. Some of these cities are growing much faster than others—both in population and economic production.

In Latin America and the Caribbean, for example, there are some 500 intermediate cities. But only 143 of them are growing fast.

These are what we call emerging cities. They are growing because they offer jobs and economic opportunity. Many are located near agricultural, mining or manufacturing centers.

They trade with Asia, Europe and North America. Others are becoming popular tourist destinations or vital hubs for services.

Although some are isolated geographically, these emerging cities are outward-looking and connected. In Latin America and the Caribbean, nearly all of them have 100% cell phone penetration. More than 40% of their people have Internet access.

On average, the population of these emerging cities is growing two to three times faster than megacities. In fact, giant cities such as Rio de Janeiro and Buenos Aires will essentially stop expanding in the coming decade.

This means that most of the urban growth in the next 20 years will happen in emerging cities. In order to keep up with that growth, city governments will need to spend trillions of dollars on new infrastructure, housing and public buildings. They will also need to find vast new sources of water, electricity and fuel.

As a result, what happens in these emerging cities in the next 20 years will have huge consequences for the rest of the planet. Cities in general already produce approximately 75% of total CO<sub>2</sub> emissions. In Latin America, emerging cities could both contribute to climate change and become victims of it.

Let me give you a specific example. Many of our cities in South America are located around the Andes Mountains. Some of them depend on glaciers for drinking water, irrigation and hydro energy. But in recent years, Andean glaciers have lost 30 percent of their mass, and by 2030 many may disappear entirely.

It is an issue that has captured the attention of former Prime Minister Tony Blair, who has visited emerging cities on every continent.

(Video Tony Blair)

We could not agree more with Mr. Blair. Clearly, not all emerging cities will become sustainable cities. We all know what happened in Latin America when we combined rapid growth with poor planning, lack of financing for infrastructure, and little regard for environmental and climate issues.

No one wants today's emerging cities to become tomorrow's crowded and unhealthy megacities.

That's why when we talk about SUSTAINABLE EMERGING CITIES at the IDB, we're referring to much more than size or economic growth.

We're talking about a commitment to avoid repeating the mistakes of the past. About a collective vision for a different kind of urban future. A future that employs innovative local solutions to ensure a better quality of life for the people of our region.

Making smarter use of local resources can help us tackle global problems like climate change, providing lessons that can be applied in emerging cities in other parts of the world.

Today I would like to introduce you to two emerging cities in our region that have made this commitment. The first is located in the Central American country of El Salvador.

(Video Santa Ana)

In addition to being one of Central America's largest coffee producers, Santa Ana has a dynamic manufacturing sector that specializes in textiles, furniture and leather goods.

Our second emerging city is the capital of the leading Caribbean exporter of natural gas and petrochemicals.

(Video Port of Spain)

As we have seen, these cities are full of energy and opportunity. They have rich histories and talented people. But they also share some very significant challenges.

To begin with, at current growth rates, the populations of these two cities will double by 2030. This year alone, for example, Santa Ana will need to provide housing, water and services for 7,000 more people than last year. In 20 years, Santa Ana could be bigger than El Salvador's capital is today.

Municipal revenues—both from taxes and government transfers—just aren't sufficient to keep up.

And even if they could stop growing now, these cities would still have urgent problems to solve. Let's hear from their mayors.

(Video Mayors)

What will it take to achieve sustainable growth while tackling these challenges?

Clearly, the leaders of these emerging cities will need to make the most effective use of very limited resources. And they will need help. Because few things are harder than simultaneously running a city—and planning for its future.

This is where the IDB comes in. Today we are launching our program for Sustainable Emerging Cities. Our goal is to partner with emerging cities in the region that want to set a new standard for sustainable growth in the developing world.

We are starting with just a few cities, because we want to test a methodology that we can roll out later on a larger scale. Over the last six months, for example, we have worked with the emerging city of Trujillo, in northern Peru, to start perfecting this process.

We will offer grants to finance a comprehensive assessment of a city's challenges. We will work hand-in-hand with local officials and stakeholders, and focus on three key areas:

First we will look at urban sustainability.

We will help the city to evaluate land use. The quality of housing. Public transportation. Energy efficiency. Traffic congestion. Public security. And competitiveness.

Second, we will help the city to examine its environmental sustainability.

This will include traditional issues such as pollution. Water supplies. Waste management. And air quality. But we will also zero in on ways to reduce

greenhouse gas emissions. Adapt to the consequences of climate change. And better prepare for natural disasters.

Third, we will work on fiscal sustainability and governance.

As Tony Blair said, this may be the most crucial ingredient for success. We will look for new ways to increase revenues and get more impact from expenditures.

We will help governments to ensure that decisions about planning and budgets are made transparently. And that the outcome of public investments can be measured.

Most importantly, instead of focusing on individual issues, we will provide an integrated analysis of the city's problems...and the best way to tackle them.

Next, we will help the city prepare an action plan with concrete steps and priorities for the short, medium- and long-term.

These projects will capitalize on solutions—many of them financed by the IDB—that have been proven to work in other cities.

Instead of just managing congestion, for example, we'll help cities to design clean, public bus systems like those we have helped create in half a dozen Latin American countries.

In addition to collecting waste, we will look for solutions like this sanitary landfill in Brazil that generates electricity from methane.

And in low-income communities, we will apply lessons learned from IDB-financed neighborhood improvement programs that combine basic services with improved public safety.

The IDB will work with city officials to identify funding for these projects from public, private and international sources. And we will help establish performance indicators that will allow citizens to monitor progress.

At each step of the way, we will offer advice and technical expertise. And we will help open doors to national and international decision makers.

We will help our emerging cities build a network, and connect them with others around the world.

Calgary, our host city today, is the perfect example of how an integrated and participatory approach to urban planning can pay off.

Calgary grew from 125,000 people after World War II to more than 1 million today. Along the way the city faced many of the problems that come with rapid growth—from congestion to the decline of its downtown area.

Calgary also dealt with the fiscal challenges that come with booms and busts in the energy industry.

But about 20 years ago, people in Calgary started pushing their leaders to find new ways to renew downtown, improve public transport, and protect water supplies.

Calgary's mayors listened. Today this beautiful city is recognized as a world leader in sustainable urbanism. Last year Calgary was ranked the world's top "eco-city" by the Mercer Quality of Living Survey. Ahead of 320 other cities around the world.

At the IDB, we are excited to help this kind of transformation occur in the emerging cities of Latin America and Caribbean.

Today we are honored to have a dozen mayors with us from across the region.

We are very grateful to Calgary's Mayor Nenshi for hosting a three-day program of visits and exchanges for them.

We are also grateful to Tony Blair and to our donors—particularly the Government of SOUTH Korea—for their generous support.

We have a choice. It's not too late to learn from our past mistakes. Today's emerging cities can and should create a new paradigm for human dignity and prosperity in the 21<sup>st</sup> century.

In this closing segment you will hear people from our region. They have high expectations and very specific hopes for the future.

Let's help turn their vision into reality.

Thank you.