

CITIES AND THE MILLENNIUM DEVELOPMENT GOALS



Cities will play a pivotal role in meeting the Millennium Development Goals (MDGs), the world's shared targets for fighting poverty, hunger, and disease. Cities are not only home to half of humanity, and much of the world's poverty, but are also engines of global trade, innovation, and economic growth. Successful urban development is also critically important for rural development, as cities provide both vital inputs and output markets for rural producers.

Yet too many cities in the developing world are failing to thrive. They are experiencing massive population growth, sprawl, environmental stress, and low economic productivity. Too many African cities, even coastal cities with high potential for sea-based trade, are poorly integrated into the world economy. Slum areas are expanding, formal jobs are scarce, and informal employment is the norm rather than the exception. Moreover, urban political authorities are often too disempowered and lacking in the financial and political resources needed to work effectively with civil society to manage urbanisation.

To meet the MDGs, cities in low-income and middle-income countries need to draw up bold, long-term strategies for investments in health, education, infrastructure, and environmental management sufficient to achieve the MDGs in the urban setting. These strategies must build on slum upgrading; security of tenure for poor urban residents; community participation; and enhanced international competitiveness through upgraded urban infrastructure, including industrial zones, telecommunications, power and port facilities.

The city development strategy concept pioneered by the Cities Alliance provides an innovative and operational framework for mapping out these critical investments. I very much hope that

in the near future a large number of local governments will be receiving support from the Cities Alliance to help them prepare and begin implementing MDG-based city development strategies. These strategies would be carried out not only by the local governments themselves, but by governments in collaboration with local community organisations.

Another area where the Cities Alliance has been playing a leading global role is in identifying practical ways to finance urban development. I, therefore, welcome the *2005 Annual Report* of the Cities Alliance as both important and timely. It shows practical ways in which cities can increase domestic resource mobilisation and also tap into international capital markets to finance urban development. In addition to market financing, of course, many cities in low-income countries will require significantly increased official development assistance to meet the MDGs.

With this year's report, the Cities Alliance underscores once again that it is an innovative and highly effective partner for local governments in their quest for sustainable development. This year's report provides a vital pathway for cities that aspire to achieve the MDGs. If the ideas in this year's report are put into action, the world will take an important step closer to ending poverty, reversing the spread of slums, and creating conditions for prosperous and healthy urban environments.

A handwritten signature in black ink, appearing to read 'Jeffrey D. Sachs', written in a cursive style.

JEFFREY D. SACHS

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