

**URBAN REVITALISATION
STRATEGY & OPERATIONAL
GUIDELINES**



2000

CARIBBEAN DEVELOPMENT BANK



**URBAN
REVITALISATION STRATEGY
AND
OPERATIONAL GUIDELINES**

CARIBBEAN DEVELOPMENT BANK

URBAN REVITALISATION STRATEGY AND OPERATIONAL GUIDELINES

**P.O. Box 408, Wildey,
St. Michael
Barbados, West Indies**

**Cable : CARIBANK
Telex : WB 2287
Telefax : (246) 228-9670; (246) 426-7269
Telephone : (246) 431-1600
E-mail : info@caribank.org**

Internet : <http://www.caribank.org>

October 2000

PREFACE

Attached is the Strategy and Operational Guidelines of the Caribbean Development Bank (CDB) applicable, to assistance from CDB, for Urban Revitalisation in its Borrowing Member Countries.

The following CDB documents provide information on CDB's policies and procedures relevant to assistance by CDB for Urban Revitalisation:

- (a) Lending Policies;
- (b) Sector Policy Paper - Environment;
- (c) Environmental Review Guidelines;
- (d) Guidelines for Procurement;
- (e) Procedures for the Selection and Engagement of Consultants by Recipients of CDB Financing; and
- (f) Natural Disaster Management Strategy and Operational Guidelines.

CONTENTS

	Page
1. INTRODUCTION	
Background	1
Scope of the Paper.	2
Urban Revitalisation	3
2. OVERVIEW OF URBAN DEVELOPMENT IN THE CARIBBEAN	
General	5
Survey of Urban Development Issues	6
3. ROLE FOR CDB IN URBAN REVITALISATION	
CDB's Activities in Urban Development	13
Evaluation	13
Assessment of CDB's Strengths	14
Opportunities for CDB's Financial Assistance	15
4. OBJECTIVES AND STRATEGY OF CARIBBEAN DEVELOPMENT BANK-FUNDING	
Objective	17
Strategy	17
Operational Guidelines	21
ANNEX	
Operational Guidelines for Urban Revitalisation	
APPENDICES	
2.1 Population of the Main Urban Areas	
3.1 Summary of Approved Urban Infrastructure Development Projects Funded by CDB (1970-1998)	
3.2 Demographic Profile - Selected CDB BMCs	

CURRENCY EQUIVALENT

Dollars (\$) throughout refer to United States dollars unless otherwise stated.

ABBREVIATIONS

BMCs	-	Borrowing Member Countries
CBDs	-	Central Business Districts
CDB	-	Caribbean Development Bank
DAC	-	Development Advisory Committee
p.a.	-	per annum
ISs	-	Island States

1. INTRODUCTION

Background

1.01 For the purpose of these Guidelines, the term 'urban' will be used to describe an area under residential, commercial and/or industrial use, with a threshold population and population density. which vary from country to country. In the Caribbean, urban areas vary from the bustling metropolis setting of down-town Port-of-Spain, Trinidad to the idyllic picturesque scenery of Charlestown, Nevis. Recent research indicates that worldwide, the urbanisation of the world's population is occurring at an extraordinary rate of 3% per annum (p.a.), and that by the year 2000, over half of the people living on earth will be crowded into urban areas occupying approximately 3% of the land area of the planet. While the availability of infrastructural services, high-rise structures and high housing densities often symbolise progress in development and prestige as a place for business and commerce, the rapid development of cities has brought urban blight and sub-standard living conditions for many. Rapidly growing slums, squatter communities and overcrowded neighbourhoods are a testimony to the often harsh reality of the effects of uncontrolled urbanisation.

1.02 Many Caribbean countries are currently experiencing a range of urban problems, such as:

- (a) inadequate infrastructure facilities such as drainage, solid waste disposal, and sewerage and water supply systems, which are necessary for public health and well-being;
- (b) inadequate road networks that cannot accommodate the increasing number of vehicles;
- (c) declining housing stocks and proliferation of derelict buildings, particularly in city centres;
- (d) social and community services, which are unable to cope with the growing number of issues that confront

urbanising neighbourhoods, such as overcrowding, sub-standard accommodation, poverty and crime; and

- (e) under-skilled urban planners and developers who cannot adequately manage the many critical urban development issues.

These are generally caused by, *inter alia*, limited investment in services and inconsistent local and regional long-range physical and economic planning systems, which limit the ability of governments to adequately develop policies to manage the growth in the urban areas and limit the undesirable effect. As a new wave of poverty invades rapidly growing urban centres, it exacerbates efforts to reduce or eliminate existing levels of poverty in the Caribbean.

1.03 Modernisation of urban infrastructure to facilitate development of service exports is another critical need. National governments throughout the Caribbean are finding it increasingly difficult to respond to the demands of industry and business for the services and infrastructure needed to stay competitive. For example, modern communication systems and inter-island same day or next day courier services, have become essential tools of modern commerce. Tourism development also requires that international consumer standards be met. These bring a variety of customer expectations and satisfaction factors that may be challenging to meet.

1.04 Based on these local, regional and global trends affecting the Caribbean, it is timely for the Caribbean Development Bank (CDB) to develop a strategy and a set of operating guidelines to assist its Borrowing Member Countries (BMCs) in their effort to improve living and working conditions in urban areas.

Scope of the Paper

1.05 These Guidelines outline CDB's strategy and provides operational guidelines for financial assistance to its BMCs for urban

revitalisation. Specifically, the Guidelines give an overview of urban planning in the Caribbean; reviews CDB's past activities in financing urban development projects; and sets out a framework within which, urban revitalisation projects are to be designed. The Strategy and Operational Guidelines take into account contemporary understanding of the complexities of the social and economic conditions in urban areas and have as their principal focus the eradication of poverty and the improvement of basic living standards in urban centres of CDB's BMCs, while at the same time providing the basic infrastructure necessary for sustainable economic activity.

Urban Revitalisation

1.06 Urban revitalisation is a participatory, democratic process whereby those most affected, whether they be residents, retail or commercial interests or local and regional governments where they exist, combine their knowledge of the urban area or neighbourhood to develop solutions that revitalise social and economic conditions, as well as physical infrastructure. By having local representation by residents, business and other community interest groups and by incorporating a strong consultative approach to planning, urban revitalisation projects have met with more success than traditional urban development projects. This is partly due to an increased emphasis on addressing local concerns and issues identified by affected stakeholders; and by developing increased sensitivities to local economies.

1.07 In the context of these Guidelines, the definition of urban revitalisation applies to any project that incorporates the improvement of an urban area, has net positive economic and social impacts, and may reduce the extent and severity of poverty, through the application of any one or combination of the following:

- (a) the development of planning guidelines and policies that preserve and enhance the culture and character of urban neighbourhoods;

- (b) improvement to economic and social infrastructure, such as water supply and sewerage, drainage, roads, power supply, parking, health, educational and recreational facilities and housing;
- (c) the establishment of environmentally sustainable guidelines and policies that assist urban areas in developing planning capacity and construction standards aimed at improving living conditions, protect and preserve the environment and encourage self-sufficiency; and
- (d) the provision of credit for the generation of local employment opportunities, particularly through micro-enterprises.

2. OVERVIEW OF URBAN DEVELOPMENT IN THE CARIBBEAN

General

2.01 Urban areas throughout the Caribbean have emerged based on a range of economic, social, political and historical forces and have served a variety of functions that include:

- (a) military fortifications for protection and defence objectives;
- (b) administrative and/or political capitals and religious centres of worship;
- (c) centres of intra-regional and international trade and commerce;
- (d) local and regional centres of learning and higher education; and
- (e) residential neighbourhoods for the growing number of people who continue to migrate from rural areas to urban areas in search of employment and improved standard of living.

2.02 For the foreseeable future, in addition to fulfilling the historical functions listed above, urban areas in the Caribbean will serve new purposes such as:

- (a) centres for the assimilation and application of modern technology to business and commerce as, evidenced by the rapid expansion of the service sector;
- (b) accommodation for an increasing number of rural workers, who seek service sector jobs as a way of

entering the urban labour market, improving their standard of living, in comparison to diminishing work opportunities in the rural areas; and

- (c) tourism-related services that cater to a broad range of local, regional and international interests.

Survey of Urban Development Issues

2.03 A distinctive feature of urban growth in the Caribbean has been a marked decline in the population of the so-called 'central business districts (CBDs) as these areas become more commercialised, coupled with the growth at the periphery of these CBDs. In Trinidad and Grenada, for example, down-town Port-of-Spain and St. George's have experienced population declines of 2.39% and 0.35% p.a. over the period 1980 and 1990, respectively. During that same period, the corresponding growth in the urban areas of St. George and St. George's have been 1.10% and 1.08% p.a., respectively. Appendix 2.1 shows the population of the main urban area for respective countries expressed as a percentage of the total country population.

2.04 In January 1998, CDB engaged consultants to assist in developing this strategy and operational guidelines. The consultants conducted field surveys and interviews in all 17 BMCs. A number of key observations have been drawn from these meetings and interviews.

- (a) **Limited land area is available for urban development.** CDB's BMCs comprise 15 Island States (ISs) and two mainland states, one in South America (Guyana) and the other (Belize) in Central America. Many ISs are themselves made up of individual islands. The small size of these islands, soil types, relief and vulnerability to natural hazards, limit the area available for urban development and other land use options. As populations grow in these ISs, there is need for resolution of land use issues.

- (b) **Economic conditions have favoured migration to urban areas.** There has been a dramatic shift in the agricultural economy of the Caribbean which, has forced BMCs to build urban and tourism infrastructure to sustain economic growth and offset the decline of traditional agricultural export commodities, such as banana and sugar. Side by side, with the reduction of the agricultural economy, is the migration of workers from rural to urban areas attracted by opportunities for better education as well as jobs, social and health services and physical infrastructure. In this context, governments' investment strategies and pricing policies have deliberately or inadvertently favoured urban over rural development and have exacerbated rural to urban migration. In addition, many urban centres in BMCs, in particular those in the Northern Caribbean, have had to deal with the challenges posed by external migration from nearby countries. These factors have resulted in the rapid growth of urban centres and pressure on existing infrastructure and services, generating problems of overcrowding and the emergence of squatter communities. Fragmented ownership of land, and complicated historic land tenure rights, have stymied efforts at a resolution of overcrowding and squatter regularisation in urban areas in the Caribbean.
- (c) **Poverty is pervasive in most BMCs.** Poverty assessment surveys financed by the Department for International Development of the United Kingdom, World Bank, Inter-American Development Bank and CDB indicate that poverty is pervasive in almost all of its BMCs. High urban unemployment, decline in real wages, price increases (tempered in recent times by single digit inflation) and cuts in public expenditure have eroded the quality of life for urban residents and

have had severe effects on the poor. In addition, social planning aimed at sustaining the quality of urban services, amenities and standard of living is virtually non-existent.

- (d) **Few urban household members are in regular employment.** The same poverty assessment surveys suggest that, in many BMCs, few urban household members are in regular employment. The informal economy has played a part in providing a livelihood to many urban households, the poorest of which are frequently headed by women. There is need to create better economic opportunities for urban residents, especially the poor, as urban areas are redeveloped.
- (e) **Urban poverty is closely linked to crime and violence.** Throughout the Caribbean, urban poverty is closely linked to crime and violence. Crime and violence exacerbate poverty through the resulting stigma of poor areas resulting in a lack of work and employment opportunities; disruption in the delivery of social and infrastructural services; and a general breakdown of family and social structures and institutions. The high incidence of crime and other forms of anti-social behaviour has over the years eroded public confidence in urban areas as being ideal locations for residential, industrial or commercial activity. Therefore, reducing poverty is a critical element in reducing violence and in the restoration of public confidence in the safety of urban areas.
- (f) **The history and heritage of urban areas need to be preserved.** Simultaneous with the migration of people from the countryside to the city, and the occupation of more land in city centres, there are critical concerns among many BMCs for the need to preserve the history

and heritage of urban areas as a means of promoting cultural values, as well as attracting and sustaining a tourist economy. While government departments often work with non-profit organisations such as National Trust Institutions, limited funding and an overall lack of historic and heritage planning are accelerating the decay and loss of much of the unique historic character and cultural heritage of Caribbean countries.

- (g) **There is a lack of ‘on-the-ground’ local administrative and professional skills.** Monitoring and enforcing existing planning, development and environmental guidelines are enormous problems due to limited human and other resources. There is an immediate need for institutional capacity building, staff training and resource provisions to plan properly for growth and development.
- (h) **There is a lack of long-range planning.** Because senior administrative, physical planning and engineering units in BMCs are understaffed and forced to react to the daily pressures of development controls and managing planning approvals, there is little opportunity to undertake long-range planning. Therefore, a number of urban infrastructure projects, such as roads, and water and sewerage, have been undertaken without the benefit of any long-range national or regional planning.
- (i) **Inappropriate and inadequate legislative framework are used to manage growth and development.** Despite the best of intentions, much of the planning and development legislative framework throughout the Caribbean Region is inappropriate and unwieldy. Several countries still function under the 1947 Town and Country Planning Act of the United Kingdom, or others have modelled their legislation in the 1960s and 1970s

on the same basis. Some BMCs have looked to the United States of America and created Zoning and Development Acts more aligned to urban America than the Caribbean. Planning legislation in most BMCs has only recently started to incorporate environmental assessment and controls as an integral part of urban and national development. Previous legislation has been silent on policies of environmental protection and environmental sustainability. However, recent funding requirements of international finance institutions have demanded such considerations.

- (j) **There is a need for a commitment to the principles of sustainable development.** Generally, public/private planners and developers do not give high priority to the principles of sustainable development. This is due to limited knowledge and an unwillingness to depart from traditional development approaches.
- (k) **There are risks associated with urban development projects.** There have been significant risks with urban development projects in the past for government departments, investors and financiers. Often, planning staff have had little involvement in the implementation process. Where partnerships with the private sector and with other *quasi*-government development agencies have been attempted, there has been limited success because of the lack of experience of government and non-governmental agencies.
- (l) **Problems exist in the allocation of funding for projects.** Many of the international financial institutions which currently fund projects in the Region have been perceived to be very slow in deciding how funding is allocated to proposals they receive. Often approval for funding of urban development projects can

take several years and during that time, the cost of projects escalate or the focus of projects change.

- (m) **Shifts in political priorities impact the success of urban development projects.** Often, the reasons for past failures in urban development revolve around the lack of local sensitivity, lack of any deep commitment on the part of key players, and participants. Another reason is that a chronic incapacity and shortage of organisational skills in government departments result in insufficient resources to fulfill mandates.

- (n) **Additional support and financial assistance for urban development are needed.** There is a growing need for BMCs to have additional support and financial assistance in managing urban growth and urban development, but there is no one financing agency that national governments, non-profit organisations or charitable agencies can turn to for either initial seed funding or financial assistance to plan, build and develop projects. There is a need for a funding agency with regional sensitivities, timely procedures and local familiarity with the Caribbean to perform this function.

3. ROLE FOR CDB IN URBAN REVITALISATION

CDB's Activities in Urban Development

3.01 Since the inception of CDB, there have been many attempts by BMCs to improve urban areas and urban infrastructure, assisted in part by a wide range of bilateral and multilateral funding agencies. Appendix 3.1 lists projects (including technical assistance and capital) that can be classified as urban infrastructure or urban development which were financed by CDB.

Evaluation

3.02 A number of key observations can be made on these early contributions to urban development:

- (a) some urban projects, while not having a specific poverty reduction focus, partially met this goal through the delivery of shelter and basic infrastructure services to low-income families;
- (b) projects involving improvement or new construction of water supply and sewerage systems, electricity and solid waste disposal services, contributed to an improvement in health and environmental conditions and facilitated the development of economic activity in urban areas; and
- (c) through the institutional strengthening of government agencies involved in executing infrastructure projects, CDB-financed projects have contributed to the sustained operations of urban systems and facilities.

However, CDB's traditional sector-specific, time and cost-bound, incremental approach to past urban development financing will have to be refined to meet the needs of current and future urban development. Such needs are embodied in urban revitalisation and require:

- (i) multi-sectoral actions/activities;
- (ii) widespread stakeholder participation and consensus building, including public/private partnerships matched with a concern for and empowerment of the poor and disadvantaged; and
- (iii) sustainable approach to development rooted in sound social, environmental, physical and economic planning principles.

Assessment of CDB's Strengths

3.03 CDB's strengths include:

- (a) existing relationships with governments and other funding agencies operating in the Region;
- (b) its hierarchy of grant and loan mechanisms, ranging from seed funding for the start-up of micro-enterprises, to loan funding for full scale joint venture public/private partnerships in larger urban development and urban revitalisation projects;
- (c) its ability to garner professional planning services and offer guidance in the establishment of financial and economic procedures, whereby both the public and private sector can forge partnerships to develop cost-effective solutions for a broad range of infrastructure and development demands of growing cities; and

- (d) its intimate knowledge, unique regional perspective and in-house local professional expertise, as well as a broad cultural, social and economic understanding of the different Caribbean countries.

Opportunities For CDB's Financial Assistance

3.04 It is evident from both the field work and from discussions with international financial institutions and private sector banks operating in the Caribbean Region, that there are opportunities for a development banking institution like CDB to successfully offer financing for urban revitalisation. The following highlights these opportunities.

- (a) Although not matching the world's average annual urban population growth rate of 3%, the Caribbean, at an estimated growth rate of 1.5%, is experiencing rapid urbanisation of its population as indicated at Appendix 3.2, which gives demographic data, including urban population growth rates for several BMCs. The continuing movement to urban areas by the rural residents as evidenced by the higher urban population growth rate as compared to the national average, will further exacerbate demand for urban land and create a need to improve and redevelop existing urban areas. In addition, in the face of mushrooming slums and sordid living conditions in some countries, there will be an urgent need to upgrade squatter settlements and provide affordable housing to low income groups.
- (b) The shift from agrarian-based economies to service sector and tourism-based economies has increased the need for the provision of facilities in urban areas to take advantage of development opportunities in technology-based services, craft and the entertainment industry.

- (c) There is a growing economic imperative to find alternative sources of employment and wealth creation. In this regard, policy dialogue with governments would centre around the removal of constraints that inhibit the productivity and growth of the informal economy and the reforming of regulations and bureaucratic practices that limit access of the poor to infrastructural services, credit and markets.
- (d) In order for the Caribbean to achieve a sustainable rate of economic growth and take advantage of future economic opportunities, urban centres in the Caribbean will have to be redeveloped to serve the needs of local residents and the expectations of international visitors. In addition, any future redevelopment and new development must protect the unique character and history of the Caribbean, for the Region to distinguish itself from a variety of other world-class tropical vacation destinations and stay distinctive and competitive in the world tourism marketplace.
- (e) The traditional economic ties that BMCs have with developed countries in Asia, North and South America and Europe, offer potential for a wide variety of external financial partnerships with CDB, to fund projects.
- (f) Most BMCs indicate that they are contemplating a wide range of physical infrastructure 'urban revitalisation' projects. The Urban Revitalisation Study Consultants have estimated the overall cost of these capital works to be at least \$50 million, over the five-year period 2000 to 2005. There are also widespread opportunities for assistance for institutional capacity building, skills training and public awareness programmes.

4. OBJECTIVES AND STRATEGY OF CARIBBEAN DEVELOPMENT BANK-FUNDING

Objective

4.01 CDB's activities for the development of urban areas in its BMCs will be directed at providing the enabling social and economic conditions and physical infrastructure to contribute to equitable and sustainable economic benefits to the recipient urban community.

Strategy

4.02 In pursuance of the foregoing objective, CDB's strategy will be to adopt the urban revitalisation model for urban development in its BMCs. CDB will therefore support:

- (a) Programmes and projects that will:
 - (i) **Have a clearly defined economic objective.** It is critical that the economic objective for an urban development policy be clearly defined, the results capable of measurement and appraisal, and the benefits meaningful to all project participants. Such economic objectives may include:
 - (aa) reduction of poverty through job creation, job retention and empowerment of beneficiaries;
 - (bb) generation of improved tax base revenues to government;
 - (cc) increase in property values; and
 - (dd) increased economic stability and the creation of new functional linkages with

other economic activities elsewhere in the community.

- (ii) **Embody principles of environmental sustainability and the efficient and effective use of local resources.** In keeping with environmental guidelines approved by CDB in February 1995, it will be important that urban revitalisation projects meet the environmental standards expected of all projects funded through CDB. In addition, projects should be screened to assess the sustainability of the project over time, to ensure that projects are encouraged to utilise local skills and resources for the long-term benefit of the community.
- (iii) **Develop economic and social infrastructure to support economic activity and improve the quality of life of urban residents.** Urban areas currently represent a high investment in social and economic infrastructure which makes their rehabilitation and enhancement a prudent and efficient use of resources. In addition, to support economic activity and improve the quality of life of urban residents, investment is needed for deferred improvements to these services, together with expansion to meet future demand.
- (iv) **Utilise design and construction techniques which will make the facilities adequately resistant to damage by natural hazards and which can be affordably maintained and managed.** CDB's BMCs are at risk to many natural hazards including tropical storms and hurricanes, rain storms, droughts, earthquakes and volcanoes.

In keeping with its Strategy and Operational Guidelines for Natural Disaster Management approved in 1998, CDB will promote the enactment and obligatory application of building codes and regulations in its BMCs. CDB will also support:

- (aa) the preparation of physical development plans which incorporate hazard maps; and
 - (bb) the strengthening of the Region's insurance industry.
- (b) **The improvement of physical, social and economic development planning for urban areas.** Urban development must be set within the context of a comprehensive physical development planning process for the area concerned. This includes the assessment of land use planning and zoning implications, along with traffic and transportation considerations, and with architectural or design guidelines that would respect any heritage or cultural values within the project area. Therefore, an important element of CDB's strategy will be to support and encourage the development, refinement and completion of a wide range of comprehensive physical planning and urban development guidelines that are in process, or in the pipeline throughout the Caribbean Region. In addition, CDB will support measures for institutional strengthening of development planning agencies.

- (c) **Organisational management structures which may include the private sector acting on its own, public/private partnership or a public sector agency.** It is evident, from past international experience, that the most successful urban development projects have benefitted from being under the control or aegis of a development organisation. The structure of such an organisation could assume the following forms:-
- (i) Full private sector development company that would be contractually responsible for overall development of a project, whether its client is the public or private sector, or a combination of both.
 - (ii) A public/private sector partnership, in which a legally binding agreement provides both parties with a specific formula for contribution of resources and the share of the proceeds of the project once completed.
 - (iii) Full public sector management similar to the traditional urban development project (urban renewal) in which the public sector alone carries out any preparations of the site for development opportunities to be completed by others, including the private sector.
- (d) **Collaboration with other funding agencies.** Given the degree of interest in the Region for urban revitalisation, the likely large funding requirements, combined with the increasing demands on scarce financial resources experienced by all international financial institutions, a key strategy will be the mobilisation of funding from regional and international financial institutions, as well as contributions from beneficiary BMCs. The expectation is that by combining resources from a

variety of agencies and institutions, project financing could be raised and managed in amounts that would be prohibitive for one party alone.

Operational Guidelines

4.03 In pursuance of the foregoing objective and strategy, Operational Guidelines have been developed and are presented at the attached Annex.

ANNEX

OPERATIONAL GUIDELINES FOR URBAN REVITALISATION

Urban Revitalisation

1. The term ‘urban revitalisation’ is used to represent a participatory, democratic process, whereby those most affected, whether they be residents or retail or commercial interests, combine their knowledge of an urban area, or a neighbourhood therein, to develop solutions that revitalise social and economic conditions as well as physical infrastructure. By having local representation by residents, business and other community interest groups and by incorporating a strong consultative approach to the planning process, urban revitalisation projects to be financed by CDB will place emphasis on addressing local concerns and issues identified by affected stakeholders; and be sensitive to local economies.

Types of Urban Revitalisation Projects

2. Urban revitalisation applies to any project that incorporates the improvement of an urban or urbanising area through the application of any one or more of the following:

- (a) the development of planning guidelines and policies that preserve and enhance the culture and character of urban neighbourhoods;
- (b) improvement to economic and social infrastructure, such as water supply and sewerage, drainage, roads, parking, health, education and recreational facilities, housing and commercial enterprises;
- (c) the establishment of environmentally sustainable guidelines and policies that assist urban areas in developing planning; and construction aimed at

improving living conditions, protect and preserve the environment and encourage self-sufficiency;

- (d) the provision of credit for the generation of local employment opportunities, particularly through micro-enterprises; and
- (e) the implementation of projects which have net positive social impact and which reduce the extent and severity of poverty.

Urban Revitalisation in the Context of CDB's Existing Operations

3. Urban revitalisation embodies multi-sectoral actions/ activities. Therefore, a single urban revitalisation project could be expected to include and be carried out in accordance with a number of current CDB policies and procedures. Where a specific policy or procedure has not been mentioned in these Guidelines, CDB's normal policies and procedures or guidelines will apply, in particular:

- (a) Technical Assistance Policies and Procedures;
- (b) Operational Policies and Procedures for the Identification, Preparation and Appraisal of Projects;
- (c) Procedural Guidelines for the use of the Project Preparation Assistance Facility;
- (d) Guidelines for Procurement;
- (e) Procedures for the Selection and Engagement of Consultants by Recipients of CDB Financing;
- (f) Lending Policies; and

- (g) Policy on the Security and Insurance to be provided by borrowers for facilities financed by CDB.

Integrated Development Framework

4. An urban revitalisation capital project to be financed by CDB will be normally designed and implemented within a framework of:

- (a) participation of all relevant stakeholders, including empowerment of the poor and disadvantaged;
- (b) a comprehensive land use development plan for the area under construction;
- (c) a sustainable approach to development rooted in sound social, environmental, physical and economic planning principles;
- (d) multi-sectoral actions/activities; and
- (e) institutional arrangements for project implementation that recognise the value of the involvement by the private sector.

Financial Support for Funding Comprehensive Land Use Plans

5. To ensure success, urban revitalisation must take place within a framework of suitable land use plans supported by appropriate legislation. Therefore, CDB will support the preparation of land use development plans for urban centres within its BMCs, as well as state-of-the-art technology such as geographic information systems. As an extension of the work commenced by the United Nations Development Programme, CDB will promote the enactment and obligatory application of physical development and building legislation.

Institutional Capacity Building

6. CDB's BMCs must have the institutional capacity for inspection and for the monitoring and enforcement of development and building regulations. Therefore, CDB will finance training, skills enhancement and skills transfer, and other aspects of institutional capacity building.

Institutional Arrangements and Support for Public/Private Partnerships

7. Recognising the need to have sustainable projects and to attract private capital and private sector involvement, CDB will support the involvement of the private sector and, in particular, public/private partnerships in the policy formulation and implementation of urban revitalisation projects in the Region. Such public/private partnerships may take the form of:

- (a) a full private sector development company that would be contractually responsible for overall development of a project, whether its client is the public or private sector, or a combination;
- (b) a public/private sector partnership, in which a legally binding agreement provides both parties with a specific formula for contribution of resources and the share of proceeds of the project once completed; and
- (c) full public sector management similar to the traditional urban development project (urban renewal) in which the public sector alone carries out any preparations of the site for development opportunities to be completed by others, including the private sector.

8. CDB will also support the involvement of non-profit organisations which have been set up to carry out urban revitalisation projects.

Physical and Economic Development Planning

9. For urban revitalisation to be successful, clear linkages must be established between physical, social and economic development. Therefore, urban revitalisation plans will normally establish linkages between job creation and job protection, tax base creation, increase in property values, lifestyle improvements and economic benefits to affected neighbourhoods, reduction of poverty, economic sustainability and economic self-sufficiency. In addition, the extent and efficacy of a proposed physical plan should be considered along with an assessment of the infrastructure development requirements.

Environmental Analysis

10. Urban revitalisation must be undertaken within the context of a sustainable approach to the management of the urban environment. Therefore, urban revitalisation will:

- (a) develop environmental management strategies that will respond to the circumstances of individual urban areas;
- (b) identify programmes of curative action to redress the most serious environmental consequences of past public policies and private actions; and
- (c) ensure that environmental considerations are fully integrated into all aspects of project development. In this regard, the current policy as established in CDB's Environmental Policy and Procedures as set out in CDB's Environmental Review Guidelines would apply.

Social Analysis

11. CDB will pay special regard to urban revitalisation projects which have a specific goal of poverty reduction and the protection/improvement of the livelihood and assets of the poor. Such projects must include identifiable measures that impacts positively on the poor. CDB will support measures that promote:

- (a) human resource development of the urban poor, such as education and vocational training in keeping with its Human Resource Development Policy;
- (b) access of the poor to infrastructural services and housing to meet their basic needs, in particular, community development activities designed to improve such infrastructural services and housing;
- (c) alternative sources of employment and wealth creation; and
- (d) the removal of constraints that inhibit the productivity and growth of the informal sector, by reforming regulations and bureaucratic practices that limit access of the poor to infrastructural services, credit and markets.

Heritage Preservation

12. CDB recognises that priority has to be placed on preserving the history and heritage of urban areas as a means of promoting cultural values, as well as developing and sustaining a tourist economy. CDB will therefore support public sector organisations, as well as organisations such as National Trust Institutions, in their efforts at historic and heritage planning, and the preservation of the historic character and cultural heritage of Caribbean countries.

Collaboration with Other International Financial Institutions

13. Given the anticipated large funding requirements for the urban revitalisation proposals, CDB will cooperate and collaborate with regional and international financial institutions operating in the Caribbean Region. It is anticipated that such a collaboration will see a better utilisation of financial resources in the Region, eliminate unnecessary overlapping of project feasibility studies, and help to focus economic and urban development in a coordinated and more productive fashion. CDB will also encourage its borrowers to draw on the experiences of lessons learnt from previous urban development projects/programmes in the development and implementation of urban revitalisation efforts.

Land Management

14. Urban lands in the Region are characterised by fragmented ownership. Urban revitalisation normally requires large tracts of land under single ownership or control. Therefore, CDB will support a cooperative approach to land assembly that encourages landowner participation or land swaps as alternatives to the utilisation of the power of compulsory land acquisition by governments. CDB will also support efforts towards resolving land tenure issues, particularly in uncontrolled settlements, as a means of improving living conditions in urban areas and reducing urban poverty. However, CDB will be cautious in its support of proposals that could result in change of use of prime agricultural lands to accommodate urban development.

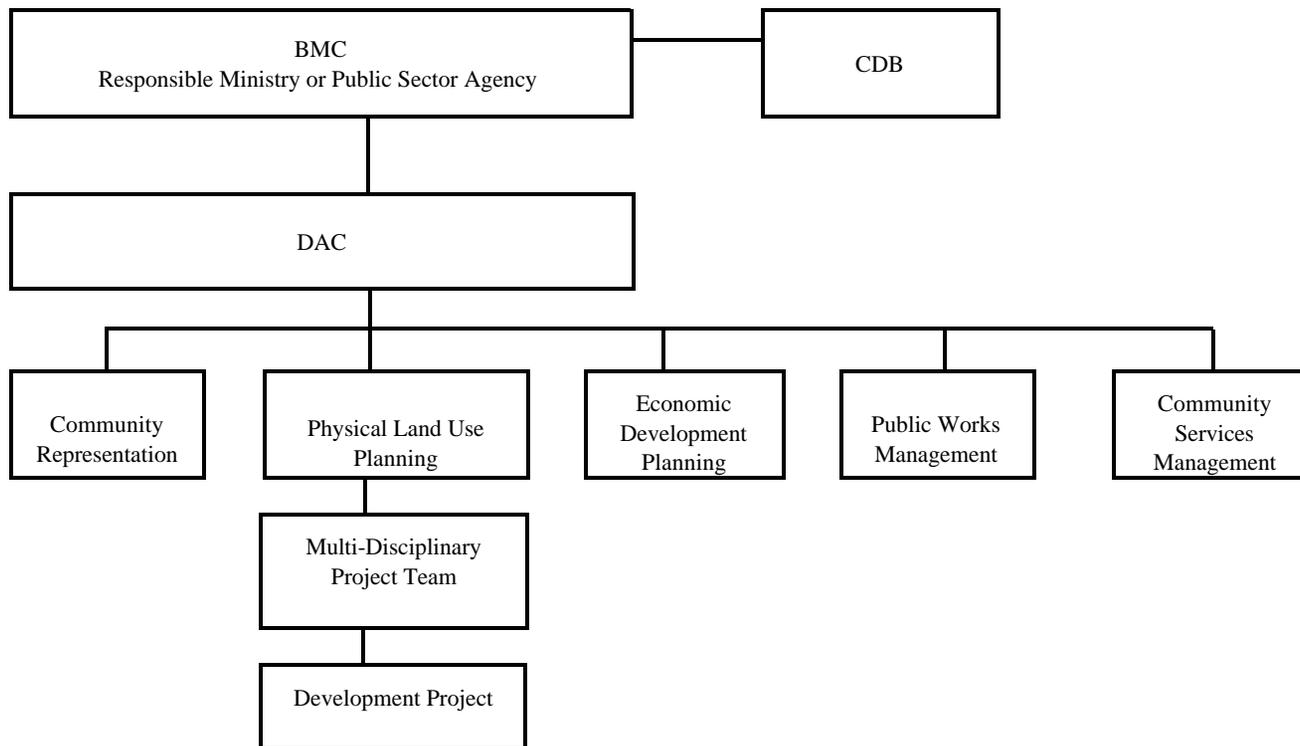
Organisational Framework

15. Due to the range of organisational structures in different BMCs, and based on experiences in other sector policy areas, CDB will, in general, pursue a two-tier organisational framework for urban revitalisation projects.

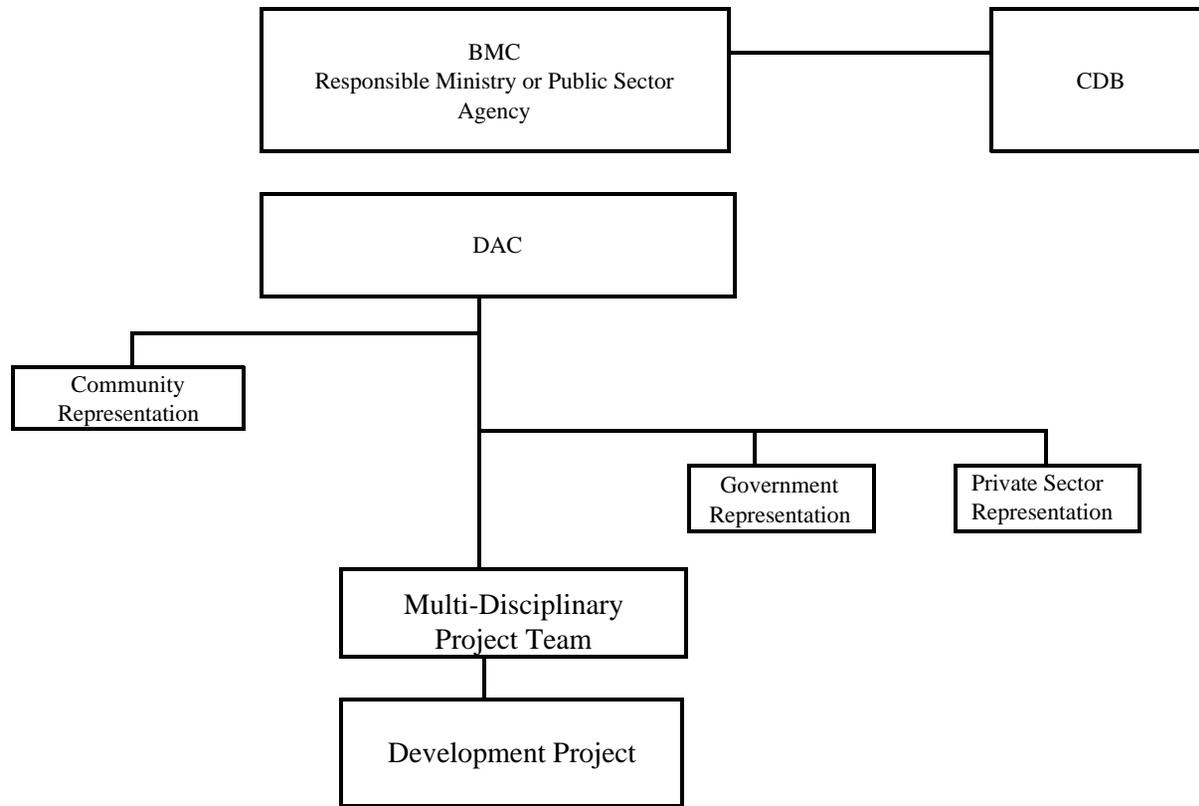
- (a) For those projects seeking seed funding, institutional capacity funding or public sector-led project funding through a government, a Development Advisory Committee (DAC) will be established to execute the project. DAC will coordinate the activities of the various stakeholders for the project and will be responsible for implementation of the project through a multi-disciplinary project execution team. In cases where funding is requested for institutional capacity building, CDB may consider delegating the authority to allocate funds to DAC for amounts up to a certain value. It is anticipated that, once project review and selection have taken place, the role of CDB will be advisory and supportive and the responsibility for execution of urban revitalisation will reside in DAC.

- (b) For those projects that intend to embark on public/private partnerships or public/non-profit partnerships, the role of DAC will be replaced by a development committee representing the joint venture partners.

ORGANISATIONAL CHART
FOR PUBLIC SECTOR-LED URBAN REVITALISATION



ORGANISATIONAL CHART FOR PUBLIC-PRIVATE PARTNERSHIPS



Project Risks

16. While each urban revitalisation project would have different characteristics, there is a discrete list of principal risk factors that will be considered for such projects, including macroeconomic, implementation, market, and financial and economic viability risks. These risks would, for the most part, be offset by:

- (a) economic - country macroeconomic reviews;
- (b) implementation - realistic projections for implementation schedules and design of proposals that are derived from sound technical analyses to ensure realistic cost estimates;
- (c) market - thorough examination of the market to produce realistic demand projections ; and
- (d) viability - thorough financial and economic analyses.

APPENDIX 2.1

POPULATION OF THE MAIN URBAN AREAS^{a/}
(Percentage of total population)

Country	Main Metropolitan Area	Year		
		1970	1980	1990
Antigua and Barbuda	St. John's	34.2	-	35.9
The Bahamas	Nassau	60.1	64.6	67.6
Barbados	Bridgetown	47.0	46.6	44.8
Belize	Belize City	32.6	27.9	26.5
Dominica	Roseau	28.0	27.8	-
Grenada	St. George's	31.9	33.0	39.6
Guyana	Georgetown	23.4	24.0	29.7
Jamaica	Kingston	26.1	24.0	24.6
St. Kitts and Nevis	Basseterre	30.9	33.0	40.5
St. Lucia	Castries	40.5	37.9	45.9
St. Vincent and the Grenadines	Kingstown	27.0	25.7	24.3
Trinidad and Tobago	Port-of-Spain	30.4	32.2	-

^{a/} Main urban area refers to the city in question plus the high density zones in its environment.

Source: World Development Report - United Nations

**SUMMARY OF APPROVED URBAN INFRASTRUCTURE
DEVELOPMENT PROJECTS FUNDED BY CDB (1970 - 1998)**

BMCs	Housing	Parks/Open Space	Solid Waste Infrastructure	Tourism Infrastructure	Water/Electricity Infrastructure	Road/Transit Infrastructure	Development Planning
Anguilla		1					
Antigua and Barbuda	4			2			
The Bahamas			1				
Barbados	1						
Belize				1	4 combined sewerage and water 3 electricity		
British Virgin Islands				1	1 electricity		
Cayman Islands			1	1			1
Dominica	2		1		2 water		
Grenada	1				2 water		1
Guyana					1 water		
Jamaica				1		1	
Montserrat	1						
St. Kitts and Nevis	2					2	
St. Lucia	1		2		4 water 1 electricity	3	
St. Vincent and the Grenadines*	2				3 water 1 electricity		
Trinidad and Tobago					1 water		
Turks and Caicos Islands.	1						
Total	15	1	5	7	23	6	2

* Grenadines Multi-Project (2)
Source: CDB Reports

APPENDIX 3.2

DEMOGRAPHIC PROFILE - SELECTED CDB BMCs

Country	Annual Population Growth Rate (%)		Urban Population (as % of Total)			Urban Population Annual Growth Rate (%)	
	1960-1993	1994-2000	1960	1993	2000	1960-1993	1994-2000
Antigua and Barbuda	0.5	0.6	40	46	47	0.3	1.2
The Bahamas	2.7	1.4	74	86	89	3.2	1.9
Barbados	0.4	0.4	35	46	50	1.2	1.7
Belize	2.4	2.7	54	47	47	2.0	2.5
Dominica	1.0	-	47	69	71	N/A	N/A
Grenada	-0.4	0.3	32	34	38	N/A	1.08
Guyana	1.1	1.1	29	35	40	1.7	2.9
Jamaica	1.2	0.8	34	53	56	2.6	1.7
St. Kitts and Nevis	0.6	0.3	28	41	46	0.6	0.8
St. Lucia	1.0	1.3	39	47	51	1.6	2.0
St. Vincent and the Grenadines	1.0	0.9	14	45	52	4.9	2.9
Trinidad and Tobago	1.3	1.1	65	71	74	1.6	1.8

N/A - not available

Source: World Development Report - United Nations