

WORLD BANK REPORT 2030: NATIONAL

NEWS: World Bank Report: By 2030, Indian cities to create 70% of jobs but may lose \$5 bn to floods; need greater autonomy to counter climate risks

WHAT'S IN THE NEWS?

The World Bank report, "Towards Resilient and Prosperous Cities in India," warns that Indian cities face significant economic losses from climate events like floods and heatwaves, requiring a massive \$2.4 trillion investment by 2050 for climate-resilient infrastructure. It recommends greater autonomy for urban local bodies and increased investment in green infrastructure to mitigate these growing risks.

Key Highlights of World Bank Report on India:

- **Growing Urban Burden and Economic Vulnerability:**
 - **Employment Hubs:** By 2030, Indian cities are projected to generate a substantial 70% of all new employment in the country, signifying their critical role in economic growth.
 - **Climate-Related Economic Losses:** Despite their economic importance, Indian cities face a severe risk of significant economic losses due to escalating climate events like floods and heatwaves, unless substantial resilience investments are made.
- **Escalating Flood-Related Losses:**
 - **Pluvial Flooding:** The report specifically highlights the increasing threat of pluvial (rain-related) flooding, which is exacerbated by rapid, often unplanned, urbanization and the proliferation of impervious concrete surfaces.
 - **Projected Damages:** Annual damages from pluvial flooding are estimated to reach \$5 billion by 2030 and could surge to an alarming \$30 billion by 2070 if no corrective actions are taken.
- **Rising Extreme Heat Stress:**
 - **Increased Exposure:** Between 1983 and 2016, 10 major Indian cities experienced a substantial 71% increase in exposure to dangerous heat stress, indicating a worsening trend.
 - **Urban Heat Island Effect:** The "urban heat island" phenomenon, where concrete structures absorb and release heat, further intensifies night-time temperatures in cities, creating more hazardous conditions.
- **Massive Investment Needs for Resilience:**
 - **Climate-Resilient Infrastructure:** Indian cities will require an enormous investment of \$2.4 trillion by 2050 to build climate-resilient infrastructure and services, including housing, public transport, solid waste management, and municipal services. This also includes low-carbon development pathways.

- **Autonomy for Enhanced Response:**

- **Improved Resource Mobilization:** The report emphasizes that cities with greater decision-making powers and autonomy have demonstrated superior capabilities in mobilizing resources and building resilience against climate impacts.

Recommendations for Policy Action:

- **Empowering Urban Local Bodies (ULBs) through the 74th Constitutional Amendment:**

- **Effective Climate Adaptation:** The report strongly recommends implementing aspects of the 74th Constitutional Amendment, which can empower Urban Local Bodies (ULBs) with greater autonomy. This empowerment would enable them to effectively invest in and manage climate adaptation and mitigation projects at the local level.

- **Strategic Investment in Flood-Resilient Infrastructure:**

- **Protecting High-Risk Cities:** A significant investment of \$150 billion is recommended over the next 15 years to develop flood-resilient infrastructure. This investment aims to protect approximately 60% of high-risk cities in India from the increasing threat of pluvial flooding.

- **Promoting Urban Greening & Cool Roofs for Heat Mitigation:**

- **Saving Lives:** Implementing strategies like urban greening (planting more trees, creating parks) and adopting "cool roofs" (designed to reflect sunlight and absorb less heat) can be highly effective. These measures have the potential to prevent an estimated 1.3 lakh (130,000) deaths annually by 2050 due to extreme heat. They can also significantly increase India's GDP by up to 0.4% through reduced productivity losses.

- **Mobilizing Private Capital for Resilience:**

- **Financing Roadmaps:** The report stresses the importance of developing clear financing roadmaps to attract private capital for urban resilience initiatives.
- **Municipal Capacity Building:** Enhancing the capacity of municipal bodies to plan, execute, and manage climate-resilient projects is crucial to effectively utilize private investments and support comprehensive resilience planning. This includes improving their ability to conduct detailed risk assessments and improve fiscal and fiduciary capacity.

About the World Bank:

- **Global Development Institution:** The World Bank is a prominent global development institution dedicated to providing financial and technical support to developing countries. Its primary objectives include fostering sustainable growth, reducing poverty, and supporting infrastructure development.

- **Establishment:** It was established in 1944 during the Bretton Woods Conference in New Hampshire, USA. Its initial aim was to aid in the post-World War II reconstruction of war-torn economies.
- **Headquarters:** Its headquarters are located in Washington, D.C., USA.
- **Membership:** The World Bank currently comprises 189 member countries.
- **Five Institutions of the World Bank Group:** The World Bank Group is composed of five distinct institutions:
 - **International Bank for Reconstruction and Development (IBRD):** Provides loans and assistance to middle-income and creditworthy low-income countries.
 - **International Development Association (IDA):** Offers concessional loans and grants to the world's poorest countries.
 - **International Finance Corporation (IFC):** Focuses on private sector development in developing countries.
 - **Multilateral Investment Guarantee Agency (MIGA):** Provides political risk insurance and credit enhancement.
 - **International Centre for Settlement of Investment Disputes (ICSID):** Facilitates arbitration and conciliation of international investment disputes.
- **Notable World Bank Reports:** The World Bank produces several influential reports that serve as key references for global economic and developmental trends:
 1. *World Development Report*
 2. *Global Economic Prospects*
 3. *Ease of Doing Business Index* (discontinued, replaced by Business Ready)
 4. *Business Ready (B-READY)*
 5. Various sectoral studies on critical issues such as climate adaptation, poverty, and infrastructure.

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