Chapter One

01

THE STATE OF AFRICAN CITIES

An eviction in Nairobi, Kenya.
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1.1
Urban Geography, Economic Growth and Human Development

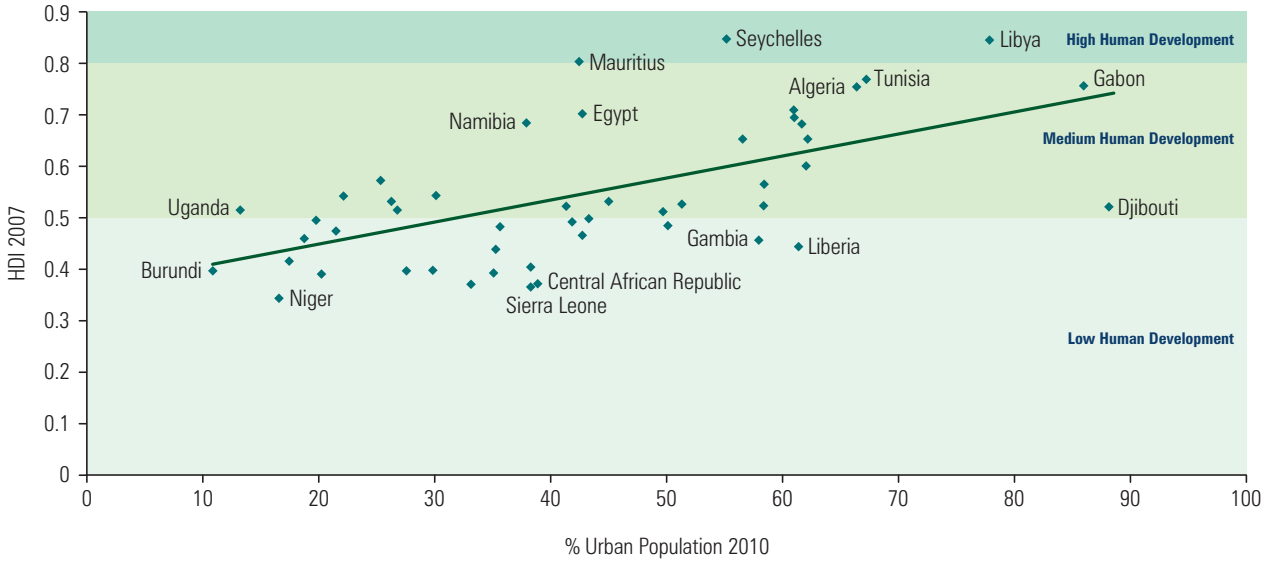
People-centred Cities

One legacy of the domination of urban planning and management by engineers and town planners with strong physical planning traditions is that urbanisation and cities are often considered more in terms of their physical attributes than as living environments for those residing there. Similarly, academics concerned with commodity flows, globalization, institutional and governance challenges have all too easily lost sight of the very people who create, drive and are affected by these processes and institutions.

Cities are human artefacts, developed and modified over time according to perceived needs and values. Although cities are home to diverse populations, the dominant population groups are generally those whose values, interests and needs are reflected in the built environment, formal institutions and regulatory regimes. Over time, this predominance has effectively marginalised or excluded large groups within cities such as poor residents and new migrants, who face varying degrees of deprivation because they cannot afford to comply

▲ A market in Madagascar. **©Muriel Lasure/Shutterstock**

GRAPH 1.1: **HUMAN DEVELOPMENT INDEX**



BOX 1.1: THE HUMAN DEVELOPMENT INDEX (HDI) AND URBANISATION RATES

One-off snapshots only have limited value and should therefore certainly not be confused with trends over time or causal relationships. Still, the statistical association between human development and the extent of urbanisation at the national level appears quite clearly. Graph 1.1 plots the Human Development Index (HDI) values for African countries and the estimated percentage of their respective national populations residing in areas classified as urban in 2010 (derived from data in UNDP *Human Development Report 2009*). The development index has been used instead of gross national product per head because, as a compound index comprising four social and economic variables, it can provide a better notion of people's access to resources and opportunities.

The trend line is quite clear, demonstrating a definite, albeit loose relationship between the development index and urbanisation. The looseness is the flip side of the comprehensive nature of the development index; given the diversity of the situations, different values for the constituent variables can yield identical scores, not to mention statistical 'outliers'. Countries towards the top and right of the graph exhibit relatively low urbanisation for high HDI scores (Egypt, Mauritius, Namibia and the Seychelles) or high urbanisation given their HDI score (Djibouti, Gambia, Liberia). On the left of the graph, Burundi lies close to the trend line with very low urbanisation and a low development index score, whereas Uganda finds itself in the reverse situation. Many of these extreme outliers feature particular circumstances, e.g., small island states or enclaves (Mauritius and the Seychelles, Djibouti) or oil-based economies (Gabon, Libya).

with systemic regulations that lie outside their reach in every possible way. Consequently, they are left with little option but to operate in the administrative or illegal margins. These excluded groups can only build informal shelter, often in hazardous locations shunned by the wealthier, while carving out livelihoods in ways that are often described as substandard, illegitimate or illegal. Because these groups constantly face the risk of eviction or prosecution, cities experience increased polarization, suspicion and open confrontations.

Uncontrolled 'self-help' urbanisation, especially by economically poor city dwellers, has come to be regarded as problematic by many spatial planners, urban managers and elites who fear a threat to their quality of life or their Western-derived urban aesthetics. However, given the prevalence of these popular forms of urbanisation and the sheer numbers involved, the efforts of the poor to meet their urban needs should be viewed more positively. Planning procedures should follow suit and become more flexible, except where objectively dangerous or inappropriate situations arise. Part of the sustainability challenge in our now predominantly urban world is to focus more on *cities as people-centred concentrations of opportunity,* not just problems. After all, it is in the world's urban areas that wealth, non-agricultural production, high-level social infrastructures and services as well as innovation are increasingly concentrated. The value of output in cities and urban regions, however measured, keeps exceeding by far that of rural regions.

A people-centred perspective highlights the need for more appropriate, realistic planning and building regulations that are affordable to the urban poor and that facilitate, rather than restrict, sustainable livelihoods. In other words, spatial

planning and development control should focus less on impractical planning theory and imported notions of urban aesthetics or unattainable regulatory standards. Instead, they should embrace standards that reflect the needs of public authorities and the population, as well as current institutional capacities. Whereas efforts to adapt building codes, zoning regulations and review of outdated or restrictive policies have been undertaken in many African nations, so far they have met with only piecemeal success.

The management and planning problems associated with less-than-practical modalities of urban governance have often been exacerbated by rapid spatial expansion across municipal boundaries.

To date, uncontrolled demographic expansion has elicited three types of strategy from African public authorities.

During colonial rule and subsequently, public authorities have responded with bold initiatives to regain territorial integrity; they addressed spatial-administrative discrepancies with extensions of 'town lands' that brought the entire city and a surrounding green belt within a single jurisdiction. ***Harare***, Zimbabwe's capital is a case in point. Expanding the urban administrative territory is an option that should be considered by African governments and city managers, particularly in rapidly growing intermediate-size cities. Whereas this may be a complex challenge from legal and other perspectives, the longer-term political, financial, spatial and economic benefits are well worth the effort, as cities must accommodate current and expected demographic expansion over at least the span of a full generation, or longer.

More commonplace have been attempts to create metropolitan councils for area-wide, holistic and strategic planning, bringing together representatives of the constituent municipalities, as in ***Accra*** and ***Kumasi*** in Ghana. Such interventions may involve major political and institutional changes that are often fraught with difficulties, as section 1.3 of this report will outline. However, where such interventions have not taken place like, for instance, in metropolitan ***Dakar***, Senegal, the inevitable result is that no single authority serves as the apex body for multiple, distinct municipalities (more than 60 in the case of ***Dakar***), making any attempts at policy coordination virtually impossible.

The third option has proved to be the more popular one: fragmented urban governance based on inertia, inadequacy, inequity, lack of responsiveness, and corruption. Regardless of local circumstances, the outcome has been identical across Africa, namely, disjointed forms of spatial and functional governance that fall well short of the needs of the majority of city dwellers. This approach relies on a commoditisation of the city, with services and other urban benefits reserved for those who have the money or influence to access them. It involves deliberate urban partitioning into local political jurisdictions with different and highly inequitable access to public finance for public goods. Some argue that this is legitimate and appropriate, since services are distributed in proportion to taxes paid. Others contend that equity is enhanced if services instead are allocated in proportion to need.[1] However, through urban partitioning and spatial segregation, social distance and inequity are reinforced and, over time, frustration, disaffection and resistance are bound to increase.

In all these urban governance models, subsequent spatial expansion has frequently spilled over the new boundaries again under pressure from sustained demographic growth. The newer peripheral areas are typically controlled by adjacent local authorities and often classified as rural districts or customary land. This situation points to differences in institutional capacities, human and financial resources constraints, service levels and even political allegiances and orientations across administrative boundaries, that make it difficult on those living in ever-expanding urban fringes to claim better conditions or services. For example, waste collection, inadequate or sporadic as it may be, typically stops at formal metropolitan boundaries, as many rural districts do not provide this service, even for increasingly urbanised villages or overspill suburbs.[2]

A change of attitudes and practices is needed. If cities are to meet the challenges of economic, social and environmental sustainability, *all* residents must be taken seriously and given appropriate opportunities to share and participate equitably. Experience has shown over and again that authoritarian enforcement of governance through inappropriate planning or inequitable regulation will not succeed. Restrictive zoning regulations that inhibit people from living and working in close proximity, and inappropriate building standards that make compliance unaffordable to most urban dwellers, are but two examples of undesirable outcomes that will cause disaffection, resistance and alienation. Ultimately, this may lead to situations that undermine the very stability of our urban systems. Achieving people-centred, sustainable urban development requires major changes to more appropriately address the complex circumstances prevailing on the ground.

Equally important is the acknowledgement that people represent resources, not just problems. Harnessing rather than suppressing or alienating human energies is essential to maintaining urban dynamism and stability. It is also a prerequisite if human development needs are to be met in an effective, equitable way. However, fostering new cultures of urban citizenship and a sense of belonging among alienated and impoverished city residents will be no easy task. A first step should be an acknowledgement that many African cities are no longer geographical areas of wealth containing islands of poverty. The pattern currently unfolding is widespread: highly-disjointed, dysfunctional and unsustainable urban geographies of inequality and human suffering, with urban areas increasingly composed of small islands of well-being that are spatially and socially segregated from rapidly growing and increasingly impoverished masses - the 'urban divide'. Perpetuating and increasing the prevailing degrees of urban inequality is tantamount to cultivating the systemic instability of African cities. With urban areas the inevitable future home for the majority of Africans, the promotion of the social, economic and political failure of this increasingly important human habitat is simply not a viable option.

▲
The Nile riverfront in Cairo, Egypt. **©Brian K/Shutterstock**

The Role of Cities in National and Global Economies

African cities have diverse historical origins, some of which going back many centuries. ***Cairo***, for instance, is one of the world's oldest continuously inhabited cities with a history of several thousand years involving successive dynasties and empires of regional and worldwide significance. ***Cairo*** remains an important political and cultural centre to this day and it is still Africa's most populous urban agglomeration. Others like ***Alexandria, Kumasi, Sofala*** and ***Timbuktu*** are today much diminished in economic and political importance, having once been the urban cores of regional empires with trade and diplomatic relations spanning much of the ***Maghreb*** and the ***Mashreq***, and reaching out to South Asia and even China. Many others, from ***Cape Town*** to ***Dakar*** and ***Nairobi*** have more recent origins, having been established by Europeans for mercantile, military/strategic, extractive or settlement purposes, as different parts of Africa were experiencing the early phases of economic, political and cultural globalization. Various hybrids and twin cities also emerged where colonial rulers built settlements adjacent to indigenous cities in order to maintain segregation, as in ***Rabat-Salé, Khartoum-Omdurman*** and ***Kampala-Mengo***. More recently, a number of post-independence capital cities have also emerged, often in ethnically or politically neutral territory, or as part of efforts to catalyse development in an impoverished region, like ***Abuja***, ***Dodoma, Lilongwe*** and ***Yamoussoukro***. However, most of these new capital cities are struggling to emerge from the shadows of their longer-established predecessors.

Colonial conquest brought a profound reorientation of political and economic relations. It created a new outward and intercontinental focus as exploitation of natural resources gradually integrated the continent into different imperial patterns and, ultimately, the emerging modern world-system. Port cities became essential hubs in this system, with rail and road links to the resource-rich hinterlands.

In addition to political and military change, factors governing the ebb and flow of cities' fortunes have also included technology. The advent of the motor vehicle and eventually the aeroplane wrought successive changes on the spatial economies of many African cities and their hinterlands. Technological change within specific modes of transport sometimes had dramatic effects, such as the shift from loose to containerized cargo. The emergence of bulk carriers redefined port hierarchies as hub and feeder services were established. The air transport industry also had a significant impact on the fortunes of some African cities, as the shift from propeller to jet engines and long-haul autonomy– enabled longer, non-stop flights. An unintended consequence of this evolution was that many African airports that had thrived on refuelling or overnight stops *en route* lost out to the destination hubs.

Perhaps the most profound impact of technical progress arose from the rapid proliferation of information and

communications technology (ICT). On top of reinforcing broad-based popular connectivity on the information highways, these technologies have also radically redefined spatial relations. This is true with respect to systems and networks among cities but also in terms of the relationships between cities, their peri-urban fringes and deeper rural hinterlands, as peasants and small commercial farmers, for instance, are now able to access market price information immediately, cutting out middlemen in the process. ICT is reshaping intra-urban relations, economic spaces and social networking in a similar manner, and the geographies of access to the Internet and educational resources are rapidly changing, redefining our traditional understandings of centrality and peripherality. This is further accentuated by the use of mobile phones and solar panels to sustain ICTs, enabling their use away from landlines and national electricity grids.

This is the general background against which Africa today sees the emergence of more and more clearly defined mega urban regions and urban development corridors straddling national boundaries and embracing tens of millions of people. Faced with these new challenges, traditional urban development policies are increasingly unable to address an unfolding set of complex and fluid spatial, regulatory and political realities. As interurban flows of commodities, people, communications, funds and physical urban patterns become more trans-national, governance and policy *must* follow suit if they are to be in any effective position to influence outcomes. More flexible and harmonized attitudes and policy will be needed along with innovative trans-boundary governance regimes, in order to bring some consistency and prevent investors from playing off cities and countries against each other.[3] This broad-ranging policy challenge is clearly illustrated with respect to global environmental and climate change, where the necessity for concerted international cooperation is now well accepted. The forthcoming 'post-Kyoto Protocol' regime must be mainstreamed into general urban policies beyond much-needed adaptation to, and mitigation of, the impacts of climate change.

Cities' Vulnerability to Systemic Shocks

Systemic shocks refer to strong impacts affecting substantial parts or all of an urban system (nationally or internationally), rather than having just isolated (e.g., sector-based or merely local) impacts. As such, these shocks have the potential to threaten the sustainability and survival of a system as a whole. Although these are no new phenomena, the rate and extent of technological change and globalization have significantly increased their likelihood, geographic scope and potential magnitudes. Some shocks may arise suddenly, like the global economic recession of 2008/09, while others have longer gestation periods, like demographic transition and climate change, the effects of which may be no less severe and will be much longer lasting.

Cyclical economic fluctuations naturally feature among the systemic shocks to which cities are now vulnerable, although this depends on their degree of integration in the international economy, including through information and telecommunication technologies. The recent global recession has demonstrated the speed and spatial extent of systemic financial vulnerability, leaving no country completely immune. Even though African banks largely kept away from the imprudent lending policies and high-leverage financial instruments that wreaked havoc in more advanced economies, the secondary effects of the global economic downturn has been felt in Africa under various forms, the more tangible of which were reduced tourism as well as reversals in both human development and progress towards the Millennium Development Goals, along with lower demand for commodities and reduced aid flows.

Since more and more of the world's population now lives in urban areas, the most dramatic effects on output and employment (and tax revenues) have been experienced in those urban areas providing services or commodities for the world market. Urban tourist hubs like ***Mombasa*** and ***Malindi*** in Kenya, ***Sharm al-Sheikh*** in Egypt or ***Victoria Falls*** in Zimbabwe (not to mention that country's internal political and economic crises) have experienced marked downturns, as have those towns across Africa that depend on agriculture for exports. In extreme cases, those towns and cities that had first been developed for a single purpose may even be abandoned, such as mining centres when the ore body is exhausted. ***Jos*** in Nigeria (tin), ***Kimberley*** in the Republic of South Africa and ***Lüderitz*** in Namibia (both diamonds) represent good examples of towns that first experienced booms but then went into severe long-term decline when their single-sourced *raison d'être* vanished.

These ever-changing economic geographies clearly illustrate how cities and their populations find themselves connected with each other within the wider framework of the global economy. Such integration can provide fresh opportunities for wealth creation and economic development as conditions change and competitiveness is enhanced. At the same time, integration can also make competitiveness more of a challenge, or force cities or countries to keep seeking new opportunities in the face of technical, economic or socio-political change that can wipe out former competitive or location specific advantages. Specialization can rapidly become a source of vulnerability. Because of scarce financial and entrepreneurial skills, African cities in particular have generally been poor at 'flexible specialization' in terms of the rapid adaptability which high-tech industries and production processes must achieve if they are to remain competitive under changing conditions.

As the rate of change accelerates in today's world, it becomes ever harder to keep up or to get ahead. Not every city can be a Geneva, a Singapore or a Dubai. Already, the latter's aspirations to become a global hub are facing tall challenges from the combination of world recession, mounting debt and competition from neighbouring Abu Dhabi (UAE) and Doha (Qatar). Global capitalism can be fickle and the price of failure can be very high, with a loss of dynamic residents through brain drain, a shrinking revenue base and resultant growing urban poverty, marginalization and social tensions. Under

such circumstances, it becomes increasingly difficult to reinvent the city and address residents' needs in an equitable way.

Climate change is the second type of systemic shock threatening cities, with prospective unparalleled short- to long-term impacts. Climate change comprises two complementary elements: (a) the increasing frequency and severity of extreme weather events with short durations (e.g., hurricanes, storm surges or heat waves); and (b) slow-onset changes that are semi-permanent or permanent (e.g., sea level rise, falling groundwater tables or desertification). Although the continent contributes no more than 4 to 5 per cent of global greenhouse gas emissions, the Intergovernmental Panel on Climate Change's Fourth Assessment Report in 2007[4] said that Africa would experience some of the most severe effects of climate change. Since then, 2009 saw extreme events in various parts of Africa, e.g., flooding in the Namibian desert (parts of which had not seen rain for several years) and major drought-related famines in Eastern Africa. These may be linked to the *El Niño* phenomenon but more probably form part of a longer term trend consistent with climate change.

The particular combination of impacts will vary with latitude, region and among coastal and inland areas. Coastal areas are likely to experience storm surges, sea-level rises, increased flooding and (semi-) permanent inundation of low-lying areas. In many coastal cities, assets of strategic national economic value, such as ports, arterial railway/road infrastructure, industrial zones, leisure/recreation zones or residential areas, are under threat from climate change. In addition, coastal aquifers - on which these urban areas often depend for significant proportions of their fresh water supplies - stand to suffer as a result of saltwater intrusion through flooding or inundation. In some cases, significant agricultural areas supplying urban food markets will suffer a similar fate. Cities located on lagoons, estuaries, deltas or large river mouths - of which ***Alexandria, Cotonou, Dar es Salaam, Lagos, Maputo*** and ***Mombasa*** are good examples - are particularly vulnerable, as is the Cape Flats area of metropolitan ***Cape Town***.[5]

For inland cities, the main challenges are likely to include higher ambient temperatures and more frequent heat waves, leading to stronger heat island effects (with potential damage to infrastructure) and desiccating vegetation, shrinking water tables and associated urban water shortages, unless compensating supplies can be secured via engineered infrastructures. The more vulnerable cities will be those already experiencing heat stress and related problems during the summer season, as well as those in the Sahel on or close to the boundary between the desert and the bush, such as ***Kano*** and ***Ouagadougou***. Several African inland cities have also become more vulnerable to flooding from sudden river surges following extreme weather events, such as ***Alexandra-Johannesburg, Brazzaville*** and several desert cities in Burkina

▲
The famous 'Tusks' in Kenya's port city of Mombasa. **©Sandro Senn**

Faso and Niger. Patterns of morbidity and mortality are also bound to change, with malaria and water-borne diseases becoming increasingly severe in inundated and more humid areas, while dehydration and other heat-related illnesses and deaths may increase – a pattern experienced during recent summer heat waves in Europe.

Climate change will certainly exacerbate the problems associated with voluntary or involuntary eco-migration to Africa's large and intermediate cities, away from flood-prone localities, as well as potentially large-scale internal and cross-border mobility away from agricultural zones undermined by changing climatic conditions or declining water availability. Coastal urban centres in Senegal, for instance, have already experienced ecology-related immigration from both the interior and adjacent countries. This has exacerbated urban poverty and unemployment, while contributing to the flows of migrants seeking to reach the Canary Islands, Southern Italy or Spain on board unseaworthy boats in a desperate hope of gaining access to the European Union.[6] City-specific examples of the challenges and early responses appear in Chapters 2-6.

Demographic shifts represent a third category of systemic shock for cities. These shifts are complex, with some like ageing occurring fairly slowly. However, those reflecting human behaviour patterns, such as mobility or the spread of HIV/AIDS or some forms of eco-migration, are often subject to rapid change and can be difficult to anticipate on account of spatial and socio-economic variations. While most African countries are hosts to predominantly young populations, average ages are increasing, as total fertility rates have been on the decline almost everywhere. The numbers of people surviving to old age are rising rapidly, although still representing relatively small proportions of total populations. This trend poses new challenges for social care where traditional extended family structures are dissolving, particularly in urban areas but also in rural areas where institutional care facilities still barely exist. Poverty, however, remains the key problem, often exacerbating the impact of pandemics and curable illnesses like measles, pneumonia and gastro-enteritis.

Cities for Human Development

It is important to retain a balanced perspective on the cross-relationships between urbanisation and development. Notwithstanding the various problems outlined above, African cities have been turning into centres of innovation, non-agricultural production and political and cultural life. The encouraging association between the human development index and urbanisation rates (see Box 1.1) suggest that urbanisation brings definite benefits. Indeed, as explained in Section 1.6, the prospects for achieving most of the Millennium Development Goals are intimately bound up with what happens in Africa's cities.

Under the conventional view that prevailed during the colonial period (and in the Republic of South Africa and Namibia during the apartheid era), Africa's urbanisation was culturally and socially inappropriate and would lead to an alienating 'detribalisation', since Africans had no tradition of urban life. This is demonstrably untrue, since highly sophisticated urban societies had previously existed or still exist in just about every part of the African continent. Rather, such prejudices served discriminatory policies in colonial settler societies, in a bid to preserve European political and economic dominance in urban areas, admitting Africans only under strictly controlled and exploitative conditions for the sole purposes of cheap urban labour.

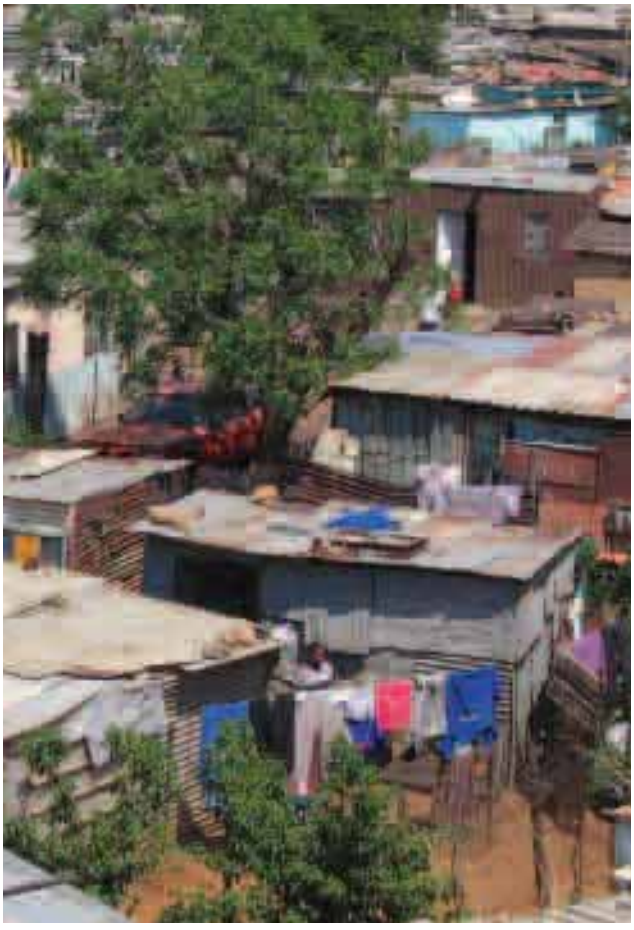
Political independence in Africa led to the abandonment or relaxation of migration controls into urban areas. This resulted in very sudden and rapid demographic growth in cities and increasingly permanent urban residence for Africans. Initially, social and economic ties to rural extended families remained strong. These bonds are now gradually weakening. Nuclear African families are increasingly commonplace, especially among the middle classes and elites and in some countries also among low-income families, with a commensurate new and rising demand for urban housing units and associated services delivery. Elsewhere, circular or oscillating migration between one or more urban and one or more rural areas represents an important survival strategy, effectively spreading economic risk and providing access to services and livelihood opportunities in different localities. Misguided postcolonial policies that attempted to split the population into either urban wage earners or full-time rural farmers ignored these real-life factors, undermining legitimate livelihood or survival strategies and in the process exacerbating poverty.

Mobility and migration remain hugely important in Africa, as individuals and households nowadays rarely spend their entire lives in one and the same place. 'Multi-local' households are now widespread, with family members residing in different urban and rural locations for shorter or longer periods. Mobility patterns can shift very rapidly as conditions change and nowadays often span national or even continental boundaries. For instance, remittances from family members working in Europe, North America, the Middle East and Australasia now represent a vital resource for many households in all segments of society, as well as a major source of foreign exchange for African governments. Environmental changes due to climatic and other events are also displacing people within rural areas, from rural to urban areas and across national boundaries, as detailed in Chapter 3 on West Africa, for instance.

The sociology of urbanisation is complex and involves a variety of patterns. The ethnic segregation of the past has generally been replaced with socio-economic class segregation. Nevertheless, in poorer urban neighbourhoods, ethnic concentrations often remain significant, especially when reinforced by rural-urban migration. Whereas high-income urban areas may now feature higher degrees of diversity, social life often remains linked to ethnic or linguistic affiliations. Under conditions of duress and the implosion of formal government or social institutions, informality and innovative survival strategies emerge or are revived in hybrid forms.[7]

1.2
Urban Inequalities

Economic, social and environmental inequalities can be found at all spatial scales, including urban and intra-urban. Until very recently, accurate and reliable data has been scarce, and comparing the conditions that prevail among cities and within or among countries remained difficult. As data now becomes available, some generalisations can be made, notwithstanding considerable variations between neighbouring countries or those within particular sub-regions. Often these reflect specific historical circumstances and/or the impacts of particular policies. For instance, Northern African cities and those in low-income countries tend to feature lower degrees of inequality (as measured by Gini coefficients) than middle-income countries. Inequality is at its highest in Africa's former settler colonies, where statutory ethnic segregation and apartheid policies were enforced for extended periods. The inherited physical fabric of such cities keeps generating steep inequalities, even long after the abolition of discriminatory legislation.



▲
Soweto township. South Africa has the highest income-based inequality in Africa.

The diversity of urban patterns in Africa reflects different combinations of a number of factors: economic momentum, the extent and nature of a country's integration in the world economy and any attendant pressures, as well as the trends and patterns of urban demographic growth. It is surprising to find that at the two extremes of the urban spectrum - the more dynamic countries, and those wrecked by rural conflicts and poverty - capital and major cities have tended to grow faster than medium-size and smaller ones, and typically feature a much sharper 'urban divide'. Where urban demographic growth is slower, or redistributive policies are in place, capital cities will be as (un)equal as the country as a whole. Overall, though, cities tend to score higher than rural areas on most economic, social and environmental indicators, as they concentrate investment and opportunities, and this 'urban advantage' attracts rural migrants.

For the purposes of understanding the current state of African cities, the intra-urban scale is more useful as it can highlight the way conditions change from one area to another within a single city and how living standards are affected by geographical factors. However, the relevant data on intra-urban economic inequality remains scarce, and only a few selected examples can be discussed.

African cities on average exhibit the highest inequalities in the world, both individually (where city-specific data is available) and collectively (where Gini coefficients are available only for rural and urban areas). Many African cities can be found in the *very high* and *extremely high* inequality brackets. Whereas Latin American and Caribbean (LAC) cities were until recently the most unequal in the world, UN-HABITAT's *State of the World's Cities 2010/11* shows that they have been lagging African cities in recent years (income-based coefficients, urban areas: 0.529 on average in Africa, compared with 0.505. in LAC; average of available city-specific coefficients: Africa: 0.581; LAC: 0.528).

BOX 1.2: GINI COEFFICIENTS: MEASURING THE ECONOMIC DIVIDE

The Gini coefficient is a measure of statistical dispersion expressed in a figure between 0 and 1 that quantifies differences in welfare and compensation within a given population. A Gini coefficient of 1 represents total inequality, or a situation whereby one individual owns everything, while a coefficient of 0 means total equality of distribution and everyone owns the same. Sometimes the Gini coefficient is presented as an index, where the ratio is multiplied by 100 to range between 0 and 100.

The strength of the Gini coefficient is that it is based on ratio analysis. It compares income or consumption distributions across different segments of a given population. Gini coefficient time series indicate whether inequality is increasing or decreasing. If combined with gross domestic product, the Gini coefficient can also pinpoint other trends. For instance, if both the Gini coefficient and total output are rising, it means that increasing wealth is shared by fewer people and poverty may be on the rise for the majority of the population.

However, any Gini coefficient is only as good as the data used to calculate it. Since there are no international norms in this matter, the Gini coefficient can be manipulated either to decry extreme inequalities or to demonstrate that inequality is at a minimum. The Gini coefficient can further be misleading because societies with similar incomes and Gini coefficients can still feature different income and consumption distributions. However, when used in an objective manner and based on reliable statistics, the Gini coefficient can be a powerful indicator of inequality in wealth distribution and whether it is growing or declining in a particular community.

Before reviewing recent Gini coefficient evidence on urban inequalities, a few comments on definitions are in order. The data on income refer to money income only (both wages and social welfare payments from all sources), while those on consumption (household expenditures) include all categories, including non-monetary costs. While money income below appropriate thresholds is often an important indicator of poverty, the two are not synonymous since non-monetary sources of income, such as subsistence production, are excluded. This is one reason that consumption-based data may be more reliable in poor countries. However, consumption excludes the savings share of income and is therefore typically lower than actual income. The main exceptions are where savings are non-existent or very low, and where there is consumption of subsistence produce by household members (for example, from urban or peri-urban agriculture, or on rural land) or non-marketed services (such as reciprocal labour). These exceptions can be significant, especially in the informal sector. Decisions on whether to collect income or expenditure/consumption data are taken by national statistical authorities as a function of the expected accuracy of survey responses. In the Republic of South Africa, for instance, income prevails, while in Mozambique and Togo consumption data are collected.

The data on urban inequality used here have been prepared by UN-HABITAT's Global Urban Observatory (GUO) and reflect some of the difficulties referred to here. The bulk of the available data enable direct rural-urban comparisons at the national level; in some cases the largest city, and possibly one or more other centres, are identified separately.

Rural-Urban Economic Inequality

Regions, sub-regions and cities of the world feature substantial discrepancies in economic equality. UN-HABITAT's *State of the World's Cities Report 2010/11* identifies six distinct brackets based on Gini coefficients. As far as Africa is concerned, individual countries can be split in five brackets, from *'relatively low'* inequality (0.300–0.399, e.g., Algeria) to '*very high inequality*' (0.500-0.599, e.g., Ethiopia, Kenya, Nigeria, Botswana and Zimbabwe) and '*extremely high inequality*' (0.600 and more, e.g., Namibia, South Africa and Zambia). Coefficients above 0.400 are regarded as a source of concern.

Steep economic inequality is rife in most African cities. Topping the list is the Republic of South Africa, with a 0.76 income-based urban inequality coefficient in 2005, or the same magnitude as the ratios for individual major cities. In part, this reflects the legacy of more than a century of statutory racial segregation and then apartheid. While the legislative backbone of this segregation system could be abolished fairly rapidly, the embedded urban structures and the geographies of segregation will persist for far longer. Emerging trends reveal that ethnic segregation is increasingly replaced by class-based segmentation, as has occurred in other former settler colonies where similar systems of segregation once prevailed, e.g. Kenya, Namibia and Zimbabwe.

Africa's least unequal countries in terms of consumption coefficients include Togo (0.31 in 2006), Morocco (0.38 in 1998), Egypt (0.39 in 1997), Mauritania (0.39 in 2004) and Ethiopia (0.38 in 1999/2000). The lowest income coefficients were found in Algeria (0.35 in 1995), Cameroon (0.41 in 2001) and Uganda (0.43 in 2005/6). It should, however, be realised that a low Gini coefficient is not necessarily favourable as it is merely a relative indicator of equality. It may indicate - and in many cases it does - nationwide low levels of income, consumption and human development. The lowest coefficients are generally found in countries with a low human development index in sub-Saharan Africa and Islamic North African states, where poverty is widespread although settler discrimination was not so pronounced. This means that low Gini coefficients can in fact signal cities where all residents are 'equally poor'.

Moreover, trends can sometimes be complex even within one country, reflecting specific geographic or size-category dynamics. For instance, Botswana's income-based Gini coefficient declined from 0.56 in 1985 to 0.54 in 1993 and 0.51 in 2003. The national *urban* coefficient remained stable at 0.54 from 1985 to 1993, and then fell to 0.50 in 2003, while increasing from 0.45 to 0.52 in 'urban villages' over the same period (1993-2003). In ***Maputo***, the Gini coefficient is much higher than Mozambique's urban average. Similarly, in Côte d'Ivoire, the national urban Gini coefficient is 0.44, com-

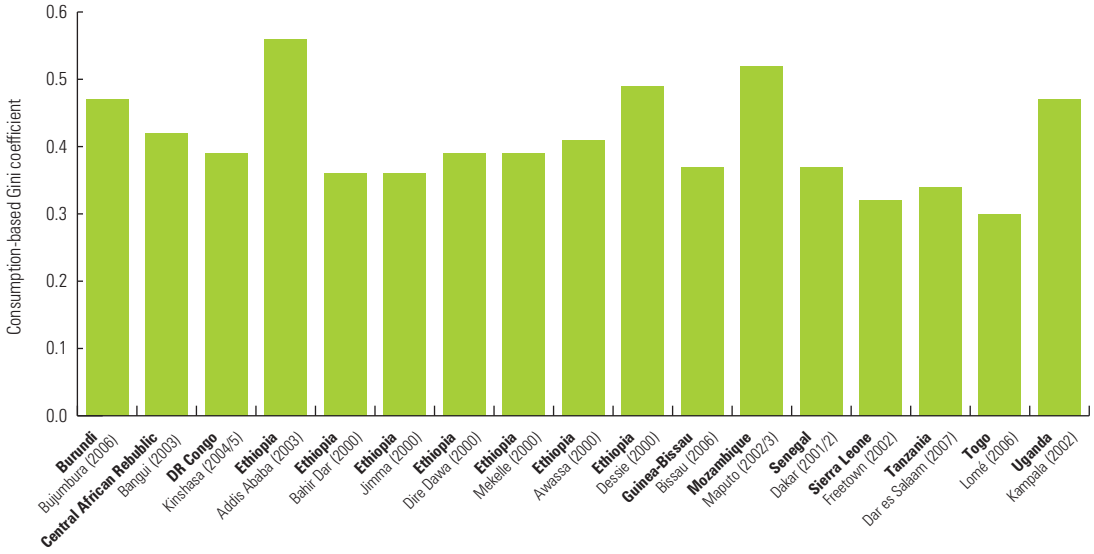
pared with 0.50 in ***Abidjan***. Conversely, in Burundi the national urban Gini coefficient for consumption stands at 0.49 compared with 0.47 in ***Bujumbura***, the capital. Therefore, disaggregation to the city level is important for any understanding of intra-urban patterns and dynamics.

City-level Economic Inequalities

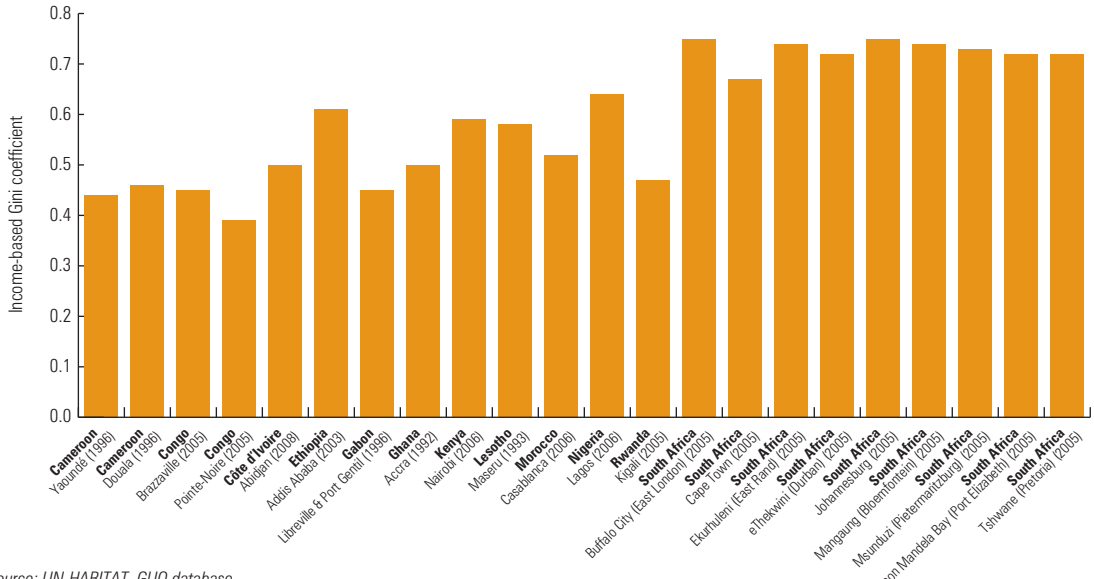
City-level data on either a consumption or income basis are available for 39 African urban areas (Graph 1.2.a), while both measures are compiled for ***Addis Ababa***. No data for Northern African cities is available. As explained earlier, consumption-based coefficients of inequality are typically somewhat lower than those based on income. Even within these respective categories, direct comparisons are hindered by the different base years for the data, although in Graph 1.2.a the range is only seven years. By contrast, the range of 14 years in Graph 1.2.b means that the data for ***Accra, Maseru, Libreville/Port Gentil, Yaoundé*** and ***Douala*** should be treated cautiously for comparison purposes with data for the year 2000 and later. Nevertheless, none of the older data lie at the extremes of the range.

At 0.30, ***Lomé,*** Togo, features the lowest urban economic inequality coefficient, together with nine others in Africa that are below 0.399. Five more lie in the 0.4–0.49 range, with only two, ***Maputo*** and ***Addis Ababa***, above 0.50. Aside from any data deficiencies, this would appear to reflect that these urban areas are all located in some of the poorest African countries, all of which (except Uganda and Tanzania) with low rankings in the 2009 UNDP Human Development Index. This category now includes only 24 out of 182 countries in the

GRAPH 1.2.A: **AFRICAN URBAN ECONOMIC INEQUALITIES - CONSUMPTION-BASED COEFFICIENTS**



GRAPH 1.2.B: **AFRICAN URBAN ECONOMIC INEQUALITIES - INCOME-BASED COEFFICIENTS**



Source: UN-HABITAT, GUO database

▲
Addis Ababa, Ethiopia. **©Manoocher Deghati/IRIN**

rankings, but Uganda and Tanzania lie close to the bottom of the *'medium'* human development category. Although some of these countries' economies have been growing in recent years, largely thanks to their capital cities - a potential factor behind increasing economic inequality - overall consumption-based inequalities tend to be less severe under conditions of relative poverty, notwithstanding the presence of small wealthy elites.

The data from Ethiopia are of particular interest since they enable direct comparison between ***Addis Ababa***, the primate city and capital, with six regional towns. With the exception of ***Dessie,*** the smaller centres all exhibit low degrees of consumption inequality, while Addis Ababa's is considerably higher at 0.56. This reflects urban primacy, a phenomenon that keeps drawing in ever more migrants and internally displaced people. Moreover, being the capital and home to various international organisations and most commerce and industry, Addis Ababa has been a focus for construction, infrastructural expansion and foreign investment since economic liberalisation in the early 1990s. Liberalisation itself has led to considerable price inflation, both for food and other everyday commodities, as well as for rented accommodation in a situation of excess housing demand. Indeed, comparative data show that ***Addis Ababa's*** consumption-based Gini coefficient increased by a full 24 per cent between the year 2000 and 2003, while ***Dessie*** and ***Dire Dawa*** experienced increases of 11 and eight per cent respectively. In contrast, ***Awassa, Bahir Dar*** and ***Jimma*** experienced significant declines in consumption inequality from 1994 to the year 2000, as the result of improved access to social and physical infrastructure and services.

In Mozambique, since the end of civil war in the early 1990s, a disproportionate share of economic momentum has been located in ***Maputo,*** where economic inequality rose 18 per cent between 1996 and 2003 (*SWCR 2010*).

The range of income-based Gini coefficients in Graph 1.2.b is far wider than the corresponding consumption data, from 0.39 (***Pointe-Noire***, Congo) to 0.75 in ***Buffalo City*** (East London) and ***Johannesburg*** in the Republic of South Africa. Indeed, all the South African cities in the list rank above 0.70, with the exception of ***Cape Town's*** 0.67. This reflects the legacy of racially-based disparities in incomes, welfare benefits and social investment during the apartheid era in the continent's most sophisticated economy. These inequalities are slightly lower than in the late 1990s due to redistributive policies by successive post-apartheid governments, including pensions and other welfare benefits, minimum wages and free basic water allowances. However, such steep degrees of inequality still pose substantial challenges to social and political stability. Indeed, grassroots pressure for accelerated redistribution is mounting, as the example of free water allowances in South Africa will explain in Chapter 6.

Nigeria's principal city ***Lagos*** is also characterised by sharp inequality, with widespread poverty amid substantial wealth and corruption in Africa's largest oil-producing country. At 0.61, the income-based Gini coefficient is higher than ***Addis Ababa's***. Income-based coefficients are subject to rapid change: ***Abidjan's*** Gini coefficient, for instance, increased by 21 per cent from 2002 to 2008, under the combined effects of civil conflict and the resultant economic disruption and displacement.[8]

TABLE 1.1: **URBAN SLUM POPULATIONS, SELECTED AFRICAN COUNTRIES, 1990 - 2010**

	1990	1995	2000	2005	2007	2010*	1990	1995	2000	2005	2007	2010*
	Urban population (000s)						Proportion of slum dwellers (%)					
Nigeria	33,325	42,372	53,048	65,270	70,539	78,845	77.3	73.5	69.6	65.8	64.2	61.9
South Africa	19,034	22,614	25,827	28,419	29,266	30,405	46.2	39.7	33.2	28.7	28.7	28.7
Egypt	23,972	25,966	28,364	31,062	32,193	34,041	50.2	39.2	28.1	17.1	17.1	17.1
Morocco	12,005	13,931	15,375	16,763	17,377	18,374	37.4	35.2	24.2	13.1	13.1	13.1

** Projections*
Source: UN-HABITAT, GUO (some of the data are interpolations)

The Dimensions of Multiple Urban Deprivations

Economic polarisation is closely associated with inequalities in basic needs satisfaction; most importantly, access to adequate shelter, safe drinking water and sanitation (including solid waste and sewage), health and education services and a safe living environment.

One key indicator of urban poverty and deprivation is the proportion of urban populations living in sub-standard housing (i.e., slums), because this typically signals that other basic needs are not satisfied either. In several African countries for which reasonably reliable figures are available in UN-HABITAT's GUO database, this proportion has been falling over the last two decades. The most dramatic declines in slum populations (as compared with total urban populations) were achieved in Egypt (from 50.2 to 17.1 per cent), Mali (from 94.2 to 65.9 per cent) and Senegal (from 70.6 to 38.1 per cent) between 1990 and 2005. In Ghana, the decline was from 68.7 per cent in 1990 to 38.1 per cent in 2010; in Madagascar, from 93.0 to 75.3 per cent; in the Republic of South Africa, from 46.2 to 28.7 per cent; and in Benin, from 79.3 to 69.3 per cent over the same period. In Kenya and Namibia, the figures remained almost constant, at just under 55 and 33-34 per cent respectively. Conversely, other countries have experienced deteriorations in the prevalence of sub-standard housing in cities, with increases of four to nine per cent over the past 20 years in Malawi (to 69.6 per cent), Mozambique (to 80.8. per cent) and the Central African Republic (to 96.4 per cent). These unfavourable trends suggest that the rates of rural-urban migration and natural urban population increases keep outstripping shelter regularisation as well as low-income housing construction and infrastructure upgrading programmes. In some cases, policy inconsistencies or reorientations (as in Namibia immediately after independence in 1990) and/or funding constraints have hindered progress. In Mozambique, the apparent relative increase in slum prevalence occurred despite strong positive economic growth following the end of its civil war in 1991. This is a clear indicator of the absence of substantive urban pro-poor programmes in the country. More generally, this situation also exemplifies the lack of clear relationships between economic growth and widespread improved living conditions in many African countries.

Even where the *proportions* of people in sub-standard urban housing have been significantly reduced, *absolute* numbers have often increased as a result of substantial urban demographic growth. As can be seen in Table 1.1, this applies to Nigeria and South Africa, though not to Egypt or Morocco. Indeed, Northern Africa is distinctive on the continent and among so-called developing regions for having achieved declines in both the proportions and absolute numbers of urban populations living in sub-standard shelter despite unabated demographic expansion.

One particular challenge to any sustained progress in shelter improvement is the high proportion of the urban poor living in areas most vulnerable to the effects of climate change and 'everyday' environmental risks. Increased flooding from more frequent severe storms and rising sea levels threaten mostly low-lying, marshy or flood-prone land in river valleys and adjacent floodplains, along estuary shores and in low-elevation coastal zones, while those urban poor living on steep slopes or adjacent to waste dumps may be vulnerable to landslides due to more frequent and heavier rainfall. Upgrading and regularising substandard shelter in such areas should receive priority, based on risk assessments that duly include the effects of climate change. In some cases, enhanced construction and infrastructural standards may be in order, too, e.g., raising foundations of buildings, strengthening roads and increasing storm water drainage capacity. In other instances, where higher frequency and severity of flooding or semi-permanent inundation as a result of sea level rise are anticipated, substantial flood defences or relocation of residents to safer localities may become necessary.

In all cases, sustainable shelter for the urban poor will require significantly higher amounts of capital investment and planned maintenance costs. The price of failure to do this would be far higher, though, in terms of more piecemeal capital expenditures over the years as disruption, dislocation, loss of livelihoods and potentially loss of life for the urban poor. Lack of action can only exacerbate poverty and deprivation. Failure to address climate change through mitigation and fundamental adaptive strategies is no longer an option or something that can be deferred to future generations. This is an immediate necessity, because the effects are already felt by many in African cities, both in low-elevation coastal zones, but also inland centres. Specific examples are provided in the following chapters.

1.3
Government or Governance?

Multi-level Governance

Under pressures from demographic growth, very large regional urban systems such as extended metropolitan regions, megacities and mega urban regions are now also emerging in Africa. All feature urban sprawl beyond formal administrative boundaries, in the process encroaching on adjacent rural areas and absorbing the smaller towns and villages that lie on their growth path.

A shared challenge among these new urban configurations is the provision of area-wide governance, planning and guidance to spatial developments, as well as holistic management of such regional urban systems. Traditional governance structures such as municipal government, provincial boards, federal district authorities, etc., have, without exception, proven inadequate because their legal and institutional structures have been designed for single-municipality, mono-centric cities, rather than multi-municipal, multi-nodal regional urban systems.

Many attempts have been made around the world to provide regional planning and holistic management for multiple-municipality urban systems through either cooperative or coordinating structures, but few have led to satisfactory results. Among the exceptions is the Delta Metropolis of the Netherlands, comprising the metropolitan regions of Amsterdam, Rotterdam, The Hague, Utrecht and a hierarchy of smaller settlements. However, this mega urban region has since 1945 been subject to continuous and consistent spatial and administrative interventions and updates by the Dutch central planning agency, in cooperation with provincial and municipal planning entities. In all other regional urban configurations around the world, it is becoming increasingly clear that governance as applied to traditional mono-municipal settlements is unable to meet the management demands of city regions. Attempts to bring about holistic governance have usually failed due to uncertainties in legal and spatial definition. The resulting autonomy overlaps and authority gaps have invariably undermined any clear articulation or allocation of public functions and authority. Friction in regional city governance is typically due to unresolved authority conflicts among or within three major groups of stakeholders: (a) central government; (b) local authorities; and (c) interest groups from civil society.

Since many city regions comprise the national capital, central government (directly or through ministerial departments) tends to interfere with urban governance at the expense of local autonomy. At the lower levels, provincial, municipal and neighbourhood councils often pursue conflicting agendas with overlapping jurisdictions and functions. The private sector and civil society also increasingly demand decision-making roles in urban policies and governance, adding to the general confusion. The sheer multiplicity of the parties at play, different institutional structures, divergent levels of power leveraging and their frequently antagonistic agendas combine to make the delivery of coordinated area-wide management, infrastructures and urban services in regional urban systems fraught with difficulties. As these stakeholders simultaneously seek to influence urban governance processes, there is a clear need for new approaches that provide unambiguous authority and management tasks for different governance levels within extensive urban configurations.

Although worldwide blanket governance and management models for regional urban configurations do not seem to be available, five basic steps appear to have applicability and a fairly general degree of practical relevance, as follows:

(1) A first step should be to create workable mechanisms for *region-wide urban planning coordination and development control*. The increasing complexity of city regions tends to shift important metropolitan issues and responsibilities either to the lower levels (municipality, neighbourhood and community) or the higher (national) level. But rather than simply (de)centralizing complex spatial problems, responsibility and authority should ideally be allocated to a range of cooperating macro-, intermediate and micro-levels to maintain supervision, integration and coordination at the regional scale and maximise political participation at the local level.

(2) Regional cities are typically in a constant state of spatial flux. Policies should therefore allow for *continuous adjustments to functional authority and administrative boundaries*. Such flexible arrangements may be difficult to put in place and operate, but they would provide the flexibility required to devise strategies that remain adaptable to on-going and newly emerging developments.

(3) *Centralized authority over a city region only tends to work for truly area-wide matters* such as overall road and traffic management, public transport planning, water and electricity provision, etc. Other functions should be organized under various forms of multi-level urban management which, for the sake of legitimacy, must be based on local control through decentralization, democracy and participation.

(4) While centralization of area-wide regulatory authority can lead to better coordination, *genuine grassroots participation can only happen through strengthened lower-tier decision-making powers.* In the face of ever-expanding, ever more complex metropolitan systems, and in view of dwindling municipal revenues, participation and community self-help can facilitate effective responses to local issues.

(5) It is essential to *re-assess centralized bureaucratic structures, where any, and make lower-tier decision-making more effective and responsive*. Local initiative and control enhance self-reliance and sustainability for many urban functions while steering the burden of micro-management away from higher governance levels. Well-guided local enablement also allows for more responsive mobilization of local private and community sectors.

In many African nations, metropolitan and regional urban systems face two major challenges: (a) matching political and fiscal decentralization to local needs while, at the same time, providing much-needed area-wide management of public works and services; and (b) addressing complex processes of socio-spatial segregation that cause substantial intra-metropolitan differences and inequality in service provision.[9]

Innovative metropolitan management reforms are under way around the world in the quest for practical approaches to area-wide urban governance. Drawing from different government traditions, constitutional frameworks, planning approaches, historical circumstances, socio-economic conditions and national political cultures, both advanced and developing countries have experimented with ideas on how to best plan and govern urban regions that encompass multiple municipalities. The experience over the past decades has yielded four broad types of area-wide governance structures: (1) autonomous local authorities; (2) confederate regional government; (3) mixed systems of regional governance; and (4) unified regional governance.[10]

(1) Autonomous Local Authorities

In some city regions, authority and power are embedded in local authorities that enjoy high degrees of autonomy, including spatial planning, policy development and legislation.

This type of area-wide governance is more suitable to countries with a tradition of strong local autonomy and municipal governance, but less so where central government is predominant. Experience has shown that this 'autonomous local authority' approach - the least invasive and easiest to deploy - tends to result in fragmented and uncoordinated regional outcomes; this is because there is little to prevent individual municipal authorities from pursuing their own agendas regardless of wider-ranging regional needs. Mitigating these shortcomings with monitoring and evaluation will be difficult, in the absence of a specific body to review individual municipal outcomes or to step in with mandatory course corrections.

(2) Confederate Regional Government

Under this configuration, local authorities enter into voluntary cooperation and agree on the regional-level functions to be carried out by a dedicated apex authority with clearly spelled out mandates and powers (such as a metropolitan development authority). This regional-level apex body comprises the chief executives of all local authorities in the city region, so that any decisions are informed by their views. The real power, however, remains with the local authorities.

The effectiveness of this governance arrangement clearly depends on the degree of effective power lodged in the regional authority. This approach can only succeed if all local authorities in the city-region participate in, and adhere to, the regional body's decisions. Because this 'confederate' approach allows for substantial control by the participating municipalities over the regional authority, consensus may at times be difficult to achieve. The regional authority may prove powerless and ineffective if the participating local authorities cannot reach consensus. A monitoring and evaluation system would have to be agreed upon, with peer pressure applied for corrective action.

(3) Mixed Systems of Regional Governance

Under mixed systems of regional governance, the higher tiers of government (national, state/provincial) share power with local authorities in the delivery of specific public functions. These are defined under a variety of flexible arrangements based on prevailing political conditions.

Clearly, the degree of success of this approach depends on specific local conditions, the nature of the agreements reached and the ultimate adherence by all to the decisions. One drawback of this approach is that local authorities must negotiate with a higher tier of government they are not part of, which implies that they hand over a degree of autonomy to that higher authority. Monitoring, evaluation and any corrective action are left to that higher government tier.

(4) Unified Regional Governance

Under this approach, one single government entity, typically a fully-fledged ministry is responsible for an entire city region. Planning, plan implementation, monitoring and evaluation are all lodged in this body.

Local authorities exercise power over a limited number of clearly spelled out lower-level assignments within an overall

framework set by the higher authority. Given the significant reduction in the autonomy of individual local authorities within the city region, this type of area-wide governance is more suitable to countries with a tradition of strong, dominant central government rather than strong local autonomy and municipal governance. Unsurprisingly, region-wide outcomes under unified regional governance tend to have better overall coherence and coordination.

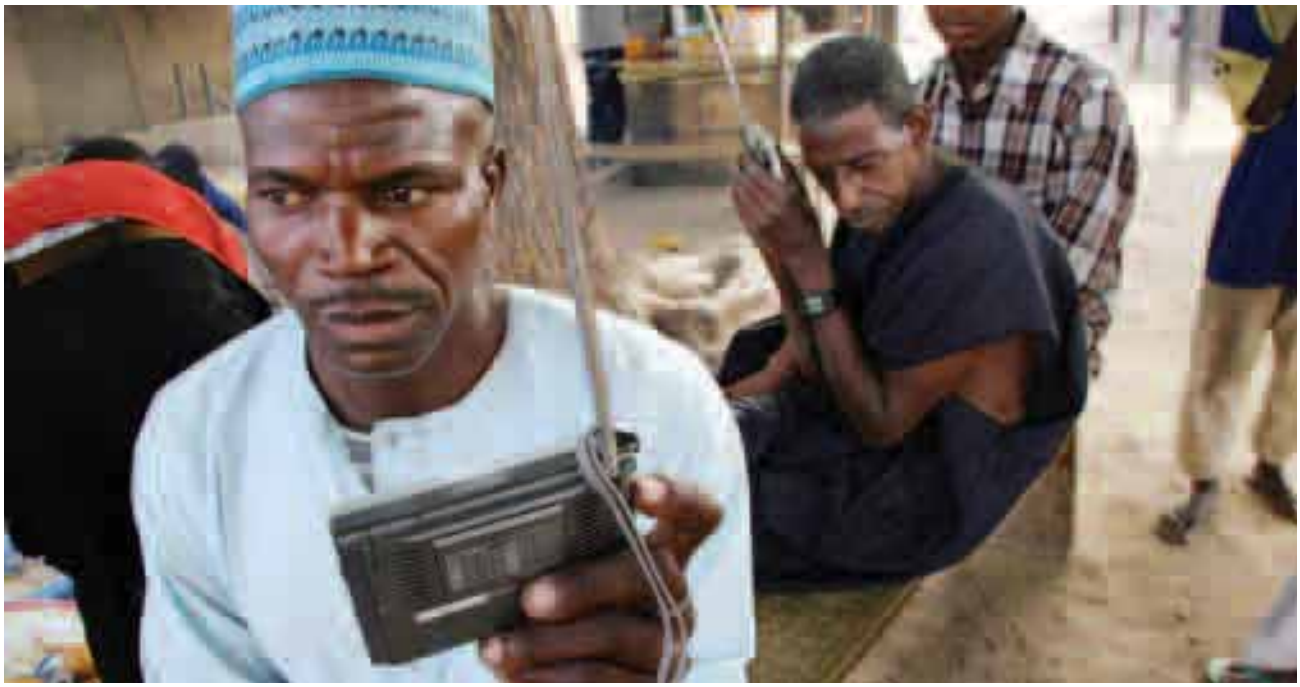
This review of existing practice suggests that the ultimate choice of best broad governance structure for city regions clearly depends on national and local political circumstances. The four alternatives outlined above all aim to overcome the negative impacts of fragmented urban governance. Past decades have clearly shown that market-driven urbanisation is generally unable to reconcile short-term economic interests with the reforms required for the sake of long-term social, political and environmental sustainability. It has also become clear that local communities, by themselves, cannot provide the corrective mechanisms required for large-scale or urban region-wide challenges, while central control cannot effectively micro-manage myriads of local needs. As African cities increasingly overrun administrative boundaries and turn into entirely new urban configurations, the need for fundamental change in the governance of these regional urban systems is beyond doubt.

African urbanisation calls for a radical review of the forces behind it, the resulting spatial and social forms and the new governance requirements for effective, responsive urban management. Consequently, it is for national and local authorities carefully to consider the options for reform of urban governance practice and institutions. The demands of newly emerging urban configurations are not just a matter of extending existing arrangements to larger cities or geographic areas: instead, a political, legal and institutional redesign of the very structure of urban governance is in order. The aim is to counter the urban fragmentation that almost inevitably results from attempts to govern multiple-entity urban configurations with obsolete and ineffective management mechanisms and practices, all the more so as these often have only been implemented in a partial, intermittent or opportunistic way.

Democracy and Participation

Since the early 1990s and under both internal and external pressure, Africa has experienced a wave of democratization, resulting in a transition to, or strengthening of, multi-party politics and elections across the continent.[11] As part of this process, landmark elections have recently taken place in Burundi, the Democratic Republic of the Congo, Liberia and Sierra Leone, while other African nations have gone through second, third or even fourth periodic rounds of national elections.[12]

Although recent political transition in Africa has generally been swift and relatively successful, it has also become clear that building truly sustainable democracies takes time. Genuine democracy cannot be imposed from above or outside. Rather, it should grow from within and be country-specific. Despite recent reforms, election processes and outcomes in Africa still lack transparency in some countries and many political parties remain poorly structured in terms of platforms and organisation for lack of resources, accountability or internal democratic procedures. Other challenges include inadequate or insufficient legislative progress toward transparent administrative procedures that promote the inclusion of all sectors of society in the political process.



▲
Listening to election results in Kano, Nigeria. **©Tugela Ridley/IRIN**

Current democratic deficiencies are clearly linked to Africa's colonial heritage. Upon independence, few African nations moved to alter the highly centralized systems of governance inherited from colonial rule. Strong patrimonial networks across all tiers of government have survived or even expanded to provide a selective and therefore exclusionary form of 'social security' that is often defined along ethnic or tribal lines. Soon after independence, centralized domestic politics became rife with corruption in many African nations, as patrimonial governments provided goods and services for those in power, rather than providing equitable, broad-based access to public services such as education, health care, sanitation, clean drinking water or effective legal systems as part of socio-economic policies in favour of productivity and human capital for broad-based development.[13] Instead of tackling these inequalities, recent democratization, liberalization and privatization processes in Africa have facilitated the widening of patronage networks from national power centres to provincial and local authorities.

In today's Africa, decentralization cannot remain blind to the politics of ethnic or regional tribal/clan conflicts and tensions. The persistence of ingrained traditional mores and customs is nothing new, and is now finding fresh forms of expression in African polities. The modern manifestations of traditional practice in statecraft and economic strategy in Africa should not be overlooked, because informality and network-driven challenges to conventional government can be exploited and exacerbated by poorly designed decentralization programmes focused on individualistic interests, such as those of the ruling elites.

Short of proper checks and balances (accountability and monitoring), decentralization can end up as little more than a shift of power and resources to the local level through decentralized 'institutions' or through 'central-local' linkages for the sole benefit of local elites, as witnessed in Kenya, Nigeria and Zimbabwe, where central authorities have maintained control through decentralized organs. That decentralization in these countries was largely unsuccessful cannot come as a surprise. For three decades in Nigeria, the military have been using local government to exercise power through 'local bosses' and agencies for patronage purposes. In Kenya and Zimbabwe, the central government is also focused on maintaining power at the local level as individual departments have been mostly de-concentrated to the lower levels. In Kenya, local members of Parliament have been working together with president-appointed district commissioners to make decisions at the local level regarding development and resources. In the end, decisions have been made around patronage systems and district authorities have been used by the centre to consolidate power at the local level. In Kenya, political coalitions have been the routine for some time. These coalitions are composed of ethnic groups who cannot garner enough votes on their own and need the support of other tribes to increase their constituency base. Smaller tribes, communities or clans have often managed to gain political ground by forming coalitions with others. But then the strength of tribal identity is such that many Kenyans are unclear what a 'nation' is about. Identities as defined by *'us* and *them'* are as solid as those based on blood and kinship. This is one of the major underlying factors that enable Kenyan political parties to seek definitions that are more embedded in tribal identity than in general values or principles.

An important post-independence political trend is the general move away from life-term African presidencies as,

▲
IDPs at Jamhuri ground, Nairobi, after the 2008 presidential poll. **©Allan Gichigi/IRIN**

BOX 1.3: **THE POLITICS OF DECENTRALISATION AND SUSTAINABLE CITIES**

▲ Delegates arriving for the 22nd Session of the Governing Council of UN-HABITAT (GC 22). **©IISD Reporting Services (www.iisd.ca)**

As a follow-up to its landmark 1996 conference in Istanbul, UN-HABITAT has engaged key *Habitat Agenda* partners in dialogues on decentralization and improved delivery of basic services for the sake of sustainable urbanisation. In 1998/99, UN-HABITAT took the lead with a first draft of the *World Charter of Local Self-Government*, an international framework modeled on its European namesake setting out the rights and responsibilities of local authorities in connection with the *Habitat Agenda*.

Despite the 1996 call for more decentralized and participatory governance, no rapid consensus emerged as the draft *World Charter* was considered too ambitious or too inflexible for different national, socio-economic and historical backgrounds and conditions. In 2001, member states gave UN-HABITAT a mandate to reconcile antagonistic views. Some agreed that an international agreement would facilitate the implementation of the *Habitat Agenda,* but insisted on the need to adjust to different types of constitutional settings. Opponents felt that anything too formal was inappropriate and that any *World Charter* must be a mere declaration of principles in support of the ongoing 'Istanbul+5' process.

Many countries around the world continued the search for viable decentralization options to improve local democracy and delivery of basic urban services. Experience shows that it takes a lot more than just political will for decentralization to succeed. A range of actions are required at several levels, including improving public accountability and political management through promotion of democratic and participatory decision-making arrangements, as well as enhancing the legitimacy and effectiveness of sub-national tiers of government through legal and fiscal reforms and capacity development.

In 2002, UN-HABITAT commissioned a report on emerging decentralization trends, which was discussed with partners at the first World Urban Forum. Partners re-affirmed the potential for decentralization to strengthen local authorities and anchor democracy in developing and transition countries; they also argued that a determining factor for effective decentralization is the involvement of central government in the process. With local empowerment an essential building block of national and sub-national democracy, decentralization becomes a key element for democratic governance, economic growth and sustainable development at the local, national and international scales.

In 2003, the UN-HABITAT Governing Council endorsed a proposal to create an Advisory Group of Experts on Decentralization (AGRED) in order to (i) examine and review existing policies and decentralization legislation; (ii) develop principles and recommendations; and (iii) document best practice. In 2005, the Governing Council also requested UN-HABITAT to identify a number of underlying principles governing access to basic services for all and for the sake of sustainable human settlements, as they contribute to human dignity, quality of life and sustainable livelihoods. The task was given over to a separate working group of partners and experts, taking into account the discussions held at the second World Urban Forum in 2004 regarding "access to basic services for all: towards an international declaration on partnerships." Both processes were conducted in a parallel but complementary manner, as decentralization and strengthening local authority capacity has the potential to improve delivery of basic services, infrastructure and local development. With AGRED and Working Group support, UN-HABITAT developed two sets of principles derived from existing policies regulations and frameworks.

The *International Guidelines on Decentralization and Strengthening of Local Authorities* and the *International Guidelines on Access to Basic Services* were adopted by the Governing Council in 2007 and 2009, respectively. These guidelines are designed to assist policy reforms and legislation at the country level, and represent a significant milestone in UN-HABITAT efforts to mobilize and partner with the international community and member states. The guidelines can be accessed at http://www.unhabitat.org/pmss/pmss/electronic_books/2613_alt.pdf.

BOX 1.4: **UN-HABITAT'S INTERNATIONAL GUIDELINES ON DECENTRALIZATION: AN OVERVIEW**

▲
Delegates at the World Urban Forum in 2010. **©UN-HABITAT**

Decentralization complements democratic governance, and together they support sustainable development at all levels. UN-HABITAT emphasizes the need to strengthen local authorities and sub-national tiers of government, which are considered as the 'closest partners' of national governments in the implementation of the *Habitat Agenda*, the major outcome of the 1996 Habitat II Istanbul Conference.

At the end of a process involving normative work and consensus building at the global level, the UN-HABITAT Governing Council approved in 2007 a set of *International Guidelines on Decentralisation and Strengthening of Local Authorities* in order to promote good governance and strengthen local authorities.

The Guidelines include four main sections: (i) the principles of 'governance and democracy at the local level'; (ii) the 'powers and responsibilities of local authorities'; (iii) 'administrative relations between local authorities and other spheres of government"'; and (iv) the 'financial resources and capacities of local authorities'. They set out a number of basic rules underlying democratic governance, including representative and participatory democracy/decision-making, citizen empowerment and building the capacity of local government. The Guidelines also advise politicians and local authority officials to "discharge their tasks with a sense of responsibility and accountability. At all times, they should maintain a high degree of transparency."

The Guidelines highlight the principle of subsidiarity as the 'rationale underlying the process of decentralisation'. Subsidiarity promotes separation of powers and is closely related to the principle of 'proportionality'. While decision-making should be as close to the citizen as possible, decisions of public interest should be taken at the level where they can best be carried out; the Guidelines call for increases not just in local authority functions, but also in the capacity 'to exercise those functions.'

Local governments do not operate in isolation. They do so in a multi-level system of governance within which they should have autonomy while cooperating with other tiers of government. It is imperative for decentralized systems of governance to recognize the significant role played by local authorities at the sub-national level. This is why the Guidelines call for formal recognition of local authorities in national legislation (and, where possible, in the constitution) as autonomous sub-national entities with the potential to contribute to national planning and development. They further recommend that laws provide for clear and equitable sharing of powers and responsibilities, whereby the powers entrusted to sub-national tiers of government should be commensurate with the financial resources made available to facilitate the delivery of expected services. The Republic of Kenya is a case in point, with the 2010 Constitution introducing a new devolved government based on a bicameral Parliament including a National Assembly representing the interests of the people at the constituency level, and a Senate representing county authorities.

The Guidelines emphasize the importance of local autonomy, with a number of provisions enabling local authorities to fulfill their tasks and maintain their autonomy, even where grants are transferred from central government. This represents a major boost for local democracy, as this institutional framework is conducive to balanced national development. In a decentralized system of governance, it is important for the management of public finances to be based on principles of openness and accountability, including public participation, equitable distribution of national revenue and powers of taxation.

Following the adoption of the Guidelines by United Nations Member States, the next stage is to have them endorsed and implemented in individual countries, adapting them to the various local conditions with one single objective, i.e., improved urban policies and delivery of basic urban services. In this regard, UN-HABITAT makes three major recommendations (i) advocacy and partnerships at national level; (ii) capacity development; and (iii) monitoring and reporting on progress.

Source: Alain Kanyinda, UN-HABITAT.

▲
Dandora Municipal Dumping Site. **©Julius Mwelu/IRIN**

since the early 1990s, several long-serving African leaders have been removed from office by dint of democratic polls. Significant structural governance and electoral reforms have also been achieved in many African nations and, today, despite the persistence of some volatile or even violent countries, politics in the region has generally become more pacified and institutionalized.[14] Political awareness is also improving, with far better grassroots recognition of the linkages between due political process, on the one hand, and, for instance, the price of public transport commutes or staple foods, on the other.

Grassroots support for democracy is generally high in Africa. An average 62 per cent of the population in 18 African countries now supports democratic regimes over other forms of government,[15] with support as high as 75 per cent in Ghana, Kenya and Senegal. In a related development, five in every six Africans now oppose traditional authoritarian rule. Nevertheless, it is important to acknowledge that elections *per se* do neither directly nor necessarily result in improved governance, socio-economic development, full political participation or peace and stability. Sometimes, democratic elections do not substitute for authoritarian rule and may also fail to lead to any change of power. As recently witnessed in Kenya and Zimbabwe, disputed election outcomes can lead to compromises, such as national union governments with the incumbent president remaining in power and the contending presidential candidate joining the government in a secondary power position. Moreover, massive election fraud, malpractice and other electoral irregularities are still rife in several African nations, and recent history has shown that these can easily result in protest, violence, displacement, bloodshed and loss of human life.

In the long run, however, democratic regimes are more likely to bring internal peace, even though the transition can be difficult, as seen in Burkina Faso, Mozambique and Nigeria where democratization came associated with widespread violence. Prevention of election-related conflict and violence requires well-established and widely accepted electoral structures and clear procedures that provide for impartial guidance and mediation in case of disputes over election outcomes. In Mozambique, for example, opposition parties have challenged the returns of three presidential and parliamentary polls with claims of fraud.[16] Dozens of protesters died in violent demonstrations triggered by official ballot returns in 1999. Likewise, following suspected fraud during a 2004 mayoral by-election, violence erupted once more in Mozambique.[17] In Kenya, the 2008 presidential poll led to widespread violence, deaths and displacement for hundreds of thousands due to alleged fraud and a disputed election result. The violence in Mozambique and Kenya could have been avoided if formal and objective redress procedures with legally binding enforcement mechanisms had been in place. However, these particular aspects of statehood building and constitutional definition had not yet been established, suggesting once more that establishing a genuine democracy takes more than just going to the polls.

In many other African countries, a variety of polls have been widely considered as transparent, free and fair, such as for instance in Ghana. That particular success was largely due to the establishment of an Electoral Commission that has strengthened democratic procedure through a code of conduct for political parties and investigation of complaints where they arise. While these institutions have provided effective checks and balances resulting in fair elections, they remain incomplete for lack of legal and binding enforcement mechanisms. Parliaments and civil society should generally be given a role in the appointment of electoral commissions, and widely accepted codes of conduct should ensure fair elections and lower degrees of related violence.[18]

Broad-based civil society, pro-governance and pro-democracy movements are increasingly prominent in Africa

and help make governance more accountable. Many political organizations are now challenging undemocratic practices and/or human rights violations. They campaign for good governance, monitor government budgets, expose corruption and promote conflict resolution.[19] Civil society has been an important factor in improved urban governance and curbing corruption across Africa, including in Burkina Faso, Mali, the Republic of South Africa and Uganda.

Bamako provides a good example of positive civil society engagement in urban governance and poverty reduction. Prior to launch in the year 2000, the Malian capital made sure that all stakeholders were involved in the strategic planning for and preparation of the City Development Strategy. This was particularly the case with regard to the informal sector, which makes up a large part of the urban economy and whose needs for urban development had to be taken into account. Through a pro-poor approach, the municipality was able to define a shared vision and identify the main objectives of the implementation strategy.

The democratic inclusion of all stakeholders in decision-making is critical to the success of any decentralization reform.[20] In the Republic of South Africa, the constitution effectively makes participation mandatory as it spells out the duties and developmental responsibilities of local government in 'democracy, service delivery, economic and social development, environmental protection, community participation, poverty alleviation and integrated cooperation.'[21] Backed by this clear democratic mandate for pro-poor development,[22] South African local authorities have taken to extending service delivery and development to many previously marginalized communities. At the municipal level, access to water supply, for instance, soared from 59 per cent in 1994 to 86 per cent of the population in just over a decade, while access to sanitation increased by 30 per cent for all households. Over the same time period, access to electricity increased from 30 per cent in 1994 to 73 per cent in 2006/07.[23]

Decentralization can strengthen democracy with elements of good governance like participation, tolerance, political openness and respect for cultural, human and gender rights. Decentralization also has a major role to play in bringing government and governance closer to the people.

Decentralization

Decentralization is broadly defined as the transfer of responsibilities for planning, management and financing from the central to lower tiers of government and other subsidiary levels of authority. There are two aspects to decentralization: political and administrative.

Political decentralization grants citizens and elected officials increased decision-making capacities, particularly in policy development and implementation. The rationale behind political decentralization lies in proximity: locally elected officials are better positioned to respond to the needs of communities than national authorities, while communities have better access to elected representatives[24] that are responsible for local-level decisions. Decentralization typically allows for improved delivery of essential services such as safe water, sanitation and waste management, energy, transportation, health and education.

The most widespread forms of administrative decentralization are devolution, delegation and deconcentration (see Box 1.5 for World Bank definitions[25]).

In today's Africa, administrative decentralization often comes under hybrid forms, combining elements of both delegation and deconcentration, but practice varies widely across the continent.[26] Some countries are committed to political devolution, like Uganda, the Republic of South Africa and Zambia, while others emphasize deconcentration of administrative authority, like Côte d'Ivoire and Kenya. Yet others focus on both devolution and deconcentration, like Botswana, Ghana and Mozambique. In the latter cases, reform has been slow due to constant legislative change that has prevented full delegation of political power to subsidiary levels.

Decentralization and citizen participation are complementary and should happen together. Clearly defined

BOX 1.5: DECONCENTRATION, DELEGATION AND DEVOLUTION: HOW DIFFERENT ARE THEY?

Deconcentration is often considered the weakest form of decentralization and most frequently occurs in unitary states. It consists in a redistribution of decision-making, financial and management responsibilities among various tiers of national government. This process can (and often does) merely shift responsibilities from central government in the capital city to regions, states/provinces or districts. Alternatively, deconcentration can create field administration or local administrative capacity under the supervision of central government departments.

Delegation is a more extensive form of decentralization. Through delegation, responsibility for decision-making and administration of public functions is transferred by central government to semi-autonomous entities that are not under its full control but are ultimately accountable to it. Governments delegate responsibilities when they set up public enterprises or corporations, housing or transportation authorities, special service or semi-autonomous school districts, regional development corporations or special project implementation units. These organizations typically enjoy a great deal of discretionary decision-making. They may be exempt from regular civil service constraints and may be able to charge users directly for services delivered.

Devolution This refers to transfers of central government authority for decision-making, finance and management to quasi-autonomous local authorities with corporate status. Responsibilities for services are devolved to municipal authorities that elect their own mayors and councils, raise their own revenues, and can freely decide on capital expenditures. In a devolved system, local authorities are assigned clear and legally recognized geographical and functional boundaries over which they exercise authority and within which they perform public functions. This is the type of administrative pattern underlying most decentralized political structures today.

www1.worldbank.org/publicsector/decentralization/admin.htm

BOX 1.6: CITIES AND CONFLICT: A 'DECENTRALIZATION' OF SORTS

Throughout history, cities have played significant roles in conflicts, both as safe havens and bases for attack. In recent years, conflict trends have changed with notable declines in interstate and civil war incidence, but with a higher frequency of civic violence, since urban areas are increasingly where various forms of violence - including terrorist attacks - are emerging along the often hazy boundary between criminal activities and political positioning for control. Vying for control can be both the cause and the result of conflict; but the near-inevitable outcome in either case is that central government domination diminishes when local urban stakeholders take centre stage in the national or sub-national competition for political control and access to resources. Admittedly, this cannot be taken as a positive type of decentralization.

As they become more integrated in the world economy and their populations keep expanding, cities are increasingly drawn into important roles in the domestic economy and in governance. They become the primary localities where matters of control and exclusion are determined. With the growing importance of cities as national centres of political and economic power - hosting wealth and extreme poverty side by side - contests over political leverage and access to resources today tend to unfold in multi-layered, city-based civic conflicts.

Consequently, Africa almost always features a dynamic tension between cities and the state that can become particularly strong in conflict and post-conflict situations, when antagonistic claims for sovereignty and control tend to shape political and economic agendas at the national and local levels. The relationships between these various tiers of governance make these tensions palpable. Some African cities, for a host of historic and more recent political reasons, have become separate jurisdictional entities,[34] adding further complexities to the already overloaded urban development and governance agendas of African cities - whether in violent conflict or not. The outcome is that several African capitals (as well as some large non-capital cities) have become self-contained politico-economic concentrations that are divorced from the remainder of the nation. They operate in an environment of formal and informal economies, largely outside the regulatory purview of a state framework, and no longer serve as centres of national political activity. Prime examples of such isolated African cities are Kinshasa, Luanda, and Mogadishu.

urban management practices and institutions are a precondition for effective decentralization. Political and fiscal decentralization should always go hand in hand and come together, if municipal authorities are to be in a position to back up decisions with revenue-raising capabilities. Now, many countries are found lagging on fiscal decentralization. This is because they often saw administrative decentralization as an opportunity to hand over problems to lower tiers of authority, without disbursing the funds required to address them. This is why decentralization has been far from uniformly effective across Africa.

Democratic politics and state-of-the-art urban planning theory together posit that active citizenship has intrinsic value and better policies and implementation result when communities are involved. Increased participation in decision-making has indeed brought peace to previously tense environments. However, cultural, ethnic and historical factors have also influenced the ways in which countries have implemented reform. In much of sub-Saharan Africa, decision-making has been only consultative rather than genuinely participatory, with the attendant lack of effective impact. The fact of the matter is, a number of African countries have experienced increased tension or little significant change as outcome result of decentralization.

Conversely, Ghana, the Republic of South Africa and West Africa as a whole have claimed that decentralization had been a success as far as they were concerned. In Francophone West Africa, authorities resort to widely publicized public hearings to give people opportunities to object to or agree on draft master or sub-division plans. While enhancing awareness and participation, these hearings are often mere platforms for antagonistic organizational and individual interests to express their views, with public authorities left to take ultimate decisions.[27]

In the Republic of South Africa, the 1996 Constitution acknowledges the autonomy of local authorities, including their revenue-generating powers. The Government of South Africa[28] refers to this autonomous authority as 'developmental local government' that in practice is mandated to 'work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.'[29] Citizens and community groups are now involved in the planning and delivery of basic urban services in South African cities. Likewise in Ghana, citizens' rights are fully protected under the constitution.[30] Institutions are strong and citizens are allowed to participate through parliament, district assemblies and civil society organizations.

Elsewhere in Western Africa, as governments withdrew from basic urban service provision in the wake of 'structural adjustment programmes', urban communities in Burkina Faso, Mali and Senegal took it upon themselves to become involved in urban management. A number of non-governmental and community-based organizations were created to meet the new challenges. Recently, Guinea, Mali and Senegal have prepared local participation planning guides to help better collaboration between communities and local authorities.

In a bid to determine the effect of decentralization on poverty reduction, a survey[31] has ranked them into the following four categories: 'positive', 'somewhat positive', 'negative', and 'somewhat negative'. Only South Africa and Ghana fell in the 'somewhat positive' and 'positive' categories. More than two-thirds of the countries surveyed fell in the 'negative' and 'somewhat negative' categories. In the negative categories, the following countries were reported to be worse off with decentralization: Burkina Faso, Egypt, Ethiopia, Guinea, Malawi, Mozambique and Uganda.[32] This is because in these countries, the process has been flawed as policies

were chosen by default rather than design. The survey has identified three major factors for successful decentralization as: (a) adequate financial and human resources; (b) political will at national level; and (c) international/donor support. On the other hand, the survey pinpointed two major pitfalls: (a) non-transparent processes, where information flows between central and local government and civil society; and (b) limited popular participation, typically confined to elections only.

The results of the survey reiterate that decentralization should respond to the specific practical needs of a country, rather than replicate schemes that have taken place elsewhere. While decentralization should be generally encouraged for the sake of a healthy democracy, the particular approach a government goes for will largely determine how sustainable that healthy democracy is to be.

Decentralization has a significant role to play in the proper management of African cities, and can even help prevent conflict, as illustrated in Box 1.6. Africa has seen widespread urban governance reform, and it is important to realise that strong institutions should be complemented with both multi-party systems and a participating civil society. Communities should be empowered and the relationship between them and local government should be strengthened through legislation. UN-HABITAT has researched how decentralization reforms can lead to local economic development, promoting grassroots participation and improving service delivery. The findings reveal that so far, very little actual power has been decentralized to local communities and, in cases where the devolvement of power has been entrenched in newly drafted constitutions, any emphasis has been at the regional rather than the local level.[33]

BOX 1.7: **SMALL PLANNING DECISIONS, LARGE ENVIRONMENTAL EFFECTS**

▲ A roadside kiosk in Nairobi, Kenya. **©Sserwanga/MJS**

One example of a very frequent local intervention with unintended impacts is the clearance of roadside vending kiosks in African cities. These kiosks are often removed because they may be illegally occupying road reserves, be considered unsightly or otherwise be declared undesirable. This is ignoring that urban roadside kiosks provide numerous selling points for daily necessities like bread, milk, soap or washing powder. Their removal does not only deprive a low-income family of its livelihood, it also takes away from the neighbourhood a convenient small retail outlet. The alternative is to drive to down-town or peripheral shopping malls, which contributes to traffic congestion, air pollution and fossil fuel use. This goes to show that seemingly minor or inconsequential planning decisions can have direct impacts on environmental sustainability, and urban planners should become more aware of the true impacts of even minor decisions.

Cities and Climate Change[35]

Urban areas worldwide are facing a number of climate-related threats, varying from sea level rise and flood risks to future food and water insecurity. Climate change already causes significant numbers of disasters in cities since these are particularly vulnerable because of their high concentrations of population and productive assets.

Admittedly, the world's urban areas today consume a majority share of global resources while also generating the bulk of greenhouse gas emissions. This does not make cities the chief environmental culprits, though. Cities are indeed responsible for the lion's share of global consumption, greenhouse gases and waste production, but they do so because collectively they accommodate the majority of the world's population. Moreover, cities also fulfill a host of functions that go way beyond local geographic conditions. Cities are drivers of economic and social well-being for entire nations and many even play roles across national borders. It is precisely because cities are home to both inherently positive and negative externalities that they can make a unique contribution to global climate-change resilience, adaptation and protection. Local authorities hold mandates that are the key to cost-effective climate change responses, including land use planning, functional zoning, or water and waste management. The local level also provides the best locus to experiment with, and learn from, innovative governance on a relatively small scale. Cities are best placed to develop solutions that are adapted to often very specific local conditions and consistent with local priorities. At the same time, local success stories also have the potential to inform regional and national adaptation and mitigation approaches.

It is particularly important to understand that the manner in which cities are developed today will have impacts on future options for climate change resilience. For instance, depending on the nature of urban spatial planning decisions, demographic expansion can cause significant environmental inefficiencies and ecologically unfriendly spatial configurations. Spatial separation of related urban functions, such as residential areas, on the one hand, and work, schooling or shopping facilities, on the other, can dramatically increase urban transportation demand and contribute to carbon emissions from private vehicle use. Such a spatial structure is evident among many of the world's metropolitan areas, including in Africa. For instance, ***Cape Town*** in the Republic of South Africa has

grown into a city region with a 100 km commuting radius. The resulting ecological footprint requires a land mass equal to the size of Greece to provide for the needs and process the wastes.[36] Similar patterns are found in ***Cairo, Dar es Salaam, Kinshasa, Lagos, Nairobi*** or just about any other large metropolitan area in Africa.

Urban planning involves large, long-term capital expenditure requirements in real estate, infrastructures and other public and private assets; therefore, a city will have to live with *any* urban planning decision for many years, whether or not it is conducive to long-term climate resilience. All the urban planning decisions made today will have an impact on the way infrastructure, economic activity, population and poverty are geographically distributed. These decisions may either exacerbate or restrict exposure and vulnerability to the growing threats of climate change. Consequently, there can be benefits in pro-active, forward-looking climate change-sensitive urban planning through spatial decisions and land-use management that take into account any and all likely future impacts, whether intended or unintended.

However, forward-looking and well-thought out climate change-sensitive spatial planning is not enough on its own. For effective adaptation strategies, it is also important to explore the linkages between national, regional and local policies to address climate change. Given the inherent limitations and strengths associated with each level of governance, multi-level approaches are invariably the most promising way forward, because they tend better to recognize opportunities for both vertical and horizontal cooperation, and can promote the involvement of a wide range of private-sector and non-governmental entities at the local level.

The vertical component of multi-level governance is especially important since national governments cannot effectively implement a national climate strategy without working closely with local authorities acting as their agents of change. Conversely, cities and local communities cannot be effective if they do not interact with all levels of government, as they often lack the authority, the resources or capacities to take action on their own. Nevertheless, cities and local communities are well-positioned to help develop policy and programmatic solutions that best meet specific local conditions. Active involvement of all interested public and private urban stakeholders will, therefore, be essential in the design and delivery of timely and cost-effective adaptation policies. Empowering local authorities would enable national policies to leverage existing local experiments, accelerate policy responses, mobilize more resources and engage local stakeholders.

Understanding climate change in the local context can highlight opportunities to maximize the crucial roles of local stakeholders and the benefits of mitigation and adaptation action, which in turn can facilitate political acceptance of often difficult decisions regarding climate change. Prior to that, it is essential, for experts and local stakeholders (including local government) to build a shared understanding about the way climate change may affect local development choices, and how those choices in turn can affect future climate patterns.

A priority for national governments is to encourage urban policy networks, and the engagement of regional and local non-governmental stakeholders in policy processes, in order to deepen knowledge as well as develop and implement strategies for mitigation and adaptation that resonate from the bottom up. This would put local authorities in a better position to shape social norms and review different possible urban forms and their interface with climate change. The aim is to allow for systemic changes in urban planning and development and cause behaviour change generate climate resilient, low-carbon economic growth.

Experience shows that climate change policies are modeled after three main institutional patterns, as follows:

(a) Government-led, top-down enabling frameworks: national policy steers local or regional authorities to take climate change into account at the local level. The frameworks deployed by central government can include national mandates that leave wide latitude for local authorities to shape policies on climate change in order to fit local conditions and circumstances.

(b) Locally-led, bottom-up action: learning and experience acquired through autonomous local initiatives inform and steer policymaking at higher levels of government.

(c) Hybrid models: central government provides enabling frameworks but gives local authorities enough discretion to tailor-make initiatives on the ground, and higher tiers of government can subsequently replicate best local practice on a broader scale.

Additionally, it is important to realise that - unlike municipal approaches to climate change mitigation and adaptation - regional approaches, due to their scale, are generally in a better position to bring about structural change, thanks to superior technical and financial capacities and environmental expertise. Regions can also develop strategies to link policies and programmes that would otherwise operate in isolation, e.g., connecting initiatives between urban and rural areas or across multiple adjacent municipal authorities.

Promoting participatory governance with regard to climate change across *all* levels of government and relevant stakeholders is crucial if policy gaps are to be prevented between local action plans and national policy frameworks (vertical integration) and if (horizontal) cross-scale learning between relevant departments or institutions in local and regional governments is to be encouraged. Vertical and horizontal integration brings two-way benefits: locally-led (or 'bottom-up'), where local initiatives influence national action; and nationally-led (or 'top-down'), where enabling frameworks empower local stakeholders. The most promising frameworks combine the two into hybrid models of policy dialogue, where any lessons learnt are brought to bear on enabling frameworks and are disseminated horizontally, in the process achieving more efficient local implementation of climate change strategies.

1.4
Public and Private Financing for Urban Housing and Infrastructure

Current finance for urban housing and infrastructure is inadequate both in terms of capital resources and of lending policies and conditions compared with the types of income and borrowing capacity of the large majority of Africa's urban populations. This inadequacy is only compounded by the rapid demographic expansion of cities in sub-Saharan Africa. This section reviews the current patterns of urban expansion, infrastructure and housing, as well as opportunities for future improvement.

Urban Growth Patterns

Although urban demographic growth is generally considered a positive force for economic development, very rapid urbanisation *can* pose great challenges for urban economies, particularly with regard to infrastructure and services. In no other region of the world today is urbanisation more sustained, but urban economic growth more sluggish, than in Africa. From 2010 to 2030, Africa's urban population is projected to grow about 45 per cent faster than the total for the region. By 2030, almost half of the African population will be living in areas classified as urban, and this share is projected to increase to well over 60 per cent by 2050 (See Table 1.2).

The Impact of Urban Growth on Housing and Infrastructure

Demographic expansion in African cities has created and will continue to create serious challenges in terms of affordable housing and water supply, transportation, waste collection and disposal, and controlling air and water pollution.[37]

For years, a number of troublesome forces have accompanied the process of rapid urbanisation in Africa. Municipalities have not been structured to cope with extremely fast-growing populations, and particularly migration to urban areas of large numbers of unskilled labour. Existing municipal revenue and finance-generating structures fall well short of the capital expenditures which upgrading or extension of infrastructure would require. Municipalities cannot afford investments in housing construction schemes, either; those central and local governments who tried this on an extensive scale in sub-Saharan Africa between 1970 and 1990 found that matching housing supply with population growth was the road to bankruptcy. Private sector investment in infrastructure is limited and typically focuses only on the largest economies, e.g. the Republic of South Africa. Any formal housing finance offered by local banks reaches only the top 15-20th income deciles of the population, partly because formal land titles and secure tenure are not available to the majority of urban populations. Informal housing finance is limited in size and cannot accommodate the vast potential demand. Finally, because much urban land use and investment in property is informal, municipalities lack a broad property tax base which could pay for urban infrastructure and neighbourhood improvement, a point to be discussed further in Section 1.5.

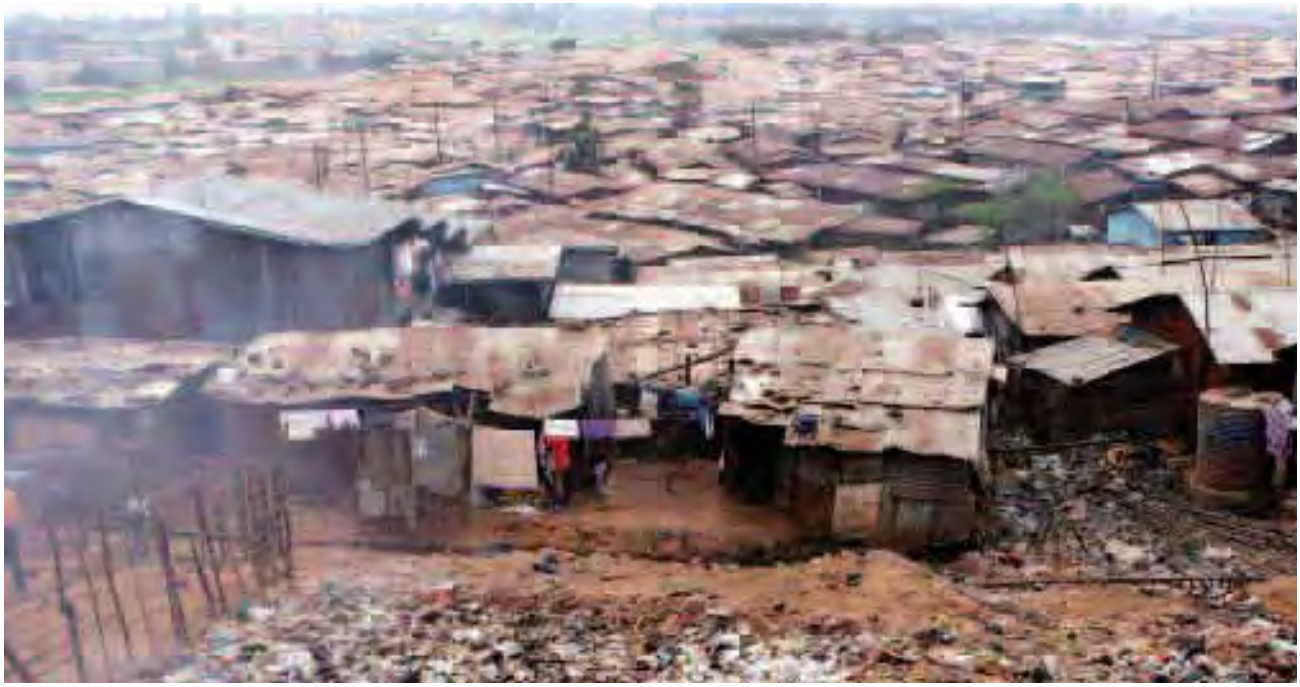
Municipal Investment in Infrastructure and Housing

Municipal investment in urban infrastructure has been uneven across Africa, but generally lags the needs of ever-growing urban populations. As discussed further in Section 1.5, municipal revenue collection is often inefficient, while

TABLE 1.2: **SUB-SAHARAN POPULATION GROWTH - 1990-2030**

Sub-Saharan Africa	2010*	2030*	2050*	% Growth 2010-2030*	% Growth 2030-2050*
Total population	866,948	1,308,461	1,760,724	150	135
Urban Population	323,525	630,351	1,064,736	195	169
Urban % of Total	37.3	48.2	60.5		

**Projections*
Source: World Urbanisation Prospects, The 2009 Revision, DESA, United Nations, New York, 2010



▲
Kibera, Nairobi. **©Manoocher Deghati/IRIN**

TABLE 1.3: **PRIVATE SECTOR INVESTMENT IN PRIMARY INFRASTRUCTURE/SERVICES IN SUB-SAHARAN AFRICA (US$ MILLION)**

Investment Year	Energy	Telecom	Transport	Water and Sewerage	Total Investment
1990	40	0	0	0	40
1991	0	0	0	0	0
1992	0	20	0	0	20
1993	0	1	31	0	31
1994	76	553	18	0	647
1995	77	677	63	0	817
1996	744	961	28	20	1,753
1997	754	1,713	469	0	2,936
1998	716	1,150	336	0	2,201
1999	537	1,160	1,087	82	2,867
2000	463	1,460	183	31	2,137
2001	655	2,812	484	3	3,955
2002	484	2,751	101	0	3,335
2003	1,597	3,982	335	9	5,923
2004	240	3,563	187	0	3,990
2005	789	4,565	504	0	5,859
Grand Total	7,171	25,369	3,826	146	36,510

Source: Jerome, A., Private Sector Participation in Infrastructure in Africa, 2008

financial management is in many cases inappropriate. As a result, the financial condition of municipalities is generally weak, with most relying on central government disbursements to top up fiscal shortfalls. Added to this weak financial position is the increasing decentralization of service delivery functions to the local authority level, and continued high centralization of financial resources at the central government level.[38] This has resulted in rapidly increasing urban decay and the proliferation of slums, which accommodated 71.9 per cent of the urban population in sub-Saharan Africa in 2001.[39]

Private Sector Investment in Infrastructure

Sub-Saharan Africa attracted US $36.5 billion in private sector investments between 1990 and 2005. Half of these went to the Republic of South Africa and focused on infrastructure and services (See Table 1.3).

Private Sector Investment in Housing

Land and housing finance markets are rather underdeveloped in Africa's urban areas, with far-reaching impacts on overall urban conditions.

Access to Formal Urban Land

Access to formally surveyed and registered land is often scarce in African cities. Rapid expansion causes concomitant rises in land values in city centres and desirable new neighbourhoods, with scarcity boosting the price of formally registered land in particular. Most African households cannot afford formal urban land ownership, and south of the Sahara the only alternative for them is some form of informal

settlement or slum. In addition, among the 28 per cent of the African urban population who do not live in slums, many stay in informal settlements, in non-permanent structures or without proper titles.

Access to Housing Finance

Due to lack of regular or predictable incomes for most city dwellers, and an absence of financial instruments that could adjust accordingly, only 15 per cent or so of Africa's urban population may be eligible for formal housing loans, effectively excluding the remaining 85 per cent.

Primary Loan Instruments: Formal housing finance includes mortgage and construction loans. These are typically offered by commercial banks and building societies, which demand a lien on land (i.e., the right to keep possession until the debt is discharged) or other pledge of property interest, as well as proof of income if a borrower is to be eligible. Savings societies, housing cooperatives and social housing funds also offer housing and home construction loans, typically through local membership schemes.

Secondary Finance for Housing and Construction: Their own funding constraints restrict the types and duration of lending services that banks and building societies can provide. The typical sources are deposits/savings, and borrowing, which can include bond issuance (either corporate or asset-backed, as in mortgage securitization), with the securities sold to pension funds, other banks and corporate institutional investors. In more advanced African economies, several secondary finance alternatives are available for housing and construction. In the Republic of South Africa, mortgage securitization started as early as the 1980s and the United Building Society securitized Rand250 million (or about US $36 million) mortgage loans in 1988.[40] The four major South African banks together hold over 85 per cent of all mortgage loans, accounting for Rand 167.1 billion (US $21.7 billion).[41] Where debt markets are not well developed, banks rely primarily on deposit funding to support housing and construction lending. In Zimbabwe, building societies provide 65 per cent of all mortgage loans, while the formal housing finance sector is very small. In 2007, the total amount disbursed in the formal housing sector in Zimbabwe was a mere US $1.15 million.[42]

Only the strongest financial institutions have access to foreign sources of funding and the ability to manage attendant exchange rate fluctuations. Even those institutions often lack access to long-term secondary financing sources, which restricts the maturities they can offer borrowers for construction or home loans. In addition, central banks or bank regulators typically restrict lending in the housing sector to formal mortgage finance, since it is secured by a formally registered lien on property.

Some African governments play a very important role in the financing of low-income housing. The Republic of South Africa, for instance, operates large-scale housing subsidy programmes for the lower-middle and low-income segments of the population. The broad-ranging subsidies are granted for individual ownership, rental and social housing subsidies, as well as for projects and institutions; the poorer receive full subsidies, while lower-middle income groups receive partial subsidies. Between 1994 and 2004 in South Africa, government-sponsored housing finance provided 2.4 million subsidies and facilitated access to ownership for more than seven million people.[43]

Informal Housing Finance

The vast majority of Africa's urban poor have no access to any formal financial instruments, and no alternative but to finance their houses through informal mechanisms. These include mainly personal savings, small loans from relatives, friends or microfinance institutions, or through incremental building. Short of access to these, renting is the only available alternative, often at highly inflated prices for poor quality shelter, which adds to the vicious spiral of poverty, unsanitary living conditions and lack of opportunity to climb the social ladder. The poor are denied access to formal housing finance due to lack of collateral resulting from the quality and/or legal status of their housing, limited incomes or uncertain employment status.

Prospects for Improvements

Potential improvements to Africa's current housing finance system include the following:

1. Reform of land regulations, property rights and land markets must allow private ownership, leasehold and transactions on open land markets;
2. Stronger tax bases for municipalities, putting them in a better position to borrow and access capital markets;
3. Encouraging greater private investment and finance in urban infrastructure and services, whether through guarantee schemes, creation of separate entities with service-fee revenue bases, or a combination of the above, including public-private partnerships with international financial institutions and private operators and/or investors;
4. Promotion of housing finance through microfinance institutions and housing cooperatives who know how to reach out to low-income urban communities and whose strong repayment record can attract private and donor funding;
5. Financial regulation *must* allow for a broader range of housing finance instruments, including those tailored to informal incomes;
6. Support for increased secondary finance for housing micro-loans and community projects;
7. More resources for well-designed government subsidy programmes (taking inspiration from foreign best practice (such as Chile's *Ahorro*, *bueno*, *credito* programmes, the Sofales experience in Mexico, current subsidy programmes for the urban poor in Indonesia, etc.); and
8. Promoting access by the poor to microfinance services, including loans for housing, construction materials, water and sanitation.

1.5
Local Authority Finance

Across the world, public finance for urban infrastructures and service delivery typically accrues from municipal tax revenues, user fees and government transfers. For many African municipalities, property tax is the major source. This is the case, for instance, in ***Nairobi***, where property tax provided 46.9 per cent of total municipal revenue in 1991-1992, compared with as much as 66 per cent in ***Mombasa*** (1975-1984) but only 21.5 per cent in ***Dar es Salaam*** (1996).[44]

Existing Municipal Revenue Sources

Municipal property tax revenues have been increasing in all nine major cities in the Republic of South Africa. They play important roles in ***Cape Town*** (25.5 per cent in 2007/08), ***Tshwane*** (more than 25 per cent in 2007/08) and ***eThekwini*** (30 per cent in 2007/08)[45] (see Graph 1.3).

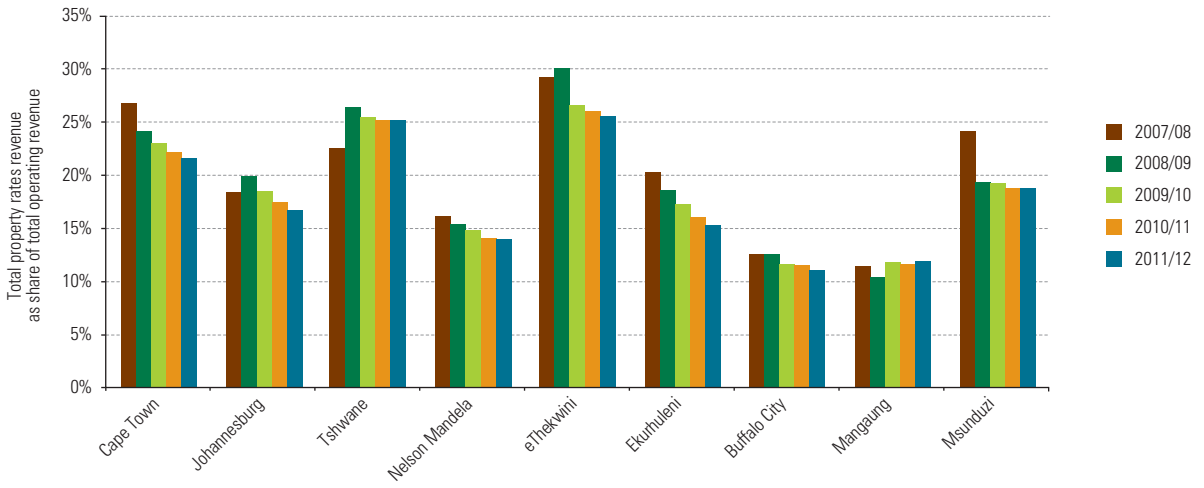
In Somalia, the share of property tax in municipal revenues varies between 28 per cent in ***Hargeisa*** and barely 4 per cent in ***Berbera*** (see Graph 1.4).

In some African cities, user fees and service charges overtake property tax as major sources of municipal revenues. This is the case in all municipalities in the Republic of South Africa, where these revenues (2007-2008) were more than double those of property tax (Graph 1.3).[46] In ***Nairobi***, fees and service charges accounted for 46.7 per cent of total municipal revenue in 1996-1997.[47]

Transfers from higher government tiers are another important source of municipal resources. In the Republic of South Africa, these are the second largest contributor to municipal funding, accounting for 22.4 per cent of the total in 2007-2008, compared with 30 per cent in ***Nairobi***. In contrast, the contribution of government transfers was 61 and 81 per cent in ***Accra*** and ***Cairo*** respectively (2008). However, in Somalia, inter-governmental transfers are almost negligible, reflecting the nation's almost complete lack of central government authority. Virtually all Somali municipal revenues are generated by the municipalities themselves, with commodity taxes and market fees the dominating sources of income.

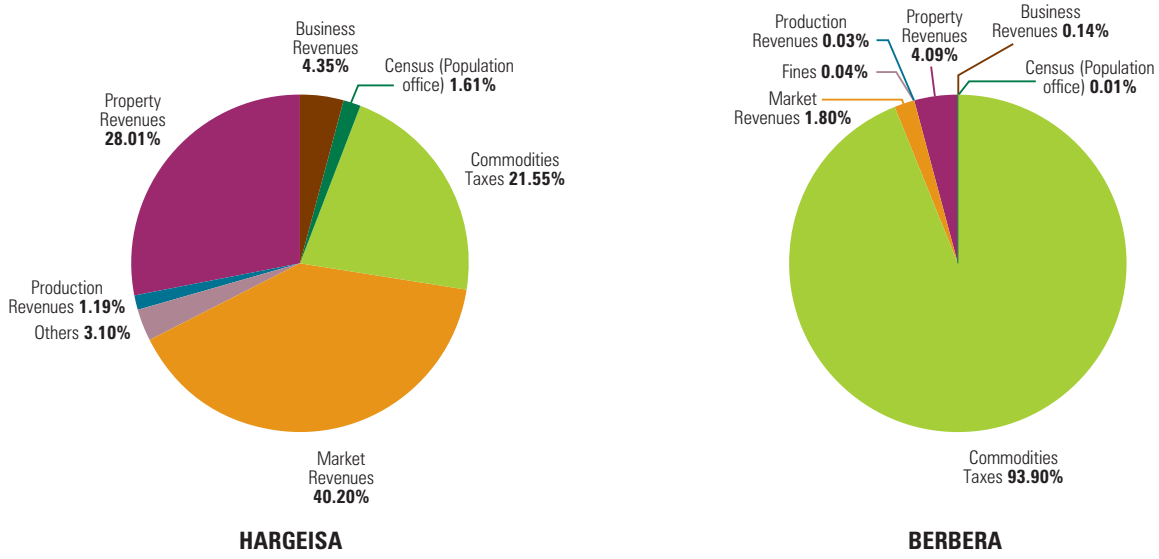
▲ Cape Town City Hall. **©Squareplum/Shutterstock**

GRAPH 1.3: **SHARE OF PROPERTY TAX IN MUNICIPAL REVENUE, SOUTH AFRICAN CITIES (%)**



Source: PDG and Isandla Institute, 2009, Municipal Rates Policies and the Urban Poor, Johannesburg: South African Cities Network

GRAPH 1.4: **SOURCES OF MUNICIPAL REVENUE IN HARGEISA AND BERBERA, SOMALIA, 2009**



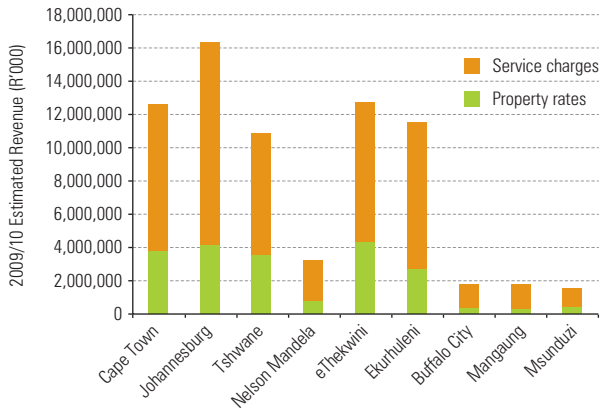
Source: UN-HABITAT Somalia Survey 2007

TABLE 1.4: **LOCAL GOVERNMENT REVENUE, TANZANIA, 2002-2005/06 (MILLION SHILLINGS)**

	2002	%	2003*	%	2004/05	%	2005/06	%
Transfers	247,027	81.0	313.873	86.5	386,768	89.9	452,831	89.9
Own-source revenues	57,740	18.9	48,344	13.0	42,871	10.0	49,291	9.8
Local borrowing	225	0.1	443	0.1	549	0.1	1,496	0.3
Total	304,993		362,659		430,188		503,618	

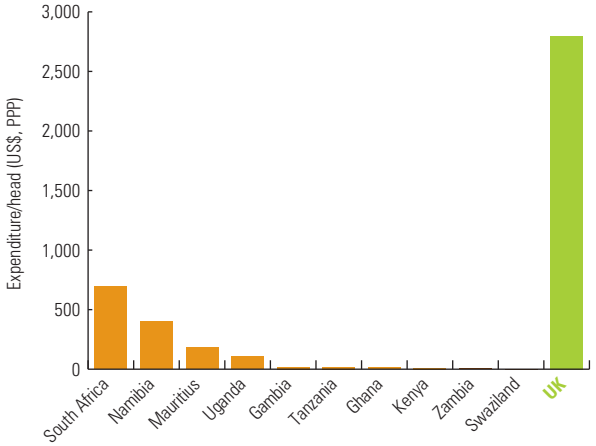
** Prior to 2004, revenue collections were reported based on calendar not fiscal years*
Source: Venkatachalam P (2009), Overview of Municipal Finance Systems in Dar es Salaam, Tanzania, London: LSE

GRAPH 1.5: **SERVICE CHARGE AND PROPERTY TAX REVENUES IN SOUTH AFRICAN CITIES, 2009-2010**



Source: PDG and Isandla Institute, 2009, Municipal Rates Policies and the Urban Poor, Johannesburg, SACN

GRAPH 1.6: **LOCAL AUTHORITY SPENDING IN SELECTED AFRICAN COUNTRIES (COMPARED WITH UK. 2003)**



Source: Dirie, I, Municipal Finance, Coventry: Commonwealth Local Government Forum, 2005

Central Taxation and Decentralized Services: Funding local authority mandates

The wave of structural adjustment policies in the 1980s and 1990s resulted in widespread decentralization in Africa, where central government took to transferring some responsibilities to local authorities. The general idea behind decentralization was: (a) to enable local authorities to make decisions on public affairs within their jurisdictions; and (b) to improve the efficiency and effectiveness of service delivery and management to the local population.[48] However, effective decentralisation must also extend to financial allocations and powers, allowing local authorities to generate the revenues they need for increased service provision and management. In many cases, though, only the responsibility for service provision and management was decentralised, which led to significant 'vertical' fiscal imbalances. These fiscal imbalances have still not been remedied in many African countries, where decentralization remains largely ineffective as a result. African countries must improve local governments' financial capacities and enhance local resource mobilisation instruments.[49]

This situation does not preclude many municipalities from increasing their own revenue sources, even in the face (in some countries) of central government attempts to strengthen their own control over municipal authorities. For example, in Tanzania, government transfers increased from 81 per cent to 89.9 per cent of total municipal revenue between 2002 and 2005/06, with a concomitant relative decline in local revenue sources (from 18.9 per cent in 2002 to 9.8 per cent in 2005/06). Local authorities virtually have no borrowing powers as shown in Table 1.4). Due to central government control, local authorities often lack real power and in many cases can act only as mere implementation agents.

Those local authorities looking to be of better service to constituents must do what they can to increase their financial capacities. However, cities where property taxes are the main revenue source often unfairly place much of the burden of operational costs on real estate owners. On the other hand, those relying on business taxes may increase the burden on enterprises. Whatever the case, it is important to seek fair revenue generation means, and more diversified sources are a good way of achieving that.

How do Local Governments Cope?

Graph 1.6 highlights the huge expenditure gaps African cities would need to bridge if they were to achieve the standards prevailing in more advanced economies. In the UK in 2003, local authority expenditure per head was an equivalent US $2,798 (PPP). In Africa, the country with the highest local authority resources is the Republic of South Africa, amounting to only about 25 per cent of the UK's. In Swaziland, local governments only spent US $2.3 (PPP) per head in 2003, or less than 1/1,000th of UK spending. African cities such as ***Banjul, Harare*** and ***Windhoek***, to mention a few, receive no central government funding whatsoever, and therefore are left to their own devices. How do they and others cope? Clearly, innovative approaches are called for and some cities indeed are becoming extremely inventive when it comes to closing fiscal gaps.

Local infrastructure and services can be paid for in a number of innovative ways. In ***Harare,*** the main revenue sources are property taxation, business licenses and borrowing. Under its 2010 municipal expenditure plan (US $505 million), Zimbabwe's capital city raised US $230 million (or 45.5 per cent) from property tax, US $102 million (20.2 per cent) from water service charges, US $63 million (12.5 per cent) from water rates; US $25 million (5.0 per cent) from waste collection charges and the remaining 16.8 per cent from fees and charges on other types of services such as vehicle licences, market fees, health fees, etc.[50]

TABLE 1.5: **MAIN MUNICIPAL REVENUE SOURCES IN SOMALIA, 2007 (%)**

Municipality	Commodities Tax	Market Tax	Property Tax	Total
Hargeisa	21.6%	40.2%	28.0%	89.8%
Burao	39.1%	35.1%	19.6%	93.8%
Berbera	93.9%	1.9%	4.1%	99.9%
Borama	37.2%	28.3%	24.6%	90.1%
Erigavo	55.4%	14.1%	14.1%	83.6%
Lasanod	41.8%	8.0%	9.9%	59.7%
Average	48.2%	21.2%	16.7%	86.2%

Source: UN-HABITAT Somalia Survey 2007

Windhoek, the capital of Namibia, has more decentralized responsibilities than any other city in the country, but does not benefit from either VAT and/or central tax collection within its boundaries. Therefore, the city charges fees for all the services it provides. Its largest revenue sources in 2006 were electricity charges (398 million Namibian dollars (NAD), or US $52.7 million), general service charges (NAD 324.7 million, or US $42 million), and water charges (NAD 190 million, or US $25 million).[51] The city is, by necessity, very proactive with regard to land valuation and taxation. Properties are valued every five years for rating purposes and innovative methods include establishing additional revenue collection points and introducing new technology such as electronic payment terminals, while involving corporate partners in municipal bill collection.[52] This is the case[53] with electricity charges, under a partnership with First National Bank which enables consumers to pay bills through the bank's Automatic Teller Machines (ATMs). This makes payments easier for customers while saving significant labour costs for the power utility.

In Somalia, municipal revenue sources are very different from those in other African cities, with commodity, market and property taxes providing the lion's share of municipal revenues (see Table 1.5), which together contributed an average 86 per cent of municipal revenues in 2007, but 90 per cent and more in ***Hargeisa, Burao*** and ***Borama,*** and just short of 100 per cent in ***Berbera***.

Commodity tax stands out as the single most important source in these six Somali municipalities, contributing an average 48.2 per cent, which includes 93.9 per cent in ***Berbera***, 55.4 per cent in ***Erigavo*** and 41.8 per cent in ***Lasanod***. Market tax was the second-largest source of municipal revenues, with an average 21.2 per cent, which includes 35.1 per cent and 40.2 per cent respectively in ***Burbao*** and ***Hargeisa***. Property tax comes third, averaging 16.7 per cent, with a maximum 28 per cent in ***Hargeisa*** and a minimum 4 per cent in ***Berbera***.

Treating Urban Land as a Revenue Source

With an appropriate regime, urban land can be turned into a major revenue source for municipalities through one of three types of taxes: (a) a tax based on annual or rental value of property; (b) a tax based on the capital value of land and any improvements; or (c) a tax based on the site or land value.[54] Property tax is now widespread in African cities and, as noted earlier, ranks among the most significant municipal revenue sources. But they still generate only a fraction of their potential. Africa's urban taxation problems are mainly due to poor property valuation and low collection rates. Municipal valuation rolls are often incomplete and out of date, as it the case, for example, in Kenya, Uganda and Zambia. In other localities, like for instance ***Berbera***, property assets are not well-recorded[55] and revenues are extremely low when compared with other Somali municipalities. Thanks to a UN-HABITAT property survey, ***Berbera*** in 2009 began to experience a significant increase in municipal tax revenues.[56]

▲
Kibera, Nairobi. **©Manoocher Deghati/IRIN**

BOX 1.8: MAKING LOCAL TAXATION AND REGULATIONS MORE BUSINESS-FRIENDLY

Apart from planning and services, municipal authorities shape local business environments through taxes, fees, utility and other charges, which contribute to their competitiveness, or otherwise. In other words, excessive local charges or complex compliance systems can severely dampen capital expenditure, business growth and job creation in any given city. Streamlined and transparent fee structures and regulations can reduce financial and compliance costs, while municipalities can fulfil their governance functions in a more effective way.

Depending on the degree of decentralization and in order to finance urban services, local authorities can draw on a combination of own-source revenues (tax and non-tax), intergovernmental transfers, borrowings and profits from public undertakings. With continuing decentralization in many African countries, local authorities face increasing pressures to find sustainable sources of revenue. This can lead to revenue maximization through a proliferation of fees that may not always be in their longer-term interests. If a better business environment and an enhanced, equitable tax base are to be brought about, municipal own sources need reform.

Local own-source revenues comprise: (1) taxes (compulsory payments that are not tied to specific goods or services delivery such as property, sales, income or excise taxes); (2) user charges (payments tied to delivery of goods or services like water, electricity or waste collection); (3) regulatory fees (permits, licenses and certification); and (4) other sources (interests, royalties, rents, fines and penalties).

Problems arise when local regulatory instruments are used for revenue-raising. In many cash-strapped African cities, regulatory fees have proliferated. In the interests of an improved business environment, reform should focus on four steps: (1) make a comprehensive inventory of all instruments involving payment by firms to local authorities; (2) abolish (or legalize) these instruments if not legally robust; (3) classify local financial instruments into the four types above; and (4) assess whether regulatory fees have a regulatory function or whether they are simply a revenue source.

When regulatory fees are found legitimate and set on a cost-recovery basis, collection must be streamlined. If no regulatory function is served or where revenue exceeds the costs of regulation, municipal authorities must (a) reduce or eliminate this quasi-tax and rely on other fiscal instruments, strengthening own-source revenues such as taxes and user charges to compensate for any revenue loss; and (b) collapse multiple fees into one single business levy in order to reduce administrative costs to firms and public authorities.

Local business taxes (corporate income, capital and non-residential property taxes, and other commercial levies) must also come under review. Popular as they may be with politicians and the public as they extract substantial revenues while reducing personal taxation, business taxes tend to influence companies' decisions to establish themselves in any given city. Therefore, in order to reduce these risks municipal authorities must set both a tax floor and a ceiling. On a discretionary assessment, business taxes should also be extended to small enterprises that do not keep formal accounts, with clear and transparent rules in order to prevent corrupt practices.

Integrated reform of the business environment is the next best thing to a panacea, as it has the potential to sustain long-term local economic development. Clear and predictable taxation regimes help build an environment where business can operate more efficiently, while widening the municipal tax base in a broader, more equitable way.

Source: Corthay, L., Local Taxes, Regulations, and the Business Environment, in Investment Climate in Practice, No. 5, April 2009, World Bank

Also important is *land value* tax (or site value tax), which is levied regardless of on-site buildings, improvements or personal property,[57] and is based on the value of the site at its best permitted (rather than current) use. On top of adding to municipal revenues, the land value tax dampens speculation and instead tends to bring unused or under-utilised sites into full use. This increases the supply of land for development and can be conducive to reduced land prices. Therefore, taxing land values and spending the revenues on infrastructure or public services can be instrumental in building a more sustainable and equitable urban community.

Timely expansion of municipal boundaries can also add to revenues through a broader tax base. Against a background of rapid demographic and spatial growth, anticipating on eventual urban encroachment on peripheral rural lands can create a significant additional source of municipal revenue. Boundary extensions will more often than not require central government intervention, but this can give municipal authorities a good opportunity to include significant amounts of government-owned land in their spatial and financial planning portfolios. An added benefit is that under these conditions, municipalities are in a position to pre-empt on speculators, as they stand to be the sole beneficiaries of the higher values which their long-term, forward-looking planning is going to bring to those boundary extensions. Not only is this wise governance in financial terms, it also gives the municipality, as the owner of the land, better control over future developments, including creation of green belts and access to land for future infrastructure planning.

By way of conclusion, if Africa's local and municipal authorities are better to match their financial resources with the increased responsibilities deriving from decentralization, public authorities should embark on the following three steps:

1. Promoting fiscal decentralisation, with more local revenue-raising power through local taxes and other financial instruments;
2. Promoting secondary borrowing by municipalities with strong balance sheets, whether from local banks or through national debt capital markets; and
3. Encouraging decentralized revenue-raising authority and public-private partnerships in order to stimulate greater private sector investment in revenue-generating municipal infrastructures.

1.6
Ten Years of the Millennium Development Goals

The eight Millennium Development Goals (MDGs) were adopted as part of a commitment by the world's governments to tackle poverty. Their significance is twofold: (1) collectively, they address some of the major dimensions of poverty, which is conceived far more broadly than merely money income; and (2) they are matched with 18 ambitious targets for 2015 against which progress and eventually outcomes can be measured on a set of 48 different indicators, and those responsible for implementation – mostly national and regional governments – can be held to account. Importantly too, the near-universal adoption of the Goals links both donor and recipient governments, with the former committing targeted official development assistance to help achieve them (see www.un.org/millenniumgoals for background information and details).

Critics argue that the Millennium Development Goals are too ambitious and somewhat arbitrary, with both discernible overlaps and gaps, or that they are little more than political sops that stand no more chance of being met than previous targets, such as that OECD members should give at least 0.7 per cent of gross domestic product in overseas development aid. While these claims have some validity, there can be no denying that sincere efforts are under way, with progress monitored and reported at regular intervals. It is, therefore, very likely that the Millennium Development Goals have already made a positive difference overall.

Most of the Goals and associated targets are for national, sector-based enforcement (e.g., providing universal primary education, eradicating extreme hunger and poverty, combating HIV/AIDS, malaria and other diseases), while some are explicitly gendered (e.g., improving maternal health). As with all such national indicators, they conceal often sharp differences at various sub-national scales and do not distinguish between urban and rural areas. Goal-oriented efforts must be made in a general sort of way but very few have any distinctive urban relevance. The most obvious exceptions are targets and indicators under MDG 7 (ensuring sustainable development), which address energy consumption per head, carbon dioxide emissions, and the proportion of populations with access to safe drinking water and improved sanitation, and – in particular – reducing the slum population as a percentage of the urban population. The *State of the World's Cities 2006/07* (UN-HABITAT 2006) outlines a qualitative urban balance sheet for each Millennium Goal, setting the positive factors of population densities, concentrations of educational and health facilities and personnel, greater awareness and physical accessibility against overcrowding and constrained capacity of services, widespread lack of affordability to the urban poor, and risky behaviour as the odd desperate effort to make ends meet.

It is now a full decade since the Millennium Development Goals were adopted and thus two-thirds of the time available to meet the targets has elapsed. Progress has been very uneven within and across countries and regions. Africa (especially south of the Sahara) is generally regarded as one of the weakest performers, with most countries unlikely to meet some, if any, of the targets. Indeed, only a minority of the targets are now likely to be met; others will take much longer or are very unlikely to be met at all. This was already apparent before the onset of the global financial crisis of 2008/09, but prospects around the world are now far poorer. The reduced ability of cash-strapped governments to sustain spending programmes in the face of falling export prices, coupled with reduced development aid by some OECD countries (notably not the UK which, despite the severity of its public sector deficit after bailing out the banks, has ring-fenced development aid), has had a negative impact, especially in the poorest countries. Furthermore, the purchasing power of many urban poor households has been eroded, even among those who have retained their jobs as factories shed labour. Emergency expenditure by governments facing extreme weather events or 'natural disasters', which have occurred in many areas, also divert funds and scarce human resources from longer-term development expenditure.

More positively, however, primary school enrolment in sub-Saharan Africa did increase by 15 percentage points between the year 2000 and 2007, while a combination of enhanced vaccination campaigns and accelerated distribution of insecticide-treated bed nets to combat malaria have reduced child mortality in recent years.

With respect to the more specifically urban Millennium Development Goals, progress has been more limited worldwide; indeed, "…slum improvements are barely keeping pace with the rapid growth of developing country cities"[58].

As reviewed by Satterthwaite, environmental health[59] problems highlight the current challenge of urban sustainability, which has to do with the dynamics of ongoing expansion in most regions of the world against a background that has changed to economic crisis and climate threats. For poorer regions, including much of Africa, this crisis will sharpen the perceived trade-offs between the apparently competing priorities of employment generation and meeting basic needs, on the one hand, and promoting longer-term environmental sustainability, on the other. In reality, however, as the 2006 Stern *Review on the Economics of Climate Change* demonstrated,[60] the ultimate costs of inaction in the face of climate change will exceed those of the 'green technologies' and sustainable resource uses that can mitigate the threat.

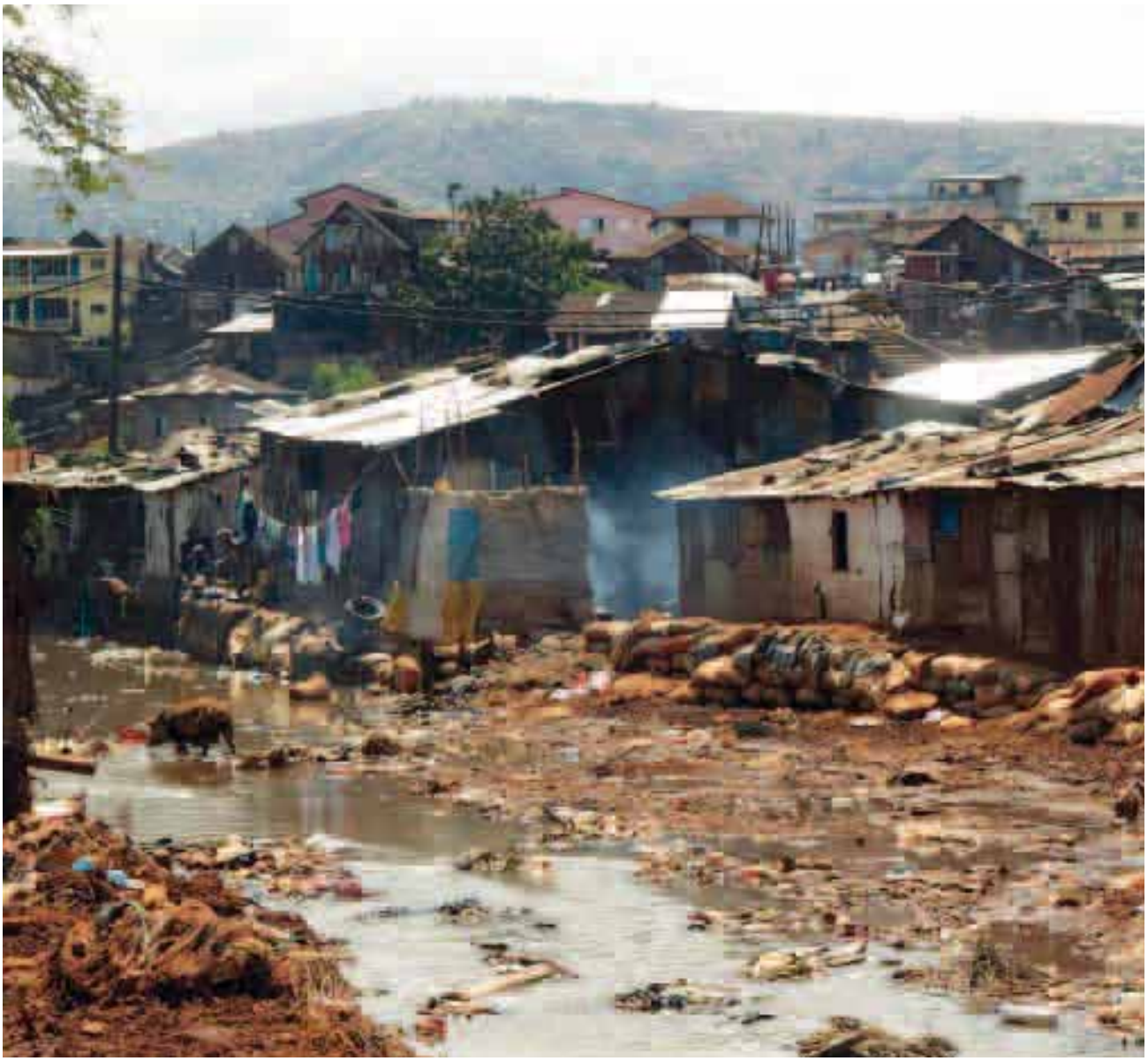
African countries will be able to address these dilemmas only with strong political leadership, backed by appropriate technology transfers and development assistance agreements. These efforts would come in support of the UN Framework Convention on Climate Change process as embodied in the Copenhagen Accord in December 2009 and the proposed legally binding agreement to be negotiated during 2010, as well as associated bilateral agreements. This ongoing process highlights the mismatch between Africa's small contribution to global warming and the fact that it stands to suffer heavily from climate change. While global carbon dioxide emissions increased from 21.9 to 28.7 billion metric tonnes between 1990 and 2006, the respective figures for Africa were only 0.7 and 1.0 billion tonnes (sub-Saharan Africa: 0.5 and 0.6 billion tonnes; North Africa: 0.2 and 0.4 billion tonnes), or 4.5 per cent of the total.[61] In Africa, these emissions have both urban and rural origins. In urban areas, the atmosphere is polluted by the consequences of economic momentum (industrial and motor vehicle emissions) and poverty (kerosene or biomass for lighting or cooking); in rural areas, greenhouse gas emissions have increased substantially with widespread forest clearance and burning.

The first target of Millennium Development Goal 7 (ensuring environmental sustainability) is to integrate the principles of sustainable development into country policies and programmes and to reverse the loss of environmental resources. Such commitments have indeed increasingly been incorporated into African national development plans and policy documents but are not yet widely implemented on the ground. Greater coordination is also required to ensure that rural-urban feedback and integration are adequately recognised. For example, ensuring adequate urban water supplies requires not only local supply augmentation and urban conservation measures (such as reducing leakage from outdated networks where any; reducing consumption per head among urban elites; and increasing water harvesting), but also rural environmental conservation in a bid to maximise water retention in soils and reduce soil erosion (and hence siltation in reservoirs), together with greater efficiency and effectiveness of agricultural irrigation. Several development Goals and targets can also be addressed simultaneously through appropriate interventions. For instance, reducing deforestation will not only improve rural and urban water availability, but also lower rural greenhouse gas emissions.

The target of halving the proportion of the population without sustainable access to safe drinking water and basic sanitation is unlikely to be met in many African countries, despite considerable progress, especially in urban areas. In 2006, some 242 million people had access to appropriate facilities in sub-Saharan Africa; however, in order to meet the target, this figure would have to increase by 370 million by the year 2015. This is a daunting challenge: in 2008, approximately 22 million urban and 199 million rural residents still practised open defecation – about 10 per cent of the worldwide total – with often considerable risks to public health.[62]

However, an even more challenging target for sub-Saharan Africa remains the "significant improvements in the lives of at least 100 million slum dwellers by 2020". This requires multiple interventions in the areas of sanitation and safe drinking water supply, as well as the upgrading of the physical fabric of buildings and other infrastructure and services. A significant decline in the proportion of sub-Saharan Africa's urban populations living with shelter deprivations occurred between 1990 and 2005, from 71 per cent in 1990 to 62 per cent in 2005; however, continuing demographic expansion has cancelled out that achievement, so that today many more people find themselves in those dire conditions.[63] Particular problems arise in countries where recent or ongoing armed conflicts have diverted public expenditure away from socio-economic development and/or where the urban fabric has been damaged or destroyed and people displaced on a large scale, as in Angola, Sierra Leone, Somalia and parts of Sudan. Such conflicts have exacerbated long-standing problems of urban underinvestment, lack of political will and widespread poverty. Rural conflicts can displace people to relatively secure urban areas, as is the case with ***Benguela, Lobito, Luanda,*** Angola and ***Freetown,*** Sierra Leone, whereas urban fighting and destruction can drive people out of cities, as in ***Mogadishu***, Somalia. In affected towns and cities, up to 80 per cent of urban dwellers live in substandard conditions. The proportion is the same in ***Addis Ababa***, although for different historical reasons. Across Africa, a variety of strategies will be required to facilitate any communal and household self-help efforts deployed to meet locally appropriate standards. Efforts in this direction would somewhat reduce the vulnerability of cities and poorer residents to systemic shocks (see Section 1.1).

It is worth pointing out that progress on Millennium Development Goals appears generally stronger in countries with strong political will and accountable forms of governance. This reflects a culture of responsiveness to the needs and demands 'from below' rather than just 'from above' in terms of donor conditions. Conversely, allocation of scarce capital to expensive prestige or lavish projects that detracts from anti-poverty investments tends to be more prominent in less responsive and accountable regimes, where the elite have more leeway to serve their own interests. Similarly, civil or cross-border conflicts and related instability cannot favour concerted poverty reduction interventions since they create fear and tension, divert government resources into unproductive military expenditure, and lead to direct



▲
Kroo Bay slum, Freetown, Sierra Leone. The MDG slum target is a challenge for sub-Saharan Africa. **©Ines Gesell/iStockphoto**

destruction of infrastructure and service breakdowns, while displacing or killing people. In other words, the nature of domestic governance has a direct bearing on the prospects of achieving the Millennium Development Goals.

Future prospects appear more uncertain at present than during the generally optimistic years of the decade preceding the current global economic crisis. As explained above, few countries in any region will achieve all the Millennium Goals; in Africa, more will be missed by more countries. Within individual countries, however, cities are more likely to achieve or at least come close to some Goals than most rural areas. Unless the data are disaggregated sub-nationally, regional or urban-peri-urban-rural differences will remain largely obscured.

This raises the question whether the Millennium Development Goals are likely to be achieved or not. Will the targets be scaled down to more achievable levels under prevailing conditions? Will the deadlines be extended instead, to buy more time and save face? Or, in order to steer clear of cynicism and 'MDG fatigue', will they be abandoned by the time the deadlines expire in favour of some new slogans and targets, in a bid to galvanise and justify ongoing development assistance and anti-poverty programmes? The answer is difficult to predict, since so many donor and recipient countries will hold elections before 2015. Nevertheless, much will depend on how close at least a set of key 'litmus test' countries in each region have come to the respective targets. If these results suggest only a modest boost or extension of deadlines, then these are likely. However, if many countries fall well short, the Millennium Development Goals might be abandoned in order to avoid embarrassment.

1.7
Africa's Largest Cities – 2005-2020

In 2010, the African continent was host to 47 cities with populations in excess of one million, or three more than forecast in the 2008 issue of this report. The combined population of these cities was 126.4 million or 11 million less than projected in 2008. Although their average size increased from 2.56 to 2.68 million, they did not reach the expected average of 3.11 million. Between 2005 and 2010 (projections), Africa's accumulated million-plus city population (as a share of total urban population) seems to have very slightly decreased (by 0.1 per cent) to 31.6 per cent, suggesting persistent demographic momentum in smaller cities.

At the top of the African city-size ranking, no change has occurred since 2005. ***Cairo***, with just over 11 million (2010 projections) remains Africa's largest urban agglomeration, followed by ***Lagos*** with 10.5 million and ***Kinshasa*** with 8.7 million and ***Khartoum*** with 5.1 million. ***Luanda***, with a 2010 populations of 4.7 million, has moved to the fifth place in 2010, surpassing ***Alexandria*** (4.3 million) and ***Abidjan*** (4.1 million). It is projected that ***Luanda*** will keep a fifth position at until 2025 when it overtakes ***Khartoum***. It is further projected that by 2015, ***Cairo*** will be home to 11.6 million, only to be dwarfed by ***Lagos,*** whose 14.1 million population will then make it Africa's largest conurbation. It

▲
Cairo, Egypt. **©Jessica Morelli/iStockphoto**

TABLE 1.6: **AFRICA'S MILLION+ URBAN AGGLOMERATIONS 2005-2025 (000s)**

Rank (2010)	City	Country	2005	2010*	2015*	2020*	2025*
1	Cairo	Egypt	10,565	11,001	11,663	12,540	13,531
2	Lagos	Nigeria	8,767	10,578	12,427	14,162	15,810
3	Kinshasa	DRC	7,106	8,754	10,668	12,788	15,041
4	Khartoum	Sudan	4,518	5,172	6,046	7,005	7,953
5	Luanda	Angola	3,533	4,772	6,013	7,080	8,077
6	Alexandria	Egypt	3,973	4,387	4,791	5,201	5,648
7	Abidjan	Côte d'Ivoire	3,564	4,125	4,788	5,500	6,321
8	Johannesburg	South Africa	3,263	3,670	3,867	3,996	4,127
9	Nairobi	Kenya	2,814	3,523	4,303	5,192	6,246
10	Cape Town	South Africa	3,091	3,405	3,579	3,701	3,824
11	Kano	Nigeria	2,993	3,395	3,922	4,495	5,060
12	Dar es Salaam	Tanzania	2,680	3,349	4,153	5,103	6,202
13	Casablanca	Morocco	3,138	3,284	3,537	3,816	4,065
14	Ekurhuleni	South Africa	2,824	3,202	3,380	3,497	3,614
15	Addis Ababa	Ethiopia	2,633	2,930	3,365	3,981	4,757
16	Durban	South Africa	2,638	2,879	3,026	3,133	3,241
17	Dakar	Senegal	2,434	2,863	3,308	3,796	4,338
18	Ibadan	Nigeria	2,509	2,837	3,276	3,760	4,237
19	Algiers	Algeria	2,512	2,800	3,099	3,371	3,595
20	Accra	Ghana	1,985	2,342	2,722	3,110	3,497
21	Douala	Cameroon	1,767	2,125	2,478	2,815	3,131
22	Abuja	Nigeria	1,315	1,995	2,563	2,977	3,361
23	Ouagadougou	Burkina Faso	1,328	1,909	2,643	3,457	4,332
24	Antananarivo	Madagascar	1,590	1,879	2,235	2,658	3,148
25	Kumasi	Ghana	1,519	1,834	2,139	2,448	2,757
26	Rabat	Morocco	1,647	1,802	1,973	2,139	2,288
27	Yaoundé	Cameroon	1,489	1,801	2,103	2,392	2,664
28	Bamako	Mali	1,368	1,699	2,086	2,514	2,971
29	Lomé	Togo	1,310	1,667	2,036	2,398	2,763
30	Maputo	Mozambique	1,341	1,655	1,994	2,350	2,722
31	Conakry	Guinea	1,411	1,653	2,004	2,427	2,906
32	Harare	Zimbabwe	1,513	1,632	1,856	2,170	2,467
33	Kampala	Uganda	1318	1,598	1,982	2,504	3,189
34	Kaduna	Nigeria	1,375	1,561	1,811	2,087	2,362
35	Lubumbashi	DRC	1,252	1,543	1,899	2,304	2,744
36	Mogadishu	Somalia	1,415	1,500	1,795	2,156	2,588
37	Mbuji-Mayi	DRC	1,190	1,488	1,838	2,232	2,658
38	Lusaka	Zambia	1,265	1,451	1,666	1,941	2,267
39	Pretoria	South Africa	1,274	1,429	1,514	1,575	1,637
40	Brazzaville	Congo	1,172	1,323	1,504	1,703	1,878
41	Benin City	Nigeria	1,124	1,302	1,523	1,758	1,992
42	Vereeniging	South Africa	1,029	1,143	1,211	1,262	1,313
43	Tripoli	Libya	1,059	1,108	1,192	1,286	1,364
44	Port Elizabeth	South Africa	1,002	1,068	1,126	1,173	1,222
45	Fes	Morocco	963	1,065	1,173	1,277	1,371
46	Niamey	Niger	848	1,048	1,302	1,643	2,105
47	Ogbomosho	Nigeria	904	1,032	1,201	1,389	1,576
48	Mombasa	Kenya	830	1,003	1,216	1,479	1,795

**Projections*
Source: World Urbanisation Prospects, The 2009 Revision, DESA, United Nations, New York, 2010

TABLE 1.7: **AFRICA'S TEN FASTEST GROWING LARGE CITIES (2005-2010)**

City	2005-10* Absolute Growth (000s)	City	2005-10* Proportional Growth (%)
Lagos	1,811	Abuja	51.7
Kinshasa	1,648	Ouagadougou	43.7
Luanda	1,239	Luanda	35.0
Nairobi	709	Lomé	27.2
Abuja	680	Nairobi	25.2
Dar es Salaam	669	Mbuji-Mayi	25.0
Ouagadougou	581	Dar es Salaam	24.9
Abidjan	561	Bamako	24.1
Dakar	429	Niamey	23.5
Alexandria	414	Maputo	23.4

**Projections*
Source: World Urbanisation Prospects, The 2009 Revision, DESA, United Nations, New York, 2010

is further projected that, by 2020, ***Kinshasa's*** 12.7 million exceed ***Cairo's*** projected 12.5 million, and push the Egyptian capital into third place.

As expected, the largest African cities have continued to grow rapidly during the five-year period 2005-10. The most rapidly growing cities in absolute and proportional terms are shown in Table 1.6.

Between 2005 and 2010 (projections), ***Cairo*** added 436,000 to its population, a 4.1 per cent increase. The next three largest African cities, however, each grew by more than one million: ***Lagos*** (by 1.8 million), ***Kinshasa*** (by 1.6 million) and ***Luanda*** (by 1.2 million), while ***Nairobi*** and ***Abuja*** were the fourth and fifth fastest growing with additions of 709,000 and 680,000 respectively. Despite the huge expansion in ***Lagos*** and ***Kinshasa***, these were not the fastest growing large African cities in proportional terms, which instead included ***Abuja*** (+ 51.7 per cent), ***Ouagadougou*** (+ 43.7 per cent), ***Luanda*** (+ 35.0 per cent), ***Lomé*** (+ 27.2 per cent) and ***Nairobi*** (+ 25.2 per cent).

The combined population of Africa's million-plus cities increased 17.3 million between 2005 and 2010. Since the total urban population increased 63.8 million over the same period, it is clear that the largest cities are absorbing only a relatively small share (27.1 per cent) of Africa's urban transition. The bulk (72.9 per cent) of the increase occurred in cities with populations under one million, a continuation of the trend already highlighted in the previous (2008) issue of this report. Africa's largest cities are expected to absorb ever-lower shares of total urban population growth - 25.8 per cent over the 2010-2020 decade, on current projections. The policy implications should be clear: African governments should pursue further improvements in the management capacities of cities with populations under one million, where three-quarters of urban demographic growth are expected to occur.

This, however, does not imply that capacity-building, housing and urban services provision in Africa's largest cities can now be scaled back. Between 2010 and 2020, a projected 40.3 million will be added to those African cities with populations over one million. Although on the whole, they will be hosts to diminishing shares of total urban demographic growth, some will continue to grow, and even very fast.

During the 2010/20 decade, the 10 large African cities growing most rapidly in absolute terms will all add more than one million to their respective populations. ***Kinshasa*** is projected to grow fastest in absolute terms by no less than four million, a 46 per cent increase for its 2010 population of 8.7 million. ***Lagos*** is expected to be the second-fastest with a projected 3.5 million addition, or a 33.8 per cent increase on its 2010 population of 10.5 million. Likewise, ***Luanda*** can expect a 2.3 million addition, or a 48.3 per cent increase for its 2010 population of 4.7 million. ***Dar es Salaam***, ***Nairobi, Ouagadougou, Cairo, Abidjan, Kano*** and ***Addis Ababa*** will all see their populations increase by more than one million over the next decade, as shown in Table 1.8.

Rapid demographic growth is neither good nor bad *per se* for any city: it all depends on whether it is properly accommodated (with infrastructures, amenities and services), and perceived as a factor that can strengthen local and national development objectives. Clearly, rapid demographic growth that merely results in massive urban slum proliferation, steep inequality and human misery is *not* good urban growth. When demographic expansion is harnessed in support of economic progress and development through job creation and higher productivity, this is 'good' urbanisation. Such progress and development is predicated on proper housing and basic services for all, among other dimensions of good urban governance. This model is the reverse of the socio-

TABLE 1.8: **AFRICA'S 10 FASTEST GROWING LARGE CITIES (2010-2020)**

City	2010-2020* Absolute Growth (000s)
Kinshasa	4,034
Lagos	3,584
Luanda	2,308
Dar es Salaam	1,754
Nairobi	1,669
Ouagadougou	1,548
Cairo	1,539
Abidjan	1,375
Kano	1,100
Addis Ababa	1,051

**Projections*
Source: World Urbanisation Prospects, The 2009 Revision, DESA, United Nations, New York, 2010

TABLE 1.9: **AFRICA'S 10 FASTEST GROWING LARGE CITIES 2010-2020 (%)**

City	2010-20* Proportional Growth (%)
Ouagadougou	81.0
Niamey	56.7
Kampala	56.6
Dar es Salaam	52.3
Mbuji-Mayi	50.0
Lubumbashi	49.3
Abuja	49.2
Luanda	48.3
Bamako	47.9
Nairobi	47.3

**Projections*
Source: World Urbanisation Prospects, The 2009 Revision, DESA, United Nations, New York, 2010

▲
South Africa. **©MaxPhoto/Shutterstock**

economic conditions currently prevailing in African cities regardless of size, where demographic expansion is continuing against a background of significant and ever-growing shortfalls in housing, services and livelihood opportunities. These deficiencies can only worsen if African cities are allowed to mushroom under current *laisser-faire* modalities of urban expansion.

Urban demography is not only measured in absolute terms; it can also be expressed as proportional growth, i.e., demographic expansion as a share of current urban population figures. In the case of some African cities, projected *proportional* growth for the 2010–2020 period defies belief. With the exception of the largest cities in the Republic of South Africa and ***Brazzaville*** in Congo, the populations of all sub-Saharan million-plus cities are expected to expand by an average 32 per cent between 2010 and 2020. In that number, the average addition in the 10 proportionally fastest growing cities is more than 47 per cent. ***Abuja***, ***Bamako***, ***Luanda***, ***Lubumbashi*** and ***Nairobi*** are projected to grow at rates between 47.3 and 49.3 per cent over the current decade, while in ***Dar es Salaam***, ***Kampala, Mbuji-Mayi*** and ***Niamey*** the range is projected between 50 and 56.7 per cent. Way ahead of this fast-expanding group will be ***Ouagadougou,*** whose population is expected to soar by no less than 81 per cent, from 1.9 million in 2010 to 3.4 million in 2020 (see Table 1.9). Clearly, these 10 cities should, as a matter of priority, build their management capacities now if they are to cater to huge prospective demand for housing, services and livelihoods, not to mention the already existing backlogs. Failure to do so will ensure that many African cities will be heading for serious economic and social tension that may threaten local and national political stability.

The above figures refer to urban agglomerations only. City regions, mega urban regions and urban development corridors, as they have begun to emerge on the African continent, have not been taken into consideration as no accurate or verifiable population data is available for these new configurations. The size of the populations of huge regional urban concentrations like the North Delta Region in Egypt, the Greater Ibadan-Lagos-Accra (GILA) urban corridor along the Gulf of Guinea and the Gauteng mega urban region in South Africa can only be estimated.

These extraordinarily large multi-nodal urban configurations are comparatively new to Africa and will require urban management reforms that go well beyond the conventional 20th century mono-centric urban management pattern. Not only is serious reform required to deliver urban 'hardware' like housing, services and infrastructures commensurate with these expanding urban concentrations, but urgent attention should also be paid to their socio-political implications against a prevailing background of urban inequality, poverty and unemployment. On top of this, African governments must consider how they are to provide these huge urban populations with food and water security in the near future. As Box 1.9 argues, medium- and longer-term food and water security for Africa's rapidly growing urban populations is a matter of very serious concern.

BOX 1.9: AGRICULTURAL POLICY AND FOOD AND WATER SECURITY FOR AFRICAN CITIES

▲ Rice seedlings at a major commercial agricultural scheme in the Gambella region of Ethiopia. **©Ben Parker/IRIN**

Although Africa experienced waves of violent food riots during the 1980s, 1990s as well as in 2008, urban food and water insecurity hardly feature on the political agenda or on the list of potential causes of major social tension. In other regions, though, future food and water security is a mounting concern, prompting a number of potentially affected countries to look abroad to secure current and future supplies. Through state-owned entities or public-private partnerships, food-deficient countries have in recent years acquired an estimated 30 million ha of arable land in Africa. Large-scale international food suppliers and supermarket chains have also joined the scramble for food-producing acreage, sharply boosting the price of agricultural land in Africa. The terms of these acquisitions remain mostly cloaked in secrecy, but they typically allow for export of all produce, and come with generous tax exemptions and free access to freshwater resources in exchange for capital expenditure in rural development and infrastructure.

Throughout Africa, land politics is often linked to natural disasters, hunger or poor governance. Although every nation has its own unique dynamics in this respect, the argument that sales of vast tracts of land to foreigners is of any benefit to local populations through agricultural innovation and employment generation appears somewhat hollow. By the end of 2009, for instance, the estimated number of Chinese agricultural workers deployed in Africa on outsourced lands exceeded one million. Importing labour *into* Africa and exporting food *from* Africa are two types of flows that a rapidly urbanising, job-starved and food-insecure continent can ill afford.

With huge tracts held under customary tenure, African governments effectively own most of the land. But the acreage outsourced is in many cases already occupied by local subsistence farmers. These farming communities are compensated mostly for standing crops and land improvements, which therefore tends to disregard the real losses to the local population, who is rarely consulted. Although some instances of fair and equitable compensation for foreign land purchases can be found, the terms of most land deals are typically not in favour of local stakeholders. Subsistence farmers often become displaced and lose access to their land-based livelihoods. If countries like Ethiopia, Kenya or Sudan experience regular difficulties in feeding their current populations, foreign land purchases under the prevailing terms may not be the right course of action. Many such deals in Africa raise questions about the transparency of land and water-resource grabbing by the highest foreign bidder under what some now call 'agro-imperialism'.

For all their vast unexplored lands and fresh water resources, many sub-Saharan African countries are net food importers. Therefore, it is for African governments to make strategic and forward-looking decisions on the better utilization of precious food producing assets. Water shortages as repeatedly experienced in Eastern Africa, for instance, are a quite unnecessary result of poor governance and inappropriate water management. Increased investment in Eastern African road and water infrastructure can alleviate these shortages, make unexplored lands productive, increase the region's ability to feed its rural and urban populations and, possibly, also still allow for higher food export earnings. But then African governments must bargain harder for more beneficial and more transparent deals, so that foreign investment contributes to the continent's future food and water security, with genuine benefits for local communities under the form of additional business, fair cash payments and improved livelihood opportunities.

Today, an estimated 32 per cent of sub-Saharan Africans still experience chronic malnutrition. In Sudan, more than five million people rely on food aid, while Kenya has been struggling for years with drought-induced famines and its food insecurity is worsening sharply. Nevertheless, both countries are engaged in large international land outsourcing deals to provide food for other countries. Likewise, Ethiopia imports 150,000 tons of wheat every year and, in 2008, 11 million Ethiopians needed food aid. Still, the Ethiopian government has approved massive land outsourcing deals while it is unable to feed current, let alone future populations. In Zimbabwe, recent land reforms aimed at more equitable distribution of agricultural acreage have turned the country from a major food exporter into a food-deficient nation. This has not refrained the Zimbabwean government from entering into a land outsourcing agreement with China, allocating large tracts to new 'outsiders' in a most ironic turn of events.

Given the sharply rising demand for food and water by Africa's rapidly growing populations, the wisdom of selling off agricultural and fresh water resources to satisfy food security elsewhere in the world is a matter that may need careful re-consideration. Rather than simply turning precious food-producing assets into quick cash, vigorous stimulation of domestic agro-industries would be a much wiser strategy if current and future African food and water security is to be secured. This is particularly important for Africa's ever-expanding urban populations who, unlike their rural counterparts, cannot revert to subsistence farming as a food security strategy. Moreover, Africa's precious fresh water resources call for careful consideration. Balancing the water needs of thirsty cities with competing demands from agriculture and industry will be difficult enough without Africa feeding food-deficient nations on other continents.

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