



# Sustainable Urban Development in Africa

**UN****HABITAT**





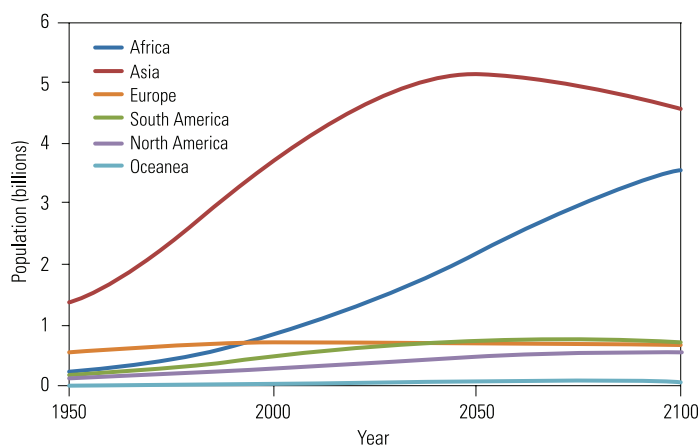
Africa is looking forward to the attainment of Agenda 2063, a long term regional agenda to achieve development in five decades. This process will be supported by Sustainable Development Goals (SDGs) and the outcome of HABITAT III, which will define the New Urban Agenda for the next 20 years. In this context sustainable urbanization and human settlements development must unlock the benefits of economic agglomerations, realize the force of economic clusters for competitiveness and enhanced productivity by putting the levers of sustainable urbanization in place. This paper provides information and suggestion on how sustainable urban development in Africa can serve as an enabler in attaining the desired structural transformation, increased prosperity and peaceful co-existence within the framework of Agenda 2063.

## Putting Urbanization into Context: Population and Urban Growth Rates

### Population growth trends

Before the 19th century, there were less than 1 billion people inhabiting the world with an annual population growth rate of 0.2%. By 1963, the population had more than tripled to 3.2 billion and shot to 6.4 billion in 2004.

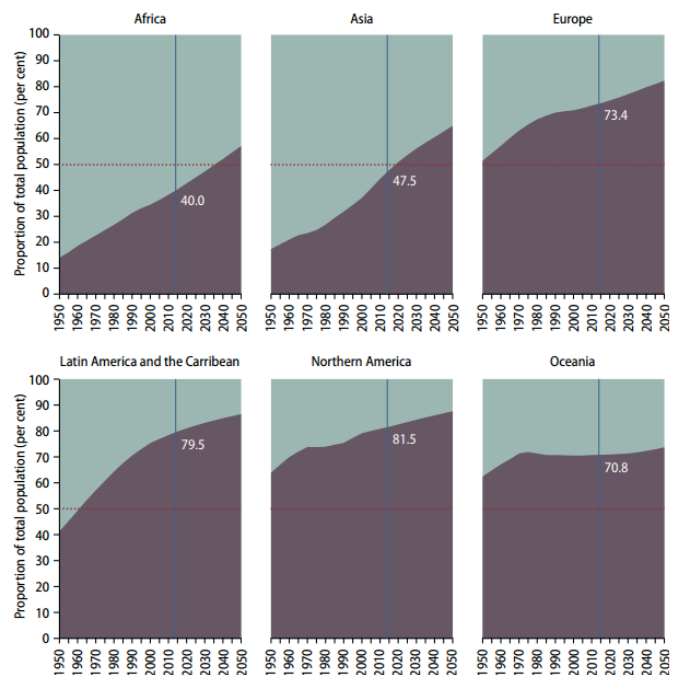
According to UN, the current world population stands at about 7.3 billion and it is projected to reach between 9 and 11 billion by 2050.



Source: <http://oneinabillionblog.com/>

Today, Asia is the most populous continent, with 4.3 billion inhabitants accounting for 60% of the world population. Africa is the second most populated continent, with about 1 billion people (around 15% of the world's population).

### World Urbanisation Rates to 2050

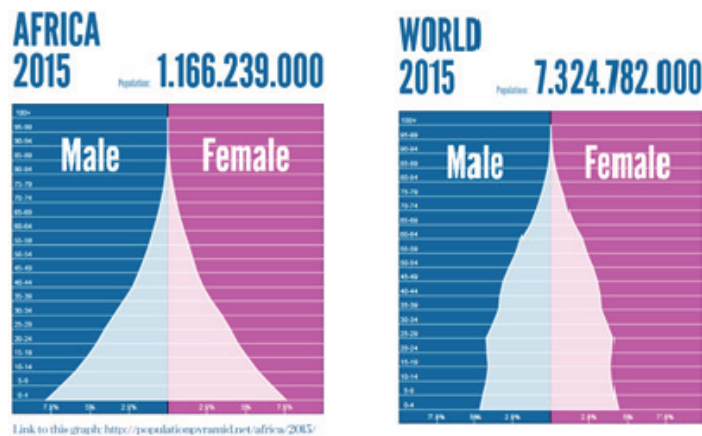


Source: *World Urbanisation Prospects*

## Rates of urbanization

In 2007, the World's urban population passed 50% for the first time in history. All continents are experiencing high rates of urbanisation, but this rate will decrease progressively in the next 50 years, except in Africa where growth will continue.. Urbanization is caused by rural to urban migration, increased natality, reclassification of human settlements and changes in population.

Asia contains many Newly Industrializing Countries (NICs) like India, China, Malaysia, Thailand and South Korea which have had a phenomenal increase in urban population growth. 18% of the population in NICs in 1950s lived in urban areas, and this proportion jumped to 45% in 2011.

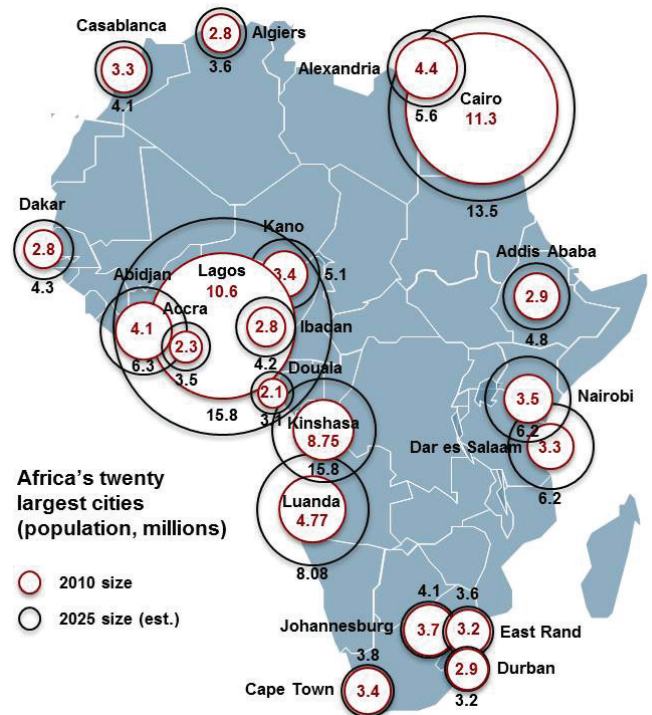


The urban population in Africa increased from 15% of the population in 1960 to 40% in 2010, and is projected to reach 60% in 2050. The urban populations in Africa are expected to triple in the next 50 years, transforming the profile of the region.

Africa will experience a "population bonus" based on the structure of its "population pyramid" which has a broader base than any other continent in the world. This will provide a young population to support growth in cities in the coming decades, if they are provided with the skills, jobs and services necessary to contribute to the economy. In terms of policy a declining youth population in other continents means that societies will need young people to support the older ones in existing roles, but in Africa this means that opportunities for young people must be prepared in advance.

The increase in youth population in Africa is an opportunity but also pose as a challenge. Countries and cities must be able to provide jobs and growth for youth. Harnessing this demographic potential can be facilitated through leveraging on sustainable urbanisation which provides for agglomeration of economies, innovation, increased capacity and economic opportunities.

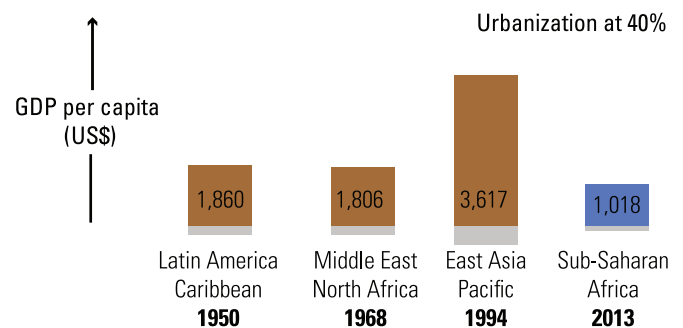
## Main Economic Agglomerations in Africa



Source: [zonu.com](http://zonu.com)

Africa will need to create urban economic agglomerations to support three times the current population in 2050. Africa is currently experiencing a decline in industrialization whilst the service sector is growing fast and unable to cater for the employment demand. Africa is also urbanizing with a lower GDP per-capita than other regions, so there are basic constraints such as unemployment, social exclusion, poverty, etc.

## Cities are growing, but at lower income levels



Source: World Bank: *Making urbanization work for Africa*<sup>1</sup>

<sup>1</sup> <http://blogs.worldbank.org/sustainablecities/making-urbanization-work-africa-0>

## Infrastructure and urbanisation

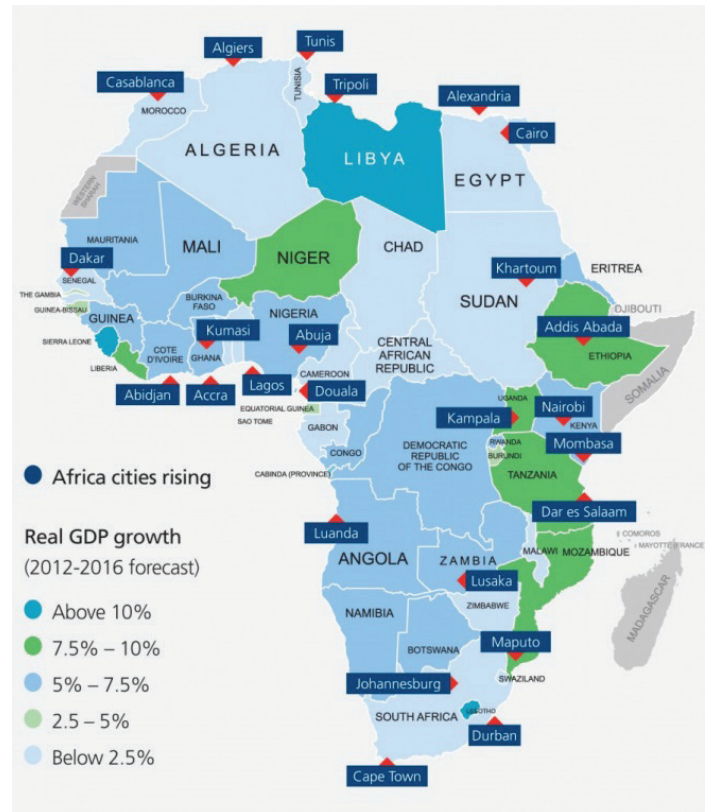
Adequate infrastructure is one of the main conditions for sustainable urbanisation. However, not all urbanizing continents have the advantage of adequate infrastructure. In general transporting a container by sea costs an average of US\$0.17 cents per mile, but by land, assuming there is highways, costs US\$2.5 per mile. Land transport can be 16 times more expensive than maritime transport.<sup>2</sup> This means that moving goods from East to Western Africa by land can be more costly than importing a container from China.



Source: Wikipedia, Accessed 14sep2015

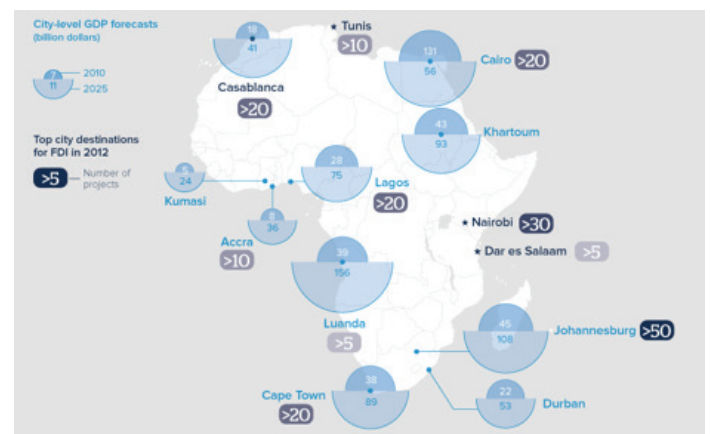
Asia, in particular South East Asia is integrated by sea, the Sea of China and the Sea of Japan, and maritime transport put Asian countries located in natural ports and valleys. The growth and development of these countries can be attributed to their integration. This advantage is not available to most of Africa where most of the countries are not coastal, and inland navigable rivers are scarce and there are few inland islands with lakes, so great harbours are not there.

Land infrastructure is needed for integration, and integration is a necessity to provide market scale for industrialization and city growth. The map above on highways shows planned roads (dotted) but not yet built. Despite the natural constraints of geography, Africa has grown, and must continue to grow at a rapid pace to improve its competitiveness. The fate of cities in Africa is critically dependent on sustainable urban development facilitated by infrastructure which will in turn integrate Africa's cities.



Sources: <http://www.uhy.com/consumers-of-tomorrow/>

Growth in Africa is largely explained by a commodity boom and an inflow of Foreign Direct Investment, predominantly from China. The opportunity to take advantage of FDI inflow and strengthen industrialization relies in the political and economic commitments of African nations.



Sources: McKinsey Global Institute, FDI Intelligence, African Development Bank

<sup>2</sup> Peter Zeihan (2015) "The Accidental Superpower". Twelve, US.

## Why is sustainable urban development important?

### Social sustainability

There is a high correlation between the Human Development Index (HDI) and urbanization across countries.<sup>3</sup> HDI captures life expectancy, education, and per capita income. However, poverty rates are negatively correlated with urbanization rates across countries.<sup>4</sup>

Both urban and rural incomes improve with growth in urban areas and rural-urban disparities in income and poverty levels diminish with economic growth.

The disparity in access to clean water and sanitation between rural and urban populations also diminishes with increased urbanization.<sup>5</sup>

Urbanization that allows for exclusion and is also not accompanied by adequate infrastructure and services can be detrimental to the quality of life of the urban poor. While income inequality between rural and urban populations typically diminishes as economic growth occurs, inequality within the city, particularly in the form of slums, often remains until later stages of development.<sup>6</sup>

### Economic growth and sustainability

Urbanization levels are highly correlated with GDP.<sup>7</sup> Studies have shown that labour migration contributes to growth due to clustering of skills and the contribution to agglomeration effects.<sup>8</sup> The movement of population to urban centres is clearly tied to economic productivity. How so?

1. As cities develop and grow, they make possible economies of agglomeration. In this way, urbanization drives productivity and prosperity.
2. Cities cause labour pooling which allows for labour matching and greater specialization; firms can find the specialized skilled workers they need quickly, and workers can find appropriate jobs, selecting from many potential employers.
3. Cities are large input markets that allow for input sharing and matching. This facilitates specialization and economies of

scale in intermediate inputs. Larger and more geographically concentrated product markets allow for economies of scale in production. Proximity and greater interaction allows for knowledge and technology transfers, speeding the process of innovation. In these ways, agglomeration economies increase the productivity of urban space.

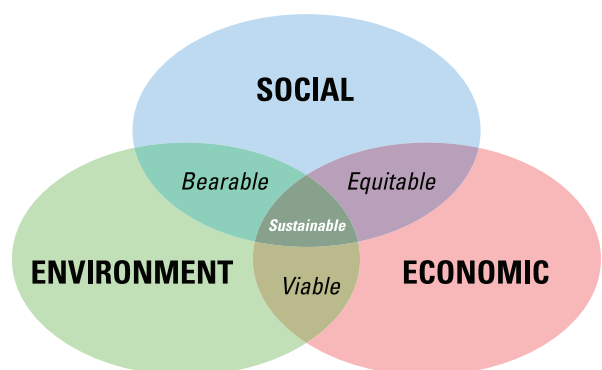
4. Infrastructural development and industrialisation drive economic growth and this economic growth also drives further migration to urban areas, leading to higher levels of urbanization.<sup>9</sup> Increased urbanization translates into increased productivity in agricultural activities. This releases excess labour and capital to cities, contributing to balanced development, with rural wages catching up to urban wages as the urbanization process continues.

Economic growth cannot occur without urbanization, but urbanization alone is not sufficient to generate economic growth. Urbanization that occurs in unsustainable patterns can actually constrain economic growth.

### Environment sustainability

The Intergovernmental Panel on Climate Change (IPCC) estimated that unless leaders intervene, global greenhouse gas emissions will increase by 90% between the 2007 and 2030<sup>11</sup> mainly due to increase in the numbers of urban settlements, infrastructure and industries.

Conscious development is critical, not only for nature but for the economy and social wellbeing. The prevention of urban sprawls is a key factor in city competitiveness.<sup>11</sup>



*Sustainable Development Model*<sup>12</sup>

<sup>3</sup> Correlation coefficient = .681,  $p < .001$ ,  $n = 185$  countries; based on 2013 HDI and 2013 urbanization data from the World Development Indicators

<sup>4</sup> Correlation coefficient = -.368,  $p < .001$ ,  $n = 119$  countries; based on 2013 urbanization data and average of available data for 2003-2013 national poverty rates from the World Development Indicators.

<sup>5</sup> World Bank. (2008). World Development Report 2009.

<sup>6</sup> World Bank. (2008). World Development Report 2009.

<sup>7</sup> McKinsey Global Institute. (2011). Urban World: Mapping the economic power of cities.

<sup>8</sup> World Bank. (2008). World Development Report 2009.

<sup>9</sup> Chen, Zhang, Liu & Zhang. (2014). The Global Pattern of Urbanization and Economic Growth: Evidence from the last three decades. Plos One, 10.1371.

<sup>10</sup> IPCC (2007) [https://www.ipcc.ch/publications\\_and\\_data/ar4/wg3/en/tssts-1.html](https://www.ipcc.ch/publications_and_data/ar4/wg3/en/tssts-1.html)

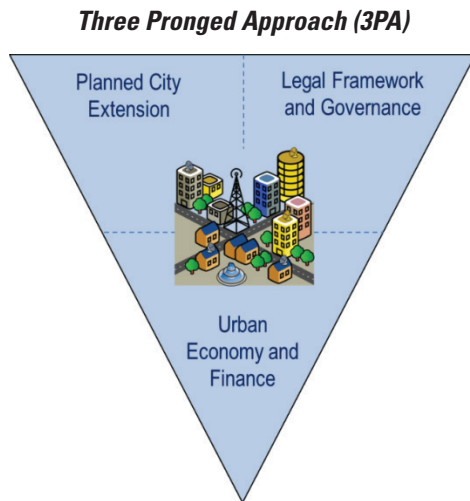
<sup>11</sup> World Economic Forum. (2014). Competitiveness of Cities Report.

<sup>12</sup> Adams, W.M. (2006). "The Future of Sustainability: Re-thinking Environment and Development in the Twenty-first Century." Report of the IUCN Renowned Thinkers Meeting, 29–31 January 2006. Retrieved on: 2009-02-16.



## The Three Pronged Approach, principles of planning, finance and legislation

The three-pronged approach places emphasis on three principles: urban legislation, urban planning and design, and urban finance and economy. These three principles are seen as levers for transforming cities and human settlements into centers of greater environmental, economic and social sustainability.



Source: UN-HABITAT (2015)

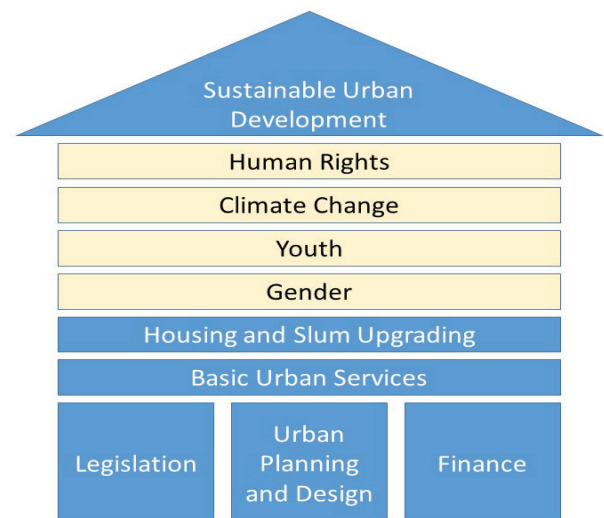
The first principle is 'Planned Urban Design'. The areas of spatial layout, design of the open space, and the importance of a well-planned street pattern are essential for sustainability in the long run.

The second principle is "Rules and Regulations". Rules and regulations have the power to shape the form and character of the city. Within this principle, three specific areas are of essence: regulation of public space, building rights, and building codes which regulate the quality and standards of buildings. The quality of public space is what is ultimately going to determine the quality of the rest of the city.

The third principle deals with "Economy and Municipal Finance". Basic concepts such as proper financial management and sustainable revenues such as land value capture, private participation in local investment, property taxes, titling, should be incorporated in the financial plan from the start.

The 3PA recognizes that urbanization is a powerful tool for transforming production capacities and income levels in developing countries. Also the challenges experienced by cities and human settlements today like youth unemployment; social and economic inequalities; unsustainable energy consumption patterns; urban sprawl; and increasing emissions of greenhouse gases are often caused by inadequacies in urban legislation, design, and financial systems.

### 3PA and Intervention Areas



Source: UN-HABITAT (2015)

# Achieving Sustainable Urban Development in Africa

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## Why Africa (and the world) needs a sustainable urban development goal

By getting urban development right, cities can create jobs and offer better livelihoods, increase economic growth, improve social inclusion, promote the decoupling of living standards and economic growth from environmental resource use, protect local and regional ecosystems, reduce both urban and rural poverty and drastically reduce pollution.

The Sustainable Development Goal 11 –Make cities and human settlements inclusive, safe, resilient and sustainable and the New Urban Agenda will enable Africa and the world to focus on urgent urban challenges and future opportunities, such as empowering urban actors to solve practical problems, addressing the specific challenges of urban poverty and access to infrastructure, promoting integrated and innovative infrastructure design and service delivery, and ensuring resilience to climate change and disaster risk reduction.

## Habitat III: follow up on the adoption of SDG-11

Habitat III is the United Nations Conference on Housing and Sustainable Urban Development to take place in Quito, Ecuador, in October 2016. Habitat III will be the first UN global summit after the adoption of the Post-2015 Development Agenda.

Habitat III is meant to reinvigorate the global commitment to the implementation of sustainable human settlements and urbanization by focusing on the implementation of a New Urban Agenda.

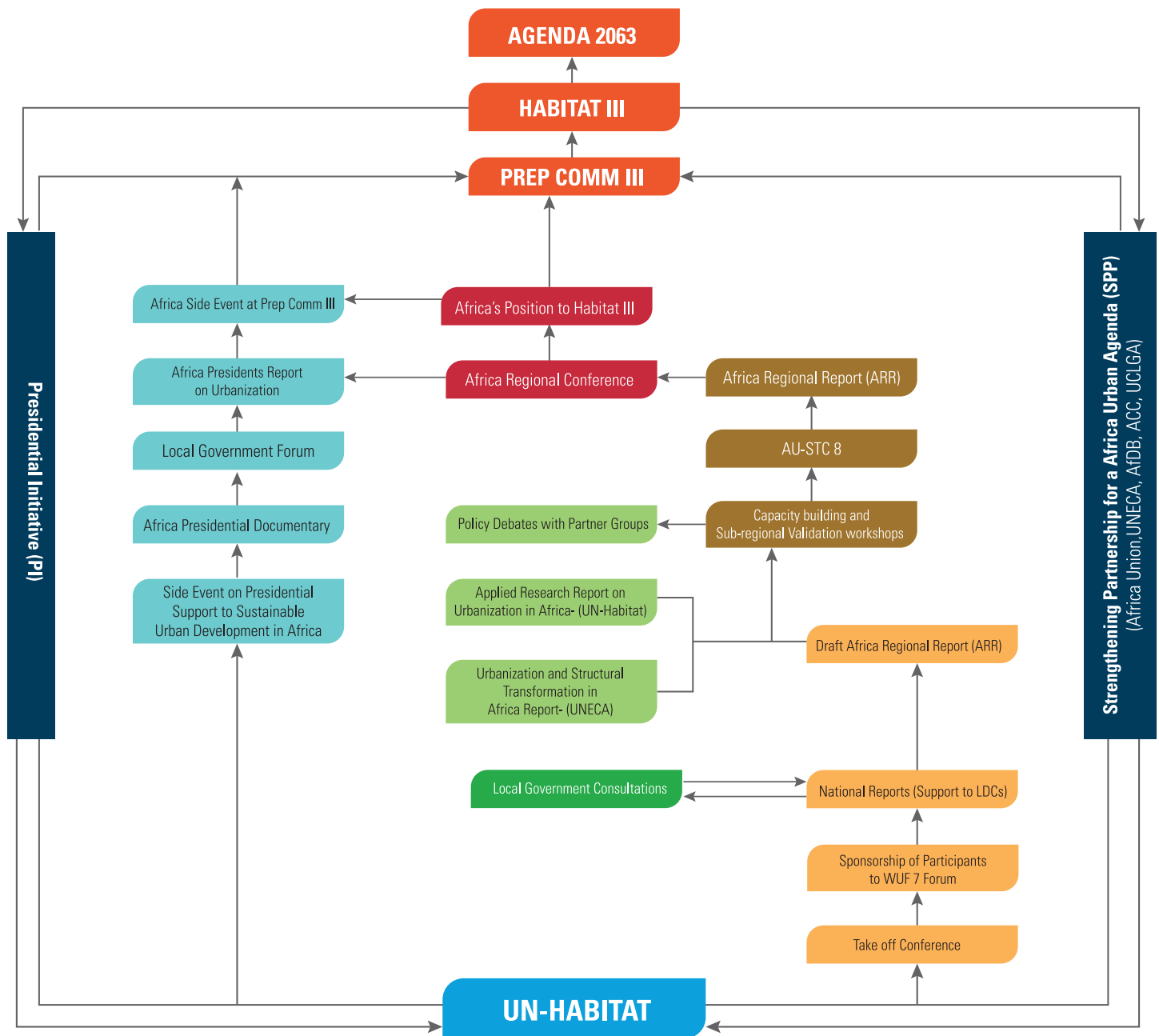
The New Urban Agenda is expected to assist governments in addressing urbanization challenges through national and local development policy frameworks. It will promote urban policies that reduce urban inequality and increase urban productivity and resilience. It will also review UN-Habitat's mandate to ensure that it is fit for purpose and ready to join efforts with governments and stakeholders to promote a new model of urban development for

the 21st century.

## The Africa Urban Agenda (AUA)

The AUA program is a UN-Habitat initiative designed to raise the profile of sustainable urbanisation as an enabler for attaining structural transformation in Africa and the Agenda 2063. Its objectives include strengthening partnerships between state and non-state actors in order to promote the formulation of national urban policies by central governments, developing solutions tailored to the regions peculiar problems and achieving people -centred sustainable urban development in Africa. It complements the three pronged approach by putting sustainable urban development within the African context. The AUA program embodies the spirit of the SDGs and is anchored in the aspirations of Africa outlined under Agenda 2063: The Africa we want. The government of Nigeria has been an avid and committed financial supporter of the AUA program.

There are two projects running concurrently under the AUA: the Presidential Initiative (PI) and the Strengthening Partnerships Project (SPP). The PI (top-down approach) aims to galvanize the commitment of Heads of State in Africa to the potentials of urbanization through calls for prioritization of urbanization as a key element of national and regional development plans. The SPP (bottom-up approach) aims to ensure the involvement of non-state actors in forging a sustainable urban environment for Africa.

**Africa Urban Agenda Conceptual Framework**

Source: UN-HABITAT, Africa Urban Agenda Programme (2014)

**What next for the AUA program?**

The AUA program has contributed to achieving sustainable urbanisation and human settlements in Africa. It has in its first phase, organised events, published reports and partnered with the Africa Union, UNECA, ACC and UCLGA. The next phase of the AUA phase II will be conceptualised to include key activities such as documenting past, present and future trends of urbanization in Africa; policy dialogues, advocating for curriculum review

in Africa higher institutions to reflect the goals and target of Sustainable Development Goals with emphasis on Goal 11 and the outcomes of Habitat III (The New Urban Agenda) ; building new capacities and strenghtening capacity of existing AUA partners on SDGs and the New Urban Agenda, promote national urban policies, review and organise validation workshops for Africa's position to Habitat III.

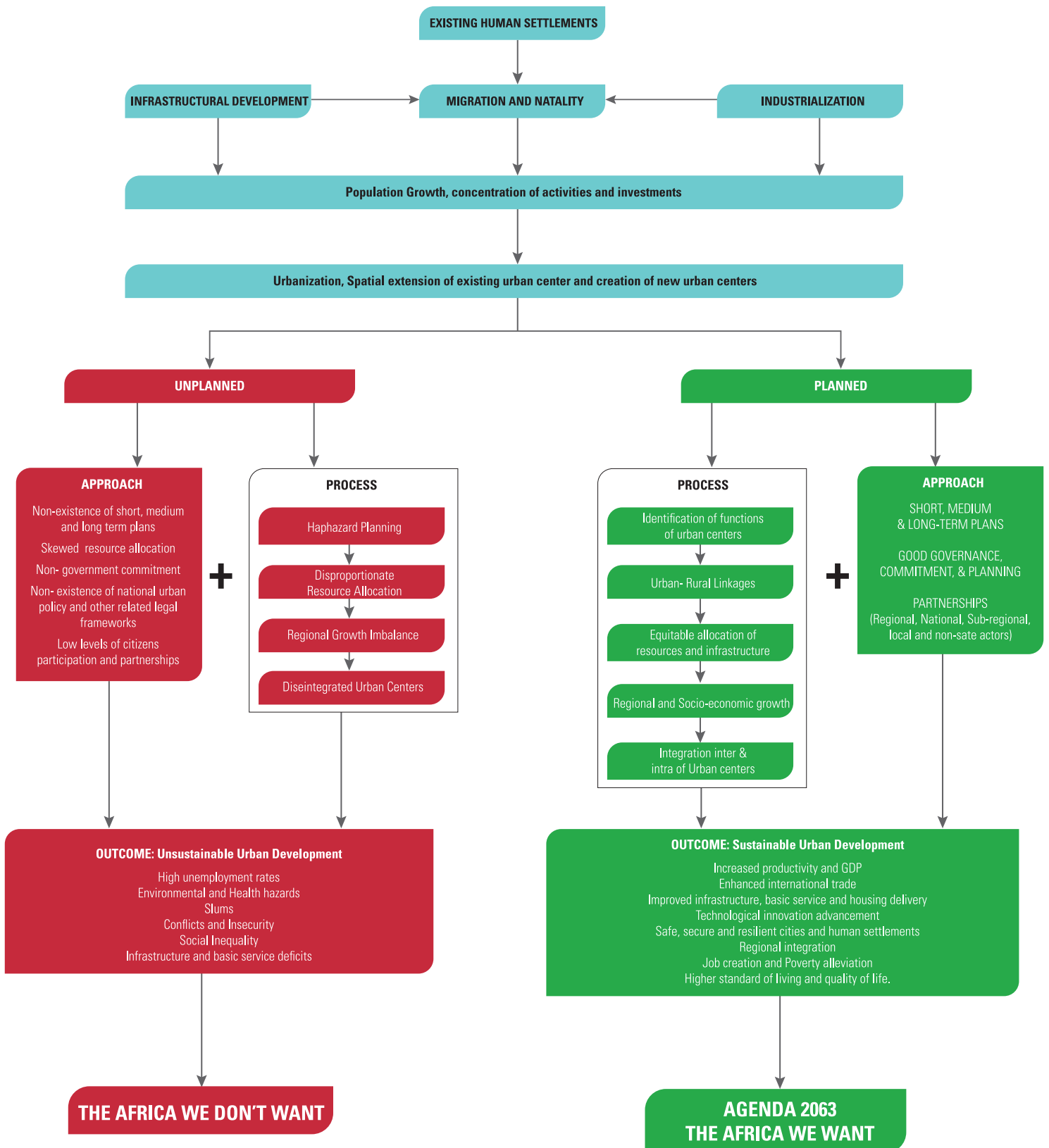


# Key Messages for African Heads of State on Urbanization and Human Settlements

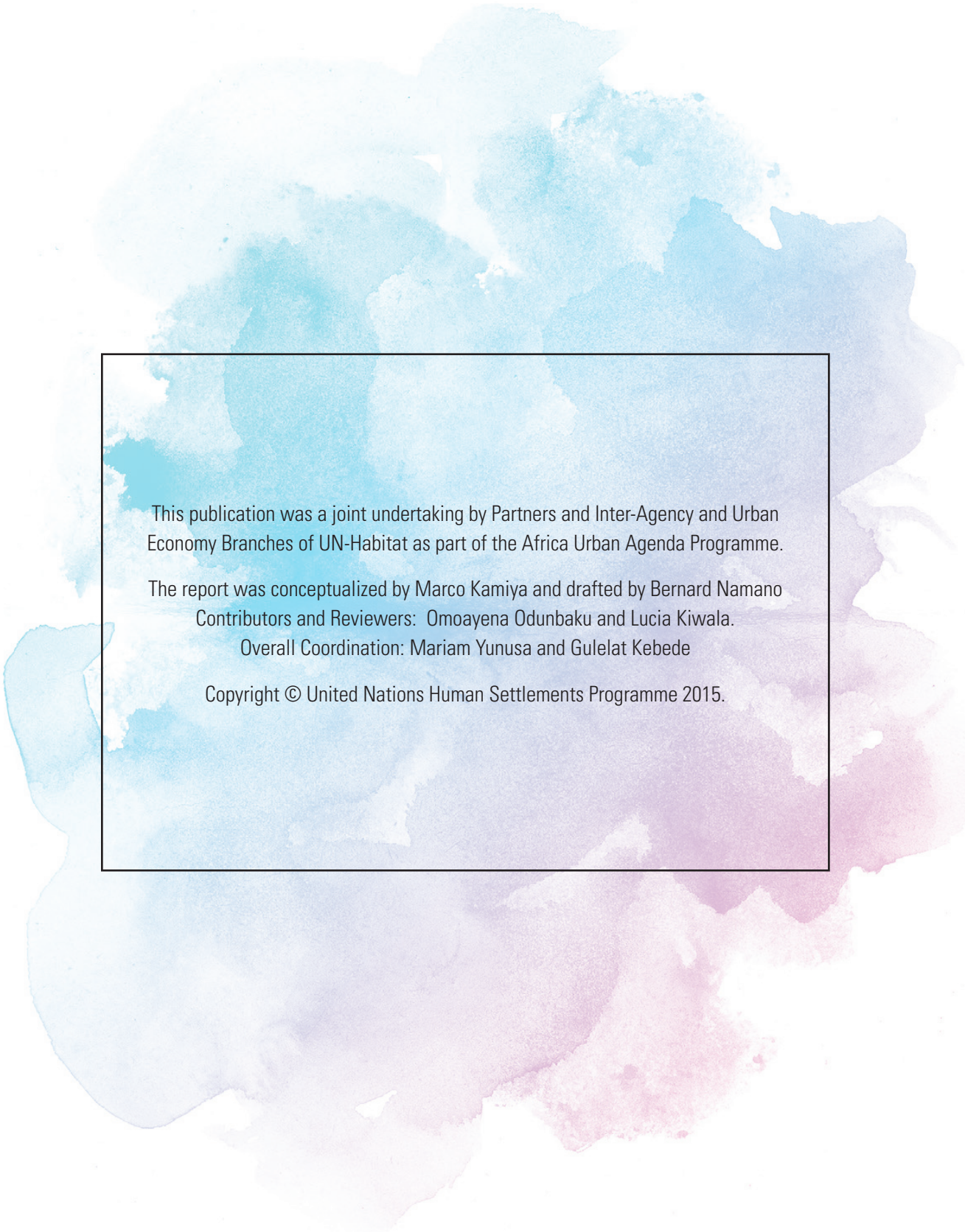
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1. **Cities generate 50-70 per cent of Gross Domestic Product for many African countries.** This makes integration of urbanization into national development an imperative. Harnessing the transformative potential of urbanization and investing in sustainable urban development can accelerate socio-economic development, generate jobs, and contribute to poverty reduction in both urban and rural areas.
2. **Planned urbanization is essential for Africa's structural transformation and achievement of the continent's Agenda 2063.** Urbanization is a tool for development if it is supported by urban planning and design, clear urban rules and regulations, integration of urban economies into national development plans, and empowerment of cities and local governments to create wealth and prosperity.
3. **National governments' adoption of integrated national urban policies premised on multi-stakeholders engagement is the most important indication of strong political commitment to Africa's urban and human settlements agenda.** National urban policies strengthen the link between urbanization, socio-economic development, and environmental sustainability by guiding the urbanization process in ways that promote compact, connected, integrated, inclusive and resilient cities and human settlements.
4. **Properly planned, well governed, people centered, and compact cities not only generate lower levels of greenhouse gases** – but can also increase productivity, reduce the capital and operating costs of basic urban infrastructure and services in African cities and towns.
5. **Public space including streets is at the core of well-functioning cities.** It is one of the drivers of social and economic development, as it supports mobility, productivity, social interaction, recreation and public engagement, all of which improve the liveability and prosperity of cities and human settlements.
6. **To address current socio-economic and environmental challenges,** African countries should make room for planned city extensions, while promoting appropriate urban in-fills, densification, as well as upgrading and integration of informal areas into the urban fabric.
7. **Urban corridors connecting cities and regions** within a country and between countries are key components of Africa's strategies for regional economic integration.
8. **Land is a critical and productive resource for urban development,** but it is also a highly contested area both in urban and rural areas, as demonstrated by large scale land investment agreements with countries that need more land for food production, and through grabbing of urban land by corrupt individuals. Despite political sensitivity, **Governments should address land issues in a creative and transparent manner.**

### ***Sustainable Urban development in Africa within the framework of Agenda 2063***







This publication was a joint undertaking by Partners and Inter-Agency and Urban Economy Branches of UN-Habitat as part of the Africa Urban Agenda Programme.

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