Cities Alliance
Cities Without Slums

FUTURE CITIES AFRICA

FEASIBILITY STUDY

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Prepared by	FCA Team, Nicholas Miles, Martyn Clark and Richard Slater
Reviewed by	Jamie Simpson, Julian Baskin, Erika Puspa, Florence Lozet, Susanna Henderson and Julie Greenwalt
Cleared by	William Cobbett
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ABBREVIATIONS AND ACRONYMS

AFD	Agence Française de Développement
AFDB	African Development Bank
AVSI	Asociación Voluntarios Servicio Internacional
BCIS	Business Case and Intervention Summary
CA	Cities Alliance
CAP	Common African Position
CDS	City Development Strategy
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CIG	Cities and Infrastructure for Growth
CIP	Capital Investment Plan
CO2	Carbon dioxide
COP21	Conference of Parties
CRC	Citizen Report Cards
CSC	Community Score Cards
DD	Due Diligence
DFID	Department for International Development
DHS	Demographic and Health Surveys
DRC	Democratic Republic of Congo
ECPI	Ethiopian City Prosperity Initiative
ECSPI	Ethiopian Cities Sustainable Prosperity Initiative
EIAF	Ethiopia Investment Advisory Facility
FCA	Future Cities Africa
FDI	Foreign Direct Investment
FPCR	Future Proofing Cities Report: Risks and Opportunities for Inclusive Urban Growth in Developing Countries
GAMA	Greater Accra Metropolitan Area
GDP	Gross Domestic Product
CEE	City Enabling Environment
GGGI	Global Green Growth Institute
GHG	Greenhouse Gas
GIZ	German Corporation for International Cooperation
GSS	General Social Survey
GTP	Growth and Transformation Plan
GW	Gigawatt
HABITAT III	United Nations Conference on Housing and Sustainable Urban Development
HFHI	Habitat For Humanity International
HR	Human Resources
ICT	Information and Communication Technology
IFI	International Finance Institutions
IGT	Inter-Governmental Transfer
ILO	International Labour Organization

IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
KP	Knowledge Platform
LAS	Land Administration System
LDP	Local Development Plans
LG	Local Government
LSE	London School of Economics and Political Science
M&E	Monitoring and Evaluation
MEL	Monitoring Evaluation & Learning
MDG	Millennium Development Goals
MDS	Municipal Development Strategies
MIC	Middle Income Country
MLGRD	Ministry of Local Government and Rural Development, Ghana
MMDA	Metropolitan, Municipal and District Assemblies
MNC	Multi-National Corporation
MSME	Micro and Small Medium Enterprise
MTDP	Medium Term Development Plans
MTS	Medium Term Strategy
MUDH	Ministry of Urban Development and Housing, Ethiopia
NBER	National Bureau of Economic Research
NDPC	National Development Planning Commission
NGO	Non-Governmental Organsation
NHCC	National Housing and Construction Company
NUDSP	National Urban Development Spatial Plan
O&M	Operations and Maintenance
OECD	Organisation for Economic Co-operation and Development
PFR	Payment for Results
PIU	Project Implementation Unit
PMS	Project Management System
PMU	Project Management Unit
PPP	Public-Private Partnership
PSUP	Participatory Slum Upgrading Programme
RCRA	Rapid City Resilience Assessment
SDG	Sustainable Development Goals
SDI	Shack/Slum Dwellers International
SE4ALL	Sustainable Energy for All
SME	Small and Medium Enterprises
SSA	Sub-Saharan Africa
SWM	Solid Waste Management
TA	Technical Assistance
TSUPU	Transforming the Settlements of the Urban Poor in Uganda
TVET	Technical and Vocational Education and Trainings
UCL	University College London
UCLGA	United Cities and Local Governments Africa
UK	United Kingdom

ULGDP	Urban Local Governance Programme
ULG	Urban local government
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations International Children's Emergency Fund
UN-HABITAT	United Nations Human Settlements Programme
UNSDSN	United Nations Sustainable Development Solutions Network
UNU - WIDER	United Nations University World Institute for Development Economics
URCI	Uganda Resilient Cities Initiative
USAID	United States Agency for International Development
USMID	Uganda Support to Municipal Infrastructure Development
WASH	Water, Sanitation and Hygiene
WB	World Bank
WGII AR5	Working Group II Fifth Assessment Report
WHO	World Health Organization
WIEGO	Women in Employment: Globalizing and Organizing

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ACKNOWLEDGMENTS

Future Cities Africa (FCA) was a programme undertaken by the Cities Alliance, on behalf of the UK's Department for International Development (DFID). Both The Ecological Sequestration Trust (TEST) and Gaiasoft International were responsible for specific outputs, and were also key members of the FCA Steering Committee.

This Feasibility Study is the summary of a concentrated and eventful two years, characterized by a combination of collaboration, extremely hard work, continuous learning and professionalism.

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The Report was prepared by the Cities Alliance through its Future Cities Africa team, under the leadership of Project Manager, Jamie Simpson, Deputy Project Manager Erika Puspa, Programme Assistants, Florence Lozet and Nicola Loi, with Julian Baskin, Head of Programmes.

FCA Team and country task managers:
Jamie Simpson, Erika Puspa, Julian Baskin, Florence Lozet, Laura Lima, Serge Allou, Marie-Alexandra Kurth, Rene Hohmann, Federico Silva, Nicola Loi and Adele Hosken.

FCA Country teams:
Ethiopia: Efrem Amdework, Belay File Garoma, Hawine Gemtessa
Ghana: Kwadwo Ohene Sarfoh, Bernard Arthur, Akossua Essuman
Uganda: Samuel Mabala, Ronard Mukuye, Betty Lalam

Finance and Operations:
Phyllis Kibui, David Daepp, Magda Balocova, Alexandru Hordila, Thalia Pligoropoulou and Marco Scarpetta.

Additional Support:
Julie Greenwalt, Desmond Ngochi, Fredrik Bruhn, Susanna Henderson.

Project Director: William Cobbett

1. INTRODUCTION

1.1 Scope and Objectives

The purposes of the Feasibility Study are:

- To establish the need for future programming focused on the African urban transition within context of inclusive growth, resilience and the need for future proofing cities;
- To identify country and city options for future programming;
- To provide the context for future engagement – degree of ownership and commitment to act - in each country and city in terms of:
  - Partners: counterpart Ministries, local government and other development stakeholders; and
  - Potential financing partners.

1.2 Responding to Global, Regional, National and Local Challenges

The future of cities in Africa will depend on how they manage three development drivers that are shaping urbanisation – Figure 1.1:

- globalisation,
- demographic shifts, and
- climate change.

Historical evidence suggests there is an urbanisation dividend, insofar as cities typically contribute disproportionately to economic growth, via agglomeration and productivity gains, and are places of wider socio-economic transformation[1]. Growth and urbanisation are positively correlated and promoting urbanisation is a sound policy objective. However, urbanisation in Africa is marked by high levels of poverty and informality and characterised by underserviced settlements, often inhabited by greater than 50% of the urban population[2]. Far from reaping the full benefits of the urbanisation dividend, many African cities are falling well short of their potential to grow economically, drive social development and reduce poverty. Governance, infrastructure and service deficits are significant and increasing.

With high levels of urbanisation and much of urban Sub-Saharan Africa (SSA) yet to be built, a rapid and decisive shift to more inclusive and sustainable city growth patterns is essential. Significantly, the success of Africa's urban transition will be largely reliant on a new relationship between national and local government, and between local governments and their citizens, both private and corporate. Specific and urgent challenges for city managers include addressing infrastructure and service deficits, effectively responding to the stresses of city growth and shocks related to climate change and environmental constraints. Equally critical, is the pressing need to provide decent well paid jobs for the vast numbers of youth entering the urban labour markets.

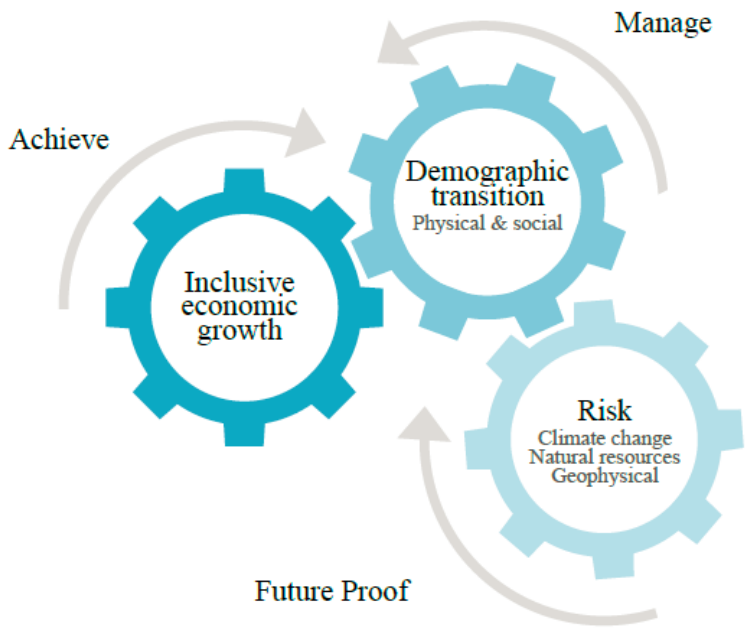
To effectively respond to these challenges will require both fundamental changes in the way urban areas are planned and managed and the massive mobilisation of resources. Yet only very recently have both African governments and international development partners begun to acknowledge the central importance of the urban agenda. Given that Africa is urbanising very rapidly, there is an urgent need to mobilise the political support required to allocate scarce resources to, and increase investment in, cities. The task is demanding and adds to the already stretched capacities of local

[1] African Development Bank (2016) *African Economic Outlook 2016, p. 5; Arouri et al. (2014) 'Effects of urbanization on economic growth and human capital formation in Africa';*
[2] Christine Kessides "The Urban Transition in Sub-Saharan Africa" Implications for Economic Growth and Poverty Reduction. Cities Alliance, 2006.

government as Municipal, city and metropolitan governments around the world already face the challenges of their conventional development agenda, which includes human development and poverty reduction. To this must now be added three others: climate change adaption, climate change mitigation (especially the reduction of greenhouse gas emissions) and the reworking of disaster risk reduction, both to make it more effective and to include within it the necessary attention to new or enhanced risks from climate change"[3]

The Feasibility Study is a contribution to a new positive narrative that aims to shift the focus of debate and action from the problems of urbanisation to how best manage cities such that they have growing local economies, meet the needs of increasing and youthful populations and are resilient.

Figure 1.1: Drivers Shaping Urbanisation and City Growth



FCA Team (2016)

Three recent global agreements have bearing on the future of Africa Governments and their cities:

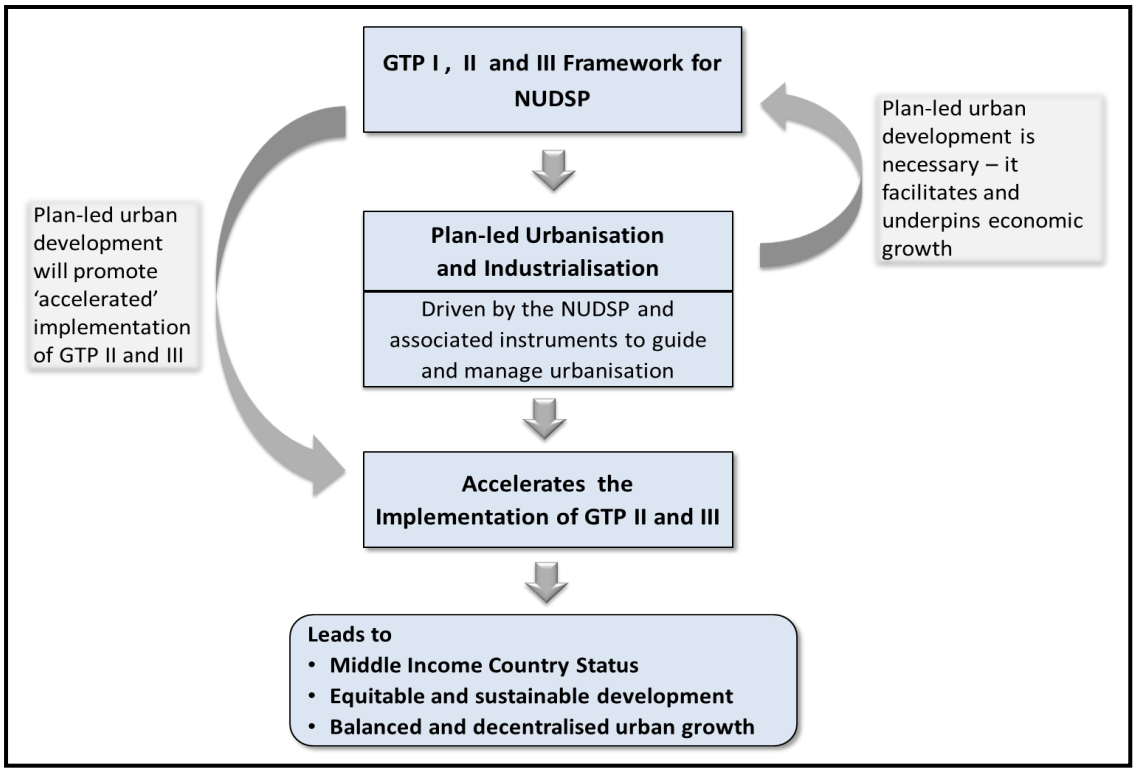
- Sustainable Development Goals (SDG) and explicitly *SDG 11: Make cities inclusive, safe, resilient and sustainable*;
- United Nations Framework Convention on Climate Change (COP21) that aims to limit global warming to 2°C or less; and
- Habitat III New Urban Agenda, the outcome document from the United Nations Conference on Housing and Sustainable Urban Development that sets the global strategy around urbanization for the next two decades.[4]

At the regional level, the African Union's *Strategy 2063* identifies urbanisation as being critical for Africa's socio-economic transformation. The Common African Position (CAP) has as one of its five pillars: *Access to sustainable human settlements*. At the national level, African countries are addressing urbanisation to varying degrees. Countries, such as Uganda, Ghana and Ethiopia, have internalised the importance of cities as engines of socio-economic development within their national

[3] Bartlett, S., & Satterthwaite, D. (Eds.). (2016). *Cities on a Finite Planet: Towards Transformative Responses to Climate Change*. Routledge.
[4] "What is Habitat III?", published on Citiscope, available in: http://citiscope.org/habitatIII/explainer/2016/09/what-habitat-iii

development policies (for example see Figure 1.2). A key motivation for these governments on focusing on urbanisation is the link between city growth and achieving middle income country (MIC) status: middle- income status generally is predicated on the significant growth of productive cities.[5] [6]

Figure 1.2: Ethiopia's Growth and Transformation Plan II (GTPII)



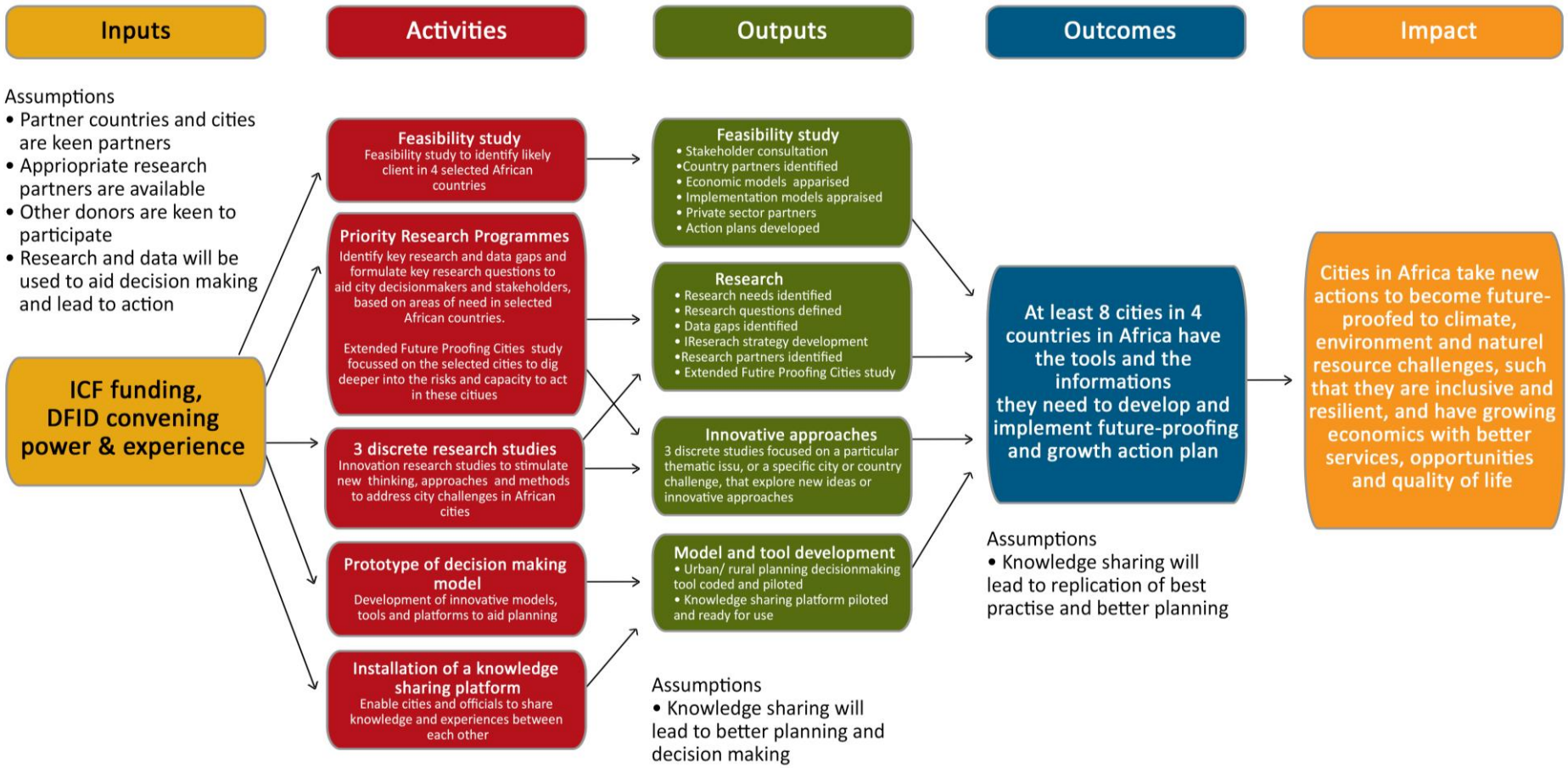
National Urban Development Spatial Plan (NUDSP) of Ethiopia (2016)

1.3 FCA: Theory of Change and Analytical Framework

The FCA theory of change is summarised in Figure 1.3. The long-term impact of the FCA is, "Cities in Africa take new actions to become future proofed to climate, environment and natural resource challenges such that they are inclusive and resilient and have growing economies with better services, opportunities and quality of life." (FCA Logframe and BCIS). An analysis of the logframe impact statement identified five critical dimensions that need analysis and intervention if the output is to ultimately lead to the impact. These are 1) governance (take new actions); 2) environment; 3) economic; 4) services; and 5) citizenship (inclusive, opportunities and quality of life.) The outcome of the FCA is, "at least eight cities in four countries in Africa have the tools and the information they need to develop and implement future proofing and growth oriented action plans." At the output level, the above five dimensions also come into play. To "develop and implement future proofing…action plans," directly links to governance and the environment, while "growth oriented" speaks to the interplay between services, citizenship and the economy. The theory of change adopted in the FCA is that future proofing cities will depend on developing a basic platform that includes improved governance and service delivery, strengthened citizenship a growing economy and building resilience. In this context, the research, tools and approaches of the FCA aim to strengthen African cities to better manage backlogs, future growth, growing inequality and ultimately, climate change and risk.

[5] Annes, Patricia Clarke, and Robert M. Buckley. "Urbanisation and growth: Setting the context." Urbanisation and growth 1 (2009): 1-45.
[6] World Bank. Rising through cities in Ghana – Ghana Urbanisation Review Overview Report, April 2015.

Figure 1.3: Theory of Change



1.4 FCA Approach and Method

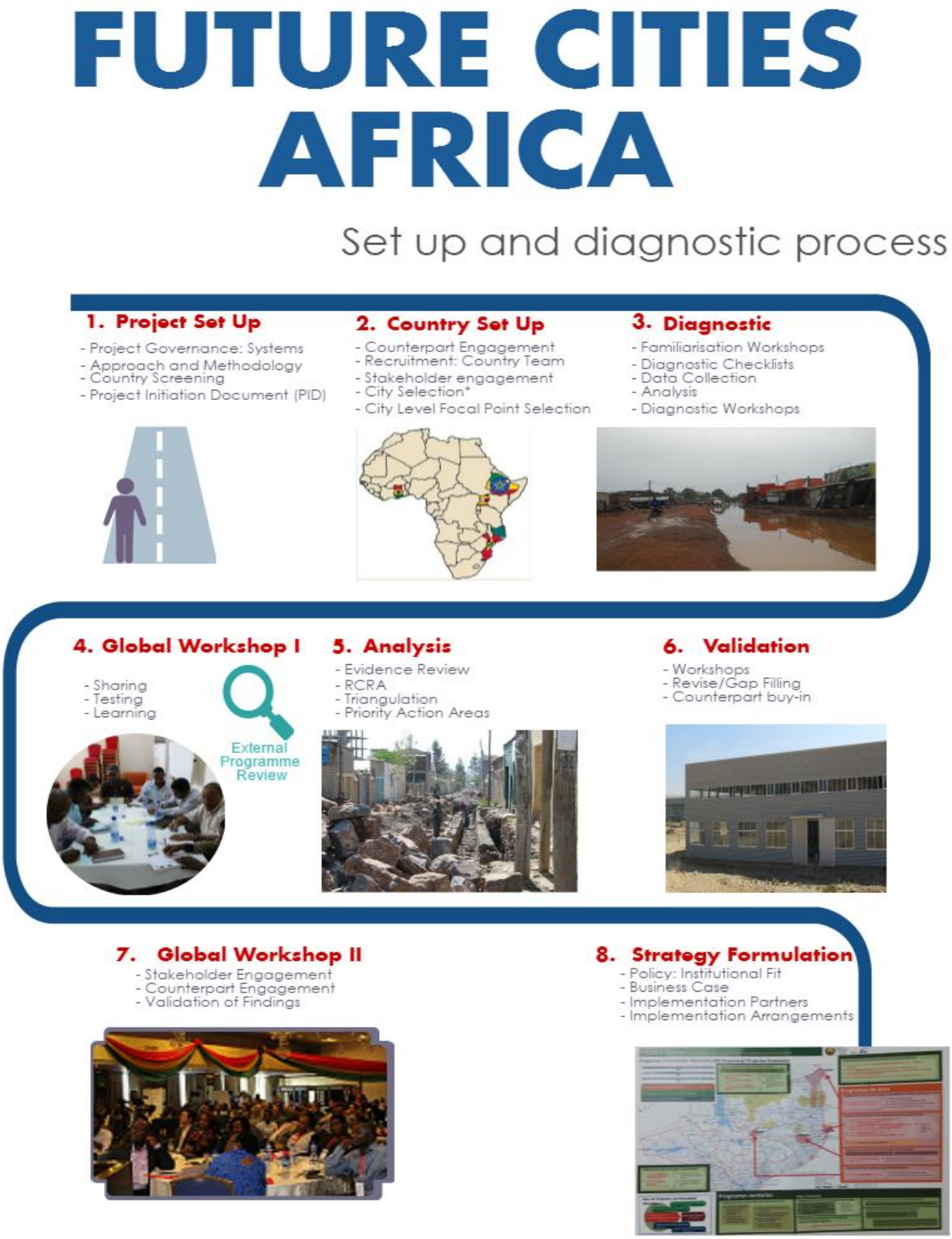
The implementation of the FCA was premised on the logic that for any government or civil society to act, there must be strong political and institutional ownership of the process. The study process is summarised in Figure 1.4. The FCA established teams of national experts in each participating country of which three were located within a lead ministry. Critically, FCA linked into *existing* policy and plans (not creating new ones) and supported improved formulation and execution of these plans while aiming to nudge them towards more inclusive and resilience outcomes. In particular:

- **Ethiopia**: FCA supported diagnostic work supporting local implementation of GTP II while embedded in the Ministry Housing and Urban Development and working with local officials in two regional growth centres.
- **Ghana**: FCA supported diagnostic work that directly was incorporated into the resilience plans that form a part of the Medium-Term Development Plans (MTDP) of seven Greater Accra Metropolitan Area (GAMA) district assemblies. The Ghana team effectively worked on a regular basis with the Ministry Local Government and Rural Development.
- **Uganda**: FCA fed directly into the strategic and resilience planning processes of its fourteen secondary cities and worked collaboratively with the National Planning Authority, Ministry of Land, Housing and Urban Development (MLHUD) and each of the participating cities.
- **Mozambique**: FCA worked across 3 national ministries and focused on a national growth corridor working collaboratively with Tete – Nampula – Nacala. In addition, FCA facilitated the establishment of the institutional arrangements that has led to the formation of the national urban forum. In each country, the FCA has directly identified agents of change to help drive the urban agenda. These agents represent national government, local government, academia, the private sector and communities. Through the Cities Alliance, and FCA, these agents were networked together to enhance the understanding of the African urban transition and to begin formulating new responses to the challenges described above. [7]

FCA workshop, Mozambique (2015)

[7] This process in turn will link to the Cities Alliance high level Think Tank: Members are Yemi Cardoso (Chairman, Citibank Nigeria), Jean-Pierre Elong Mbassi (Secretary General, UCLG-A), Alcinda Honwana (member, Editorial Boards of the Journal of the International African Institute, the African Sociological Review and the Journal for Higher Education in Africa), Gustave Massiah (President, Strategic Support Group of Africities), Clare Short (Cities Alliance Board Chair), Kadiatou Sy (former Minister of Town Planning, Mali) , Jane Weru (member, Kenyan National Task Force for the preparation of a Community Land Bill and an Evictions and Resettlement Bill),Fantu Cheru (Senior Researcher, African Studies Centre, Netherlands), Mohamed Halfani (former Head of Research, UN-Habitat Headquarters, Nairobi), Trevor Manuel (former Minister of Finance, South Africa), Febe Potgiete-Gqubule (Deputy Chief of Staff, Bureau of the Chairperson for the African Union Commission), Edgar Pieterse, Director, African Centre for Cities, University of Cape Town.

Figure 1.4: FCA Study Process: Bottom Up Stakeholder Engagement and Ownership



Cities Alliance (2016)

1.5 Country Selection

A list of nine countries was provided by DFID for consideration for possible FCA inclusion[8]. This list was reduced to four against an agreed set of criteria[9]. Two sets of indicators were used to inform the country selection – Table 1.1 - and the strategic context of the selected countries is given in Table 1.2. Six indicators derived from the Cities Alliance/United Cities Local Governments Africa (UCLGA) City Enabling Environment (2013/2016) and five indicators formulated in discussion with DFID related to the leverage of opportunities. Indicators were rated from 1 to 4, with 4 the strongest and 1 the weakest. Through this process, Ethiopia, Ghana, Mozambique and Uganda were selected by the Cities Alliance Executive Committee and endorsed by the FCA "Steering Committee" as the project countries.Table 1.1: FCA Country Selection Assessment

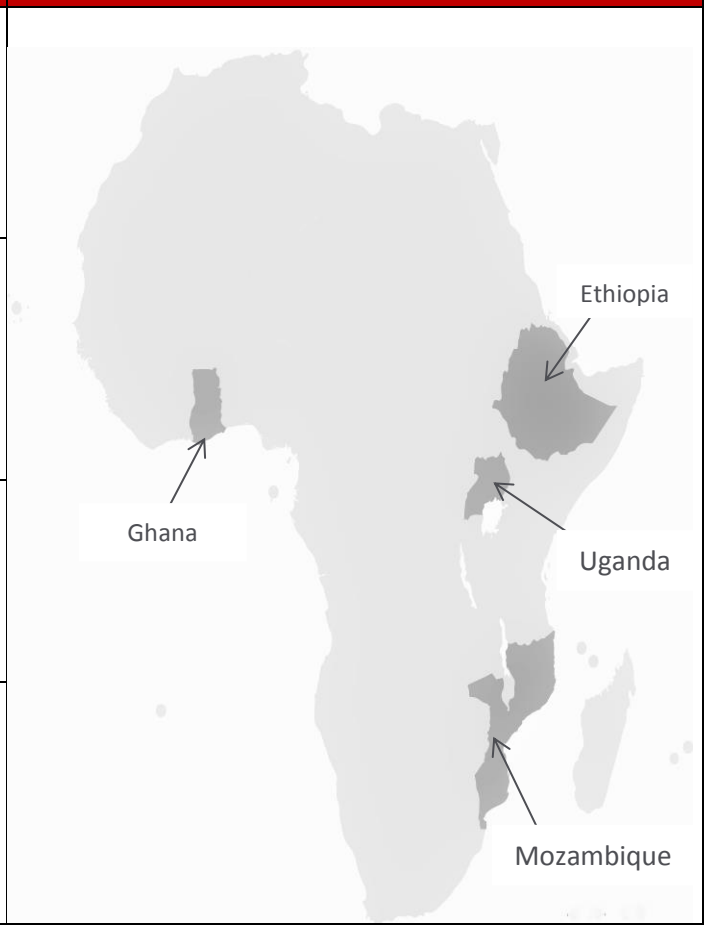
	INDICATORS	DRC	ETHIOPIA	GHANA	KENYA	MALAWI	MOZAMBIQUE	NIGERIA	TANZANIA	UGANDA
CEE 2013	1.1 Provisions on Local Governance	1	2	2	4	1	3	4	4	4
	1.2 Capacity building for local authorities	1	2	4	2	1	1	2	3	4
	1.3 Citizen participation	1	3	3	3	1	3	2	2	3
	1.4 Transparency in the operation and management of local authorities	2	2	2	3	2	2	2	3	2
	1.5 Local government performance	1	1	3	1	1	1	1	3	3
	1.6 National Urban Policy framework	1	3	3	2	3	1	2	1	3
	SUB TOTAL	7	13	17	15	9	11	13	16	19
0.4	**SUB-TOTAL WEIGHTED**	3	5	7	6	4	4	5	6	8
CA LEVERAGING OPPORTUNITIES	2.1 Expansion opportunities of CA Portfolio	4	3	4	2	2	3	2	2	1
	2.2. CA members/partner's engagement	4	4	4	4	3	4	3	3	3
	2.3 Government Commitment to MTS/ CA priorities	3	4	4	2	2	3	1	3	3
	2.4 Risks	1	3	4	3	3	2	2	4	3
	2.5 DFID Leveraging Opportunity	3	4	2	3	2	2	4	2	2
	2.6 IFIs Leveraging Opportunity	2	4	3	4	2	3	4	3	3
	SUB TOTAL	17	22	21	18	14	17	16	17	15
0.6	**SUB-TOTAL WEIGHTED**	10	13	13	11	8	10	10	10	9
	TOTAL	**13**	**18**	**19**	**17**	**12**	**15**	**15**	**17**	**17**

Cities Alliance (2013)

[8] The list of prospective participants included Ethiopia, DRC, Tanzania, Nigeria, Ghana, Uganda, Kenya, Mozambique and Malawi.

[9] Agreed during the Cities Alliance – DFID PID Meeting December 2014. Further validated in the FCA Inception Report May 2015.

Table 1.2: FCA Countries and Strategic Context

Country	Population	% Urban Population	Urbanisation Growth Rate	Strategic Context	MAP of FCA Countries
GHANA	25,366,000	53.2%	3. 5%	• Fragmented underperforming Metropolitan city • In African context a highly urbanized country. • National Urban Forum in place • National Policies in place • Good institutional framework for long term planning • Civil society engagement.	
UGANDA	34,856,813	16.4%	5.7%	• 14 secondary cities distributed across country. • Low urbanisation level but very high urbanisation rate • By 2040, urban population >32% • High degree of decentralisation • Municipal Urban Forums in Cities • National Urban Policy in final stages of approval • Strong civil society.	
ETHIOPIA	91,729,000	17.5%	3.8%	• Secondary Cities (4 regional capitals) plus 1 chartered city • Direct cities link to national development strategy. • Large industrial and infrastructure investments • Land expansion projects in the selected cities Weak civil society	
MOZAMBIQUE	25,203,000	31.7%	3.1%	• Fast growing secondary cities • Transport corridors national priority • Extractive industry lead growth • large infrastructure development (megaprojects) • Climate change and economic shocks risks • Fragmented political and institutional environment • Week civil society	

Cities Alliance (2016)

1.6 City Selection

African cities can be divided into two broad categories: large metropolitan cities, and small and medium-sized, secondary cities. Cities perform a number of different functions (see Table 1.3). FCA included each of the main categories of African cities listed in the table, divided across the four countries, with the aim of capturing wider African urbanisation challenges. To strengthen national ownership, the city selection process within each country was a product of national stakeholder engagement and consensus. Thus, city selection ultimately reflected not simply a data exercise but a consensus driven process between the Cities Alliance and national stakeholders. The selected cities are:

- **A metropolitan / city region (Ghana)** Cities where jurisdictional boundaries do not correspond to planning and service delivery needs. Urban growth has made these cities economically interdependent with their surrounding local governments and hinterlands, leading to one single economy and labour market. The Greater Accra Metropolitan Area (GAMA) area was selected as a study case. GAMA is formed by thirteen (13) metropolitan, municipal and district assemblies.
- **Secondary cities (Uganda)** Cities that form part of a system of cities within a country or within a global system of cities. Fourteen secondary cities selected.
- **Regional capitals (Ethiopia)** Secondary Cities with a high degree of autonomy and importance within their sub-national context. Especially relevant in countries with high levels of decentralisation. Two cities selected: Mekelle and Dire Dawa.
- **Economic corridor (Mozambique)** Secondary cities that find advantage in developing small nodes and hubs to add value to industry supply chains and regional distribution centre. Three cities selected: Tete, Nampula and Nacala.

Figure 1.5: Representation of FCA Normative Framework

Cities Alliance

Table 1.3: Categories of Cities

Country Population in FCA Cities as % of Total	FCA Cities	Growth trajectory
GHANA **15.8%**	Metropolitan area fragmented into 13 Metropolitan, Municipal and District Assemblies (MMDAs).	The population of the GAMA grew from 2,905,726 inhabitants in 2000 to 4,010,054 in 2010, representing an annual growth rate of 3,8% per annum. This implies that by 2030, the GAMA will be home to 8.6 million people, at a natural growth rate of 2.4%, implies that one-third will be new migrants to the city.
UGANDA **3.1%**	**Arua (63,000) (Drill down city)** Entebbe (86,700) Fort Portal (48,200) Gulu (163,100) Hoima (101,300) **Jinja (94,500) (Drill down city)** Kabale (45,300) Lira (115,800) Masaka (75,500) Mbale (97,100) Mbarara (87,200) Moroto (13,700) Soroti (73,300) Tororo (45,900)	Rural migration to the secondary cities is slower in Uganda. Over the period 2002 to 2014, the population of Arua has grown by 3.8% per annum from 43,929 to 64,200 inhabitants. This is marginally above the natural population growth rate of 3.27% and represents an urban migration rate of only 0.6%. This implies that Arua will double in size every 19 years, with a projected population of 117, 806 by 2030. This however, does not reflect the growing importance of these cities to the surrounding hinterland. The population of Jinja, for example, has only increased from 71,213 to 73,900 inhabitants between 2002 and 2014, but there is a day-time population fluctuating between 100,000 and 400,000 people, as non-residents of the municipality come in during the day for education and business services.
ETHIOPIA **1.4%**	**Mekelle** (328,875) **Dire Dawa** (387,000)	The regional capitals of Ethiopia are growing rapidly. Mekelle grew annually at 4.9% over a 21-year period from 1999 to 2015. This implies that the city doubles in size every 14 years. With a 2015 population of 323,700, by 2030, the city will be home to 647,400 people. With a natural growth rate of 2.53%, the balance 2.34% is the result of inward migration. This can be roughly divided as 50% indigene and 50% migrant. This fast rate of city growth is also true of Dire Dawa, which grew from 164,851 inhabitants in 1994 to 277,000 inhabitants in 2015, representing an annual growth rate of 3.2%. This implies that by 2030, the city will be home to 447,366 inhabitants. With a natural growth rate of 2.53% the balance 0.7% is the result of inward migration.
MOZAMBIQUE **3.9%**	**Nampula** (571,284) **Nacala** (211,915) **Tete** (198,097)	In Mozambique, there is rapid growth of cities along the economic corridors. Tete over the last 18 years has grown at 6.5% per annum from 101,984 in 1997 to 221,400 in 2015. This implies that the city will double in size in just over 10 years and by 2030 is projected to have a population of 585,426 inhabitants. With a natural population growth rate of 2.8%, the greater part of the growth is a result of inward migration. The population of Nampula has grown from 303,000 inhabitants in 1997 to 622,000 inhabitants in 2014 representing an average annual growth rate of 5.7%. This implies that by 2030, the city is projected to have a population of 1.6 million inhabitants. Roughly half of this growth will come from inward migration. The population of Nacala grew from 75,038 in 1980 to 243,800 inhabitants in 2015 representing an annual growth rate of 5.2%. By 2030, Nacala is projected to have a population of 531,000 people.

1.7 Method and Definitions

FCA builds on the recommendations of the DFID funded *Future Proofing Cities: Risks and Opportunities for Inclusive Urban Growth in Developing Countries (hereafter FPCR)* report in 2012.[10] The FPCR defines future proofing as follows:

> *Future proofing is about cities looking in an integrated way at the risks they face and developing solutions which can catalyse inclusive urban development, maximise value for money, and provide a foundation for broader urban transformation. The focus of future proofing is on cities finding and shaping their own vision of the future by providing them with the tools and approaches to identify solutions which respond to their unique set of risks, vulnerabilities, and capacities.*[11]

The basic argument is cities in the developing world have quite different capacities to respond to risks depending on the strength of urban governance, urban planning, urban finance and service delivery. "In particular, cities have very different urban economies and population dynamics which help to determine their capacity to respond to current and future challenges."[12] There is an extensive body of literature related to future proofing, resilience, urban / disaster risk assessments and inclusive growth.[13] During the Inception Phase, the FCA team reviewed the literature related to future proofing and resilience and defined the basic concepts informing future proofing in FCA as follows:

- **Resilience:** the capacity to withstand and emerge stronger from acute shocks and chronic stresses[14]. A strong emphasis of the FCA programme is on managing chronic stresses related to urbanisation.
- **Mitigation:**[15]
  - of climate change: A human intervention to reduce the sources or enhance the sinks of greenhouse gases.
  - of disaster risks: The lessening of the potential adverse impacts of physical hazards (including those that are human-induced) through actions that reduce hazard, exposure, and vulnerability.
- **Adaptation** is about *"anticipating the adverse effects of climate change and taking appropriate action to prevent or minimise the damage they can cause, or taking advantage of opportunities that may arise. It has been shown that well planned, early adaptation action saves money and lives later."*[16]

[10] Atkins (2012), *Future Proofing Cities: Risks and Opportunities for Inclusive Urban Growth in Developing Countries. For DFID.*
[11] Cities Alliance, ARUP (2016) Future Proofing Cities Study: Study Commissioned by DFID.
[12] Ibid, p. 58
[13] See for example: Hoornweg, Daniel; Freire, Mila; Lee, Marcus J.; Bhada-Tata, Perinaz; Yuen, Belinda. 2011. Cities and Climate Change: Responding to an Urgent Agenda. Urban Development Series. World Bank.
Baker, J.L. (2012). Climate Change, Disaster Risk, and the Urban Poor: Cities Building Resilience for a Changing World. Urban Development. Washington, DC: World Bank.
Dickson Eric et al (2012), Urban Risk Assessments: Understanding Disaster and Climate Risk in Cities. Washington, DC. World bank.
[14] While there are many ways to define resilience, this is the operational definition used by FCA.
[15] IPCC WGII AR5 Glossary, 28 October 2013, p. 19
[16] European Commission, Climate Action website. Update 24 09 2015, in: http://ec.europa.eu/clima/policies/adaptation/index_en.htm.

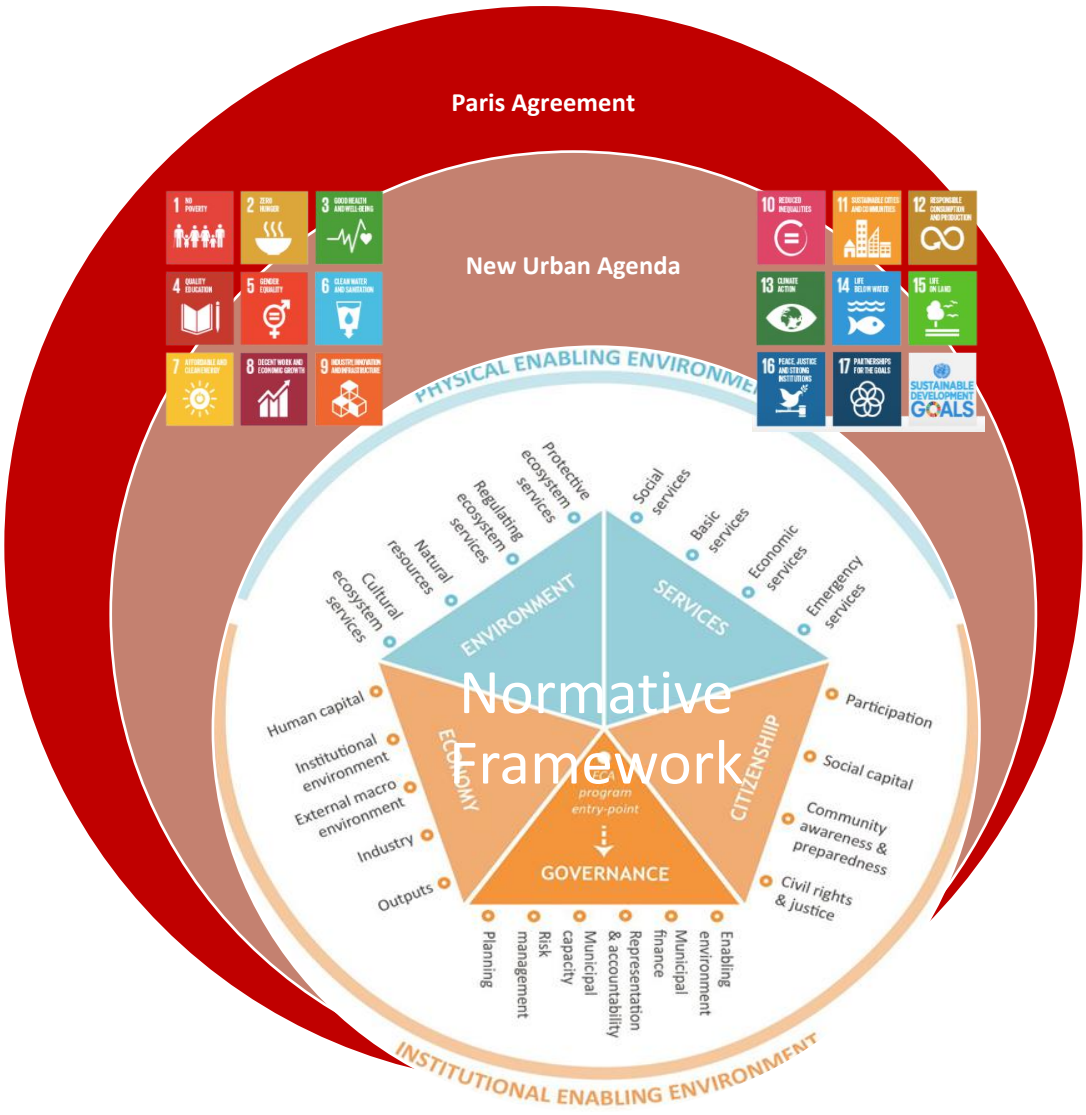
1.8 A Normative Framework for Assessing the Resilience of African Cities

The FCA team and counterparts in the four countries developed a normative framework to assess cities across five key dimensions: Governance, Citizenship, Services, Economy and the Natural Environment (see link with outcome and impact statements above). The underlying premise of the Normative Framework is that if African cities are to be inclusive and resilient, five systems need to work in harmony:

1. A governance system that is effective, efficient and accountable
2. A citizenship system that builds strong human and social capital
3. An economic system that provides jobs and income
4. A services system that ensures mobility, energy and environmental health
5. An ecological system that provides sustenance and protects against hazards

The Normative Framework describes the physical and institutional enabling environment which can support the FCA cities to achieve inclusive economic growth; to manage demographic change; and to future proof against environmental, climatic and natural resource risk.

Figure 1.6: The SDGs, the normative framework and enabling environment



CA Team (2016)

1.8.1 Dimension 1: Governance

The strength of a city government's capacity to act depends on:

- The clarity of its legal framework and mandate, the enabling environment
- The strategic capacity of leadership and technical capacity of staff (human resources)
- The political will of representation and commitment to public accountability, including strong leadership
- The capacity to collect information to manage and plan for urban growth
- The development of systems and processes to identify and address risk
- The ability to receive, raise and account for financial resources
- The appropriateness and robustness of the land administration system

1.8.2 Dimension 2: Citizenship

The strength of citizenship depends on the degree to which people:

- Actively participate in local elections, seek information and hold local government accountable.
- Build social capital, have a sense of civic behavior and engage with institutions and civil society.
- Have a strong sense of their human rights and social justice.
- Are prepared for shocks and stresses.

1.8.3 Dimension 3: Economy

The strength of a city's economy depends on:

- The productivity of the city's work force (Human capital)
- The diversity of industries that make up the local economy including the informal economy.
- A supportive institutional and governance environment
- How regional and national factors influence the local economy (Macro environment)
- The impact (what is generated by) of the local economy (outputs)

1.8.4 Dimension 4: Services

For a city to be resilient it must ensure that citizens have access to:

- Services to meet their basic human needs. (Basic Services)
- Services which promote education, health and wellbeing. (Social Services)
- Networks that connect the community to the economy. (Economic Services)
- Networks, assets and services to deliver emergency response. (Emergency Services)

1.8.5 Dimension 5: Environment

With the increase in extreme and volatile climatic events, the fragility of ecosystems and binding natural resource constraints, the resilience of a city will depend on:

- The integrity of ecosystem services which protect urban areas from natural hazards. (protective ecosystem services)
- The strength of ecosystem services which regulate climate and environmental quality. (regulating ecosystem services)
- The quality and quantity of ecosystem products which support the city's inhabitants and the local economy. (Natural resources)
- The understanding of and respect for non-material ecosystem services which enhance community wellbeing. (Cultural ecosystem services)

The Normative Framework is designed to be relevant and useful across the spectrum of African city typologies and is used:

1) As an **engagement tool** to facilitate discussions and build understanding regarding the factors that African cities need to get right to achieve inclusive growth, manage demographic change and address future risk.
2) As a **measurement framework** to assess the physical and institutional enabling environment within African cities, as an evidence base for future planning and investment choices.

1.9 Evidence Base

The evidence base for preparing the Feasibility Study included:

- Review of official reports, secondary data;
- Workshops and focus groups, and
- Interviews with key informants from all levels of government, civil society and private sector:

The weight of the evidence used was based on current and readily available information: namely, the information with which African decision-makers work with on a day-to-day basis. Secondary data reviews were supplemented and tested through various stakeholder engagement processes: semi-structured interviews, technical working groups and workshops.

1.10 Organisation of the Report

This report has four sections:

- Section 2 sets out the strategic context of the African urban transition. The section seeks to identify the scale and nature of the challenges facing African cities and the implications of these for securing global and national development goals.
- Section 3 moves from the continental context to the specific constraints to inclusive growth and resilience using the FCA evidence base with the aim of informing future technical assistance interventions.
- Section 4 summarises the study findings and makes recommendations for future programme content and design.

2. STRATEGIC CONTEXT

2.1 Introduction

Africa's annual population growth rate (2010-2015) stands at 2.55%, resulting in a projected increase of 1.3 billion people or more over the period 2015-2050. This represents more than half of the projected global growth total of 2.4 billion over the same time.[17] The United Nations predicts that Africa will be the fastest urbanizing region between 2020 to 2050.[18] Within this time, Africa's urban population will triple in size, with an additional 800 million people in its towns and cities. Within this chapter the nature of urbanisation in Africa is described and analysed through the five dimensions of the normative framework. The analysis is not encouraging. Collier (2016) writes that *"Africa's urbanisation to date has not been successful (…) many (*cities in Africa*) are generating conditions that are so inadequate that the majority of their inhabitants can neither be productive nor lead decent lives"*[19]. Rather than being engines of economic growth, too many African towns and cities are struggling to respond to rapid population increases resulting in the expansion of slums, growing infrastructure and service deficits, increasing unemployment and rising social tensions. The aims of this chapter are:

- To set the context, nature and underlying processes driving urbanisation trends in Sub-Saharan Africa; and
- To assess the challenges and risks to inclusive urban growth in Sub-Saharan Africa.

2.2 African Urbanisation Trends and Challenges

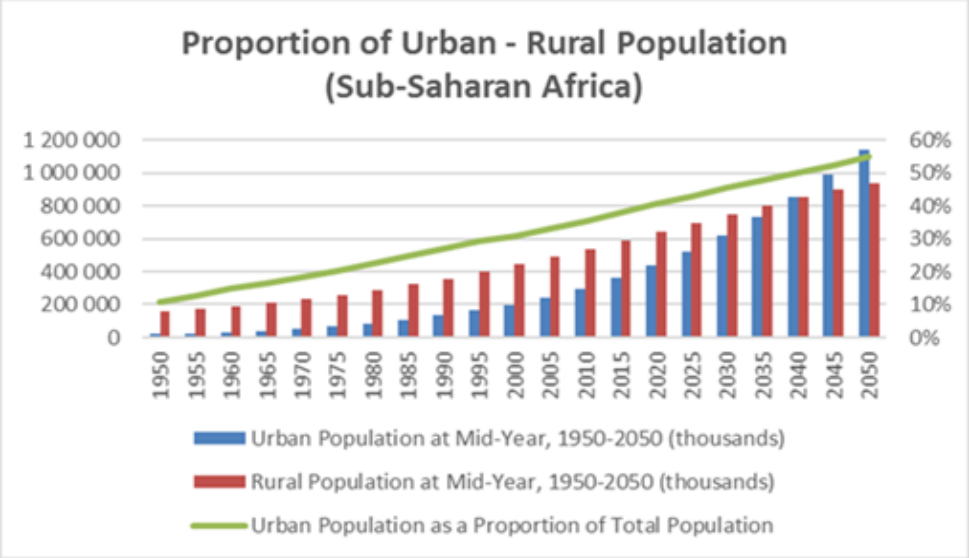
Urban growth in Africa is a consequence of three main trends:

- **Natural population growth in cities**, especially in countries not directly affected by protracted conflict or extreme climate (60% of countries)
- **Urban spatial expansion**, cities of all sizes grow as they literally envelop the surrounding settlements, and draw them into the city proper.
- **Urban-rural migration**, which accounts for approximately 25-30% of African urbanisation. However, in countries experiencing extreme climate or conflict (40% of countries) rural push factors dominate with the city perceived as a refuge.

Economic growth and urbanisation are positively correlated, with a robust relationship between population size and per capita income[20]. Nearly all countries become at least 50 percent urbanised before reaching middle-income status, and all high-income countries are 70–80 percent urbanised. Ghana is a case in point – see Figure 2.1. The country reached middle income status at roughly the same time that it crossed the rural-urban threshold.

[17] United Nations, Department of Economic and Social Affairs (UNDESA), Population Division. 'World Urbanization Prospects The 2014 Revision'. United Nations, New York 2015., p. 9.
[18] United Nations, Department of Economic and Social Affairs (UNDESA), Population Division. 'World Urbanization Prospects The 2014 Revision'. United Nations, New York 2015.
[19] Collier (2016): African Urbanization: An Analytic Policy Guide. International Growth Centre (LSE and the University of Oxford).
[20] Kessides, Christine. The urban transition in Sub-Saharan Africa: Implications for economic growth and poverty reduction. Washington DC: Cities Alliance, 2006.; UNDESA. World Urbanisation Prospects: The 2014 Revision. United Nations, New York, 2015.

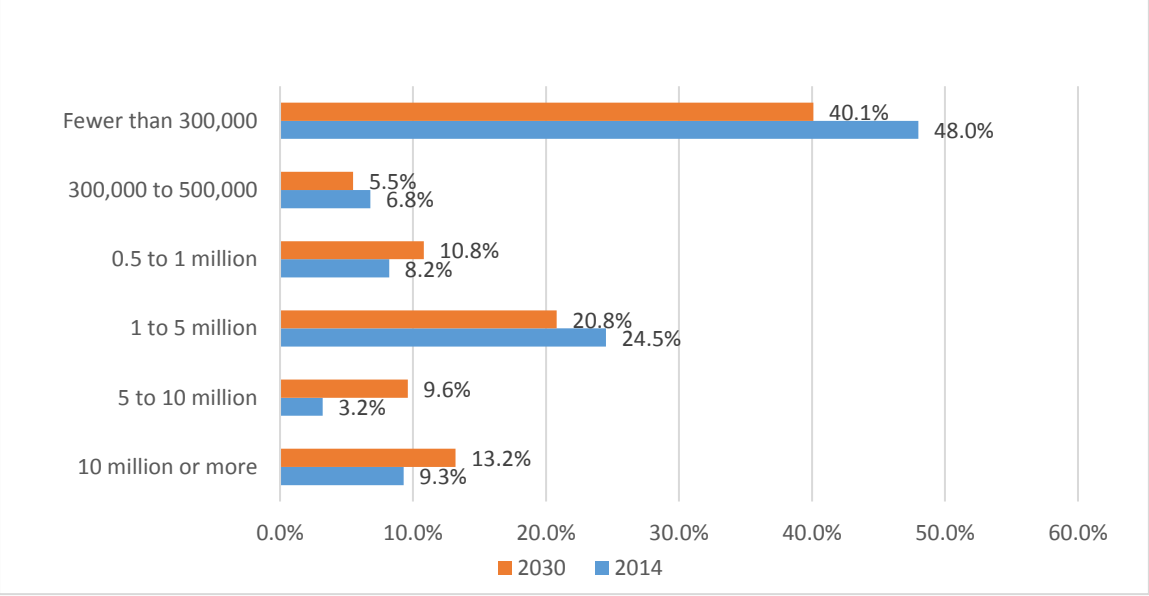
Figure 2.1: Proportion of Urban – Rural Population (Sub-Saharan Africa)



Cities Alliance, adapted from UNDESA (2015)

Currently, nearly half of Africa's urban dwellers live in relatively small and medium size settlements of less than 300,000 people, and approximately 12% live in mega-cities of more than 5,000,000 people. By 2030, this structure will change with a decline of the percentage living in relatively small and medium towns and a noticeable increase in the percentage living in mega cities. The majority will, however, still live in small towns of less than 300,000 people. According to UN-Habitat, well above half of Africa's urban population (61.7 percent in 2013) resides in informal settlements and slums.[21] The growth in the selected FCA cities follows the trends of urbanisation and city growth for the wider African region[22].

Figure 2.2: Proportion of Urban Population by City Size, Africa



Cities Alliance (2015)

[21] UN-Habitat, 2013, Unleashing the Economic Potential of Agglomeration in African Cities, The Global Urban Economic Dialogue Series, Nairobi.

[22] The data for this section is drawn from the Rapid City Resilience Assessments undertaken by Cities Alliance for FCA.

2.3 Future Proofing African Cities

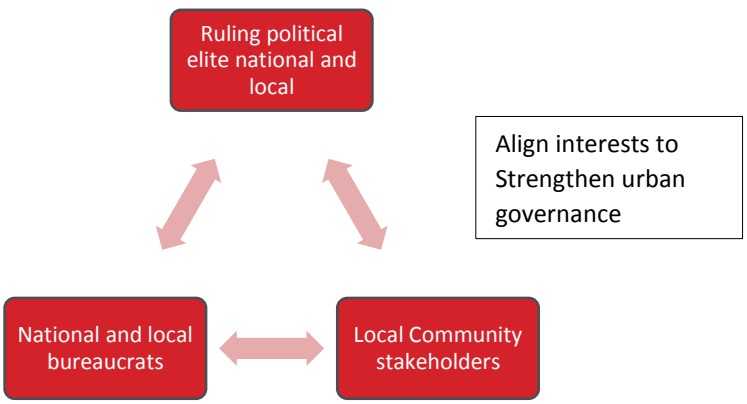
2.3.1 Governance: The keystone to success

Africans are moving to cities at a time when urban institutions are very weak. Urbanisation is therefore nearly always associated with problems including the growth of informal settlements, inadequate service provision, disease, congestion and skyrocketing land prices. Across Sub-Saharan Africa, urban governance is influenced by each countries' unique history marked by traditional, colonial, authoritarian, and democratisation and devolution periods. The governance of cities is often in flux and evolving, with unresolved issues of how best to improve the relationship with communities, the role of traditional leaders and the appropriate powers and functions of local and central government. With the speed at which urbanisation is happening, the magnitude of urban land consumption and infrastructure demands, and emerging environmental challenges, efficiency and effectiveness in the governance of African cities has become of paramount importance. Through the Rapid City Resilience Assessment (RCRA) process of the four FCA countries, five cross cutting governance issues emerged which collectively affect the ability of cities to implement change. These are:

1. The appropriateness of the city level institutional environment;
2. The relevance of the planning process to respond to urban growth realities on the ground;
3. The strength of the human resource capacity required to effectively manage cities;
4. The systems of accountability needed to mobilise and account for the financial revenue and investment required to build and maintain infrastructure and services; and
5. The ability of the land administration system to make land available to enable planned settlement.

A city government with coherent institutional arrangements, a strong planning framework, a workable land administration system coupled with adequate human resources and revenues is in a better position to effectively manage both the opportunities and risks inherent in urban growth. After decades of development assistance experience, a key lesson learnt is that the import of good practice from OECD countries into Sub Saharan Africa seldom gains traction as development outcomes depend on the incentives shaping behaviour and resource allocation. In broad terms, successful urbanisation occurs when national elites develop policies that enable local governments and bureaucrats to plan and effectively deliver services to residents who in turn are willing to invest into the city – see Figure 2.3.1. The extent to which mutual interests, cooperative relations and synergy emerge between these three large groups of actors will define the strength of the development process. This in turn will depend on how the political elites, sector actors and state officials of a country respond to the specific incentives that they face when they make choices about policies and their implementation.

Figure 2.3: Political Alignment for Inclusive Growth



Cities Alliance (2016)

Over decades within the public administration and the greater economy non-salary incentives of different types have taken shape that have enabled the functioning of the extractive industry economy and, indeed, the informal delivery of services. These incentives have become entrenched with strong vested interests at play. What has not developed are the incentives that can enable the three groups of actors to effectively work together in ways that generate sustained economic and social progress; and specifically, inclusive and resilient cities. Unless the underlying issues of how people and groups are incentivised and the actual incentives put in place are addressed, it is unlikely that real change will happen even if good governance models are seen to be adopted.

2.3.1.1 City Level Institutional Environment

For cities to be effective implementers, they need to operate within a legal framework that clearly defines the role of cities within the broader national polity, the relationship with other spheres of government and their specific mandates, roles and responsibilities. In 2013 and 2015, the Cities Alliance and UCLGA undertook an assessment of 50 countries in Africa focusing on the policy and institutional environment for city action. Across 10 indicators using a 1-4 scoring scale, the countries were ranked into 4 cohorts. Only 4 countries (including Uganda) can be described as having a favorable policy and institutional environment conducive to cities being effective drivers of urban development. A further 9 countries (including Ghana) can be described as having a positive environment for the action of cities. The remaining 74% of countries (including Ethiopia and Mozambique) can be described as having policy and institutional gaps and needing a major reform effort.

Table 2.1 FCA countries colour classification

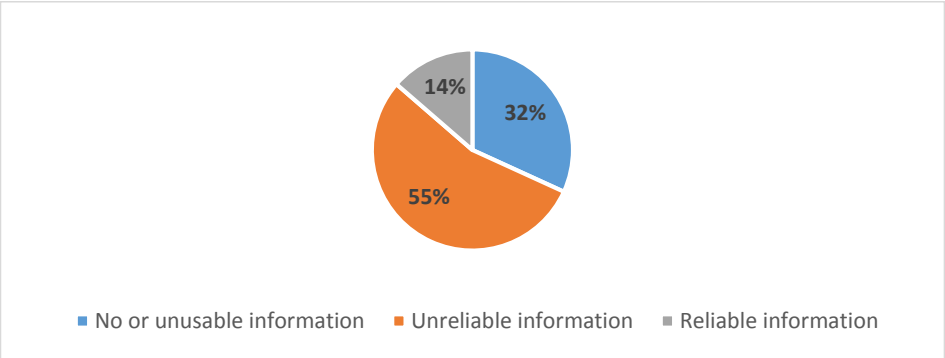
Colour Classification	Countries	Share of countries	Criteria (2015)
Green Countries with the most favourable environments for the action of cities and local authorities in accordance with the standards adopted.	**Uganda** *Rating* *2012: 31/40* *2015: 34/40*	4 out of 50	Provisions in; 1) the constitutional framework 2) the legislative framework Provisions on; 3) local governance 4) financial transfers from central government to the local authorities. 5)capacity building for local authorities 6) transparency in the operation and management of local authorities 7) citizen participation Provisions concerning; . 8) local authorities own source revenues . 9) local government performance . 10) presence or absence of a national strategy to manage urbanisation. *Cities Alliance and UCLG Africa (2015)*
Yellow Countries whose environment is rather favourable to the action of cities and local authorities but where some improvements are needed.	**Ghana** *Rating* *2012: 26/40* *2015: 27/40*	9 out of 50	
Orange Countries whose progress towards an enabling environment for cities and local authorities would require major reform efforts.	**Ethiopia** *Rating:* *2012: 20/40* *2015: 20/40*	20 out of 50	
Red Countries whose environment is generally unfavourable to the action of cities and local authorities.	**Mozambique** *Rating:* *2012: 16/40* *2015: 17/40*	17 out of 50	

2.3.1.2 City planning processes

Effective planning plays a major role in how a city develops. An unplanned city becomes inefficient and closes many future options. Few SSA countries have a workable balance between planning for future urban growth and the actual pace of city growth, resulting in growing service delivery backlogs and increasingly inefficient cities that pose major limitations on economic growth. There are several constraints to effective planning:

- **Lack of Data:** An effective planning response to urban growth has been constrained by the lack of access to adequate information and data to enable appropriate planning and prioritisation. Frequently, city managers are unable to answer basic questions about the city and often have a false understanding of cause and effect, and of the size and scale of problems and priorities. The reality is that in most African cities there are no coherent standards and systems for data collection, management and utilisation. The result is that policy making and planning has a very weak evidence base. In the case of FCA countries, data gaps are extensive and a barrier to understanding risks and effective decision-making – see Figure 2.4.

Figure 2.4: FCA Diagnostic Assessment of City Level Data Availability and Reliability



Cities Alliance (2015)

- **Inappropriate planning methodologies:** Urban planning as a discipline has only recently begun to adapt to the peculiarities of urban Africa and be useful for the management of urban growth. The Master Plan is the manifestation of the standards prescribed in the urban law. These standards often impose a level of plot size, setbacks and infrastructure service standard and construction quality that is commonly unaffordable to both the city and to the citizen. Master Plans aim to control land use, yet few Master Plans reflect the reality on the ground as they are often undermined by corruption, inefficient permitting systems, and low human resource capacity to design, administer and enforce the plans. For the Master Plan to work, it depends on the ability of the local authority to protect the integrity of the plan, balanced with a capacity to make affordable new planned sites available for consolidation at a speed commensurate with urban growth. These are precisely the conditions that do not exist in present-day African cities, leading to the growth of informal settlements at densities, infrastructure standards and building technologies that are not commensurate with the urban legal framework.
- **New approaches to urban planning:** With the inability of the Master Plan to respond to the needs of a city experiencing rapid growth new approaches to planning have emerged. These approaches have been tested in Uganda, Ethiopia and Mozambique and are showing a great deal of potential. They essentially shift the locus of town planning from controlling to facilitating development.

- **Land Expansion:** Instead of a detailed land use plan, the approach focuses on what are the absolute minimum requirements that enable settlement to occur in a manner that does not impose negative costs on future city growth and expansion. It is an approach that balances capacities with the scale of the challenge and focuses on how best to guide urban development so that future options are not closed by unplanned settlement. This requires planning for long term land expansion and acquiring and protecting the land to protect the natural environment and the future main service lines including public transport routes. The city is then settled block by block in the knowledge that it is part of a longer-term vision with a secured service delivery system. Once secured, the planners can focus on the development of the block, which would require a much lower level of detailed planning as the service delivery lines for future service delivery have been secured.

- **City Development Strategies:** The Master Plan with its focus on zoning and land use has often proved irrelevant to the real issues facing cities, including unemployment, inner city decay, informal economy and environmental sustainability. To respond to these issues globally, a new planning framework was developed and popularized by the Cities Alliance commonly known as City Development Strategies (CDS). The CDS has been tested throughout Africa and has placed onto the agenda the necessity of a city-wide and integrated approach, especially when tackling urban poverty. In a significant number of cases, CDSs have proven successful in leveraging funding for follow up activities. However, in some cases the CDS has been delivered by outside consultants as a technocratic process with limited stakeholder engagement severely undermining ownership of the strategy.

- **Land Administration:** The coexistence of customary land ownership and common law property rights is still one of the most critical impediments for city governments to plan and tax. Unclear land ownership undermines the sound basis for urban planning and urban management and self-financing. Broad based land use planning, while important in term of structuring the city, becomes meaningless if the land cannot be acquired, planned and made available for development. Across SSA countries the land administration system is unable to identify, consolidate, plan, service and make land available for settlement and commercial use at the scale required to effectively manage urban growth. In the whole of Mozambique, based on FCA interviews reportedly only 3000 sites were officially recorded over 2014 period; this in a context where the housing demand is recorded at 80,000 new units per annum. Insecure tenure and informality in the shelter sector does not encourage the development of financial and property market instruments such as mortgage financing. The fact that most low-income households in Africa operate in the informal sector, disqualifies them from mortgages and financial market services, even when their income levels could qualify them. In effect, there is no relationship between the scale at which serviced land is made available and the rate at which cities are growing. This forces households and businesses to settle outside of the legal planning system in a situation of informality.

In countries characterised by customary law and private ownership, the situation is more complex. Over the years, a great deal of work has been done to develop a coherent Land Administration System (LAS). However, the core issue of the harmonization of statutory and customary authority over land remains. The intriguing question is why these LAS projects have not collectively had the expected transformative impact? The answer is complex, but at its heart is the relationship between traditional chiefs / authorities, land use planning and the nature of the city as a social melting pot. These are fundamentally issues related to how a city is socially constructed and re-produced. Yet, LASs have been designed based on perceived economic rationality (of land markets) and delivered

technocratically and methodically as if building a bridge. Greater recognition needs to be given to land allocation as a social *as well as* a technocratic process. Real social change processes happen over time; they blend structured dialogue, trust building, and progressive implementation drawing on successes and failures, learning by doing and the support of technologies. Without this process personal gain from the status quo will continue to undermine the potential for a managed urban land development process that could bring wider, long term benefits to the whole community.

2.3.1.3 Human resource capacity

The lack of capacities to effectively manage cities is another major challenge for African local governments. The kind of expertise and technical know-how needed for planning and running cities is grossly insufficient. These shortages are manifest across the spectrum of skills needed to effectively manage city growth. There is a disparity between the somewhat greater human resource capacity of metropolitan cities relative to the smaller cities. In general, African universities have not focused on the skill requirements of managing cities[23]. The result is that graduates are generally not well equipped to assume functional responsibility in administration where very little coaching and mentoring can be provided.

Research commissioned for the FCA on municipal staffing capacity in selected Sub Saharan African countries reveals the significance and scale of the problem. Staffing data for all managerial and technical grades across Finance, Revenue, Planning, Public Works, Environmental Health and Solid Waste Management functions reveals a significant shortfall in municipal staffing against benchmarks based on city population, area, density, revenue receipts, type of infrastructure and ideal spans of control. Findings from 16 cities of various sizes in the four FCA countries reveals that cities are functioning at an average about a third of their ideal staffing capacity.[24] Further, the study reveals that the distribution of staff across the management structure is often heavily weighted at the lower skills end as well as top heavy with too few middle level managers holding much of the day to day work responsibility within each department. In relation to pay and remuneration, the study shows that on average, senior staff in municipalities are paid significantly less than their counterparts in the private sector. Data from Ghana, for example, shows that on average, senior municipal staff receive around one third of that of their counterparts in the local private sector, one fourth of their counterparts working in international development and aid work and one tenth of their counterparts in any large global multinational. The example of Ghana is instructive. The evidence indicates that the way in which urban district assemblies are staffed and operated can impede the preparation and implementation of development strategies. District officials are seconded; they are employed centrally by the Local Government Service that has oversight of human resource of all local governments (due to local government's inability to recruit and pay competitively for staff); they don't know how long they will be with the city or town to which they are posted; it could be one year, or five, or more. This uncertainty and potential lack of identification with the city or town in which they are working underpins and promotes a rigidly bureaucratic way in which many approach their work.

Furthermore, if opportunities for rent-seeking behaviour arise there is a strong temptation to act on these (understandable as the remuneration for officials is often so poor that some feel that it is necessary to take a second job [e.g. taxi drivers during the evening and/or weekends] or 'take on the side'). Effective institutional platforms for change, bringing together relevant but often competing interests and stakeholders, are infrequently created, as they impinge on protected institutional and individual turfs and take commitment and compromise to establish and maintain. Shortfalls in staffing

[23] Cities Alliance RCRAs.

[24] Future Cities Africa Output 4 Innovative Study, Human Resource Benchmarking and Capacity Building. Benchmarks adjusting for population, size, density, revenue receipts and type of infrastructure. See FCA (2016) HR Benchmarking and Capacity Building Report.

numbers, management structures and remuneration, contribute to inadequate infrastructure and services with poor operations and maintenance frequent problems across African cities.

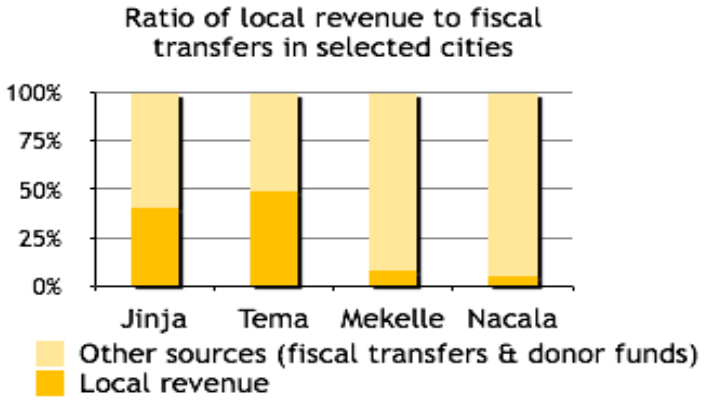
2.3.1.4 Financial resources and management

Managing a city involves maintaining existing infrastructure, assets and services and extending infrastructure and services to new and expanding areas. To this end there is a need for operations, maintenance and capital investment budgets. The data shows that cities in Africa generally operate on budgets that can neither sustain staff on a professional basis, nor ensure maintenance of existing infrastructure and service, nor enable investment into new infrastructure. The devolution of administrative roles is largely not backed by financial and fiscal autonomy – see Figure 2.5.

- Inadequate access to local revenues;
- Over dependency by local governments on transfers, be they unconditional or conditional, from their central governments.

Figure 2.5: City Expenditures and Revenues

City	Municipal expenditures per capita (USD)
Jinja	37
Arua	28
Tema	27
Accra	18
Tete	36
Nampula	14



Cities Alliance (2016)

While it is difficult to compare between countries as they have different local government mandates, none has a per capita expenditure budget greater than US$40. The devolution of governance to empower local governments in Africa is marred by financial tensions between central governments and local governments; mainly the timing, visibility and sufficiency of funds from the central to local governments.[25] This issue is particularly acute in Ghana where on top of untimely release of funds, there is the additional concern of approved vs actual amounts released. For example, in Tema, a budget of USD 2.6 million was approved but the city only received USD 1.1 million.

[25] UN-Habitat, State of African Cities, 2014.

2.3.2 Citizenship Matters

The ability of citizens to participate in the effective management and growth of the city is a crucial component of building inclusive and resilient cities, particularly in respect of the urban poor. Africans experience the weakness of city governance through the lack of essential services. However, if citizens are unable to organise and be recognised, then they cannot effectively give voice to their needs or consolidate any real power to demand these services. In all four countries of the FA, and across Africa, to bridge the accountability gap between communities and local governments, there have been social accountability pilots including Community Score Cards (CSC), Citizen Report Cards (CRC) and participatory budgeting, all funded by international development partners. While these initiatives are important, they lose their relevance if the processes are not institutionalised into the daily management of the city. Reliance on external finance means that the process itself is often unsustainable. In 18 countries across South, West, East and North Africa, there are slum dweller organisations at different levels of maturity. Ten countries in Africa (Ghana, Kenya, Malawi, Namibia, Sierra Leone, South Africa, Tanzania, Uganda, Zambia and Zimbabwe) operate at national or citywide scale and have worked with governments to secure and develop land for the urban poor. Arguably the most mature slum dweller movement is in Uganda, where the Federation has national presence with close relations both with a national Ministry and with the cities. The Federations mobilise slum dwellers into savings groups and engage in the mapping of informal settlements, the development of small projects and partners with local government to implement such plans. In much the same way but to a lesser degree, street traders are being organised with organisations such as *The National Petty Traders Union of Liberia* entering formal agreements with local authorities.

Figure 2.6: African countries with Slum Dweller Organisations

SDI website (2016)

While in all four countries the legal framework exists for effective community participation, only in Uganda is there a concerted effort to deliver on this political commitment. Uganda has institutionalised community participation at the local level via Municipal Development Forums. The strength and effectiveness of these Forums is variable between the different cities, but they have already demonstrated in both the secondary cities of Jinja and Arua the capacity to facilitate partnerships around practical service delivery projects between local government and organised communities. In addition, the World Bank has made it a pre-condition of the Uganda Support to Municipal Infrastructure Development (USMID) project that all infrastructure projects account to the Municipal Forums. In Mozambique, Ghana and Ethiopia community participation varies according to who is driving the initiative but it rarely goes beyond Publicity and Public Education.[26]

Almost all African countries have an organised National Chamber of Commerce and Industry usually representing bigger industries with a strong focus on national and international trade. Small-scale industries as well as formal and informal businesses at the local level, especially in secondary cities however, are not sufficiently organised in order to voice bottlenecks to growth. Evidence from the FCA suggests that only a few municipalities in (secondary) cities are providing adequate administrative focal points, such as a commercial officer, to engage with local businesses. This lack of a concerted dialogue between businesses and municipalities leaves apparent quick wins for local economic development untouched, such as targeted public procurement announcements, joint ventures for small investments as well as feedback on the quality of relevant public services and goods.

2.3.3 Economy: Engines of Growth Stalled

Africa's cities are estimated to contribute about 55 percent of aggregate GDP; their productivity being at least three times that of rural areas.[27] In Uganda, industries and services are concentrated in cities, where it is estimated that more than 70 percent of manufacturing activities are conducted in urban areas and 65 percent of new jobs over the past decade were created in cities and urban communities.[28] Yet, the mantra of "*cities as engines of growth"* needs qualification. As evident across the African continent, there is nothing certain about the growth trajectories of African cities. African urbanisation has not generated economic opportunity and productive jobs at the scale required considering the current rapid rates of urbanisation. Instead, many cities are unable to attract the formal sector investment necessary for infrastructure development, job creation and firm productivity. In most sub-Saharan African countries, there is a 'missing middle' in the economy. There are significant numbers of micro and small informal operations, and a few medium-to-large companies. As is typical of resource-based economies, value extraction is dominated by large firms holding a monopolistic or oligopolistic position, and owned, managed or linked to political and social elites. The remaining, mainly informal, economy is numerically dominated by low productivity services and basic manufacturing activities. The 'missing middle' needs to be filled by targeted policy measures and incentives for SMEs . Estimates indicate that discretionary income in African cities is expected to rise by 50%, with Africa's top eighteen cities reaching a combined spending power of USD 1.3 trillion by 2030.[29] However, despite high national GDP growth rates, and the relatively large contributions of cities to GDP, in most African countries urban poverty and inequality persists.

[26] Publicity — Publicity techniques are designed to persuade and facilitate public support, relating to citizens as passive consumers. Public Education — Public education programs present relatively complete and balanced information so that citizens may draw their own conclusions.
[27] AfDB, An Integrated Approach to Infrastructure Provision in Africa, Statistics Department, Africa Infrastructure Knowledge Program, April 2013, Accessed at http://www.nepad-ippf.org/fileadmin/uploads/ippf/Documents/Publications/AfDB%20Briefs_Intergrated%20Approach%20to%20Infrastructure%20Provision%20in%20Africa.pdf
[28] World Bank. The Growth Challenge: Can Ugandan Cities Get to Work - World Bank Uganda Economic Update, 5th edition (2015).
[29] UN-Habitat, 2014, The State of African Cities 2014: Re-imagining Sustainable Urban Transitions, Nairobi.

The defining feature of economic growth and urbanisation in Africa has been the growth of the informal economic activities, which accounts for over 60% of employment in the region. High value added industrial activities, particularly manufacturing, remain limited in most African countries. Many cities in Africa are embedded in economies characterised by value extraction through the exploitation of raw materials and the export of semi or unprocessed commodities. These economies often grow in excess of 5% but this growth is typically based on the intensification of resource extraction rather than the development of high productivity high value added activities. This form of growth has fueled consumption, mostly driven by relatively small, middle and upper class sections of society, and has not been associated with systemic structural change and transformation that would increase the sophistication of the economy and enable improved society-wide living standards.

McMillan and Rodrik (2011)[30] and Rodrik (2014)[31] argue that large gaps in labour productivity between the traditional and modern parts of the economy are a fundamental reality of developing societies and that labour flows from low-productivity activities to high-productivity activities should be key drivers of development. Their research indicates that since 1990, while labour has moved from low- to high-productivity sectors in Asia, movement has mainly in the opposite direction in sub-Saharan Africa. They note that although agriculture, mining, and more recently manufacturing, are important, ***most jobs in Africa are being provided by non-tradable informal service activities***.

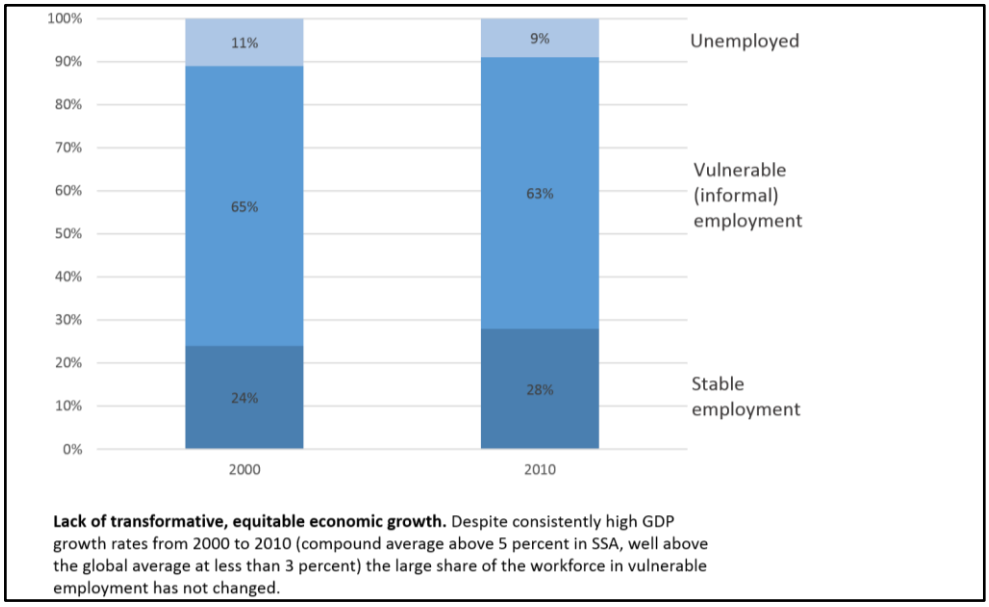
2.3.3.1 Informality and vulnerable employment

The African Development Bank comments on the *quality* of economic growth in Africa, the AfDB notes that "the steady economic growth and rapid urbanisation of the last decade and a half has not been matched by proportional formal employment creation".[32] In its place, Africa's cities are experiencing soaring levels of vulnerable and informal employment – see Figure 2.3.. The predominance of informality, due in part to the structural economic trends described above – weak manufacturing and tradable service sectors triggering diseconomies of agglomeration with urban labour markets unable to absorb the increasing inflow of working age populations – has become a principal theme of urban Africa.

The informal economy contributes 50-80 percent of GDP in the region, above 90 percent of new job creation and 66 percent of non-agricultural employment.[33] Nine out of ten workers in urban areas are estimated to hold only informal jobs.[34] Similarly, more than 60 percent of the labour force is in a vulnerable occupation, a share that decreased by only 2 percent during the last 15 years despite consistently high GDP growth rates.[35]

[30] Margaret S. McMillan, Dani Rodrik, Globalization, Structural Change and Productivity Growth, NBER Working Paper No. 17143, June 2011, NBER Program(s)
[31] Rodrik, D. (2014) An African Growth Miracle? Institute for Advanced Studies, Princeton (unpublished) wwww.sss.ias.edu/files/pdfs/Rodrik/Research/An African growth miracle.pdf (accessed June 2015).
[32] AfDB, 2016, African Economic Outlook 2016: Sustainable Cities and Structural Transformation.
[33] Kessides, C., 2006: The Urban Transition in Sub-Saharan Africa. Cities Alliance, 2006, and
Vanek, Chen, Carre, Heints and Hussmans, 2014, Statistics on the Informal Economy: Definitions Regional estimates and challenges, WIEGO Working Paper No 2, WIEGO, and
Mbaye, B. (2014): Informality, growth, and development in Africa, WIDER Working Paper No. 52 (Helsinki, United Nations University World Institute for Development Economics Research (WIDER).
[34] International Labour Office (ILO). 2009. The informal economy in Africa: Promoting transition to formality: Challenges and strategies (Geneva).
[35] AfDB, 2016, African Economic Outlook 2016: Sustainable Cities and Structural Transformation.

Figure 2.7: Employment Status in Africa 2000 and 2010



Pieterse based on World Bank data (2014)

Not surprisingly, informality frequently coincides with poverty. Due to the low and insecure incomes and livelihoods, informal employment also often overlaps with slum residency. The two manifestations of informality are intrinsically linked. Women are overrepresented in the informal economy. About 74 percent of women's non-agricultural employment in Sub-Saharan Africa is informal, compared to 61 percent for men.[36] Symptomatically too, the levels of working poor – the share of the labour force working yet living in poverty – remain high across the continent's cities. This is particularly pertinent to women and youth as both groups are overrepresented in the urban informal economy, an indicator of the ongoing feminisation of poverty observed in many cities.

The desperate need to create jobs for a growing youth population is one of the most pressing challenges faced by city administrations in Africa, and their partners. A growing city economy is urgently required to absorb the significant numbers entering the urban labour market. Few city economic growth strategies, however, have been successful, especially for the urban poor. Instead, many city mayors have embarked on campaigns to clean up the streets, the site of majority of informal economic activities. In extreme cases, street markets have been demolished and goods confiscated as informal trades are often perceived to be undermining the formal economy and the development of a modern city. The aim has been to register informal activities and located them in markets where they are easier to control and tax. This action, however, only serves to undermine the potential of the informal economy, which in turn constraints the development of the city economy.

As informal activities are expanding at rapid rates across Africa and city growth is most likely to be effectively driven by upgrading informal activities and through their integration into value chains associated with a country's priority sector and characterised by increasing value addition and productivity gains. The development of this 'hybrid economy' is likely to offer a much more effective route to transformational change (and a change that directly benefits the working poor). This requires, however, a rupture with the established political economy and a new political agenda that encompasses a more flexible, affordable, accessible and enforceable regulatory framework, a wider range of business and social support to local enterprises and supportive urban planning. Well-targeted

[36] Vanek, Chen, Carre, Heints and Hussmans, 2014, Statistics on the Informal Economy: Definitions Regional estimates and challenges, WIEGO Working Paper No 2, WIEGO.

policy at local government level can help address many of the business challenges of those operating in the informal economy, especially help in accessing affordable finance. Policy reforms, especially registration, should work to strengthen the potential benefits, increase security and focus on opening new opportunities.

2.3.4 Services: Well-being

For a city to establish good environmental health, grow its economy and respond to risk it needs to deliver a wide range of services including basic, social, economic and emergency services. In theory, the concentration of urban settlements should make it more economical and feasible to provide for essential services. In practice, however, due to poor governance, dysfunctional land administration systems, financial limitations and capacity constraints, most African cities are unable to provide essential services to their citizens. Thus, citizens turn to provision via the informal economy, make use of community managed infrastructure or use services provided by the formal economy via public private partnerships. All three models are associated with difficulties and opportunities. The informal economy, for example, enables a significant number of people to gain access to services albeit often at very low quality and high cost. To a much smaller extent, communities through savings groups and international donor support, have demonstrated an ability to develop infrastructure which is then managed by the community and paid for through user fees. Community managed public toilets in both Uganda and Ghana are notably better than those managed by private agents and increase the participation of communities in basic service delivery investments.

The Community Upgrading Fund in Uganda has demonstrated a mechanism that enables communities to access small finance for infrastructure projects. Many of these projects improve the quality of the urban environment, support access to electricity and improve alluvial drainage which support local climate adaptation benefits. Public Private Partnerships (P3) have in many parts of the world demonstrated the capacity to provide effectively and efficiently many of the services mandated to local government. However, the experience of P3s in the FCA cities is much more mixed with P3s finding it difficult to deliver to expectation. In most cases; neither local governments, nor potential operators have undertaken any in depth technical and financial modelling of operations to derive a robust estimate of project costs and returns. The lack of rigorous technical and financial analysis in contract preparation has resulted in a situation where either the private sector may be offering a substandard service at high cost or conversely the private sector may be subject to unrealistic and unprofitable terms and conditions resulting in a substandard service for substandard returns. Partnerships between local governments and private parties have not been able to balance the need for the provision of an efficient, inclusive and affordable service on a cost effective and sustainable basis. The broader question is whether public private partnerships can be made to work in a manner that ensures even the poorest parts of a city receive a service?

2.3.4.1 Basic services

Access to clean water, hygienic sanitation, drainage and solid waste removal are the base line for an environmentally sustainable city. The MDG targets for improved water and sanitation were not met in Sub Saharan Africa, and in all the cities covered by the FCA, access to water and sanitation remains a problem. While access to safe drinking water in African cities has increased from 83% in 1990 to 87% in 2015, there are vast disparities between cities and households by income level.[37] The figures mask the inadequate access to improved water sources for the urban poor with 36% of the poorest quintile in African cities lacking access to an improved water source and only 5% having piped water on their premises.[38] Given these circumstances, the urban poor have to pay more in order to access water and

[37] http://data.worldbank.org/indicator/SH.H2O.SAFE.UR.SS?locations=SG Accessed on 3 August 2016.
[38] United Nations, 2012. The Millennium Development Goals Report 2012, New York.

sanitation. A recent report in Ghana found that the poor are paying 10 to 30 times what those with household connections are paying for water that many still feel is unsafe for drinking, and therefore are supplementing with sachet water which is an additional cost.[39] For sanitation, the situation is similar for the poor who must rely on paying for public toilets which have questionable sanitary conditions. Common drainage channels are also open sewers that run through neighborhoods. Solid waste removal, notwithstanding low levels of generation (about .65kg/capital/day), is a major issue throughout Africa and tends to be more acute in urban areas. Africa also has the lowest rates of solid waste collection of any region at 46%.[40] Although waste disposal data is limited, most indications are that Africa largely relies on dumps for disposal which generally means that the waste is not properly treated.

Across the FCA cities affordable housing is a crisis. Only Ethiopia has a large-scale state-led housing programme that has substantially slowed down in the secondary cities and which cannot reach the poorest or the scale of demand. Outside of this, in all the cities, private developers provide a few thousand dwellings to cater for the small but growing middle classes. About 90 per cent of housing for all income groups is provided through the informal economy via small local building contractors and building material suppliers. While most of the new development is occurring on the urban fringe, there is also active construction in the central areas, adding new rooms to existing houses, with resulting overcrowding and creation of slum conditions. Modern, formal housing is simply unaffordable to the clear majority who in any case have no access to mortgages.

2.3.4.2 Social Services

Access to social services, such as education and health care, is determinant of a healthy and productive labour force with skills and knowledge to drive the urban economy. In fact, ensuring access to education is generally one of the most effective ways to reduce inequality of opportunity and limit social exclusion, which in turn increases intergenerational mobility. Unequal access to education itself has potentially profound impacts on economic growth. Calculations by UNESCO indicates that if Sub-Saharan Africa's Education Gini coefficient of 0.49 had been halved to the level in Latin America and the Caribbean, the annual growth rate in GDP per capita over the 2005–2010 period could have risen by 47 percent (from 2.4 percent to 3.5 percent) and income could have grown by USD 82 per capita over the same period.[41]

Climate sensitive vectors, water, food, and airborne diseases have higher prevalence rates in cities, especially in slums, and affect women and children more acutely. Approximately 70% of tuberculosis cases in Africa are in cities and 24.6 % of Africa's total population dwell in urban settings that put them at risk of malaria. In some cases, a lack of jobs or income partly explains the exclusion of many poor urban dwellers from urban facilities like clinics, schools and public housing. However, poor planning and service deficiencies make ever greater numbers of city residents vulnerable to public health risks placing even greater demands on already stretched social services.

The high rate of growth of urban settlements has had many consequences for social services such as education, health and care for the poor and elderly. In many countries, governments have been unable to cope with the rising demand for social services. The basic cause of this inability to cope is often the disparity between the growth of the urban population and the availability of public resources. In some countries, the consequences of this mismatch have been exacerbated by policy choices, which give low priority to the social sectors as compared to other areas of public expenditure, including national

[39] Final findings and recommendations for the assessment of Sanitation and Water Needs in Low Income Urban Communities & Development of Participatory Strategy of Sanitation and Water Services in the Greater Accra Metropolitan Area (Ghana).
[40] World Bank, What a Waste: A Global Review of Solid Waste Management 2012.
[41] Unesco, 2014, Teaching and Learning: Achieving Quality For All, Education For All Global Monitoring Report.

security. In most instances, funds are lacking for new investments in schools and medical facilities. Often, sufficient funds are not allocated for the necessary maintenance and running of existing facilities. The overall result is overcrowded classrooms, lack of educational materials, poorly trained and poorly paid teachers, and lack of medicines and other medical supplies. The quality of service continues to decline in many countries, further exacerbating the breakdown of social capital and overall human security.

2.3.4.3 Economic Services

African cities are characterised by a severe backlog of infrastructure and services, offsetting the benefits of agglomeration and creating negative externalities or agglomeration diseconomies. For example, recent studies from 18 countries in Sub-Saharan Africa indicate that inadequate sanitation infrastructure in Africa's urban areas is costing the economy around USD 5.5 billion every year, corresponding to between 1 percent and 2.5 percent of GDP.[42] UN-Habitat and the UN Economic Commission for Africa assert that across the continent's urban areas "*the extremely limited infrastructural footprint presents a binding constraint to continued high growth*".[43] In other words, infrastructure quality in general has a significant negative impact on total factor productivity. Most acute is the energy deficit. Many households still rely on biomass (charcoal, wood fuel) for cooking and heating throughout Africa. In the case of Ethiopia and Uganda, FCA research shows that about 90% of household energy use is from biomass. About one out of three urban dwellers in Sub-Saharan Africa lack access to electricity, with such access highly inequitably distributed: among the poorest 40 percent, coverage rates are well below 10 percent.[44] The scale of the deficiency is illustrated by the fact that the total power capacity installed in Africa in 2010 was 147 GW – equivalent to the total capacity installed in Belgium.[45] Foster and Steinbuks estimate that generators owned by firms account for about 6 % of total installed generation capacity in Sub-Saharan Africa and up to 20 % in low-income countries.[46]

In addition to energy, there are several other services which are critical for economic growth and sustainability. Transportation in support of local, regional and international mobility is critical and increasingly solid ICT infrastructure and services are key to economic growth across sectors. A reliable, safe transportation network that connects urban and rural areas is fundamental to the flow of goods. The rail system is limited and unreliable on the continent and the system of roads in most countries is poorly maintained, resulting in unsafe and inefficient travel by road further constraining the movement of goods and people within the continent. Few countries have the financial resources to develop and maintain their urban road network. Following the demise of bus services, urban transport is dominated largely by informal minibus operators. Services are costly, and inadequate. In most African cities, the number of available vehicle seats per 1,000 residents is far below the average in other parts of the world. Low fleet capacity is exacerbated by poor use of the available vehicles, which cover less than 200 kilometres a day. The quality of public transport is consequently poor, with long walk and wait times typically doubling the in-vehicle time. Extreme overcrowding is also common, particularly on large buses. The average cost of a trip, at around $0.30, is high in relation to household budgets. While informal public transport systems that typically include minibuses and motorcycles deliver a flexible response to urban mobility, the quality of service and the level of accessibility are well below the standards required to service a growing urban population and economy. In most of

[42] World Bank, 2013, Harnessing Urbanisation to End Poverty and Boost Prosperity In Africa: An Action Agenda for Transformation, Sustainable Development Series, http://documents.worldbank.org/curated/en/710431468191672231/pdf/815460WP0Afric00Box379851B00PUBLIC0.pdf.
[43] UN-Habitat and UN Economic Commission for Africa, 2015, Towards an Africa Urban Agenda, Nairobi.
[44] Mo Ibrahim Foundation, 2015, African Urban Dynamics: Facts and Figures.
[45] Mo Ibrahim Foundation, 2015, African Urban Dynamics: Facts and Figures.
[46] Steinbuks, J., & Foster, V. (2010). When do firms generate? Evidence on in-house electricity supply in Africa. *Energy Economics*, *32*(3), 505-514.

Africa, there has been a real difficulty shifting to a more formal mass transit systems as strong vested interests mobilise against systems that will undermine profitability of existing routes.

On the ICT front, Africa started the 21st century well behind the curve, however the continent has been rapidly working to catch up with the largest growth in mobile broadband penetration from only 2% in 2010 to 20% in 2014. In 2014, internet penetration was 19%, although this is also a major gain from 10% in 2014, it is a far cry from the rates in other regions such as Europe (75%) and the Americas (65%). Only about 1 out of 10 households in Africa have an internet connection.[47] Weak connectivity, inadequate transport and rising congestion are other factors contributing to offsetting economies of agglomeration in urban Africa. Taking transport as an example, one study in Lagos estimates that commuters lose approximately 3 billion hours annually due to congestion and that a 20 per cent reduction in congestion would save USD 1 billion every year.[48] Moreover, accessibility to urban infrastructure and services is highly determined by levels of income. Illustratively, walking represents 30-35 per cent of urban mobility in Africa[49] and as public transport fees are too high for lower income groups, informal and unregulated means of transport are common.

In many African cities, informal activities are unable to grow because of a lack of serviced space to trade and produce from. The lack of basic services such as water, drainage, electricity and covered work space fundamentally impacts on what can be produced. In addition, the lack of connectivity through efficient transport and broad band all impact on profitability and access to clients and markets.

2.3.4.4 Emergency Services

Emergency services are regularly not considered in the package of fundamental services, however the ability of the government to provide a response in the form of police, fire, ambulance and emergency shelter is important for both daily safety and security and in times of crisis. In many places in Africa, the upper class pay for these services privately so that instead of relying on the police, they have private security for their homes and businesses. Issues of corruption further plague access to police services, and police harassment in many countries further hampers the ability of the urban poor to rely on these services. In the face of crises, ranging from civil unrest to terrorism to disaster events, there have regularly been inadequate responses from African governments to safely manage these situations.

2.3.5 Environment: Rising Risks

Africa is already experiencing earlier, more severe and more damaging impacts of climate change than other parts of the world. The Fifth Assessment of the IPCC identifies Africa as the region at greatest risk from global warming. Africa is warming faster than the global average, with a projected rise of 3‑4 °C this century. Warming throughout the continent is very likely to be larger than the global annual mean. Left unchecked, climate change will reduce agricultural productivity, create conditions for mass hunger, have severe health impacts and reverse human development. By 2020, between 75 and 250 million people in Africa are projected to be exposed to increased water stress due to climate change. In other cases, agricultural productivity levels will be affected by unpredictable rainfall, increased temperature and flooding. It is estimated that by 2080, the proportion of arid and semi-arid lands in Africa is likely to increase by 5-8%. In the coastal areas where 60% of Africa's cities are located sea level rise will destroy land and economic assets. Moreover, the region's livelihoods and economic activities even in cities are very dependent on natural resources and rain-fed agriculture, which are

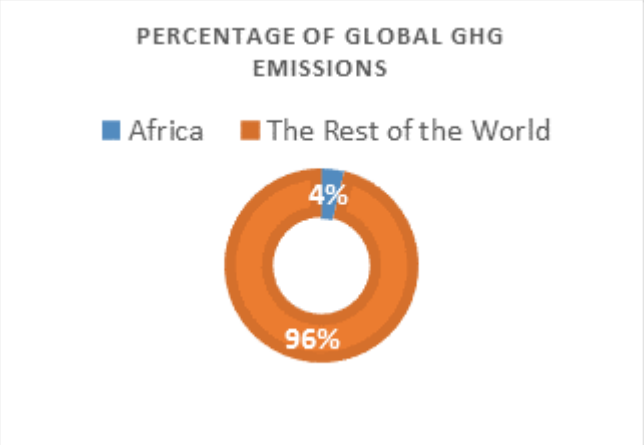
[47] International Telecommunication Union (ITU) (2014): Facts and Figures. Available in: https://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2014-e.pdf.
[48] Mo Ibrahim Foundation, 2015, African Urban Dynamics: Facts and Figures.
[49] Mo Ibrahim Foundation, 2015, African Urban Dynamics: Facts and Figures.

highly sensitive to climate variability. While biomass provides 80% of the primary domestic energy supply in Africa, rain-fed agriculture contributes some 30% of GDP and employs about 70% of the population, and is crucial to food supply. Food security is already a great concern on the continent. By 2020, in some countries, yields from rain-fed agriculture could be reduced by up to 50%. Added to this is the spread of malaria - already the biggest killer in Africa - to higher elevations because of rising temperatures, compounding the effects of climate change with an increasing disease burden. Climate and environmental risks for African cities include all of the risks outlined above with increased stress on urban areas such as: higher numbers of heat waves threatening the health of the elderly and the very young; more frequent and intense droughts and inland floods compromising water supplies; for coastal cities, enhanced sea level rise and storm surges affecting inhabitants and essential infrastructure, property, and ecosystems; increased migration of people from places no longer habitable due to climate change.

- **Adaptation**

The continent is particularly vulnerable due to its limited adaptive capacity, technical skills and resources, widespread poverty and low levels of development. While climate modelling does not provide definite predictions, it does point to high levels of risk in many areas. Rising sea levels could threaten coastal cities such as Accra, Dar-es-Salaam and Maputo. Hydropower systems in countries like Ethiopia could be compromised by reduced rainfall and increased evaporation. In each of these areas, the poor will bear the brunt. No region has done less to contribute to the current climate situation, but no other region will pay a higher price for failure to tackle it – see Figure 2.8.

Figure 2.8: Percentage of Global GHG Emissions



Global Carbon Atlas (n/d)[50]

With the changing climate, the need for adaptation is clear and already underway in many countries through the development of National Adaptation Plans and local adaptation projects. However, financing for adaptation has been limited and it is estimated that the cost of adaptation could amount to at least 5 to 10% of Gross Domestic Product (GDP) in many countries. In addition, adaptation has not focused sufficiently on the impacts of urban areas, especially the urban poor.

- **Mitigation**

Globally, it is estimated that cities are responsible for approximately 60 - 70% of global CO2 emissions, however data for city-level emissions is limited, especially in the African context. Given the lower levels of urbanization it is likely that this percentage is lower in Africa than elsewhere in the world, but given the expected high rates of urbanisation in the coming decades, it can be expected that this will rise. Rapid urbanisation in Africa results in land conversion which degrades ecosystems and contributes to emissions while also resulting in further settlement of unsustainable areas. Due to biomass energy usage, vehicles, industrial emissions and deforestation, Africa's emissions are increasing and given current demographic trends, this level will likely only increase over time. One result of this is the worsening of air pollution which is especially a problem in high-density urban areas such as slums.

[50] Global Carbon Atlas (n/d) Available in: http://www.globalcarbonatlas.org/en/CO2-emissions

Access to energy is severely constrained in sub-Saharan Africa, with an estimated 51% of urban populations and only about 8% of rural populations having access to electricity. Extreme poverty and the lack of access to other fuels mean that 80% of the overall African population relies primarily on biomass to meet its residential needs, with this fuel source supplying more than 80% of the energy consumed in sub-Saharan Africa. Rising energy demands and volatile oil prices further compound energy issues in Africa. Burning biomass is the principle source of household energy throughout Africa. In Ethiopia, 90% of people depend on it resulting in massive deforestation both within cities and in the surrounding hinterland. Further, solid waste is commonly burnt either within informal settlements or on collective waste dumps. In addition, the rise of old imported vehicles including buses, taxi and motorcycles continue to pump carbon into the air.

Even though Africa contributes only 4% to greenhouse emissions, the Paris Agreement calls on city 'non-party actors' to support the vertical integration of efforts to implement their Nationally Determined Contributions (NDCs) under the Agreement. There is little national capacity and even less at city level focused on measuring emissions, there is therefore a need to support cities to gain a greater understanding of the key energy usage areas and the main sources of emissions and how these might change over time. To help focus climate mitigation planning on the most cost-effective and significant mitigation opportunities and, where appropriate, set meaningful targets for future emissions. This results in a more rapid transition to a low-carbon model of urban development and avoids African cities getting locked-into high emission infrastructure expansion for the transportation and energy sectors.

Africa is a continent rich with biodiversity and natural ecosystems, however land continues to be degraded, reducing the ecosystem services provided. Africa's biodiversity is under threat due to climate change, habitat loss driven in part by the expansion of cities and towns, and the illegal wildlife trade which connects Africa's rural areas, transiting through many urban centers to international markets. Across the continent, the natural environment in and around cities has not been protected nor enhanced. Informal settlements have occupied, at scale, coastal land, lagoons and riverbanks. In addition, ill planned drainage lines that feed into these wetlands carry with them vast quantities of solid and liquid waste which impact citizens' health and mobility. The net result is destroyed natural eco systems that should be providing a flood protection to the city, but instead becomes part of the problem. The cost of building large channels to protect the city from flooding comes with an opportunity cost. However instead of investing in expensive infrastructure, mobilizing local communities, especially in informal settlements to act as environmental stewards would have positive impacts for climate change adaptation, health, livelihoods, provision of services and disaster risk reduction.

How African cities will cope with these new emerging crises, while reducing emissions, when at present they face difficulties managing daily outbreaks of cholera, frequent flooding and mass unemployment is the important point. Critically, present strategies do not adequately consider natural resource constraints. For example, the development of high water consuming industrial estates in the Ethiopian city of Mekelle, a city already facing water constraints illustrates the climate risks for growth strategies.

2.4 Urbanization and Gender: The Costs of Exclusion

Urbanization has been perceived as a catalyst behind positive changes in the lives of women[51]. It is associated with family planning, lower levels of fertility, access to education, school, and employment. However, unplanned rapid urbanization has deprived woman of access to public services and better chances of employment[52]. In Sub-Saharan Africa, as it was the trend in Latin America, "*women are increasingly forming the majority urban population across the global South*".[53] Until recently, male-selective urbanization had been the norm in Sub-Saharan African. This has changed for several reasons including war, difficult access to land ownership, stigmatization of unmarried, divorced and/or widowed women. This process has been described in the literature as the feminization of poverty. It refers toan intersectional notion of '*gendered poverty as a multi-faceted condition, encompassing gendered differences*'[54]. These include income for basic needs, the ability to participate and have voice in society and the level of vulnerability different groups of women face when exposed to economic, social and environmental stresses and shocks. That is, one cannot talk of 'urban women' as one overarching social and economic category of Sub-Saharan African cities. The plight and want of different groups of women must be understood in relation to their multidimensional experiences of class, race, ethnicity, and gender. That is, middle-class urban women in Sub-Saharan Africa will face disadvantages in relation to their male counterparts that are different from those experienced by impoverished women living in the slums.

The first challenge in understanding the depth of the disadvantages faced by different sectors of urban women is the lack of sex-disaggregated data at the city-level. In Mozambique, for example, male to female ratio is only available at the national level. And since the national census only takes place every 10 years (the last one was in 2007) and the rate of urbanization is about 3.5% per year, the data soon becomes outdated. Data collection, when it happens at the city level is seldom sex-disaggregated, it tends to "homogenize" data for the whole city instead of showing the pockets of poverty where women are the majority of inhabitants. Notwithstanding these difficulties, the FCA was able to capture data and trends in relation to urban women in the four participating countries. A strong trend is the feminization of poverty, that women represent disproportionate percentages of the poor in all four countries. The city resilience assessments attempted to mainstream gender throughout its different dimensions as a cross-cutting issue in all four participating countries. Gender inequality persists due to formal and informal laws, practices, power structures, traditions and socio-cultural norms. They restrict women's access (or lack thereof) to rights, justice, land ownership, and access to resources and empowerment opportunities.

[51] Masika, Rachel, Arjan De Haan, and Sally Baden. "Urbanisation and urban poverty: A gender analysis." (1997): 1-18; Tacoli, Cecilia (2012) 'Urbanization, gender and urban poverty: paid work and unpaid carework in the city', *Urbanization And Emerging Population Issues Working Paper 7,* International Institute For Environment And Development United Nations Population Fund; Brydon, L., & Chant, S. H. (1989). Women in the Third World: Gender issues in rural and urban areas. New Brunswick, NJ: Rutgers University Press; Rakodi, C. (1996). Women in the city of man: recent contributions to the gender and human settlements debate. Gender & Development, 4(1), 57-58.

[52] Tacoli, Cecilia (2012) 'Urbanization, gender and urban poverty: paid work and unpaid carework in the city', Urbanization And Emerging Population Issues Working Paper 7, International Institute For Environment And Development United Nations Population Fund

[53] Chant, Sylvia (2013) 'Cities through a "gender lens": a golden "urban age" for women in the global South?', *Environment and Urbanization* 25(1): 1-21.

[54] Chr. Michelsen Institute: Gender Policies and Feminisation of Poverty in Mozambique http://www.cmi.no/publications/file/3326-gender-policies-and-feminisation-of-poverty-in.pdf

Table 2.2 Women in Politics[55]

	Ethiopia	Ghana	Mozambique	Uganda
Women in ministerial positions	**12.5%**	**23.1%**	**28.6%**	**29.6%**
Women in national parliament	**27.8%**	**10.9%**	**39.6%**	**35%**

There is a stark difference between the levels of representation of women in government – Table 2.2. With reference to representation at the national level, all four FCA countries are below the quota of 40 % established by CEDAW. Although most of these countries have established quota systems for women in national representation, cultural practices have prevented wider women's representation in national parliaments and at ministerial positions. Traditional prejudices, beliefs and perceptions, gender discrimination and low levels of literacy have contributed to the low level of women's participation in the policy-making process.[56] Furthermore, social norms constrain and control women's presence in the public sphere. In community decision-making, women's voices are muted. In some situations, they are either not allowed to speak in public when men are present or are expected to express their views privately or through men. Women who do not conform to these rules find themselves accused of immorality or witchcraft and face sanctions and humiliation.[57] Although Mozambique fares better with respect to women's participation in political life in 2015, women in Mozambique have greater representation at the central government level than at other lower levels and relatively weak presence in civil service management positions.[58]

The virtual lack of participation of women was found to be one of the main issues in regards to citizenship. Greater citizen engagement, especially among women, is a highly contributing factor to more equitable cities. Such engagement is key to determining resource allocations for the provision of quality and affordable energy services, water, sanitation and shelter in a more equitable manner. Although in all four countries there are legal provisions for women's participation, in some of them – such as in Uganda – governments are becoming increasingly intolerant of criticism. A big obstacle to civil society participation still seems to be male objection to women's participation which often is motivated by the fear women might get to know other men or progressive ideas. Moreover, the inclusion of women in unpaid participatory processes might translate into more work for them and increase their time burden even more.

Gender inequality in the labour market results in lost benefits to individuals, households and society. Annual economic losses due to gender gaps in the labour force have been estimated at US$60 billion for Sub-Saharan Africa. Furthermore, low levels of education, poor conditions of work and low remuneration pose an additional challenge to obtaining a fair return on their labour. Estimates also indicate that 74% of working women in Africa are in low productive agriculture and informal employment, compared with 61% of men (ILO, 2013). Women employed in vulnerable work or the informal economy tend to experience poor working conditions, have limited access to social security and representation, and receive lower earnings than other workers. Inequalities in care and domestic work prevent many women from spending time on education and paid work. Time-use surveys show that women are typically responsible for the majority of unpaid care work such as household chores and caring for children and elderly relatives. Major obstacles to financial services entail women's access to credit, as most commercial banks will not approve loans unless women hold title deeds as a guarantee. Women's limited awareness about the availability of credit, women's lack of collateral and

[55] Cities Alliance, 2016
[56] The Coalition on the women's manifest for Ghana (n/d) The Womens Manifesto. Available in: http://library.fes.de/pdf-files/bueros/ghana/02983.pdf p.32
[57] Womens manifesto p.44: http://library.fes.de/pdf-files/bueros/ghana/02983.pdf.
[58] Chr. Michelsen Institute: Gender Policies and Feminisation of Poverty in Mozambique http://www.cmi.no/publications/file/3326-gender-policies-and-feminisation-of-poverty-in.pdf

economic stability required to access credit, and a general lack of trust of women in society are all hindrances. Women are less likely to obtain loans from private banks and more likely to receive credit from family members, traders, NGOs, and the government.

In regards to services, no other area of the normative framework had as little verifiable data as this. Data, when it does exist, is not disaggregated by sex and age. Thus, there is urgent need to collect and understand data on women's access to public services in cities across Sub-Saharan Africa. The delivery of services is especially important for women, because of their primary gender roles as mothers, housekeepers and caregivers, are more dependent on basic services such as health care, water supply, sanitation and education for children than are men.

Finally, climate change and environment-related impacts are far from being gender neutral. Factors that influence women's higher vulnerability include lack of means and assets to ensure their own safety in situations of flooding, landslides and storms. Many women, even in urban areas, utilise small plots of land to augment their food and income. With changes in the climate, traditional food sources, including this small-scale agriculture, will become more unpredictable and scarce. Women also face higher risks during and after disaster. They have less access to information such as early warnings and due to inequitable distribution of aid, they may receive less resources and be at risk of sexual violence.

2.5 Conclusion

While the population of Africa's towns and cities is rising at a rapid rate, the form of urbanization characterizing the continent is not accelerating development. Instead, many African towns and cities are the site of expanding informal and slum settlements and low productivity, low return, informal economic activities often characterised by unfulfilling, precarious, unhygienic and dangerous working conditions. African cities *are* getting bigger, but they are not working in a manner that directly and clearly promotes inclusion, improved living standards for the majority, and resilience. The purpose of the Chapter was to establish the relevance and strategic importance of better managing the African urban transition and making cities productive and inclusive. The evidence presented is clear and comprehensive. If the SDGs matter, the case for future programming centred on making African cities productive, inclusive and resilient is one of the most important global development policy choices of our time.

3. CONSTRAINTS ON INCLUSIVE GROWTH AND RESILIENCE

3.1 Introduction

Chapter 2 has demonstrated that is increasingly difficult for many cities in Africa to successfully promote inclusion and build resilience. Those that have been tasked with planning and managing urban areas, both at the central and local city level, face a complex and daunting array of interconnected constraints and challenges. Evidence from FCA country diagnostics concerning the nature of these constraints and challenges is presented in this chapter, which is structured as follows:

- *Section 3.2,* describes key characteristics of governance structures and processes that are both shaping and responding to urbanisation stresses and city growth. Three immediate constraints to inclusive growth and resilience are detailed (i) national urban governance frameworks; (ii) administrative and technical capacity constraints; and (iii) infrastructure, service and housing deficits.
- *Section 3.3,* discusses of the economic constraints on inclusion and resilience, focusing on the nature of the prevailing economy in many urban areas in Africa, including the seemingly relentless rise of low productivity, low return, low wage informal activities.
- *Section 3.4,* outlines how governance constraints and the current economic drivers create environmental vulnerabilities and resilience 'breakdowns'.
- *Section 3.5,* is a summary of the key issues and introduces the concept of the constructive disruption of the prevailing political economy which continually reproduces the constraints on inclusion and resilience.

3.2 Barriers to Inclusive Growth and Resilience: Governance

The various Annexes to this main report, the FCA research monographs(output 2) and innovative studies (output 4) detail the constraints on and challenges related to the promotion of inclusive growth and resilience in the FCA countries (Ethiopia, Ghana, Mozambique and Uganda). In all four countries the majority of cities are characterised by growing slums and informal settlements, infrastructure and service deficits, the increasing dominance of informal activities, rising homelessness and unemployment, and environmental degradation. What are the governance barriers to transforming development pathways of FCA cities?

3.2.1 National Urban Governance Structures and Processes

The ability of city administrations to successfully plan and manage the area under their jurisdiction is fundamental to ensuring that inclusive growth and resilience can be secured; this requires effective governance. The core aspects of urban governance, the process of making and implementing decisions in cities, includes

- The powers and duties that are the responsibility of a city;
- How urban leadership is determined and maintained;
- How accountable is the leadership for its decision and actions;
- How involved is the citizenry in the decision-making process; and
- What resources can be marshalled in order to implement the decisions and plans made.

Effective governance varies amongst the FCA countries and cities:

- Structural differences include population size and institutional position; larger regional capital cities, for example, may possess greater resources and a heightened political and institutional importance than small secondary cities, and municipalities within a large metropolitan city may

be blighted by the lack of co-ordination amongst the metropolitan sub-units and a struggle for political dominance within the wider metropolitan region.

- Contingent circumstances vary by country, city, culture and individual community. A strong and charismatic mayor, an over-dominant political party or community, or unscrupulous vested interests, for example, may capture the institutions of governance and use the resulting power to their benefit.

These differences can be significant, and so directly affect the collective ability of a city to be able to respond to environmental stresses and risks, grasp economic opportunities, and realise the city's human development potential.[59] Together they shape the incentives and constraints facing political leaders and decision – makers and through these development outcomes at city level.

Common governance constraints: Implementation gaps

Every FCA city is struggling to discharge the duties that had been assigned to them. There is a clear implementation gap that often severely compromises the ability of a city to provide and maintain municipal infrastructure and services. The resulting statistics are commonplace; few, most notably the poor living in informal settlements, are able to readily access safe potable water, most lack access to a reliable and affordable electricity supply, access to adequate sanitation often falls well below nationally accepted norms and standards, the lack of decent and affordable housing is common place and roads are rudimentary and transportation services are lacking. These high cost – poor quality infrastructure services are not resilient and increase vulnerability to risks. These basic service deficiencies are expressions of the implementation gap; an inability to provide and maintain, and subsequently ensure the equitable access to services that are required for businesses to thrive and people to live decent lives. The immediate causes of the implementation gap include the lack of financial resources; technical and human resource capacity constraints within city administrations; the fragmentation of powers and responsibilities across institutional borders and the rapid expansion of city populations leading to urban encroachment into previously rural and agricultural areas the responsibility for which remains with the rural authority. Dysfunctional governance, often predatory, is a major constraint faced by city communities across FCA as they seek to promote inclusive growth and resilience.

- *FCA evidence – Contested decentralisation in Mozambique*

Throughout the FCA country and cities governance is weak, sometimes significantly so as in the case of Mozambique. Institutional responsibility for urban development in the country is ambiguous. No one ministry has the mandate to promote, plan or manage cities. As such the national urban agenda is often poorly articulated, and opportunities for cities play a positive role in meeting national development objectives frequently remain unexplored. Moreover, the process of decentralisation has rarely leads to local empowerment. A request for the transfer of duties and responsibilities from the central to the local level can be made by a city council to a provincial governor. The provincial governor (appointed by the ruling party) then submits the proposal to the line ministers for decision. The process of transferring responsibilities to the local authorities is, however, hostage to the central administration, and as many cities are currently run by opposition parties, requests for decentralisation appeared to be ignored, refused or subject to lengthy scrutiny. More specific governance challenges include a lack of finance, weak administration systems, and inadequate technical human resource capacity. Municipal staff seldom possess the skill-sets and resources to meet the challenges faced by cities. In the city of Tete, for example, only around 2% of staff have completed higher education. Furthermore, few skilled staff are ever transferred from the centre to

[59] For example, the actions that can be taken by a large relatively autonomous regional capital run by a technically competent administration may not be available to a small secondary town, struggling with capacity constraints, dependent on central government subventions, and located on the geographical and institutional periphery of a country.

assist municipalities. Due to the inadequate technical and human resource capacity of local authorities, the central administration often delays or refuses to transfer responsibilities. Consequently, the local preparation and implementation of development strategies are severely constrained. The inter-play of national politics and local governance constraints leads to the significant governance challenges facing the cities of Mozambique. Consequently, they are not in a good position to be able to promote inclusion and resilience; far from it – they remain vulnerable and for the most part unable to respond in any adequate manner to economic shocks and environmental stresses.

- *FCA Evidence – Centralised planning corroding local governance in Ghana*

Ghana has a hierarchical planning system, with deepening stakeholder participation as one descends the hierarchy. However, the National Spatial Development Framework does not serve as a guide to districts but rather sets targets against which districts need to perform. In this respect, the medium-term development plans (MTDPs) of district municipalities, although requiring stakeholder engagement and public participation by law, are not necessarily accountable to the residents of the district but to the respective regional and national ministries. Furthermore, the planning system fails to promote co-ordinated action amongst districts; for example, although the Greater Accra Metropolitan Area (GAMA) is a single functional economic area there is a lack of a legal framework or plan for the GAMA region; cross GAMA municipal border issues are difficult to address due to the lack of an effective region-wide legal and planning framework. As a result, co-ordination difficulties weaken resilience as evidenced by regular flood damage. Formulating common approaches and plans in critical areas such as managing flood risks or the provision of GAMA wide integrated transportation systems to improve urban productivity fall well short of what is need, and thus impose higher costs on urban residents. The proposed GAMA Master Plan, a collaborative effort of the GoG, African Development Bank and Cities Alliance (building on the FCA diagnostics and Country Programme), aims to tackle is lack of overarching framework with a joined up and integrated approach to metropolitan planning.[60] The intention for the Master Plan is to structure the preparation process around the new City Development Strategy toolkit developed through FCA (Output 4 – Innovative Studies).[61]

- *FCA evidence – financial brakes on operational performance in Uganda*

Many urban areas in Uganda are facing problems that city administrations in Mozambique and Ghana would readily recognize, in particular their financial vulnerability. Although authority has been given to municipal councils in Uganda to raise local revenue, the majority heavily rely on central government subventions. Own source revenue rarely exceeds 5 per cent of total income and is hampered as many municipalities are without property and business registers. Furthermore, the collection of revenues is sporadic at best and often compromised by those illegally taking money in return for overlooking or falsifying collection returns. Some municipalities have made important efforts to improve their local revenue base through updating and maintaining local tax registers and by devising and implementing revenue enhancement plans. Participatory budgeting has been introduced, with 14 municipalities convening budget committees comprised of a range of local stakeholders from the public sector, civil society and private sector i.e. local business representation. In general, revenue generation is grossly inadequate, far off from being able to cover basic investment and O&M to support service delivery. The lack of funds – sufficient, reliable and visible revenue streams - is one of the most common causes of the 'implementation gap' characterizing FCA countries and indeed the wider SSA region.

[60] Building on the resilience.io demonstration there is scope to introduce new tools and evidence to strengthen the Master Plan options assessment and decision-making.
[61] Link to the CDS 2.0 toolkit: https://1drv.ms/f/s!Aj9rufOmHrcOkFQoG5YG-8Gwzia2

- *FCA evidence – muted public participation in Ethiopia*

Many African countries seek to promote public participation in the development process. The Government of Ethiopia, for example, is on record as stating that building a democratic system is equally important as promoting development. As such measures have been introduced to enhance public participation; e.g., training programmes have been conducted for local *Woreda* councils and municipal leaders in order to enhance their knowledge about and ability to promote public participation in council affairs. However, the level of citizens' participation in the process of development remains low. At the stakeholder forum organised by FCA in Mekelle and Dire Dawa in late 2015 the issue of insufficient public participation was highlighted as a major challenge to improved governance and holding service providers to account. More fundamental, perhaps, is the overtly authoritarian nature of many of the actions of the State. For example, the Government claims that its practice of cheaply leasing out large tracts of land to foreign and domestic agri-businesses after resettling the local population is necessary to modernize agriculture. But some observers have termed this form of resettlement a land grab, and complain about the lack of attention paid to the needs of those who have been displaced. The current (2016) state of emergency introduced in response to protests is a further indication of the difficulties that can be encountered when 'going for growth' is promoted without the effective participation of the citizenry in the developmental process.

The case for reform

Poor governance curtails the ability of a city to promote inclusive growth and resilience. Common governance deficiencies exhibited in the FAC countries include (see Table 3.1):

- The concentration of power at the centre and restrictions on the local ability to act;
- The absence of cross-municipal co-ordination, especially within large functional economic areas;
- The lack of financial resources, and especially the low level of own-generated revenues and lack of predictability and sufficiency of central transfers; and
- Non-alignment of municipal jurisdictional boundaries with the surrounding 'urban sprawl'.

Local people often find it extremely hard to participate in debates related to the development of their cities, and when they do the lack of resources, evidence and capabilities at the local level often corrodes their efforts. Variations in the ability to act, of course, exist; larger regional capitals, especially politically dominated by a ruling party, are often more effective than small municipalities, particularly those geographically and politically marginalised. The process of making and implementing decisions in cities can be tortuous, is often driven by the demands of the politics of the day, hostage to unfettered dominance of elites, marked by corruption, insufficient funding and often leads to the maintenance of inequalities and economic, social and environmental vulnerabilities.

Table 3.1: Summary of key governance constraints in the FCA countries

	Decentralisation and devolution	Financial management and strength	Leadership and institutional capacity	Citizenship and community participation
Regional capitals *(Ethiopia)*	• **'Implementation gap'.** Devolved powers and duties not matched by implementation abilities. Cities required to prepare structure plan, deliver municipal services, mobilize local resources, promote private businesses and investment, but face acute difficulties discharging these duties. • **City expansion beyond jurisdictional boundaries.** Urban sprawl into neighbouring (rural) authorities compromising efficient and effective city planning and management. Urban boundaries 'kept tight' as cities often lack funds to extend infrastructure & services to outlying areas	• **Limited own-source revenues.** Low % of total revenue (8% in Mekelle). Majority of city budget support through 'controlled, unpredictable and insufficient' central government subventions. Ability to improve own-sourced revenue low, as mandate is confined to collection and administration of existing taxes & tariffs. • **Inadequate financial strength.** >70% of the revenue generated by cities is transferred to upper level government tiers. Access by cities to financial market is not allowed.	• **Partial political autonomy –** Cities run by a mayor who reports to city council and to the President of the Regional State Government. Power, however, is concentrated at central and regional levels in Ethiopia. • **Fragmented powers –** some city service agencies (e.g. revenue authority, housing agency and MSME offices), are responsible to both the regional state and to the city mayor. Dual responsibility reflects a fragmented institutional set-up and reduces control of city mayor over some city services.	• **Citizen participation low** in city plan preparation and implementation (mentioned in FCA stakeholder workshops are a major problem) • **Exclusion from decision-making** as regards the 'growth agenda' as illustrated in major resettlements associated with the development of large commercial farms and recent (2016) protests which have resulted in the Government declaring a state of emergency.
Metropolitan municipalities *(Ghana)*	• **'Implementation gap'.** Municipalities possess devolved powers and duties in line with Ghanaian decentralization process, but lack the ability to discharge duties and meet responsibilities. • **City expansion beyond jurisdictional boundaries.** Present jurisdictional boundaries of municipalities not aligned with planning and service delivery needs. Infrastructure and service interventions not easily found within the same district	• **Limited own-source revenues.** limited ability of municipalities in the GAMA metropolitan region to raise finance (taxes) locally. • **Municipalities dependent on Inter-Governmental transfers (IGTs)** but the division of responsibilities and expenditure between local authorities and central governments unclear, and the transfers are uncertain/ unpredictable.	• **Uncoordinated action and institutional fragmentation**: Leadership selection held by central government affecting trajectory of accountability. Although GAMA a single functional economic area, there is a lack of a legal framework or plan for the GAMA region; cross GAMA municipal border issues are thus difficult to address, thus difficulties dealing with e.g. flooding and transportation.	• **Citizen participation low** in district plan preparation & implementation • **Local accountability low**- District plans accountable to central government not local communities • **Gender disparities** Citizen participation is characterised by persisting gender disparities
Growth corridor cities *(Mozambique)*	• **'Implementation gap'.** Municipalities can request the decentralisation of powers and responsibilities, but central government controls the process. possess devolved powers and, but lack the ability to discharge duties and meet responsibilities. • **Lack of Capacity**: Few skilled staff are transferred from the centre to assist municipalities. Consequently, the local preparation of development strategies often compromised very few local staff have more than primary education)	• **Limited own-source revenues** - the average municipal budget provides a mere US$ 12 per capita. Municipal collection rates are very low: in Maputo only 15% of taxes are collected. Virtually none of the municipalities has raised up to 40 percent of its own funds. • **Inadequate funds for urbanization**: intergovernmental transfers currently account for about 60% percent of the total municipal revenue, which constitute only 1% of the Country's National Income	• **Institutional fragmentation**: No specific ministry with an urban mandate, and unclear roles and responsibilities between national, local government and districts. • **Centralization of power:** Local Governments only marginally involved in the special delivery vehicles established to promote investment into the growth corridors (the cities along the Nacala corridor all lack finance, technical human resource capacity, and have weak administration systems)	• **Citizen participation low** in municipal elections, with 75% abstentions in the last elections in Nampula (Slum dweller federations have not been established and developed in Mozambique) • **CSOs are not official**: In Nampula there are more than 73 civil society associations, of which 53 are exclusively of women. However, most of them are not official.
Secondary cities *(Uganda)*	• **'Implementation gap'.** Central government wields significant influence over municipal budgeting • **City expansion beyond jurisdictional boundaries.** The daytime population of many cities is several times that of the officially recorded (census) population, creating an additional burden on already strained basic services	• **Limited own-source revenues**. Municipalities are limited in their ability to raise finance (taxes**).** Very few urban authorities possess the administrative and technical capacity and mechanisms to raise own source revenue, which rarely exceed 5 percent of total revenues.	• **Centralization of power:** Under the presidency of Museveni power has been centralized; local control remains limited and constrained. This is particularly the case for secondary cities.	• **Exclusion from decision-making**: freedom of press Uganda is ranked low (110th) on freedom of the press index human rights violations and limited access to justice can pervert justice

3.2.2 Capacity Constraints

Administrative and technical capacity constraints are directly related to many of the governance issues raised above and are summarised in Table 3.2.

FCA evidence: HR Benchmarking – Mind the Gap

The FCA HR Benchmarking model reveals a significant shortfall in municipal staffing against benchmarks. Findings from 16 cities reveals that cities are functioning with ***less than a third*** of "ideal" capacity adjusting for population, size, density, number of properties, revenue receipts and type of infrastructure network. Across the countries, there are serious staffing gaps in various departments resulting in sub-par service delivery, including street lighting, finance, and planning that are the most poorly staffed – Table 3.2

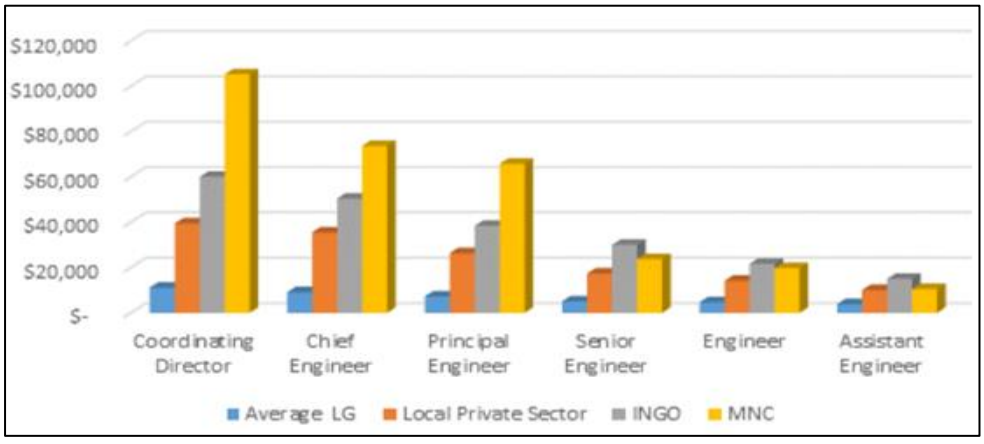
Table 3.2: Staffing gaps by function[62]

	Finance	Planning	PWD	Revenue	SWM & Sanitation	Street Lighting
Ethiopia	81%	87%	19%	-63%	16%	89%
Mozambique	90%	60%	89%	84%	44%	100%
Uganda	81%	93%	44%	93%	90%	91%
Ghana	37%	90%	75%	75%	33%	100%

Cities Alliance, Slater R. (2016)

Only, a small percentage of the staff across the target cities has advanced degrees and diplomas although the majority of staff have certificates of attendance on a variety of (short-term?) professional training courses, or compensate for the lack of degrees through years of experience. Pay differentials between local government staff and private sector staff in equivalent posts are greatest for senior managerial and technical staff. In almost all instances, local government salaries are no more than 15-20% of the salary for their Multi-National Corporations counterpart. Such drastic pay-gap differentials are also likely to contribute to rent-seeking and corruption and the strengthening entrenched interests in local governments, while also contributing to high attrition rates (in times of high economic activity and employment opportunities) and low progression (in periods of slow economic growth and lack of employment) – see Figure 3.1.

Figure 3.1: Annual Salary Comparison - Ghana



Cities Alliance, Slater R. (2016)

[62] Negative number implies a staffing excess

- *FCA evidence: Qualified staff shortages and administrative disruption in Ethiopia*

Most Ethiopian cities suffer from significant human resource capacity constraints. Many staff positions are not filled, staff turnover is high (the current average length of stay in a city administration is around one year; many senior staff leave to join the private sector, and more junior staff often seek a more congenial position in other public sector organisations); and staff are often inadequately trained and skilled, lacking appropriate qualifications. A 2016 survey of cities found that many cities lacked, and were requesting from Central Government, civil engineers, architects, urban planners and designers, landscape architects, landfill experts, hydraulic modelling and drainage experts and GIS experts[63]. The lack of local capacity contributes to poor urban planning and management "on the ground". For example, while there is a national planning framework many cities fail to prepare and implement local development plans (LDPs) principally due to:

- The absence of up to date land registry including land rights and tenure per plot;
- The lack of funding to either outsource plan preparation to private firms or to carry out in-house planning; and
- Insufficient planning and engineering staff to oversee LDP preparation and implementation.

Human resource deficiencies and high levels of staff turnover are compounded by frequent changes in local government organisation and administrative procedures.[64] Planning business process changes combined with difficulties applying planning, management and building standards and norms contribute to implementation gaps. The procedures themselves are problematic to implement. For example, few cities have the financial resources to pay for land compensation (for example, compensating farmers for land required for urban expansion). The lack of funds to pay for compensation to farmers and rural dwellers, and to extend urban infrastructure and services into urban expansion areas is a major reason why most cities sought to maintain a tight jurisdictional boundary around their urban area. Many cities were just not in a position to fund infrastructure and service interventions beyond this area, and indeed, the vast majority continue to struggle to service the area for which they are legally responsible.

- *FCA Evidence: Staffing gaps, stifled innovation and bureaucratisation in Ghana*

Ghana is experiencing a crisis of capacity. The crisis is reflected in the poor devolution of functions and curtailed fiscal freedoms of local governments; the multiplicity of legislative instruments, and agencies with overlapping mandates for management of infrastructure, assets, services and planning. 'Big bang' reforms to address capacity challenges have either not found traction or been rejected outright due to the complexity of implementation in finance and capacity-poor institutional environments. The reform agenda are often not owned by the state and therefore invite official resistance from unions and other representative organisations and often, covert resistance from beneficiaries of the patronage and corruption underpinning state employment. Municipalities compromised by administrative and managerial weakness and so failing to provide adequate services are common across Ghana. At a more granular level, evidence indicates that the way in which district assemblies are staffed and operated can severely impede the preparation and implementation of development plans and the provision of infrastructure and services. For example, district officials are seconded; they are employed centrally by the Local Government Service that has oversight of human resource of all local governments (due to local government's inability to recruit and pay competitively for staff); they don't know how long they will be with the city or town to which they are posted; it could be one year, or five, or more. This uncertainty and potential lack of identification with the city in which they are working underpins and promotes a rigidly bureaucratic way in which many approach

[63] These surveys were undertaken as part of a project to build a performance management system for the Ministry of Urban Development and Housing (MUDHo). The project was undertaken by EGIS International for the MUDHo between November 2015 and October 2016.
[64] Ibid.

their job. If opportunities for rent-seeking behaviour arise, it is sometimes taken (perhaps this is understandable as the remuneration for officials is often so poor that some feel that it is necessary to take a second job [e.g. taxi drivers during the evening and/or weekends] or 'take on the side'). This state of affairs means that innovative, risk taking and professional managerial behaviour is often wanting in cities in Ghana, which are thus characterised by lacklustre management, with few, if anyone, attempting anything innovative; a bit risky. Creativity in designing and implementing development strategies is often absent; many municipalities lack a growth disposition because of the difficulties encountered in trying to prepare and implement development strategies. Effective institutional platforms for change, bringing together all relevant, but often competing interests and stakeholders, are only infrequently created, as they impinge on protected institutional and individual turfs and take commitment, compromise and enthusiasm to establish and maintain. Weak governance combined with a lack of capacity underpins the deleterious state infrastructure and service provision particularly in informal settlements and other low income areas. The wealthy are often insulated though the purchase of expensive private services services; for example, a drive SUV is used to combat the poor state of the roads; electricity generation-sets purchased to ensure constant power; water purification system built into a large house which is kept clear of mosquitos; and access to private schools and hospitals in-country and beyond to ensure world class education and health. The absence of technical capacity provides a social 'space' in which develops income and wealth inequalities and diverging life chances, pushing the opportunities for inclusion and resilience further and away.

- *FCA evidence: Staffing gaps and the dominance of central institutions in Mozambique*

Cities in Mozambique are in desperate need of qualified and capable personnel. To date there is a complete lack of a national strategy on capacity building for local authorities. Municipal staff seldom possess the skill-sets and resources to meet the challenges faced by cities. In Tete, for example, only around 2% of staff have completed higher education. Furthermore, few skilled staff are ever transferred from the centre to assist municipalities and nearly all municipalities lack appropriate and up-to-date computer / IT equipment and capabilities; a factor slowing the uptake of the knowledge platform developed through FCA as part of Output 3. Consequently, the local preparation and implementation of development strategies are severely constrained. The larger cities of Matola, Beira, Nampula and Maputo do have slightly more employees than Tete, but even then, the numbers are grossly inadequate, and many are often deployed to *de-concentrated central state services* such as education and health. In most cases, staff with university degrees are assigned to managerial positions that are political in nature, leaving the technical positions seriously understaffed. The latitude afforded to the local authorities to improve their human resources is hindered by the lack of funding allocated for this purpose.

- *FCA evidence: The lack of qualified staff and failures to plan for growth in Uganda*

Orderly urban expansion that underpins inclusive and resilient development requires the effective planning and management of cities, and sound administrative and technical capabilities. Research undertaken by FCA in Uganda, however, shows that most cities lack the required numbers of appropriately skilled and experienced urban planners and managers and infrastructure engineers. Most secondary cities only have one urban planner; the entire West Nile region of 14,070sq.km, is serviced by one urban planner and only one environmental planner is employed by the city of Arua. In the towns of Moroto, Mbale, Tororo and Jinja less than 20% of the staff employed in the municipal governments have attended a technical institution. Given that the total population utilizing city services is not captured in the 'official' population of the municipality (many enter the tightly bounded city area from its immediate environs in order to work) human resource complements are considerably worse than these numbers indicate, further compromising the ability of municipal governments to deliver effective urban infrastructure and services to growing cites.

Table 3.3: Summary of key capacity constraints in the FCA countries

	Human resource capacities and capabilities	Technical capacities and capabilities	Administrative, management and planning systems	Government and Institutional co-ordination
Regional capitals *(Ethiopia)*	• **Lack of qualified staff –** Shortage of staff in city administrations (especially engineers and urban planners) in nearly all cities • **Absence of staff –** Many positions unfilled. Staff turnover is high**.** Average length of stay in a city administration is one year; many senior staff leave to join the private sector; junior staff often seek a more congenial (central government) position • **Lack of staff training –** delivered by government, and regional universities and vocational training organisations (TVETs) are not geared up to provide cities with pragmatic training.	• **Lack of IT equipment** - shortage of computers and lack of appropriate software even in main secondary cities and regional capitals • **Lack of general equipment** – including surveying instruments, vehicles and tools • **Absence of internet connections** – or poor bandwidth – severely hampers the effectiveness and efficiency of work and hinders inter- and intra-organizational co-ordination	• **Inadequate office space** – results in severe crowding of offices where multiple work processes are taking place at the same time. • **Failure to implement local development plans common -** due to (i) absence of up to date land registry, (ii) lack of funding to either outsource plans to private firms or to carry out in-house planning, and (iii) insufficient planning and/or engineering staff	• **Inadequate administrative co-ordination** – between city departments and with the city and regional organisations • **Inadequate technical co-ordination** - between, for example, industrial development and urban planning. Cities rarely appraised in advance of the housing, transportation, services infrastructure and utilities needs of industrial areas implemented by Federal ministries and regional states
Metropolitan cities *(Ghana)*	• **Lack of qualified staff –** Shortage of staff in city administrations (especially engineers and urban planners) in nearly all cities. • **Lack of entrepreneurialism and training -** Staff appointed by the centre for variable and uncertain term – often lack identification with city – and often adopt bureaucratic behaviours – many requests for further training.	• **Lack of IT equipment** - shortage of computers and lack of appropriate software even in the main cities • **Lack of general equipment** – including surveying instruments, vehicles and tools • **Absence of internet connections** – or poor bandwidth	• **Plans not responsive to local people**- the National Spatial Development Framework sets targets against which districts need to perform - Local Plan thus is not accountable to local people but to the regional and national ministries.	• **Inadequate administrative co-ordination** – between city administrations and line Ministries • **Central direction overrides local control** – cities have little say in development of urban service to serve the Development Corridors and Special Economic Zones and Industrial Free Zones
Growth corridor cities *(Mozambique)*	• **Lack of qualified staff –** Shortage of staff in city administrations (especially engineers and urban planners / those responsible for service delivery) in all cities. Few staff have more than primary school education; only around 2% of staff have completed higher education. • **Lack of staff training -** a national capacity building strategy has not been prepared, and local authorities are technically unable to prepare and implement staff capacity building programmes	• **Lack of IT equipment** - shortage of computers and lack of appropriate software accord the board. • **Lack of general equipment** – including surveying instruments, vehicles and tools • **Absence of internet connections** – or very poor bandwidth, or absence of a connection entirely	• **Inefficient administrative and management system** – coupled with lack of qualified staff and equipment shortages compromises effective governance • **No national urban planning strategy** and difficulties implementing local plans (due to lack of human and financial resources)	• **Inadequate administrative co-ordination** – between city departments and with the city and regional organisations - 'de-concentrated' central government services often overlap or conflict with local city departments / services
Secondary cities *(Uganda)*	• **Lack of qualified staff –** Shortage of staff in city administrations (especially engineers and urban planners) in nearly all cities. In general, a single qualified urban planner exists for cities of up to 100,000 population • **Lack of staff training –** many cities requesting staff upgrading / capacity building measures to be implemented	• **Lack of IT equipment** - shortage of computers and lack of appropriate software even in the main cities • **Lack of general equipment** – including surveying instruments, vehicles and tools • **Absence of internet connections** – or poor bandwidth	• **Plans not responsive to local people** municipal governments suffer from weak horizontal and vertical integration of planning functions; Local Development Plans reflect central government plans and programmes as opposed to local priorities.	• **Inadequate administrative co-ordination** – between city departments and with the city and national ministries / organisations • **Inadequate technical co-ordination –** e.g. urban and economic planning within the city and between cities and ministries

3.2.3 Infrastructure and Service Deficits

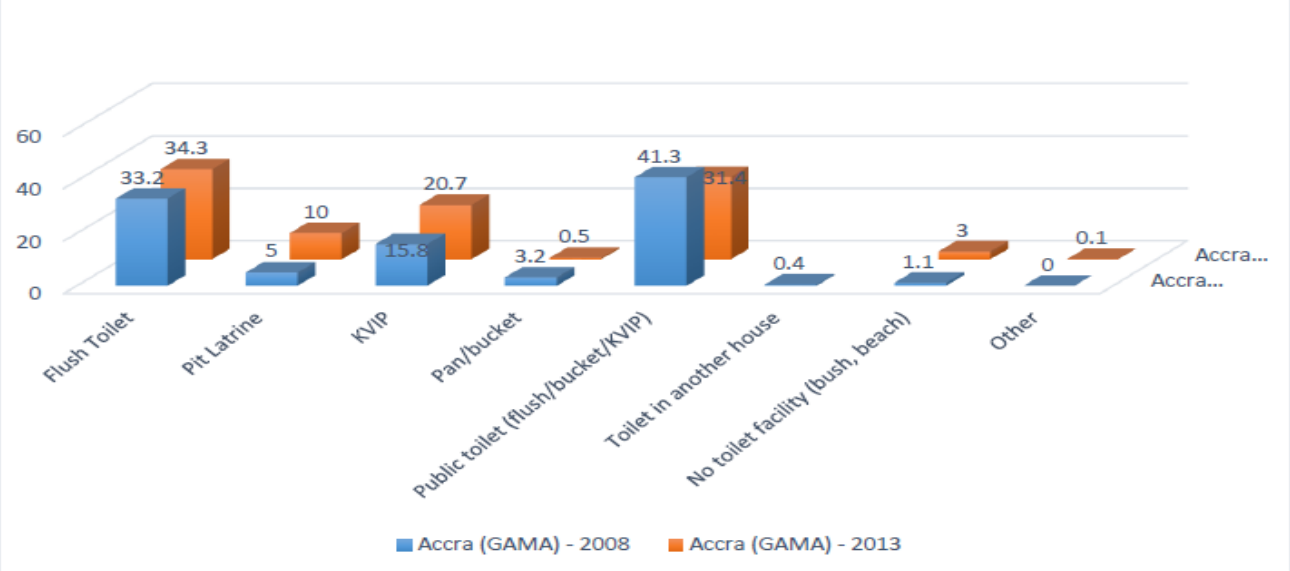
The most immediately visible constraints on the promotion of inclusive growth and resilience are the many infrastructure and housing deficits that are commonplace in every FCA country. Basic services typically are provided through informal private providers at high cost and low quality.

- *FCA evidence: Inadequate provision of and access to potable water and sanitation*

Inadequate access to safe water and improved sanitation is very common, and undermines individual and community resilience, is a barrier to economic growth (e.g. through reduced productivity of workers due to illness) and reflects deep social inequalities. Only around 50% of the Mozambican population, for example, has access to an improved water source, and in nearly all Mozambican cities water is inefficiently provided by informal small-scale sellers. In urban areas such as Tete only some 30% of households have access to water within the home. In Nampula and Nacala the figures are 5.5% and 3% respectively. Throughout the country, the coverage of the piped sewerage system is limited and does not function properly. As regards sanitation, in Tete and Nampula, for example, more than 50 per cent of the population lacks access to any form of toilet with open defecation being common. This contributes to frequent cholera outbreaks and other disease epidemics. It is estimated that the lack of sanitation in Mozambique costs about US$102 million a year, or equivalent to 1.2% of gross domestic product (GDP) due to premature deaths, medical costs and losses in productivity.

In Ghana, a sizeable share of the population of the Greater Accra Metropolitan Area (GAMA) use (inadequate) public latrines, 15% use a pit latrine and 12% have no facility which implies open defecation or the use of a plastic bag. The urban poor in Ghana have no option but to use public latrines which are often far from dwellings, filthy and have long queues at peak times. They also pay higher prices than if they had a latrine at home (see Figure 3.2 below).

Figure 3.2. Type of Toilet facilities in GAMA (2008 & 2013)

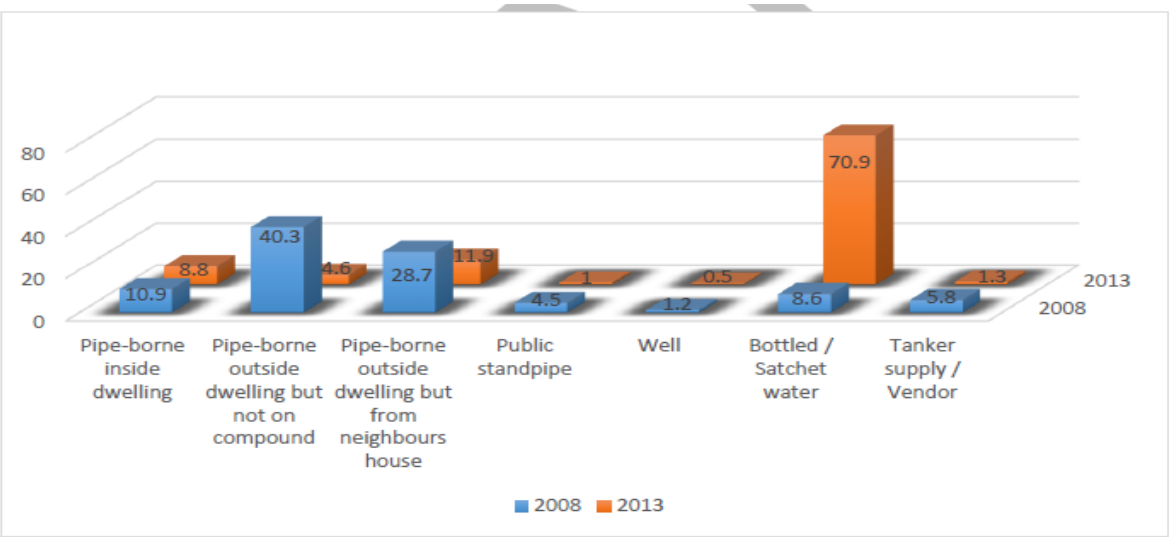


Derived from GSS (2008) and GSS (2013)

The extent of the sewerage system in GAMA is very limited with only 95,000 (9%) dwellings currently connected. None of the three fecal sludge treatment plants function. Untreated fecal sludge is disposed of in nearby streams or on the seashore. Inadequate access to sanitation facilities and improved water in Accra's informal settlements has led to a number of devastating outbreaks of

Cholera[65]. The population of Accra is to a large extent dependent on surface water for its water supply, which is imported from sources that lie outside the boundaries of the city. The GAMA has for long, experienced poor services in terms of the quality and the quantity of the water consumed. The system of water supply is beset by fragmented institutional arrangements and the quagmire is compounded by the rapid pace of urbanisation and population growth. The administrative systems overseeing the system remain weak and increasingly disabled from equitably serving the populace. There is an assortment of sources of water utilised by residents of GAMA to meet their basic needs, including such as tanker services, water vendors, bottled and sachet water (see Figure 3.3). The difference in the sourcing of water inevitably also affects the quality of water by the providers.

Figure 3.3: Trend in Drinking water source (2008 – 2013)



Derived from GSS (2008) and GSS (2013)

The provision of safe potable water and adequate sanitation facilities are also major issues across Ethiopia. In Mekelle, a regional capital, FCA research shows that most households receive water only twice a week. The city continues to rely on a water supply system designed for a much smaller city, and little progress has been made in meeting the current demand. The majority of the participants of a FCA stakeholder workshop held in Mekelle in 2015 felt that water was the most important service that should be improved. Furthermore, the National WASH Inventory report of 2012 indicates that only about 32% of health facilities in Ethiopia have access to safe water.[66] Only around 30% of the population, both urban and rural, have access to improved sanitation, and some 28% of the population practices open defecation. Moreover, 17% of childhood deaths are associated with diarrhoea which remains the third leading cause of under-five mortality attributed to poor water, sanitation and hygiene.

In Uganda, only 67% of the population of informally settled urban areas currently have access to potable water. In towns such as Arua and Jinja, the situation is far more critical - only 18% and 12% of residents have access to safely managed water. Health outcomes of poor access to safe drinking water are evidenced in the increase in prevalence of diarrhoea in children in urban areas which increased from 21.3% in 2000 to 28.5% in 2011.[67] In general, urban areas in Uganda have seen very little

[65] Between June 2014 and February 2015 20,500 cholera cases were recorded in the Greater Accra region, with 121 fatalities. Following a flooding in Accra on 3 June 2015, 25 new cases and one death was recorded in one week.
[66] The only sewerage system in Ethiopia, in Addis Ababa, covers only part of the city, and public toilets are relatively sparse.
[67] Children aged 5 years or less, Data from Demographic and Health Surveys programme, 2011 *http://beta.statcompiler.com/* accessed 15th July 2016.

improvement in access to improved sanitation services since 1990, particularly when compared to rural areas of the country. The absolute numbers of people in urban areas across Uganda who rely on shared or unimproved sanitation services has more than doubled since the year 2000 representing over 4.5 million urban dwellers. The provision of sewerage systems is extremely limited across second-tier cities with typically a small sewerage network present covering only the central business districts and less than 1% of all households. On-plot sanitation is widespread with a combination of septic tanks and pit latrines being utilised, though improper maintenance regimes often lead to localised contamination of land and watercourses putting public and environmental health at risk.

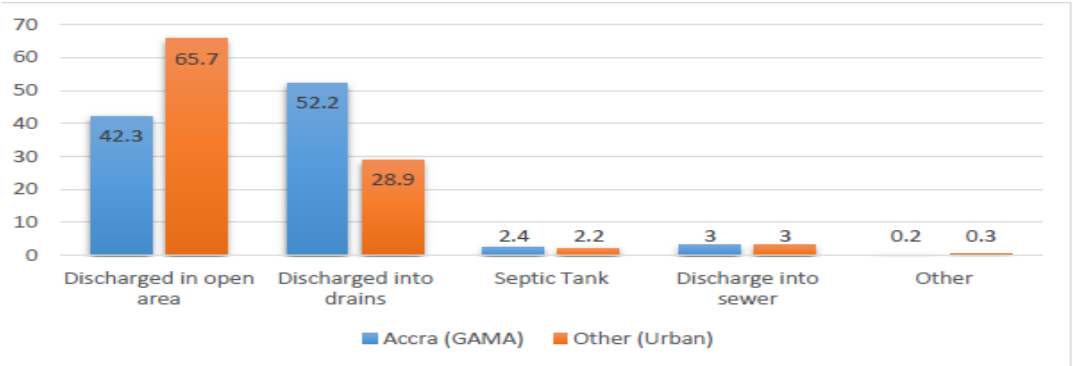
- *FCA evidence: Poor collection and management of solid and liquid wastes*

In GAMA (Ghana), 33 percent of solid waste is not collected and 47 percent of the slum dwellers have no access to waste collection. The streams and lagoons in the metropolis are the principal outlet through which all major drainage channels in the city empty their wastes into the ocean. About 52 percent of liquid waste is disposed into drains. For years, the GAMA was saddled with overflowing un-engineered landfills at Christian Village in Achimota (see Figure 3.4). The resort to unapproved methods of liquid waste disposal (open areas, drains and other) is close to 95% in GAMA (Figure 3.5).

Figure 3.4: Achimota dumpsite

Adapted from Oteng-Ababio (2010)

Figure 3.5: Method of Liquid waste disposal



Derived from GSS (2008) and GSS (2013)

The situation is not much better in Mozambique. Indeed, Tete can only collect 26% of the waste it generates and waste collection is completely absent from the informal settlements in which live 80% of the population. In Nacala officials state that 100% of the waste generated within the old city is collected but this drops down to 35% in the peri-urban areas. In Nampula only 9% of the population is covered by a waste removal service. In all three cities in Mozambique inadequate storm water drainage contributes to the frequent disastrous flooding that effects the cities. The drains that do exist are frequently clogged up by waste deposited by communities in the belief that the rain will wash the waste away. The lack of adequate waste management is also clear across the urban landscape of Uganda and Ethiopia (See Text Box 3.1).

BOX 3.1: Solid waste mismanagement

The case of Arba Minch town in Ethiopia, mirrors typical circumstances in Sub-Saharan Africa. The town's solid waste has been managed by Urban Sanitation Management and Greenery Development Work Department. The municipality has one landfill reaching capacity; a new but small landfill site is under construction on the road that leads to Jinka. The town has seven temporary solid waste collections points (not transfer stations), and 11 solid waste containers. Integrated solid waste management planning, however, is not practiced; lift dump trucks are not available; and the solid waste containers purchased some six years ago remain unused and often abandoned (see Plate below). The solid waste generated in the town is collected by seven small businesses using 2-5 horse drawn carts. The solid waste, which is temporarily stored in the seven collection points, have been collected by the municipality using three vehicles, only one of which is appropriate for the task; an old tractor which needs replacing and frequently breaks down.

The municipality wanted to provide the businesses collecting the solid waste with a tractor so that door to door collection could proceed, but the lack of funds has prevented this action. The monies allocated to solid waste management last year was Birr 250,000, which is low in view of the town's population size and the amount of solid waste generated. The lack of integrated solid waste management planning includes the absence of a plot of land for transfer stations, the lack of equipment, the absence of recycling, and the gross inadequacy of funds. These are problems that are common to most towns and cities in Ethiopia.

Figure 3.6: Unused communal solid waste containers in Arba Minch town, Ethiopia

Cities Alliance, 2016

- *FCA evidence: Inadequate and unaffordable housing*

The lack of adequate and affordable housing is one of the main causes and symptoms of social and economic inequalities, and a major impediment to the promotion of individual and community resilience. Slums and informal settlements dominate the urban landscape in the vast majority of the FCA cities and as informal activities rise so are informal settlements expanding. Some 80% of households in GAMA (Ghana), for example, live in unserviced informal settlements located on land prone to flooding, land-slides and sea level rise, and the vast majority are engaged in the informal economy, surviving on casual labour (Text Box 3.2).

BOX 3.2: Housing in Ethiopia

Around 60% of the population is shelter poor; many live in informal or slum settlements and it is common for the poor to spend in excess of 30 percent of their monthly income on housing expenses. The quality of available shelter is extremely poor; the overwhelming majority of urban housing is small, with one- and two-room shelters accounting for 46 percent and 26 percent respectively of all urban housing units in 2007, respectively. As many as 28 percent of urban housing units have no toilet, and around 27 per cent are without kitchens.

The housing deficit is set to intensify as the urban population expands. Between 1983 and 2007, Ethiopia's population more than doubled, and is projected to more than double again by 2050. Egis International has estimated that around 13 million extra housing units are needed between 2015 and 2035 which equates to around 650,000 extra housing units per year. The causes of shelter poverty include unemployment, low household incomes, large household sizes, high rental/mortgage costs, and problems related to obtaining and then repaying bank loans and mortgages.

Figure 3.7: Informal slum settlements in Addis Ababa

Cities Alliance (2014)

- *FCA Evidence: Unreliable and costly energy constraints to growth*

Mozambique has one of the lowest electrification rates in Sub-Saharan Africa; only around 50% of households have access to electricity and average electricity consumption is 436KWh/capita/year. Affordable access to energy is also one of the most important service deficits in Ethiopia. Power interruptions are common in most cities in Ethiopia, with more than 50 per cent of the households in regional capitals facing power interruptions at least once a week. Average electricity consumption is very low at 65KWh/capita per year, about 13% of the average for SSA. A similar state of affairs exists within Uganda with only 18 per cent of Uganda's total population has access to electricity, although around 70% of those living in urban areas have access.[68] The situation in secondary cities, however, is highly variable, particularly across informal settlements where unplanned expansion has constrained the ability of the national electricity utility, Umeme, to supply grid based power. Slum populations in Mbale, Arua, and Moroto have the lowest levels of access; 14%, 11%, and 1%, respectively. Moreover, the average per capita electricity consumption is one of the lowest in the world; 215kwh, compared to 552kwh for Sub-Saharan Africa and 2,975kwh global. Eighty-nine percent of industrial energy needs are supplied by biomass contributing to greenhouse gas emissions, a problem common to many African countries; in Ethiopia for example, the continued reliance on traditional biomass for fuel, over 90% of primary energy supply, presents both environmental and social implications which contribute to energy insecurity vulnerable to climate-related disruptions.[69]

The infrastructure and services deficits in the FCA countries are summarised in Table 3.4.

[68] Source: World Bank, Sustainable Energy for All (SE4ALL) database from World Bank, Global Electrification database, 2012.
[69] Cities Alliance, Pegasys Institute (2016), The Climate Change and Energy Debate in Ethiopia, FCA Research Monograph.

Table 3.4: Infrastructure and service deficits in the FCA countries

	Urban infrastructure and services	Energy	Housing	Urban environmental conditions
Regional capitals ***(Ethiopia)***	• **Inadequate access to safe water –** Water supply remains a major issue across the country, including in both Mekelle and Dire Dawa. Dire Dawa is experiencing high pressure on existing water sources, due to both limited precipitation and increasing population density. In Mekelle, most households receive water only twice a week. The city continues to rely on a water supply system designed for a much smaller city than today. • **Inadequate access to Waste management** - the only sewerage system in Ethiopia is in Addis Ababa and only covers part of the city, public toilets are relatively sparse; only around 30% of the population, both urban and rural, have access to improved sanitation, and some 28% of the population practices open defecation. 17% of childhood deaths are associated with diarrhoea which remains the third leading cause of under-five mortality attributed to poor water, sanitation and hygiene. Existing solid waste collection capacity in Mekelle and Dire Dawa covers 61% and 73% respectively, though in other towns less is often collected.	• **Power unreliable**- > 50% of households in regional capitals face power interruptions at least once a week. • Bio-mass makes up 90% of total final energy consumption (cooking) • Major regulatory barriers to renewable & low carbon energy pathways. • Electricity use: 65 KWh/capita/yr • Cement production main industrial user • Access to electricity varies; between 23% and 88% of the population • More than 85% of Green House Gas emissions comes from forestry and agriculture	• **Shelter Poor** - Around 60% of the population is shelter poor; many live in informal or slum settlements and it is common for the poor to spend in excess of 30 percent of their monthly income on housing expenses	• The average temperature has increased markedly, by 0.2°C to 0.28°C per decade over the last 40-50 years • The number of 'hot days' and 'hot nights' has also increased by around 20% and 38% respectively between 1960 and 2003. • Persistent droughts and unpredictable rainfalls are common phenomenon in Ethiopia. • In Dire Dawa, for example, the main environmental risks are the inter-annual variability in terms of rainfall, drought and flood occurrences, all likely to be exacerbated by the impact of climate change. • Seasonal variability of Mekelle's water supply is extremely high, exposing the city to water related insecurity and flooding. • **Roads**: Although construction of cobblestone roads that largely uses local materials and labour increased paved roads in cities, due to technical problems exposed them for surface water in rainy season (eg. Mekelle owns 98.11km cobblestone road).
Metropolitan cities ***(Ghana)***	• Politically driven tariffs eroding essential cost recovery of service delivery • **Inadequate access to safe water –**an assortment of sources of water are utilised by residents of GAMA resulting in a difference in quality of water by the providers. • **inadequate solid waste management -**only 8.8% of solid waste being collected nationally through managed channels and 60% of it is dumped indiscriminately • **lack of sanitation -**Juxtaposing the decline in the recourse to public toilets (30%) to the increase in open defection (200%)suggests that there is under-investment in public toilets in either maintenance or construction and demonstrates the government's disposition towards public toilets	• **Power** Electricity is the dominant energy form used in the industrial and service sectors accounting for 69% of energy used in the two sectors of the national economy. • Since 2011, Ghana has been experiencing significant deficit in generation leading to frequent and long periods of outages and cuts • Electricity use: 382 KWh/capita/yr – distribution losses high	• Some 80% of households in GAMA (Ghana), live in unserviced informal settlements • Forced to located on land prone to flooding, land-slides and sea level rise, the vast majority are engaged in the informal economy, surviving on casual labour	• **Paucity of city level data** for some sub-dimensions of environment and climate change • **Lack of data for GHG emissions** at the level of the GAMA region • **No city-wide assessment** for air quality • **80% of the Ghana shoreline** is threatened with erosion • **Expectation of investment in real estate** has led to rapid expansion and development of the built environment resulting in vast areas of green cover being permanently lost. • **GAMA is located on an active seismic site** with underlying terrain being highly fractured
Growth corridor cities ***(Mozambique)***	• Upgrades to energy, water supply and transport infrastructure have not been accompanied by an improvement in urban services • Planning for urban development occurs at the local level, but land management and financial powers	• **Power unreliable –** only around 50% of households have access to electricity; • Electricity use: 436 KWh/capita/yr	• 70% of urban residents live in informal settlements or poor housing conditions • Poor sewage infrastructure, dense and poorly constructed housing are key drivers of water-borne disease in cities	• 60% of the population and 6 out of 10 of Mozambican cities are located on the coast and thus vulnerable to sea level rise • In the hinterland, rising temperatures and changing rainfall patterns may increase the

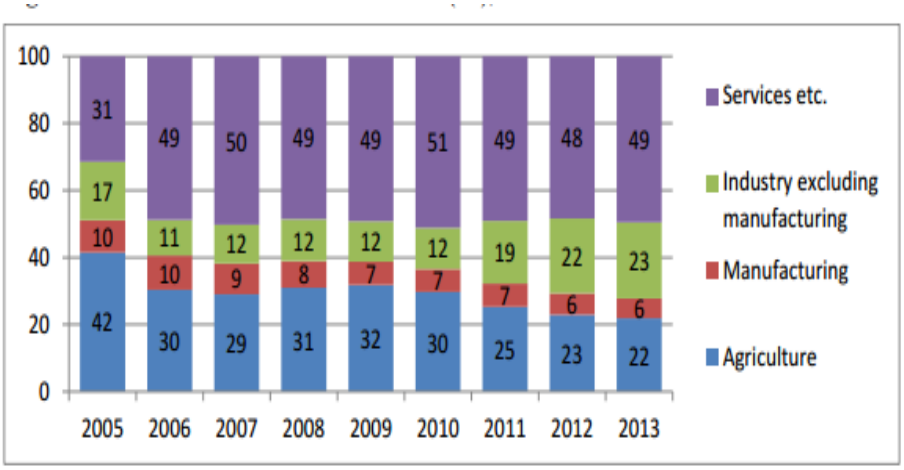
	are still concentrated with the national government. Central Government transfers over 50% of the municipal budget.	• Although Mozambique is a net exporter of power due to international agreements with South Africa and Zimbabwe, it has a net energy deficit with demands increasing by about 14% per year	• Climate change models predict a 2-2.5 deg C rise in Mozambique. Poorly constructed housing in informal settlements do not provide protection against extreme temperatures.	occurrence of droughts, thus increasing rural-urban migration to already strained cities and urban areas • Despite a wealth of natural resources, the lack of infrastructure impedes growth of formal industries around coal and iron ore
Secondary cities ***(Uganda)***	• **Limited access to basic services in secondary cities**: potable water (41%), sewerage (3%), maintained roads (47%), solid waste collection (36%)[70]. According to the Uganda National Household Survey (2010), 64% of urban dwellers walk to work due to transport problems. • **WASH –** access to safe drinking water is variable in secondary cities ranging from around 50% (Hoima) to over 90% (Lira and Moroto).[71] Access to improved sanitation is chronic with on average 8% of households accessing improved sanitary facilities across secondary cities.[72]	• **Low national access to electricity** being 15% in 2013 but only 7% in rural areas. In the 14 secondary cities, access is about 44%. Charcoal and firewood main source of energy for cooking[73] with a high environmental toll. Milted use of alternative energy sources. • **Power unreliable -** 18 per cent of Uganda's total population has access to electricity, although around 70% of those living in urban areas have access	• **Uganda has a housing deficit** of 1.6 million, with 210,000 for urban areas. There has been minimal investment in the housing sector[74]. • **Slum populations** Around 60% of those living in secondary cities live in informal settlements, where many households typically lack decent standards of housing and experience poor access to basic services.	• **Widespread encroachment** on key ecological areas, water pollution, flooding risk, poor liquid and solid waste management (only 36% of total solid waste generated is collected). • It is estimated that nearly 46% of all land is severely degraded – a result of encroachment on fragile ecosystems from human settlement patterns. Charcoal is the predominant fuel for cooking with around 80% of households using solid fuel. Adverse negative environmental and public health impacts include the occurrence of flash floods, air, land and water pollution, and blockages of the drainage systems in the city., leading to serious health hazards such as malaria, bilharzia and other related ailments such as respiratory tract infections.

[70] Ministry of Lands, Housing, and Urban Development, "Final Report on the Baseline Study for the Cities Alliance Country Program in 14 Municipal Local Governments of Uganda," 2014.
[71] Ministry of Water and Environment, Water Atlas, and Uganda Bureau of Statistics, 2012 - cited in Cities Alliance Endline Survey Transforming the Settlements of the Urban Poor, 2016
[72] Population and Housing Census 2014, Uganda Bureau of Statistics
[73] Between 1996/97 and 2009/10, total household consumption of charcoal and firewood increased from 18,043 to 409,139.
[74] Uganda National Housing Policy, May 2016.

3.3 Barriers to Inclusive Growth and Resilience: Economic Determinants

Most cities remain embedded in economies characterised by value extraction through the exploitation of raw materials and the export of semi or unprocessed commodities. Value addition is often lacking, as is associated product diversification and sophistication. These economies do grow (recent GDP growth rates posted in many SSA countries are in excess of 5%, and for some countries beyond this figures), but this growth is often based on the intensification of resources extraction rather than the development of high (er) productivity, high value added activities. This form of growth has fuelled consumption, mostly driven by relatively small but gradually expanding middle and upper class sections of society, and has not been associated with systemic structural change and transformation that would increase the sophistication of the economy and enable the promotion of inclusivity and resilience. Accompanying the intensification of consumption is the rise of informal activities, especially informal services and those activities that are low productivity, low return, and low waged in nature (Figure 3.3.1) Many cities are in essence consumption driven, and characterised by low productivity and relatively undifferentiated and unsophisticated economic activities: small scale, limited specialisation and non-tradeable. Productivity barriers are ubiquitous and include high transaction costs related to infrastructure and service deficits, such as unreliable and costly electricity and transport congestion, and poor public health and educational outcomes; inadequate and costly housing, and vulnerable living conditions; and a lack of access to markets beyond the immediacy of the city.

Figure 3.8: Ghana Sectoral distribution of GDP



Derived from GSS (2008) and GSS (2013)

- *FCA evidence: Subordinated informal activities in Ghana*

Within the Greater Accra Metropolitan Area (GAMA) 80% of the workforce is either fully or partially engaged in the informal economy, which is the predominant source of household income. An important relationship exists between the formal and informal activities with the latter often supplying goods and services to the former, but this relationship is asymmetrical and exploitative as the interests of the informal producers are often subordinated to that of the formal sector. Not only do informal traders face problems competing with formal traders in similar goods (such as food), as they cannot negotiate lower wholesale prices, they are also in constant conflict with the local administrations. Urban planning laws in Ghana view informal economic activities as a nuisance that must be done away with, resulting in heightened insecurity, constant threats of evictions and indeed large scale evictions that either destroy or impair business operations. Current regulations make no

provision for the needs of street vendors/hawkers in the allocation of urban space. The official responses to informal traders, coupled with the lack of understanding of the dynamics of the informal sector by some city officials, often promotes unnecessary confrontation.

While considerable attention is paid to infrastructure services to boost productivity –for example electricity and transport (connectivity) – the fundamental issue of poor land administration and the uncertainties created by this for investment in business growth needs urgent attention. Over the years, a great deal of work has been done to develop coherent Land Administration Systems (LAS). However, a core issue of the harmonization of statutory and customary authority over land remains. In Ghana, 80% of all land is under the control of chiefs and this has a major bearing on land use planning, allocation, taxation, rent and the level of risks business face in making investment decisions where tenure is uncertain. The barriers to productivity emerging from these uncertainties are often critical, as is evidenced in the large scale evictions of the Old Fadama areas of GAMA, an area marked by a large number and wide range of small scale producers.

- *FCA evidence: Increased informal service activities in Ethiopia*

The service sector accounted for just over 45% of total GDP each year from 2010 to 2015 according to the Ethiopian National Labour Survey of 2013. Over 60% of those employed in urban areas work in the service sector though if unrecorded informal activities are included this figure is likely to be higher. Employment in the informal service sector is rapidly expanding as recorded in both FCA cities, Mekele and Dira Dawa. There is a stark contrast between male and female participation in the informal sector in both cities and across the nation. Women dominate the percentage share of informal sector participation as well as ownership of micro and small businesses. Too many service activities, especially of an informal nature, are survivalist in nature, and low productivity–low return businesses. Under and un-employment remains high, and in rapidly expanding urban settlements appears to be on the increase. The percentage of unemployed persons in Mekele, for example, is significant at around 18.8% in 2014 which is above the national average, and in spite of the recent rapid growth of the city economy, unemployment is increasing.

- *FCA evidence: The informal sector, FDI and the feminization of poverty in Mozambique*

Manufacturing-based employment was decimated during the civil war and fiscal austerity measures adopted during the 1990s prevented state investment in manufacturing. This has resulted in city economies characterised by informality, with nearly 95% of the labour force working in the informal economy (LO/FTF 2014). This state of affairs also led Mozambique to adopt a development strategy that prioritises growth poles and regional development corridors. The objective is to exploit the country's geographic position and long coastline which offers landlocked neighbouring countries access to international markets through Mozambican ports. In support of this policy the government is establishing Free Trade and Special Economic Zones. In spite of this the economy has undergone little structural transformation and the economic growth experienced by the country has not been equitable. The capital-intensive nature of the modest FDI attracted to date does not generate enough jobs to provide sufficient opportunities for the fast growing young population. Moreover, the jobs that are created are generally dominated by traditional "male" occupations in construction and transport. Women dominate the agricultural informal sector and low-paid urban service occupations. Poverty has a higher incidence among women headed households and many of the new job opportunities within the mining and constructions sectors are more accessible to men than women (female participation in the labour market is 26.3% compared to 75.8% for men).

- *FCA evidence: The dominance of informal activities and the 'missing middle' in Uganda*

The growth of informality is a trend observable in the structural composition of city economies across the FCA countries and wider continent. Uganda's economic growth rate averaged 6.7% over the last decade, fuelling the growth of consumption driven cities marked by informality. The growth of the informal sector in Uganda has been fueled by a lack of opportunities for formal sector employment and the decline in the minimum wage. The informal sector is the fastest growing sector in Uganda, currently accounting for some 43 per cent of the total economy and *more than 60 per cent of city based employment*. Drilling down, growth in Ugandan cites is associated with non-tradable services for the local market, as opposed to the manufacturing of internationally tradable goods. From 2001 to 2011, 80 percent of growth in non-agricultural employment in Uganda was in the non-tradable service sector.[75] In Kampala, only 15 percent of new jobs were in the tradable sector, including manufacturing – a pattern similar to that observed in smaller and secondary cities where up to 72 percent of employment growth was in trade and services such as wholesale and retail, transport, hotels and restaurants. The growth of the service sector is demonstrated through the sharp increase in small and micro firms, the majority of which operate in the informal economy, providing low incomes and vulnerable livelihoods. There is a clear trend of a concentration of service sector activity (hotels and restaurants) occurring in second-tier cities such as Mbale, Jinja, and Masaka. Many of these cities, however, have been unplanned and are now characterized by sprawl and informality of housing and offering only informal employment opportunities to those attracted by the promise of waged 'off-farm' jobs. As a consequence of unplanned expansion, congestion and other agglomeration diseconomies are rising and limiting the ability of cities to develop productive and resilient economies.

- *FCA Evidence: Excluded youth, informality and the jobs crisis*

Over 70% of new firms in Uganda are informal. At the same time, as much as 95 percent of youth in non-farm enterprises were in informal employment in Uganda as well[76].[1] In countries, such Uganda and Mozambique the informal sector may provide employment for as much as 80 per cent of the urban workforce. High rates of (disguised) unemployment, underemployment and generally limited economic opportunities have created a potentially explosive social problem in many African cities, especially given the particularly high levels of youth under- and unemployment.[77]

Uganda is a country with an economy in transition from the largely rural agricultural sector to a more urban, service-oriented sector, but it is a country with a 'missing middle', which impedes formal job creation. The economy is characterised by the many small-scale informal enterprises and a few large-scale companies.

Informal enterprises generally do not become formal operations and Uganda's SMEs rarely mutate into medium or large scale companies, or become integrated into higher value segments of supply chains. But the current structure and dynamics of the FCA city economies cannot provide the necessary scale and quality of jobs needed to absorb the fast growing young work force: exclusion is set to grow and a demographic dividend blocked.

Table 3.5 provides a summary of some of the key constraints to productivity and growth in FCA cities.

[75] World Bank (2015), *The Growth Challenge: Can Ugandan Cities get to Work?*, Uganda Economic Update 5th Edition, Washington DC.
[76] Brookings Institute (2014), *Youth Unemployment Challenge In Uganda And The Role Of Employment Policies In Job Creation*, Africa in Focus, https://www.brookings.edu/2014/08/26/youth-unemployment-challenge-in-uganda-and-the-role-of-employment-policies-in-jobs-creation/#ftnte1.
[77] Eguavoen, I. (2010): Lawbreakers and livelihood makers: Youth-specific poverty and ambiguous livelihood strategies in Africa. Vulnerable Children and Youth Studies, 5(3), 268-273.

Table 3.5: Summary of economic characteristics in FCA countries

	Structure of the economy	Value creation and extraction	Informality	Gender disparities
Regional capitals (Ethiopia)	• **Dominance of service sector and informal activities** - manufacturing small at around 4% of GDP. FDI remains small and has not driven structural transformation. • **Productivity is low** in many industrial sub-sectors; especially low in informal activities. Competitiveness maintained through the use of low cost labour • **Missing a 'middle'** -lack of productive and profitable SMEs and medium sized enterprises with growth potential	• **Resource based economy** - key exports like coffee are only semi-processed and other in the small manufacturing sector as 'assembled' e.g. garments and shoes) semi-processed and include coffee	• Employment in the informal sector is expanding as recorded in both FCA cities, Mekele and Dira Dawa.	• **Women are more likely to be unemployed**- The unemployment rate for females is twice that for males (28% and 14% respectively) • **The informal sector is run by women** - Women dominate the percentage share of informal sector participation as well as ownership of micro and small businesses
Metropolitan cities (Ghana)	• **Dominance of service sector and informal activities** - manufacturing small at around **6%** of GDP. • **Productivity is low** in many industrial sub-sectors; • **Missing a 'middle'** -lack of productive and profitable SMEs and medium sized enterprises with growth potential	• **Resource based economy** - key exports are only semi-processed and include coca and oil • **City economic consumption driven** – (informal activities supporting consumption patterns of the wealthy)	• **Informality dominates** Within the Greater Accra Metropolitan Area (GAMA) 80% of the workforce is engaged in informal activities	• Employment of men and women in the metropolitan areas is comparable. • Women's economic advancement is **constrained by customary land laws that prevent women from land ownership.**
Growth corridor cities (Mozambique)	• **Dominance of service sector and informal activities** - manufacturing a small share of the economy • **Productivity is low** in many industrial sub-sectors • **Missing a 'middle'** -lack of productive and profitable SMEs and medium sized enterprises with growth potential	• **Resource based economy - the** extractive sector of mining, coal, natural gas and oil development constitute a major aspect of the economy. • **Infrastructure projects are largely in support of the extractive sectors**	• **Informality dominates** - Nearly 95% of the urban labour force works in the informal economy	• **Employment opportunities predominately for men**-fee jobs being created but those that are on offer are generally dominated by traditional "male" occupations in construction and transport • **Women underrepresented in the labour-force** - female participation in the labour market is 26.3% compared to 75.8% for men
Secondary cities (Uganda)	• **Dominance of service sector and informal activities** - manufacturing less than 25% of GDP. • **Productivity is low** in many industrial sub-sectors • **Missing a 'middle'** -lack of productive and profitable SMEs and medium sized enterprises with growth potential	• Increases in value addition and product sophistication have been minimal • **Resource based economy** where value extraction is dominated by large firms and few small and medium sized enterprises	• **Informality dominates** -The informal sector accounts for more than 60 per cent of urban employment. • The informal sector is the fastest growing sector in Uganda	• Women account for 51% of Uganda's labour force but are a larger share of the unemployment rate as well – 5.2% compared to 3% total. • Only 27 percent of girls in Uganda have received some skills training compared to 37 percent for boys.

3.4 Environmental vulnerabilities and resilience breakdowns

Environmental vulnerabilities and a plethora of resilience breakdowns are the direct and composite result of governance failures, administrative and technical capacity constraints, infrastructure and service deficits, and the way in which many city economies are structured and function.

- *FCA Evidence: Climate impact vulnerabilities, drought and water conflicts in Ethiopia*

Ethiopia is one of the most vulnerable country in the world. The country is ranked as the 10th most vulnerable country in the world to extreme weather. The experience of the two cities assessed by FCA, Dire Dawa and Mekelle, mirrors national circumstances and trends. Both have experienced temperature and rainfall increases, and drought and floods, which are expected to continue and probably intensify over the coming years. Between 2002 and 2005 droughts resulted in significant livestock fatalities and temporary migration from the rural areas to Dire Dawa. It caused famine in the rural Kebeles around the city, necessitating emergency intervention from the Federal Government. In 2006 Dire Dawa was subjected to major floods, resulting in 256 deaths and some 10,000 people being made homeless. The damage was estimated at time to be around 100 million Ethiopian Birr. The frequency of extreme rains and flash floods has increased over the last three decades. Similarly, the seasonal variability of Mekelle's water supply is extremely high, exposing the city to water related insecurity (Figure 3.9).

Figure 3.9: Flood damage across Ethiopia (including in the FCA cities of Dire Dawa and Mekele)

Dire Dawa and Mekelle city administration (2015)

City vulnerability to climate change impacts, environmental stresses and natural hazards is likely to increase in Ethiopia. The significant urban population expansion expected over the next 20 years will increase the vulnerability of cities in relation to flooding, droughts, landslides and the outcomes of active seismic faults. The most important and perhaps immediate vulnerability is that related to water, its availability and scarcity. Conflicts could arise. The importance of industrial development is recognised, many industrial investments, such as textile and leather operations, use significant quantities of water. In water stressed areas such as Mekelle, the site of many new industrial activities, water related conflicts may constrain future economic development.[78] In the case of Mekelle, scarce basic urban services O&M budgets are diverted to repair of roads seasonally washed out as a result of flooding and poor drainage (Figure 3.9 top left). The unreliability of electricity was also mentioned by many participants of the FCA stakeholder engagement workshops as a major impediment to the promotion of resilience. For example, it was reported that more than 50% of the households in Mekelle face power interruptions at least once a week, adversely affecting households and businesses, especially those in the informal sector and the working poor. Water supplies fail when pumps seize to operate due to power interruptions; *'if there is no electricity then there is no water'*; as stated by one participant in FCA Mekelle stakeholder engagement workshop. Electricity and water are two key factors directly influencing the productivity and quality of life in the city and ultimately its resilience.

In general, cities in Ethiopia are almost entirely unprepared to handle issues of environmental management, resilience, disaster management and green growth. The policies and plans elaborated at federal level are not well known at sub-regional levels. Many cities do not appear to know or fully understand the content of relevant and recent Federal Government policies and pronouncements, and within city administrations it is often hard to find the person(s) charged with implementing new work processes for disaster management or watershed management. The relevant legislative framework is also sketchy. A worse-case scenario is that many cities are overwhelmed by the demands of a rapidly increasing population, increased adverse climate change impacts and the outcome of environmental stresses and hazards.

- *FCA evidence: Climate impact and other environmental vulnerabilities in Ghana*

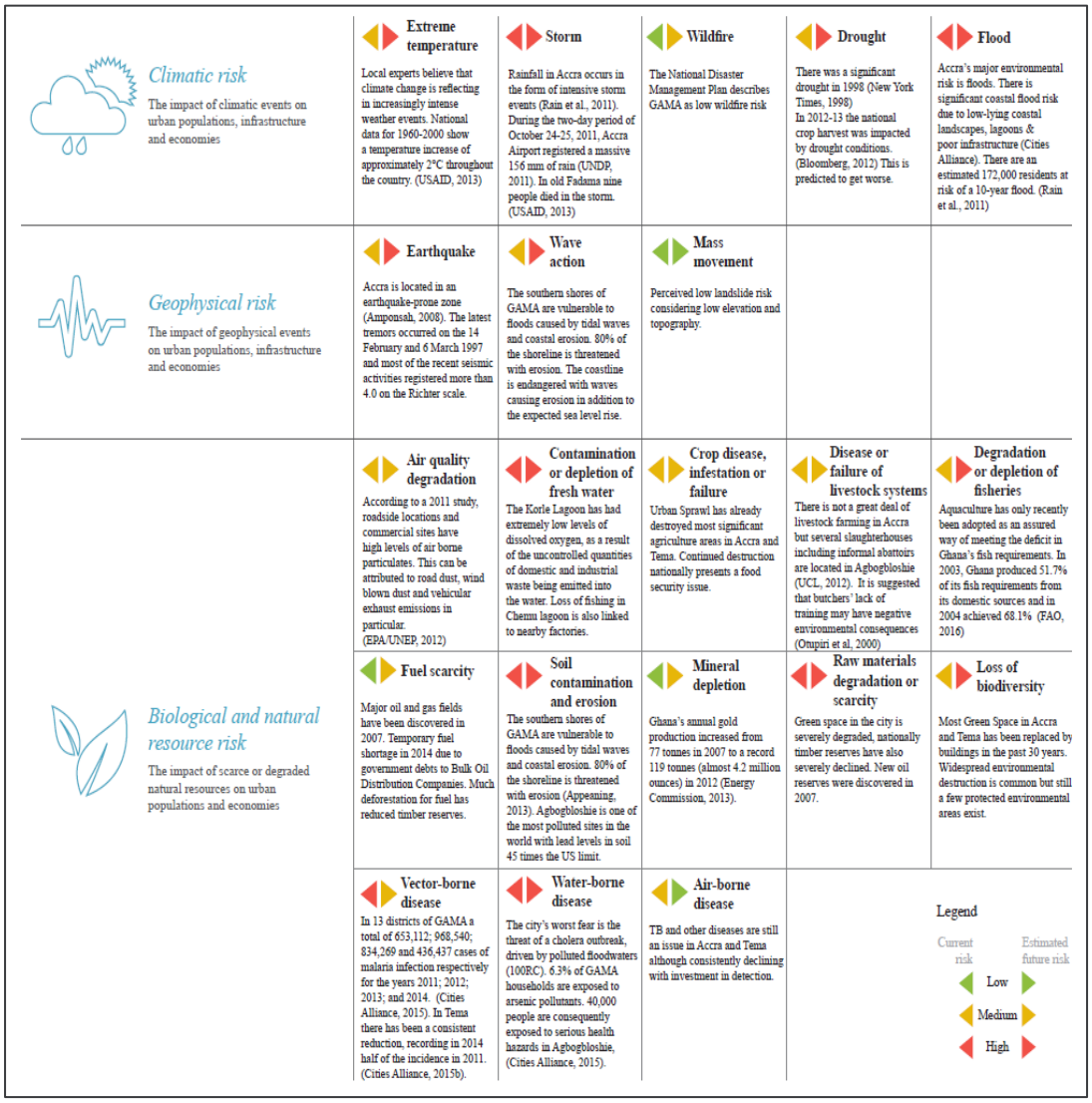
Ghana also is vulnerable to climate change in terms of increased flooding, drought and extreme temperatures, vector-borne disease, and seismic hazard. Around 3 percent of the population within the coastal zone is at risk as a result of inundation and shoreline recession. In the east coast, the erosion of the shores may be occurring at an average rate of 3 meters per year. The areas east of the Volta River estuary are particularly vulnerable. The coast of the Gulf of Guinea (where GAMA and Accra are located) is already battered by the Atlantic. The sea-level is expected to rise a further 80 cm by 2100, affecting low-lying coastal communities, particularly those that have inhabited these locations over the last hundreds of years. Mean temperature is forecasted to increase 3.9°C by 2080, presenting increased drought risk across the country and possibly triggering secondary impacts such as migration into urban areas as well as further shortages in (hydropower based) energy supply.

The GAMA region faces additional hazards including air or water pollution, depletion of natural resources and related ailments such as respiratory illness and water-borne pathogens. Accra's major environmental risk is floods, due mainly to the low-lying coastal landscapes, damaged lagoons and the drainage infrastructure that lacks capacity and is poorly maintained (itself a function of service deficits in waste management). Droughts and extensive flooding in Accra is a yearly worry to the people and the government. Residents of flood plains and flood-prone areas are constantly rendered homeless and ousted during such periods. The impacts of climate change in the southern part of Ghana, especially for Accra, results in droughts in the dry season, severe floods in the rainy season, high temperatures, and an influx of pest and diseases which negatively affect the lives of many thousands and cause property damage worth millions of dollars. Fortunately, the issue of climate change is

[78] Evidence from interview with RMG factory developer: site manager (2015)

gaining recognition at the highest political level. Currently, all local assemblies are requested to undertake a Vulnerability Assessment in order for cities to identify and prioritise measures to reduce vulnerabilities and increase resilience. Unfortunately, many vulnerability assessments are either incomplete or not undertaken at all. In the case of the 13 MMDAs in GAMA a lack of systematic evidence of risk and vulnerabilities is a key gap in future proofing and exposes the metropolitan areas to a numerous risks that are not adequately being managed (Table 3.6).

Table 3.6: Illustration of Urban Environmental Risk Framework: GAMA



Cities Alliance, Arup (2016)

- *FCA Evidence: Environmental vulnerabilities and rising sea-levels affecting Mozambique*

Environmental vulnerability may be even more acute in Mozambique. The country is ranked third in Africa in terms of exposure to climate-related hazards and is the fourth most vulnerable country in the world to rising sea level. More than 60% of its population live in coastal areas, and 6 out of the 10 largest cities are located on the coast exposing large numbers of people to sea-level rise and climate extremes. Mozambican cities are particularly vulnerable to flood and erosion risks. Environmental degradation has accelerated in many cities due to unplanned development and poorly regulated land use. This typically includes the growth of low income residential settlements in vulnerable areas

devoid of infrastructure investments. Where drainage infrastructure is inadequate, storm water contamination is more severe and the health effects of floods are more dramatic. Sea level rise and coastal erosion will drastically affect the country's 2700 km long coastline where two-thirds of its population and most of its infrastructure are located. In the hinterland, rising temperatures and changing rainfall patterns may increase the occurrence of droughts. Of particular concern is the projected 5-15% drop in annual rainfall; the vast majority of the population in Tete and Nampula provinces, for example, are reliant on rain-fed subsistence agriculture. Reduced rainfall is also projected to lead to lower water levels in the Zambezi River, affecting hydroelectric generation capacity, a major source of energy in northern Mozambique. There is a lack of data on how economic activities are contributing to environmental problems, but deforestation and soil erosion, which is evident, is clearly adversely affecting agriculture and contributing to the damaging effects of floods in both rural and urban areas. Some 137 000 hectares of forest cover has been lost for agricultural purposes every year since 2006. At this rate the forest cover will cease to exist by 2035.

- *FCA Evidence: Environmental vulnerabilities and threats to major economic activities in Uganda*

Uganda's climate is naturally variable and susceptible to flood and drought events which continue to have clearly defined negative socio-economic impacts. Climate change is likely to increase average temperatures in Uganda by up to 1.5 ºC in the next 20 years and by up to 4.3 ºC by the 2080s. Changes in rainfall patterns and total annual rainfall amounts are expected with significant implications for water resources, food security, natural resource management, human health, settlements and infrastructure. In Uganda, there are likely to be changes in the frequency or severity of extreme climate events, such as heat waves, droughts, floods and storms. Environmental risks of course vary between cities. The environmental risk framework for Arua identified extreme temperature, drought, bush fires, air pollution and soil degradation. The municipality of Mbale provides a completely different set of environmental risks, located in a fragile mountain ecosystem. Rich with biodiversity and soil nutrients Mbale is at risk from many impacts of climate change from crop viability to water security, soil erosion and landslides, as well as the prevalence of diseases that previously did not impact the area.

Many impacts, however, are common across the country. Unplanned and sprawling city expansion is a contributor to environmental degradation across Uganda. It is principally the poor and vulnerable of every city which will feel the impacts the hardest, especially residents of informal settlements where inadequate housing and services typical of many of the FCA secondary cities, means that these communities are ill-equipped to withstand climatic shocks and stresses.

With vulnerable water sources in many parts of the country, cities will need to find alternative water sources to maintain provision of water services which is already insufficient. Climate change has serious implications for the nation's and local economies. A shift in the viability of coffee growing areas potentially losing US $265.8 million or 40% of export revenue. In Jinja, where tourism based on the natural environment such as waterfalls and adventure sports on the Nile, changes in the climate and environment could negatively impact tourism revenue. There is a need to better understand the environmental and natural resource constraints to growth (for example industrialisation within the context of resource constraints) and devise development pathways that do not deplete environmental services and degrade natural assets (Table 3.7)

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Table 3.7 Resource Constraints, Risks and Growth: FPCS Evidence from Uganda

Threat	Evidence of threat	Local drivers	Regional drivers	International drivers	Current risk	Future risk
Contamination and depletion of freshwater	Wastewater from processing of animal products is discharged directly into the drainage channels and sewer line (SotER for Jinja District 2005). Furthermore, the water front is at serious risk of being degraded through silting and encroachment (JMC Final Structure Plan Report 2009).	Industrial pollution and shoreline land use Due to harmful land use practices along the lake's shoreline and riverbanks, industries are contributing to water pollution. However, several industries have invested in waste treatment infrastructure, so the key to addressing this threat will be further industrial environmental regulation.	Environmental enforcement Inadequate or weak enforcement of national wastewater management standards is problematic for avoiding industrial pollution. More generally, environmental regulations for water issues are clear, but implementation is lacking. Water resource planning Given the national demands for water for industry and hydropower, there is a need for better water use planning, as well as strong institutions – otherwise city risks will be not be able to be addressed.	Climate change Projections suggest that under climate change conditions, there will be a much greater water demand nationally coupled with some potential reductions in supply (total demand is expected to increase from 408 million m^3 in 2010 to 3,963 million m^3 in 2050 (CDKN, 2015).	M	H

Cities Alliance (2016)

- *FCA Evidence: GTP II exposure to vulnerabilities in Ethiopia*

The environmental vulnerabilities described above are significant and associated with and often caused by a range of societal vulnerabilities (for example, infrastructure, service and housing deficits, and dysfunctional governance). The way in which national and city politics and economies 'work' is perhaps a more fundamental determinant. Value extraction generally favours a small section of society with a majority pushed to the margins and living in unserviced settlements and subsisting through informal economic activities. Ethiopia shares many of these development model characteristics:

- **Inadequate capacity and capability**– there is a dangerous implementation gap which if not closed is likely to compromise the achieving inclusive growth and resilience targets of its Growth and Transformation Plan II, 2016-2020).
- **Lack of funding and inadequate financial instruments** – the national debt is high in Ethiopia and rising and own-source revenues generated by cities is often very poor. Financial resources must be generated in order to be able to fund measures that close the implementation gap and deliver programmes and projects that enable climate change impacts and environmental risks and stresses mitigated or overcome, inclusive growth promoted and resilience strengthened.
- **Growth that could outrun structural transformation –** growth without structural change is likely to be associated with progressive impoverishment as the informal sector expands and is characterised by low productive low return activities, surrounded by an enclave FDI sector generating significant returns, but mostly for the few. Furthermore, negative environmental impacts are likely to be associated with an increase in aggregate growth in the absence of structural change.
- **Major housing, infrastructure and service deficits –** there are major deficits in all cities across Ethiopia, which impede structural change and could severely compromise the ability of the State and individual cities to address climate change impacts and environmental risks and stresses, and build inclusive and resilient economies

There is one *cross-cutting resilience challenge* common to nearly all SSA countries and that relates to the feminization of urban poverty. Women increasingly dominate the expanding informal sector in Ethiopia and statistics consistently show that poverty reduction in female head of households is falling slower than in male head of households. Many studies have demonstrated that gender equality is *smart economics*; it can enhance economic efficiency and improve other development outcomes by removing barriers that prevent women access to education and employment opportunities. Furthermore, when women and men have equal chances to become socially and politically active, and shape policies, it is likely to lead to more inclusive institutions and to a better development path. The resilience challenges, as described above, will only be comprehensively addressed when issues of gender inequality are addressed. The above four primary resilience challenges and one cross-cutting resilience challenge must be addressed in order for countries such as Ethiopia to be able to promote inclusive and resilient economic growth: future proof.

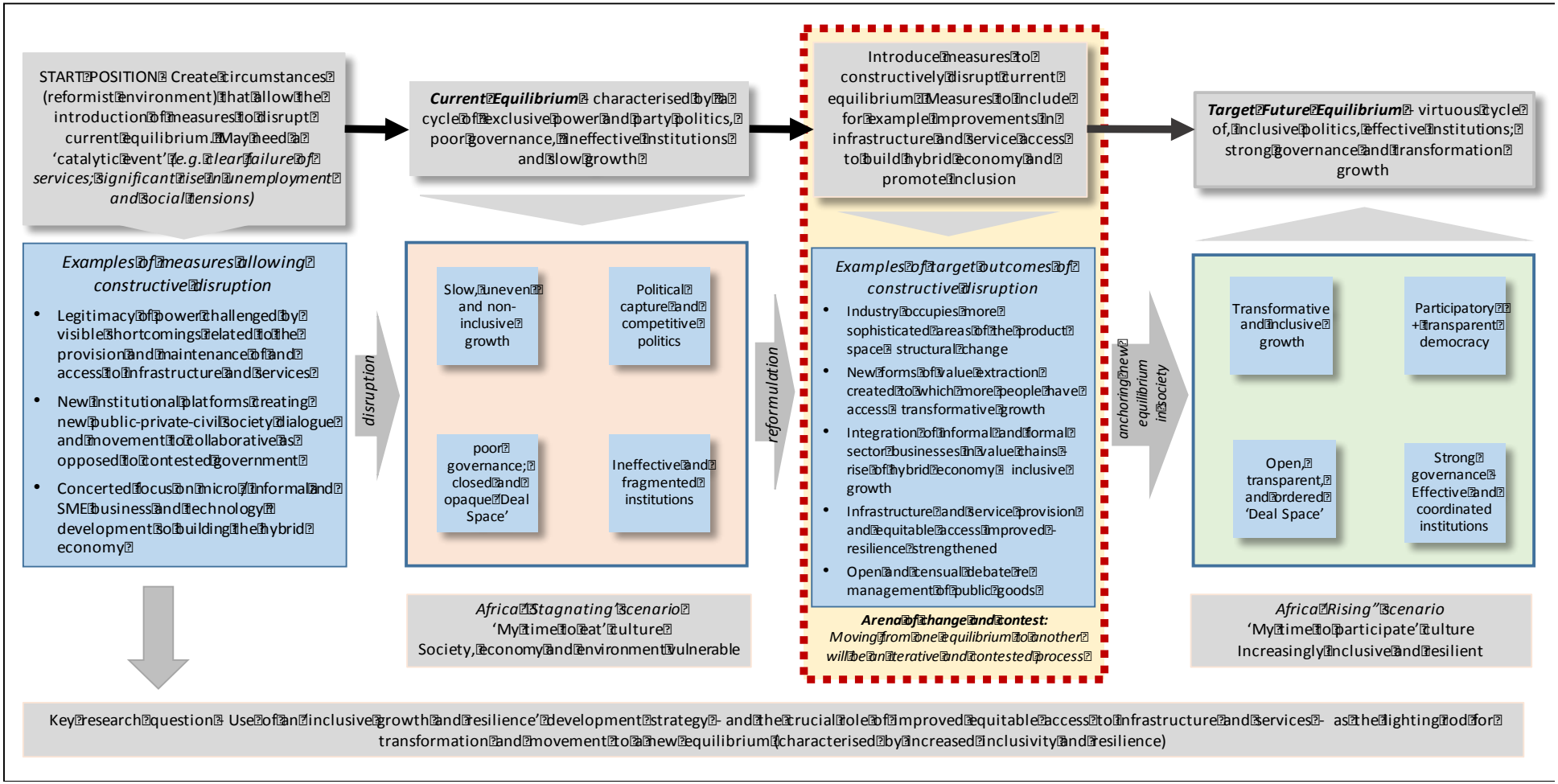
3.5 Summary

The evidence from the FCA cities is both substantial and compelling - at present the majority of towns and cities in these countries do not appear to be able to withstand and recover from significant shocks, stresses and hazards to their environment, economy and society; the majority are beset by weak governance and inadequate finances; most face an uphill task to overcome infrastructure, service and housing deficits; virtually all are characterised by social and economic inequalities and the dominance of informality in housing and employment; and all appear to be driven by economies and politics that continually reproduce these constraints on transformative and inclusive growth, and resilience. The literature indicates that this state of affairs in mirrored across much of Sub-Saharan Africa. Given the context of a rapidly rising urban population the prospects for the promotion of inclusion and resilience seem to be muted Prompting change is however, vitally necessary. If marked improvements in inclusion and resilience are not secured over the coming few decades, the evidence presented here indicates that the immiserisation of urban Africa may be an outcome leading to a significant increase in poverty and inequalities (reversing the trend of the recent past), major social tensions and armed conflicts, and an irreversible environmental degradation across FCA countries .

For cities and towns in the FCA countries to become engines of inclusion and resilience, they must be the site of *transformational change* with particular reference *to* change in clientele governance and wealth creation and distribution is necessary (see Figure 3.10). The exact pathway that can be travelled is most likely to vary city by city. But each pathway of change needs to *constructively disrupt* the current low productivity – high vulnerability – low income growth models currently characterising the FCA cities. The critical issue of sustainable infrastructure and service provision in the context of high levels of informality and low incomes requires new ways of thinking. Low carbon, labour intensive and affordable provision of services seems closer to the mark and thus requires a restructuring of the political – economy shaping current incentives, financial and delivery modes of basic services to ensure they reach the urban poor.

The next chapter identifies a package of recommendations to support transformation and future proofing.

Figure 3.10: Constructive Disruption to Development Pathways



Adapted from Cities Alliance (2016). *Equitable Economic Growth in African Cities*: Final Report, IPE Tripleline

4 . FINDINGS AND FEASIBILITY

4.1 The African Urban Transition

The ***scale*** of the African urban transition is immense:

- By 2050, Africa's urban population is expected to increase by 830m from 470mn to 1.3bn;
- 1.3bn people will live and work in cities putting extreme pressure on services and infrastructure.

FCA diagnostics have demonstrated that the process of urbanisation and city growth is fundamentally flawed in each of the four countries assessed, and there is little evidence of transformational change. The nature of the urbanisation process reflects the political economy of national and city economies often based on resource extraction with rents captured by powerful interest groups combined with a high share of low productivity – non-tradeable service activities supporting the majority of the urban population. Growth is occurring, but the economy changes in aggregate only; it gets bigger because more resources are extracted and life improves through a trickle-down process. Structural transformation is lacking, movement in the product space is hardly visible, productivity in the urban economy stagnates, and inequalities rise. The quality of growth is poor and cities are increasingly vulnerable to climate change, environmental and natural resource risks. FCA diagnostics have also clearly demonstrated that the ***capacity*** of African governments – national and local – to manage the urbanisation process and foster productive, inclusive and resilience cities is severely deficient. The immediate causes of this deficiency are dysfunctional governance (distorted incentives), severe administrative and technical capacity constraints, and major infrastructure and service deficits. Interventions are needed throughout the policy and project cycles, albeit varying in relative emphasis across the FCA countries. Adding to the dysfunctionalities, it must be highlighted that gender is a cross-cutting issue that makes responding to effects of unplanned urbanization in Africa a lot more complex. To respond to the challenges faced by different men and women in urban Africa, gender must be taken into consideration throughout the planning process. Thus, implementation following findings and recommendations must be gender-responsive.

4.2 Diagnostic Findings and Recommendations

The huge and multi-faceted infrastructure deficits outlined in this feasibility study are a root cause of the myriad problems confronting African cities. Given that Africa did not meet the Millennium Development Goals (MDGs), the addition of the Sustainable Development Goals (SDGs), the Paris Agreement and the New Urban Agenda place an additional burden on an already over stretched capacity with huge backlogs on even the most basic of needs. The key findings of the FCA, however, point to an even deeper crisis, one concerning the capacities of local government and the incentive structures governing local government actions. At the heart of the failure to adequately respond to urban growth is the ***weakness of institutions*** required to support the development process. This weakness includes national institutions such as ministries, municipal associations and universities but fundamentally, it is about local institutions especially, local city government.

Based on the normative framework diagnostics, the broad range of issues identified throughout this feasibility study has been reduced to some 23 key problem/opportunity areas divided between each dimension (governance, services, citizenship, economy and environment). In turn each problem/opportunity area is matched with recommended intervention areas divided into the 3 key action areas that will make transformation possible namely:

- Reform
- Capacity
- Investment

Table 4.1 summarises the key problem statements based on the evidence in Chapters 2 and 3 above (opportunity / constraint) and the recommendations to act to remove the constraint / capture the opportunity

Table 4.1: Recommendations against the FCA Normative Framework

Governance:

Constraint / Opportunity	Recommendations
1.0: Dysfunctional and fragmented national enabling environments and inappropriate urban law undermining the capacity to deliver services.	Reform 1.1: Review the national enabling institutional, policy and fiscal environment for cities and the urban law within each country to guide a reform process that will ensure that cities have the legal tools to deliver appropriate and affordable services.
	Capacity 1.2: Support existing or help establish National Urban Forums that enable dialogue between diverse national ministries, urban local governments, academia, private sector and civil society to identify opportunities and constraints to inform the reform process.
	Investment 1.3: Technical Assistance to ensure qualified expertise and operational budget support to ensure functionality of National Urban Forums
2.0: Urban Local Governments do not have sufficient and qualified staff nor the incentives to attract them without rent seeking.	Reform 2.1: Support a reform process that aims to strengthen the accountability of local government technical staff, such that a career in local government carries both the stature and reward to counter rent seeking.
	Capacity 2.2: Based on the **Toolkit** developed by the FCA identify and quantify the skill gaps and develop a strategy both Pan -African and national to scale up training of managerial and technical staff.
	Investment 2.3: Technical Assistance to ensure qualified expertise in both reform and strategic processes and operational budget to support implementation of identified programmes
3.0: Weak financial resources to deliver services and inadequate management systems to ensure accountability	Reform 3.1: Attached to reform agenda 1.1 ensure that cities have clear funded mandates and the legal responsibility to raise revenue.
	Capacity 3.2: Support the institutional and human resource capacities of local government to enhance own source revenue and embed Performance, Financial and Information management systems to account for all revenues and expenditure.
	Investment 3.3: Technical Assistance to ensure qualified expertise and operational budget to support implementation and the procurement of both hardware and software
4.0: Existing land use planning is unable to deal with scale and speed of city growth resulting in increased informality and sprawl.	Reform 4.1: Support the reform of existing land use planning approaches in each country to ensure that they are able to respond to the scale and speed of city expansion in a way that enables the securing of land to protect the environment and future transport, drainage and other service delivery lines.
	Capacity 4.2: Support the development of "land expansion" plans in each city and the securing of land to protect the environment and long term transport, drainage and service delivery lines
	Investment 4.3: Technical Assistance to ensure qualified expertise.

5.0: Many larger cities are not managed as a single functional region, but rather as a collection of separate districts with sever impacts on services that cross jurisdictional boundaries including transport and drains	Reform 5.1: linked to 15.0 support institutional reform that enables the better coordination of multiple jurisdictions that typically constitute a metropolitan area.
	Capacity 5.2: Working with different jurisdictions and stakeholders support the development of an inclusive transport structure/master plan as a frame for future city growth and service delivery need.
	Investment 5.3: Technical Assistance to ensure qualified expertise and operational budget to support process.
6.0: Lack of reliable basic data available to city managers to ensure that strategic and operational planning is based on evidence.	Reform 6.1: Attached to reform agenda of 7.0.
	Capacity 6.2: Based on the **Toolkit** developed by the FCA support development of data collection, storage and management systems useful to city managers in each city.
	Investment 6.3: Technical Assistance to ensure qualified expertise and operational budget to support implementation and the procurement of hard and software
7.0: Ministers and City Managers in Africa are not gaining access to the relevant experience and learning of others both within and between countries.	Reform 7.1: Working with UCLGA, design a learning and scale up process (LSU) through the development of a continental wide knowledge management platform.
	Capacity 7.2: Based on the experience of the FCA `Support the implementation of a knowledge platform in each country that links national government and other institutions to the cities and the cities to each other.
	Investment 7.3: Technical Assistance to ensure qualified expertise and operational budget to support implementation and procurement of hardware and software
8.0: City Managers often manage cities moving from one crisis to another without any or limited long -term strategic vision and strategy.	Reform 8.1: Linked to reform agenda 1.0 support the incorporation of City Development Strategies into the hierarchy of plans guiding city management.
	Capacity 8.2: Using the **Toolkit** developed through the FCA support the development of a City Development Strategy in each city.
	Investment 8.3: Technical Assistance to ensure qualified inputs and the packaging of bankable social, economic, environmental infra-structure projects.
9.0: Land Administration Systems unable to effectively incorporate customary land into strategic and land use planning often resulting in conflict and eviction.	Reform 9.1: Linked to 1.0 ensure that traditional authorities where relevant are adequately incorporated into policy-making processes.
	Capacity 9.2: Support an on-going dialogue with customary authorities aimed at building trust and finding a new pathway to release land in partnership with government.
	Investment 9.3: Technical Assistance to ensure qualified expertise and operational budget to support implementation

Economy: Transforming for jobs

Constraint / Opportunity	Recommendation
10.0: Cities faced with high youth unemployment focus on the needs of the relatively small formal economy and ignore or actively work against the larger informal economy undermining livelihoods and limiting economic opportunity and growth.	Reform 10.1: Linked to 8.0, support the conceptualisation of the hybrid economy and research how the formal and informal economy can mutually benefit in the interest of more inclusive economic growth.
	Capacity 10.2: Using the **Toolkit** developed by the Cities Alliance, evaluate the structure of each cities economy and develop policies, regulations and guidelines to enable the integration of informal economy enterprises into the value chains currently dominated by formal enterprises so they can expand, become more productive and benefit from 'spill over effects.'
	Investment 10.3: Technical assistance to ensure qualified expertise.
11.0: Informal traders and producers have little well located space to trade or produce from limiting productivity and the range of services available.	Reform 11.1: Linked to 4.0
	Capacity 11.2: Support the development of serviced commercial and industrial space and improved connectivity as a means of promoting the productivity of informal economic activities.
	Investment 11.3: Technical assistance to ensure qualified expertise. Capital investment finance to enable construction.
12.0: Even with the advantages of agglomeration few informal activities transform into small, medium enterprises undermining employment. In the context of local government services and clean energy new opportunities could potentially be available.	Reform 12.1: Linked to 10.0 but also including the integration of urban local government opportunities and the implementation of the Paris agenda at the local level.
	Capacity 12.2: Identify SME's with high potential and support them to expand generating jobs for the urban poor and environmental benefits.
	Investment: 13.3: Technical Assistance to ensure qualified expertise and operational budget support to ensure functionality of institutional support. Micro finance to ensure business viability and expansion.

Citizenship: Building new partnerships

Constraint / Opportunity	Recommendation
13.0: In a growing number of African countries slum dweller organisations are successfully partnering with urban local governments to improve informal settlements.	Reform 13.1: Linked to reform 1.0 ensure that organisations of the urban poor are recognised stakeholders with both rights and responsibilities.
	Capacity 13.2: Support the organisational development and programme of organised slum dwellers based on the mobilisation of savings groups.
	Investment 13.3: Operational budget to support organisational development.
14.0: Both Informal and formal economy stakeholders are poorly organised at city level undermining the potential of productive partnerships between them and with urban local government.	Reform14.1: Linked to both 1.0 and 10.0 ensure the organisations of the private sector (informal and formal) are recognised stakeholders with both rights and responsibilities.
	Capacity 14.2: Support the mobilisation and organisation of informal sector and formal sector economic actors within each city.
	Investment 14.3: Operational budget to support organisational development.
15.0: In most cities strategies and programmes do not meet the needs of citizens causing tension between urban local governments and the populace.	Reform 15.1: Linked to 8.0 ensure stakeholder participation in urban planning and management.
	Capacity 15.2: Building on the evidence of Uganda support the development of multi stakeholder Municipal Development Forums in each city.
	Investment 15.3: Operational budget to support organisational development.

Services: The key to health and the economy

Constraint / Opportunity	Recommendation
16.0: The majority of urban services are delivered at high cost and low quality by informal service providers, resulting in low health and economic outcomes.	Reform 16.1: Linked to 14.0 engage with informal service providers and explore possibilities and incentives required for increased regulation and improved service quality.
	Capacity 16.2: Linked to 12.0 formalise informal service delivery into formalised SMEs.
	Investment 16.3: Technical Assistance to ensure qualified expertise and operational budget support to ensure functionality of institutional support. Micro finance to ensure business viability and expansion.
	Reform 17.1: Linked to 12.0 and 15.0

17.0: Throughout Africa good experience illustrating community built and managed infrastructure can deliver better quality infrastructure and service.	Capacity 17.2: Establish Community Upgrading funds that enable community built and managed infrastructure to be rolled out on a larger scale.
	Investment 17.3: Technical Assistance to design funds, operational cost of oversight and investment capital to capitalise funds.
18.0: Many PPPs are not delivering expected results and are failing while other municipal services could be better provided through well-structured PPPs	Reform 18.1: Link to 8.0
	Capacity 18.2: Develop a PPP packaging and monitoring facility to ensure that services that can be provided by the private sector also serve the poor are well designed and sustainable.
	Investment 18.3: Technical assistance to ensure quality of inputs and operational cost of oversight.
19.0: Most housing for low income households in African cities are self- built of low quality and on land with no or weak title.	Reform 19.1: Linked to 1.0
	Capacity 19.2: Support the development of a housing value chain that enables people to access finance, land, building materials, technical advice and ultimately affordable housing either upfront or incrementally.
	Investment 19.3: Technical assistance to ensure quality of inputs and operational budgets to enable organisational development
20.0: High dependency on biomass and low levels of electrification undermine economic growth and human potential	Reform 20.1: Link to 12.0
	Capacity 20.2: Support economic growth through the role out of energy solutions using different modes of delivery per circumstance and need.
	Investment 20.3: Technical assistance to ensure quality of inputs and finance capital to enable SME involvement.

Environment: The cheapest and most effective urban service

Constraint / Opportunity	Recommendation
21.0: Informal settlements are often located on the most environmentally vulnerable land including flood pleins and are the most affected by changing climate and risk	21.1 Reform: Link to 13.0
	21.2 Capacity: Engage organised slum dwellers as part of a programme at rehabilitating and restoring the natural city environment.
	21.3 Investment: Technical assistance to ensure high quality inputs. Operational funds to ensure organisational development and capital funds to upgrade environment.
22.0 Many African cities will be affected by climate change in different ways including sea level rise, drought and food insecurity.	22.1 Reform: Link to 8.0
	22.2 Capacity: Develop an adaptation strategy for each city that locates climate change within the context of present and future challenges**.**
	22.3 Investment: Technical assistance to ensure quality inputs and the packaging of bankable projects.
23.0 As signatories to the Paris Agreement cities need to mitigate against climate change by reducing carbon emissions and adopting low carbon development pathways	23.1 Reform: Link to 8.0
	23.2 Capacity: Using the **Resilience.io platform** and other available **Tools** enable cities to gather the information and knowledge needed to lower greenhouse gas emissions, make low carbon technology choices and promote energy management planning.
	23.3 Investment: Technical assistance to ensure quality inputs And the packaging of bankable projects.

Cities Alliance (2016)

4.3 Prioritization and sequencing

To ensure that African cities can effectively respond to the 3 challenges of demographic growth, globalization and climate change risk they require to a greater or lesser degree support across all 5 dimensions of the normative framework. The nature of the support required can be defined as a mix between policy and institutional reform, the building of institutional and human capacity and he leverage of investment into the required infrastructure and services. Thus any future programme in support of African cities will require an integration of these three components.

Not all 23 problem/opportunity areas are equal in impact. The central finding of the feasibility study is that African cities will not effectively manage urbanization unless local government gears up with qualified personnel that are paid a decent wage to perform a professional service. Secondly cities will not be able to finance their infrastructure needs without a growing economy that creates work. Thirdly cities will forever be at high risk unless land use and infrastructure plans are developed and implemented that can effectively help protect against the inappropriate settlement of land and promote the management of orderly settlement and development. These are the 3 priorities and are presented in red in table 4.2 below.

Leveraging off Cities Alliance past investments certain of the identified recommendations can achieve measurable impact within the short-term while others will require the longer term. To achieve the institutional framework required for effective city programming, some of the recommendations will need to be managed upfront in parallel. The institutional framework is based on the premise that the degree to which national stakeholders, local government and citizens forge a coherent and transparent relationship is the degree to which an accountable local government can be achieved. This is the bed-rock on which the broader programs build. Experience has demonstrated that stakeholder engagement is a prerequisite for successful planning and reform, yet dialogue without short-term measurable results soon begins to lack credibility. It is the balance between vital stakeholder dialogue and results on the ground that informs the idea of breaking implementation down into 6 discreet steps/phases, although the actual execution will depend on country specific conditions.

- **Step 1** is the building of the institutional framework including municipal forums
- **Step 2** is focused on short term wins centered on the established municipal forums
- **Step 3** is focused on immediate high impact policies and organizational change
- **Step 4** is focused on medium term improvement in services
- **Step 5** is focused on medium term city planning
- **Step 6** is focused on longer term policy reform

Figure 4.1: Unemployed youth living in informal settlements in a degraded environment

Cities Alliance (2015)

Table 4.2 Sequencing of activities (top priorities in red)

Short term: Projects that can build on or be set up and have a measurable impact within 2 years		
Reform	**Capacity**	**Leverage**
Step 1: New Land Use Planning approaches in place.	**Step 1:** National Urban Forums functioning.	**Step 2:** Registered Community Upgrading Funds in place and dispersing
Step 1: The better coordination of multiple jurisdictions that typically make up a metropolitan area in place.	**Step 2:** A strategy both Pan - African and national to scale up training of managerial and technical staff in place	**Step 3:** SME's with high potential supported to expand and generate work opportunities.
Step 1: A learning and scale up process (LSU) through the development of a continental wide knowledge management platform in place.	**Step 3:** Data collection, storage and management systems in place.	
Step 2: The political acceptance of the hybrid economy in the interest of more inclusive economic growth in place	**Step 1:** The organisational development and programme of organised slum dwellers deepened and widened.	

	Step 1: Organisations of informal and formal sector economic actors operational within each city.	.
	Step 1: Municipal Development Forums operational in each city.	
	Step 3: Cities have climate mitigation and energy management plans	
	Step 3: Performance, Financial and Information management systems to account for all revenues and expenditure embedded	
Medium term: Projects that can be set up and have a measurable impact within 5 years		
Reform	**Capacity**	**Leverage**
Step 5: Functioning affordable housing value chain in place delivering pilot in-situ and green field projects	**Step 5:** land expansion plans and the secured land to protect long term drainage and service delivery lines in place	**Step 4:** Better PPP packaging and monitoring provides improved service delivery.
	Step 5: CDS including climate change adaptation strategy for each city in place.	**Step 4:** Examples of the integration of informal economy enterprises into the value chains currently dominated by formal enterprises in place.
	Step 5: For metropolitan cities an inclusive transport master plan as a structuring frame for future city growth in place	**Step 4:** Improved quality and price of service delivery by informal service providers
	Step 5: informal settlements engaged in rehabilitating and restoring the natural city environment.	**Step 4:** Local economic growth increased through the role out of energy solutions using different modes of delivery.

		Step 4: Improved service delivery through enhanced revenue collection and expenditure.
Longer term: Projects that are likely to take more than 5 years to show measurable impact		
Reform	**Capacity**	**Leverage**
Step 6: National enabling institutional, policy and fiscal environment for cities and appropriate urban law in place.		
Step 6: A career in local government that carries stature and reward increasing accountability of local government technical staff in place.		
Step 6: A new pathway to release customary land in partnership with government in place		

4.4 Future Programme Design Parameters

4.4.1 Intervention Areas for Future Programming

The DFID BCIS defines the scope of the Feasibility Study as follows: "*A feasibility study to determine in which countries and then in which cities the programme should focus. It is anticipated that the project will work in at least 2 cities in each of four countries. This study will include contextual analysis in each city chosen to map out the existing partners, activities, and gaps in order to help shape engagement for possible future programming and to understand where this project should focus its efforts.*[79] The previous section outlined the technical responses to the constraints and opportunities identified through the FCA diagnostic processes and which feed into future programme content. In terms of future programming, two broad recommendations relate to geographic and thematic focus areas.

- **Country / City Focus: Leveraging Ownership, Relationships and On-going Initiatives**
    - There is a case for future proofing initiatives across all four of the FCA countries (and cities):
        - There is a high level of buy-in to future proofing initiatives from the Ethiopian, Ghanaian and Ugandan Ministries and city governments. Mozambique is different with a more fragmented national structure marked by deep political divides around decentralisation and local governance. However, city level buy-in is high in the FCA growth corridor cities and amongst development partners.

[79] FCA BCIS (2014), p. 2.

- In terms of city level participation, this should be determined in consultation with national and local partners: there is a strong case to align programming with national priorities and assist partner ministries / cities achieve development objectives to the extent these contribute to inclusive growth and resilience. Based on FCA discussions with national counterparts, the following are likely to be the scope of the programme coverage:
    - Ethiopia: Expand to regional growth centres (likely 5 or 6 cities)
    - Ghana: GAMA plus consider expanding coverage to include the lagging northern region cities.
    - Mozambique: Tete – Nampula – Nacala growth corridor. Possible additional corridor based on national priorities.
    - Uganda: 14 secondary cities included as part of FCA.

- In all four countries, there are strong institutional and policy entry points that future programming that can link to and complement other development partners working in the "city" growth and resilience space – Table 4.3. In Ghana, Cities Alliance has established a dialogue with the Government of Ghana and the African Development Bank on building on FCA diagnostics and initiating a Master Plan for GAMA.
- Cities and Infrastructure for Growth (CIG) is a new DFID programme that has identified three initial countries to support through future programming: there is a good fit between CIG and FCA in the case of Uganda. Future CIG programming should consider Mozambique, which is a CIG priority country, and can leverage FCA evidence and relationships. It is understood DFID Mozambique is assessing building on FCA diagnostics to develop a new programme that includes corridor city growth and resilience.

Table 4.3 Institutional and Policy Positioning of Potential FCA Follow-on Programming

Country	Lead Ministry /Supporting Ministries	National / Local Policy Linkages	City Focus	Development Partners
Ethiopia	**Ministry Urban Development and Housing** (Ministry of Finance & Economic Co-operation / National Planning Commission)	**Strong** Growth & Transformation Plan II / ECPI and NUDSP	Regional capitals / growth centres to align with national priorities. Mekele/ Dire Dawa plus	WB – City strength / City competitiveness / ULGDP 1 & 2: on – going dialogue. **DFID – EIAF partial link to city level via industrial land. No direct focus on cities**
Ghana	**Ministry of Local Government and Rural Development** (National Development Planning Commission / Ministry of Environment, Science &Technology and Innovation (Town and Country Planning Department))	**Strong** Ghana Shared Growth and Development Agenda (2014 – 7) / 40 Year National Development Plan (in progress NDPC lead) / Medium Term National Development Policy Framework / National Infrastructure Plan (ongoing)	GAMA – Cities Alliance is supporting preparation of resilience plans to link to MTDPs for the 13 MMDAs Extending national coverage (northern regions)	African Development Bank – Cities Alliance engaged in design of GAMA Master Plan TA support package. World Bank – City Strength / WASH sector Master Plan under consideration. UNDP Resilience building advocacy program. GiZ Resilience risk financing strategy with Alliance Re (Germany); SDI – People's Dialogue sanitation, enumeration and negotiations with local government **DFID – no direct programmes centred on urbanisation / cities**. Possible linkage around economic development.
Mozambique	6 Ministries have responsibilities for urban issues and city development. Potential lead: Ministry of State Administration and Public Function through the National Directorate of Municipal Development.	**Moderate** Weak urban policy BUT stronger policies on growth corridors. Strong buy-in at city level for TA for planning and investment support.	Growth Corridors Tete – Nampula – Nacala / Other	Strong interest in future programming from Cities Alliance development partners - World Bank, GIZ, UN-H – via the *Decentralisation Working Group*. **DFID – discussions initiated on potential programming leveraging FCA. No current urban / city focused programming.**
Uganda	**Ministry of Lands, Housing and Urban Development** (National Planning Authority / Ministry of Finance, Planning & Economic Development / Ministry of Water & Environment / Ministry of Works and Transport; Office of the Prime Minister, Ministry of Local Government)	**Strong** Vision 2040 / National Development Plan 2 (Urban transformation planned); Draft National Urban Policy; Municipal Development Strategies; and Municipal Physical Development Plans, & 5 year Economic Development Plans (City Level)	FCA Secondary Cities – link to finalisation and next steps of MDSs and implementation.	***DFID – CIG potential engagement: scoping in progress. Good Fit*** WB – USMID next phase –14 FCA cities. GIZ energy renewable program; USAID Governance Accountability & Participation Program; AfD program on climate change/ renewable energy; AVSI Skilling program for the Youth; AfDB market devt, WASH; HFHI on Affordable housing for the poor; UN Habitat Country Program for Uganda, SDI – Actogether – negotiating forums, planning and enumerations.
Notes: Based on FCA Institutional Assessments (Annex 2). The FCA approach prioritises: (1) a strong fit with national priorities (typically Ministry of Finance driven and those that are growth and climate change related); (2) working with the agencies supporting cities and, critically, directly with cities.				

- **Intervention Themes: Breaking the Barriers to Future Proofing – More than Finance**
    - Creating the Conditions for Effective Governance: Reshaping incentives and building capacity of frontline delivery institutions (as detailed in section 4.2 above):
        - Incentives for City Resilience: Across the FCA programme, there is a need to strengthen urban governance supporting effective decentralisation and frameworks that prioritise more effective functioning of city government.
            - There is a need to channel greater shares of national resources to cities: cities often generate far greater shares of resources than proportional to populations but much of this is then transferred back to national institutions. Making up investment backlogs and planning for expansion requires major injections of revenue for investment and O&M.
            - The is a need to recalibrate the balance between the devolution of responsibilities with the resources cities have available to discharge their responsibilities.
        - More than Finance: Across the FCA programme, there is pressing need to dramatically increase the HR capacity at local level to effectively *plan and implement* growth, infrastructure investment and climate change adaptation initiatives. Increasing financial resources and legislative responsibilities without addressing the HR bottlenecks are not likely to deliver inclusive growth or resilience.
    - Managing Policy Overload
        - FCA countries are pursuing ambitious national development strategies and policy responses to international agreements around the SDGs and climate change. These initiatives have profound consequences for cities, though they are typically not part of making commitments, and creating an overload on already weak local governments. Policy reforms need to bring implementation requirements into the decision – making calculus and the implications for city government made explicit and resourced.
    - Structural Change is Required for Inclusive Growth
        - The FCA city economies all require structural change, *if* local resources are to be created to invest in future proofing. Growth without structural change will not sustainably improve city productivity and equality. Go for growth is not a resilient option. National development strategies and their corresponding spatial structures (with cities often at the forefront) should fully internalise environmental and resource constraints. The evidence from FCA is that local resource constraints are not sufficiently considered in national growth strategies.
        - Interventions to improve productivity enhancing infrastructure – electricity and mobility – are much needed, along with access to water and other basic services. But, 75% of the city economies are made up of informal activities which need far reaching policy and regulatory reform (ease of doing business) and access to business services to improve competitiveness. Central to this is access to serviced commercial / industrial land with security of tenure. Promoting a hybrid economy as a second best option is sensible whereby

informal economic activities are linked to value chains and markets in the formal economy provides an intermediate pathway to productivity growth.

- New models of infrastructure and service delivery are needed that are appropriate and sustainable in view of the on the ground conditions in African cities: key parameters of these services are likely to include micro-grids, low carbon, labour intensive and affordable to low income households and micro / small scale businesses.
- Central to this is access to serviced commercial / industrial land with security of tenure. Interventions are needed to create effective land management systems that reduce uncertainty in terms of security of tenure (for households and commercial activities) and provide for urban land expansion to avoid the reproduction of informal settlements on the city boundaries.

- Managing Risks and Vulnerabilities: Getting the Basics Right
  - There is a need to get greater granularity and ground truth the potential risks and vulnerabilities related to climate change and environmental constraints: more investment is needed in reliable and accurate data at city level.
  - City governments need to build capacity to better understand and manage urban risks: this includes new tools (for example the FCA urban risk framework is aimed at filling this gap; resilience.io provides a more integrated planning tool to improve investment choices), quick, scaleable and easy to use methods to assemble data and the right people doing the job and the time and reosurces to do it propertly.

4.4.2 Research, Evidence and Tools

The FCA Theory of Change is, in part, predicated on successful future proofing of cities depending on the supply of valid and reliable data combined with access to and use of appropriate tools to improve planning and decision-making processes. The FCA evidence endorses this logic and the underlying assumption that there is demand for data, evidence and new tools to improve future proofing efforts. Based on this, the following recommendations clearly emerge:

- Research and Evidence[80]
  - There is a need to increase investment in relevant and readily useable research to assist African decision–makers improve choices related to national urban policies, decentralisation frameworks and local level planning and service delivery performance. How the research agenda is set is also a key issue. African R&D investment around urbanisation and cities is extremely low – research gaps include:
    - More detail understanding of how to sustainably provide infrastructure and services within the context of low income and informal city structures, and in view of the political – economy of African urbanisation and cities;
    - Financial management systems and land administrations;

[80] The State of the Art Papers, Research Monographs and Future Research Agenda documents are available on the FCA OneDrive:**https://onedrive.live.com/?authkey=%21AKPE3I%5FN%2D0eT9DE&id=EB71EA6F3B96B3F%21204&cid=0EB71EA6F3B96B3F** The more detailed recommendations related to the future research agenda and engagement with African research institutions is included as part of a separate report: FCA Future Research Report. The FCA Research Report provides a rapid assessment of the state of African urban research capabilities and potential themes for future African research and options to deliver research and influence policy.

- Building the HR capacity at city level;
- Assessing the feasibility of establishing of an African Urban Observatory to systematically monitor African urbanisation and city growth trends[81]; and
- Developing the research agendas emerging out of the four research studies FCA commissioned – all are relevant to improving knowledge and approaches to future proofing.

- Rethinking the approach to building African research capabilities in terms of scale of R&D, funding structures (public and private) and institutional delivery options – points to consider are;
  - Urban research expertise in Africa is diffused across many disciplines with few specialised urban research centres, weak policy research capability and limited access to national or regional research funding. Research is dominated by northern institutions. Barriers to access of research funding on the part of African based research institutions should be assessed and strategies to remove these actioned.
  - Regional Innovation Eco-Systems: Options to create regionally based research systems and capabilities (support access to regional catchments of expertise) with earmarked funding (e.g. trust funds / councils) to support research, collaboration and policy development should be assessed – this may act as an intermediate solution to bridge weak national capabilities and provide greater visibility of future funding streams to attract and retain researchers.
  - Strengthening national level research institutions directly can better support local level problem solving and contribute to better urban policy and city planning and management processes; however the scale of the challenge likely requires a staged approach. In the short term, it would be sensible to identify 6-8 key focus institutions to develop urban research programmes (centred around the built environment an themes identified above) over a period of 5-10 years and then scale up.

- Tools[82]
  - Resilience.io (Output 3)
    - Prototype / Proof of Concept successfully established – logframe milestone achieved at end of project.
    - Commission an ***independent due diligence (DD) assessment*** of the resilience.io platform to validate market positioning and demand, identify potential collaboration partners (assessing links to other complementary initiatives) and define realistic funding streams for the platform development. Based on the DD assessment, DFID to clearly define future investment intentions in the platform development, and if willing to invest, to define level of investment, terms and conditions to enable resilience.io development team to plan.

[81] This would extend the on-going work of New York University and would be designed to capture the specificities of African urbanisation and build in key variables relevant to policy goals, SDGs and climate change risk and resilience.

[82] See Annex 1for a more detailed review of the FCA tool development work packages.

- The estimated level of investment to move the platform to a multi-sectoral tool with user friendly graphic interface is $4.5 – 5.0 mn over about 48 months.

- The knowledge platform (KP) (Output 3)
  - The KP achieved logframe target milestone by end of project – usefulness and demand for further platform development and take-up were established in Ethiopia, Ghana and Uganda.
  - The embedding of the KP and KP standards into core reform, planning and delivery processes should be a part of future intervention design and suitably resourced (direct TA in ministries / cities to support the knowledge management / management information systems functions)[83]. The KP should be a technological support to strengthen governance (transparency and accountability) and breach implementation gaps (scale-up / learning, capture and share what works) and leverage capacity through improved management processes of: Monitoring Evaluation & Learning (MEL); Payment for Results (PfR) and Performance Management Systems (PMS).
  - The structure of the funding model to support the take-up and utilisation of the KP needs to be further assessed as well as a shift to open source access models (from the current license fee model). Develop a value based payment, results based, model to guarantee value for money.

- Innovative Studies / Tools
  - The tools developed through FCA – City Development Strategy 2.0 Toolkit and the Data Management Toolkit at Output 4 - require applied testing and refinement – there were no resource to pilot / test these toolkits during this phase of FCA.
  - The tools should be shared and demonstrated with DFID country and programme officers and as relevant and appropriate form part of the DFID approach to future proofing (for example through the ICED project) A dissemination plan post End of Project should be agreed with DFID.
  - The Urban Risk Framework / Environmental Risk Framework developed as part of the Future Proofing Cities should also refined, extended and form part of a wider suite of tools supporting future proofing planning processes.
  - The HR Benchmarking and Capacity Building Study/ Tool has demonstrated serious capacity gaps in staff numbers, qualifications and earnings in 6 key municipal functions in 16 cities and 4 countries. The tool enables city managers to assess the adequacy of staffing levels, qualifications and training required to deliver a minimum level of service adjusted to each city context. The tool should now be refined and expanded to cover a larger number of cities and functions. The study provides valuable insights into the scale and nature of the HR challenge required to future proof African cities. By extension, the analysis also provides guidance on the scale and types of education and training needed to sufficiently staff African cities to meet basic performance standards.

[83] The Knowledge Platform budget of £200,000 is 4% of FCA budget with logframe weighting of 12.5%. At £50k/country this was very low and highly restricted the scope and depth of KP utilisation and fully embedding the system into city level business processes notwithstanding demand for more functionality.

4.4.3 Flexible Programme Design

The scale and diversity of the challenges shaping the African urban transition in each of the four FCA countries requires a flexible and innovative approach to programme design. The basic design parameters emerging out of FCA are:

- A comprehensive, flexible and demand driven approach combining:
  - ***Reform*** of national and local policy, regulatory and legal frameworks to reshape the incentives driving city government performance
  - Broad based ***capacity building*** to ensure the required resources and staff are in place to make city government institutions functional and effective in ensuring services are efficiently and fairly delivered to all citizens, especially reaching the poor.
  - ***Investment*** support to make inroads into service backlogs and critically to plan for urban land expansion in advance to avoid very costly retro-fitting costs: this combines network infrastructure, enabling decentralised provision of basic services and ensuring availability of serviced land in areas that are resilient to environmental and natural resources risks. Investment requires a combination of players – domestic and international:
    - Prudent and sustainable public investment plans with high quality of project execution and on-going O&M of public assets; complemented by,
    - Sound and stable policy and regulatory investment frameworks to encourage maximum opportunities to encourage private and or community investment in vital infrastructure and services.

- Partnerships: City Leadership
  - The strategic institutional weight of future programming should be working ***directly with and inside*** cities. This is often contrary to much programming which is institutionally located within central ministries who then direct and guide reform, planning processes and investment (with PMUs / PIUs).
  - City planning, land administration, infrastructure and service delivery fit for purpose for growing and spatially expanding cities is a critical gap in responding to the SDGs and climate change and where cities need to take the lead role.

- City Level Growth: Equitable Wealth Creation and Resources for Investment
  - Complementing governance and capacity building support are interventions to foster structural economic change to deliver jobs and savings to invest in growth.
  - Cities need a much stronger economic base: growth enabling infrastructure and business regulation reforms to make it easier and safer for the informal sector to operate; through this shift, high extortion payments to rent seekers will shift to taxes and fees fairly charged and collected by city governments.
  - Improve the investment readiness of cities to host FDI and larger formal sector activities.[84]

[84] The rationale is simply that making cities function and improving the business environment (ease of doing business) will improve investment readiness.

5. LIST OF ANNEXES

1. **FCA Knowledge and Tools**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOkzwUufJTx23qR1mg

2. **Institutional Context**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOkz2uBKE5Nb3PS1oK

3. **Ethiopia**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOkz59ayyCyKbjKqdC

   a. Ethiopia Country Summary
   b. RCRA Dire Dawa
   c. RCRA Mekelle

4. **Ghana**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOkz-S98aMOj1bfXyo

   a. Ghana Country Profile
   b. RCRA Tema
   c. RCRA GAMA

5. **Mozambique**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOk0Bn6HB3pTfsZQm7

   a. Mozambique Country Profile
   b. RCRA Nacala
   c. RCRA Nampula
   d. RCRA Tete

6. **Uganda**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOk0HN4ul6JPkWhNZr

   a. Uganda Country Summary
   b. RCRA Uganda
   c. RCRA Arua
   d. RCRA Jinja
   e. 12 City Profiles

7. **List of FCA Workshops**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOk0K5RK_w2rdN8mMQ

8. **Country Scoring Matrix**

   Available in: https://1drv.ms/f/s!Aj9rufOmHrcOk0S_WMapNF6eXqlu

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