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Africa's future is urban
Implications for EU development policy and cooperation

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KEY MESSAGES

Africa is urbanising fast with profound economic, social and environmental **effects and implications for EU development policy**.

While there are no 'sectoral silver bullets' for dealing with contemporary African urbanisation, informality, the urban-rural continuum, basic service delivery and urban governance are identified as **four transversal priorities for sustainable development policies**.

On paper EU modalities offer scope for **engaging strategically with city authorities**, yet these have not been fully exploited in practice.

Recommendations for EU development policy include **strengthening support for increasing mandates and budgets for cities through EU Trust Funds**, adopting a demand-led appraoch, activating EU delegations, and including an earmarked budget for local authorities in the next Multi-Annual Financial Framework.

1. INTRODUCTION

Urbanisation in developing countries, particularly in Africa and Asia, is one of the defining trends of the 21st century, and has profound economic, social and environmental effects[1]. While these effects may be either positive or negative, depending on how urban services are managed, no country has ever experienced significant development progress without undergoing a major population shift towards cities[2].

The fact that more people in developing countries will be living in urban areas has major implications for EU development policy. For the most part, organisations active in development cooperation, including the EU, do not target policies in spatial terms. When they have done so, the focus has traditionally been on rural areas. Mitlin and Satterthwaite[3] cite the complexity of urban governance as compared with rural areas as being one of the reasons why international donors lack a coherent urban policy[4]. As urban populations in developing countries increase, it becomes critical to understand how this trend might affect EU development programming, and to identify what adjustments need to be made to respond to this challenge.

No part of the planet is urbanising faster than Africa. It took Europe 110 years to move from the situation in 1800, in which 15% of the population was living in towns and cities, to the situation in 1910, when 40% of the population lived in urban areas. Africa has achieved the same transformation in just 60 years – almost half this period. Currently, the continent has seven mega-cities, with populations of over 10 million: Cairo, Kinshasa, Lagos, Accra, Johannesburg–Pretoria, Khartoum and Nairobi. But mega-cities are not the whole story: the fastest growth in Africa's urban revolution is occurring in smaller and medium-sized cities that have fewer resources and receive less political attention[5]. How this urban expansion is managed will significantly influence Africa's ability to achieve not only the targets set in the 2030 Agenda, but also its own aspirations for 2063.

Key facts[6]:

- Population growth is the main driver of the rapid growth of many African cities. This in turn is caused by high fertility rates rather than rural-to-urban migration.
- Sub-Saharan Africa (SSA) is currently the region where the urban population is smallest in relative terms (32.8%), but which has the highest proportion of slum-dwellers (65%). Most SSA cities are characterised by an inadequate basic infrastructure, particularly in low-income areas.
- The African countries where rapid urban population growth is expected in the future include fragile states such as Sudan, the Democratic Republic of Congo, Nigeria and Egypt.
- Although cities with between 500,000 and one million residents are among the fastest growing agglomerations in Africa, they tend to receive less attention than mega-cities.
- Rapid urbanisation in the African continent is combined with a demographic 'youth bulge'. Africa's young population (i.e. aged 15-24) is growing faster than in any other region. Of the continent's population, 70% are now under 30. While this may come with a demographic dividend, the presence of large numbers of young people without good job prospects may prove socially destabilising.

Cities are increasingly networking among themselves[7] and being recognised as important contributors to the management of global public goods and the international economy, and also as 'laboratories' for innovative polices. But they need to be given the right instruments and space for action – mandates, capacity and resources – so as to make the changes that are needed. There is now an opportunity for EU's development cooperation policy to engage with urban development in Africa and help to strengthen the capacity of city governments to effectively manage the urban transition.

1. Parnell, S., & Oldfield, S. (Eds.). (2014). *The Routledge handbook on cities of the global south*. Routledge.
2. Glaeser, E. (2011). *Triumph of the city: How urban spaces make us human*. Pan Macmillan.
3. This complexity is related to widespread informality and complex political struggles. For a more detailed discussion, see Mitlin, D., & Satterthwaite, D. (2013). *Urban poverty in the global south: scale and nature*. Routledge.
4. Jones, G. A., & Corbridge, S. (2010). The continuing debate about urban bias: the thesis, its critics, its influence and its implications for poverty-reduction strategies. *Progress in Development Studies, 10*(1), 1-18.
5. Robinson, J. (2013). *Ordinary cities: between modernity and development*. Routledge.
6. UN-DESA, Population division (2018). *World urbanization prospects*. https://esa.un.org/Unpd/Wup/; https://www.afdb.org/en/blogs/afdb-championing-inclusive-growth-across-africa/post/urbanization-in-africa-10143/

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This paper builds on ongoing research undertaken by ETTG members, mapping relevant trends in the continent and proposing directions for the EU's urban agenda for Africa. It is structured as follows: the next section (section 2) identifies priority issues; section 3 describes the EU's funding instruments; and section 4 lists a number of recommendations for EU engagement with cities.

2. PRIORITIES FOR EU ENGAGEMENT WITH AFRICAN CITIES

In light of the main trends described in the previous section, there is a need to create an 'urban narrative' in development policy and identify priority issues to focus interventions to achieve urban development. While there are no 'sectoral silver bullets' and priorities need to be demand-led according to each country and cities' specificities we can identify four transversal priorities for sustainable development policies, i.e. informality, the urban-rural continuum, basic service delivery and urban governance. The issues in question are common to most African cities and have not as yet been prioritised, since they are complex and transversal and require a holistic and city-scale approach.

A. The fundamental informality of urbanisation

City growth is generally informal and unplanned. Currently, almost one billion people in the developing world live in informal settlements. This number is projected to treble between now and 2050, with a significant share of this growth expected to occur in sub-Saharan Africa[8]. UN-Habitat estimates that two-thirds of African urbanisation is informal. Service delivery is not keeping pace with population growth, as many city authorities lack the powers, capacity and resources to plan for urban expansion.

Between 40% and 50% of the urban development in Africa is the result of unregulated, informal dynamics, i.e. without any intervention on the part of public authorities. Self-built housing and economic activity are coping strategies for the urban poor, but also a sign of a highly dynamic, entrepreneurial population[9].

Some past government responses to these informal settlements have included:

- the comprehensive 'formal' redevelopment of 'informal' areas;
- slum clearance and resettlement projects in the 1960s (i.e. a modernist approach);
- the upgrading of slums and informal settlements, and sites-and-services providing land plots with basic services to households in charge of building their house in the 1970s and 1980s (linked to basic needs and redistribution);
- the introduction of 'enabling markets' (i.e. neo-liberal structural adjustment) in the 1990s;
- a return to forms of social welfare in poverty alleviation in the 2000s[10].

7. Acuto, M., & Rayner, S. (2016). City networks: breaking gridlocks or forging (new) lock-ins?. *International Affairs, 92*(5), 1147-1166.
8. Nicolai, S., Hoy, C., Berliner, T., & Aedy, T. (2015). *Projecting progress. Reaching the SDGs by 2030.* London: ODI.
9. International Labour Organisation (2018). *Women and men in the informal economy: A statistical picture. Third edition.* http://www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm
10. Wakely, P., & Riley, E. (2011). *The case for incremental housing.* Cities Alliance.

As part of the last approach, international and bilateral agencies acknowledged the need for a 'third paradigm of planning', accepting limits to state capacity and roles, and emphasising strategic and participatory planning[11]. However, this has had a very limited impact and has not filtered down into aid-funded projects. A better understanding of non-state actors' interests and possibilities is needed as the basis for urban *realpolitik*: government policies at city scale, as a means of leveraging the potential of autonomous activities, still need to be designed and supported.

The ETTG's work[12]

Refugee camps are blatant examples of autonomous urbanism: their unplanned development leaves room for private or entrepreneurial initiatives. In this sense, the process resembles the rapid urbanisation of many Southern cities, where incoming rural populations are creating new, informal living spaces. But the current model of refugee assistance does not reflect this reality. The emergency relief supplied to refugees is usually intended to provide security and cater for their most pressing needs. In other words, it is conceived as a temporary solution. A new urban approach is needed to help camp settlers become self-sufficient faster, ensuring social inclusion and environmental sustainability.

B. The urban-rural continuum
(in both spatial and functional terms)

The second urban dynamic is the bottom-up expansion of small agglomerations. Population growth leads to large villages enlarging and evolving first into rural centres and then into small towns[13]. This is especially true of West and East Africa, where small towns with less than 50,000 inhabitants have grown tremendously since the 1960s. As a consequence of this process, medium-sized cities (i.e. with between 50,000 and one million inhabitants) have become the weak link of African urbanisation.

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Rural realities have been reshaped as a result. The statistical categories of 'rural' and 'urban' no longer reflect the complex relationship between cities and the countryside. Far from following the pattern of a compact city, land occupation is piecemeal, and spatial growth rates outpace demographic growth rates. Agricultural and built-up areas intertwine, thus creating large peri-urban spaces with a mix of rural and urban characteristics, uses and functions. Administrative, functional and economic divisions lose their significance, while territorial policies need to be redesigned to better integrate land and economic values for the benefit of both rural and urban populations.

The ETTG's work[14]

Food systems are one of the main drivers of this urban-rural continuum. They include land use, economic activities and ecosystems. Urban planning is key to enabling the urban fabric evolve in a way that allows alternative food systems such as 'urban gardens' and 'farmers' markets' to emerge and bridge the gap between producers and consumers, and between cities and the countryside. Cities are also creating new institutional settings (such as food policy councils) and launching strategic documents (such as urban food policies) designed to enable people and decision-makers at all levels to get together to devise innovative food plans.

11. Un-Habitat. (2009). *Planning sustainable cities: global report on human settlements 2009.* Routledge.

12. https://ettg.eu/event/private-sector-solutions-for-refugees-and-host-communities-in-developing-countries/

13. Kessides, C. (2006). *The urban transition in Sub-Saharan Africa: Implications for economic growth and poverty reduction* (p. 116). Washington DC: Cities Alliance.

14. https://ettg.eu/2018/05/07/the-role-of-cities-in-shaping-glocal-food-systems/

C. The provision of basic urban and environmental services

Lack of public space, facilities and utilities are a market failure in the urbanisation process: households and firms focus on their particular interests (house building, workshops and shops localisation), while the state is often absent in unplanned poor neighbourhoods[15]. Yet basic services are crucial to decent living conditions, the environment, public health and economic productivity. As housing and economic activities can both be the result of a self-help approach, government policies need to focus efforts, funds and resources on amenities that are capable of turning an urbanising area into a liveable city and reducing socio-spatial fragmentation.

Lack of access to appropriate sanitation facilities and inadequate transport infrastructure are some examples of the acute challenges that African cities face in the delivery of urban basic services. Investing in innovative solutions to sanitation problems can have multi-dimensional, long-term positive effects[16]. However, including sanitation in urban policies and governance requires extra lobbying, as well as funding to exploit its full potential. Similarly, planning mobility services strategically is critical to connect marginalised communities with jobs, and improve social outcomes, liveability and productivity[17].

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D. Urban governance

City authorities across Africa face the massive challenge of effectively managing the pressure of growing cities – in many cases with limited resources and unclear mandates resulting from partially implemented decentralisation policies. Transforming urban governance will require the participation of an engaged and informed community, including the informal sector, civil society, the private sector and national and regional government[18]. Mechanisms such as participatory budgeting and forums for constructing a shared vision of citywide development will increase the legitimacy of local government and expand its resource base for building inclusive and sustainable cities.

Further, the development of digital tools could allow city authorities to reach a larger number of people and effective and informed interactions with them[19]. Digital tools such as online platforms, web portals and social media can facilitate and improve city managers' engagements with citizens, create new forms of participation, and boost transparency and proximity[20]. At the same time, the use of digital tools for civic engagement presents a number of challenges. These include the exclusion of certain social groups, a lack of capacity among public authorities to manage information, and the privatisation of local governance. Far from being in the realm of fantasy, the use of ICT as a tool for urban governance in the smart city of the future is a new pathway that is worth exploring.

3. THE EU'S NEW FUNDING MODALITIES FOR CITIES

EU engagement with local authorities and cities is a relatively recent phenomenon. In the 1990s, a number of EU Delegations supported some interesting projects targeted directly at city authorities. The EU also made some experimental and highly successful attempts to engage in decentralised cooperation with cities in Asia and Latin America (as part of the URB-ASIA and URBAL programmes, for example) but these were later discontinued. In Africa, twinnings were not part of the EU tool box.

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15. Angel, S., Parent, J., Civco, D. L., & Blei, A. M. (2012). *Atlas of urban expansion.* Cambridge, MA: Lincoln Institute of Land Policy.

16. World Health Organization, WHO/UNICEF Joint Water Supply, & Sanitation Monitoring Programme. (2015). *Progress on sanitation and drinking water: 2015 update and MDG assessment.* World Health Organization.

17. Un-Habitat. (2013). *Planning and design for sustainable urban mobility: Global report on human settlements 2013.* Routledge.

18. Devas, N. (2014). *Urban governance voice and poverty in the developing world.* Routledge.

19. Criqui L. (2017) Promises and realities of digital technologies in developing cities. Iddri: Issue brief.

20. Baud, I. S. A., Scott, D., Pfeffer, K., Sydenstricker-Neto, J., & Denis, E. (2014). Digital and spatial knowledge management in urban governance: Emerging issues in India, Brazil, South Africa, and Peru. *Habitat International, 44*, 501-509.

At a political level, city authorities gained greater EU recognition from mid-2000 onwards. This was the result of deepening decentralisation processes worldwide and the emergence of increasingly vocal local government associations. The EU has concluded five strategic partnerships with global and regional associations of local authorities, including one involving the provision of substantial programme funding for their advocacy work. The 2013 EU Communication on empowering local authorities as strategic actors is a landmark text in this respect. It argues for the adoption of territorial approaches to local development, a model that the EU has refined and promoted in recent years[21]. The Communication also clearly stresses the need to explore the use of *'innovative funding modalities, facilitating flexible, transparent and cost-effective access to resources'* at a local level.

So how much progress has been made in finding smart ways to fund city authorities? The available evidence suggests a mixed track record at best. On paper, policies and instruments provide plenty of scope for engaging strategically with city authorities. In practice, though, many of these have not been fully exploited by EU Delegations. Progress has been hampered by various impediments, including a limited knowledge of and capacity for dealing with the urban agenda, a lack of training, and a reluctance to move away from traditional partners (i.e. central governments) and/or engage in this relatively new and complex arena (requiring innovative approaches and tools). These factors have been compounded by a relatively weak level of demand, as city authorities struggle to find their way to and through EU funding.

The resulting picture is one of promising innovations (in need of consolidation) and all sorts of new opportunities many of which remain to be seized:

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- Since 2011, the EU has provided support averaging €360 million per year[22] for programmes linked directly or indirectly to urban development, and using different channels such as national and regional programmes or multi-country facilities for issues of global relevance. These programmes include the Participatory Slum Upgrading programme, the 'Mobilise your City' programme, and the Covenant of Mayors for sub-Saharan Africa. The EU is also committed to improving city-to-city cooperation through initiatives such as the World Cities and the International Urban Cooperation programmes.

- The 2014-2020 Multiannual Financial Framework includes a thematic instrument for civil society and local authorities. The local authority component has generated a number of innovative approaches in terms of multi-stakeholder dialogue and action in partner countries[23]. Yet evaluations have demonstrated that this local-authority line has been systematically underutilised. The European Commission's Directorate-General for International Cooperation and Development (DEVCO) recently decided to stop current practices, recentralise the budget line and reorient the remaining resources to foster partnerships between cities on core urban challenges and territorial development.

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21. See the European Commission's guidance document on '*Supporting decentralisation, local governance and local development through a territorial approach*' (Tools and Methods Series, Reference Document No 23, December 2016).
22. European Commission Staff Working Document: *European Union (EU) cooperation with cities and local authorities in third countries*. Brussels, 18.5.2018, SWD (2018) 269 final, p. 8.
23. These innovative approaches are documented in the above mentioned EC guidance on '*Supporting decentralisation, local governance and local development through a territorial approach*.

- The EU still provides substantial amounts of budget support to partner countries. The good news is that the EU budget support guidelines have been adapted to integrate better decentralisation realities and to take account of the role played by local authorities. In practice, however, centralised approaches to budget support remain dominant, leading to the continued marginalisation of local authorities.
- Several EU Delegations have provided direct support to local authorities using the project modality in a strategic manner. Most of this support has gone to countries with weak national policies and ineffective decentralisation (e.g. the ACORDS programme in Madagascar). The projects in question empower local authorities while testing new, multi-actor practices through local experimentation. Successful experiences are scaled up.
- There are also opportunities for local authorities to participate and obtain funding through innovative programmes such as the Global Public Goods and Challenges (GPGC) Thematic Programme or the recently created EU Trust Funds. They are managed by means of more flexible modalities that facilitate the inclusion of local authorities.
- There is a similar situation regarding EU blending instruments and related investment facilities. Partners may be public, private or mixed. There are examples of blending being used with cities (for example, in connection with urban transport in Dhaka).

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The EU is now preparing a new Multi-Annual Financing Framework (MFF) post 2020. It plans to harmonize and simplify the existing architecture of financing instruments. The idea is to have a single instrument with three main windows. The problem is that in these initial proposals local authorities have disappeared from the radar as a distinct actor. Also the urban development challenge is not translated in concrete terms in the MFF (but rather subsumed under "global challenges").

4. KEY RECOMMENDATIONS FOR EU ENGAGEMENT WITH AFRICAN CITIES

Increasing and rapid urbanisation means that many of the major development challenges facing Africa are playing out in cities. However, cities are almost absent from EU development cooperation and previous efforts to leverage the development potential of local authorities are losing steam. Africa's future is urban so the EU needs to urgently recognise the pivotal role of cities, develop an urban strategy and make cities a priority for the future EU-Africa partnership.

This should include:

- The EU shouldn't consider urban development as a stand-alone sector but as a fundamental dimension of many African development priorities such as informality, food security, provision of basic services and civic engagement.
- The Commission working with African partners and key stakeholders to articulate the context, priorities and actions that could constitute an EU urban strategy. For example, through a Commission Working Paper. This should inform a Commission Communication in good time to influence policy and budget development for the next Multiannual Financial Framework (MFF);
- The EU should promote discussion on the development potential and challenges in cities as part of the ongoing discussions on the future of the post-Cotonou Agreement. A future partnership agreement should be inclusive of cities perspectives. For example, through convening representatives from African cities and partnering with regional fora (i.e. the Convenant of Mayors in Sub-Sharian Africa, SA Cities Network or UCLG Africa) to ensure urban perspectives are included.

- The EU need to promote decentralised cooperation among African cities on key challenges, which is supported by the current MFF, though an earmarked budget within the next MFF. Decentralised cooperation goes beyond the traditional concept of twinning arrangements and ad hoc exchanges and involves long-term partnerships between cities tackling common agendas, through mutual exchange of tools, experiences and knowledge. The use of EU Trust funds, which is a quick delivery tool, could also be further explored to support decentralised cooperation.
- The EU delegations play a key role in supporting cities and local authorities in testing new approaches through co-financing and technical support. Therefore they need to be activated and trained on in this sense. ■

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