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# URBANIZATION AND NATIONAL DEVELOPMENT PLANNING IN AFRICA





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# Foreword

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Urbanization is one of the defining features of the twenty-first century and is a determining factor for the achievement of the 2030 Agenda for Sustainable Development. This is particularly true within the context of Africa, which, in a matter of a few years, will become the fastest urbanizing region in the world. It is estimated that by 2035, more than half of the continent's population will be living in cities, thereby upending the millennia-old trend of rural predominance in the continent. So profound a transformation presents significant opportunities for African countries to leverage the agglomeration benefits that cities generate to nurture inclusive and sustainable economies and accelerate structural transformation.

Until now, however, the rapid population growth in Africa's urban regions has not been matched by concomitant increases in productivity. If not well planned and managed in a proactive manner, urban growth can exacerbate the continent's economic, social and environmental challenges. Furthermore, the fact that rapid population growth is taking place simultaneously with a transition towards a more youthful population profile renders the urban transition in Africa of extreme importance. It is thus critical to harness the enormous potential of cities to generate employment at scale in order to optimize the demographic dividend in Africa.

Although the focus of development in Africa has traditionally been on rural areas, the importance that cities hold for the future of the continent is well recognized in the tenets that underpin Agenda 2063 of the African Union. Yet it is observed that far too often, urbanization is viewed from a functional lens in national development plans, with a focus on issues such as housing,

environmental degradation and social services. A compartmentalized approach of that kind, of delinking urbanization from broader and strategic macroeconomic issues, renders it difficult if not impossible to harness the economic potential of urbanization. In the light of that, and considering the immense importance that cities hold for Africa's inclusive economic growth, it is critical to accord urbanization a pivotal and strategic role in national development planning by linking it to broader economic targets and the structural transformation agenda.

It is against that backdrop that the Economic Commission for Africa has undertaken a regional review of the Integration of Urbanization in National Development Planning in Africa. The present report makes available findings drawn from national-level reports in five countries of the continent, namely, Cameroon, Chad, Morocco, Uganda and Zambia. The report is informed by facts on the ground, complexities and dynamics associated with urbanization, and national development planning in the continent, and for those reasons is able to offer a unique and unprecedented perspective. In doing so, the report presents ways to strategically integrate urbanization in national development planning that can leverage the potential of African cities for inclusive economic growth and development. Specific entry points that can be instrumental in achieving that goal are outlined, and relate to economic sector targeting, urban productivity and the national spatial system.

It is hoped that the present report will be instrumental in informing policy measures that unleash the profound potential of African cities, and in realizing the continent's vision for inclusive and sustainable transformation.

# Executive summary

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Africa is becoming an increasingly urban continent, with the total urban population projected to rise from 40 per cent of Africa's current population to 50 per cent in less than 20 years, and 60 per cent by 2050.<sup>1</sup> The urban transition has implications for national economies and the ways that cities grow can boost or constrain economic development. So far, the integration into African national development plans of urbanization and the related economic opportunities — which are inherent in growing African cities — has been limited.

The objective of the present report is to examine the ways to integrate cities and urbanization into national development planning to support inclusive economic development.<sup>2</sup> It builds on the foundation of research and the conceptual framework of the Economic Commission for Africa, the *Economic Report on Africa 2017: Urbanization and Industrialization for Africa's Transformation*.

Section I of this report outlines the context of national and global development planning in Africa, laying out the rationale for integrating cities and urbanization into such policies, while also examining the lessons learned from historical experiences. Section II provides an exploration of the various ways of integrating urban issues into the national development planning process, looking at the process itself. Section III provides an examination of the national development planning content under the framework of urban issues, broken into three entry points: economic sector targeting, urban productivity and the national urban system. Section IV contains an

overview of the lessons learned from all five African case countries, and section V provides final recommendations.

## A. Why integrate urbanization into national development planning?

The positive experiences of Asian countries during the post-war period illustrate the potential of national development planning to direct scarce national resources strategically for it to work in concert towards common development goals. Many African countries embarked on efforts in national development planning after independence, but these efforts were fraught with challenges, including a lack of data and experience as well as the global debt crisis. The efforts made by those countries came to a halt during the era of structural adjustment programmes in the 1980s and early 1990s. Since the late 1990s, many African countries have embarked on poverty reduction strategies aimed at reversing the negative social effects of austerity imposed under structural adjustment, but the new set of policies often fell short of setting the institutional framework needed to restart the engine of African economies and foster the decent livelihoods needed by impoverished populations.

Recently, there has been a resurgence of national development planning, accompanied by improved African growth prospects. Many countries have established a policy framework with a long-term national vision implemented through medium-term (5 or 10 year) national development plans. The long-term success of the new wave of national development plans depends on their ability to establish a strategic orientation for African economies in relation to global megatrends, such as globalization, technological advancement and, in particular, urbanization.

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<sup>1</sup> Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects: The 2014 Revision (ST/ESA/SER.A/366 (2015))*.

<sup>2</sup> The present report is primarily concerned with the ways that urbanization and cities integrate into economic policy in a national development plan framework. While urban issues have clear and compelling connections to social issues and environmental issues, the focus of this report is national economic development.

This is a critical moment for African economic planning to harness the momentum of urbanization. This momentum is due to the transitory nature of the urbanization process and the need to direct a wave of urban growth to create the type of cities that will enhance rather than restrict inclusive structural transformation. Urbanization in Africa is proceeding more rapidly than previous times in history or at the rate experienced in other regions and therefore requires a stronger policy response. African cities need major investment to reap the demographic dividends and harness rising urban consumption, a part of structural transformation that countries need to exploit, while there remain opportunities to do so, but this is contingent on a supportive national economic policy framework. Given that the links between cities and national development are multisectoral and complex, national development planning is the right policy tool to align diverse multisector and multilevel activities towards leveraging cities for inclusive economic development.

## B. Country perspectives

### Cameroon

Cameroon, in its development plan, the “Growth and Employment Strategy Paper 2015–2019”, acknowledges urbanization as a positive development force, but considers urban growth to be occurring faster than desired. It includes urbanization as a challenge, along with governance, slow economic growth and unemployment. The development plan is intended to curb urbanization to no more than 57 per cent in 2020, the same level forecasted by the Department of Economic and Social Affairs. While targeting the current forecast may not necessitate a radical intervention to either boost or restrict urbanization, the view of the Government is to keep in check the pace of urbanization while tackling urban problems and gaps in services. This appears to be incompatible with the country’s ambitious goal of increasing manufacturing’s share in gross domestic product (GDP) to 23–25 per cent (up from 14 per cent) and its obvious urban implications.

### Chad

Vision 2030 and the associated National Territorial Vision 2035 both envision extremely rapid urbanization in Chad, with the goal of promoting secondary cities and new production areas in such a way that the country will reach a 70 per cent urbanization level by 2030. The country’s current level of urbanization is 23 per cent, with a forecast of reaching only 27 per cent by 2030 according to the Department of Economic and Social Affairs. Even by 2050, assuming an uptick in the pace of urbanization, the country’s urbanization is only forecasted to reach 37 per cent. To achieve the goal of 70 per cent by 2030, Chad would have to move from the forty-seventh most urbanized out of 54 African countries in 2015, to the tenth most urbanized in 2030.<sup>3</sup> To achieve this, a concerted strategy to develop cities and urban economic sectors would need to be set out in the national development plan, complemented by sector plans such as an industrial policy and linked infrastructure strategy.

### Morocco

Morocco does not have a national development plan per se, but rather a set of sector-based economic plans, which have seen a good degree of success and have played a major part in the country’s economic growth in recent decades. These plans have leveraged the logic of economic geography, including proximity to international markets and urban clusters of people and economic activity, attracting investment to cities and industrial parks linked to cities. At the same time, Morocco has taken a direct and concerted approach to improve cities themselves. In previous decades, the country had used a range of sector-based programmes to tackle deficiencies in infrastructure and services in cities. The second half of the 2000s saw a shift in the conceptualization of urban development, in that the country began to view the current model of sprawling urban growth as costly and unsustainable. Significantly, the past decade and a half have seen a massive influx of investment into cities to bring them up to a basic standard required for competitive foreign direct investment. At the same

<sup>3</sup> Based on Department of Economic and Social Affairs forecasts for the other countries for 2030.

time, a massive investment in human capital has created a generation of Moroccan leaders, experts and skilled workforce, making the country better prepared to take advantage of industrial development and foreign direct investments.

## **Uganda**

Uganda has anchored its strategic direction of Vision 2040 to the fundamentals of the economy, which includes human capital development and infrastructure; and opportunities, which include both primary and value added sectors. Identified economic opportunities also include the abundant labour force, geographic location and trade and water resources. Uganda, in its second National Development Plan (NDP II) 2015/2016–2019/2020 has focused on strengthening the country's competitiveness for sustainable wealth creation, employment and inclusive growth with a focus on agriculture. Though Uganda has identified strategic and regional cities and acknowledges the role of urbanization and its link to agricultural modernization in its development plan, it fails to fully develop the full range of these links. In addition, the country emphasizes physical planning as a vehicle to streamline the spatial framework of Vision 2040, but neither the urban spatial implications of sector priorities nor the role of urban productivity in realizing macro and sector targets are fully articulated. However, there is a newly approved National Urban Policy intended to harmonize planning for cities and the urbanization process throughout the sectors. The policy contains an objective on urban competitiveness and productivity.

## **Zambia**

The country's newly approved Seventh National Development Plan, similar to previous development plans, prioritizes primarily rural activities with three sectors envisioned as drivers of growth and socioeconomic transition: agriculture, mining and tourism. Priority sectors of the preceding five-year plan included manufacturing, commerce and trade, in addition to agriculture, livestock and fisheries, mining and tourism. Even then, the urban economic interventions were minimal and primarily focused on the informal economy. The revised sixth plan had a chapter on employment

and job creation, linked to the industrialization strategy, but there is no explicit articulation of urbanization as a force of development in both the sixth and the revised version of the plan. While Zambia considers structural transformation to be an overarching policy goal, as contained in its Vision 2030, there is no conceptualization in national development planning that the creation of high productivity urban jobs is a necessary pathway to structural transformation. However, the seventh NDP for Zambia uses a cluster-based strategy for implementation in which entities have specific performance contracts contributing towards joint outcomes; this holds promise for better integrating urbanization into the implementation of the NDP.

## **C. Takeaways and recommendations**

### **National development planning process and coordination of urban issues**

The national development planning process is intended to obtain multisectoral and multi-level inputs, with stakeholders from subnational government entities, the private sector and civil society involved. Policymakers' conceptualization of cities as drivers of development and their understanding of the policies needed to leverage urbanization would benefit from additional stakeholder involvement. In particular, topical experts on the city-economic development link could assist in analysis and policy formulation, and a bigger role given to the agencies carrying out economic sector programmes in urban areas to create integrated implementation strategies. In addition, the present contributions of urban sector agencies could shift from siloed stand-alone components of the plan towards better integration into core economic targets and strategies.

An additional constraint in integrating urbanization into the national development planning process is having access to economic data at the city level, especially city-level GDP. Generally, national economic data are available, but not typically disaggregated to illustrate the role of cities in economic development. Improving data on urban

productivity and its constraints is necessary for diagnostics and for monitoring its effect on policy. Hard evidence and data linking income growth, productivity and jobs with urban development, coupled with analytical tools and models, should help to develop a coherent urban narrative with an economic lens that will facilitate an informed policy discussion on urbanization and its integration into economic planning.

During the implementation of the development plan, the implementing parties often cite as challenges, the horizontal barriers between tackling urban issues and the vertical barriers constraining subnational policy and implementation alignment. Ideally, the integration of urbanization should start from the visioning process in which urban economic goals (such as urban productivity) feature explicitly or the urban implications of sector priorities and flagship infrastructure investment (including those of a supranational or regional nature) are captured and articulated deliberately. Although a range of efforts to deal with horizontal and vertical coordination are in existence, these have had mixed results in practice. Institutional barriers and preoccupation with sector mandates limit the scope and success. Continually evolving coordination efforts, however, hold promise.

### **National development plan content and entry points for urbanization**

Three specific entry points for urbanization are examined in this report: economic sector targeting and its role in creating urban jobs to leverage cities for structural transformation; urban productivity and addressing constraints on the competitiveness of urban firms; and the national urban system, including strategic geographic and economic linkages between cities and economic zones, corridors, rural areas and regional markets.

Generally, there are many opportunities for countries to better integrate urban issues into their economic policies under the framework of national development planning. Taking advantage of these opportunities should begin with improving the conceptualization of the linkages between cities and economic development among economic planners. Input from topical experts, policy papers and cross-sectoral dialogue can help. Urban issues are present in the plans themselves, but not always integrated into the core of economic planning, including economic sector prioritization, economic policy implementation or the geographic targeting of economic programming. An urban lens in national development planning could better leverage the potential of cities for structural transformation and inclusive economic growth.

# Section I: Context – cities, urbanization and national development planning

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## A. Background: national development planning

In the post-war period, the number of independent countries swelled, but most were poor and underdeveloped. They lacked the institutions, infrastructure, and the private sector and market forces needed to spur growth and transform their economies. In the absence of these fundamental forces and market imperfections that prevailed in these young nations, development economists of the time saw state intervention as a possible solution to fill those gaps. The success of the “Marshal Plan” in Europe and the dominance of “Keynesian Economics” whose proponents advocated for active state intervention, provided inspiration. The early move by some of the newly independent countries, such as India, to implement central economic planning gave further stimulus to the idea. Though the result of this first generation of development planning is a mixed one, the literature of development economics is replete with a rich raft of lessons learned from experience.

The experiences associated with South East Asian countries, notably South Korea, is often cited as positive. Though it is not possible to make a direct causal relationship between national development planning and the economic transformation of South Korea, there is no doubt that it was one of the ingredients of its success or “at the least played a supporting role”.<sup>4</sup> Many other countries in Asia, including Malaysia and Indonesia, have followed suit to replicate and adapt the Korean experience to their context with positive results.

These positive experiences have shown that under the right policy and institutional conditions, and with strong leadership and commitment, development planning can help to accelerate growth and economic transformation. It does not supplant but supplement and correct market forces. In promoting modern economic growth, market mechanisms are not sufficient, especially in the context of limited resources, high levels of poverty and inequalities, and environmental challenges, including climate change. Policy can guide the concentration of public and private investment in strategic sectors in order to reach a meaningful scale for development. At the same time, there is a need for policy support for continuous improvement in the infrastructure, business and institutional environment to sustain technological innovation, industrial upgrading and diversification. As Justin Yifu Lin (2012) writes, “Governments can help firms overcome the various problems of information, coordination, and externality inherent in modern economic growth”<sup>5</sup>

The experience of East Asian countries backs this up. South Korea was on par with Ghana in terms of per capita income at the time of Ghanaian independence in 1957, when Ghana was considered one of the wealthiest nations in sub-Saharan Africa. To date, the per capita income of Ghana is 14 per cent of the world average and GDP per capita for South Korea is almost 15 times that of Ghana. Thanks to its economic growth and development during the past five decades, Korea is a member of the Organisation for Economic Co-op-

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<sup>4</sup> Paul Kuznets, “Indicative planning in Korea”, *Journal of Comparative Economics*, vol. 14, No. 4 (December 1990), p. 674.

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<sup>5</sup> Lin, Justin Yifu, *The Quest for Prosperity: How Developing Economies Can Take Off* (Princeton, New Jersey: Princeton University Press, 2012, p. 239).

eration and Development (OECD) – a club of rich industrial countries – and ranks as the seventh largest exporter and fifteenth largest economy in the world.<sup>6</sup>

Though Ghana benefited from the capital received from Japan and the United States of America, the country attributes its success largely to its export-led growth policy implemented through a series of five-year development plans.

## B. History of national development planning in Africa

Africa has its own share of history in national development planning. Its planning experience has gone through four phases.<sup>7</sup> The first phase began in the immediate post-colonial period and continued until the 1980s, but overall, it was not a success. The young African nations were determined to break the economic yoke and build economic self-reliance, and most of them adopted development planning to achieve that. They lacked statistical data and information, and human power with the right expertise to prepare good plans with realistic targets. Most importantly, they did not have the organizational capacity and institutions to implement or deliver. Coordination was also a huge challenge.

Mainly State-owned enterprises, established within a policy environment of import substitution, carried out the first generation of plans. As countries replaced the import of some of the final consumer goods by domestic production, the import bill for their intermediate inputs began mounting and became unsustainable, which in many cases forced Governments to resort to administrative import rationing. External shocks of the world economy and mounting debt meant many of these enterprises had to cut their production capacity undermining their competitiveness and further

exacerbating the economic and budgetary strain on the young African Governments. Insulating the emerging “infant industries” through continued tariff protection and subsidy, and keeping State-owned enterprises (many of which were already underperforming due to structural challenges and import bottlenecks) afloat, became untenable.<sup>8</sup>

In the second phase, one African country after the other succumbed to the external pressure of the Bretton Woods Institutions of accepting structural adjustment programmes. These programmes, which spanned the 1980s and early 1990s, emphasized on macroeconomic stability, rolling back Governments from the economy, including through the downsizing of public sector institutions, privatization and reducing Government spending and budget deficits. The austerity measures that African Governments had to bear and the increased social and economic distress the population had to endure, were perceived as a necessary cost to adjust and grow; however, the subsequent growth, with an average of 2.1 per cent during the 1990s, was slower than expected.

The third phase began in the early 2000s, with the introduction of poverty reduction strategies. Highly-indebted and low-income African countries were required to prepare poverty reduction strategies in order to qualify and benefit from the debt relief provisions laid out in the Heavily Indebted Poor Countries initiative of 1996, launched by the International Monetary Fund and the World Bank. The purpose of these strategies was to help highly-indebted low-income African countries with their poverty alleviation programmes while dealing with their social cost of adjustment. In a way, the intention in part was to reverse the negative effects of structural adjustment programmes on welfare and social conditions of African countries; however, in their poverty reduction strategy papers, the focus on poverty reduction was too narrow to be very useful for the growth and development that African countries badly needed. The process enabled them to mobilize the community, discuss macroeconomic challenges and development issues and to reawaken Governments to the

<sup>6</sup> Organisation for Economic Co-operation and Development, “Korea: Policy Priorities for a Dynamic, Inclusive and Creative Economy”, Better Policies Series, (Paris, 2015). Available at <https://www.oecd.org/korea/korea-policy-priorities-for-a-dynamic-inclusive-and-creative-economy-EN.pdf>.

<sup>7</sup> Economic Commission for Africa, “50 years of Development Planning in Africa-lessons and challenges”, 14 March 2013. Available at [www.uneca.org/es-blog/50-years-development-planning-africa-%E2%80%93-lessons-and-challenges](http://www.uneca.org/es-blog/50-years-development-planning-africa-%E2%80%93-lessons-and-challenges).

<sup>8</sup> Jeffrey Herbst, “The structural adjustment of politics in Africa”, *World Development*, vol. 18, No. 7 (1990), pp. 949–958.

need for comprehensive development planning to tackle the long-term growth and transformation challenges they face.

In the past decade and final phase, there has been a gradual but steady return to more comprehensive development planning. Indeed, many African countries have adopted long-term development visions and planning frameworks that embrace inclusive growth, employment, poverty reduction and even structural transformation as central goals. Many African countries now have developed a long-term vision and adopted five-year development plans as part of their development management tools. The plans outline ways to attract domestic capital and foreign direct investment to potential growth sectors, implement public sector reform and marshal State finance and resources to fill the huge infrastructure deficit in energy, transport, water and sanitation sectors. They mobilize a broad spectrum of stakeholders, including civil society, the private sector, decentralized constituencies and development partners. Challenges remain, especially in establishing a real inclusive consultative process, and most importantly, in coordinating between sectors, territories and multilevel governance structures.<sup>9</sup> Coordination in particular is relevant to the issues of urbanization given that urban development is complex and crosscutting.

### C. Rationale for tackling urban issues through national development planning<sup>10</sup>

There is an inherent link between urbanization and economic development. Cities, through agglomeration economies, make workers and firms productive and drive growth. As countries develop, manufacturing, services and knowledge-based sectors become the main employers and magnets of investment, and their economic performance largely depends on the quality of cities and the national spatial system.

<sup>9</sup>Economic Commission for Africa, *Planning for Africa's Development: Lessons, insights and messages from past and present experiences* (Addis Ababa, 2016).

<sup>10</sup>The text for this section is adapted from the forthcoming ECA guidebook on urban issues and national development planning (2018).

Even outside of the economic role of cities, economic growth has slowed. Urbanization is an unstoppable megatrend, sometimes carried forward by its own demographic momentum, with urban births exceeding deaths and tipping the population scale towards cities.<sup>11</sup> Africa is the epicentre of rapid urbanization and projected to reach 56 per cent by 2050.<sup>12</sup> As highlighted in the Common African Position on the post-2015 Development Agenda, African countries acknowledge urbanization and its associated trends of the “youth bulge” and population growth as major phenomena defining their development dynamic. They also reiterate structural transformation, whose components include movement of people from low to high productivity sectors and from rural to urban areas, as the key to achieving its job-rich growth and people-centred development aspirations.<sup>13</sup> Expanding the urban labour market through structural transformation and diversification is also underscored in the longer-term framework of the continent outlined in Agenda 2063.<sup>14</sup>

The implications are enormous and multifaceted. As a growing share of Africa's population becomes urbanized, the fight against poverty and inequality is to be won or lost in cities. Structural transformation<sup>15</sup> is key to Africa's future. Creating robust manufacturing and service sectors, paired with productive cities is the cornerstone. Not only do cities need to catch up with the infrastructure backlog, but they also need to plan to accommodate future growth. This is a mammoth task of historical significance, and only achievable through a national vision and coordinated action on multiple

<sup>11</sup> Economic Commission for Africa, *Economic Report on Africa 2017: Urbanization and industrialization for Africa's transformation* (Addis Ababa, 2017).

<sup>12</sup> Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects: The 2014 Revision (ST/ESA/SER.A/366 (2015))*.

<sup>13</sup> Economic Commission for Africa, *Common African Position on the post-2015 Development Agenda* (Addis Ababa, 2014).

<sup>14</sup> African Union, *Agenda 2063. The Africa We Want* (Addis Ababa, 2014).

<sup>15</sup> Structural transformation requires the shift of labour to higher productivity economic activities. It is the foundation of economic development. Four characteristics of development define structural transformation: a declining share of agriculture in GDP and employment, a rise in industrial and service sectors, demographic transition from high rates of births and deaths to low rates of births and deaths and a rapid process of urbanization (Economic Commission for Africa, 2017).

fronts. It is best achieved when considered within the national development planning framework. The following six points are specific reasons for integrating urbanization into national development planning.

**1. Urbanization in Africa is faster than what other regions have experienced and therefore requires a larger immediate response.** Urbanization “occurs now often in a span of approximately 30 years, as opposed to the more leisurely pace of urbanization in today’s developed countries, which played out over 100–150 years. Rapid urbanization is traumatic...”<sup>16</sup>. Excluding North Africa, the number of urban residents in Africa nearly doubled between 1995 and 2015 and is projected to double again by 2035.

**2. Opportunities arising from the urbanization process are transitory.** African countries should exploit urbanization when it happens. African cities are growing fast, but that does not make them productive. Productivity arises from the density of economic activities in a well laid out and managed spatial economy. The prevalent phenomenon of slums and informality in African cities indicates the resilience and creative energy of people, as well as the lost productive opportunities due to lack of planning and investment in advance of urban growth. The good news, though, is that countries can exploit the urban transition, which is still ongoing. This will require urgent short- and thoughtful long-term actions, coordinated under a development framework.

**3. Urbanization requires big investment, but doing nothing is not an option.** Density can lower per capita costs of services and infrastructure, but that does not make urbanization cheap. Cities require massive public investment to accommodate a quickly rising population in a compact environment. The return on urban investment is also high, especially when investment occurs under a good planning framework, aligned with private sector investment and paired with well-functioning revenue and land value capture tools.

**4. Urban demographics in many African countries are presenting a limited-time dividend, which countries can harness to boost economic growth.** The urban transition in Africa is accompanied by a demographic transition. The benefits involve not just additional economic output, due to a larger workforce, but also an increased capacity to save and invest in education, health and skills. The high ratio of young Africans living in cities is a potential asset that should be harnessed through a deliberate policy and planning to promote job-rich growth. Sector targeting alongside regional and urban development are critical pillars of such a policy.

**African cities are the site of rising consumption, which domestic production under the right policy conditions can solve.** On the demand side, growing urban consumption and income provide domestic firms opportunities for industrial development and structural transformation. There is a need to turn urban consumption growth into production opportunities in sectors with comparative advantage. The food industry, business support services and the construction sector are good candidates to drive job creation.

**5. The economic geography of cities goes beyond their administrative jurisdiction.** It has an impact on their hinterland and surrounding rural areas. Such links are strong in metropolitan areas and urban corridors where linkages between urban, suburban, peri-urban and surrounding rural areas manifest in the common pool of the labour market (where people live in one area and work in another), or in a shared catchment area of resources or amenities and services. An improvement in transport networks expands the functional space of growing cities and generates momentum of agglomeration economies at metropolitan and regional scales. Accordingly, the spatial and economic planning of such administrative areas require an understanding of the functional economic space that does not coincide with administrative boundaries. Planning to create such agglomerations and establishing the appropriate institutional structures to respond to the complex spatial and urban management

<sup>16</sup> J. Vernon Henderson, “Cities and development”, *Journal of Regional Science*, vol. 50, No. 1 (February 2010), p. 16, pp. 515–540.

issues arising thereof, is essentially a national economic undertaking.

In conclusion, the need to incorporate a robust and more explicit consideration of urbanization into national development planning is pressing. Notwithstanding the complexities of African cities, a stronger consideration of urban issues in the economic planning context offers high potential dividends for Africa's economies.

## **D. Lessons learned from previous country experiences**

African countries can draw many lessons from the experience of other countries who in the past few decades made their urban transition and economic transformation through taking action on both fronts. The focus here is on the few countries that have used national development planning or have taken deliberate policy positions to leverage urban advantages for economic development and transformation. This report calls out only a few select lessons that are most relevant to the purpose and spirit of this report.

### ***Economic sector targeting***

The urban implications of sector priorities are extremely important. Marshalling resources and policy focus in the promotion of strategic sectors is a central component of national development planning; strategic sectors have a location space, which determines their access to infrastructure, inputs, knowledge and importantly, a labour force. Depending on the mix and intensity of these factors, selected priority sectors may be high job creators or not. They also determine the type of skills and technology to promote and how much and how far a country can go in the product space and value chain ladder.

Successful countries have prioritized labour intensive manufacturing activities, especially at the initial stage of their transformation, which by their nature, takes place in an urban setting. This has allowed countries to create the millions of direct and indirect jobs critically needed by their growing urban populations.<sup>17</sup> The relatively basic

<sup>17</sup> Ann Markusen, "Interaction between regional and industrial policies: evidence from four countries." (Washington, D.C., World

skill needs of such industries has allowed these countries to tap into the influx of rural populations into cities for their industrial take off. Korea, for example, in its early phase of development, promoted labour and skill-intensive industries, such as consumer electronics, machinery and shipbuilding, which created massive job opportunities. Malaysia, early in its development, promoted primary processing industries, including agriculture, mining and forestry products. The country also created labour-intensive and domestic market-oriented industries, such as beverages, textiles, printed materials, furniture, rubber products and building supplies (cement, bricks and light engineering products) before later moving to promote exported oriented manufacturing technology and skill-intensive sectors, such as electronics and electrical products and the transport and automobile industries. Its industrial development of the 1950s and 1960s was driven by an import substitution strategy, which included the enactment of the Pioneering Industry Act.<sup>18</sup> In that way, the country not only expanded employment opportunities, but also progressively moved the economy towards those sectors with higher skill demands and wage premiums.

Selecting and promoting labour intensive sectors as growth drivers shows this as an important policy ingredient of successful or promising economies in Africa. This stands out, for example, in the economic trajectory of Mauritius. Building on its pre-existing relationship with the United Kingdom of Great Britain and Northern Ireland and the preferential treatment it secured from the European market, the country initially promoted the sugar industry, which in its heyday (during the 1970s) accounted for close to one third of employment, one third of export earnings and one fourth of GDP. In order to boost the competitiveness of domestic industry, between 1970 and 1980, Mauritius embarked on the creation of export processing zones, which enjoyed not only tax breaks, but also (at least initially) cheap labour and protection

Bank, 1996).

<sup>18</sup> Zainal Aznam Yusof and Deepak Bhattasali, "Economic growth and development in Malaysia: policy making and leadership", Commission on Growth Development. Working paper No. 27 (Washington, D.C., World Bank, 2008).

from imports through concessions and tariffs. Drawing on the preferential trade deals it secured with the European market, Mauritius promoted the textile and apparel industry, which enabled it to create broad employment opportunities, especially for women. The export processing zones and the labour-intensive manufacturing firms hosted in them generated job opportunities to such an extent that between the mid-1970s and 1990s, the unemployment rate of the country's economy declined from 20 per cent to less than 5 per cent, providing it with the basis to transit to an urbanized middle-income country.<sup>19</sup>

### **Urban–rural linkages**

Sustaining industrial development requires productive agriculture that continues to release surplus labour, maintain the growth of the industrial workforce and at the same time, provide cities and their industries with a cheap supply of food and agricultural inputs. These linkages are critical in the early stages of structural transformation. Industry should support agricultural productivity by supplying intermediate inputs and by providing a market for the surplus agricultural products, while agriculture in turn should help industrial competitiveness by supplying cities with food and industrial inputs. Countries that have succeeded in fostering agriculture–industry linkages have (among other policies) promoted secondary cities in agriculture regions, invested in transport connectivity and strived to link the economic sector with regional development through a coherent spatial vision of a balanced urban system.

Balanced regional development was one of the goals of Korea in their third five-year plan (1972–1976) when it increased investment in agriculture, rural electrification and transportation networks. Those efforts, along with the Government's favourable rice pricing policy and expanding urban employment opportunities, resulted in increasing farmers' income and productive absorption of the rural population influx to cities. Also notable was the launch of the "Saemaul Undong" national rural development programme that combined public investment in rural development with

village self-help and community mobilization.<sup>20</sup> Malaysia promoted balanced urbanization by establishing industrial zones, growth centres and agro-processing towns at locations far from major cities, and encouraged in-migration and industrial investment in those areas through a range of incentives.<sup>21</sup>

Indonesia identified in their master plan of economic transformation (2011–2025) seven priority sectors or industries (agriculture, mining, energy, industrial, marine, tourism and telecommunications) all connected to development corridors, and in each case, a priority sector was paired with a metropolitan area or city as an economic driver. The country paired sector priorities with regional specialization, accompanied by decentralization and rural development targeting poor areas. Interestingly, the country did not always select areas for its rural poverty alleviation programme by the level of income or basic needs, but rather by their inadequate levels of infrastructure and connectivity with towns and regional transportation networks, underscoring the importance given to fostering urban–rural linkages.<sup>22</sup>

### **Addressing urban congestion and housing challenges**

As cities grow due to their industrial success, they may struggle initially to cope with the rapid urban population growth. The resources and institutional capacity to meet the growing needs for housing and services often lags behind the swelling demand. The result is congestion, poor housing, informality, slums and substandard or lacking services. Successful countries have invested in the urban infrastructure and housing of growing cities to sustain their economic productivity, while at

<sup>20</sup> Edward P. Reed, "Is Saemaul Undong a Model for Developing Countries Today?" Paper prepared for International Symposium in Commemoration of the 40th Anniversary of Saemaul Undong (30 September 2010).

<sup>21</sup> Mohamed Aslam and Asan A. G. Hassan, *Development Planning and Regional Imbalances in Malaysia*. FEA Working Paper No. 2003-5 (June 2003).

<sup>22</sup> Mike Douglas. "A regional network strategy for reciprocal rural–urban linkages: an agenda for policy research with reference to Indonesia", Cecilia Tacoli, ed. *Rural–Urban Linkages* (Earthscan, 2006), pp. 124–154. Reprint from *Third World Planning Review*, vol. 20, No. 1 (1998).

<sup>19</sup> Ali Zafar, "Mauritius: An Economic Success Story", paper part of the Africa Success Stories project (Washington, D.C., World Bank, 2011).

the same time trying to relieve them of pressure by investing in secondary and tertiary cities.

National programmes, and with increasing decentralization, local governments, have transformed cities through innovative investment in housing, transport and urban planning. Brazil, Colombia, Morocco and many other middle-income countries offer good practices. In the case of housing, one basic lesson learned is the need to consider the supply chain, including land, finance and building materials while simultaneously implementing a well-funded social housing programme and at scale. The programmes themselves evolve over time, due to changing circumstances and shifting challenges, and they improve because of the growth in funding and the institutional capacity developed in the meantime.

The experience of Korea illustrates the above point. In the first phase (the 1970s), it established the Korea National Housing Corporation in the 1970s to develop low-income housing units and to support private house builders. The Corporation, however, lacked funding and it neglected rental housing, which was the only option for those who could not afford to participate in the limited mortgage market. In the second phase (the 1980s), the Government opted to fund house builders directly and launched ambitious programmes of building two million housing units in four years, but this ended up favouring large housing units suitable to middle-income households. The Government later promoted building high-rise apartments. Even though these were faster and cheaper to build, the programme fell short of meeting the housing demand of the poor. In the third phase that started from 1992 and culminated in 2001, the Government prioritized social development and welfare programmes up front, which also meant increasing funding for social housing. During that phase, the Government built 5.4 million houses around the Seoul Metropolitan Region, with 90 per cent of the settlements provided with water and a sewage system; accompanied by increased autonomy and resources to regional authorities to enable them to meet social and development

challenges, thus helping to bring spatial integration and balanced development.<sup>23</sup>

A central theme running across country experiences in housing is the challenge of affordability. With the majority of urban dwellers receiving low incomes and employed in the informal economy, this is going to be a long-term issue for many African economies. The exceedingly high housing price-income ratio prevalent in African cities underlies structural problems with land, regulations and urban planning, and the development of the construction sector and cost of building materials, which countries need to deal with systematically. Even though more lasting solutions are associated with income growth and the capacity of national economies, there are certainly near-term benefits that can be reaped through appropriate policy and institutional reforms (e.g. in land management and urban planning) and through innovative programmes. In addition, the positive experience of the large-scale housing programmes of Ethiopia and Morocco are indicative of the possibilities of a Government role in providing urban housing for the poor.

### ***Dynamic industrial development and urbanization***

At some point, industrial development peaks, shifting into growth in services, but its internal structure continues evolving. Pushing the limits and deepening the structural changes to maximize the economic gains of industrial development requires a vision that continues to not only capitalize on the country's natural endowment, but also on the skills, knowledge, technology and innovation capacity accumulated at preceding stages of industrial development. It is both about internal growth and expansion. With more capacity and resources, countries can now afford to open up new areas of opportunities. Shifting industrial development has a corresponding impact on the urban landscape. In the 1980s, for example, Colombia placed more emphasis on the oil sector, and the subsequent export surge from it expanded urban economic opportunities

<sup>23</sup> Lim H., "Case study of urbanization in South Korea", study compiled for the Social Development Policy Division, Economic Commission for Africa (2017).

and encouraged a population influx to cities such as Bucaramanga and Barranquilla.<sup>24</sup> Resources locked up in remote or lagging regions, will slowly become viable for exploitation because of a country's growing capacity to invest in such places.

Countries also accelerate their growth on the value chain ladder by moving to greater value added, skill- and technology-intensive products and processes. Countries grow their economy not just by expanding the volume of what they had been producing, but also by producing new and different things, producing them differently, smartly and innovatively. Korea started by prioritizing textiles and apparel in the 1960s and then moved towards chemicals and heavy industry in the 1970s, including automobiles, shipbuilding, petrochemical, machinery and consumer electronics. In the 1980s and 1990s, there was a movement towards high-tech and knowledge-intensive sectors such as semiconductors. Japan and Singapore have followed similar paths, beginning with labour-intensive light industry and moving towards a high-tech knowledge-based economy.<sup>25</sup> As the sugar, textile and apparel industries of Mauritius (which fuelled its growth from the 1970s to the 1990s) began struggling following the price reduction of sugar and the phasing out of the multifibre arrangement since 2004, Mauritius continued growing on the back of tourism, business process outsourcing and financial services, sectors with higher value added, and knowledge and skill content.<sup>26</sup> Such an industrial sector shift moves a country one step up on the value chain and the skills and technology ladder, and such growth patterns correlate with the increasing sophistication of cities. The role of cities in promoting knowledge, technology and clustering receives greater attention and new meaning

as countries embark on industrial upgrading and diversification, and aim to remain competitive and prevent a middle-income trap.

### **Balanced national urban system**

Changes to the dominance of various economic sectors presupposes the country has not one, or two or three, but more growth centres in place to catalyse development. Early investment to increase the number of strategically-located urban centres and industrial zones over time can allow a country to establish a national urban system that is functional and spatially integrated. In such a system, cities and regions are well-connected. Cities of different size and economic structure complement each other to support a competitive national economy. Firms now have alternative locations to choose from to meet their unique factor needs. Workers, firms and capital find it relatively easy to move to different locations in the national territory, and slowly gaps in productivity and living standards between cities and regions become smaller than in the past, reflecting the increasingly balanced settlements pattern.

In the early industrialization period, growth in Korea was concentrated in Seoul and this led to the population influx from the rural areas causing concern. Korea was rapidly urbanizing throughout the 1960s and 1970s and Seoul was the largest magnet. In 1960, 29.1 per cent of the Korean population was in urban areas and by 1970, the urban share jumped to 41.2 per cent. Seoul has been the major source of this urban explosion and the key driver was migration. By the end of the first five-year plan (1966), the population of Seoul grew by 41.9 per cent and by 1970 it increased by 59.2 per cent, signalling the need for policy adjustment to decongest Seoul and decentralize industry. Though it did not materialize from the start of the first development plan, the Government passed a "Comprehensive Plan for Construction of National Territory Act" and conceptualized a hierarchy of territorial plans covering special regions, provinces and districts to achieve balanced spatial development.<sup>27</sup>

<sup>24</sup> Ethiopia Development Research Institute, *Catalysing Efficient and Effective Urbanization in Ethiopia* (2014).

<sup>25</sup> Ann Markusen, "Interaction between regional and industrial policies: Evidence from four countries", (Washington, D.C., World Bank, 1996); Y.S. Lee, Y.C. Tee and D.W. Kim, "Endogenous versus exogenous development: a comparative study of biotechnology industry cluster policies in South Korea and Singapore" *Environment and Planning C: Government and Policy*, vol. 27, No. 4 (2009), pp. 612–631.

<sup>26</sup> Ali Zafar, "Mauritius: an economic success story", Paper part of the Africa Success Stories project (Washington, D.C., World Bank, 2011).

<sup>27</sup> Lim H, "Case Study of Urbanization in South Korea", study compiled for the Social Development Policy Division, Economic Commission for Africa (2017).

With the impending challenges of excessive growth of Seoul in mind, the Government took a series of initiatives that included the development of the industrial port cities of Busan and Ulsan, the development of “regional industrial complexes” and the construction of major highways to connect cities and regions. The Government established over 20 industrial complexes in strategic locations throughout the country, with each complex specializing in a specific industry. The Government built a few of them on the peripheries of Seoul, such as Guro and Gangnam, expanding the city region.

The decentralization of industry and the spatial balancing act of Korea was not a smooth and easy process, and even after all the efforts made, the success of industrial dispersion was not absolute. Smaller cities did not succeed in attracting large segments of the population or firms. The green belt created around Seoul to limit its growth, rather encouraged a leapfrog development causing an increase in commuting and housing costs of Seoul. Some landlocked and disconnected districts would not have had sustainable industrial development without military investment. Policies successfully dispersed heavy industry, but they were less successful with the high-tech sector, due to a relatively high density of education, and the location of corporate headquarters and administration in Seoul.<sup>28</sup> Many of those that relocated out of Seoul chose to go to its satellite towns in the Gyeonggi province tempering the effect on the overall geographic balance of industrial dispersion. With a consistent push and additional measures, in particular the establishment of the coastal and inland industrial complexes and integrated regional settlement areas, alongside administrative decentralization, Korea has managed to make significant adjustment in the geographic distribution of its industries positively affecting the development of its urban system.

Though African economies are far from having mature, efficient and integrated urban systems, there are positive spots and trends. Many Afri-

can countries, for example, Cameroon, Ethiopia, Mozambique and Zambia, are promoting economic zones and industrial parks. Though not always well connected to cities and urban centres, the zones and parks’ geographic spread suggests the intention to draw on regional resource endowment and specialization, as well as to diffuse the benefits of industrial employment and urbanization to wider geographic areas. In Ghana, the “one district one factory plan” accentuates the importance of industry as a catalyst to rural development. Mauritius is among the early movers, during the 1980s their export processing zones were accounting for more than 60 per cent of gross export earnings and one third of employment. Many African countries, including the few covered in this report, are marshalling a big chunk of their capital spending towards connectivity infrastructure focusing on secondary cities (Ethiopia and Rwanda), regional and strategic cities (Uganda), growth poles (Chad, Côte d’Ivoire) and regional or supranational transport corridors (Cameroon, Mozambique, Uganda, Zambia). Middle-income countries, such as Morocco and South Africa, have a good number of cities with dynamism to drive growth, providing opportunities for growing spatial integration. Industrial development in Nigeria is concentrated in three economic zones, indicating a relatively decentralized urban structure, which includes Lagos and the surrounding cities and the corridor to Ibadan in the South West. There is also an industrial corridor running from Abuja to Kano in the North of the country, including Kaduna and Jos; and lastly, the cities of Port Harcourt, Onitsha and Aba in the South East.<sup>29</sup>

### Five case countries in context

Five countries were selected – Cameroon, Chad, Morocco, Uganda and Zambia – as case studies to examine their approach to urbanization in national development planning. These African countries are not always a representative sample of the continent as a whole, but they do illustrate some of the continent’s significant diversity and some shared experiences (see table 1 and figure 1).

<sup>28</sup> Ann Markusen, “Interaction between regional and industrial policies: Evidence from four countries” (Washington, D.C., World Bank, 1996).

<sup>29</sup> Robin Bloch and others, “Economic Development in Urban Nigeria”, Urbanization Research Nigeria (URN) Research Report (Department for International Development, 2015).

**Table 1: Basic statistics on the economy and urbanization in five case countries**

Country	Cameroon	Chad	Morocco	Uganda	Zambia
Subregion	Central	Central	North	Eastern	Southern
Population, 2016	23 439 189	14 452 543	35 276 786	41 487 965	16 591 390
GDP per capita, 2016 (United States dollars)	1 033	664	2 832	615	1 178
Income level, 2016	lower-middle-income	low-income	lower-middle-income	low-income	lower-middle-income
	Percentage				
Average annual GDP growth, 2000–2016	3.98	7.93	4.41	6.60	6.48
Average annual GDP per capita growth, 2000–2016	1.25	3.76	2.94	2.84	3.36
Average annual population growth 2000–2016	2.67	3.45	1.25	3.40	2.84
Average annual urban population growth, 2000–2016	3.92	3.78	2.09	5.48	4.00
Urbanization, 2000	46	22	53	12	35
Urbanization, 2016	55	23	61	16	41
Urbanization, 2030 (forecast)	62	27	67	22	48
Non-agricultural employment	not available	not available	63	28	44
Agriculture, GDP, 2015	23	52	14	26	5
Industry, GDP, 2015	28	14	29	20	35
Services, GDP, 2015	49	33	56	54	59
Manufacturing, GDP, 2015	14	3	18	9	8
Natural resource rents, GDP, 2015	6	13	3	14	14

Source: World Development Indicators (World Bank and Department of Economic and Social Affairs, 2017).

Cameroon has experienced strong economic growth after recovering from the global financial crisis of 2008–2009 with major investment in infrastructure as a component of the country's new growth strategy. Cameroon is rich in natural resources, but many of its exports are in unprocessed commodities, including crude oil, cocoa beans and wood. Urbanization has surpassed 50 per cent and is continuing rapidly. Poverty is much lower in cities than in rural areas: 9 per cent, compared with 57 per cent, respectively, at the national poverty line in 2014, notwithstanding the fact that 71.4 per cent of urban employment is in the informal sector. Cameroon has high urbanization relative to income, with Morocco only slightly

less urbanized but at less than 40 per cent of the country's per capita GDP level. Whereas Moroccan cities have been a source of economic growth, the cities of Cameroon seem to be underperforming, compared with the country's level of urbanization. As the share of the urban population has risen over the past two decades (from 43 per cent in 1995 to 52 per cent in 2015), the share of GDP coming from typically urban secondary and tertiary sectors has barely increased, indicating one possibly potent approach would be investing in cities to tackle constraints and increase productivity.

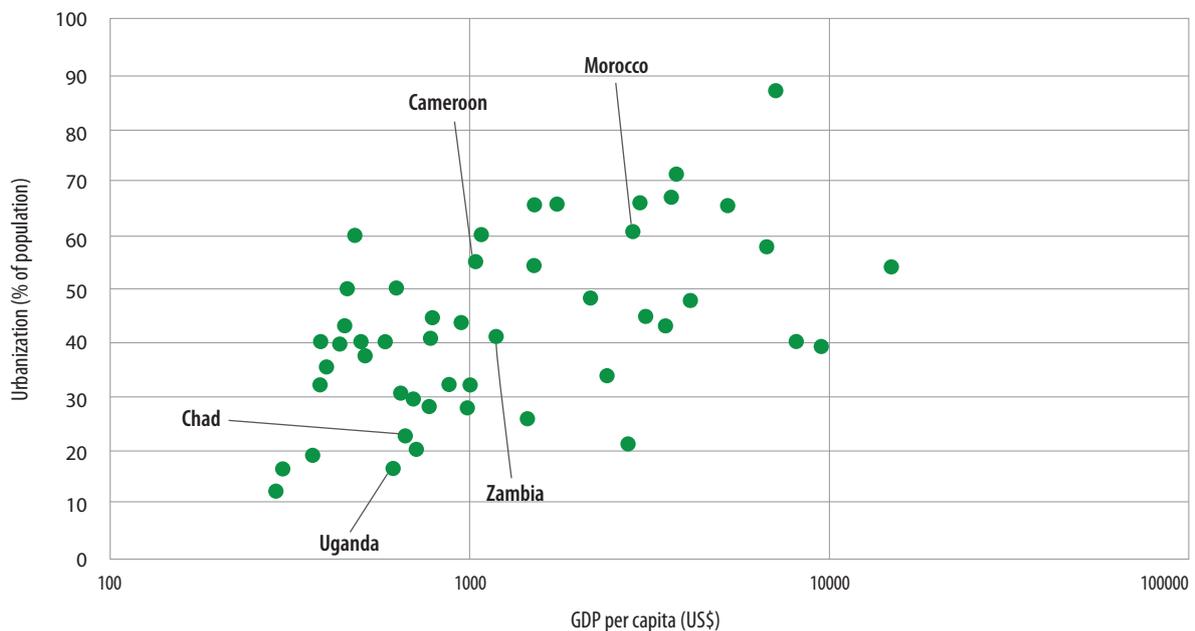
Chad, often ranked among the poorest countries, has 46.7 per cent of its population living in

extreme poverty.<sup>30</sup> Although it is one of Africa's largest countries geographically, 60 per cent of its land area is desert. Since 2003, Chad has been an oil exporter with oil rents accounting for a quarter of GDP on average between 2004 and 2015 and oil comprising the vast majority (88–95 per cent) of exports.<sup>31</sup> Chad is one of the least urbanized countries in Africa and is urbanizing relatively slowly. Those working in cities primarily work in the informal sector (70 per cent of jobs). Urban poverty is lower than rural poverty, which is perhaps one of the reasons the country has the striking target of 70 per cent urbanization by 2030,<sup>32</sup> requiring a massive and rapid leap in urban populations.

Morocco has displayed political stability and sustained economic growth over the past decades, nearly eliminating extreme poverty. The country is at a higher level of income and urbanization than

much of Africa and the other four countries examined here. It also stands out as the only country in this sample without a national development plan document. The last centralized NDP (2000–2004) for Morocco proved to be a mismatch for its decentralized institutional approach, including the growing role of territories, local government and civil society. The overall institutional and societal changes pushed the Government to seek a development approach that could better leverage participatory and decentralized mechanisms. Accordingly, since 2003, the country has promoted economic sector strategies as a national level prioritization of inclusive growth through a mix of high tech and labour intensive manufacturing. The implementation of the strategies was through multi-level development policies, which involve the central and local governments, the private sector and civil society. The continuous

**Figure I: African countries' gross domestic product per capita and urbanization 2016**



**Source:** Data taken from the World Development Indicators – updates (World Bank, 2017).

<sup>30</sup> Inseed Tchad (2011) "ECOSIT-3 Rapport". Available at: [http://www.inseedtchad.com/IMG/pdf/ecosit3-rapport\\_principal\\_sur\\_la\\_pauvrete\\_tchad\\_2011\\_version\\_publiee-2.pdf](http://www.inseedtchad.com/IMG/pdf/ecosit3-rapport_principal_sur_la_pauvrete_tchad_2011_version_publiee-2.pdf).

<sup>31</sup> Oil rents were significantly lower in 2015, at only 6.8 per cent of GDP. Export statistics from the United Nations Comtrade database.

<sup>32</sup> Chad, Ministry of Economy, Plan, and Cooperation, *Vision 2030: Le Tchad Que Nous Voulons* (N'Djamena, 2017).

improvement in governance and the implementation of structural transformation policies have resulted in efficient vertically integrated industrial strategies that has enabled Morocco to boost manufacturing, including exports of machinery and vehicles. Morocco has urbanized rapidly, with 63 per cent of the total population living in still-growing cities.

Uganda is one of the least urbanized countries in Africa, but it is urbanizing rapidly, with cities growing quickly. GDP per capita is low and poverty rates are high, but economic growth has been strong, especially in the decade between 2001 and 2011, averaging 7.8 per cent growth and 4.2 per cent growth per capita. Since then, growth has slowed in conjunction with reduced commodity prices. Formal sector urban employment is concentrated in and around Kampala, which accounts for 31 per cent of the country's urban population. The expectation is that Kampala will become a megacity with over 10 million people by 2035. A rich agricultural endowment accounts for the predominance of agricultural products in the country's exports. While 72 per cent of the employed workforce are in the agricultural sector, this sector contributes 26 per cent to GDP with urban areas accounting for a large and growing share of value even with the small share of formal sector activities in tradable sectors.

Zambia has grown rapidly since 2000, with copper exports and services leading growth. Mineral rents stood at 10 per cent of GDP in 2015, down from nearly 20 per cent in 2011. Rural poverty has remained high and more than half of employment is still in agriculture, in which productivity has remained low. Zambia saw de-urbanization in the 1990s, in conjunction with a stagnant or declining GDP per capita. However, since 2000, a growing share of the population is living and working in cities, with more than one third of employment in services as of 2012, and the share of the population living in cities expected to surpass 50 per cent by 2035.<sup>33</sup>

<sup>33</sup> Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects 2014 Revision (ST/ESA/SER.A/366 (2015))*.

Chad and Uganda continue to have a substantial agriculture sector by share of employment (over 70 per cent in Uganda) and GDP (52 per cent and 26 per cent respectively), and notwithstanding the high urban population growth (3.92 per cent and 5.48 per cent of average annual growth), and both have some ways to go before becoming majority urban. This makes rural transformation and agricultural productivity important policy components in achieving sustainable urbanization. The remaining three countries feature a service sector at or above 50 per cent of GDP. At the same time though, manufacturing remains in single digits for Chad, Uganda and Zambia, reflecting the large informal service sector that grew as default to absorb the growing urban population.

Four out of the five case countries examined in this report have a framework for national development planning in place. Morocco, which ceased national development planning in 2004, is the exception, as the country's economic development strategies are economic sector-specific with a growing territorial emphasis. Cameroon, Chad, Uganda and Zambia first engaged in development planning shortly after independence, but were interrupted by the externally imposed structural adjustment periods in the late 1980s and 1990s. The four countries engaged in national development planning use a policy framework characterized by a long-term vision document with shorter-term NDPs (five-year plans in Chad, Uganda and Zambia, and ten-year plans in Cameroon) to support vision implementation (see table 2).

All five countries examined here have a variety of urban plans and policies. Morocco has had a national urban policy since 2011. Uganda has recently approved their urban policy in 2017, and Zambia is developing their own in line with the recent recommendations of the New Urban Agenda. Chad has a National Territorial Vision and National Land Management Scheme, but no national urban policy, and Cameroon has an urban sector development strategy. The largest cities in all five countries have local urban development policies or master plans.

**Table 2: National development planning history in five case countries**

	First national development plan	Subsequent national development plans	Other policy periods	Current plan	Major urban policy documents
<b>Cameroon</b>	First five-year development plan 1961–1965	Six five-year development plans total, ending in 1991	Internal adjustment period 1987–1994;a Structural adjustment period 1994–2005; Poverty Reduction Strategy Paper 2004–2008	Vision 2035 (established 2008), Growth and Employment Strategy Paper (2010–2019); Triennial development plan (2015–2017)	Urban sector development strategy; City development master plans (14 major cities); Communal development plans (other cities)
<b>Chad</b>	First five-year plan 1966–1970	Chad to 2000 (1991–2000, extended to 2005); Vision 2025 and NDP 2013–2015	Structural adjustment 1987–1995; enhanced structural adjustment facility 1995–1998	Vision 2030 “The Chad We Want”; NDP 2017–2021 is awaiting adoption	National territorial vision 2035; National land management scheme; N’Djamena Framework document
<b>Morocco</b>	First five-year development plan 1960–1964	Three-year stabilization plan 1964, Five-year development plan 1973–1977; interrupted by the three-year plan 1978–1980, five-year plans 1981–1985, 1988–2004	Structural adjustment plan 1983–1988; Since 2004, sector-based strategies in agriculture, industry, tourism along with institutional reforms: decentralization (1976, 2003, 2008, 2015), regionalization (1997, 2015)	-	Urban policy; Urban master plan; Greater Casablanca development programme 2015–2020; National land management scheme
<b>Uganda</b>	The first five-year development plan 1961/62–1965/66; A five-year capital development plan 1955–1960	Second five-year plan 1966/67–1970/71; A three-year economic rehabilitation plan 1977/78–1979/80; A ten-year reconstruction and development plan 1980–1990	Poverty Eradication Action Plans (1997–2008)	Uganda Vision 2040; Second National Development Plan (NDP II, 2015–2020)	Urban sector development plan; Greater Kampala Metropolitan Area Development Framework 2040; National Urban Policy

<b>Zambia</b>	First National Development Plan (1966)	Subsequent National Development Plans until 1991, then again 2002–2015; Revised Sixth National Development Plan (most recent, 2013–2016)	Structural adjustment 1991–2002	Vision 2030; Seventh National Development Plan (2017–2021)	Lusaka Urban Master Plan; National Urban Policy being developed
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**Source:** Country-level assessments of national development planning and urbanization (Economic Commission for Africa).

<sup>a</sup> The internal adjustment period in Cameroon was a response to the international economic crisis of the 1990s. During that period, Cameroon reduced public servant salaries twice, stopped recruitments in public services, the Government sold public enterprises and the African Financial Community (CFA) franc was devalued, setting the stage for further adjustment under the International Monetary Fund structural adjustment programme.

## Section II: National development plan process and coordination of urban issues

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Each of the case countries covered in this assessment report has an elaborate economic planning process that suits to its specific needs and context. Except for Morocco, all four share a centrally organized and guided planning process, commonly featuring some variants of diagnosis, plan drafting, implementation, monitoring and evaluation. The process also features macro elements and sector, and subnational or spatial elements. In the case of Morocco, economic sector policies and strategies along with institutional reforms (decentralization, regionalization and multilevel partnership arrangements between central and local government, private sector and civil society) represent a key vehicle available for the Government to steer development, and so is the focus of this assessment. Other countries are also pursuing decentralized development coordination action in cities, albeit with some capacity challenges. In Chad, the decentralization process is at an early phase, with the Government creating a large number of new local administrative units in rural areas; however, this is largely a political policy, but with implications for coordination of local and regional development.

One major challenge for assessment, planning and monitoring and evaluation is gaps in urban data. Spatially disaggregated data on productivity, employment, land use and constraints faced by businesses (traffic congestion) can help economists to match interventions and locations in ways that have an impact on strategic economic sectors. Measures of urban productivity, such as

city-level GDP, are especially important given the fact that African cities are expensive and labour is not as cheap as imagined, based on income. While basic economic data are generally available at the national level, subregional data are often lacking, and data at the city level are even more difficult to find than at the regional level. Even when these data are available, its quality and comparability sometimes pose problems, or data gathered at a single point in time with no information on the trend.

Going one-step beyond subnationally disaggregated data, georeferenced spatial data can also be useful for targeted economic planning. Countries are already using urban and regional maps as a basis to identify economic potential (Uganda) and direct investment to opening up new production capacities and areas (Chad). The quality of data, however, are often very poor, or not up to date. However, countries are making progress. Chad is investing in a land management information system. The Ugandan Government committed itself to setting up the National Spatial Data Infrastructure, through the Ministry of Land, Housing and Urban Development, which will combine spatial information from all ministries, departments and agencies.

This section briefly highlights the key features that define the planning process of each case (see boxes 1–5), and how they allow for coordination of the national planning process with urbanization and urban issues.

## Cameroon

### Box 1: Cameroon – overview of the national development planning process

- **Preparation of the planning process.** Designation of the Monitoring Technical Committee of the Growth and Employment Strategy Paper (TFC-GESP) based on a multisector approach. The TFC-GESP drafts the NDP methodology.
- **Validation of the NDP methodology.** National workshop with stakeholders, including civil society, non-governmental organizations, the private sector and development partners, representatives of Government and academia.
- **Participatory diagnostic.** Identification of assets and challenges according to the view of all stakeholders and populations.
- **Plan drafting.** TFC-GESP prepares a draft. They share the draft with sectoral ministries through the relevant focal points. The final draft determines strategies and actions to achieve development targets and prioritizes actions through a participatory approach.
- **Resource mobilization.** The Ministry of Finance and the Ministry of Economy, Planning and Regional Development prepare the medium-term budget framework.
- **Strategy prioritization.** Prioritization of programmes and projects according to identified criteria to determine timing cost and rationale of implementation.
- **Implementation.** Execution of projects and programmes involving a range of actors, including the supervising body, steering committee, service providers and beneficiary populations.
- **Evaluation.** Ensuring that the realization of activities is as planned, outlining failures and bottlenecks, proposing solutions and ensuring appropriation by beneficiaries.

The NDP preparation in Cameroon follows a multi-step process as outlined in box 1. The process involves, among others, a participatory diagnostic stage in which stakeholders and the populace at large are engaged to identify assets and challenges as inputs to formulating priorities and programmes. Programmes and projects are the vehicle for realizing development plan targets, and the institutional framework for delivery, which includes implementing agencies, supervisory bodies, service providers and benefiting communities or target populations.

The Government solicits, during plan preparation, inputs on priority concerns and needs. During the last planning process, some 20 teams held meetings with the population involving diverse stakeholders, including women (25 per cent) and young people (20 per cent). The teams provided a summary of inputs validated at the national level and incorporated into the formulation of the national development strategy.

The urban components of NDP feature in the urban sector and infrastructure sector plans,

and in city and commune development plans. Though each of these plans are aligned to the Growth and Employment Strategy Paper, NDP for the period 2010–2019, the different pieces are not horizontally coordinated. Urban infrastructure projects and programmes play a pivotal role in influencing urban competitiveness and structuring the urban landscape. The Government disperses them throughout several ministries and agencies, including the Ministry of Public Works, the Ministry of Water and Energy, the Ministry of Post and Telecommunications, the Ministry of Transports, the Ministry of Housing and Urban Development and the Ministry of State Property, Surveys and Land Tenure. Given there is no one national infrastructure development strategy or overarching plan, coordination is weak among the ministries. Coordination is also a problem vertically in integrating subnational development plans into a national development plan. National ministries, departments and agencies, such as the Urban and Rural Land Development and Servicing Mission and the Special Council Support Fund for Mutual Assistance are at work assisting local governments in their development process.

Cities and towns have local development plans that focus on mobility, service delivery and land use, but they are not fully integrated into regional

development plans or thematic strategies such as the employment strategy for young people or the export promotion strategy.

## Chad

### Box 2: Chad – overview of the national development planning process

- Concept note, roadmap and budget for Vision 2030 and NDP 2016–2020.
- Official Launch of the National Vision Study for “Vision 2030: Chad we want”.
- Transmission of documents from the National Prospective Study “Vision 2030: Chad we want” to the main actors (sectoral ministries, major institutions, technical and financial partners).
- National and regional consultations on population aspirations in N’Djamena and the 23 regions leading to a synthesis report on the main trends.
- Establishment of the Technical Committee of Experts comprising 25 members from civil society, public and private institutions.
- Training of selected experts in integrating the cross-cutting dimensions of employment, gender and climate change into sectoral policy formulation, monitoring and evaluation.
- Implementation of the Survey of National Aspirations by National Institute of Statistical, Economic and Demographic Studies in the 23 regions.
- Drafting of the documents of the Prospective National Study “Vision 2030: Chad we want” and the National Development Plan 2017–2021.
- Presentation of the draft NDP 2017–2021 to the Prime Minister and to technical and financial partners.

The country’s development plans are prepared to implement its Vision 2030. The overarching goals of Vision 2030 constitute the strategic axis of the subsequent NDPs 2017–2021, 2022–2026 and 2027–2030. The planning process in Chad emphasizes this relationship by breaking down sector plans into programmes and projects, and drawing priority action plans, the cost of which forms the basis for annual budgets.

For the first time, Vision 2030 and the NDP 2017–2021 both promote the idea of regional growth poles; however, the National Land Use Plan does not always reflect this, which provides the spatial framework for the country and has a planning

horizon of 2014–2035. Similarly, a number of relevant sector and thematic strategies have longer time frames than the five-year plan providing a better chance of integration or alignment in the context of the country’s development vision. The national plan for physical planning (2035), the employment and vocational training strategy (2030), the master plan for water and sanitation (2003–2020) and the transport infrastructure plan are relevant pieces for aligning the urban agenda with NDP.

## Morocco

**Box 3: Morocco – overview of the economic planning process**

- **Sector strategies.** A mix of high-tech and labour-intensive manufacturing, targeted at the national level with multilevel, vertically-integrated implementation.
- **Urban upgrade.** Basic infrastructure and educational institutions established in all major cities and mid-sized urban centres. This urban upgrade is encouraged through an advanced level of decentralization that enables local governments (mainly urban communes) to leverage partially their financial resources and benefits from Government technical and financial support, while implementing and supervising directly the urban upgrade projects.
- **Investment promotion.** Foreign direct investment solicited, with private sector partners playing an active role in site selection. The central Government directly negotiates large-scale projects with the participation of the local government authorities, primarily regions and communes on a second level.
- **National and regional policy alignment.** Once initial foreign direct investment is established, the Government will align investment in additional specific infrastructure and education and policies to support it, and enable clustering of foreign direct investment and national backward and forward linkages.
- **Subnational coordination.** This relies upon Walis and governors (regional and state levels, respectively) and regional and local elected bodies. The decision-making capacity and budget authority of Walis and governors is presently being expanded to enable a more active and central role vis-à-vis other ministerial department representatives at regional and local levels. Regional and local elected bodies (Collectivités Territoriales - Région et Commune) have competencies, including own-source financial resources and autonomous local administration. Regional Territorial Collectives oversee economic development and regional land-use frameworks along with professional training initiatives and growing financial resources. Subnational entities coordinate their efforts in joint committees or through partnership arrangements that emphasize the nature of the role and financial contribution in the economic development effort, especially in the case of foreign direct investment.

Unlike the other case countries covered in this assessment report, Morocco does not practice centrally guided national development planning. In the context of Morocco, three policy streams and processes are relevant to integrating the economic role of cities into development planning and management. The first one is sector policies and strategies. The Government has created specific economic strategies for priority sectors, including the auto industry, aeronautics, electronics, phosphates and chemical industry, green agriculture, tourism and logistics. The Government attracts private investment using sector priorities backed by sector specific investment in infrastructure and an enabling policy environment. Public-private partnerships form the linchpin for implementation. The public sector's actions are coordinated through contractual agreements (backed by resource allocation from central and regional sources) signed between the national government, represented by the Ministry of Finance and leading sector agencies and targeted subnational authorities.

The second set of processes involve changes under way in urban development. Since 2003 with the new law on decentralization, which brought enhanced competencies and enabled significant financial resources for local governments, there has been a progressive shift in policy and practice of urban development, from a sector-based approach to integrated and programmatic processes along with implementation and management tools. Focus is not only on having access to urban services, but also on quality of life and competitiveness to be achieved through cross-sector approaches and contractual and participatory delivery mechanisms that bring together the relevant entities (ministry departments, public institutions, local authorities and representatives of the private sector and civil society). Following the urban policy issued in 2011 (Politique de la Ville), a permanent interministerial commission on urban policy (Commission interministérielle permanente de la politique de la ville,) was created in 2014 to support the new orientation for

integration. Programmes also included the development of new cities and industrial hubs.

The third leg of the development process relevant to urban integration is the country's move towards making regional drivers of growth. Since 2015, regional governments have strengthened the law on advanced-regionalization, with more mandate, competencies and resources to take an active role in development coordination and implementation, which is in alignment with pri-

ority sectors and based on regional potential. Regional project execution agencies monitor the technical coordination and implementation of projects. The law has also permitted local and regional development companies (societies de développement local et régional) to be established in order to operationalize competencies that require a high level of professionalization and innovative business models.

## Uganda

### Box 4: Uganda – overview of the national development planning process

- The formation of Core Technical Committee comprising the Ministry of Finance, Planning and Economic Development, the Office of the Prime Minister, the National Planning Authority and the Uganda Bureau of Statistics.
- Sector papers drafted by sector task forces comprising the private sector, the Government and civil society organizations.
- Convening of the Ad hoc Patriotic Team to discuss issues relevant to NDP.
- Consultations involving sectors and sector plans, the private sector (Private Sector Foundation Uganda and the Uganda Manufacturers Association), civil society organizations.
- Local government engagement: consultations and collection of data.
- Macroeconomic framework development through intense discussions between the National Planning Authority, the Ministry of Finance, Planning and Economic Development and the Bank of Uganda.
- High-level Government consultative meetings with permanent secretaries and ministers, members of parliament, His Excellency, the President.
- Submission of the draft NDP to the cabinet for approval.
- Final NDP approval by parliament after numerous consultations.
- Dissemination of the plan.

The Comprehensive National Development Planning Framework policy issued in July 2007, guides the country's planning. The current NDP for Uganda runs for the period 2015/2016–2019/2020 and preparations are underway to conduct a midterm review, to inform the preparation of the coming NDP (2020/2021 to 2024/2025). The planning framework in Uganda involves a strong consultative process that encompasses both sector and territorial actors. The Ministry of Finance, Planning and Economic Development, the Office of the Prime Minister, the National Planning Authority and the Uganda Bureau of Statistics together form the core technical committee to guide the process, while the different sectors

form their own task forces with representatives of the private sector, Government and civil society organizations, and contribute to sector papers. These form the basis for consultations involving the Patriotic Team, sector representatives, the private sector (Private Sector Foundation Uganda, Uganda Manufacturers Association), civil society organizations, local governments, permanent secretaries and ministers and members of parliament. The Government organizes national development policy forums to engage the public and stakeholders in specific themes that focus, for example, on public finance, education, gender and land reform. The design of the consultation is to achieve a common understanding of develop-

ment issues, improve the quality of the plan and secure a broader buy-in, before cabinet members approve and parliament put it into law.

The spatial framework highlighting the country's economic potential and infrastructure network form the basis of informing sector priorities. The sector development plans and the local government development plans, which are aligned to the sector priorities, identify projects that, in turn, inform the public investment plan and financing strategies (the private sector, non-state actors and public-private partnership) and government financing mechanism through the Medium-Term Expenditure Framework.

Aligning sector and local government plans is a key feature of the country's development planning process. The guidelines of the National Planning Authority of Uganda (Uganda Local Devel-

opment Planning Guidelines) calls for subnational development plans to be linked to the overall national development strategic direction, time-frame, objectives, strategies and programmes and to the sector development goals ("vertical harmony"), and to be multisectoral and integrated ("horizontal harmony"). Sector agencies and ministries are required to provide technical support to subnational planning committees. The funding of national policy priorities is through sector budgets under the Medium-Term Expenditure Framework process, of which local governments can access part of such budgets as earmarked conditional grants to carry out national policy priorities within their plans. Periodic performance reports (monthly, quarterly and annually), mid-term review and final evaluation assist in tracking the implementation progress of both sector and subnational developments.

## Zambia

### Box 5: Zambia – overview of the national development planning process

- Policy analysis coordinated by the Cabinet Office including assessments at various subnational levels; and, consultative process with civil society, the private sector, quasi-government institutions and stakeholder groups.
- Strategic choices, drafting and validation at sector level, with sector ministries providing further diagnostics.
- Programme coordination and implementation with the Ministry of National Development Planning as lead entity under the Office of the Vice President. Permanent secretaries coordinate outcome-based clusters in which each ministry, department and agency has a performance contract to deliver towards a joint outcome and a budget sequenced to deliver components in a logical order.
- Monitoring and evaluation led by Ministry of National Development Planning with input from subnational Development Coordinating Committees, Cluster Advisory Groups and the Joint Monitoring, Evaluation and Statistics Working Group. The participation of non-state actors augment monitoring and evaluation and statistical capacities at national, provincial and district levels.

The planning process of Zambia blends top-down and bottom-up approaches. The two approaches entail consultations that cascade downwards and upwards through the following coordination and implementation structures: the National Development Coordinating Committee/Steering Committee, the Cluster Advisory Groups, which are an assembly of sectors sharing common overall objectives, Provincial Development Coordinating Committees, District Development Coordinating Committee and Ward Development Committees. These top-down and bottom-up consultations

define national development priorities, macroeconomic parameters and help assess global and national economic conditions. The newly established Ministry of National Development Planning is responsible for NDP formulation, coordination, implementation support and monitoring and evaluation processes. At the sector level, Sector Ministries provide further diagnostics, strategic choices, drafting and validation and undertake programme implementation, monitoring and evaluation, with the advisory support of Cluster Advisory Groups. Parliament plays an oversight

role. The cabinet, through the National Development Coordinating Committee, provides leadership and policy direction.

The bottom-up approach involves information flow and planning inputs from Ward Development Committees and District Development Coordinating Committees and their consolidation through provincial development coordinating committees and Cluster Advisory Groups. The major focus of these inputs is identification of growth areas in the relevant districts, and obtaining key recommendations that would stimulate economic growth and poverty reduction in the country and ensuring ownership of the plan by the people. In recognizing the need for inclusiveness in the development agenda, the Cluster Advisory Groups draw additional membership from cooperating partners and non-state actors, such as the private sector, civil society and faith-based organizations.

Vision 2030 is aimed at making Zambia a prosperous middle-income country. The five-year development plans constitute the building blocks and path to achieving the Vision. Each five-year plan has a theme, for example, the sixth NDPs was under the theme of “Sustained economic growth and poverty reduction” (2011–2015) and the seventh NDPs under the theme of “Accelerating development efforts towards the Vision 2030 without leaving anyone behind” (2017–2021). The seventh NDP makes a shift from a sector approach to an integrated approach, whereby the country developed programmes under a results framework of development outcomes and integrated as a multisector. Key outcomes include economic

diversification and job creation; poverty and vulnerability reduction; reduced developmental inequalities; enhanced human development; and an enhanced governance environment for a diversified and inclusive economy. This shift began with the revised sixth NDP that focused on programme development and consummated with the current NDP, which improved on the lessons drawn from it.

The country’s current shift in development planning emphasizes coordination between sectors and across provinces and districts, and between the integrated district plan and NDP, which have a ten and five-year planning time frame, respectively. The major mechanism will be the cluster approach, which will bring different sectors dealing with a programme intervention of a multisectoral nature together under a joint financing and implementation arrangement. At present, a number of sectors tend to operate in isolation with cases of duplication and inefficient resource use commonplace. The country hopes that using the integrated approach will overcome this challenge by clustering ministries, departments and agencies’ activities according to broad outcomes and putting a permanent secretary in charge of coordinating outcome deliverables. In each outcome, each ministry, department and agency has a role specified through a performance contract and a budgeted sequenced to deliver its component in accordance with an integrated timeline. The establishment of the Ministry of National Planning and its location under the Vice-President’s office is intended to provide for a strengthened coordination role of the ministry. There is also a planned shift to output-based budgeting.

## Section III: Representation of urban issues in national development plans and economic planning

The urban economic nexus is multidimensional and complex. In the present report, consideration is given to three entry points to gauge the nature and level of urban integration into development visions and NDPs launched to implement them: sector targeting, urban productivity and the national spatial system. The three entry points are linked to the urban economic role in job creation, competitiveness and growth potential and spatial equity and integration.

### A. Economic sector targeting

The first entry point is sector targeting, looking at the nexus between urbanization and priority economic sectors, and focusing on linkages and job creation. Structural transformation, at the root of economic development, requires the transfer of labour from low productivity sectors to high productivity sectors. Part of this transfer is the movement towards an urban workforce. The creation of urban jobs is a critical link between urbanization and economic development and should therefore factor into sector targeting.<sup>34</sup> Of the five countries examined in this report, Morocco most clearly prioritizes high productivity and job-rich manufacturing, similar to successful Asian countries. Morocco is also the furthest on the development trajectory. Cameroon also sets a target relating to manufacturing (23–25 per cent of GDP by 2035). Cameroon, Chad, Uganda and Zambia put a big emphasis on agriculture due to its importance in the economy and employment, and in the case of Cameroon and Uganda, major comparative advantages in the area. It should be noted that Cameroon does not target economic sectors,

but the importance of agriculture can be inferred from its sector strategies and resource focus of its NDP. All the four countries with agriculture as their priority have, to a greater or lesser degree, some emphasis on agriculture value added and agro-processing, a critical link between the urbanization and development processes.

While the emphasis on agriculture is understandable, there are some striking gaps in sector targeting: aside from Morocco, none of the other four countries has NDPs that place among their top priorities high productivity job-rich manufacturing, which has unique potential for triggering structural transformation.<sup>35</sup> This apparent gap is understandable in countries such as Chad and Uganda, which remain largely rural, and sometimes in part compensated for by industrial policies, as is the case in Cameroon and Zambia. Construction and the urban housing industry, which is a good fit for a newly urbanizing workforce and meets the critical need for housing and jobs at the same time, also appears to be missing as a priority, although in Cameroon its newly drafted Industrialization Master Plan tackles the linkages between housing, public works and industrial development.

The absence of manufacturing from the list of priority sectors in the current NDPs however, should not lead to a firm conclusion that it is not strate-

<sup>34</sup> Chapter 3 of the *Economic Report on Africa 2017* (Economic Commission for Africa, 2017) provides a detailed discussion on this issue.

<sup>35</sup> John Page, "Can Africa Industrialize?" *Journal of African Economics*, vol. 21, suppl. 2 (January 2012), pp. ii86-ii124; Dani Rodrik (2013), "Unconditional convergence in manufacturing", *Quarterly Journal of Economics*, vol. 128, No. 1 (February 2013), pp. 165–204; Dani Rodrik, "Premature Deindustrialization", *Economics Working Papers*, Princeton: IAS School of Social Science (Princeton, 2015); *Economic Commission for Africa, Economic Report on Africa 2014: Dynamic Industrial Policy in Africa* (Addis Ababa, 2014).

gic or important in the realization of their visions. Even when manufacturing is not the priority of the current NDP, such as in Uganda, where industrialization remains the long-term goal and aspiration of its vision and perhaps, going by indications of the current NDP, its current focus on agro-industry could simply be an initial step of the transition. Likewise, in Zambia, emphasis on economic diversification and associated strategies, such as industrial parks, suggest industrialization is an inherent, albeit implicit goal and strategy of its development vision. Still, the apparent absence or weak reference to manufacturing as a strategic sector, given the huge challenges of urban job creation and overarching goal of structural transformation shared by all the case countries, beg questions.

### **Cameroon**

Cameroon, as acknowledged in their Vision 2035, identifies promoting sustainable growth and creating a diversified and competitive economy in which the manufacturing sector plays a key role, as a challenge. The Vision is aimed at making Cameroon a middle-income country, emerging (globalized) and industrial (with manufacturing at 23–25 per cent of GDP). There is no specific economic sectors indicated as priority in Vision 2035, but intensive and diversified development throughout sectors is implied. All the three markers of the Vision (middle income, emerging and industrial) correlate with building dynamic cities that can support production, consumption and trade of high value added activities. Yet, it does not target cities or identify major urban programmes. Although the country acknowledges regional and urban development along with infrastructure investment as pillars, the content of the Vision sends a mixed signal. It refers to the importance of promoting cities as production and consumption centres, while simultaneously underscoring the need for a pre-emptive measure of controlling urbanization and urban growth. It is not clear how the country is going to do this.

A general sense of the industrial vision and urban implications can derive from sector, spatial and thematic strategies. The country had intended for the prior industrial target to expand the production capacity in aluminium, rubber and timber

underscoring a focus on resource extraction and processing; and to promote the transformation of local products, such as wood, cocoa, cassava and palm oil. Agropastoral land reserves and industrial zones are planned to promote these agricultural resources and manufacturing. The focus of the industrial zones will depend on regional potential, with some targeted for agriculture and agro-processing. For example, Garoua, the port city of the country's North region, in the centre of a cotton-growing area, has an industrial park promoted as the hub for cotton and associated products, and Ngaoundere, capital of the Adamawa region, is a hub of agropastoral activities, from animal husbandry to modern slaughterhouses.

Resource-based industries are not significant in their influence on direct job creation, but with deliberate policy interventions to add value, diversify and boost multipliers, there could be an increase in its overall effect. The Growth and Employment Strategy Paper does not contain much on these aspects, nor does it elaborate on the spatial implications of priority sectors, including agribusiness and aluminium processing, but the just-launched industrial policy of Cameroon sheds light on the industrial ambition of the country further, suggesting the importance of fleshing out these issues more explicitly.

The main objective of the Cameroon Industrialization Master Plan is to “break up with the raw material-based economy and win back the industrial leadership of the continent.”<sup>36</sup> Achieving this objective will entail building up the middle class through job creation and income generation in several economic subsectors. From the perspective of an urban lens, the Master Plan is very innovative as one of its five pillars deals with industrialization-urbanization-housing-public works integration. Both the Cameroon Industrialization Master Plan and the employment strategy for young people (another crucial thematic policy instrument currently in place) could provide entry points for coordinating industry, jobs and urbanization.

<sup>36</sup> Government of Cameroon, *Cameroon Industrialization Master Plan*, 2017 (p. 35).

**Chad**

Given the country's high share in GDP, its framework for development planning rightly identifies agriculture, livestock and fisheries as lead sectors to drive economic transformation. The focus also aligns with the Government's continued focus on poverty reduction. In the development plan, however, there is no recognition of agriculture development as a rural phenomenon and separated from its value chains and linkages with cities and urban centres. Food security has been a priority since the NDP 2013–2015 and cities seen as sources of demand for agricultural products, in conjunction with high-targeted urbanization rates. In order to meet this demand, Chad considers agro-processing and storage capacity and investment in infrastructure (specifically electricity, roads and information and communications technology) as a priority and in connection to agriculture growth poles (NDP 2017–2021). The country, in its National Land Management Scheme 2035, considers the spatial system of agricultural production, with regional development as the focus for bringing together producers, industries and consumers. The country has promoted the production of 17 specific products (including leather, gum Arabic, sesame, onion, spirulina, textile, soda, dates, peanuts and shea) in the relevant areas of production and linked to supply chain development. Chad also identifies mining as a lead sector (NDP 2017–2021) which, while likely not a key driver of productive job creation, could generate much needed value and foreign exchange.

The country also targets tourism in its NDP, seen as an opportunity for job creation in both urban and rural areas, although the sector will not likely be a driver of economic productivity. The planning framework, however, falls short of advocating the labour intensive manufacturing sector, which would contribute to both the rapid urbanization envisioned by the National Territorial Vision and broad-based economic transformation. In addition, given the country's desire to develop new production capacities and opportunities, primarily in agriculture and resource sectors, and its simultaneous drive to develop economic regions based on their mapped out potential, how much

these approaches with explicit regional and urban focus have informed the Priority Action Plan and the prioritization of projects and programmes.

**Morocco**

Morocco has not had a centrally prepared and implemented national development plan since 2004. The country, however, identifies and promotes priority sectors through a set of plans that are coordinated within the Government's overall policy and renewed under the impulse of the King's constitutional authority along with the Government's capacity.

The Industrial Acceleration Plan, the third generation programme devoted to industry since 2005, has enabled Morocco to carry out a vertical integration strategy successfully, especially in automotive, aeronautics and chemical industries. The Government provides an enabling policy environment and incentives and it identifies potential target cities and regions to lure investment in priority sectors. The Government uses public-private partnerships and arrangements that bring together national and subnational actors and innovative financing and management tools to support implementation. Regional and local governments sign partnership agreements to support specific infrastructure investment for the selected sites and extend financial contributions for specific education and training programmes to boost related local employment.

The current Industrial Acceleration Action Plan (Plan d'accélération industriel, PAI 2014–2020) provides the framework for coordinating the implementation of industrial sector priorities and achieving investment and employment targets. By 2020, the aim is to create 500,000 jobs and to raise the industry's share of GDP. Strategies include the establishment of an export-processing zones in targeted cities, including Tangier (Tangier Free Zone and Tangier Automotive City), Kenitra (Atlantic Free Zone), Casablanca (Midparc), Rabat (Technopolis) and Oujda (Oujda Technopole). Thanks to strategic investment in industrial zones, ports and high-speed railways, and across-the-board urban investment, cities such as Casablanca and Tangier have become industrial and commercial hubs

driving growth throughout transport corridors of the national economy and facilitating the country's integration into the global market.

### **Uganda**

Uganda identifies, in its National Development Plan (NDPII, 2015–2020), agriculture, tourism, minerals, oil and gas as opportunities, and infrastructure and human capital development as fundamentals for growth. It identifies agriculture, linked with information and communications technology, skills development and transport infrastructure as the launchpad of industrialization. With regard to the priority sectors identified as opportunities, the structure of the investment is around value chains, with specific focus on cotton, coffee, tea, maize, rice, cassava, beans, fish, beef, milk, citrus and bananas. These value chains are selected because of their potential to achieving food security (maize, beans, cassava and bananas); increasing export earnings (e.g. maize – \$21 million in 2005; coffee – \$388 million in the financial year 2007/08; fish – \$143 million at its peak; and tea – \$56 million in 2007); increasing women's labour force participation; and yielding higher gains in productivity and job creation, including through their multiplier effects in other sectors of the economy.

Given the substantial share of agriculture and its potential role in food security, export earnings and employment, the country's focus on agricultural transformation is well founded. The rapid urban growth of Uganda and the concomitant increasing demand for food should provide a growing market for agricultural products, while the processing, transport, marketing and distribution activities associated with the value chains of cash crop production benefit from linkages to market towns, such as Mbarara, Gulu, Mbale and other strategically located urban centres. These linkages and the urban boom, which are expected to accelerate due to the push and pull factors of agricultural transformation and oil extraction, has not been sufficiently articulated. In addition, the country anticipates regional and strategic cities to evolve out of the development of the production zones and corridors and the realization of mega connectivity projects programmed in the plan.

At present, there is no clear articulation for the economic rationale of these cities; nor are there specific urban programmes targeting their development as an integral part of a clearly articulated national urban system.

The country's NDP II allows for the singling out of land for commercial agriculture as the result of urbanization as well as the savings from increased farm income as a potential source of finance for housing investment as a positive outcome. The plan, however, does not spell out the multi-faceted linkages between agricultural transformation and urbanization, including through agro-processing, intermediate inputs, technology and finance. While acknowledging the potential of agricultural transformation in enhancing savings and investment for housing, NDP II does not contain a section that identifies housing as an economic driver and opportunity as a source of jobs and skills. Neither does it include in its top three priority sectors an avenue to create jobs for the expected influx of urbanites, notwithstanding noting that cities are "the only locale where it is possible to quickly generate the number of good jobs that young people are seeking" (NDP II 2015/2016 – 2019/2020, p. 94). The population of Uganda is still only 16 per cent urban, so economic sector targets may prioritize urban jobs later on in the urbanization process.

### **Zambia**

The main goal of Zambia, as established in its Seventh National Development Plan for the period 2017–2021, is to create a diversified and resilient economy for sustained growth and socio-economic transformation, with agriculture, mining and tourism as the drivers of growth. Diversification away from reliance on copper and rural prosperity to combat poverty have been national development priorities since the First National Development Plan in 1966.

Employment, poverty reduction and inclusive growth remain recurring themes and objectives in the seventh plan. There are programmes that focus on vocational training, self-employment and the employment of young people; however, the centrality of urban employment consideration in economic sector prioritization is minimal. Zam-

bia anchors its industrial development strategy in agriculture value addition, promoted by linking primary production areas and processing centres and by establishing agro-processing parks augmented with standardization and quality assurance, modernized agricultural finance facilities and insurance services. The plan refers to urban demand in timber and livestock, for example, as an opportunity, though it does not take these linkages further.

There are, however, some inferences. Though Zambia does not explicitly identify urban employment and linkages as the economic rationale underlying the selection of the priority sectors in its seventh plan, 9 of the 10 quick-win projects, including agro-based and forestry-based industries identified for accelerated job creation are located in market towns and secondary cities that might, by default, emerge as natural growth centres. These are the Zambia Forestry and Forest Industries Corporation (Ndola); furniture industry development and coffee industry development (Kasama); tea processing industry development (Kawambwa); textile industry development (Mulungushi Textile, Kabwe); cashew nut industry revival (Mongu); fruit processing industry development and tobacco industry development (Kaoma); and milling industry development.

The country's plan for promoting industrial development, including copper processing, metal, light industry and electronics is also linked to the development of cities and urban centres, given that these are inherently urban-based activities and likely to be located in multi-facility economic zones and industrial parks or cities associated with them. Although the Zambian plan features major infrastructure projects, it does not identify the construction sector as a priority sector. Zambia, however, aims to leverage investment in the construction sector for job creation and skills transfer by reserving 20 per cent of contracts for local developers. Some of the multi-facility economic zones and cities associated with them include:

- Chambeshi (near Kitwe): copper processing, metals, light industry, electronics
- Roma (Lusaka): focusing on mixed use involving residential, commercial and light industries
- Sub-Saharan Gemstone Exchange (Ndola)
- Lusaka East (near airport)
- Lumwana: a city size area of 35,000 hectares to host light and heavy industries with commercial industry, tourism and agriculture

In summary, though there are inferences, neither the specific urban employment potential effect of the agricultural and industrial projects nor the spatial urban implications of the multi-facility economic zones have been explicitly spelled out or articulated.

## B. Urban productivity

The second entry point for gauging the level of urban integration into development planning is in terms of urban productivity, considering whether challenges and barriers undermining urban economic advantages are mentioned and a connection made to their influence on urban and economic competitiveness within the national development plan. Urban conditions influence the costs of production as well as enabling or curtailing innovation, labour sharing, market and input sharing, and transaction costs. These conditions factor into the productivity of urban enterprises and their ability to drive economic growth and compete in national, regional and international markets. Urban constraints on the productivity of enterprises play a major role in the livelihoods of the many urban workers in the informal sector, small and medium-sized enterprises and vulnerable employment. Efforts to improve the way cities function have a direct impact on the bottom line of these enterprises as they attempt to increase their revenue.<sup>37</sup>

<sup>37</sup> Chapter 4 of the 2017 *Economic Report on Africa* provides a detailed discussion of urban productivity and cities and enablers of development (Economic Commission for Africa, 2017).

- Lusaka South: most employment is in construction

## Cameroon

Cameroon, as outlined in its Growth and Employment Strategy Paper, hopes to control urbanization by curbing its pace and limiting it to no higher than the Department of Economic and Social Affairs target for 2020 at 57 per cent. At the same time, it is noted in the strategy that cities are necessary for industrial development and that they are the location for secondary and tertiary sector activities, contributing more than half of GDP. It is unclear how the country intends to use the strategy to boost industry while limiting urbanization, but the recommendation is to improve urban infrastructure and improve people's access to services while "controlling land occupation".<sup>38</sup> This strategy should be carefully examined given that the experience of Asian countries has shown that attempts to forcibly restrict urban populations have resulted in informality, inequality and foregone economic growth.

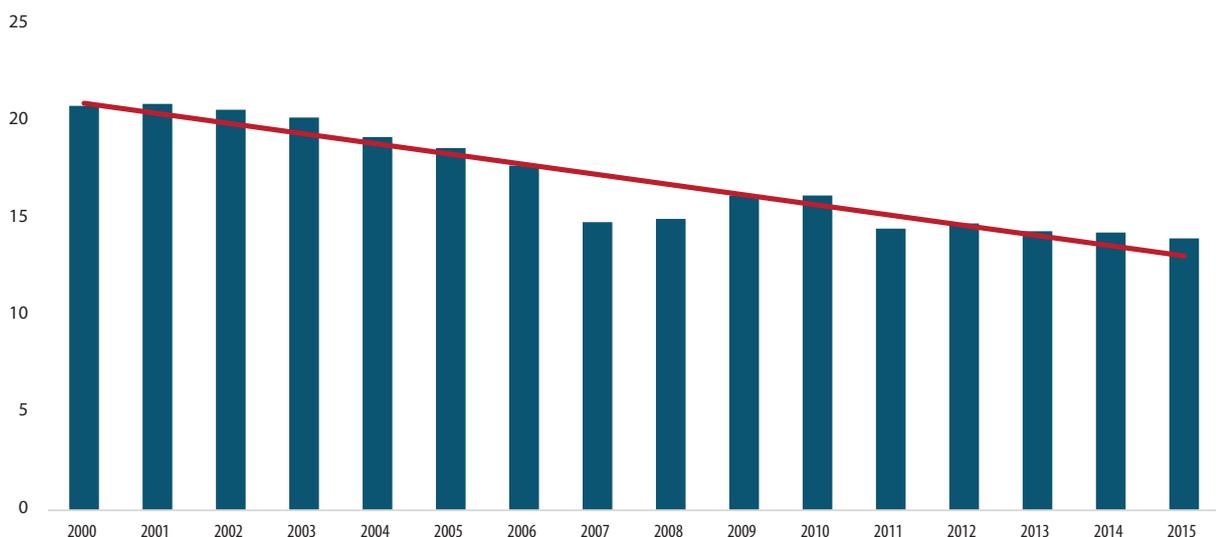
Taking secondary and tertiary sectors (excluding mining) as proxy for urban economic activities, the estimate for urban GDP was 78.6 per cent of total GDP in 1993. This share has barely increased in 2015 while the share of urban population has

increased from 41.4 per cent to 54.4 per cent during the same period, suggesting a decline in urban productivity. The declining share of manufacturing in GDP as presented in figure II mirrors the same observation. This has important implications for the national vision and the development plan of Cameroon. Cameroon aspires to increase the share of manufacturing in GDP by 23–25 per cent to become a middle-income and newly industrialized country by 2035. The declining trend, notwithstanding the Vision's ambition, suggests Cameroon has to take stronger measures to meet its goal, and this links directly to enhancing urban productivity and leveraging urban advantages.

The following list outlines a few major bottlenecks to urban productivity that Cameroon has identified:

- **Land management.** Many public projects not completed in time because of very complicated expropriation procedures not taken into account during project development, leading to additional cost for project implementation and weak project maturation. The complexity of land acquisition or expropriation is a major barrier to development pro-

**Figure II: Cameroon – manufacturing as a percentage of gross domestic product**



Source: Data taken from the World Development Indicators – updates (World Bank, 2017).

<sup>38</sup> Republic of Cameroon, *Grow and employment strategy paper: Reference framework for Government action over the period 2010–2020* (English version, 2010, p. 18). Available at: <https://www.imf.org/external/pubs/ft/scr/2010/cr10257.pdf>.

jects, with many projects abandoned due to extreme expropriation procedures and costs. Even in some completed housing projects, land certificates are not forthcoming.

- **Weak coordination of related urban activities.** Several ministries and institutions are in charge of urban development activities. These institutions coordinate inadequately, leading to overlapping activities and sometimes to conflict of competences.
- **The price of building materials.** Problems with building materials value chain and market have broader implications for the entire construction value chain, limiting urban development and constraining the supply of built urban space, and the implementation of infrastructure projects. The relative high price of cement illustrates this, notwithstanding the shift from the monopoly to a relatively competitive market situation with the entry of several producers.
- **Limited municipal resources.** While almost all cities in Cameroon have well-developed plans, they are rarely implemented fully due to limited resources and poor capacity in city management.

One major factor in urban productivity that the urban sector strategy tackles is a focus on urban road infrastructure. The goal is to maintain 6,000+ km of service roads and 1,500+ km urban-tarred roads, to rehabilitate 3,000+ km urban service roads and 300+ km urban-tarred roads and to construct 600+ km of new urban roads. Non-motorized modes, however, are not a priority area; these will be fundamental for compact cities with good mobility in the future. Priority projects also include major regional rail and road transport networks, which are likely to have a strong impact on inter-urban and urban-rural connectivity, but it is not clear how much of the investment relates to urban and industrial development or their effect on urban productivity. Generally, the Government disperses urban infrastructure projects between several ministerial strategies or programmes that are sector-specific. Consequently, the impact they

have on the performance of economic sector priorities, such as the agricultural value chains of cassava, cotton, maize, palm oil, plantain and poultry, or industrial projects, is difficult to discern.

Leveraging NDP for improving urban productivity in Cameroon requires tackling specific bottlenecks in land management and urban infrastructure, and enhancing local capacities for urban management. The National Programme for Participatory Development initiated in 2004 provides a good example of the need for capacity-building at the national scale. The programme has, to date, supported 360 communes (by 2015) in the 10 regions, primarily in improving local finance and tax revenue, and it managed to do this because of its long time frame, phased approach and sequencing, and thematic focus, in this case local finance and governance.

### **Chad**

Chad views sustainable urban development as a key component of national economic development, as established in their planning framework. Interventions to improve urban productivity primarily involve urban and regional planning and the provision of urban infrastructure with a focus on energy and transport, in particular to open up new geographic areas of production as agro-industry growth poles. Major energy projects are already underway, with the goal of improving productivity and competitiveness in urban areas and agro-processing growth poles. Provision of quality social services to urban populations is also a component of the urban vision for Chad.

Chad faces major challenges in urban transport and land management, with a dual tenure system adding complexity to land market transactions. The country, however, emphasizes in its urban planning policies good practices in sustainable development, including compact cities with urban growth boundaries and the promotion of multimodal urban transport.<sup>39</sup> The framework

<sup>39</sup> Chad has proposed green belts as urban growth boundaries, which have in other countries led to sprawling leapfrog development. Growth boundaries can encourage compact development, but the country should expand these boundaries over time as the city grows to prevent excessive cost increases and leapfrog expansion; and should consider pairing this with rural reserves to preserve prime agricultural land in proximity to urban areas.

document for N'Djamena emphasizes street connectivity rather than simply prescribing a set of ring roads as many master plans for large African cities have done. The document also promotes a multimodal management policy to coordinate buses, minibuses and taxis. In addition, an Agenda 21 plan for the city, which supplements the framework document, emphasizes pedestrian infrastructure. N'Djamena requires action to improve its urban efficiency since it ranks among Africa's top most expensive cities, notwithstanding the low income of the majority of its residents.

The country's NDP refers to the Government's due attention to managing land ahead of its rapid urbanization so that it does not constrain urban economic growth and productivity. Its focus on land includes three components: land market, land use and land tax or revenue. It strives to improve obtaining access to land for business and housing and leveraging financing for local and national development by investing in land management information systems and tackling bottlenecks.

### **Morocco**

The past 15 years have seen a major wave of investment in Moroccan cities, dubbed the "urban upgrade," to bring more than 14 cities up to a well-serviced standard in terms of infrastructure and housing, including major investment in electricity, water and Internet connectivity. These flagship programmes include: the national Cities Without Slums (*Villes Sans Bidonvilles*) programme launched in 2004; the National Human Development Initiative (*Initiative Nationale pour le Développement Humain*) launched in 2005; the National City Upgrade Programme (*Programme national de mise à niveau des villes*) also launched in 2005; the National Household Waste Programme (*Programme national des déchets ménagers*) launched in 2007, to improve waste collection and landfilling; and the National Liquid Waste Management and Sewage Treatment Programme (*Programme national d'assainissement liquide et d'épuration des eaux usées*) launched in 2005, to raise the number of city households connected to the sewage system. These are capital-intensive programmes directed and funded through the national budget and with the

required planning and execution capacity of a national scale.<sup>40</sup> The country has made significant investment in inter-urban transport infrastructure, including in railways and highways.

Morocco has also invested heavily in a highly-skilled urban workforce serving in both the public and private sectors. Every major city has universities with high quality programmes in engineering, management and technical fields with specific regional specialties. Highly trained Moroccan professionals manage development projects from start to finish, without relying on international fly-by consultants. Major investment in urban infrastructure and labour forces have reaped significant benefits in terms of foreign direct investment, manufacturing development and broad-based prosperity.

One of the enabling factors for improving large cities has been the public-private partnership model of Local Development Corporations. Public budgets fund these private entities in order to meet urban development needs. Casa Aménagement, for example, specializes in the urban planning and development of Casablanca and has more agility from a procedures perspective than public-sector entities. It has a remuneration system that attracts highly competent managers, and insulated from the sometimes-volatile political process, enables the company to pursue medium- and long-term initiatives. Similarly, Casa Transport is a private company owned by the city of Casablanca, managing local transportation and tramway projects, and implementing the multimodal mobility plan for Casablanca.

Major cities will continue to invest in infrastructure, especially transport and connectivity to exploit agglomeration economies and to benefit from growth in priority sectors. Moroccan major cities are responsible for basic urban infrastructure, including transport and electricity, which are key factors of urban competitiveness. The Government

<sup>40</sup> The programmes on solid and liquid waste allowed the country to increase waste disposal and sewer connectivity to 90 and 80 per cent, respectively, while the national "cities without slums" programme benefited 380,714 households in 85 cities and urban centres.

supports the cities through the national budget for major infrastructure projects and prepares a new generation of master plans to guide the role of such investment in future development. The Greater Casablanca region, for example, recently adopted a Greater Casablanca Development Programme 2015–2020 (Programme de développement du Grand Casablanca), at an overall cost of 33.6 billion dirhams (\$3.5 billion) centred on improving economic competitiveness.

### **Uganda**

Given the national share of 70 per cent non-agricultural GDP, Ugandan cities hold the potential for driving national productivity. Urban areas have high per capita consumption (average \$1,533 per annum with annual growth rate of approximately 4.9 per cent), compared with the rural average of only \$344 per annum with an annual growth of 3 per cent. The informal economy, however, generates a large share of urban employment, and cities face challenges constraining their growth and productivity. Only 15 per cent of the new employment opportunities in Kampala are in tradable activities. Mobility, land management and access to energy are major challenges.

Kampala has a concentration of the country's main industrial and commercial activities. The country's NDP II commits the Government to implement the Greater Kampala Metropolitan Area Development Framework 2040, approved by the Cabinet in 2013. This framework sets up a larger administrative area to overcome jurisdictional coordination barriers and serves as a physical and capital investment plan. Uganda, however, does not specify in its NDP II how Greater Kampala, the country's industrial hub, will organize its space and economy to become the projected mega-city economy of Uganda and the region by 2035.

The development plan is aimed at making Uganda a middle-income country by 2020. The country hopes to achieve this by building economic competitiveness that can enhance the capacity for sustained wealth generation, employment and inclusive growth. Industrialization and skills development, among others, are core strategies.

Productivity increases in priority sectors, building infrastructure and human capital and improving institutions for service delivery all form the core development objectives associated with the goal. The country has targeted labour productivity in agriculture, industry and services to increase by more than eleven-, four- and tenfold, respectively, by 2040. These projected increases are significant, and will be welcomed, but the plan does not elaborate on the source of this increase, in particular with regard to industry and service sectors, which are urban-based. The projected significant productivity increase in the service sector is notably striking, given that the informal economy dominates the sector now, and a major shift in productivity assumes transformative changes, which go beyond improving the business environment. Investment in human capital and urban infrastructure to harness economic linkages and agglomeration economies of cities should be an inevitable part of the strategy to realize the shift in the performance of industry and service sectors anticipated by the plan; however, the country has yet to articulate this in their development plan.

The development plan contains a section on physical planning at national and urban levels, with the understanding that urban form underlies urban function. The focus, however, appears to be on service delivery and accommodation of population growth, and not specifically on the economic role and dynamism of cities and clustering to achieve the sector productivity and the employment targets set out in the plan. Many district local governments and urban councils do not have plans to guide their development and infrastructure investment. They lack the competence and finances needed to manage urban growth resulting in uncontrolled expansion of informal settlements, which remain largely disconnected from the social and economic fabric of the urban system. Inter-jurisdictional coordination challenges that result from the proliferation of local governments and from lack of mechanisms to foster horizontal coordination between institutions and offices that are involved in physical and investment planning, further undermine the economic development and vibrancy of these cities.

The plan, however, refers to four elements that have a major impact on productivity and competitiveness: improving business; improving the stock and quality of infrastructure; curbing urban sprawl with good planning practices; and improving land management. The Competitiveness and Enterprise Development Project constitutes part of the urban sector development plan and focuses on implementing business environment reforms, including land administration reform, and on developing priority productive and service sectors. The land reform component further specifies computerization of the land registration system, land-use planning and land valuation as key elements. These are important initiatives as they will improve the process of land transactions for development and enable revenue tools to leverage land for financing development. Infrastructure development is focused on energy (dams), transport (roads, expressways and standard gauge railway) and information and communications technology sectors (national backbone), which could help to deal with major barriers to urban productivity and competitiveness.

### **Zambia**

Approximately 70 per cent of the urban population in Zambia lives in slums with inadequate access to water, sanitation and extension facilities. Relatedly, Zambian cities and towns face a huge unemployment problem. In 2014, urban unemployment for young people in the 15–35 years age group was 15.2 per cent, compared with 6.4 per cent in rural areas.<sup>41</sup>

The country acknowledges in its seventh NDP, underinvestment, poor urban planning and weak legal enforcement as problems that have contributed to the informalization of urban development. Though it also acknowledges the productive potential of cities, this does not appear to have yet cascaded through the sector strategies and programmes, in which the nexus between urban productivity and sectors is most relevant, such as in modernizing agriculture, corridor development, industrialization and job creation. Perhaps due to its rural focus, the Zambian NDP does not dwell on urban productivity and its fundamental forces.

<sup>41</sup> Republic of Zambia, *Zambia Labour Force Survey Report, 2014* (Central Statistical Office, Lusaka, 2015).

Land, local finance and poor urban planning are among the fundamental challenges for the productivity of Zambian cities. At present, local authorities are largely dependent on the central government budget or transfers. The policy orientation on land has been to improve on the security of tenure by extending land titling to customary land, but efforts at the level of local authorities (subnational actors) and the national level (the Ministry of Lands) are not coordinated. The legacy of colonial town planning practices has not changed much, it continues to have a negative impact and ramification on urban form, land use, housing, land alienation, development control and the local government system. Many of the changes that have taken place have been inadequate or inappropriate, as is the case with housing and legislation (the Town and Country Planning Act) or have compounded the problem, as is the case with land alienation and local government.

Zambia needs to solve these fundamental problems in order to unlock the productive potential of its cities, including that of Lusaka. In the case of Lusaka, the master plan developed with the support of the Japan International Cooperation Agency has programmes on multiple fronts to tackle some of these issues, including spatial development, land-use control and urban mobility through investment in the road network and improvement in public transportation. The country, however, would sometimes integrate this type of investment into the prioritization of ring roads, with questionable long-term benefit.

The plan also contains a section that stipulates interventions to support investment in priority and targeted sectors, including developing projects that capitalize on multi-facility economic zones. The master plan, aligned with the NDP time frame, will allow the country to anticipate population growth and demand for services and employment up to 2030. It is aimed at creating an urban form that is dense and connected to support a competitive economy, while protecting its water and resources system from environmental damage and vulnerability, and promoting peri-urban agriculture as part of the urban food system. The country plans to establish four satellite cities

in the medium and long-term, in adjacent areas of Chibombo, Chongwe and Kafue Districts. The future growth of Greater Lusaka holds huge economic opportunities, but tackling the above fundamental urban challenges, including land, planning and financing at scale to unleash its productive potential is a huge task and deserves due attention in the NDP framework.

### C. National urban system

The third entry point for gauging the level of urban integration into development planning is policies that consider the urban system, in particular whether the urban spatial implications of interventions such as industrial and economic zones and infrastructure projects are captured and leveraged, ideally under a national urban or spatial framework aligned to the development vision.

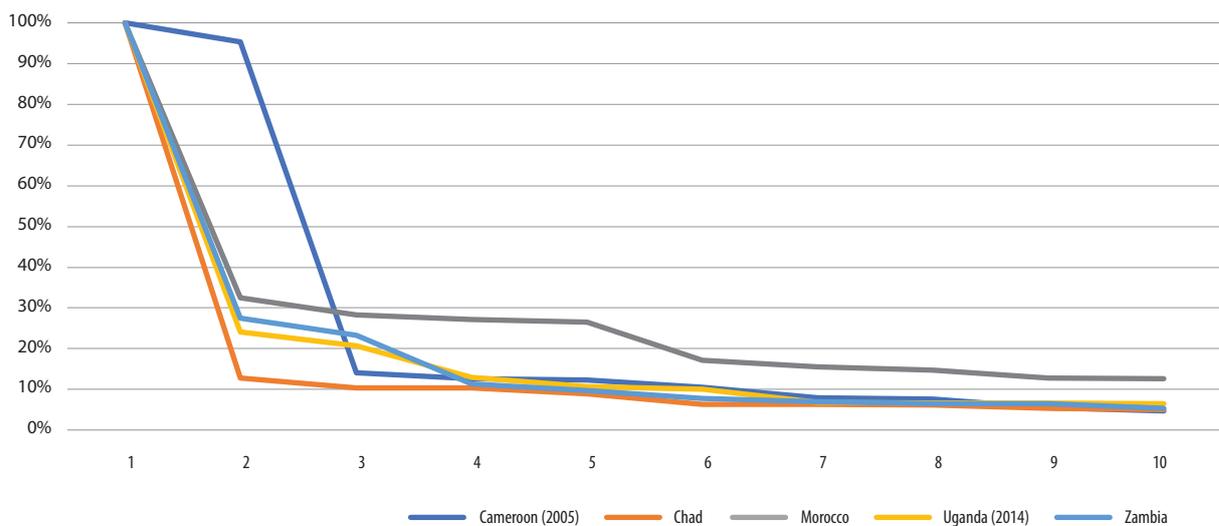
The national urban system, or the arrangement and distribution of cities by sizes and roles and the connections between them, is important for economic development for a number of reasons.<sup>42</sup> Cities with specialized functions or differing comparative advantages can leverage economies of scale, innovation and the gains of specialization

and trade if they are well – connected. This is the case for both the cities in a given country and those throughout national borders, which often have important linkages in the African context.

Another issue linking management of the national system of cities to national development is the city-size distribution. Often, African countries suffer from high urban primacy – the predominance of one major city and the inability of smaller cities to contribute significantly to the productive landscape. Primacy can result in crowding in the largest city and a lack of locational options for firms.

Figure III shows the city-size distribution of the 10 largest cities by population in five African countries. The more quickly the curve decreases and becomes flat, the higher the degree of primacy. Cameroon stands out as strongly bipolar. Chad has the highest primacy, followed by Uganda and Zambia. Morocco has the most even distribution of cities, with the top nine cities after Casablanca (the largest) all exceeding 10 per cent of the population of Casablanca.

**Figure III: City rank-size distribution of top 10 cities (largest population city = 100 per cent)**



**Source:** Data taken from country-level assessments of national development planning and urbanization (Economic Commission for Africa, 2017).

<sup>42</sup> The ways in which the urban system relates to economic development are discussed in depth in Chapter 4 of the 2017 *Economic Report on Africa* (Economic Commission for Africa, 2017).

## Cameroon

Cameroon has ten cities and towns with more than 100,000 population spread across 8 of its 10 regions, and by 2030 there will be 18 such urban settlements. Yaoundé and Douala, with more than 3 million people, each represent the dual economic powerhouses of the country. There are smaller but fast-growing cities, such as Kribi, Tiko and Buea, suggesting the potential of a more diverse urban system in the making. The Cameroon NDP and its accompanying investment portfolio, sector priorities and decision on special economic zone locations, influences the ongoing urban differentiation. Investment in the deep seaport of Kribi, for example, is the reason for the city's growth and, given its location and distance from Douala (170 km) it could supplant in time Douala as the main port of trade. This is linked to transport sector priorities, which give special attention to Kribi Port development and railway connection. The new port may induce a population shift from Douala to Kribi, a major urban development outcome, though not articulated as such. The development of Kribi as a growth pole could lead to an even better balanced urban system, relieving some of the growth pressure on Douala. At present, there is no major planned investment programme to help the city to accommodate a growing share of urbanization in a socially and economically sustainable way.

Cameroon emphasizes restricting the pace of urbanization in its Growth and Employment Strategy Paper, and focusing growth in suburban cities, towns and secondary cities with linkages to rural areas. The strategy refers to the country's vision for the national spatial system, which is: "controlling urban development and making urban centres production and consumption hubs required to boost the industrial sector, but also promoting the emergence of suburban towns, developing medium-sized or second-class towns capable of structuring economic activities in urban areas and contributing to the development of neighbouring rural areas".<sup>43</sup> It is not clear from the vision how the

country will achieve the overall goal of controlling urban development while pursuing an ambitious industrial development and promoting growth driving mid-sized and secondary cities. In addition, the emphasis on suburbanization is different from other countries such as Morocco or Uganda that plan to limit suburban sprawl; however, the plan's reference to secondary cities and urban-rural linkages are themes common to other countries.

The NDP economic sector priorities of Cameroon emphasize agriculture and resource processing, and therefore hinge on two major investments: establishing special economic zones in potential agricultural growth areas to support agricultural value chains; and investing in rail and road connectivity to establish linkages to the domestic and regional markets. Given that industrial zones concentrate in agricultural activities, cities such as Garoua, which is located in an agriculturally endowed region, are poised to grow on the back of agro-processing and agribusiness economic activities.<sup>44</sup> The agriculture focus of NDP also covers the lagging Far North and Eastern regions aimed at helping them to benefit from special programmes in agriculture and catch up. Special economic zones therefore appear connected to, and affected by cities located in the agriculture and resource regions of the country. Cameroon, however, does not articulate the linkages between city-based economies and these special economic zones in the plan. Table 3 highlights the country's industrial zones.

Cities also form the major hubs of economic corridors. At the national level, Yaoundé-Douala-Bafoussam is the most important economic corridor of Cameroon. For this reason, there is a plan to build highways to connect the three cities. Work has already started for Yaoundé-Douala highway. Roads connecting the northern part of the country to the southern part represent another key economic corridor of Cameroon. This corridor centres more on railways development though several roads are being constructed or rehabilitated.

<sup>43</sup> Republic of Cameroon, *Growth and employment strategy paper: Reference framework for Government action over the period 2010–2020* (English version, 2010, p. 63). Available at <https://www.imf.org/external/pubs/ft/scr/2010/cr10257.pdf>.

<sup>44</sup> SODECOTON, one of the biggest agroindustry of Cameroon, which produces manufactured goods from cotton for example, is located in Garoua.

**Table 3: Industrial zones in Cameroon**

Industrial zone	Surface		Number of firms operating	Main activities
	Available	Occupied		
Yaounde, Sam-Van industrial zone	305 ha	47 ha	36	Diverse industrial activities
Ngaoundere - neighbourhood of the airport	115 ha	3 ha	2	Animal husbandry, agriculture and fishery
Bafoussam (Banngo industrial zone and Koptchou industrial zone)	26 ha	-	-	-
Douala – Bonaberi industrial zone	192 ha	57 ha	41	Diverse industrial activities
Douala – Bassa industrial zone	150 ha	71 ha	33	Diverse industrial activities
Garoua Djamboutou industrial zone	42 ha	-	-	Mostly for agriculture
Tiko-Limbe road: Ombe industrial zone	135 ha	16 ha	8	Mechanized agriculture, petrol and gas exploitation and fishery

**Source:** *Mission for Industrial Zones Development and Management Authority (2017). Available at: [www.magzicameroun.com](http://www.magzicameroun.com).*

*Abbreviation: ha, hectare.*

The Bamenda (Cameroon)-Enugu (Nigeria) high-way links three Cameroonian towns with the Nigerian city of Enugu. There is also a transport project on the Brazzaville-Yaoundé corridor (Congo-Cameroon). The Douala-Bangui (Cameroon-Central African Republic) and Douala-N'Djamena (Cameroon-Chad) corridors are very old regional economic corridors. There are plans to revamp these corridors by extending Cameroonian railway networks to Bangui and N'Djamena. Other important corridors connect Cameroon to Gabon and Equatorial Guinea.

### **Chad**

Chad hopes to develop a set of growth poles with specific relevance for agricultural production zones. A major component of the national transport strategy 2011–2020 is to increase access to rural areas of production. The National Land Management Scheme 2035, which is a spatial strategic pillar of its development plan aligned to the national transport strategy, envisions six regions as growth poles with integrated agriculture, processing and consumption.<sup>45</sup> The strategy is to create subregional, regional (there are 57 regional capitals) and national economic metropolises, including Faya, Bol, Abéché, Sarh, Moundou and N'Djamena (with its ten municipal districts).

Chad is pursuing a boundary-setting and administrative definition of a large number of new cities and towns in order to establish the political structures needed to manage the urbanization process in rural areas. Chad is also opening up special economic zones, free trade zones and industrial parks to simulate growth in growth potential areas. At present, there is no clear definition of the mandates and powers of subnational authorities. As outlined in its NDP, the country intends to provide basic infrastructure to a larger number of cities and towns, which are targeted to have a regional hospital, high school, regional training school for socio-health workers, university and water and sanitation networks. To become a priority city earmarked for major investment is dependent on the city's historical and economic importance, and its economic potential.

### **Morocco**

The more balanced urban system of Morocco is the result of a long history of promoting a variety of cities and towns with major infrastructure investment. Since the early 1990s, the central government along with local government have invested, through flagship national programmes in infrastructure and urban upgrades to make cities liveable and attractive for investment. Beyond basic infrastructure and services, the country had targeted major infrastructure investment to attract major foreign direct investment in manu-

<sup>45</sup> Even in its first five-year plan of 1966–1970, Chad identified 10 regions based on their potential and assets.

facturing. For example, combining the development of Tangier-Med Port with the establishment of a special economic zone outside the city with railway and highway connectivity to the port; a major employment training facility, railway and highway connections to the major cities (Casablanca, Rabat and Marrakech); and an international airport. Another example is the dedicated chemical port near Casablanca, which is in close proximity to a highly skilled urban labour pool and paired with investment in a pipeline from the phosphates mining area.

The country focused the Moroccan National Land Management Scheme 2035 on promoting a balanced urban system, and unlocking the economic development potential of national and regional metropolises. Though the big cities have had a natural advantage of faster economic growth based on agglomeration economies, the urban vision that began taking shape since 2006 and developed into a national policy (2011) has aimed, among other things, at making cities production and investment hubs better connected and integrated into their rural hinterlands. The era of “opening up”, which has been occurring since the 1990s, has connected broader swaths of the country to national and regional markets.

In addition to continued investment in urban areas and inter-urban connectivity, the Government is promoting new urban centres to absorb continued urbanization. These projects include urban centres developed in proximity to current urban areas: Mohammed VI Green City (near Benguerir), Mazagan (near El Jadida), Tagadirt (near Agadir) and Atlantic Free Zone (near Kenitra).

The country expects the recent regionalization initiative (2015) that capitalizes on the assets and resources of the different regions to provide better growth opportunities for small urban and rural communes, while continuing to exploit the agglomeration advantages of the big cities and urban centres. Drawing on their increased devolved authority and financing capacity, regions are in a better position to make proactive and strategic investment to stimulate and integrate local economies and to facilitate the transition of rural

communes to urban and municipal areas. The sector strategy on agriculture and rural development (lasting seven years and costing 50 billion dirhams, approximately \$5.3 billion), which the Government introduced recently, will reinforce this process of regionalization and urbanization.

### **Uganda**

The Ugandan Government committed itself to supporting the establishment and development of urban corridors, regional and strategic cities and other urban centres, as well as fostering linkages between urban and peri-urban areas, by promoting physical development planning at different scales and levels of governance. This is so for Kampala in particular, which is the economic powerhouse of Uganda. By 2001, there a cluster of 70 per cent of the country’s 12,000 manufacturing plants with five or more employees were around Kampala and the regional transport corridor that connects Kampala with neighbouring cities, such as Kira, Nansana, Entebbe and Jinja in the East. One policy challenge for a balanced urban system is decongesting and expanding the growth opportunities in Kampala, while creating better conditions for the growth of secondary cities that allow economic diversification and the creation of a balanced and spatially integrated national economy. The Greater Kampala Master Plan is in part tackling this, as it encompasses an estimated land area of 1,895 sq. km, engulfing earlier satellite towns of Entebbe, Wakiso, Mukono and Gayaza.

The Uganda Vision 2040 contains a Spatial Framework, which is included in NDP II. The primary use of the spatial framework is to identify and prioritize potential agricultural areas and infrastructure networks needed to promote trade and investment in the priority rural value chains. It also identifies four regional cities (Arua, Gulu, Mbale and Mbarara) and five strategic cities, namely: Hoima (oil), Nakasongola (industrial), Fort Portal (tourism), Moroto (mining) and Jinja (industrial). The national physical development plan is underway under the leadership of the Ministry of Housing and Urban Development, with the potential to tackle the spatial integration of urban services in secondary cities and small towns as well as enforcing the land-use provisions of the

Physical Planning Act (2010). The national urban policy, which is under preparation, could also help to fill policy gaps, potentially linking agricultural production areas with backward and forward linkages to urban-based services and markets.

The Government prioritizes infrastructure development to support agricultural and minerals-processing, use of the refinery products, and inward investment in manufacturing. The location of the current and new power sources defines economic corridors and production zones on the corridors, while production zones provide well-designed, serviced sites for processing of specific crop clusters, minerals, oil and gas. Towns and cities in the corridor, some of which already conjoined (e.g. Kampala and Jinja), will be planned to absorb and accommodate growth through densification and urban extension.

Major transport networks will facilitate the establishment and growth of economic corridors in Uganda and beyond. The Standard Gauge Railway, which will connect regional capitals – Addis Ababa, Juba, Kampala, Kigali and Nairobi – to the port cities of Djibouti and Mombasa, will be a key economic backbone of trade and investment. Also in the plan, is a railway link between Kampala, Kasese, Kigali (Rwanda) and Kisangani (the Democratic Republic of the Congo), and from Tororo to Gulu, Nimule and Juba (South Sudan) and Djibouti. Other networks and corridors include the railway link between Kampala, Kasese and Mirama Hills and the urban corridors of Kampala-Jinja, Mbale-Tororo-Busia, Karuma-Gulu-Lira and Hoima-Kabaale. Key roads are also on the drawing board for construction in the northeast, west and southwest to promote the tourism sector.

Apart from the country's NDP, the Ugandan draft national urban policy promotes four regional cities (Arua, Gulu, Mbale, Mbarara) and the five strategic cities (Hoima, Nakasongola, Fort Portal, Moroto and Jinja), which have been identified as part of the urban corridor development. Uganda also plans to establish 23 industrial parks and 7 regional cities, along with management facilities (which may be separately located in nearby towns) and information and communications

technology parks, to promote areas with potential tourism. The industrial park and the regional city vision, however, are not connected and coordinated as the Ministry of Trade and Industry runs the industrial park, and the Ministry of Land, Housing and Urban Development leads the regional city vision. As part of the implementation strategy, the national urban policy should deal with such coordination challenges.

### **Zambia**

The Zambian Government does not make explicit reference to balanced territorial development or the promotion of a balanced national urban system of cities in their NDP. There is also no explicit reference or specific focus on the role of secondary or intermediate cities.

The Government makes a shift to an integrated approach in the seventh NDP, which favours allocation of resources towards the implementation of the multisectoral strategies and the mutually supporting activities in different sectors with the general objective of delivering the national development agenda. This multisectoral approach holds potential for a better coordination on urban issues. In line with this approach, the Government, in its seventh NDP, also prioritizes an integrated approach to developing urban and peri-urban economies through multipronged interventions, including promoting entrepreneurship, creating urban industrial clusters, strengthening value-chain linkages and improving infrastructure in informal settlements.

Two other strategies relevant to the development of the national urban system involve major flagship projects, especially in transport networks and development of industrial and economic zones. In 2007, the Government, through the Zambia Development Agency Act, adopted the use of multi-facility economic zones and industrial parks to provide a conducive environment for industrial development, in particular foreign direct investment (industrialization and job creation strategy, 2013). Four multi-facility economic zones and two industrial parks have since been gazetted, to be established by the private sector (Chambeshi, Lumwana and Lusaka East), and the public sector

(Lusaka South). The private sector owns the Roma Industrial Park and the Sub-Sahara Gemstone Industrial Park. These special economic zones are strategically located near the major cities of Lusaka and Kitwe to leverage the agglomeration forces of these cities.

There are also flagship, transport infrastructure projects that have a significant impact on the connectivity and development of the urban system. One such project is the construction of the Eastern Railway linking Chipata and Petauke in the Eastern Province with Serenje in the Central Province of Zambia, and linking Chipata City (Zambia) with Nacala port in Mozambique, fostering regional

trade and integration. The railway line will also link the Nasanga Farming Block in the Serenje area with the towns and commercial centres in the Eastern Province and into the regional Nacala Corridor.

All these elements contribute to shaping the future urban system. The Government, however, falls short of providing a coherent narrative in its NDP that takes into consideration the full account and complexity of these linkages and urban dynamics. It also does not provide a narrative that explicitly considers the spatial implications of sector priorities and industrial development and lacks a spatial lens to consider the nexus of urbanization and industrial development.

## Section IV: Synthesis of findings and conclusions

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Based on the process and policy issues discussed above, some general conclusions can be drawn about the African approach to urbanization in national development planning. While the framework of national development plans deals with urbanization and urban issues, the narratives do not adequately reflect the economic role of cities as engines of growth, nor explicitly capture the urban advantages as catalysts towards achieving economic goals. Notwithstanding the urban implications of structural transformation, there is a disconnection between goals relating to growth, productivity and jobs on one hand, and economic sectors and spatial priorities on the other. Countries often frame urbanization as a challenge and deal with urban issues as social development problems rather than economic opportunities and challenges. The result is the “siloeing” of cities into an urban sector, which focuses on housing, informality and service delivery gaps.

### A. Integration of urban issues in the planning process

The integration of urbanization into the national development planning process relies on practical and effective coordination mechanisms, as urban issues are multisectoral in nature. Institutional arrangements to foster coordination should be fit for purpose and context specific, coming to bear on each part of the planning process, including initial analysis, policy drafting, implementation and monitoring and evaluation. The collection and tracking of subnational economic data and urban data in particular is one constraint likely to have an impact on the integration of urbanization into the planning process and economic targets.

Of the five countries examined here, most bring urban issues into the planning process, but generally in a siloeed sector-based context rather than in a way that influences economic planning as a whole. Each ministry or sector agency brings its own mandate into a development plan separately instead of seeing how it fits a common vision achievable through an integrated approach. In Uganda, for example, sector agencies advise the drafting of the development plan and hold responsible for aligning sector policies with the final NDP document or contributing to the plan agenda (or both). This includes the Ministry of Lands, Housing and Urban Development. Uganda, however, views urban issues as a separate sector silo rather than it influencing development plan targets and economic strategies. Zambia operates similarly, with sectoral representation during policy development but urban issues considered as a sector, although horizontally integrated implementation should improve under the framework of the recently approved Seventh National Development Plan.

In Cameroon, the vision and the Growth and Employment Strategy Paper are supposed to inform sector and thematic strategies and programmes, but not always the reverse,<sup>46</sup> missing the opportunity of the urban “sector” to influence economic planning. Cameroon, in its road map for realizing this vision, relies on large-scale infrastructure investment, intensive development of natural resources and industrial parks and zones to attract investment and yet the country narrowly defines

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<sup>46</sup> It should be noted that the former education, health and rural development strategies did inform the Growth and Employment Strategy Paper.

and reduces the urban links in its NDP to very modest targets. The reverse is the case in Chad, in that the spatial considerations of the National Land Management Scheme 2035 inform the country's development plan, but the scheme falls short as an implementation mechanism, since the development plan goes well beyond it in defining regional economic roles.

Involvement of entities and people with an understanding of urban issues and a stake in urban job creation and prosperity can also help mainstream urbanization into the planning process. The five countries all gather input from stakeholders, including the private sector and civil society, and Cameroon includes a role for academia. The five countries also place emphasis on consultation with regional or subnational governments.

Vertical alignment through local development planning and the local implementation of the development plan is often a challenge in relation to the capacity of local governments. Morocco, being the most developed of the five countries, has pursued massive education and training of its managerial class, which has enabled successful decentralization and an increasing role for regional and local authorities. Cameroon has engaged with local authorities on urban develop-

ment through a number of national development agencies, including the Urban and Rural Land Development and Servicing Mission, and the Special Council Support Fund for Mutual Assistance. It has also built the country's local government capacity through the National Programme for Participatory Development. Uganda has published guidelines to guide local development planning and has a vertical policy alignment requirement. Chad is in the process of forming a large number of local governments, but this is a political process and not always tied to the implementation of its development plan.

In practice generally, both horizontal (cross-sectoral) and vertical (national-subnational) coordination are challenges in development plan formulation and implementation, even when there are policies to require alignment of policy documents. The countries must tackle these challenges in order to integrate urbanization and urban issues successfully into the planning process (see table 4). In addition, creating a specific avenue for urban experts and stakeholders to influence the process of economic planning could be a step towards integration in all countries, as economic planners may have a clear conceptualization of the role of cities in economic development without expert input.

**Table 4: National development planning process coordination mechanisms**

	Cameroon	Chad	Morocco*	Uganda	Zambia
<b>NDP process coordination mechanisms relevant to urbanization</b>	Sector strategies are aligned to NDP	National Land Management Scheme informs NDP	Sector strategies and private sector initiatives inform regional planning and investment; county-level Wali or governor coordinates all sectors and ministries at regional and local levels; and elected regional and local bodies make urban policy, supported by technical agencies for implementation	Sector papers jointly drafted by the Government, the private sector and civil society organizations inform the planning process; vertical and horizontal harmony policy requirements; and subnational conditional grants	The Cabinet Office coordinates policy diagnostics; the Ministry of National Development Planning coordinates plan formulation, implementation and monitoring and evaluation; and output-based budgeting and results-based programme clustering

	Cameroon	Chad	Morocco*	Uganda	Zambia
<b>Stakeholders involved for coordination on urban issues</b>	General population and specific stakeholder representatives, including urban and rural dwellers; regional and local government; the private sector; and academia	Regional community representatives; decentralized service delivery entities; and experts from civil society, public and private institutions	Local government, technical agencies; professional organizations and authorities; private sector companies; and national and foreign investment companies	The private sector; civil society; sector agencies; and data from local governments	Subnational Development Coordinating Committees; civil society; the private sector; vulnerable stakeholder groups; and cluster advisory groups
<b>Areas for improved coordination</b>	Horizontal coordination between sector policies and ministries; vertical coordination between local government's physical planning and national economic planning; and no national infrastructure plan.	Better integration of physical and spatial planning instruments (National Land Management Scheme 2035, Regional Land Use Plans, Urban Reference Plans) into NDP; and no process that specifically considers urbanization.	Alignment of local development strategies under new regional framework and with national economic development efforts; and devolution to grant governors and Walis budget and decision-making authority with regard to state intervention.	Horizontal coordination on urban issues still weak and programme-centric or donor-centric.	Horizontal coordination with sector implementation activities; and vertical coordination with subnational entities. The seventh NDP process offers opportunities for better urban integration.

\* Economic planning in Morocco has not included a national development plan document since 2004.

**Source:** Data taken from the country-level assessments of national development planning and urbanization (Economic Commission for Africa, (2017) "National Urban Policies: Integrating Urbanization in National Development Planning).

## B. Economic sector targeting

Economic sector targeting is one major area where there is a disconnection between structural transformation goals and development plan priorities. Marshalling resources to support strategic economic sectors is one of the most important functions of national development planning, and identification of those strategic economic sectors is therefore critical. The consensus in economic literature is that structural transformation requires growth specifically in manufacturing and high productivity services early in the development process to move a large share of the workforce into higher-wage jobs. These sectors are notably absent from the top economic sector priorities of Chad, Uganda and Zambia (see table 5). In all three cases, the targeted priority sectors are agriculture, tourism and mining. Such targets are understandable in agriculture- and resource-rich Chad and Uganda, which will remain largely rural in the near future.

However, these countries are also experiencing rapid urban growth and demand for urban jobs. Zambia is pursuing multi-facility economic zones where value added industries are already taking root, but these sectors are neither the focal point of NDP nor the urban sector strategies. Cameroon has a high manufacturing value added target, but lacks articulation of the urban implications and a strategy to achieve its ambitious industrial development target. Conversely, Chad has a high urbanization target, but without a strategy to achieve the commensurate share of urban jobs.

Morocco has targeted and achieved manufacturing development and is attempting to expand the manufacturing labour force by adding labour-intensive sectors to its successes in high-tech manufacturing. Value chain development in tradable services could be another opportunity for Morocco to expand higher-wage job creation. Decades of investment in education has given Morocco a

**Table 5: Economic sector prioritization in the five countries**

	Top priority economic Sectors	Other priorities	Major creator of high productivity urban jobs for structural transformation
<b>Cameroon</b>	None specified	Infrastructure as a priority intervention area; industrial planning and industrial zones promote resource-based industries and initial processing stages; and target to increase manufacturing share of GDP	Resource-based industries are not typically labour intensive and may even lose labour as they become productive; processing and other forward and backward linkages can, however, have higher value added and urban job creation as do many manufacturing subsectors
<b>Chad</b>	Agriculture, livestock, fisheries and tourism; and development of their value chains	Mining added in NDP 2017–2021	Agriculture, livestock, fisheries and mining tend to lose labour as they become productive; their value chains, in particular in agro-processing can create larger numbers of productive, sometimes urban jobs; tourism is job-rich but tends to be a low-productivity sector.
<b>Morocco</b>	Automotive, aeronautics, textiles, tourism, leather, agriculture, electronics, chemicals, logistics and solar energy	Export processing zones; connective transport infrastructure; “urban upgrade”	Targeted manufacturing sectors are a mix of labour-intensive and skill-intensive high productivity urban jobs
<b>Uganda</b>	Agriculture, tourism, minerals, oil and gas	Infrastructure and human capital development as fundamentals for growth	Agriculture loses labour as it becomes productive; mining and gas are typically job-poor; tourism is job-rich but tends to be a low-productivity sector.
<b>Zambia</b>	Agriculture, mining and tourism.	Agro-industry; copper value added; multi-facility economic zone strategy.	Agriculture loses labour as it becomes productive; mining is typically job-poor; tourism is job-rich but tends to be a low-productivity sector. Agro-industry and activities planned for multi-facility economic zones have higher potential for productive urban job creation.

**Source:** Data taken from the country-level assessments of national development planning and urbanization (Economic Commission for Africa, (2017) “National Urban Policies: Integrating Urbanization in National Development Planning forthcoming”).

strong professional class well poised for expansion of linkages in high value tradable services.

### C. Urban productivity

Urban productivity is another entry point for connecting the growth of cities to economic development; for example, “urban upgrade” has made the cities of Morocco ready for business and has set the stage for expanding foreign direct investment and industrial development as well as benefitting those in small and medium-sized

enterprises. The countries’ NDPs contain solutions to tackling some of the key constraints to urban productivity, with a special focus on major connective infrastructure projects identified to have a critical impact on the future growth of industrial and agriculture value added activities, albeit without making the explicit connection to the role of cities in economic development.

Table 6 lists select areas that often pose major challenges and barriers to urban productivity,

answering the question of whether each is covered in the country's development plan (or in the case of Morocco, major national government policy). For the most part, national planning documents cover issues such as local infrastructure, major city transport planning, land markets management; training and vocational education, job-skills matching; and support to the informal sector and small and medium-sized enterprises. Table 6 highlights a few exceptions. Land-based revenue instruments (land value taxes, real estate capital gains tax, sale of development rights, among others), which are well-suited to closing part of the financing gap for urban infrastructure, are promoted in two of the five countries.

The remaining problems are two-fold. First, even when policies contain sections that deal with constraints on urban productivity, the problems are immense and complex, especially in rapidly growing cities, posing a challenge for policy effectiveness. The second is that policies relating to cities are not always coordinated in space or aligned to priority sectors to drive growth through their effect on firm and sector productivity. Furthermore, the urban interventions in country NDPs

(often framed with a social lens) focus on generally improving the living conditions in cities rather than structuring NDPs to unleash economic growth and urban competitiveness.

More coordinated and prioritized policy attention could tackle barriers that explain the ways that cities are underperforming. This is especially important in Cameroon, which has an urbanization level close to Morocco but an income level close to Zambia, reflecting its increasing urban share of population without commensurate growth in the urban share of value added in GDP. Chad is also facing constraining urban challenges best illustrated by the high informality and inequality prevailing in N'Djamena, which also ranks as one of the most expensive cities in Africa. Costs and the overall efficiency of N'Djamena will have an impact on the competitiveness of lead Chadian firms and should therefore be an economic priority. One commonly cited barrier in all five countries is land management and the functioning of land markets. Countries such as Chad and Uganda are actively prioritizing policies to remedy land institutions, but the implementation process has been difficult.

**Table 6: Issues for urban productivity: does the national development plan cover them?**

	Cameroon	Chad	Morocco* (supported by a major national government policy?)	Uganda	Zambia
Major local infrastructure projects	Yes	Yes	Yes	Yes	Yes
Training and vocational education, job-skills matching	Yes	Yes	Yes	Yes	Yes
Small and medium-sized enterprise support and policies on the informal sector	Yes	Yes	Yes	Yes	Yes
Major city transport planning	Yes	Yes	Yes	Yes	No
Land markets management	Yes	Yes	Yes	Yes	Yes
Land-based revenue tools	No	No	Yes	Yes	No

\* No national development plan in Morocco.

Source: Data taken from country-level assessments of national development planning and urbanization (Economic Commission for Africa (2017) "National Urban Policies: Integrating Urbanization in National Development Planning").

## D. National spatial system

The overall disconnect between economic and spatial planning can also be seen in many cases at the urban system level, where the urban spatial vision does not always match the spatial implications of the economic vision, or the economic vision does not match the human geography on the ground. Economic planning often does not specifically prioritize the pressing need for jobs for a growing share of the population living in cities. At the same time, investment in industrial zones and economic corridors fails to leverage the potential of adjacent urban settlements and their markets, labour force and potential for backward and forward linkages.

Three of the five countries have urban systems characterized by high primacy (see figure III). The national policies of Morocco, in particular the National Land Management Scheme 2035, focus on promoting a balanced urban system. Although none of the other four countries includes the goal of a more balanced urban system in their development plans, several of the plans refer to non-central growth zones: Cameroon – investment in Kribi port and industrial zones; Chad – development of regional growth poles; and Zambia – promotion of multi-facility economic zones, some outside of Lusaka. Investment in secondary cities early in the urbanization process can avoid some of the traps of excessive primacy in the long-term as cities grow. Similarly, spatially targeted investment and policies that take into account regional potentialities and comparative advantages can broaden the benefits of economic growth and foster spatial equity.

Another important consideration for economic policy is in understanding and accommodating the spatial effects of economic policies. Infrastructure development, economic sector targeting, trade policies and other economic policies will have an impact on the pattern of urbanization based on the location of job and wealth creation. Accommodating and leveraging the momentum

of urbanization in specific locations is part of a successful national development policy. Governments, however, may wish to slow urbanization in rapidly growing areas. In a worst-case scenario, economic policy causes growth in a location, but other economic and social investment are steered away from that location for fear of stimulating further population growth. Such a mismatch can worsen informality and urban dysfunction. A better policy framework is one that matches investment in transport, services, education, housing and the business environment, and allows for clustering and agglomeration economies to emerge. Countries should align the spatial pattern of investment in cities and the connections between them with economic policy.

Most of the countries have policies to pair economic planning with the spatial distribution of investment and programmes. Morocco follows major foreign direct investment initiatives with regional policies aligning infrastructure investment with technical education to foster economic clustering. Chad is simultaneously promoting regional agro-processing growth poles and expanding basic services in regional hubs, albeit with resource limitations that prevent full investment in all regional capitals. Cameroon is pairing connective transport infrastructure with the new port development in Kribi; however, the country has not planned for urban development adequately in advance of a population boom in the city. Uganda is pairing energy and transport corridor investment with development of agricultural areas, but also without pairing urban development or linkages that could add urban value and connect urban markets. Similarly, Zambia is promoting economic zones and transport linkages but without a vision linking them to the economic functionality of cities themselves. The countries are also pursuing subregional integration through corridor projects (Cameroon, Chad and Uganda in particular), which could boost the power of national cities if they are well connected to subregional and regional markets.

# Section V: Final recommendations

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In order to leverage the urbanization process and Africa's growing cities for inclusive economic development, countries must make the role of cities and urbanization explicit in its economic planning. Integrating urbanization into national development planning is a bifocal process that involves spatial and economic planning as dual entry points. It includes spatial interpretation of economic planning and economic rationalization of spatial planning. At a macroeconomic level, the urban implications of economic policies (such as exchange rate and tariff), and the cost of urbanization under different macroeconomic scenarios (such as GDP growth, investment and savings) need to be considered.

The rate of urbanization, the number and size of cities and their density and geographic distribution and connectivity are among the factors determining the cost of urbanization; but these, in turn, are dependent on the national spatial policy approach a country chooses for its urban development. An urban strategy that promotes a few strategically selected cities as growth poles, compared with a development approach that promotes a network of villages, rural and market towns as spatial clusters created to foster urban-rural linkages, may have different cost implications. At sector-level planning, on the one hand, the role of cities in infrastructure provision, cluster formation and supply chain development is a crucial consideration. On the other hand, countries should underpin spatial planning and spatial priorities of infrastructure investment with an economic rationale, and consider regional resource endowments and comparative advantages and be guided by current agglomeration economies.

Integrating urban issues into development planning is also a two-pronged approach involving process (how) and content (what). Box 6 highlights some key recommendations in dealing with some of the gaps observed through the assessment of the five countries covered in this report. Potential starting points for bringing urban issues into national economic planning in each of the five countries are suggested in box 6, selected based on the unique challenges and opportunities facing each country.

## A. National development planning process

### Formulation

Countries can develop urban integration guidelines that weave urbanization into the economic planning process using a framework that links urbanization to economic planning through sector targeting, urban productivity and spatial planning for the urban system, adapted to the specific context of the country. One important step will be to better develop economic planners' conceptual understanding of the urban role in structural change and development. This can be through the National Urban Plan diagnostic (as in the case of Zambia, which is at the stage of developing a national urban policy) or fit-for-purpose policy papers. Policymakers may also initiate a study on urban spatial-economic system to inform spatial-economic planning. The goal is to achieve full integration of cities and urban issues into the economic framework of NDP rather than leaving them siloed. The schematic below (figure IV) illustrates this point in a simplified way, moving from the type of plan formulated through a box-tick-

### Box 6: Possible entry points for better leveraging urbanization in national economic planning

- **Cameroon.** Design and align an urban investment strategy with manufacturing targets, considering the urban locational requirements of select manufacturing subsectors, including the required workforce, cost of doing business, having access to infrastructure and services and linkages to inputs and markets.
- **Chad.** Strategically prioritize growth of the regional growth poles alongside N'Djamena to be focal points of major urban investment tailored to strategic economic potentialities.
- **Morocco.** Broaden prosperity and ramp up domestic demand by connecting a larger segment of the population to economic opportunities through physical and value chain linkages.
- **Uganda.** Place more emphasis on developing value added activities linked to agricultural products and their urban spatial implications, as an economic pathway for transforming some of the regional and strategic cities identified in the country's National Urban Policy.
- **Zambia.** Make Lusaka a world-class city enabling it to catapult national economic growth and, building on the strength of the integrated approach introduced during the seventh NDP, advance urban integration as a multisector component of national development.

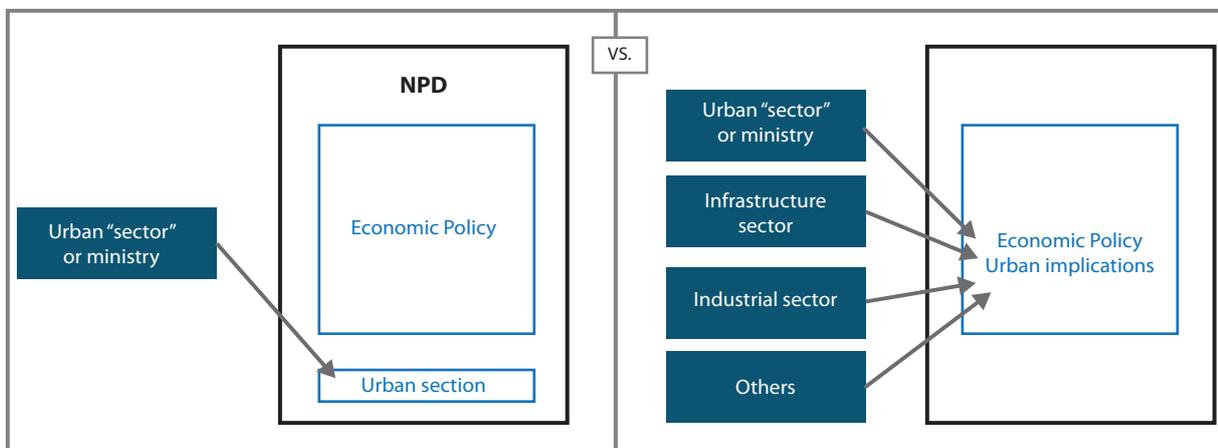
ing institutional culture that includes each issue so that it can be checked off, versus a plan that captures the nuances and interconnections of an integrated paradigm.

National development plan formulation can also benefit from a better mix of stakeholders engaged in the process, including diagnostics, policy drafting and mid-term review and evaluation, which all feed into policy formulation. Stakeholders should include representatives of key segments of the urban private sector (such as industry, tradable services, small and medium-sized enterprises) and the informal sector. Stakeholders should also

include topical experts in economic geography, urban economic development, urban productivity and similar fields. In addition, industrialization policies should inform the development planning process, especially if the role of cities is explicit in such policies (as is the case in Cameroon).

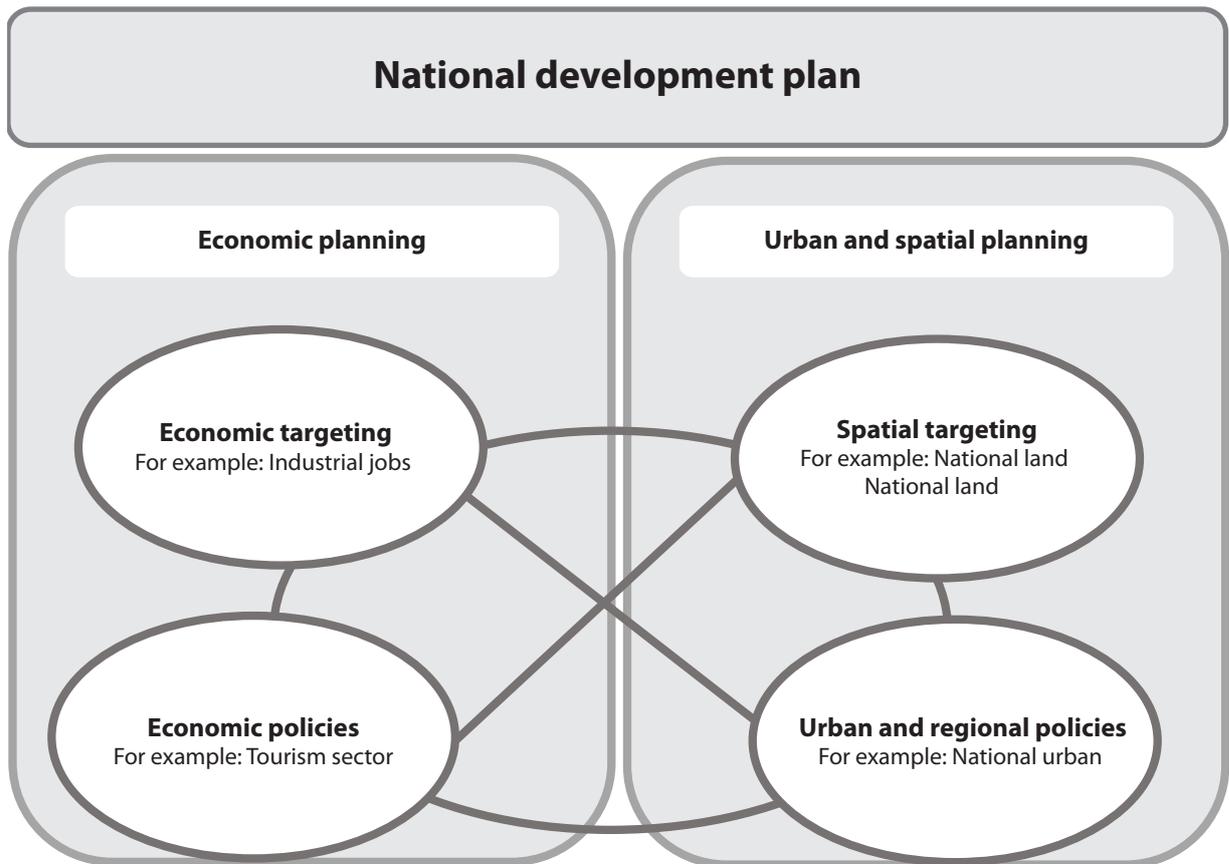
Figure V illustrates the connections needed between economic and spatial or urban policies, which highlights the importance of national development planning as an overarching framework and vision for coordinated action. Some policies do not fit neatly into an “economic versus urban policy” dichotomy due to their importance

**Figure IV: Mainstreaming urban issues into economic planning and into the national development plan document**



Source: Authors (2017).

**Figure V: National development plan as a framework for economic and urban policy coordination**



Adapted from the *Economic Report on Africa* (Economic Commission for Africa, 2017).

in both areas; for example, subnational development plans or employment strategies for young people, or infrastructure plans. The connections between these issue areas illustrate the need for national policy coordination.

The lack of subnationally disaggregated economic data, especially data on the performance of cities and urban metro areas, hamper diagnostics on the role of cities in structural transformation. Countries should identify key urban economic indicators pertinent for economic planning and urban integration. Spatial economic data on city- and metropolitan-level economic output, sectors and firms (formal and informal), cluster formation, and access to land and infrastructure are important elements to consider. Countries can take steps to improve urban data collection and analysis starting with those indicators most relevant for national economic and spatial planning and monitoring.

Opportunities exist to report spatially disaggregated economic data already collected by national statistics agencies, especially if urban sector agencies request these data, which often only track social and demographic data. Similarly, urban service delivery agencies and companies have data on their level of service, which countries could report as a component of tracking the role of cities in development. Compiling and reporting current data could be a quick win in many countries.

Policy papers, stakeholder contributions and data-based diagnostics can contribute to a new urban narrative as part of the development vision that is focused on opportunities and urban advantages, and on the economic role of cities rather than only on their social needs and service delivery gaps. Policymakers should consider the benefits and cost implications of different urbanization

strategies, including “rural urbanization” (led by growth of small towns and rural centres as may be pertinent to policies in Chad and Uganda) and prime city-led development. Countries should align urban targets with investment prioritization to achieve economic goals in addition to it having a social impact. These require evidence-based policy analysis and simple but powerful models that help to estimate the benefits of urbanization in terms of jobs, growth and productivity, or to determine the foregone benefits due to lack or insufficient investment in urban development.

How economic and social issues affect a country, as well as country needs and the availability of funds, should inform how a country prioritizes investment, cities and urban issues. Such analytical tools will also help estimate the cost of urbanization and conceptualize an urban future that best fits the vision and development aspirations of the country in a long-term plan. This makes it important to engage in relevant expert and research institutions during the diagnostic, mid-term review and evaluation stages.

### **Coordinated implementation**

During policy implementation, the multisectoral nature of urban issues requires extra attention to achieve a coordinated and effective action. Horizontal coordination mechanisms established for this purpose are necessary. Some of the countries studied in this report are trying new approaches to achieving coordination on urban issues. These include the Urban Sector Working Group under consideration in Uganda; an Urban Cluster Advisory Group in Zambia, under the country’s new cluster-based planning and implementation framework; and in Morocco, empowerment of regional governments or creation of an interministerial urban coordination commission to coordinate economic development.

Policy and budget alignment should follow the urban implications of national economic planning. At present, links between economic sector targeting, urban job creation goals and infrastructure programmes are not always clear. Countries should assess and prioritize megaprojects in consideration of their having a concerted impact on

target sectors for job creation and urban productivity. National infrastructure plans, medium-term expenditure frameworks and annual capital budgets are key mechanisms to having a coordinated policy impact on such sectors, especially for cities in which multisector interventions and actors are involved.

Countries should align subnational economic and physical planning with national priorities. Many times urban productivity and the unique local economic development landscape are better suited to subnational policy and implementation. Vertical coordination in many countries must begin with efforts to bolster subnational capacity to plan for and finance sustainable urban development. It is not typically easy to disentangle the urban share of infrastructure budgets, or determine the local share of public capital spending, and hence shed light on the importance of cities in economic planning, and the role of subnational governments in executing budgeted national urban flagship projects. Disaggregated data on urban infrastructure and local government budgets and trends in fiscal decentralization should be among the indicators needed to monitor vertical alignment of national and local priorities. Experiences from outside and in Africa in a range of contexts, such as countries with a federal structure (Ethiopia, Nigeria), countries with financial tools to incentivize local performance (e.g. conditional grants of Uganda) or those promoting integrated development planning (South Africa) should be systematically studied and synthesized to draw out lessons and insights to be learned. Three aspects are important: the share and trend of budget allocated to urban infrastructure; the local share of total public spending; and the share of sector budgets implemented through subnational authorities.

Local government management capabilities will in part define the effect of urbanization. Some good practices are apparent in this area, for example, the National Programme for Participatory Development in Cameroon that has trained local leaders in public management and revenue mobilization in 360 municipalities. In Morocco, investment in universities and managerial training programmes and adaptation of private sec-

tor approaches to urban project execution have had a significant positive impact on subnational capacity for urban management.

In the light of the above analysis, box 7 lists some recommendations with regard to policy formulation and implementation processes, which countries should customize according to their level of development, level of urbanization, economic structure and population size, among others.

## B. National development plan content

### Economic sector targeting

Priority sectors have significant direct and indirect implications on urban growth and transformation and vice versa. Countries should carefully consider the job-creating potential and productivity of target sectors in the context of national comparative advantages. The possibilities and

### Box 7: Policy process – general recommendations

#### **Formulation:**

- Develop urban integration guidelines for the NDP formulation process;
- Initiate policy papers on the role of cities and urbanization in structural transformation;
- Initiate a study on the spatial-economic system and potentialities;
- Engage more urban stakeholders from the private sector and urban economy and economic geography experts;
- Gather input on the economic role of cities from industrial policies and their implementing agencies;
- Identify city- and metropolitan-level economic data most important for economic planning and monitoring, set standards and begin collection;
- Develop analytical tools and models to evaluate the costs and benefits of various urbanization strategies;
- Develop a new narrative on the role of cities in achieving this economic vision; introduce urban lens in economic planning and economic lens in urban development and spatial planning.

#### **Coordinated implementation:**

- Establish an intersector horizontal coordination mechanism on urban issues (e.g. an Urban Cluster Advisory Group);
- Align infrastructure investment, budgeting and sector programming with urban implications of economic planning;
- Assist subnational governments to align spatial and economic planning with the national economic vision;
- Build subnational capacity in urban management and revenue generation.

#### **Contextualizing these recommendations:**

- Federal States require stronger coordination mechanisms at the subnational level, whereas unitary states require stronger coordination mechanisms at the national level and vertical support for implementation;
- Countries with a national urban policy can draw upon the knowledge and expertise generated through the policy formulation and implementation processes during efforts to conceptualize the role of cities and urbanization in economic development;
- Countries at higher levels of development with high education levels that extend even to smaller cities may have more success in decentralizing city-specific planning and implementation.

#### **Selection of good practices identified in the five case countries:**

- **Cameroon** has a special role for academia in the diagnostic and analysis phase of planning;
- **Morocco** has achieved spatial alignment of infrastructure, education and services to serve economic sector strategies in the context of urban development;
- **Zambia** clusters ministries, departments and agencies' activities under desired outcomes and coordinates them through a permanent secretary. Output-based budgeting is in phases so that each ministry, department and agency can deliver its component in sequence with the others.

limitations of structural transformation without robust manufacturing sector growth, and the viability of service sectors (such as tourism) to fill the gap, is a key policy issue that African countries should deal with in their development planning. Manufacturing has an undoubted advantage of creating large-scale jobs and closing the productivity gap with developed economies, but the sector has largely remained stagnant in many African countries, including for most of the case study countries. There is a bright spot though. The reverse structural change seen in the 1990s, such as in Zambia where urban workers headed back to rural areas and farms, is no more the case. Since the start of the twenty-first century, structural change is beginning to account for a significant part of productivity gains.<sup>47</sup>

Still, eight of the ten African farm workers that moved to city economies are absorbed not in manufacturing, but in the services sector.<sup>48</sup> As the result, in many African countries, the services sector by its contribution to GDP has grown to become the most important sector, including in the case countries covered in this report. According to the United Nations Conference on Trade and Development, the services sector in Africa had grown by more than twice the world rate, and the sector was the most important driver of growth in 30 out of 54 African countries between 2009 and 2012. This is all good news, and something African countries should consider, but the services sector is a broad category, and in the case of Africa, dominated by the informal economy and non-tradeable services, prompting some to associate its growth with the phenomenon of “consumption cities.”<sup>49</sup> The declining urban productivity observed in some countries, including for example, in Cameroon, might in part also reflect this situation. Unpacking and understanding the broad category of the services sector to single out

<sup>47</sup> Dani Rodrik, Margaret McMillan and Iñigo Verduzco-Gallo, “Globalization, structural change, and productivity growth, with an update on Africa”, *World Development*, vol. 63 (2014), pp. 11–32.

<sup>48</sup> The Economist, “Why Africa’s development model puzzles economists”, 17 August 2017. Available at <https://www.economist.com/news/finance-and-economics/21726697-structural-transformation-its-economies-not-following-precedents-why>.

<sup>49</sup> Douglas Gollin, Remi Jedwab and Dietrich Vollarath, “Urbanization with and without industrialization”, *Journal of Economic Growth*, vol. 21, No. 1 (March 2016), pp. 35–70.

and focus effort on increasing employment the tradeable and high productivity components of the sector, boosting the productivity of small and informal enterprises and improving manufacturing prospects will be necessary. As some suggest, countries may also have to take a broader view of industry, to include those “without smokestacks,” but with potential for job creation and with a high multiplier effect.<sup>50</sup>

Countries that prioritize agriculture should link agricultural and rural development visions with the urbanization narrative that emphasizes the entire value chain, including the cumulative jobs created along the way in transport, logistics and trade, in addition to processing and manufacturing and the critical role of the quality of agricultural production itself.

Construction in housing and urban infrastructure can become a major job creator and growth driver in growing cities. These are sectors in need of huge investment and demand coordinated, consistent, long-term and incremental efforts at scale, which make the national development plan framework and process the ideal vehicle. The urban informal economy is also an important part of city economies and source of livelihood for large shares of the urban workforce, which countries should target for transformation and improvement in productivity.

### Urban productivity

The way that cities function during the development process, can either weaken or support national economic productivity and competitiveness, as the location of key drivers of structural transformation. Accordingly, countries should tackle the constraints on urban productivity in a concerted way towards achieving explicit economic development goals. Morocco provides one good model on this front, having pursued major investment in cities over a few decades to bring them up to a competitive standard, and having followed physical investment with major

<sup>50</sup> The Economist, “Why Africa’s development model puzzles economists”, 17 August 2017. Available at <https://www.economist.com/news/finance-and-economics/21726697-structural-transformation-its-economies-not-following-precedents-why>.

investment in education and technical training. Morocco also has more economic indicators at the subnational level, which is a critical area of improvement if a country is to track and then deal with urban constraints on productivity.

Major constraints on urban productivity typically include land markets, mobility and transport, the ability of firms to have access to basic services, such as electricity and water, urban form (compact or sprawling) and the nature and prevalence of informal development. Informal enterprises benefit directly from cities that function well due to the lower cost of living and lower transaction costs.

Countries often equate urban challenges with slums in their policies. While informal settlements are certainly a social challenge, they may or may not be major constraints on productivity, depending on their spatial form and its management. In a worst-case scenario, slums are chaotic, facing complex, tenure and legal issues. They have little space for upgrading and mobility options and so countries relegate them to the periphery, cutting off urban labour from the productive base of urban jobs and economic opportunities. In a better scenario, informal settlements (while inevitable at a specific stage of development) are more planned and plotted, easier to upgrade and easier to include in a connected and efficient urban fabric, even if they do not yet have adequate access to basic urban services or a high standard of housing. The ability of urban local governments, with support from national governments, to manage informal settlements may therefore have a significant impact on whether they constrain long-term national economic growth and broad-based prosperity.

Major investment in cities (as was done in Morocco) require prioritization and adequate financial resources. When the urban narrative emphasizes economic development, then a country should prioritize investment in cities and the urban system to target urban constraints that matter most for unleashing growth and creating jobs. In such a perspective, evidence to show return on investment in terms of jobs, productivity and urban cost of living will be important. Although the cost

required for urban investment is high, the economic cost of neglecting cities becomes clearer making rational decisions possible; however, with limited resources available, allocating sufficient finance for investment in cities remains a huge challenge. Fortunately, cities themselves can be major sources of public revenue under the right policy and regulatory framework. Land value capture represents one economically efficient way of revenue generation in growing cities.

Countries should prioritize and phase in the long list of urban infrastructure projects needed to have the greatest economic impact. In addition, investing in good management of the urban physical development process can ensure that cities grow in ways that avoid costly lock-ins and leave room for later infrastructure upgrades as funding allows. Finally, in prioritizing urban investment, countries should avoid the temptation to focus on too many cities in the short-term, as this can result in spreading resources too thin and not achieving a competitive and attractive location in any one city.

### **National urban system**

National development planning should assess the urban implications of macroeconomic policies and priority sectors as part of the economic planning process. This analysis is the starting point for aligning spatial planning with economic planning and infrastructure investment with both. Some African countries have long-term infrastructure plans, which is one instrument to plan for an urban trajectory that matches economic policy implications. Countries should match their economic and spatial ambitions in terms of urbanization with focal points of urban growth. Countries might better achieve this in a context of a long-term plan, or starting at the visioning process.

There is a need for countries to strengthen their analysis of the urban dimension of transport corridors, industrial zones and facilities. Most countries have industrial and economic zones; however, these may not be well-connected to or integrated into cities in their locational orbit. Industrial zones should be connected to the urban system to benefit from the potentialities of cities, including

labour pools, forward and backward linkages, and urban and regional markets. Morocco is one example of industrial zones well-connected to such urban benefits, which include proximity to urban transport infrastructure and educational institutions. Industrial zones in Cameroon, Uganda and Zambia would benefit from similar urban linkages. At the same time, subregional and regional integration efforts could also better harness the power of cities if planned with that goal in mind.

Rural growth poles are an important component of the national spatial system, in particular those countries with agriculture as a priority sector. The reference to regional cities in the Ugandan NDP or to “second class towns” in the Poverty Reduction Strategy Paper of Cameroon underscore their Government’s intended policy to leverage the urban system for fostering rural-urban linkages and for diffusing development throughout wider regions and rural areas. A clear impetus for a coordinated action, however, requires connecting the spatial dots in sector priorities, infrastructure and urban and rural development aspirations. A country should connect its secondary or small cities identified as growth poles strategically to the services and markets offered by large cities.

In Chad, for example, their policy emphasis is on regional growth poles, accompanied by strategies to foster internal and regional connectivity. This was a key strategy in Morocco, which, in recent decades, has made a major investment in inter-urban connectivity and connecting smaller cities to larger national and regional markets. Morocco is also now pursuing a rural development strategy, which presents an opportunity to improve spatial integration and equity further. Uganda has opportunities associated with urban-rural connectivity, by tapping into the potential of urban consumption for its growing agriculture production and agro-processing industries as well as increasing rural household demand for non-agricultural commodities arising from expected rural income growth and prosperity.

Linking agricultural production, urban jobs and urban consumption is a win for both urban and rural areas. In a context of agriculture-centred

economic growth, as in Uganda for example, some of the rural and small market towns of today might evolve, under the right policy and investment conditions, into the economically booming urban centres of tomorrow. Countries with agrarian economies and rapid urbanization, such as Uganda and Chad, illustrate the strategic importance of rural development and agricultural transformation. The experience of these countries underscores the importance of urban-rural linkages, and that countries may have to explore the merits of concepts and strategies such as growth poles and secondary city development strategies.

Many African countries face high levels of urban primacy and can invest in secondary cities to disburse both the benefits and costs of growth. Uganda, for example, is in a stage of urbanization investment in secondary cities, which could set the stage for more balanced development. This would require a national spatial strategy and investment plan to implement it. Countries should integrate such a strategy into their ongoing economic corridor planning and industrial park planning. Chad already has a vision of regional growth poles, which capitalizes on agricultural potentialities. The country now faces the challenge of investing to bring this vision to fruition without overstretching its resources and diluting the effect among too many cities.

Linking economic and spatial visions in some cases may mean taking a more favourable approach to urbanization. Cameroon has the benefits of a bipolar system with Kribi Port development to reduce primacy. The country’s policy is to keep urbanization in check, rather than to prioritize sustainable urban growth. This policy orientation could have unintended impacts, for urban-based economic sectors in particular, such as manufacturing and rapidly growing cities such as Kribi. Zambia seems to have growing urban economic sectors and workforce, but the country needs to integrate these sufficiently into its economic planning to avoid the risk of missed opportunities. Agricultural productivity has remained very low for decades, while urban productivity is on the rise. A more rapid shift of workers into cities facilitated by urban

investment could cut poverty rates, which are extremely high in rural areas, and give more of the population a chance at having access to opportunities of economic growth.

Efforts to encourage the growth of secondary cities and rural growth poles should not proceed at the expense of the prime city, which will either drive or constrain national economic growth for decades to come. Uganda, for example, has already planned for and has made major investment in Kampala in part through its Greater Kampala Metropolitan Area Framework 2040, but these are often individual programmes that reflect donor priorities rather than coordination with and integration into the national development plan and a national spatial development framework. In Zambia, the Government has discussed the idea of relocating the capital away from Lusaka in response to its urban challenges. Lusaka, however, is still small and should be the location of

major upgrades to help to move the Zambian economy to the next stage of development led by higher-skilled, higher-productivity and higher-tech activities linked to diversification of the economy as a whole. Similarly, Chad has placed major emphasis on regional growth poles, with N'Djamena playing a central and fundamental role in the national economy.

In the light of the above analysis given on macro-economic policies and priority sectors of the five countries, box 8 lists general recommendations with regard to national development planning content, taking into consideration economic sector targeting, urban productivity and the national urban system. Countries should customize these recommendations according to their level of development and urbanization, economic structure, population size, geography and other factors that play a decisive role in how to leverage cities and urbanization for development.

### **Box 8: National development planning content – general recommendations**

#### ***Economic sector targeting:***

- Consider the urban productivity and job-creating potential of priority economic sectors and their targets;
- Link agricultural targets with policies to support the entire value chain, including rural, peri-urban and urban activities;
- Consider urban housing and the urban informal sector as major job-creating sectors; prioritize policies to capitalize on this by uplifting the productivity of informal enterprises and small and medium-sized enterprises.

#### ***Urban productivity:***

- Invest in cities as part of a coordinated economic strategy;
- Improve tracking of indicators of urban productivity and constraints on urban productivity. Build evidence-based analytical tools to consider economic returns, such as increase in urban productivity and jobs and reduction in cost of living, and in investment prioritization;
- Tackle key barriers, including land markets, mobility and transport, gaining firm access to basic services, urban form and informal development;
- Manage informal development to be connected and upgradable;
- Prioritize and finance urban investment, both hard and soft;
- Refrain from stretching urban investment too thin between too many cities in the short term.

#### ***National urban system:***

- Assess spatial implications of economic policies and align sector targeting and infrastructure planning accordingly. Factor in the cost of urbanization in long-term development planning;
- Link regional and national transport corridors and industrial zones to the urban system as a whole, to leverage linkages to current cities and towns;
- Connect rural growth poles to urban markets, drawing on backward and forward linkages;
- Match investment in secondary cities with their economic potential;

- Prioritize urban investment on the basis of the effect it has on economic growth and job creation;
- Invest and prioritize the prime city as a major growth pole.

***Contextualizing these recommendations:***

- Countries with very low urbanization and income levels should target rural productivity and rural value chains;
- Low-income countries with rapidly proceeding urbanization or rapidly growing cities should target labour-intensive industries, such as light manufacturing and construction. In addition, urban-rural value chain linkages can boost rural productivity and simultaneously create urban jobs;
- Countries with agrarian economies with rapid urbanization should link rural development strategies with urban development strategies to form a cohesive national spatial system;
- As countries move towards upper middle-income status, they may want to shift towards heavy industry and intermediate products;
- Upper middle-income countries should develop high productivity tradable services and higher skilled, high-tech manufacturing, while bolstering subsectors that will create enough decent urban jobs for urban populations;
- Very small countries and island States may be able to create a sufficient number of urban jobs in tradable services sectors without industry;
- Countries targeting light manufacturing and intermediate goods may target smaller or secondary cities with transport and energy infrastructure upgrades to serve these economic sectors;
- Countries targeting tradable services should prioritize urban productivity of the largest cities through land market reforms, urban education and sustainable mobility projects;
- Resource-endowed countries should invest in education and urban public services to uplift the services sector in the largest cities;
- Supranational inter-urban linkages should be developed based on locational comparative advantages that may differ by region, for example, the large number of small and medium countries in West Africa with varying natural resources (including agricultural products) strengthens the role of regional corridors trading of commodities and processed foods;
- Countries with larger populations and those with larger budgets may prioritize more secondary cities for spatial targeting of investment, whereas smaller countries and those lacking resources may prioritize fewer.

***Selection of good practices identified in the five case countries:***

- **Cameroon** is planning industrial zones in agricultural areas to strengthen agricultural value added;
- **Cameroon** is investing in regional transport corridors to leverage geographic advantages;
- **Chad** is linking regional targeting with subsector targets in areas of potential;
- **Chad** has a policy promoting sustainable mobility infrastructure in its largest city;
- **Morocco** has undergone two decades of urban upgrades resulting in higher urban productivity, competitiveness and attractiveness;
- **Uganda** has emphasized urban planning and design as fundamental to functional cities in its NDP;
- **Uganda** has established a metropolitan government model that should help to manage its largest metropolitan area and overcome inter-jurisdictional coordination failures that often plague such areas;
- **Uganda** has identified a small set of regional and strategic secondary cities;
- **Zambia** has planned and serviced multi-facility economic zones connected to its largest cities.

This section has outlined some factors with regard to policy process and content. The conclusion being that there are major opportunities for better integrating urbanization and urban issues into national development planning. While the five countries

examined here provide common themes and lessons learned, each country must adapt these recommendations to its own specific context. If done successfully, the result will be economically dynamic cities and inclusive economic development.