



United Nations
Economic Commission for Africa



URBANIZATION AND NATIONAL DEVELOPMENT PLANNING IN AFRICA

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 2050¹. 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 development². 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 programs 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. 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.

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

² 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.

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 2030³. 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 programs 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 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 labor 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

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

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 multilevel 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 programs 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.