

The Sierra Leone Urban Research Centre,  
Njala University, and UCL Present:

‘Development and Planning in African Cities’  
June 11<sup>th</sup> – 16<sup>th</sup> 2018



Course facilitators:

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Course Booklet featuring all lecture slides and additional readings

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Reading – Rigon et al, (2018). *'Management and Planning in African Cities'*

Reading – UN, (2014). *'State of African Cities'*

#### **Urban Land:**

Session 1 – Urban Land 1 – Dr. Rigon and Dr. Macarthy

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Reading – Dr. Colin Marx, (2018). *'Urban Land in African Cities'*

Reading -UN Habitat, (2014). *'Urban Land Markets'*

#### **Urban Informalities:**

Session 1 – Urban Informalities – Dr. Rigon and Mr. Stone

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Reading – Prof. Adriana Allen, (2018). *'Risk, vulnerabilities and capacities to act in Africa cities'*

Reading – IIED, (2017). *'Urban Risk in Freetown's Informal Settlements: Making the Invisible Visible'*

Reading – Mr. Braima Koroma, (2018). *'Participatory Disaster Risk Reduction Governance'*

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Reading – ASF-UK and SLURC, (2017). *'Change by Design Workshop Report'*

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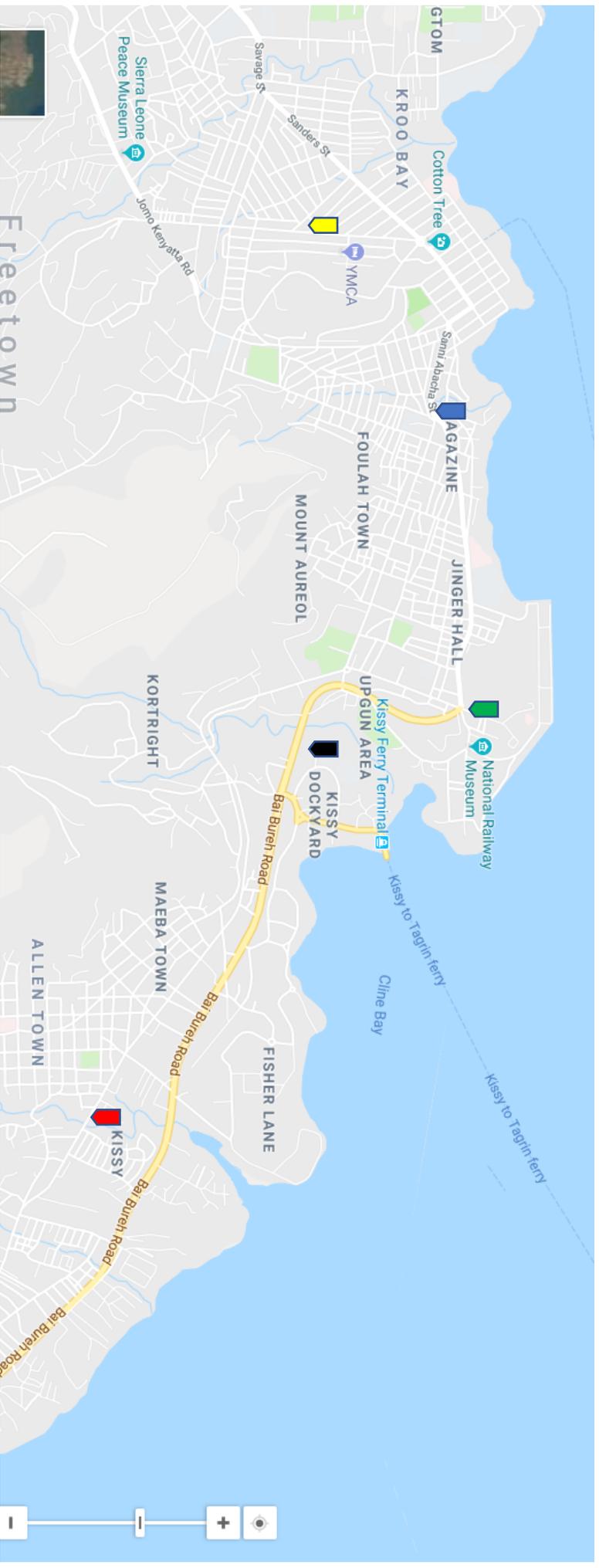
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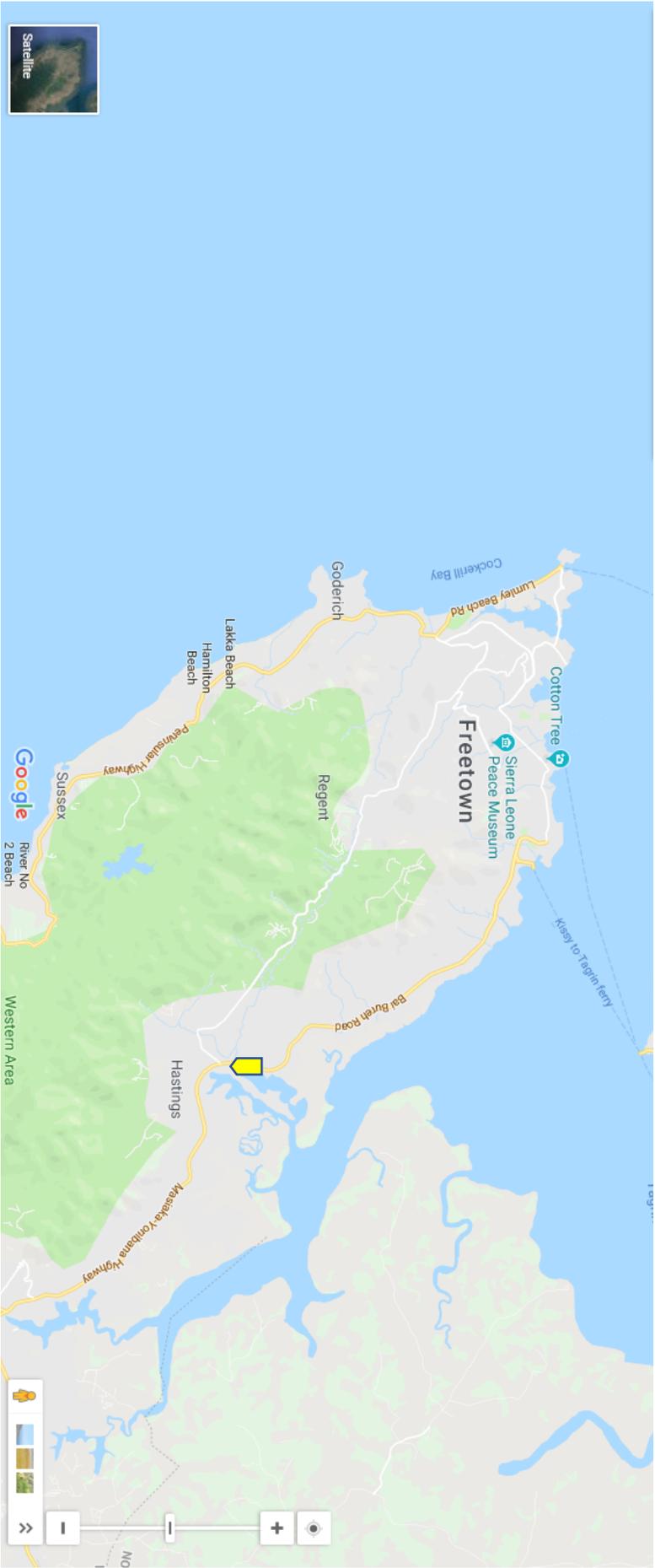
Session 2 – Waste management – Dr. Macarthy

Reading – Gogra et al, (2010). *'A Situational Analysis of Waste Management in Freetown, Sierra Leone'*

Reading – African Centre for Cities, (2015). *'Urban Infrastructure in Sub-Saharan Africa – harnessing land values, housing and transport'*



- ▬ = Sierra Leone Urban Research Centre Office
- ▬ = Eastern Police – Various kinds of commercial activity showing variations of land use
- ▬ = Cline Town – Area where many colonisers lived
- ▬ = Colbot Settlement – Informality emerging as a result of rapid urbanisation. Low income groups coping with housing situation in a context of scarcity.
- ▬ = Lowcost Junction – government scheme to provide lowcost housing. Has been taken over by middle class residents.



 = Jui – Mangrove at the city border that has been protected, showing how many of Freetown’s informal settlements used to look



## **Bibliography:**

Allen, Adriana. (2018) "Risk, vulnerabilities and capacities to act in Africa cities". Material prepared specifically for this course.

African Centre for Cities. (2015) "Urban Infrastructure in Sub-Saharan Africa – harnessing land values, housing and transport"

ASF-UK and SLURC. (2018) "Change by Design: Participatory Design and Planning Workshop Report January 2018"

Devas, Nick. (2004) "Urban Government: Capacity, Resources and Responsiveness" chapter 6, found in 'Urban Governance, Voice and Poverty in the Developing World', Earthscan, London, pp 95 – 120.

Frediani, Alexandre. (2018) "Participatory Planning in African Cities". Material prepared specifically for this course.

Gogra, Alhaji Brima, et al. (2010) "A Situational Analysis of Waste Management in Freetown, Sierra Leone", Journal of American Science, pp 124 – 135.

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# Introduction to Development and Planning





## **Introduction to Development and Planning in African Cities**

**Mr. Alexander Stone - SLURC**  
**Dr. Andrea Rigon – DPU, UCL**



### **D1 S1 – Introduction to the course**

- Thank you for coming
- 8 applicants for each place on the course
- Participatory – you are experts in your fields and in your city
- Share your knowledge with each other and us



Timetable:		
DATE	TIME & PLACE	ACTIVITY
Monday 11 <sup>th</sup> June	09:00 - 09:30	Breakfast
	09:30 - 11:00	1: Introduction to d&p in African cities 1
	11:00 - 11:30	Break
	11:30 - 12:00	2: Introduction to d&p in African cities 2
	13:00 - 14:00	Lunch
	14:00 - 15:30	3: Urban Land 1
	15:30 - 15:45	Break
	15:45 - 17:00	4: Urban Land 2
		Daily Staff Debrief
Tuesday 12 <sup>th</sup> June	09:00 - 09:30	Breakfast
	09:30 - 11:00	5: Urban informalities 1
	11:00 - 11:30	Break
	11:30 - 12:00	6: Urban informalities 2
	13:00 - 14:00	Lunch
	14:00 - 15:30	7: Urban Vulnerability 1
	15:30 - 15:45	Break
	15:45 - 17:00	8: Urban Vulnerability 2
		Daily Staff Debrief
Wednesday 13 <sup>th</sup> June	09:00 - 09:30	Field trip briefing – Meet at SLURC HQ
	09:30 onwards	Field trip 1 – Freetown from East to West
	17:00 - 17:15	Daily Staff Debrief
Thursday 14 <sup>th</sup> June	09:00 - 09:30	Breakfast
	09:30 - 11:00	9: Participatory Planning 1
	11:00 - 11:30	Break
	11:30 - 12:00	10: Governance 2
	13:00 - 14:00	Lunch
	14:00 - 15:30	11: Urban infrastructure 1
	15:30 - 15:45	Break
	15:45 - 17:00	12: Urban infrastructure 2
		Daily Staff Debrief
Friday 15 <sup>th</sup> June	09:00 - 09:30	Field trip 2 briefing – Meet at SLURC HQ
	09:30 - 10:00	Depart for field trip
	17:00 - 17:15	Daily Staff Debrief
Saturday 16 <sup>th</sup> June	09:30 - 10:00	Breakfast
	10:00 - 11:30	Conclusion
	11:30 - 12:00	Expectation review
	12:00 - 12:00	Assignment setting
	13:00 - 13:15	Certificates
	13:15 - 13:30	Daily Staff Debrief



## D1 S1 – Introduction to the course

Please share with your neighbour:

- Your name
- Where you work
- Where you are from
- What you can contribute to the course



## **D1 S1 – Introduction to the course**

Ground-rules for the week:

- How can we maximise the potential of this course for ourselves and each other
- How would you like to work alongside your colleagues
- What ground-rules shall we set for ourselves?



## **D1 S1 – Introduction to the course**

To discuss in groups of 3:

What are the key issues negatively affecting the lives of people in Freetown?



## **D1 S1 – Introduction to the course**

Please split into groups of 5 and:

- Discuss in your group why you applied to be on this course
- What you hope to gain from being here

Make sure everyone in the group contributes – each group to feedback 5 main expectations please



## **D1 S1 – Introduction to the course**

Individual Task:

- What does development mean to you?
- What does planning mean to you?
- 7 minutes writing for each task



## **D1 S1 – Introduction to the course**

- The Bartlett Development Planning Unit, University College London
- Half of Africa's population is expected to live in a city by 2035.
- 25% of world's fastest growing cities are in Africa
- 52 African cities with more than one million inhabitants
- African cities are the most unequal in the world



## **D1 S1 – Introduction to the course**

- What does development mean to you?
- What does planning mean to you?
- 7 minutes individual writing



## D1 S1 – Introduction to the course

- small “d” **development**
- Capital “D” Development
- Intentionality
- Not “neutral”, value based
- Development is a very political process
  
- **Planning** takes place at different scales: individual, household, community, area, city, regional, national, continental.
- Relations between scales and different actors at different scales
- Interdisciplinary: economic, social, environmental, health, political
- Intentionally affecting the process of development
- Thinking about the future
- Controlling the development of cities through interventions and regulations to achieve objectives (wellbeing, mobility, etc.)



## D1 S1 – Introduction to the course

- development and planning are political issues
  
- always involve:
  - decisions on who and what you prioritise,
  - choices to benefit some people against someone else.
  
- There is not the correct way: you need to decide criteria to make decisions and consult with all actors who may be affected



## Introduction to Development and Planning in African Cities

**Dr. Joseph Macarthy**



## Development – What is it?

- A word that is difficult to define
- Is a multi-dimensional process (human, spatial, political, social, economic, environmental etc.) involving the reorganization and re-orientation of the entire system of a society
- Is as a process of improving the overall quality of life of a group of people, and in particular expanding the range of opportunities open to them
- Note: Many developing countries pay particular attention to 'pro-poor' approaches to national development. Pro-Poor approaches to development puts poverty reduction and the needs and capabilities of those who have the least in society first.



## Planning – What is it?

- Planning means different things at different times and in different places (Gleeson and Low, 2000).
- Simply defined, planning is about deciding in advance what to do, how to do it, when to do it and who is to do it.
- Planning additionally involves decisions about ends as well as means and about conduct as well as result
- Plans are meant to achieve specific results; hence planning is not just an issue of determining objectives that are not consciously pursued or means that are never followed



## Planning in the context of urban development

For most of today's discussion, the term "planning" will be used to describe activities involved in the planning of the spatial, built, socio-economic, cultural and political environment, with an ultimate role of defining how land is used that is:

A process by which a society, through its institutions, decides where, within its territory, different socioeconomic activities such as agriculture, housing, industry, recreation, and commerce should take place.

Note: Wherever groups of people use land and its resources, land use is planned, whether consciously or not



## Urban Growth

- Half of the world's population lived in urban areas in 2008
- By 2050, 64.1% of the developing world will be urbanised (UNDP, 2012)
- Increased urbanization caused by natural growth of the urban population and migration of the rural population towards cities/towns
- Most cities in Africa are experiencing significant urbanization without the requisite infrastructure, spatial and settlement planning
- In most places, urban growth has been accompanied by an increase in urban poverty which tends to be concentrated in certain social groups and in particular locations
- Prevailing problems of high unemployment, environmental degradation, lack of urban services, overburdening of existing infrastructure and lack of access to land, finance and adequate shelter (UNCHS 2001b)



## The case of Freetown

In 2011, the UN projected that by 2015, approximately 41.1 per cent of Africa's population will be urban dwellers

Area	Area size	Percentage of area size	Population		Density	
			2004	2015	2004	2015
Sierra Leone	71,740 km <sup>2</sup>	100%	4.9 million	7.1 million	68.3/km <sup>2</sup>	98.9/km <sup>2</sup>
Freetown	74 km <sup>2</sup>	0.10%	800,000	1.1 million	10,811/km <sup>2</sup>	14,864/km <sup>2</sup>
% of Freetown Population			16.3%	15.5%		

### The urbanization of Freetown

Note: This presentation does not argue against population growth rather its concern is that there should be a corresponding socio-economic growth.

### 2015 Census

Country Total  
7,076,119

Total Urban  
2,893,507  
**41%**

% Freetown pop  
of urban total  
1,050,711  
**36%**



## Why rapid urban growth?

- In Sierra Leone, urbanisation is evident by the rapid expansion of existing settlements, the fusion of towns and the changing character of rural areas.
- Urban growth is thought to occur because of perceived opportunities such as better and more diverse jobs, improved services and the potential for environmental advantage attract people to urban areas (Henderson, 2002; Hildebrand et al., 2013).
- However, in Freetown, high proportion of residents live in places describe as informal settlements
- Urban planning, development and redevelopment efforts must, therefore, be concentrated in these cities



## Evolution of Planning in Africa

- In Africa, several great cities and towns (e.g. Timbuktu, Ife etc.) had arisen and fallen long before the arrival of foreign influence on the continent
- Pre-colonial African settlement patterns were curved, non-rectangular, with a strong sense of enclosure
- The circular spatial arrangement of dwellings and the layout of the settlements highlights indigenous urban planning practices in pre-colonial Africa (Muller, 1993)
- Modern day planning in Africa can be traced to its colonial roots and the interests of colonialists in the continent's natural resources
- Planning was introduced from countries that had relatively high levels of urbanization
- These planning systems were largely aimed at controlling the development of settlements, land use management and the construction of buildings in the colonies.



## Evolution of Planning in Sierra Leone

- “Modern” town planning in Freetown is only traced from the inception of the British colonial government in Sierra Leone particularly after the enactment of the town and Country Planning Ordinance of 1903.
- Before the colonization of Sierra Leone, there is still, no known areas of high human settlement concentration which could by definition be referred to as urban areas
- Perhaps, it was only with the setting up of the Freetown colony that an urban unit emerged. Hull (1976) calls this unit a place which acted as a cultural transmitter as well as an attraction pole.
- In Freetown, the Town and Country Planning Ordinance and the subsequent Town and Country Planning Act (1946) and other planning schemes gave specific and broad outlines on how Freetown should develop



## Evolution of Planning in Sierra Leone

- Apart from seeking to make Freetown a core administrative centre, orderly and efficient lay-out of the city was the main goal that defined the practice and thinking of British colonial planning
- Residents in such planned areas were to be the colonialists themselves and, to some degree, members of the indigenous population involved in white collar work (Ogu 2007)
- British colonial planning was more about fashioning an orderly, healthy alternative to the large cities in Britain. The basis was hygiene
- The main idea was that higher altitude translated to cooler weather, which was in turn associated with good health. On the other hand, lower elevation was associated with warm or hot weather, which in turn translated into decomposition and hence disease



## Evolution of Planning in Sierra Leone

The colonial and recent development patterns have resulted in a number of critical challenges for urban planning in Freetown:

- A rapid pace of urbanization characterized by significant socioeconomic, environmental and institutional challenges for urban residents
- Urban growth dominated by informality with thousands of urban residents living in unserved and overcrowded settlements
- Inadequate Infrastructure Provision with city officials being unable to fund critical infrastructure (water, road, sanitation, telecommunication etc.)
- Polarised development with urban inequities becoming increasingly apparent
- Poor City Management with the MLCP&E and the FCC unable to manage rapid urbanization using obsolete plans and laws, insufficient and inadequately trained planning staff and other resource limitations



## Session 2: Spatial Justice and Diversity

Dr. Andrea Rigon - DPU



### D1 S2 – Spatial Justice (1)

- **Space** is not a container of human activity but an active force shaping human life
  1. humans are spatial beings (we are all spatial as well as social and temporal beings)
  2. Humans produce space. Space is socially produced and can therefore be socially changed.
  3. The spatial shapes the social as much as the social shapes the spatial. This socio-spatial relation is fundamental. (Soja 2009)
- the space in which we live can have negative as well as positive consequences on practically everything we do
- Spaces at different scales (from the household to the global scale)



## D1 S2 – Spatial Justice (2)

- Spatial justice involves the fair and equitable distribution in space of socially valued resources and opportunities to use them.

Locational discrimination created through the biases imposed on certain populations because of their geographical location (e.g. lack of provision of infrastructure: hospitals, good schools to certain parts of the city) is fundamental in the production of **spatial injustice** and the creation of **lasting spatial structures of privilege and advantage**

E.g. patterns of spatial injustice created during colonial time still present.





## D1 S2 – Diversity (1)

- Identity is not natural but social constructed. Constructed by men and women as they interact with each other.
- Gender identities: roles of men and women are different in different places.
- They also change over time, although they are difficult to change.
- Can you give examples?
- 



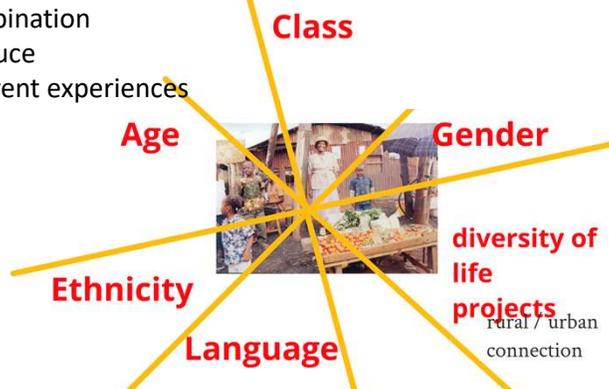
## D1 S2 – Diversity (2)

- If they are different in different places and they change over time, this means that **gender identities and relations are not “natural”** but constructed by the society.
- If they are constructed by the society, the society can change them.
- Between different identities there are power relations and those in power are resisting to change.
- We have been talking about gender, but can you think of other aspects of identity?
- Are these natural or socially constructed?



### D1 S2 – Diversity (3)

- Gender, race, ethnicity, religion, class, age, ability, citizenship status, sexuality
- it is not just one dimension. how different aspect of people’s identity intersect with one another.
- Woman/man, old/young, Krio/Mende/..., Christian/Muslim/..., Landlord/tenant, Level of Education, ...
- Combination
- produce
- different experiences



### D1 S2 – Diversity (4)

- Who we are and who are seen to be shape our lives
- |                   |   |
|-------------------|---|
| Community Leader: | <ul style="list-style-type: none"> <li>An educated person</li> <li>An illiterate person</li> <li>A woman</li> <li>A Krio</li> <li>A poor</li> <li>A leader</li> <li>A citizen</li> <li>A Sierra Leonean</li> <li>A mother</li> <li>An African</li> <li>An Elder</li> <li>A landowner</li> <li>A business woman/entrepreneur</li> <li>An urban resident</li> <li>A person with a disability</li> </ul> |
|-------------------|---|





## D1 S2 – Examples

10% residents using 2/3 of the land  
60% living in slums in less than 5% of the land

political issue at national level (origins in colonial segregation)

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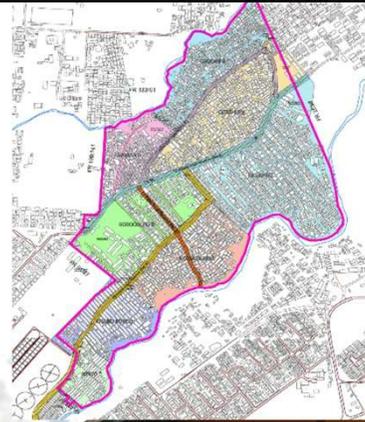
localized interventions to upgrade informal settlements on their current land

- Non-functioning land market
- Chronic shortage of housing
- Middle class appropriating the projects meant for the poor
- Informal settlements used as a reservoir of votes.



## D1 S2 – Examples

- Main social division in Nairobi slums:
  - structure owners (20%) and tenants (80%).
- Residents' Committee to take important decisions on slum-upgrading, including who should get the land
  - In each area at least: 1 elder, 1 woman, 1 youth
  - People are also structure owners or tenants!



Women representation  
but which women, the  
wives of the president?

# The Routledge Handbook of African Development

The handbook presents an extensive new overview of African development – past, present and future. It addresses key core themes and topics that are pertinent to the continent’s development – including sections on history, health and food, politics, economics, rural and urban development, and development policy and practice.

The volume draws on the expertise of over 60 of the world’s leading scholars to provide a detailed and up-to-date analysis of the key opportunities and challenges that confront Africa, and how such issues are being addressed. Arranged by key themes, the handbook provides not only a historical understanding of the past, but also political perspectives of the future. The chapters provide critically informed analyses of their topics by drawing upon the latest conceptual viewpoints and applied experiences in Africa in a form of case studies to offer a comprehensive examination of the opportunities, challenges, key debates and future prospects.

The handbook is an invaluable state-of-the-art overview and reference concerning many different aspects of Africa’s development, which should be of interest to academics in all fields of African studies, and also academics and students working in cognate disciplines such as development studies, geography, history, politics and economics.

**Tony Binns** is Ron Lister Professor of Geography at the University of Otago, Dunedin, New Zealand, and Visiting Professorial Fellow in the School of Global Studies at the University of Sussex, Brighton, UK.

**Kenneth Lynch** is a Reader in Geography in the School of Natural and Social Sciences at the University of Gloucestershire, UK.

**Etienne Nel** is a Professor of Geography at the University of Otago in Dunedin, New Zealand, and Visiting Research Fellow, College of Business and Economics, University of Johannesburg.

# The politics of urban management and planning in African cities

*Andrea Rigon, Joseph M. Macarthy, Braima Koroma  
and Alexandre Apsan Frediani*

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## Introduction

Half of Africa's population is expected to live in a city by 2035, up from 40 per cent today. This is a testament to the fact that a quarter of the world's fastest-growing cities are in Africa and 52 African cities already have more than 1 million inhabitants each. But these cities are only projected to absorb a quarter of the growth in urban populations, meaning that small and medium cities will host the majority of new urban dwellers (UN-Habitat, 2014: 23–25). African cities are the most unequal in the world, posing a major challenge to their future (UN-Habitat, 2010: 2).

The starting point of this chapter is that urban management and planning are political issues. This chapter addresses key issues in urban management and planning that pertain to many African cities, including exploring what is managed and planned, by whom, and for whom. Complicating this task is the great diversity of urban realities that, as Myers (Chapter 35, this volume) argues in this book, are impossible to generalise. The diversity of histories and cultures, during both the precolonial and colonial periods, have shaped today's management and planning practice. Different colonial histories brought in a range of different planning and management systems and these intertwined with customary practices. These fusions have generated a variety of postcolonial hybrid models in which the modern state bureaucracy and traditional authorities coexist, particularly in the area of land administration.

The complexity of current arrangements requires specific responses to the distinctiveness of existing management and planning practices. This implies a focus on understanding existing political settlements in cities, which are 'the formal and informal processes, agreements, and practices that help consolidate politics, rather than violence, as a means for dealing with disagreements about interests, ideas and the distribution and use of power' (Laws and Leftwich, 2014: 1). New policies and practices may disrupt existing settlements, so identifying management and planning responses requires exercising political sensitivity and negotiating with all of the local actors involved.

Three fundamental and connected issues across African cities are city-level governance, power decentralisation, and municipal finance. The first looks at governance structures at the city scale; power decentralisation has to do with how city-level government is selected and the powers that it has; and municipal finance is about the capacity of cities to achieve financial

autonomy and generate revenues. These three issues are fundamental for examining the legacy of colonial planning, managing and taxing urban land, the informal city, the process for 'planning from below', and urban infrastructure.

## City-level and metropolitan governance

Democratic city-level government with sufficient powers and financial autonomy are critical factors for achieving or continuing success in many cities. The devolution of powers to cities has contributed to the transformation of several Latin America cities, which are considered global examples to learn from. These have become central issues in the New Urban Agenda, and African mayors at last year's Habitat III<sup>1</sup> were very vocal in advocating for them.

Many African cities, however, do not have administrative and governance structures that align with city boundaries. For instance, in Nigeria, there are three tiers of government: federal, state and local government areas (LGAs). As a result, there is no democratically elected city-level government. Small towns may more or less fit within the boundaries of LGAs, but LGAs lack power and autonomy. The only exception is the city state of Lagos, where the city has expanded to cover most of the territory of the state, effectively rendering the Governor of Lagos State an elected mayor of the megacity.<sup>2</sup> For all other cities, the number of uncoordinated local government bodies makes consistent city-level planning difficult, particularly in cities that are not state capitals. For example, the city of Ibadan is spread out over five LGAs and Kaduna is spread over four (although two also cover some areas outside the city). LGAs often have limited power and report directly to state governors without an intermediary authority at city level. The lack of unified governance can increase divisions in cities. In Kaduna, the administrative separation of the city reflects the religious divide, complicating efforts to overcome sectarian conflicts between Christians and Muslims. Different LGAs within one city may also be run by different political parties, inhibiting coordination. Moreover, the areas of jurisdiction of LGAs may also include rural or peri-urban areas, meaning that local government departments must plan rural as well as urban interventions (Rigon *et al.*, 2015). In Kampala and other Ugandan cities, decentralisation reforms divided several districts into smaller administrative units. Creating new units by fragmenting existing districts tilted the balance of power between levels of government further towards the central government because subnational units lack bargaining power and administrative capacity, and are now more dependent on the central government for resources (Lewis, 2014).

Even when there is city-level governance, existing boundaries are often inadequate considering the spatial expansion of the city. Much of the urbanisation in African cities is linked to urban and peri-urban areas beyond city boundaries becoming part of the city. However, the expansion of administrative city boundaries can be politically complex because it challenges existing political arrangements and requires acquiescence from the central government. While potentially difficult, such expansion can increase the tax base of the city, especially through taxes levied on land, and give city authorities the power to plan and deliver infrastructure to what are in fact parts of the city.

Area-wide forms of governance and planning are becoming increasingly important, and can help strengthen a city's relationship with surrounding rural areas. Contrary to the views of many urban managers in the continent, area-wide governance should not aim to increase investment in rural areas as a way to slow city growth by staunching migration. Instead, area-wide governance is important because peri-urban areas are increasingly becoming part of the urban system. Food security is one issue in which understanding these rural-urban linkages is critical (see Thornton, Chapter 34, this volume). Moreover, economic activities and other functions of

small towns depend on and are integrated with those of the nearby city. Therefore, metropolitan forms of governance may facilitate service and infrastructure planning beyond the city scale. It can also provide a flexible approach to expanding a city when renegotiating borders is difficult and city borders are constantly changing. Emerging urban corridors, where a number of cities are located in the same region, often need linking infrastructure. These corridors may cut across national borders, thus requiring international governance and cooperation.

### Devolution of powers and fiscal autonomy

In the previous section, we emphasised the importance of having a form of city-level governance. It is not sufficient to have authorities at city level, however, if they do not have powers or resources to take autonomous management and planning decisions.

Devolution, or the transfer of some powers and functions from higher tiers of government to lower ones, is a major political issue in Africa, and of particular relevance for cities. UN-Habitat calls for a ‘radical decentralisation of powers’ in African cities, emphasising the devolution of controls over revenue collection (UN-Habitat, 2014: 7). Effective devolution implies applying the subsidiary principle to divide powers between central governments and cities, decentralising powers and functions that are better delivered by government actors closer to citizens. In particular, key issues for cities are: (1) financial autonomy, largely achieved through fiscal autonomy, i.e. the capacity to generate revenue; (2) planning powers; and (3) control over service provision. The first two are key for the latter.

There is a growing consensus and evidence that devolution processes have been critical to the success of many cities, particularly in Latin America. Here, cities control the provision of key services, can raise their own revenues, and offer competitive salaries to highly skilled professionals. In the African contexts, these processes are more difficult, and have to take into account a number of issues. Historically, African countries inherited highly centralised systems of governance from colonial rule that the new political elite did not challenge (UN-Habitat, 2010: 32). This was a way to maintain control but also to prevent the disintegration of many countries whose borders were arbitrarily drawn by colonial rulers, and in which various ethnic identities were stronger than national ones.

African cities also produce a significant share of many countries’ economic wealth and they are the places with the greatest potential for future growth. As a result, central governments guard their control over them, which often leads to fragmented urban governance. As mentioned above, Kaduna is divided in different administrative areas under the control of state governors. Cities, and especially capital cities, are central sites of African politics – where coups take place and national parliaments and presidential residences are located – making it more politically problematic for central authorities to relinquish power.

Freetown, Sierra Leone’s capital, is another example of local governments that are unable to fully govern. The city council has very limited powers, particularly regarding land and taxation, which remain a prerogative of the central government. This means that the central and local governments have to jointly agree upon any urban project. While the Freetown City Council is responsible for improving the welfare of the people, including through promoting economic development in the city, it does not have the power to register and supervise the use of land. There is a huge potential for the council to generate revenue from taxation on land, especially taxes on property and land value, but it is not permitted to do so. Moreover, because the act establishing local councils is not entrenched in the constitution, the extent to which local councils are allowed to exercise their powers depends greatly on what the central government allows them to do. Local councils in Sierra Leone are under the control of the

Ministry of Local Government and subject to the ministry's political and administrative oversight. They also rely upon the central government for two-thirds of their budgets. Indeed, while the Local Government Act (2004) empowers local councils to create area development plans and to manage and coordinate projects for improving their localities, several councils rarely have the capacity and resources to deliver such plans. As a result, the central government has assumed these functions over time.

Democratic processes brought increased pressure for devolution and opened the debate in a number of countries. Over the last 20 years, approved constitutions – e.g. South Africa (1996), Nigeria (1999) and Kenya (2010) – acknowledge the importance of decentralised governance, albeit not always focusing on the city level. In Kenya, the 20-year struggle for constitutional reform has largely focused on devolution (Rigon, 2010). The principle of devolution from Kenya and Uganda's constitutions appeared in Zimbabwe's 2013 Constitution, which states that while the country remains unitary, government power and functions are devolved through a three-tier cooperative governance system (Moyo and Ncube, 2014).

While not sufficient in itself, since the 1990s, several African countries have introduced major legislation promoting decentralisation. These include Tanzania, Malawi, Ethiopia, Uganda, South Africa, Ghana and Nigeria. In Tanzania, the Local Government Reform Programme worked towards changing local government laws and increasing resources available to local government authorities in the late 1990s, and in Malawi the 1998 Local Government Act created a national decentralisation framework based on democratic principles, accountability, transparency, and public participation in decision-making and development processes. In many cases, however, including Algeria and Morocco, the central government substantially restricts the autonomy of local governments, despite the existence of legislation supporting decentralisation.

In Uganda, the 1995 Constitution and subsequent legislation allowed the transfer of a number of political, administrative and fiscal powers to local governments. To fund these functions, local governments can seek revenue from a variety of sources. Nonetheless, transfers from the central government, particularly in terms of donor funds, remain crucial and are conditional on the local governments meeting specific conditions, thereby limiting their autonomy. These funds largely comprised grants from the Poverty Action Fund, and can only be spent on activities that the central government deems priorities. The central government further retains responsibility for all national projects.

Overall, while elections of local authorities and citizens' democratic demands at the city level have increased, these authorities often have minimal power and insufficient resources, particularly in terms of their ability to provide more and better services. Despite this, there is little incentive to decentralise and what is there decreases further when national and local governments are run by parties that oppose each other.

A key aspect of decentralisation concerns the financial autonomy of city authorities. A central demand of a number of African mayors at Habitat III was to be able to generate their own revenues autonomously in order to reduce dependency on transfers from central governments, which are often unreliable and used to achieve political aims. For example, Nigerian LGAs receive a federal funding allocation that is managed through an account shared with the state government. The state government often uses this arrangement for patronage (NBS, 2012), compromising the financial and political autonomy of LGAs and their capacity to plan and respond to citizen' needs. Civil servants working in LGAs in Kaduna State argued that such governance arrangements and related bureaucratic practices inhibit the capacity of LGAs to implement plans. Political interference, shifting priorities and governors put pressure on the chairs of LGAs to shift their agendas. Indeed, governors often take over LGA functions to build political support (Rigon *et al.*, 2015: 14). In Nigeria,

militaries in power have used local institutions for patronage. More recently, state governors still exercise enormous power over local government areas by maintaining control over resources flows (Rigon *et al.*, 2015).

Financial autonomy is also important for cities to access markets to fund infrastructure projects. Large municipalities in South Africa increasingly borrow from local commercial banks or bonds, which can help bridge the gap between revenues and the funding needed to invest in infrastructure. Smaller cities, however, still encounter obstacles accessing credit (Brown *et al.*, 2013).

Devolution is also important in light of the changing urban forms of many African countries. While many countries are still characterised by a major dominant city, there is an increasing number of smaller secondary cities with growing populations. These cities offer opportunities for new management models and for translating residents' democratic claims into practice. Because these cities will experience the bulk of African urban growth in the coming years, and have less institutional capacity and infrastructure than larger cities to accommodate those changes, they have the greatest need for urban management and institution-building (UN-Habitat, 2014: 23).

In conclusion, decentralisation must involve shifting power and resources towards lower tiers of government rather than creating local institutions under central control, as is often the case. Moreover, decentralisation has to take into consideration the 'diversity of traditional practices and the complex local politics of ethnic relations' (UN-Habitat, 2014: 32).

### Legacy of colonial planning

Many African cities are still overcoming the legacy of colonial spatial structure and planning regulations (Watson, 2014a). For example, the British colonial state implemented a policy of racial segregation. In Nairobi, this policy was formalised in the 1948 Master Plan, which divided the city into different racial residential areas for Africans, Asians and Europeans. After independence, in Kenya, Namibia, Zimbabwe and many others, the racial spatial segregation of the colonial state became socio-economic residential segregation (K'Akumu and Olima, 2007; UN-Habitat, 2010: 26). The wave of post-independence urbanisation took place on the basis of, and often exacerbated, pre-existing patterns of exclusion and segregation. The spatial inequality and segregation of African cities is an urban form that hides the poor, who often live on small marginal lands. In Nairobi, 55 per cent of the population resides in less than 5 per cent of the land, where they do not have secure tenure (Syagga, 2011: 105). Such spatial inequality and segregation transform cities into archipelagos of intertwined unequal islands where different groups of residents do not meet.

Another major problem is the building codes and regulations inherited from colonial times. For example, Kenyan construction by-laws come from the British, who exported their regulations without adapting them to Kenya's culture, climate, resources and level of economic development (Tuts, 1996: 608). The inherited building codes therefore obligated social housing projects to conform with middle-class standards and prices rather than being tailored specifically to the low-income residents and their ability to pay. Urban planning and regulations should be adapted to the level of development and institutional capacities of a country, and construction standards should be set 'more realistically in order to facilitate rather than restrict the creation of housing and livelihoods' (UN-Habitat, 2010: 2).

The planning systems of many African cities, which are often permeated by colonial regulations, are inadequate for the reality and pace of urban transformations. Despite this, some planners are committed to these systems, and refuse to see urbanisation as a positive process to be managed differently.

## Managing and taxing urban land

The importance of land planning powers for cities cannot be overstated. These powers can decide the future direction of city development, and it is here that the potential for taxation and capturing land value reside.

Infrastructure, change of use, or permission to build more or higher enhance the value of land or property. Sometimes, even a planning decision or prospective infrastructure investment can trigger an increase in value such that private owners find the value of their assets exponentially higher without having made any productive contribution. Specific regulatory instruments called land-based financing or land value capture can be employed in these situations to ensure a more equitable distribution of wealth, securing part of the value produced by a public decision for public interests. The money generated from these instruments can help finance the infrastructure that services taxed properties, but can also cross-subsidise infrastructure for poorer areas of the city. In many prosperous Latin American cities, various tools have a long history and have provided significant funding to municipalities. This funding may involve one-off development charges, the (sometimes competitive) sale of development rights, betterment levies, or property tax increments.

Palmer and Berrisford (2015) found that, with the exception of Ethiopia and South Africa, there is no comprehensive land-based financing at the city or national levels anywhere in sub-Saharan Africa. To the contrary, the authors found many situations of reverse value capture in which the cities subsidise internal infrastructure in high-income developments. The study points out how difficult it would be to implement land-based financing in the short term. They identify strong and capable urban governance structures as key enablers of land-based financing, demonstrating the importance of what we discussed above.

Despite their importance, land and property tax are often inadequately implemented. While changes are taking place in a number of African countries, land cadastres are far from being fully functional. They are often used for patronage politics and under the control of the central government, producing significant conflicts between central and local government authorities. Moreover, the implementation of a modern cadastre system often has to adapt and cohabit with the reality of urban land subjected to customary administration practices by traditional authorities. In many cities, there is the development of intertwined formal and informal land markets. In Tanzania, for example, the ineffectiveness of the formal land system gave rise to a large informal land market.

As discussed, property taxes are underutilised, even in those municipalities where they generate a substantial share of the revenues. Revenues for local government need the implementation of new revenues mechanisms such as property tax. Interestingly, cities with high property rates are also those with strong democratic local government traditions such as Harare and Kariba (Zimbabwe), Cape Town and Durban (South Africa), and Kano and Lagos (Nigeria) (Eyoh and Stren, 2007). This demonstrates a link between fiscal autonomy and democratic governance.

In the Western Area of Sierra Leone, which includes Freetown, the Ministry of Lands, Country Planning, and the Environment shares the responsibility for land management with the Land Registry, which is based in the Ministry of Justice. Local councils also claim power over land registration, a function supposedly devolved to them by the 2004 Local Government Act. As a result, land administration in Freetown is plagued by problems of land encroachment, falsification of documents, multiple sales and registrations, unauthorised developments, and improper land demarcation, largely due to the indiscriminate application of land laws, low institutional capacity and a disorganised land market. A project funded by the Investment Climate Facility for Africa attempted to reduce the time and cost of land registration by reviewing and streamlining

the registration procedures, and creating an electronic database of all land registration records. However, the lack of comprehensive legislation defining the respective functions of the ministry and of the local councils makes it difficult to set up a modern land management system.

### The informal city

The concept of informality is used to describe entire areas and a large sector of economic activities in African cities. The areas are often informal settlements that fall into the problematic UN-Habitat definition of slums, which looks at the characteristics of households in the area. Slum households, according to UN-Habitat (2003), lack at least one of the following: improved water, improved sanitation, sufficient living area, durable housing, and secure tenure. In terms of economic activities, the informal sector is usually defined as employment and production that take place in unincorporated, unregistered or small enterprises, and ILO estimates that this sector accounts for two-thirds of non-agricultural employment in sub-Saharan Africa and just below half in northern Africa (ILO, 2013: 42).

The prevalence of urban slums is a consequence of high inequality in African cities, which UN-Habitat (2010: 2) considers to be 'one of the major threats to African urban stability and, by extension, to overall political stability'. Slums and their residents are often seen as a source of criminality and moral vice to be eradicated. Existing planning approaches criminalise most urban residents living in informal settlements and too often support policies leading to evictions. These may take the form of forced evictions, but may also take more subtle forms of market-led displacements, resulting in human rights violations of the urban poor. While this type of informality of the poor is criminalised, informality of the rich may be ignored or even incentivised. Some high-income developments are also informal from the point of view of planning regulations in that they are built without permits in areas that are not zoned for residential development, against the Master Plan, and often with infrastructure that does not align with city plans. Despite these infractions, however, these developments are not criminalised. This double standard is based on dangerous discourses around the urban poor and linked to the fact that there are profitable informal arrangements between property developers and state-politicised bureaucracy.

In terms of the economy, informality is seen as a separate, self-standing sector that must be formalised in order to extend taxation and regulation or, for those with good intentions, social protection. The way of conceptualising informality through a strict demarcation with the 'formal' fails to consider the 'pervasiveness of informality within formal ways of doing things' (Myers, 2010: 9). In African cities, informality is the norm, with urban value chains and services containing formal and informal elements that are interdependent. Products and services may be delivered through chains with informal and formal stages, for example, and 'formal' enterprises have informal practices, including informal employment of unskilled labour. In addition, employees in the formal sector rely on informal services to deliver productive work, such as transport and food stalls. Understanding the hybridity of formality as part of urban practices across all city actors is a necessary step in the construction of an African urbanism that can underpin the development of planning and management strategies that start with valuing and acknowledging existing urban realities.

### Planning from below

As we have just discussed, current government formal planning practices are unable to address the challenges of African cities and provide for the growing demand of housing and services. Many civil servants and local authorities still view planning in terms of restoring a social order

lost during the rapid growth of cities. This technocratic discourse emphasises that planning is an exclusively technical and neutral process that professionals have to do *for* people, rather than *with* people, in the context of a colonial planning legacy (Rigon *et al.*, 2015).

Nonetheless, the reality on the ground in many African cities is characterised by ‘agency from below’, in which urban residents build their houses and provide their own services through various forms of individual and collective action. This self-help approach to housing and services is a major force shaping and making African cities. A significant part of urban management and planning takes place outside the control of city authorities. Under the umbrella of Slum Dwellers International (SDI), national federations of the urban poor organise themselves in saving groups and generate their own censuses and data to negotiate with policymakers. Residents in informal settlements also initiate their own slum upgrading processes (Mitlin and Satterthwaite, 2004). These new emerging citizenship practices push demands on city authorities. Local authorities can respond to citizens’ demands if they have the power and capacity to generate their own revenues. Success in these areas could lead to a deepening of democratisation in African cities.

The political power of these forms of collective action is still limited compared to forms of urban collective actions in other places such as India or Brazil, but governments, UN institutions and global fora such as Habitat III, where SDI and their work in African cities had a major presence in high-level dialogues with institutions, are increasingly recognising their importance. In some contexts, these forms of collective actions among the urban poor are slowly changing power relations. This may destabilise existing political settlements, causing conflict. However, it is a risk worth taking because the current situation is also unstable. As UN-Habitat (2010) pointed out, cities that do not work for the majority of urban residents may undermine urban as well as national stability. Under various names (e.g. alliances, coalitions, strategies), a number of citywide initiatives are moving beyond engaging with citizen participation on a project-by-project basis to build citywide participatory governance frameworks. However, their success depends on the capacity to change power relations and address inequalities by allowing a meaningful participation from the urban poor.

The centrality of ‘agency from below’ in planning and managing cities can contribute to the emergence of a hybrid urbanism that can find new models and concepts appropriate for the specific needs of diverse African cities, leaving behind European models. The value of citizen participation in local governance and planning is increasingly recognised in different African countries, opening opportunities. For instance, the 2010 Constitution of Kenya put a strong emphasis on citizen participation and explicitly mentioned their participation in at least 16 articles. It is considered a national value and principle of governance, key to the achievement of an effective devolution. It also explicitly refers to participation in urban areas: ‘National legislation shall provide for the governance and management of urban areas and cities and shall, in particular [ . . . ] (c) provide for participation by residents in the governance of urban areas and cities’ (Republic of Kenya, 2010: Article 184). South Africa’s 1996 Constitution states that local authorities should ‘work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives’ (Department of Constitutional Development, South Africa, 1998).

## Urban infrastructure

The presence of infrastructure has historically played a key role in the origin and growth of many major African cities, often developed around the main port or railway. However, today African cities suffer from an urban and national infrastructure gap. Poor transport infrastructure accounts for 40 per cent of logistics costs in coastal countries and 60 per cent in landlocked

countries (UN-Habitat, 2014: 20). Public transport is costly and lacking, presenting a major challenge to labour mobility. Traffic congestion affects many residents and decreases productivity, with people spending over four hours commuting in some major cities such as Lagos. Over 30 countries experience regular power shortages (UN-Habitat, 2014: 20), so residents and companies that can afford it have to rely on private diesel generators at a great cost, which is also a health hazard. The infrastructure gap is significantly reducing the competitiveness of the African manufacturing sector. It decreases profit margins of smaller businesses and increases consumer prices for goods and services.

Infrastructure is a key challenge for the managers of African cities. For it to be addressed, the issues discussed in this chapter around governance, devolution and finance are crucial. The way in which infrastructure is provided can also contribute to addressing the other challenges of inequality and poverty. Infrastructure can be pro-poor, prioritising the needs of the urban poor and developing mechanisms for cross-subsidising low-income residents, or it can increase inequality and poverty by serving high-income developments and ignoring informal settlements. The choice will depend on the outcome of the politics of urban management and planning, and the capacity of the poor to voice their collective concerns and expand the participatory mechanisms of urban governance.

## Conclusions

Reforms of urban management and planning, involving decentralisation of power and fiscal autonomy, are fundamental to prepare African cities to absorb the urban growth forecasted for the next decades. Such reforms are very sensitive because they involve shifts in power relations that may reopen complex processes over other ethnic divisions and unsettle the political settlements at the national and city levels that have allowed cities to function so far.

For example, residents of informal settlements often have to enter political patronage relations or pay a range of brokers to protect their precarious tenure security and receive services. These brokers may include local politicians, traditional rulers, community leaders, police and other civil servants (UN-Habitat, 2014: 36). Therefore, many people thrive in an environment of 'under-regulation' and poor services and infrastructure, which offer profitable opportunities. Any reforms can threaten the status of some groups and may meet resistance and failure if they do not take into account the complexity of existing political arrangements. Therefore, urban management and planning reforms are not managerial changes to make management and services more effective, but complex and negotiated changes in politics.

This need for a political negotiated process and acknowledgement of the city diversity clash with a reality of technocratic models. A number of cities are overcoming colonial master plans and regulations and preparing new plans. However, this often happens through a process of privatisation of planning in which master plans are contracted out to a few multinational consultancy companies that develop standardised plans that reproduce dominant planning principles often exported from Europe. These are plans prepared with little participation and democratic control through processes that do not recognise the role of people's agency in making the city. These plans are disconnected from the reality of most urban residents, and often contain unrealistic 'urban fantasies' based on the model of Dubai, Shanghai or Singapore (Watson, 2014b).

This process is repeating the colonial approach of enforcing universal models, for example conceiving densification and verticalisation as always necessary while denying the emergence of new urbanisms. Can African cities develop indigenous urban models? The New Urban Agenda adopted by the UN at Habitat III acknowledges the right to the city, ensuring all inhabitants can participate in the production and use of their cities. We hope city managers will open spaces

to the plurality of forms of agency from below that are already shaping the future of African cities. In a context in which the continent will be shaped by the way in which societies think about cities (Parnell and Pieterse, 2014), we have seen the emergence of a strong body of work exploring the specificities of African urbanism grounded in the lived dynamics of everyday life (Pieterse and Simone, 2013). The capacity of this work to influence urban practitioners will be critical for influencing the management and planning of African cities.

## Notes

- 1 Habitat III is the third bi-decennial United Nations Conference on Housing and Sustainable Urban Development that took place in Quito, Ecuador, in October 2016. The conference produced a New Urban Agenda, which sets a new global standard for sustainable urban development, and will guide the efforts around urbanisation for a wide range of actors for the next 20 years.
- 2 Another particular case is Nigeria's capital Abuja and its Federal Capital Territory Administration, which does provide some city-level governance, but is effectively a ministry of the federal government rather than a body that democratically represents the capital's residents.

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PART ONE

THE STATE OF  
**AFRICAN  
CITIES**

A view over Kenya's capital Nairobi from a high-rise construction site. ©Sven Torfinn/Panos Pictures



# 1.1

## A Continent in Transition



▲ Cairo, Egypt. Despite economic growth, the continent still experiences massive urban poverty. ©Manal EISHAHAT. Licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 2.0 Generic License.

The 2000-2010 decade was one of major changes in Africa's developmental outlook - some say a turning point. Various statistical and other indicators appear to support increasingly positive perceptions of the new political and socio-economic opportunities for Africa in the decades to come, although they also indicate vast challenges. Africa is currently in the midst of a number of simultaneously unfolding and highly significant transitions, among them demographic, economic, technological, environmental, urban and socio-political. These transformations invite complete rethinking of current developmental trajectories, so as to further facilitate and sustain Africa's strategic repositioning in the world.

Despite a feeble global economy, Africa's performance is promising, with an increasing number of nations progressing towards high rankings among the world's emerging economies. Domestic economic performance has been particularly robust in Angola, Ethiopia and Nigeria; while

Côte d'Ivoire, Ghana, Kenya, South Africa, Tanzania and Uganda are all experiencing sustained growth. However, not all African economies have performed well, especially those affected by continued or renewed social unrest, civil strife or conflict. In demographic terms Africa is growing rapidly and, where economic performance allows, emerging middle-classes are now starting to create sizable consumer markets (see Box 1.1). Booming cities are stimulating many nations' construction industries - a sector with a high multiplier factor. Despite significant economic growth, Africa still experiences massive urban poverty and other social problems. Therefore, the prevailing worldwide view that cities are engines of growth and human development may very well be challenged by the unfolding realities in Africa, unless this urban economic and general developmental progress is translated into more broadly shared well-being among nations' socio-economic strata.

In political terms, Africa is also in the midst of major

transitions with a growing number of democratically-elected governments. But the road to truly democratic governance systems often provides for a rough ride as in the cases of Egypt, Libya, South Sudan, Tunisia and Zimbabwe. Continued post-independence statehood-formation is part of the ongoing transformations, with some African countries making steady strides forward while others have greater difficulty in shedding the label of a “fragile” or “failed state”.

The accelerating urban transition - the shift from rural to urban population majorities - is, perhaps, the most decisive phenomenon since independence in most African nations. That is especially the case for its tropical middle belt where most of Africa’s urban growth now appears to be taking place. Lagos, for instance, has recently joined the ranks of the world’s megacities - Africa’s second after Cairo - while Kinshasa is also rapidly approaching mega city status.

Climate and associated environmental change brings multiple and multifaceted impacts to bear on Africa, whether predicted or already experienced. Many aspects of this transition are still not fully understood and uncertainties about their future impacts remain. What is clear, however, is that climate and environment change-related vulnerabilities are on the rise throughout Africa, with higher frequencies and greater severity of cataclysmic events. Not a single African nation, city or village is exempt from the growing vulnerability associated with climate and environmental change. Because of their intense concentration of population, assets and functions, urban areas are particularly at risk from calamitous events.

Although these transitions obviously bring additional and new challenges, they should be interpreted as opportunities for deep review of African nations’ policies and strategies. Indeed, the time is ripe for a rethinking of past and present development trajectory choices and for exploring new visions, interventions and adaptations in response to changing contexts. A bold re-imagining of how Africa could best guide these transitions requires careful consideration of all the options.

This report seeks to analyze the ongoing transitions, the associated challenges and the new opportunities they offer. It argues for entirely new policy development, suggests rethinking opportunities for integrated urban planning, infrastructure and technologies. The report also seeks to stimulate a review of the options for developing medium- and long-term strategies and the associated shorter-term interventions required at the local, national, regional and continental levels in response to the ongoing transformations. But every African region, nation, city and locality has its own specific contexts. Despite the consequential need for location-specific and tailored interventions, one of the more important arguments in this report is that there is also increasing need for cooperation - between cities, between countries and between the African sub-regions. Outcomes will be strengthened if African cities and nations plan their sustainable development courses in conjunction with supportive regional and continental perspectives.

## The Demographic Transition

The latest data provided by the Population Division of the United Nations<sup>1</sup> reiterate that Africa is experiencing unprecedented population growth. Compared to previous assessments, the projected total population is higher than before, mainly due to new information obtained on fertility levels. In 15 high-fertility sub-Saharan countries, for example, the estimated average number of children per woman has recently been adjusted upwards by more than five per cent.<sup>2</sup> The total African population is projected to nearly double from around one billion in 2010 to almost two billion by 2040 and may well surpass three billion by 2070 (see Figure 1.1).

These figures, however, are *projections*. They could change rapidly under unforeseen circumstances. Consequently, the farther into the future the less reliable projections tend to become. Moreover, there is no global agreement on Africa’s demographic forecasts and some researchers have challenged UNDESA’s data, as in the example of Western Africa (see Box 3.1 in Chapter 3). Therefore, demographic forecasts should be viewed with care. They are used in this report only for the broad policy guidance that can be derived from them with relative confidence.

Whether or not the UNDESA projections materialize as predicted, their broad implication holds that Africa - after Asia now the world’s second most populated major region - is facing huge increases over the decades to come. Vast African population growth is a certainty; only the magnitude remains debatable.

Africa’s population growth trends do not yet have a foreseeable peak after which numbers will stabilize or decline. Projections indicate that by 2030 Africa’s population will exceed that of Europe, South and North America combined. But Africa is a very large and a still comparatively sparsely populated continent. Therefore, policies towards more even geographical dispersal of future populations and livelihood opportunities shall be critical in the decades to come. The actual realization of such population distributions will depend on the rapidity of Africa’s infrastructure expansion to unlock sparsely-populated areas, and its ability to create livelihood opportunities in these locales. These matters should receive high priority, because population densities are expected to increase quickly.

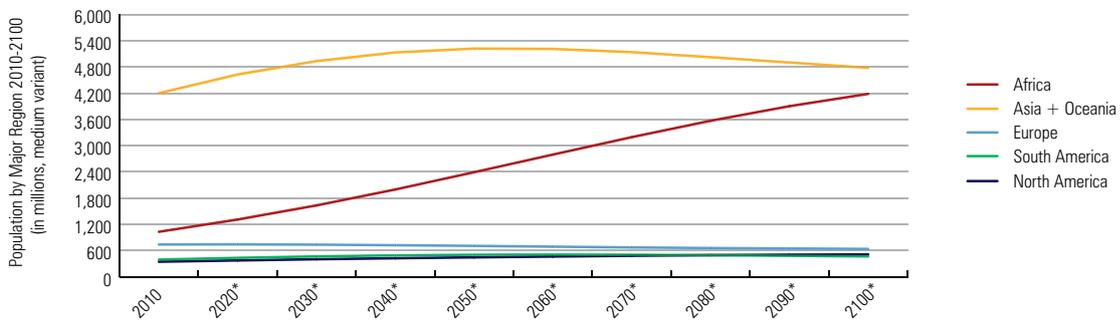
Forecasts for Africa indicate that average densities will increase from 34 to 79 persons per square kilometre between 2010 and 2050.<sup>3</sup> The critical question is whether these increased densities will lead to further concentration of people in Africa’s already many large and very large urban areas or whether this growth will be dispersed over a broad range of geographically dispersed settlement-size groups. Policy changes will be required to guide Africa’s rising urbanization levels and the desirable dispersion of population. Current and future demographic structures are also to be taken into consideration, because the population will remain young for decades.

The demographic dividend potential (a labour force that



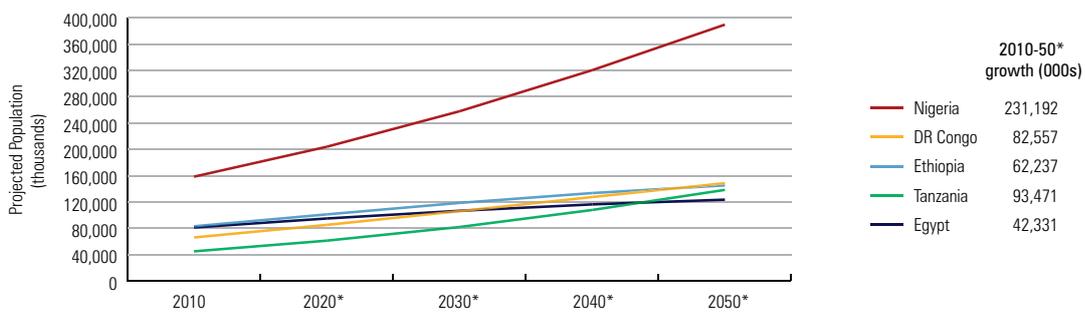
▲ Soweto township, home to approximately 40% of Johannesburg's population. ©Travis Lupick. Licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 2.0 Generic License.

FIGURE 1.1: POPULATION BY MAJOR REGION 2010-2100 (IN MILLIONS, MEDIUM VARIANT)



Source: World Population Prospects: The 2012 Revision, UNDESA, New York, 2013, <http://esa.un.org/wpp/Excel-Data/population.htm>, last accessed 16 August 2013.  
\* Projections.

FIGURE 1.2: PROJECTED POPULATION DYNAMICS OF AFRICA'S FIVE MOST-POPULOUS COUNTRIES, 2010-2050 (THOUSANDS)



Source: World Urbanization Prospects: The 2011 Revision, UNDESA, New York, 2012.  
\* Projections.

is temporarily growing faster than the population dependent on it) of Africa's youth bulge is significant. The labour force is projected to reach 1.1 billion by 2040<sup>4</sup> by which time the continent is predicted to be more than 50 per cent urbanized.<sup>5</sup> This youth bulge may work either for or against Africa's urban societies. Although the potential to harness youths within formal economies exists, the possibility of them becoming impoverished forces of radicalization and conflict is also high. These youth bulges, as can be expected, are particularly numerous in Africa's more populous countries. Prudent economic, industrialization, labour and social policies will be decisive in determining whether the demographic dividend will become a cornerstone of Africa's development or a major socio-political risk.

### The Economic Transition

In recent years, Africa's economic growth has seen real gross domestic product (GDP) increasing at a rate twice that of the 1980s and 1990s.<sup>6</sup> The spread of growth over economic sectors has been relatively uniform.<sup>7</sup> By 2020, 128 million African households are projected to have transitioned to "middle class" (see also Box 1.1), boosting consumption and spending potentials;<sup>8</sup> and by 2030 Africa's highest-performing 18 cities might reach a combined purchasing power of USD 1.3 trillion.<sup>9</sup> Projections over the longer term include growth of the middle class from 355 million people in 2010 (34 per cent of the total population) to 1.1 billion (42 per cent) in 2060,<sup>10</sup> exceeding that of China today.

However, these projections may be premature because, despite ten years of high economic growth continent-wide, around 50 per cent of Africans today remain at incomes below USD 1.25 per day, while only four per cent receive more than USD 10 per day.<sup>15</sup> Using the range of USD 10 to USD 100 per day, Africa constitutes a mere two per cent of the global middle class and has only one per cent of its purchasing power.<sup>16</sup> Clearly, far greater effort will be required to provide more and higher income opportunities for households in the lower-income strata, in addition to creating more livelihood options away from the largest cities. This is particularly the case for Africa's present and emerging "rentier states" whose economic performance hinges on extraction of one or more finite natural resources. In such states, the cities (and the capital in particular) already tend to be mere gatekeepers of financial flows and power. But, given increasing globalization, cities of rentier nations may in future be bypassed as the custodians of financial and decision-making powers.

Furthermore, whereas until recently broad consensus existed about the relationship between industrialization, economic growth and urbanization, a far deeper understanding is needed of what exactly drives aggregate urbanization trends in developing and emerging economies. A question being raised is: in such economies, does urbanization cause growth or is it the other way round? Recent research at the Asian Development Bank<sup>17</sup>, which analyzed the correlations between urbanization and GDP-growth, provides new evidence on the impacts of economic growth, education and industrialization on the

urbanization rates of developing and emerging economies. The study indicates that, although growth and urbanization feed upon each other, the strongest direction of causality is probably from industrialization to urbanization, rather than the reverse.<sup>18</sup> This finding could have major implications for African urban and industrialization policy debates.

A sustained African economic transition will hinge on achieving three important features. Firstly, given continuing global economic uncertainties, African economic development must become more self-driven by further exploration of existing and new technologies for raising domestic productivity and income generation. Africa must rapidly improve its social services, especially in its mushrooming cities, to create better working and living conditions as well as new economic opportunities for its young people who will have to carry forward the current economic momentum. This includes encouraging the return of Africa's diaspora brain drain which, in turn, implies the provision of more attractive urban living and working conditions.

Secondly, trade and investment flows within Africa, as well as between Africa and the world, will need to be further expanded. These strategic relationships must rise above mere international assistance and natural resource extraction. In the words of African Union Commission Chairperson Nkosazana Dlamini-Zuma: "No country can have donor aid as the mainstay of its development. We cannot wait for the first dollar to come from outside."<sup>19</sup>

Investments in road, rail and energy networks will be crucial to boosting Africa's urban economies; unlocking sparsely-populated areas for settlement and investments in agro-industrial and manufacturing enterprises; facilitating flows of people, commodities and services; connecting its many landlocked nations to the world; and assuring food, water and energy security for development.

Thirdly, more robust and sustained African economic development will require further nation- and institution-building; overcoming generally weak institutions and governance modalities; as well as promoting more effective democratic institutions for greater openness, less corruption in the management of public finances and other public interests, particularly in the extractive sector.

Africa's thrust towards industrialization must, however, take into account the roles that the inevitable urban transition will play in structural transformations. With a large, emerging, urban consumer class Africa should actively explore and embrace more diverse growth opportunities, especially where these can be decoupled from resource exploitation and ecological degradation.<sup>20</sup> This might include growing services sectors, for example, to establish value chains that cut across city and national economies at all levels. Growth trajectories should not blindly replicate the unsustainable development paths of many advanced countries.

The future is characterized by global resource constraints and inevitable higher costs of energy, water and raw materials, as well as variability and uncertainties introduced by environmental and climate change. It would be wise for

### BOX 1.1: DEFINING THE AFRICAN MIDDLE CLASS

The African middle class has been broadly defined as those living on between USD 2 and USD 20 per day.<sup>11</sup> Currently, however, around 60 per cent of the middle class survive on between USD 2 and USD 4 per day. They are referred to as the “floating class”. Their vulnerability to falling back into poverty due to slight changes in living costs is very high. The definition of lower and upper-middle classes is those with daily per capita

consumption of USD 4 to USD 10 and USD 10 to USD 20 per day respectively.<sup>12</sup> The emerging African middle class is projected to grow from 355 million to 1.1 billion by 2060, constituting more than 50 per cent of households.<sup>13</sup> Over the past three decades (i.e. preceding 2010), this class grew by an average of 3.1 per cent (compared to a total average population growth of 2.6 per cent).<sup>14</sup>

The 60 per cent majority floating class

indicates a fragile, yet emerging, phenomenon that requires significant developmental support. The attention of global investors and multinational corporations in the African middle class may be optimistic and consolidating this class as a majority phenomenon, especially in drastically unequal urban contexts, will require significant efforts to ensure socio-political and economic stability, alongside ensuring growth in investment flows.

Africa to seek and embrace strategies that promote decoupling of its economies from over-reliance on natural resources that exacerbates the preponderance of under-diversified economies. The growth in green technologies signals the world’s emerging acknowledgement of global resource constraints and the need for low-carbon growth. Given Africa’s predicted population expansion, the continent’s role in resource efficiency and low-carbon growth will need to be significant, and is also a critical precondition if sustainable and sustained economic growth is to be achieved.

### The Technology and Infrastructure Transition

African countries and cities are burdened by high infrastructure deficits and shortages in access to technologies and services. Poor transport infrastructures are responsible for 40 per cent of the logistics costs in coastal - and 60 per cent in landlocked countries. Road networks are particularly deficient, while rail systems are mostly poorly connected and maintained. Port cities require significant infrastructure upgrades, too. Low electrification persists, with 30 countries experiencing regular power shortages.

To maintain their growth momentum, African national and urban economies will require higher levels of economic diversification and, as resource depletion unfolds, more sustainability.<sup>21</sup> Such transformations demand careful and urgent reconsideration of all infrastructure and technology options available, including energy technologies, because present and future policy decisions shall lock African cities into investment patterns that will determine production and consumption levels for decades. Future competitiveness, productivity, consumption and sustainability are intimately linked to these technology and infrastructure decisions. This is particularly the case where large-scale infrastructures for commodity transport and population mobility are concerned.

Africa’s railways are a prime example of the consequences of past decisions on long-term development. Due to its high upfront investment needs, railway development in Africa has stagnated in favour of road-based commodity transport because trucks require far lower upfront expenditures. Likewise with population movements, private vehicles and other road-based mobility options have often been favoured as

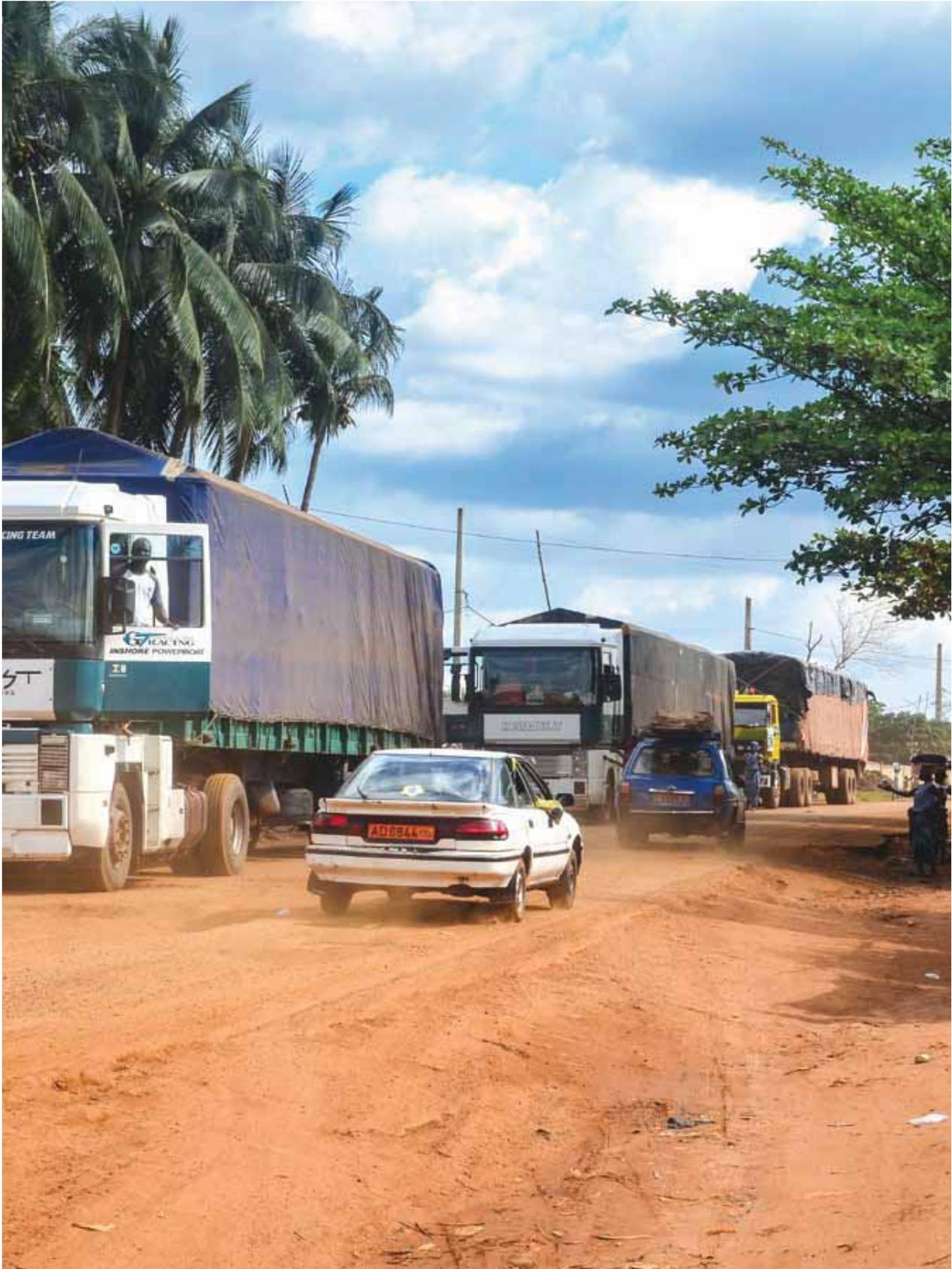
a way of shedding short-term costs implications for the public coffers. However, road-based logistics have many hidden and recurrent costs, varying from loss of life in road carnage to higher road maintenance requirements due to excessive loads. The choice against developing denser railway networks, whether heavy rail for commodity transport or light rail for public mobility, has brought a host of externalities and costs often not considered when infrastructure policy decisions are being made. Upfront expenditures of railway development may be high, but so are the longer-term benefits.

The world’s changing market structures include new roles in global trade for emerging economies; anticipated continued volatility in commodity prices; and growth of African middle classes.<sup>22</sup> Newly emerging green technologies should be considered by Africa and its cities, particularly in the large- and small-scale infrastructure policy choices that will be required to meet the growing consumption and spending power of the urban middle classes. Unless confronted and resolved, Africa’s current large infrastructure deficits<sup>23</sup> are likely to affect future production capacities and lead to higher costs.

Perhaps the most critical observation on the technological and infrastructure transition is that high-tech solutions do not automatically qualify as the best or most appropriate. Low-tech systems that are cheap and easy to maintain often connect better with local conditions and advantages. For example, Africa has plentiful biomass. Bio-digesters (which convert organic and sanitation waste into biogas and fertilizer) can play a critical role in ensuring decentralized energy resilience in locations that, for one reason or another, cannot be cost-effectively served by centralized systems. However, this does not discount the parallel use of advanced high-technology options, such as solar panels, because the need for services can override cost considerations as shown, for instance, by mobile technologies in Africa. Finding solutions that fit local, contextual needs and embracing integration between design, planning, infrastructure and technology choices is essential.

### The Urban Transition

Africa’s urban transition is proceeding rapidly (see Figure 1.3), with the accumulated relative growth rate of its cities now among the highest in the world (see also Box 1.2).



▲ Transport in Benin. Road-based logistics have many hidden and recurrent costs. ©JBDodane. Licensed under the Creative Commons Attribution 2.0 Generic License.

## BOX 1.2: URBANIZATION LEVELS VERSUS URBAN POPULATION GROWTH: UNDERSTANDING THE TRENDS AND CONTRIBUTORY FACTORS

Urbanization is a multifaceted concept that can refer simply to the growth of population in towns. It may also be used to describe the social and political changes that may occur when people live in large, nucleated settlements. Urbanization can also refer to two important structural changes. The first is the speed at which the urbanization level (the share of the national population in towns) is increasing. The second is the extent to which this is accompanied by structural shifts in the economy and employment. This corresponds to conventional understandings about the role of urbanization in economic growth and development.

Distinguishing between these varying aspects helps to explain some seemingly contradictory trends in recent urbanization in sub-Saharan Africa. Perhaps the most obvious of these is that rapid population growth, as experienced in most of the region's towns, does not necessarily translate into rapid increases in the urbanization level. The reason for this is that rises in the level depend on how fast urban populations are growing relative to national growth rates. As many African countries have high population growth, the gap between national population growth and urban growth is not necessarily large, even if towns are growing rapidly.

A focus on the structural aspects of urbanization, rather than on headline city population growth rates alone, provides a

picture of a very variable urban experience across the region within, and between, countries.

Latest census data, rather than projections, show that several large mainland sub-Saharan African countries have experienced periods of quite slow urbanization in recent decades, mainly because the gap narrowed between urban and national growth rates. This can occur even if some towns are growing well in excess of the national average, as long as this is counterbalanced by slower growth in other towns within the same country. Thus, rapid urbanization need not occur just because a capital city is growing fast. Table 1 summarises results of urban census data analyses from countries with populations over about 2.5 million, in which the vast majority of sub-Saharan Africans reside. The level of urbanization rose by less than 2 per cent in a dozen countries in their last intercensal period (which in most cases was longer than a decade). A few even counter-urbanized (i.e. the urban population share fell) in the 1980s and 1990s. Despite understandable caution about the reliability of African census data, it is unlikely that so many censuses could reproduce similar trends by mistake. According to their censuses, Burkina Faso, Cameroon and Ghana were, however, urbanizing significantly faster.

These data give a rather different picture of Africa's recent urban experience from the one usually presented of very rapid shifts towards a more urban population, and have important policy implications. If the trends are compared

to recent rises in urbanization levels in many Asian countries, it becomes apparent that although African urban population growth may be higher, the rate at which it has urbanized recently is lower.

Analysis of census migration data and surveys shows that a major reason for this slowing urbanization is that the contribution of net in-migration to urban growth diminished. Although there is still much in-migration, urban-rural migration rates rose in response to reductions in the gap between disposable incomes in rural and urban areas as African urban economies informalized under the constraints of structural adjustment programmes in the 1980s and 1990s. In Tanzania, for example, census data indicate that the net contribution of migration to urban growth in 2001-2002 was about 44,000 people: less than 1 per cent of the total urban population at the time.

As indicated in Table 1 there are also issues of definition, which can misdirect interpretations of African urbanization. Many countries define small settlements of a few thousand as urban, with no reference to their occupational profiles. This sometimes means that large villages where most people are farmers, or practise other rural or "non-urban" occupations, are classified as urban settlements. It is becoming more important to factor this into the analysis of African urbanization because settlement reclassification, rather than migration, is

TABLE 1: LARGE SUB-SAHARAN AFRICAN MAINLAND COUNTRIES BY GROWTH RATE IN URBANIZATION LEVEL AND CENSUS PERIOD

Counter-urbanization (urban share falling)	Slow urbanization (< 2% between censuses)	Rapid urbanization	Uncertain (no census or definitional queries)
Zambia 1980-90, 1990-2000	Benin 1992-2002	Burkina Faso 1996-2006	Angola
Cote d'Ivoire 1988-98	Ethiopia 1994-2007	Cameroon 1987-2005	Congo (DRC)
Mali 1987-98	Malawi 1998-2008	Ghana 2000-2010	Kenya 1989-2009
CAR 1988-2003	Mauritania 1988-2000		Tanzania 1998-2002
	Mozambique 1997-2007		
	Niger 1988-2001		
	Senegal 1988-2002		
	Sudan 1993-2008		
	Togo 1981-2010		
	Uganda 1991-2002		
	Zambia 2000-2010		
	Nigeria 1991-2006 <sup>1</sup>		

<sup>1</sup> Nigeria's censuses are particularly complicated. Nonetheless there is significant evidence now that its urbanization level has been exaggerated as the populations of many large towns have not been growing much, if any, faster than the national population.

### BOX 1.2 (CONTD): URBANIZATION LEVELS VERSUS URBAN POPULATION GROWTH: UNDERSTANDING THE TRENDS AND CONTRIBUTORY FACTORS

increasingly contributing to “urbanization”. It appears to have been important in Ghana’s recent surge of urbanization although some large towns - like Kumasi, Tema and Sekondi-Takoradi - have clearly also attracted many migrants. In Kenya and Tanzania, complex issues with definitions have definitely led to overestimations of their urbanization levels. If either country included “occupational criteria”, as used in India, to distinguish

between small rural and urban settlements, they would “become” much less urbanized. Thus, the extent to which their people have shifted away from primarily agricultural occupations could be more realistically assessed.

The significant improvements in GDP growth in so many countries recently may be generating stronger urbanization, particularly in towns influenced by the surge in mining and

energy investments. If so, it will be reflected in new censuses in due course. However, the true role of migration in urbanization, with its associated policy implications about patterns of economic opportunity, can only be understood when analyses are careful to evaluate the geographical variability occurring in urbanization within and between countries, and are careful to indicate how the process has fluctuated over time.

Compiled by Deborah Potts, Cities Research Group, King’s College London

Sources: Beauchemin and Bocquier (2004); Bryceson and Potts, (eds) (2006); Bryceson and Jansson (2010); Jones and Corbridge (2010); Mezzini and Lindeboom (2008); Potts (2005); Potts (2010); Potts (2012a); Potts (2012b); Potts (2012c); Potts (2013); Satterthwaite (2003).<sup>24</sup>

Although in absolute terms Asian cities still remain the world’s fastest growing, the global share of African urban dwellers is projected to rise from 11.3 per cent in 2010 to a 20.2 per cent by 2050 (see Figure 1.4). That is not surprising, since over a quarter of the 100 fastest-growing cities in the world are now in Africa which, by 2011, already hosted 52 cities exceeding one million inhabitants.

Africa’s largest cities are not absorbing, and are not predicted to absorb, the bulk of current and future urban population growth. As indicated in *The State of African Cities 2010* report, the “million+” cities typically absorb only some 25 per cent of countries’ urban growth, on average; intermediate-size and smaller cities attract the significant balance of about 75 per cent. Although recent data appear to indicate renewed growth strength among Africa’s million+ cities, the vast majority of the additional urban dwellers will continue to add to the intermediate and small cities. Consequently, the need for urban management, institution-building and system development is greatest in these city-size categories.

Although Figure 1.3 shows that growth rates for Africa’s total and urban population are declining, these decelerating rates apply to ever larger national and urban populations. Therefore, in absolute terms, the increases in Africa’s total and urban populations will remain vast and will continue for decades. Since urban populations grow faster relative to total national ones, strong increases in urbanization levels of continental and of individual countries should be anticipated. More specifically, between 2010 and 2050, the number of Africa’s urban dwellers is projected to increase from 400 million to 1.26 billion.<sup>25</sup> The Africa-wide urbanization level is projected to reach 50 per cent around 2035 and may rise further to almost 58 per cent by 2050<sup>26</sup> (see Figure 1.5), if “moderate” growth-rate projections materialize.

It should be acknowledged, however, that actual growth may differ from the “moderate variant” projections and could either be higher or lower. Still, regardless of whether or not any lower growth scenario may materialize, the ability of

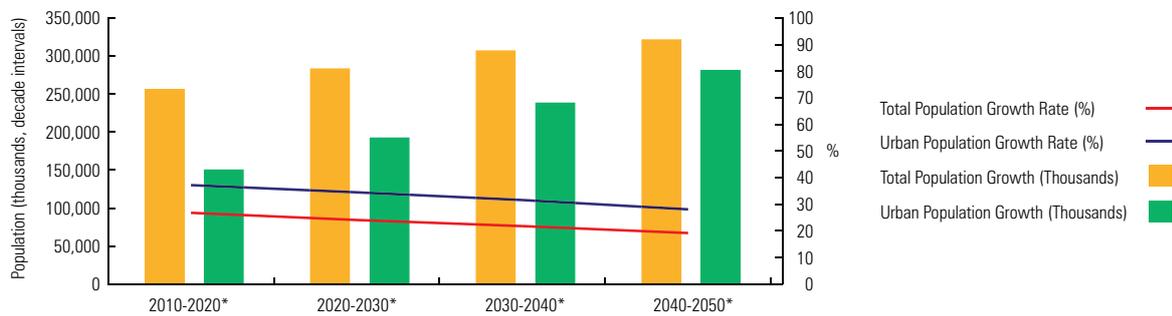
Africa’s cities to cope with continued rapid growth will be in question given the ubiquitous weakness of urban institutional and infrastructural capacities. These constraints would be particularly acute for intermediate-sized and smaller cities. This is because, first, these are set to receive the vast majority of the total urban growth and, second, because they tend to lag further in urban institutional and capacity development than their larger counterparts. It is, therefore, likely that the urban slum proliferation, characteristic of so many large sub-Saharan African cities may also become a distinct feature of its intermediate-size and smaller ones, unless radically different urban-spatial, urban-economic, urban-social and urban-function development policies are implemented.

As shown in Table 1.1, it is projected that by 2025 Africa’s ten largest cities will include three megacities: Lagos (18.9 million), Cairo (14.7 million) and Kinshasa (14.5 million). Dar es Salaam, Khartoum and Abidjan are likely to reach megacity status within a generation from now if current growth trends persist. Nairobi and Kano could also be moving in that direction. However, due to the manner in which megacities are defined, this does not entirely reflect the full picture of Africa’s largest urban population concentrations.

As explained in the 2008 and 2010 issues of *The State of African Cities* report,<sup>27</sup> new spatial urban configurations have emerged and continue to come about in Africa (as elsewhere in the world) through the increasing physical and functional interconnection of metropolitan cores and settlements in their proximity. As these two join, new continuous urban forms emerge. The spatial outcome of this first stage of continued urban development is usually referred to as the *metropolitan area*.

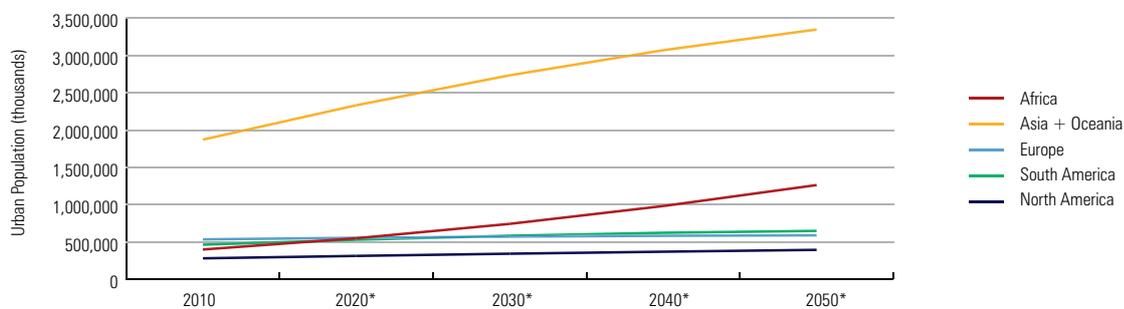
In nations with high urbanization rates, further physical growth and functional interaction among metropolitan areas and their contiguous municipalities can lead to a next phase in the urban-spatial evolution. As metropolitan areas continue embracing towns and villages in their orbit, they create an urban system significantly larger than itself - the *extended*

FIGURE 1.3: PROJECTED AFRICAN RELATIVE TOTAL AND URBAN POPULATION GROWTH RATES (PER CENT, THOUSANDS, DECADE INTERVALS)



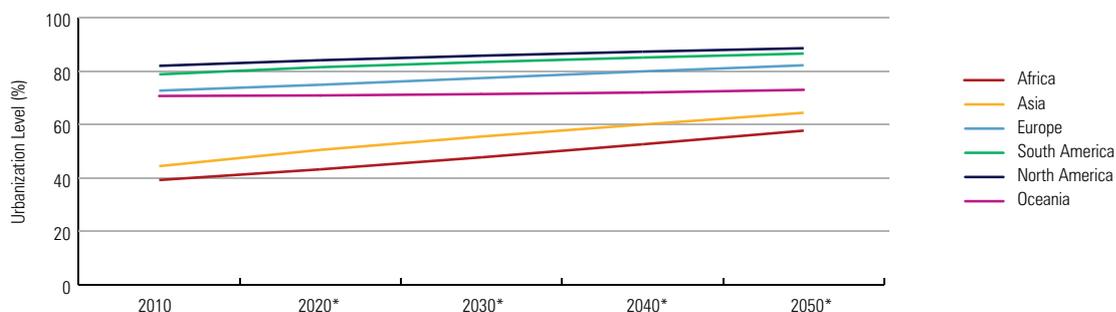
Source: Calculated on the basis of World Urbanization Prospects: The 2011 Revision, UNDESA, New York, 2012  
\* Projections.

FIGURE 1.4: URBAN POPULATION BY MAJOR REGION 2010-2050 (IN THOUSANDS)



Source: World Urbanization Prospects: The 2011 Revision, UNDESA, New York, 2012.  
\* Projections.

FIGURE 1.5: URBANIZATION LEVEL BY MAJOR REGION 2010-2050 (PERCENTAGE OF TOTAL POPULATION)



Source: World Urbanization Prospects: The 2011 Revision, UNDESA, New York, 2012  
\* Projections.

*metropolitan region* (EMR): a large to very large regional urban system comprising multiple towns and other settlements, centred on a single metropolitan core and which functions as a *de facto* single urban entity.

In recent years, EMR-formation has become increasingly evident in many African capitals and other large cities. Moreover, the deliberate creation of EMRs is now being pursued by some nations - especially for their capitals - through the establishment of satellite towns at distance from the metropolitan area. Aiming at reducing the housing, services and traffic congestion pressures on the metropolitan area,

satellite cities can indeed serve that purpose. They play a role in relieving population pressures and, if simultaneously creating local employment opportunities rather than establishing mere “dormitory towns”, they can offer real solutions towards the dispersal of economic opportunities away from the primate city. Promotional campaigns for such satellite cities increasingly mention “escaping the urban informality of the metropolitan core” as among their attractions. However, even though at a distance from the metropolis and while recognized as administratively separate entities, these satellite cities become inevitably an integral and functional part of the

TABLE 1.1: PROJECTED POPULATION DYNAMICS OF AFRICA'S TEN MOST-POPULOUS CITIES (IN 2015), 1985-2025 (IN THOUSANDS)

Urban Agglomeration	1985	1990	1995	2000	2005	2010	2015*	2020*	2025*
Lagos	3,500	4,764	5,983	7,281	8,859	10,788	13,121	15,825	18,857
Cairo	8,328	9,061	9,707	10,170	10,565	11,031	11,944	13,254	14,740
Kinshasa	2,722	3,520	4,493	5,414	6,766	8,415	10,312	12,322	14,535
Khartoum	1,611	2,360	3,088	3,505	3,979	4,516	5,161	6,028	7,090
Abidjan	1,716	2,102	2,535	3,028	3,545	4,151	4,923	5,896	6,971
Dar es Salaam	1,046	1,316	1,668	2,116	2,683	3,415	4,395	5,677	7,276
Johannesburg	1,773	1,898	2,265	2,732	3,272	3,763	4,114	4,421	4,732
Nairobi	1,090	1,380	1,755	2,214	2,677	3,237	3,958	4,939	6,143
Kano	1,861	2,095	2,339	2,602	2,895	3,271	3,902	4,748	5,724
Cape Town	1,925	2,155	2,394	2,715	3,100	3,492	3,810	4,096	4,388

Source: World Urbanization Prospects: The 2011 Revision, UNDESA, New York, 2012

\* Projections.

regional urban system of the metropolis, especially when the requisite infrastructure linkages are in place.

Likewise, the clustering of people and economic activities, along major logistical arteries (especially roads) radiating from and connecting separate metropolitan areas, leads to the gradual building-up of the urban fabric along these infrastructure connections. Where the metropolitan cores are arranged in a linear fashion, as along coastal or pan-African or other major highways, the outcome will be a ribbon-shaped urban growth pattern (referred to an *urban development corridor*) that can stretch over long distances. Over time, such urban development corridors will typically also grow in perpendicular directions. Significant new urban nodes can thus come into being, especially where major infrastructure branches off the highway.

If multiple metropolitan areas are not positioned in a linear format, as in the case of Gauteng Province in South Africa, the urban fabric will expand and join in multiple directions to form a dense cluster of settlements of all size categories, from metropolises to villages, in a *mega urban region* (MUR): a vast regional urban system with large to very large population counts. Invariably composed of multiple municipalities, townships and settlements, all these newly emerging concentrations establish urban configurations at regional scales and may have population numbers equivalent to megacities without being referred to as such.

The mega-urban region of Gauteng with its aggregate population of well over 12 million is, therefore, a *de facto* megacity. Likewise, the EMRs of Addis Ababa, Alexandria, Dar es Salaam, Kenitra-El Jadid and Tangier, as well as the transboundary urban system of Kinshasa-Brazzaville, could soon qualify as *de facto* "megacities" if a wider concept than that dictated by somewhat artificial administrative municipal boundaries is taken into account.

Due to their rapidly increasing population and spatial sizes, as well as their large economic significance, agglomerated and regional urban systems are key entry points for the critical directing of Africa's urban transition towards growth

trajectories that can be sustained in social, economic and political terms.<sup>28</sup> Achieving that objective is indeed critical, since there simply cannot be sustainable development without sustainable urbanization. Urban competitiveness and the need to build adaptive capacity and resilience<sup>29</sup> in a future of steadily more-restricted access to resources and increased frequency as well as severity of calamitous events, will dictate the continent's success or failure in the 21<sup>st</sup> century.

There can be a global leadership role for Africa in developing truly sustainable urban concepts and models that can subsequently spread from Africa to other parts of the world.

### The Sustainability Transition

More than a quarter of the 100 fastest-growing cities in the world are in Africa. In absolute terms, these growth rates are surpassed only by Asia's. By 2050, Africa's urban dwellers are projected to have increased from 400 million to 1.2 billion.<sup>30</sup> The urbanization level (40 per cent in 2010) is projected to rise to 50 per cent by around 2035 and just under 58 per cent by 2050.<sup>31</sup> The ability of African cities to cope with these numbers is questionable since they generally lack the institutional and infrastructural capacity to absorb the additional urban dwellers. It is, therefore, likely that the majority of these new urban dwellers will reside in slums and/or informal settlements.<sup>32</sup>

Resource depletion levels in African economies are high, whether in mining for minerals and oil (reducing energy and raw materials), or agricultural practices (lessening soil quality and water availability). At the heart of this lie the vulnerabilities of undiversified economic growth and the inability to adapt to new global challenges. The Republic of South Africa is particularly vulnerable to resource depletion. By 2060 it might be a resource scarce economy, which might necessitate a spatial transition to a predominantly coastal economy.<sup>33</sup> Presently, most of its infrastructure is built around inland mining operations such as those in Gauteng, an urban province which hosts around 70 per cent of the country's workforce and produces around 33 per cent of national GDP.<sup>34</sup>



▲ Lagos, Nigeria. ©Nick M. Licensed under the Creative Commons Attribution 2.0 Generic License.

The changing structure of global markets includes the growth of the middle class worldwide,<sup>35</sup> a dominance of future global trade by developing countries and continued price volatility of commodities. New technologies emerging in the green technology sector will likely benefit Africa and its cities in particular. Large- and small-scale infrastructure choices will have to be made to meet growing demand and resource constraints. Physical drivers of change, including those of a climatic nature, large infrastructure deficits,<sup>36</sup> as well as land and water shortages are likely to reduce production capacities and increase the costs of land and water supply.

Because of their rapidly increasing populations, spatial sizes and huge economic significance, African cities are key channels for leading the world in the transition to sustainable economic growth trajectories. It is in Africa's cities that this

lead must start and the solutions to urban sustainability be spread to other parts of the world. Cities can lead the transition to social, economic, ecological, physical and political sustainability.<sup>37</sup>

However, in such a context, the thrust towards industrialization cannot ignore the role that urbanization must play in structural transformation. The exception to this remains where the large, emerging urban consumer class is concerned, because it may contribute to creating strong domestic demand which, in turn, can stimulate urban economies and job creation. African cities should actively explore and embrace diverse growth opportunities, decoupled where possible from unnecessary resource exploitation and ecological degradation.<sup>38</sup> This would enable them to implement a sustainable development trajectory.

### The Political Transition

In the late 1950s, Ghanaian President Kwame Nkrumah and the “radical” Casablanca Group of African countries proposed a far-sighted plan for rapid pan-African unification under a federal government, a single market and a common foreign policy.<sup>39</sup> Perhaps these goals were premature, as even the far more advanced political, economic, industrial and social systems of Europe would take another 30 years to accomplish anything near such a feat.<sup>40</sup>

Today, some 50 years later, this unfulfilled pan-African vision continues to feed political debate across the continent. Pan-Africanism is now more important than ever, because a block of more than one billion people must have more negotiating power than individual nations or their comparatively small sub-regional cooperative groupings.

Nevertheless the realization of pan-Africanism remains elusive, among other reasons because many nations continue to struggle with building their post-independence statehood. Although the number of democratically-elected African governments is now steadily increasing, many countries experience institutional and governance fragilities. In some even state legitimacy is contested, evidence of which are the “growing pains” that appear to accompany political and social transformations.

Expectations were high in newly-independent Africa. The continent saw itself as destined for an era of unprecedented economic growth, development and prosperity.<sup>41</sup> It was thought that only strong state power and planning could provide the rapid changes required to achieve these aims. This perspective not only justified greater government control, it was also considered critical to building true nation states from immensely diverse sociocultural systems.

However, under the subsequent military and strong-man regimes of post-independence Africa, further statehood-building efforts were often left unattended because institutional and governance shortfalls could be ignored or simply overruled. Consequently, nation- and statehood-building; modernization; the envisaged rapid shift from low-productivity agriculture to high-productivity manufacturing; and the creation of significantly increased urban employment

for rapidly growing cities all remained elusive. Instead, public institutions became bloated with employees who weakened state coffers rather than delivering the policies required for economic and social transformation.

The political transitions that emerged in Africa during the 1980s and 1990s occurred alongside (some say, because of) the Bretton Woods institutions-induced economic liberalization and structural adjustment programmes. The interventions that followed from these programmes mostly concerned change in politico-economic systems *per se* yet largely failed to transform the underlying economic structures and political cultures.

Indigenous, pre-colonial Africa had distinct political cultures: they were largely feudal, albeit with democratic aspects, and based on bonds of kinship, language and religion. The new, post-independence African leaders - many derived from small, urban and westernized elites - mostly embraced political models inherited from Europe. They ignored the notion that these models had evolved under different conditions and were alien to, if not incompatible with, Africa's often culturally and locally-defined political identities.<sup>42</sup>

The western political philosophies which were introduced in Africa had one thing in common: they all failed to deliver the post-independence visions of development and prosperity for all. Although the global political and economic terrain was tilted against the interests of emerging Africa, tardiness in introducing true political change and the lack of attention to needed reform in political culture, especially over the past few decades, is also to blame for non-delivery on Africa's developmental aspirations. Asian nations, for instance, were more astute in this respect. Despite their post-independence transitional problems, on the whole they performed better than African nations. It is telling that 12 Asian and 27 African nations are considered to be among the world's 40 least-performing, with the five worst rankings all occupied by Africa.<sup>43</sup> Admittedly, there is much criticism of this assessment but it cannot be completely ignored as a broad indicator of different levels of state fragility around the world.

The African peoples and their authorities live in separate worlds, whether economically, politically, culturally or all of these combined. In several countries, statehood mostly exists in the capitals and other large cities, while the remainder of the domestic territory is a kind of hybrid nation; a geographic amalgamation of local territories defined by kinship, language and cultural bonds rather than identifying with the nation state. Furthermore, the rural bias - once judged necessary to capture the essence of African sociocultural systems - has, until very recently, almost systematically ignored the realities of urbanizing societies. This bias has also neglected to recognize how African peoples - modernizing faster than the political cultures in their nation states - seek to access power and control resources.<sup>44</sup>

Mobile technology and increasing population mobility are now enforcing demands for rapid change in the political, economic and social relationships between Africa's financial and governance power centres and the outlying

intermediate-size cities and small towns. Africa's populations are concentrating in urban contexts that define themselves as political constituencies in their own right. In other words, not only the African peoples but also African polities are now urbanizing. Rising political awareness; demands for more participatory governance; local self-determination, as well as transparency and accountability in the use of domestic financial and other resources are all indications that Africa's political values and cultures are rapidly transforming.

The promotion of change in political cultures is implicitly embedded in the global drive for more decentralized governance. Although "every ship needs a captain", the effective deconcentration of decision-making powers according to the subsidiarity principle is required. That would go a long way in providing the engaged governance modalities, the delivery on election promises, and the responsiveness to popular needs increasingly demanded by African populations. However, as in so many countries around the world, the *International Guidelines on Decentralization and Strengthening of Local Authorities*<sup>45</sup> have been interpreted by many African central governments as an excuse simply to "decentralize" the problem-resolution responsibility. The fiscal resources required (or the authority to raise the funds locally) have typically not been decentralized. In such contexts decentralization becomes ineffectual, if not meaningless.

At the other end of the power spectrum, Africa needs to unite and pan-Africanism should be far more vigorously pursued, despite inherent political obstacles. Today's world is a globalized one in the political, economic and financial sense. While advanced and emerging economies around the world increasingly operate in the unison of shared-interest blocks, Africa continues to deal bilaterally in its strategic international relations. If continued, such practice will reduce Africa's chances for achieving the political, economic and social transformations to which it aspires. Strategic repositioning in the world can no longer be effectively pursued from parochial national perspectives; it requires the numbers and powers found only in cooperative unity.

This third issue in *The State of African Cities* report series attempts to explain why Africa is at a critical junction in its political, economic and social development. The unfolding major transformations offer Africa opportunities to jettison the development trajectories that have failed to deliver its post-independence visions of human development and prosperity. Given the present economic momentum, there are options to reflect on the desirable urban development trajectories in the light of looming resources scarcity and other vulnerabilities. Given the political changes widely demanded by its peoples, Africa has the opportunity to reconsider the adaptations required in its political cultures. Inaction in these areas would imply perpetuation of the development models that have proven unable to deliver prosperity for all, and which are more likely to deliver significant socio-political risks. A deep re-imagining of African urbanism may be critical, because there cannot be political, economic, social and environmental sustainability without sustainable urbanization.

# 1.2

## Cities at Risk



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### Urbanization for Development?

Africa's urban transition has the potential to transform the development prospects of countries across the region. The defining characteristics of urban settlements (demographic size, density and socio-economic diversity) render them particularly dynamic spaces. Economies of scale in production, large markets for labour and goods, and the ease of information flows in urban environments enhance productivity and innovation. As the primary spatial interface between citizens and government, cities can stimulate vibrant political engagement. Moreover, the density and diversity of cities can encourage the emergence of progressive values and institutions that promote social cohesion.

However, for cities to fulfil their developmental potential, a range of inherent vulnerabilities associated with urbanism must be continuously monitored and mitigated through public policy, planning and investment. These vulnerabilities can be roughly divided into environmental (associated with the relationship between humans and the environment) and

social (associated with the interactions between humans). The same characteristics that make cities socially and economically progressive spaces also generate complex environmental and social challenges that can only be met by active public interventions at multiple scales, at the household (e.g. housing subsidies), city (e.g. planning) and national levels (e.g. trade and employment policies). If these challenges are not dealt with effectively, the welfare of individuals, communities and entire nations can suffer.

Currently, African cities are not fulfilling their development potential, which is underscored by evidence of increasing environmental strains and social conflict in urban areas. These are no inevitable consequences of rapid urban population growth; rather, they are a consequence of political and institutional failure that inhibits effective urban planning, policymaking, investment and regulation.

Urban authorities across Africa struggle to fulfil their mandates due to financial and human capital constraints, the detrimental effects of which are compounded by the intensely

### BOX 1.3: THE POLITICS OF URBAN GOVERNANCE IN KAMPALA AND KIGALI



▲ Kisenyi, Kampala. ©Shack Dwellers International. Licensed under the Creative Commons Attribution 2.0 Generic license.



▲ Kigali, Rwanda. ©Dylan Walters. Licensed under the Creative Commons Attribution 2.0 Generic license.

The significance of national political dynamics in shaping urban development outcomes is illustrated by an analysis of the divergent trajectories of Kampala, Uganda, and Kigali, Rwanda, in recent years.

In Kampala, the planning and regulatory efforts of city authorities have been routinely thwarted by political intervention from above. It is widely recognized by the populace that the president is willing to interfere in the city's affairs to secure political support. Projects have often been delayed or cancelled at the behest of groups who promise to deliver votes in return, and efforts to regulate the informal transport sector have consistently been thwarted by presidential interference.

This political manoeuvring has impeded effective urban planning and management in Kampala.

By contrast, development has proceeded swiftly in Kigali in recent years in line with the city's ambitious master plan. Tough zoning and permit laws are followed to the letter, with poor and rich held to equal standards, while city authorities are easily able to clear squatters off public land slated for approved projects. While the somewhat authoritarian nature of governance in Kigali has generated some controversy - and may ultimately prove unsustainable - the pace of urban development has been impressive, earning the city a UN-Habitat Scroll of Honour Award in 2008.

These different development trajectories

are arguably the result of divergent political priorities. In Kampala, the government perceives itself to be politically vulnerable; thus catering to the interests of voting blocs is paramount. In Kigali, memory of Rwanda's past violence and instability remains strong, and the government prioritizes the provision of stability and order. Its approach to urban planning is a natural outgrowth of this view. The lesson is clear: where the political interests of national governments are at odds with the objectives and efforts of city authorities, urban development is retarded. Where national governments offer support and autonomy to local authorities, rapid and significant change is possible.

Sources: Green (2012); Goodfellow and Titeca (2012); Goodfellow (2012)<sup>46</sup>

political nature of urban spaces. Decentralization initiatives designed to empower local governments have often been derailed by the unwillingness of central governments to cede power to lower tiers of government - particularly where these are controlled by opposition parties (see also Box 1.3). Within cities, the proliferation of underserved informal settlements has led to, and been perpetuated by, the emergence of powerful political and economic entrepreneurs who profit from urban underdevelopment and hence seek to perpetuate the status quo. Poorly governed cities have increasingly also been “colonized” by criminal networks that exploit the services and infrastructure of weakly regulated urban settlements to further their own financial objectives.

These local, national and international political-economy dynamics of urban underdevelopment have been further exacerbated by an anti-urban bias in international development discourse and policy, since the late 1970s. Instead of embracing the developmental potential of cities, African governments and international development agencies have focused their efforts primarily on improving rural livelihoods, often with the hope of stemming migration to the cities. These strategies have been largely ineffective. While there is no single blueprint for developmental urban governance, it has become clear in recent decades that existing theories and policy paradigms are not working. New visions and strategies are required that are in tune with contemporary African realities and that reflect the needs and aspirations of African citizens. Realizing these

visions will require significantly more support from national governments and the international community to build a sound evidence base for urban policy, to ensure that local governments have the skills and resources to manage towns and cities effectively, and to promote inclusive, progressive and productive dialogue among urban stakeholders. There are also likely to be significant roles for the private sector and civil society in successful implementation of sustainable urban development visions.

At present, African cities are at risk. But the very concept of risk also implies choice. If African governments and international development agencies change course and recognize the potential of cities to spearhead a productive, inclusive and sustainable development path in the coming decades, Africa will prosper. If not, growing environmental and social strains may exacerbate urban poverty and conflict in the region.

### Socio-Economic Conditions and the Spectre of Urban Violence

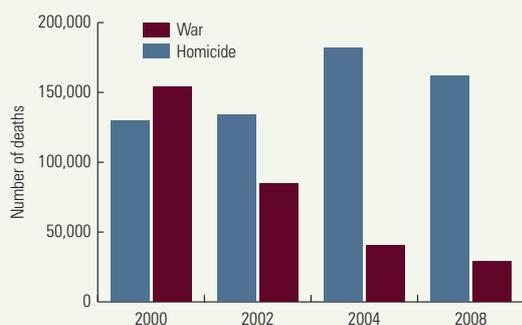
Socio-economic development fundamentally depends upon successfully managing the conflicts that inevitably arise in societies. Challenges are particularly acute in cities where the needs, interests or grievances of individuals or groups are not always effectively addressed. The spectre of violence looms large and may become a critical obstacle to social and economic progress. Violence destroys valuable



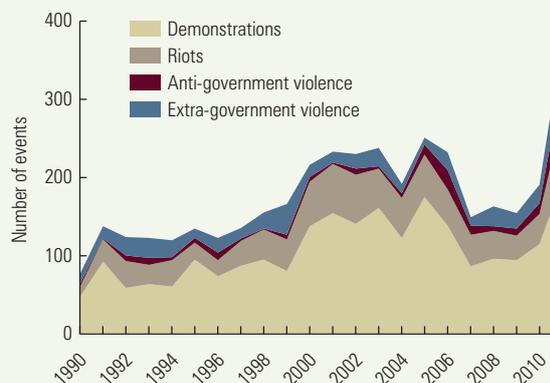
▲ Violence erupted in the Ngor area of Dakar after a power failure during televised transmission of an African Cup of Nations qualifier match between Senegal and Cameroon. Local youth took to the streets to vent their anger. ©Jeff Attaway. Licensed under the Creative Commons Attribution 2.0 Generic License.

## BOX 1.4: VIOLENCE TRENDS IN AFRICA

War deaths versus homicides in Africa



Social conflict events in Africa, 1990-2011



There is a dearth of reliable data on the burden of urban violence in Africa. However, some recent data sets suggest a rising trend in the region in this respect. The graph on the left shows a substantial decline in Africa's war-related deaths over recent years, as well as a moderate

increase in homicide rates in the region. While these data are not specific to urban areas, it is reasonable to assume that they reflect trends in urban areas given that homicide rates tend to be positively correlated with settlement size.

The graph on the right draws on recent

data from the Social Conflict in Africa Database. It suggests that there has been a steady increase in social conflict events in African cities, including demonstrations, riots, anti-government violence and extra-governmental violence (violence between social groups).

Sources: World Health Organisation; Hendrix and Salehyan (2012)<sup>52</sup>

assets, undermines social cohesion and erodes trust in public institutions. It generates uncertainties that inhibit the kind of investments that advance development objectives.<sup>47</sup>

In recent decades, there has been a marked decline in the frequency and intensity of the sovereign and civil wars that have plagued many African countries since independence.<sup>48</sup> This trend is good news for Africa and has contributed to improved economic performance in recent years. However, there are indications that the decline in warfare has been accompanied by a rise in urban violence (see Box 1.4).

Deadly protests and riots inspired by food and fuel price shocks swept across the continent in 2008 and in 2010. Ethnic and religious violence is on the rise in many cities; the frequency of terrorists attacks has increased in several sub-regions; organized crime is on the rise; and election-related violence has become commonplace. Less visible, but equally pernicious, are high rates of domestic violence. Boundaries between various forms of violence are often blurred and violence in the home often sets a precedent for that on the streets.<sup>49</sup>

While high rates of urban violence have accompanied Africa's urban transition, there is little evidence that urbanization or rapid urban population growth *per se* increase

the risk of violent conflict.<sup>50</sup> Rather, rising urban violence should be understood as a consequence of the failure of cities to fulfil the basic needs, aspirations and expectations of their rapidly growing populations.

There is a dearth of robust research on the incidence and determinants of urban violence in Africa, but broader conflict and criminology literature indicates that poverty, inequality, economic shocks, social exclusion and weak political institutions are significant predictors of conflict and violence.<sup>51</sup> Many of these risk factors are prevalent, and in some cases worsening, in African cities.

South of the Sahara, exceptionally rapid urban population growth has outpaced economic development over the past 30 years, contributing to the "urbanization of poverty" in the region. This, coupled with a generally *laissez-faire* approach to urban management, has seen the proliferation of unplanned, underserved settlements, where diseases, associated with poor water and sanitation, are rife; access to adequate health and education facilities is often limited; organized policing is *ad hoc* at best; and, employment is often informal, insecure and poorly paid. There is a large and growing gap between material conditions and opportunities in slums and those in more affluent neighbourhoods. Even in cities where

### BOX 1.5: URBAN DISCONTENT AND THE ARAB SPRING IN NORTHERN AFRICA



▲ A protester gestures in front of the headquarters of the Constitutional Democratic Rally (RCD) party of ousted president Zine al-Abidine Ben Ali during a demonstration in downtown Tunis, January, 2011. ©Nasser Nouri. Licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 2.0 Generic License.

In late 2010, protests and riots stimulated by rising fuel and food prices broke out in cities across Africa. In the North these protests quickly transformed into widespread social unrest, with citizens taking to the streets and demanding political reform.

This spasm of unrest was long in the making. Demographic trends in the sub-region had generated a large youth bulge. Despite a significant expansion in access to education in preceding years, unemployment remained stubbornly high - particularly among the youth - resulting in a yawning gap between capabilities and expectations on the one hand and opportunity on the other. Although levels of inequality are, perhaps, not as severe in the North as in the rest of Africa, the statist model of economic development dominant in the sub-region has served to suppress the emergence of a dynamic private sector. It has also concentrated extreme wealth and political power in the hands of a narrow elite. Government efforts to redistribute the national wealth generated by oil and foreign

aid through infrastructure projects, food aid and public employment schemes, ultimately proved insufficient to quell simmering discontent, which rarely found public expression in a context of political repression.

It is generally less known or understood that the anger of Northern African youths also had a basis in the fact that governments throughout the sub-region had not adequately prepared for the latent urban household formation rates associated with the demographic youth bulge. A severe shortage of affordable urban rental units prevented many youngsters from marrying and starting a family of their own, simply because they did not have access to affordable independent housing. Rather, youths typically continue living with their parents until comparatively advanced ages. Given Northern African societies' views on premarital interpersonal relations, the Arab Spring resulted not only from lack of political participation, but was also embedded in sheer social frustration.

Combined, these conditions made the region vulnerable to violent conflict. In an already volatile

atmosphere of public protest associated with inflation, the self-immolation of a Tunisian street vendor fed up with police harassment catalysed a region-wide movement. In Algeria, an immediate reduction in food and cooking oil import tariffs helped end rioting, while Morocco defused discontent by reforming its constitution and raising wages. In Tunisia and Egypt, which traditionally have permitted a degree of civic associational life, stubborn regimes confronted massive social mobilizations in their respective capital cities, ultimately resulting in regime change. In Libya, where civic associations of any kind were banned, wholesale civil war broke out, ultimately resulting in the collapse of the regime of Muammar al-Qadhafi.

Cities were at the centre of the storm in Northern Africa, and the Arab Spring offers a salutary lesson to governments across the world: if the needs, aspirations and grievances of the urban masses are not addressed, civic unrest is surely on the horizon.

Sources: Anderson (2011); Joffe (2011); Campante and Chor (2012); Malik and Awadallah (2011) <sup>54</sup>

income-based measures of inequality show a relatively narrow differential, fortified enclaves of wealth can be found in the midst of sprawling slums. Such conditions create the perfect storm of real and perceived uncertainty, insecurity and injustice that motivates individuals and groups to engage in violence.<sup>53</sup>

Although physical conditions are generally better in Northern African cities, the events of the Arab Spring revealed a powerful, simmering discontent among urban masses frustrated with limited opportunities; persistent socio-economic vulnerability; and restricted voice in public affairs (see Box 1.5).

For African cities to prosper and drive national development, they must be safe. Widespread insecurity is often cited as a key obstacle to investment in the region needed to expand secure employment opportunities and improve the quality of housing and infrastructure. If the situation is to improve, the political economy of urban underdevelopment must be reversed.

### Managing Urban Environmental Vulnerabilities

The effects of global climate change on Africa are extremely varied, given the diversity of environments across this vast continent. The drier subtropical regions are projected to warm more than the moister tropics while northern and southern Africa will become much hotter and drier in summer, with increased drought risks.<sup>55</sup> Average rainfall in Eastern Africa and parts of Central and Western Africa will increase (with added risks of increased vector borne diseases - malaria, dengue and Rift Valley fever).<sup>56</sup> Droughts and resulting water quality declines will also lead to increased health and sanitation challenges.<sup>57</sup> Increased storm flooding will fuel landslides and erosion with concomitant risks to life and livelihoods. Conflict over water resources is also likely to increase.<sup>58</sup>

Urban areas are often the localities most vulnerable to disasters, due to dense populations, accumulation of assets and variety of activities within comparatively small geographical areas. Given the critical political, social and economic roles of cities, these risk factors bear on urban localities and often become national in outreach when disasters occur. The secondary impacts - including damage to infrastructure, disruption of services, food scarcity and an increasing prevalence of vector and water-borne diseases - are likely to worsen the condition of the most vulnerable.

Unguided urbanization, degradation of freshwater resources and failure of climate change adaptation strategies are among the most significant global environmental risks.<sup>59</sup> At the local level, environmental risk needs to be understood as a coincidence of physical risk and human vulnerability. For Africa's burgeoning cities and urban centres the nexus between the environmental crisis, the global economy, and the *second urbanization wave*<sup>60</sup> exacerbates the exposure of poor urban populations to increased physical risk. Analysis of the political ecology of urban poverty in Africa may lead to a polarized and luxurious debate of whether, for example, solid

waste is a health hazard or a livelihood resource.<sup>61</sup> However, it is known that responses to the conditions of urban poverty, through unplanned and informal mechanisms of accessing land, water, food and sanitation services, puts poor urban residents further at risk.

There is a direct correlation between poverty and vulnerability to environmental risks.<sup>62</sup> Low-income groups in African cities are relatively disenfranchised from decision-making, having the least resources at their disposal to meet lifestyle challenges, even less during times of change or disaster. The urban poor, especially women and the very young are shown to be most at risk from disease, pollution<sup>63</sup> and disasters,<sup>64</sup> which might all be exacerbated by climate change.<sup>65</sup>

### Ensuring Sustainable Resource Flows

#### Food Security

Agricultural productivity in many parts of Africa has been hard hit by economic recession. Conflict,<sup>66</sup> drought<sup>67</sup> and flooding<sup>68</sup> have also contributed to burgeoning urban populations and the reduction of rural livelihoods. Land degradation<sup>69</sup> is highly significant in 32 countries in Africa.<sup>70</sup> There is a strong correlation between population density (where land is continuously cultivated) and soil erosion, which also causes river and dam siltation. Erosion, as well as chemical and physical damage, has degraded some 65 per cent of the continent's farmlands,<sup>71</sup> reducing urban food security.

Urban dwellers in most of Africa presently rely predominantly on rural areas for food security<sup>72</sup> rather than imported foodstuffs. While this might be self-evident, the implications are manifold. Secure water supply as well as transport are critical to sustainable rural agriculture and continued food supply. Appropriate infrastructure for supply and distribution linkages is essential, since even surplus crops are useless unless delivered in time to consumers.

Urban and peri-urban agriculture, most noticeably small mixed crop-livestock ventures, is providing a much needed mechanism within the supply chain for urban dwellers. Reducing transport requirements and affording households the capacity to access fresh produce, closes some of the gaps where they are most needed. The conundrum is, however, that urban farmers tend to be higher income households than non-farmers. This appears to be a complex function of access to land (crop and livestock area); water resources; and markets (their neighbours or suburbs, leading to reduced or absent transport costs). Further, by producing for household consumption, families are able to reduce spending on foodstuffs from external sources, thereby improving their overall income.<sup>73</sup>

#### Water Security

Ten of the world's twelve most drought-vulnerable countries are in Africa.<sup>74</sup> Water scarcity and drought presently affect millions of people in at least 25 African countries,<sup>75</sup> and more than 13 million were affected in the Horn of Africa alone during the 2010/2011 drought.<sup>76</sup> Settlement in areas adjacent to water is characteristically a fundamental feature

contributing to the economic and demographic growth of a city. Since cities are dependent on biodiversity, for a variety of ecosystem services such as water provision, strategic planning for sustainability is vital to protect existing ecosystems or “ecozones” within or surrounding cities (such as wetlands, rivers and coastal areas), which an increasing city footprint might jeopardize.

Global environmental change will affect rainfall patterns. What is relatively certain is that rainfall is already less predictable, leading to uncertainty in timing for crop planting as well as crop failures and insecurity of water supplies. Changing seasonality, that is the earlier onset of summer and altered rainfall patterns, may indeed have the same effect as droughts. Water supply to urban areas will be severely tested in the future, since this is largely linked to rainfall, basic infrastructures and the capacity to use water resources sustainably. In cities where water volume is not climatically or seasonally limited – along large rivers, for example – the primary concerns might be water quality rather than quantity. Rising sea level is not only likely to cause flooding; fresh groundwater may become saline as rising sea levels penetrate low-lying aquifers as experienced in Beira, Mozambique.<sup>77</sup>

### Energy Supply

Throughout Africa, poverty is caused or exacerbated by lack of access and/or inequitable access to energy resources, with scant household resources (including time) being spent on energy provision.<sup>78</sup> More than half of informal settlements in Africa rely on bottled gas, paraffin, diesel, coal and wood fuel. In some countries, biomass accounts for 80 per cent of energy use.<sup>79</sup> Some countries are providing incentives for reduced energy consumption (distribution of low energy light-bulbs; promoting low current appliances or subsidized domestic solar water heating). For example, the Kuyasa Project in the city of Cape Town, South Africa, is a project harnessing Clean Development Mechanism (CDM) support (see also Box 1.7).

### Waste Management

Although African cities generate only between 0.3 kg and 0.8 kg of solid waste per capita/day compared to the global average of 1.39 kg/capita/day,<sup>80</sup> poor solid-waste management poses extreme hazards to health and water quality through pollution. In many African cities, waste management systems appear to be absent, with solid waste disposed of directly adjacent to informal settlements in mounds, trenches and near watercourses.

There is a relatively large proportion of organics in waste generated in African cities, typically well over 50 per cent.<sup>81</sup> The potential for “green economy” projects in waste separation and management is thus high and might reduce the waste disposed through reuse of organics for animal feed, such as in Kampala, Uganda, or the generation of biogas from waste. The capability for trading in the carbon market through the CDM, demonstrated for Matadi in the Democratic Republic of Congo,<sup>82</sup> can significantly offset the costs of collection and safe waste disposal. eThekweni Municipality (Durban)

in South Africa has already implemented a waste-to-energy project at its Mariannhill Landfill.

Almost invariably, informal settlements and communities of waste pickers arise near formal solid waste landfills. Waste recycling can be lucrative where waste emanates from middle to upper income settlements. But waste-pickers live dangerously, with a high incidence of injuries and infection from sharp objects, medical waste and other hazardous substances in uncontrolled disposal sites.

### “External” Threats and Shocks

There have been predictions of 200 million climate refugees (eco-migrants), with global environmental change viewed as a major driver of renewed rural-urban migrations.<sup>83</sup> However, natural growth of urban populations appears to be a far more significant driver of change and vulnerability in Africa than migration, including climate change induced migration.<sup>84</sup> Understanding the nature of urban demographics is essential to predicting trends and addressing urban environmental challenges and risks.

### Health and Sanitation

Although recent trends indicate progress and even acceleration towards a healthier Africa, of concern are apparent inequities in the access to basic services which are skewed towards high-income groups and urban areas.

Although 42 per cent of the urban population of Sub-Saharan Africa has access to improved sanitation, low access levels in urban informal settlements can lead to higher risks of diseases. Lack of drainage and piped sewage do increase urban habitats for the anopheles mosquito, thereby increasing vector risk and spread of malaria even during dry seasons.<sup>85</sup> Rising temperatures and flooding through global climate change will increase, or certainly shift, the range and spread of the malaria-carrying mosquito potentially threatening previously unaffected highland cities such as Nairobi and Harare.<sup>86</sup>

Human health contributes to the indices used to determine least developed countries. Existing health and sanitation challenges (particularly those in urban areas) might be further exacerbated by climate change and variability.<sup>87</sup> South of the Sahara, only Madagascar and Malawi are on track to reach the Millennium Development Goal (MDG) target (see also Box 1.10) to reduce child mortality by two-thirds in 2015.<sup>88</sup> The lack of equitable access to resources and services across the board in African countries<sup>89</sup> provides an on-going challenge to health provision. This is particularly significant as urban populations increase.

### Adaptation versus Mitigation

African countries are generally low-level contributors to greenhouse gases, with the Republic of South Africa being the only African country among the world’s top 25 emitters of carbon dioxide over the past several decades.<sup>90</sup> Cities generate more than 80 per cent of carbon emissions globally.<sup>91</sup> Countries are largely governed from their cities, which also

house most industrial activities. Cities provide and fulfil nationwide activities and roles, which are often expressed as solely urban outputs. In general, African countries and cities need to ensure that they are resilient to the impacts of climate change through technologies that are appropriate in economy and scale to suit each city's specific needs. The relevance of adaptation in African cities is underscored by the number of mayors who committed their local government to implementing the *Durban Adaptation Charter* which was adopted by the Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2011.

Lessons learned in pioneering local adaptation planning programmes (e.g. the *Sub-Saharan Africa Five City Adaptation Network*<sup>92</sup>) indicate that the integration of adaptation planning and strategies for disaster risk reduction must be geared to achieving development priorities. Initial cost-benefit analyses show that ecosystem-based adaptation strategies and community-based and institutional responses might have advantages in enabling sustainable responses over capital intensive infrastructural solutions.<sup>93</sup>

### Institutional Fragility

Key outcomes of institutional fragility in Africa include fragmentation between different spheres and levels of governance; tedious bureaucracy; lack of fiscal decentralization; corruption; political cronyism and nepotism; and private sector coercion, coupled with a severe lack of skills, technologies and organizational cohesion that are typically required to deliver successfully at scale. African institutional fragility can combine in various ways resulting in significant variance in local behaviour and conditions from one city to the next. In Eastern Africa resource scarcity threatens to exacerbate ethnic conflicts, while in Western Africa narcotics and child-trafficking exist in large measure.<sup>94</sup> Evictions and segregation are commonplace in Cape Town, Nairobi, Kinshasa and Harare.

### Non-state Actors

Rebel groups target cities because control of these gives significant leverage in negotiation with central governments. Transboundary<sup>95</sup> cities, such as Goma on the Congo and Rwanda border, are especially vulnerable to conflict. In 1994, Goma received one million refugees who fled conflict in Rwanda.<sup>96</sup> A takeover of Goma by militants known as the Movement of 23 March in November 2012 required the response of regional and global actors. The fragility of the city is in part due to this vulnerability, despite the resilience of its residents in negotiating the duality of border existence.

Religious radicalization also plays a key role in generating conflict in African cities and regions alike. The Somali capital, Mogadishu, has endured the ravages of conflict, and the armed Islamic radical group Al-Shabaab occupied territories within the city until it was forced out in August 2011. The northern districts of Mogadishu are run by militias and vigilante groups, with murder and other forms of violence continuing

to plague the city.<sup>97</sup> In response to the Kenyan army moving into Somalia, Al-Shabaab has undertaken further attacks in Kenyan cities such as Mombasa and Nairobi, with the September 2013 attack on the Westgate Shopping Mall receiving global media attention.

Boko Haram, a radical Islamist group in northern Nigeria has killed no fewer than 2,800 people. On 20 January 2012, over 180 people died in a series of state building bombings and armed attacks on civilians and government officials in the city of Kano, for which Boko Haram claimed responsibility. Religious conflicts in informal settlements in Lagos and Kano are likely to increase as a result of increased residential segregation, as well as lack of accountable, local governance structures.<sup>98</sup>

Mali, which recently underwent a *coup d'État*, has also experienced city invasions from secular and Islamic rebel groups, which are also in conflict with one another. During their brief occupation of Timbuktu, the Islamic rebels, known as Ansar Eddine ("defenders of the faith"), destroyed World Heritage sites and artefacts in this ancient town.

State and local institutions are ill-equipped to deal with conflict, whether emerging from forces external or internal to the city. Grenade attacks occurred in Kigali in December 2008 and January 2009, as well as February, March and May of 2010,<sup>99</sup> despite the modernization thrust of the state and city governments. These attacks threatened to destabilize the progress that had been made towards reconciliation and reconstruction in Rwanda.

Autonomous and "no-go" zones exist within city slums and informal settlements that effectively lie outside local and central government control. These include Bonaberi (Douala), Camp Luka (Kinshasa), Kanu (Abuja), Kibera (Nairobi), Soweto (Johannesburg) and also the "Jesus our Saviour" settlement in Lagos; all fall outside of the control of formal authorities and exercise a high level of self-governance. However, urban fragility is merely a reflection of state fragility and constitutes a security and developmental problem.<sup>100</sup>

### Financial Capacity

Local authority governance in urban Africa often suffers under decentralization of responsibilities without adequate fiscal decentralization.<sup>101</sup> However, even when finances are available, mismanagement of funds, lack of service delivery and implementation of projects are commonplace. This is generally due to skills shortages within urban governance institutions. At the same time, the prevalence of informal systems of land settlement, housing acquisition, vast unplanned slums and informal settlements further compound the challenges of municipalities unable to collect adequate taxes.

The consequence of municipal financial insecurity is weak institutional capacity to act, adapt and react to circumstances, particularly where service provision is concerned. With 300 million Africans projected to suffer from sanitation shortages and 225 million lacking access to potable water by 2020, service delivery protests are key urban

threats. In 2007 and 2008 riots occurred in Burkina Faso, Cameroon, Senegal, Mauritania and other African countries in response to rising prices of food, clothing, and fuel.<sup>102</sup> Protests in South African cities have become commonplace, as failure to deliver housing, services and infrastructure has impacted communities who, in turn, vent their frustrations at corruption, nepotism, non-delivery and under-spending in local governments.

Lack of security is a critical issue in African cities. In Cape Town, spiralling gang violence has prompted communities to request deployment of the South African National Defence Force. High levels of vigilante killings (often for petty crimes such as mobile telephone theft) in Cape Town's informal settlements, such as Khayelitsha, have compelled the city government to adopt community-level participative approaches to resolve the crisis.

Some African institutions are hampered by outmoded leadership styles and display a reluctance to engage with innovative ideas. Yet this is what is required of all African institutions to respond successfully to multiple present and future challenges. In most sub-regions, cities will likely provide the opportunity to take a lead in development. As such, government, business and civil society leadership within African cities must embrace new, progressive ideas about how to engage with the key urban challenges that they face in the twenty-first century. Tendencies to replicate planning approaches that were conceived for cities in developed countries often result in piecemeal applications that fail to integrate into the local socio-economic and cultural context, despite grand master plans that emulate Western-style urban development planning.<sup>103</sup> What is clear is that "more of the same" strategy will not yield the required changes, and strong leadership at local, national and regional scales is required to shift the focus of African urban development onto newer, locally customized trajectories.

Institutions also suffer from lack of integration and coordination between sectors, different agencies, and within government departments and municipalities. Their efforts are mostly piecemeal and interventions in one sector can often be at odds with the intentions of other government departments. For example, the choices that are made in respect of transportation systems affect all sectors within a city, either increasing or decreasing reliance on petroleum and diesel (energy sector); improving or stifling access and

mobility within the city; increasing or decreasing the cost of goods; and increasing or decreasing air pollution and emissions of greenhouse gases.

There are also vast gaps in available urban data in Africa and many cities remain without analyses of spatial change, material flow changes, service provision or public satisfaction levels etc. There is a dearth of information from which to make intelligent governance decisions and from which to pre-empt escalation of emerging or existing problems. Instead, short-term priorities prevail, hindering more sustainable developmental trajectories. As a result of a lack of information, and institutional and financial capacity, many African cities are unable to respond adequately to disasters.

To achieve greater urban stability and resilience, it is critical to: (1) recognize national and local fragility as a development and security challenge; (2) improve the capacity and accountability of local governance; (3) boost livelihoods and incomes; and (4) improve security of land tenure, especially for those living in slums and informal settlements with insecure land tenure where any.<sup>104</sup>

### The Political Economy of Urban Underdevelopment

Maintaining order and promoting inclusive, sustainable development in cities requires concerted public action to mediate conflicts, minimize negative externalities and maximize the benefits associated with size, density and diversity. While rapid urban population growth has often overwhelmed the human and fiscal resources of urban authorities, the scope of public action is not only determined by resources; it is also a function of politics.

Indeed, one of the most common explanations for urban underdevelopment is that there is a fundamental lack of political will to establish the institutions, implement the policies and make the investments necessary for cities to thrive. However, this explanation is insufficient. In cities across the region it is often vested interests that are to blame for public inaction.

Under-regulation and underinvestment in urban areas create profitable opportunities for political and economic entrepreneurs. Squatters on public land often acquire a degree of tenure security by offering money or political support to local power brokers (such as traditional authorities, politicians, police personnel or bureaucrats)

TABLE 1.2: PROJECTED POPULATION DYNAMICS OF AFRICA'S TEN MOST-POPULOUS CITIES (IN 2015), 1985-2025

	Percentage of countries			
	Raise	Maintain	Lower	No intervention
1976	0	0	49	51
1986	0	0	48	52
1996	0	2	54	44
2007	0	0	77	23

Source: United Nations (2010) *World Population Policies 2009*, New York: United Nations, Department of Economic & Social Affairs.

in return for protection against eviction. In areas where water infrastructure is deficient, informal providers make handsome profits selling water - often untreated - at inflated prices. Deficiencies in public transport systems have given rise to a multibillion-dollar informal transport industry, often controlled by politicians. In other words, informality and inadequate infrastructures allow powerful groups to benefit from the status quo.

Effective urban governance can also be corrupted by international influences. The globalized nature of food, energy and financial markets renders cities vulnerable to politically destabilizing economic shocks. Organized criminal and terrorist networks depend upon the logistics, finance and communications infrastructure that cities provide. Where law and order is weak, these organizations can gain a foothold and influence policy, investments and regulations to their advantage and at the expense of citizen welfare. This has become a particular concern in West Africa and the Sahel, where a combination of chronic poverty, fragile political institutions and proximity to European markets has given rise to organized crime in recent years.<sup>105</sup>

There is, however, a more subtle but highly significant international influence that has contributed to apathy and neglect in the face of rapid urban population growth: the discourse of international development.

### The Need for a New Urban Development Paradigm

Up to the 1960s, urbanization was largely associated with human progress and “modernization”, with urban and regional planning at the heart of development strategies and development aid. However, in the late 1970s there was a profound shift in the ideas of development scholars and aid agencies. Cities were increasingly portrayed as parasitic islands of privilege, and urbanization in many developing regions - particularly Africa - came to be seen as socially destructive and an obstacle to economic development.<sup>106</sup> As a result, international support for urban development initiatives waned in the 1980s and 1990s, while governments increasingly adopted policies to restrict rural-urban migration (Table 1.2). In many cases, increased investment in rural areas was justified on the grounds that it would reduce urban poverty by encouraging people to stay in the countryside. These strategies have had little discernible impact on urbanization in the region because they were based on flawed theories of urbanization and development.<sup>107</sup>

The anti-urban turn in development theory coincided with the emergence of a neoliberal paradigm in the international development community that emphasized the primacy of markets (as opposed to states) in stimulating and sustaining economic development. Across the global South, governments were actively encouraged - and in many cases coerced through structural adjustment programmes - to cut public expenditure, privatize state assets and services, and scale back public regulation. In this atmosphere, urban and regional planning was generally sidelined despite the

unprecedented growth rates of Africa’s urban population.

Africa and the world community need to rethink what constitutes a “city” since the Western concept is no longer the sole legitimate template for its application in Africa. There is need to “re-imagine the African city” by creating new paradigms for modern African urbanism.

Urban economic growth in Africa has, so far, been mirrored by varying and increasing levels of urban poverty, inequality, inefficiency and concomitant impacts on vital renewable and non-renewable natural resources. Planning and financing for sustainable urban growth are therefore priorities that can generate opportunities towards higher employment elasticity, secure ecosystem services and affordable public services.

African cities may have a competitive advantage because their development could leapfrog conventional urban development paths to greener urban economies. All approaches to “Greener Cities” and the “Green Urban Economy” should focus on climate change adaptation opportunities through understanding the value of ecosystem services and improving energy- and material flows and loops. Caution is required, however, to avoid the often unintended consequences of the application of “expensive green technologies”, as there are concerns that budgets are being diverted from needful communities to provide elite green enclaves that entrench inequalities.<sup>108</sup>

There exists a real opportunity to cultivate an inclusive vision through identifying and embracing a new suite of paradigms that is appropriate to address the present day and future needs of African cities. These may incorporate aspects of “Western models” of engaging the challenges of increasing poverty and the urban poor. Since urban poverty is not a passing phase, alternative growth paths and scenarios need to be identified, analysed and interpreted to improve resilience and adaptation of African urban populations within the narrative of sustainable development. Numerous programmes and models exist for assisting the initiation and implementation of such visions. These programmes include those of Cities Alliance, Slum/Shack Dwellers International and the Urban Poor Fund International, as well as opportunities to review and renew governance through locally appropriate adoption and adaptation of the Lagos Model and the Kigali Plan of Action (and Kigali Declaration).

Planning theory in past African urban studies had been focused on removing informal development rather than identifying, and rectifying, existing segregatory practices. The rate and scale of urbanization in Africa requires a balance between embracing informality while planning for sustainable services delivery. The systemic drivers of dysfunctionality need to be rectified, which requires focus on urban reform, accountability and effective data analysis.

Sustainable urban planning is necessary to eliminate the causes of segregation and exclusion. Urban planning needs to review how investment is made in African cities to enable adaptive planning and management that is risk averse, pro-poor and sustainable.

# 1.3

## Re-imagining African Urbanism



▲ Cape Town, South Africa, is often referred to as 'Africa's most liveable city'. © /Shutterstock

### Harnessing Trends

Profound sociocultural, economic and political changes accompany urbanization in Africa which, around 2035, for the first time will cause the larger share of political constituency to reside in cities. Broad themes identified on African urbanism relate to aspects of colonial aftermath; increasing informality; socio-political exclusion; urban governance and service provision; warfare, violence and disease; connectivity; and urban culture.<sup>109</sup>

Africa is transitioning towards a whole new socio-economic and political landscape through urbanization. But African urban residents are amongst the poorest in the world and lack opportunities for improvement. Urban infrastructures, services and land markets cannot absorb newcomers at present rates of urbanization. Urban unemployment levels are dangerously high, especially amongst youth.

Improving the capacity of African cities to absorb population growth is one of the key challenges. Multiple considerations can be made in this regard, including:

- How should African cities negotiate the technological and infrastructure choices required to improve urban sustainability and liveability?
- What spatial patterns are most suitable for African cities in different regional contexts?
- How should resources and material flows be managed in and through African cities?
- How can liveable, safe and prosperous urban locales be developed within Africa?
- How can city development programmes alleviate urban youth poverty?
- How can African cities embrace social-, cultural- and economic pluralism and benefit from diversity and diversification?
- How can landlocked African cities improve their access to trade routes and the sea?
- How can migration be leveraged to improve the skills and labour bases of African cities?

- How can African cities and their poor households be made more resilient to exogenous shocks, especially in the costs of food, goods and services?

In the following sub-sections, key global, regional and local trends that are emerging in respect of African cities are explored with discussion on how the considerations listed above can be met by harnessing emerging trends.

### The Demographic Dividend

African cities generally feature high rates of growth and relatively youthful populations. The two most desirable outcomes of the youth bulge are that it should constitute a large labour force, which can drive development, as well as provide a large emerging urban consumer market with global and regional relevance. The key challenges regarding Africa's youthful labour force include:

- Putting in place policies and mechanisms for greater inclusion of the youth in formal sector activities, as well as recognizing and supporting the potential for informal sector operators to semi-formalize their activities over time
- Improving education, skills development, literacy and vocational training opportunities for urban youth at local scales. Positive yields from the currently lagging African demographic dividend will likely only be possible if literacy and skills levels are significantly improved and match the growth trajectories of African national and local economies
- Improving mobility for African urban youth to access urban opportunities and operate beyond their immediate neighbourhoods. Spatial integration of youth constitutes a major challenge in Africa, where poor and low-income youth are marginalized or excluded from employment opportunities and are often "trapped" within their neighbourhoods by virtue of ethnic, class, religious and other types of segregation. Public transit systems should, for example, lower charges for youth
- Increasing access to information and communications technologies (ICT) which can improve access, mobility and situational awareness. This is evidenced by the "Map Kibera"<sup>110</sup> project, which draws on youth ingenuity and participation to influence development planning and encourage broader social inclusion in the daily affairs of Kibera (Nairobi), as well as providing more accurate population data and information for urban planning and management
- Providing diverse arenas for expression of popular youth culture and identity construction through sport, creative and other participation-oriented channels to ensure social change is shared, understood, and appreciated as part of the broader urban culture and identity of African cities. For example, the colloquial Swahili adopted by Tanzanian youth, especially in Dar es Salaam, should be drawn into the culture of the city rather than disparaged. Closing the generational gap

requires sociocultural bridging mechanisms, so that a broader dialogue ensues within cities about rights and identity

- Developing youth citizenship is a necessary step in improving youth inclusion in African cities<sup>111</sup> by increasing the membership of youth into grassroots, civil society organizations as well as facilitating their involvement in urban development planning and management. To foster youth inclusion in communities and urban society, prepare and implement policies which stimulate youth-oriented civil society mobilization as well as youth inclusion in public, private, and especially joint public-private development initiatives in cities
- Stimulating youth involvement in urban agriculture, perhaps one of the most neglected opportunities in African cities, largely practised by the informal sector without the explicit support of city governments and the state. Despite their critical role in African urban food security, informal urban agriculturalists are mostly tolerated rather than supported. In this respect, the protection of valuable urban agricultural lands from encroachment is a linked challenge, one which requires a response to the broader challenges of unplanned informal settlement growth.

Youth-driven protests that sparked the onset of the Arab Spring (see Box 1.5 and Chapter 2) in highly urbanized Northern Africa have the potential to move into south of Sahara, where similar youth bulges and unequal social conditions persist. Marginalization and exclusion of youth from broader society and opportunities within the urban socio-economic fabric threaten to bring about even more severe reactions in sub-Saharan Africa. The youth are pivotal to sociocultural and economic change in Africa. Direct and inclusive measures are necessary to harness this role to realize the most beneficial outcomes to society, including the manner in which the future of urban African societies unfolds. This has potential to contribute positively if guided appropriately. If not, the consequences for stability in African cities may be dire.

### Economic Growth Trends

Africa's GDP in 2008 was USD 1.6 trillion with a total consumer spending of USD 869 billion.<sup>112</sup> Continental GDP is projected to rise to USD 2.6 trillion, and consumer spending to USD 1.4 trillion by 2020.<sup>113</sup> Africa's GDP growth between 2000 and 2008 was evenly spread across a range of sectors, with resources in the lead at 24 per cent, followed by wholesale and retail at 13 per cent, transport and communications at 10 per cent and manufacturing at 9 per cent (Table 1.3).

The compound average annual growth rates of these sectors were also high, ranging between around 4 per cent and 9 per cent for all sectors (see Table 1.3). These high rates of growth are attributed to improvements in political and macroeconomic stability and microeconomic reforms,

TABLE 1.3: SECTOR SHARE OF CHANGE IN REAL GDP BETWEEN 2002 AND 2007

Sector	Share of Change in Real GDP (Per Cent)	Compound Average Annual Growth Rate (Per Cent)
Resources	24	7.1
Wholesale and Retail	13	6.8
Agriculture	12	5.5
Transport and Telecommunications	10	7.8
Manufacturing	9	4.6
Financial Intermediation	6	8.0
Public Administration	6	3.9
Construction	5	7.5
Real Estate and Business Services	5	5.9
Tourism	2	8.7
Utilities	2	7.3
Other Services	6	6.9

Source: *Global Insight; Arab Monetary Fund; McKinsey Global Institute: in McKinsey 2010, 2 Exhibit A.*

and to adopting policies that energize markets, including the privatization of state-owned enterprises, reduced trade barriers, lower corporate taxes and boosted regulatory and legal systems.<sup>114</sup> Despite these measures poverty persists and inequality has worsened, especially in countries that have experienced high growth rates such as Mozambique and South Africa. Bloemfontein, Buffalo City Metropolitan Municipality and Johannesburg (South Africa) have some of the highest Gini coefficients<sup>115</sup> in the world.<sup>116</sup>

### Global Flows of Investment into Africa

The resources sector has traditionally played a key role in African economic performance and growth. The long-term implications are that resource depletion will likely take effect in African economies by 2060. Consequently, strategies for diversifying economies, particularly city economies, are of paramount importance in negotiating a more resource-scarce future in previously resource-abundant areas. Africa's most diverse economies are Egypt, Morocco, South Africa and Tunisia. In these countries, sectors like banking, construction, retail and telecommunications contributed to more than 70 per cent of GDP growth over the past decade. The least diverse economies in Africa are oil and gas exporting countries. Algeria, Angola and Nigeria alone earned revenues of USD 1 trillion between 2000 and 2008 from petroleum exports.<sup>117</sup> In these countries manufacturing and services account for only one-third of GDP growth on average.

Investment flows into Africa and its cities are projected to rise in the medium term. Returns on investment into Africa between 2004 and 2008 were higher than anywhere else on the globe.<sup>118</sup> In addition, labour productivity has risen by 2.7 per cent per annum between 2000 and 2010.<sup>119</sup> By 2040, Africa's youth is projected to constitute the largest labour force in the world at 1.1 billion, surpassing China and India.

By 2020, growth in Africa is projected to create consumer markets of sufficient size and spending power to

attract multinational companies. It is projected that four opportunity categories (Table 1.4) could be worth USD 2.6 trillion by 2020. These include consumer facing, resource driven, agriculture and infrastructure sectors. The consumer-facing sector constitutes just over half of the revenue, with a compound growth rate of 4 per cent per annum (Table 1.4).

Indeed, many multinationals have already entered Africa in expectation of this boom, and more are expected to follow. The key attraction for multinationals looking to forge new customer bases is the global significance of the large consumer markets. Cities play a key role in producing this consumer base. By 2020 Alexandria, Cairo, Cape Town, Johannesburg and Lagos will individually have household spending powers exceeding USD 25 billion per annum, while a dozen other cities will have consumer markets with spending powers of USD 10 billion per annum.<sup>121</sup> These constitute key opportunities for global investors and speculators, and as the world's economically third fastest-growing region,<sup>122</sup> Africa will undoubtedly attract their attention as a prospect for investment, if political and economic stability levels can be guaranteed and cities hold significant power in determining the future trajectories of economic growth on the continent.

Infrastructure investment and sector growth in Africa is significant, especially as infrastructure development will occur largely around service provision in cities and towns as well as improving connections between them (particularly inland-coastal connectors). Infrastructure is projected to grow at the highest level – by 9 per cent per annum – between 2008 and 2020 (see Table 1.4). Currently, Africa's infrastructure services are twice as expensive as elsewhere around the world,<sup>123</sup> indicating demand pressure. An estimated USD 93 billion per annum is required to meet infrastructure needs, of which a third is for maintenance alone.<sup>124</sup> Currently, infrastructure spending in Africa is around USD 72 billion, and private investment in it grew from 7 per cent in 2000 to 13 per cent by 2010.<sup>125</sup> Nonetheless, the scale of investment

TABLE 1.4: **INDUSTRY OPPORTUNITY GROUPS PROJECTED TO REACH USD 2.6 TRILLION IN AFRICA**

Industry Groups	Estimated Annual Revenue in 2020 (in USD Billions)	Growth Between 2008 and 2020 (in USD Billions)	Compound Annual Growth Rate Between 2008 and 2020 (Per Cent)
Consumer (goods, telecoms, banking etc.)	1 380	520	4
Resources	540	110	2
Agriculture	500	220	5
Infrastructure	200	130	9
Total	2 620	~980	4

Source: McKinsey Global Institute.<sup>120</sup>

required to meet power, water and transportation needs is around USD 46 billion per annum,<sup>126</sup> and power is the greatest challenge.<sup>127</sup>

Infrastructure investments represent a significant area of future development in African cities, precisely because many of them lack basic infrastructure or, where they exist, are struggling to keep up with demand. How these investments are made would determine how multiscale and multilevel the economic activities that proceed from these large investments will ultimately become. The cities that adopt new spatial planning trajectories that depend on particular infrastructure choices will lock themselves into patterns of growth. This is especially the case where centralized bulk infrastructure offerings are compared with semi-decentralized and decentralized infrastructure and technology offerings. Different solutions may fit different local contexts more appropriately, but in the African urban context decentralized and semi-decentralized offerings have significantly more traction, precisely because they are able to operate independently of large centralized infrastructures, which city and national governments generally struggle to maintain due to lack of finances and skills.

### Regional Linkages and Investment Flows

Investment flows into Africa are often intimately tied to former colonial relations, but intra-African city linkages can also be important. Mogadishu, for example, is heavily dependent on the decisions made by Somali traders in Nairobi. The mayor of Mogadishu has complained that Nairobi exerts too much control over his city, referring to the Somalis who have settled in Nairobi to escape war in their country.

Regionalism is vital to introducing change in Africa and developing new linkages among its cities as well as with global markets and emerging world economic powers. Motorists in landlocked Johannesburg, for instance, take just four hours to drive to the Mozambican port city of Maputo. This regional linkage between South Africa and Mozambique, once dictated only by a shared river catchment and water supply, has expanded into a transboundary trade region. Since the closest South African harbour town to Johannesburg is eThekweni Municipality (Durban), a six-hour drive, Maputo is likely to

attract port business from Johannesburg provided Maputo's capacity and support for trade, industry and port activity improves. In the near future, it is conceivable that tourism between Johannesburg and Maputo might be restored to, or even surpass, its former level.

Through mobile phone use, Internet connectivity has increased.<sup>128</sup> The mobile revolution has played a role in governing urban slums such as Kibera (Nairobi)<sup>129</sup> and may eventually spread to a range of other sectors including health, agriculture, energy and education. Identified trends, which are predicted to fuel new business growth, include geolocation and mobile money; for example, money transfers and microcredit schemes. These allow for better monitoring and securitization of assets at lower data costs and improved reliability.<sup>130</sup>

The growth of Africa's energy sector is a prerequisite for sustained expansion in all others. Large energy projects have included the development of the Inga hydroelectric dam on the Congo River; the Desertec consortium-led establishment of 100 large concentrated solar power plants in the Sahara; wind farms in South Africa, Namibia and the Rift Valley; and the continued development of the fossil fuel sectors in Central and Western Africa, and the Republic of South Africa.

Investment in renewable energies and green technologies globally has surpassed all other conventional and emerging technology sectors (see also Chapter 1.1). The green technology revolution is likely to be the next global industrial transition.<sup>131</sup> Africa and Asia constitute the largest clients for these new services, as demand for energy- and resource-efficient technologies will be huge in their rapidly growing and expanding cities. Yet the question of whether all new technologies can successfully take root in developing African cities remains open since affordability and appropriateness have not been adequately assessed.

### Developing and Financing Paths to Green Growth

A green economy may be defined as one that "results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities".<sup>132</sup> Any green development strategies undertaken in African cities must primarily recognize that development is a key priority for the urban citizenry, the majority of whom

often reside in slums and informal settlements that lack infrastructures, services, urban planning and management (see also Box 1.6). The dual goals of green urban development in Africa must be to meet these compelling needs through appropriate urban design, planning and management, as well as through the deployment of sustainable, low ecological footprint, infrastructure and technology. Green development in African cities must thus engage with these dual goals as mutually inclusive priorities.

Global funds can play a key role in facilitating sustainable urban development in Africa. It may be worth establishing a fund for African green urban development that can be accessed and leveraged by African central and local governments. The African Development Bank issued clean energy bonds in 2010.<sup>133</sup> Municipal bonds can play a key role in attracting finance for the introduction of clean energies, transportation, waste and other systems at local scales, but lack of skills among local authorities may be a major obstacle. Microfinance that targets the urban poor can also play a key role in this respect.<sup>134</sup> Africa's central governments must also reorient urban development trajectories and can play a key enabling role by prioritizing programmes aimed at green and sustainable growth. At local, city and national scales, the public sector has the potential to catalyse the private sector financial flows, and expertise needed to deploy to service green development.<sup>135</sup>

Local funds, although limited, can be leveraged and decentralized development (city to city) cooperation might be able to play a strong role in ensuring funding and expert support for local urban development in Africa. City-scale carbon banks (e.g. the Gwangju Carbon Bank in South Korea) may become viable should the price of carbon stabilize. Post-2012 carbon finance seems guaranteed in the short and medium terms; five leading European public financing institutions have established a EUR 125-million post-2012 Carbon Credit Fund.<sup>136</sup>

While carbon markets have showed signs of instability, there are no indications that the establishment of a carbon economy will be halted. It is viewed by some as a necessary instrument for large-scale conversion to low-carbon activities and by others as an “unstable financial risk” management instrument. Although carbon funding is difficult to access, it is one of many mechanisms that can be harnessed to catalyse much-needed scaling up of urban infrastructure projects in African cities.

Significant private sector interest has also emerged in response to Africa's high potential for the application of renewable energy technologies. Smaller systems for households include solar water geysers, smart grids, closed-loop sanitation, and biowaste-to-biogas systems. The sector can attract private investment, and participate alongside regional, national and local governments in diversifying energy markets.

The African Development Bank is well-positioned to facilitate this convergence and is already involved in many continent-wide non-renewable and renewable energy

programmes. Given renewable energy's global significance, African cities and national governments must apply these technologies and develop the skills base required to be innovative and competitive.

Renewable energy is especially relevant for African cities, since they have the greatest need for local, decentralized energy capacity. These technologies can best be deployed, tested and improved within African urban environments, where the skill- and labour bases to implement decentralized systems are greatest. Given the projected demand for decentralized energy in African cities, the market for these technologies will ensure the growth to make these operations viable.

Good governance is essential to the successful development and growth of inclusive and well-managed cities. It is inadequate to depend on finance, technology and/or expertise alone.<sup>137</sup> UN-Habitat supports enabling approaches which rely on decentralizing authority, functions and fiscal responsibilities to local levels to ensure subsidiarity and accountability; to promote the inclusion and participation of civil society in the design, implementation and monitoring of local governance; encourage wide ranging partnerships and supportive networking across multiple levels of governance; as well as adoption of modern technologies to help improve efficiency and reduce cost.<sup>138</sup>

### The Politics of Inequality

Urban politics will begin to dictate overall African politics in the medium and long-term as the level of urbanization increases. Participatory governance in urban Africa, or lack thereof, will likely determine the quality of politics and political action in the future. Cities are the engines of political and sociocultural change that will transform the polity of every African country with a high level of urbanization. Discovering and developing new modes of cooperation in urban political constituencies may well turn out to be a “politics of daily issues”, where these coalesce around local problems with which they are particularly concerned.

Perhaps the greatest challenge to urban politics in Africa is the inequality that characterizes the “urban divide”,<sup>139</sup> with urban dwellers highly segregated by class and ethnicity. Typically, African cities are economically controlled by small political or economic elites, while the vast majority of dwellers eke out a mere survival. Spatially, the urban divide in Africa is reflected in the high slum and informal settlement incidence. Inappropriate or deficient urban infrastructure and spatial planning choices can increase costs of municipal transportation, water, sanitation, waste removal and electricity services, and hamper the quest for more sustainability and liveable cities. Basic urban service and infrastructure provision may dominate urban politics to the detriment of greater political visions. The politics of the “here and now” is more immediate where the struggle for survival is a daily reality for millions of urban Africans, and where public protests over lack of service delivery or exploitative prices take priority over grander political goals.

Cultivating inclusive visions of African urbanism requires

#### BOX 1.6: EXAMPLES OF URBAN GREENING STRATEGIES IN AFRICA



▲ A Bus-Rapid-Transit stop on Market St, Johannesburg. ©Jeppestown. Licensed under the Creative Commons Attribution ShareAlike 2.0 Generic License.

An example of a nationally driven greening strategy is the solar water heater geyser rollout programme that is being undertaken by the South African government. City examples include the establishment of bus-rapid-transit systems in Cape Town and Johannesburg in South Africa, and Lagos in Nigeria. With the support of national governments, a light rail

system has been introduced in Johannesburg, while others are under construction in Addis Ababa, Ethiopia, as well as Lagos and Abuja.

Ecosystem-based development priorities have been adopted by some African cities. Cape Town and Addis Ababa have turned their focus to managing the mountain and river ecosystems that play an integral part in the provision of key ecosystem services to these

cities (e.g. clean water and fuel wood). Accra (Ghana), Addis Ababa, Cape Town, eThekweni and Johannesburg (South Africa), Kampala (Uganda) and Nairobi (Kenya) have established priorities for green growth, but are grappling with the challenge of how to prioritize pressing development needs and challenges with making choices that ensure medium- and long-term sustainability.

bridging the politics of inequality to tackle and improve the operations of formal and informal urban institutions. African urbanism needs to be rethought “from the slums”, as that is where the majority of urban dwellers live - and will continue to live as long as the capacity of cities and the political will to accommodate them are absent.<sup>140</sup> Engaging formal and informal systems to bring about more sensitively regulated and monitored economies that are fair and supportive raises a particular challenge; it requires that new modes of governance be negotiated with the greater social majority over whom they govern. The participation of communities in their own development choices is an increasingly attractive option for those seeking to bring about more active political

constituencies in urban Africa. All too often, however, participation is weakly employed as a coercive mechanism to consolidate political power. Politicians make promises they fail to keep, thereby risking urban political disengagement and potentially inviting community power exercised in alternative ways, including public disobedience, social unrest or violent conflict.

Enabling participatory models of governance will require some incremental learning and revision. Realizing participatory governance may require a transition period, when models are tested and refined in different urban contexts. It will be important to promote peer learning by making analyses available and evaluating progress. Professional and expert

networks may be required to build the information, data and knowledge base from which the trajectories of different urban locales can be assessed and evaluated. These networks should be extended to include stakeholders. Participatory processes require strong feedback mechanisms between communities and institutions. Top-down strategies for urban change require grounding in grassroots realities, which is the primary role of participatory processes. A secondary, but equally beneficial, role is the engenderment of political constituency at the grassroots level.

Organizations such as Slum/Shack Dwellers International<sup>141</sup> and African affiliates such as the Ghana Federation for the Urban Poor<sup>142</sup> have implemented participatory-based development planning that employs peer-to-peer learning and exchange as a vehicle for replication and scaling up. These projects are usually focussed on specific local settlements and their needs. They engage directly with the urban poor in mobilizing savings, establishing skills and management capacity within communities, and facilitating partnerships between poor communities and municipalities wherein community-led development agendas take precedence. In Kitale (Kenya), the “Building in Partnership: Participatory Urban Planning” project worked with government agencies, civil society and the private sector, demonstrating that neighbourhood level participatory processes can be scaled up to municipal levels.<sup>143</sup> In Accra (Ghana) participatory water governance has been facilitated through establishing Local Water Boards to help overcome disproportionate access and exclusionary practices at local levels, as well as resolving difficult, conflicting demands over access to water.<sup>144</sup> Mainstreaming these community-led approaches more broadly, however, still requires concerted effort from funding agencies, local authorities and city governments that use the learning and momentum of such projects to broaden the scope of participatory governance in African cities.

### Planning for Human Security

Planning for human security in African cities involves engaging with a wide range of destabilizing factors such as socio-spatial segregation, religious and youth radicalization, war, as well as transnational trafficking and crime.

Functional diversification (e.g. separation of residential and industrial zones) as well as history, class and ethnicity can play roles in urban segregation. With high rates of urban growth, however, segregation along class divisions will increasingly impose undesirable spatial segregation patterns and urban fragmentation. Overcoming this in African cities requires rethinking urban systems such as formal and informal public transport and putting in place systems that enhance mobility. This is particularly important for the urban poor who are generally those who must travel farthest to places of work, as well as to access services such as healthcare.

Overcoming spatial segregation requires engaging with all sectors of society, promoting inclusion in urban governance and development decisions, especially at local scales. It requires sharing the diverse opinions without fear or favour

on matters critical to the citizenry and which requires inclusion to be resolved. Segregation is fed by particular perceptions of otherness, including fear, which can only be overcome through dialogue and inclusion, even if that may be difficult at first.

### Climate Change and Disaster Risk Vulnerability Mapping

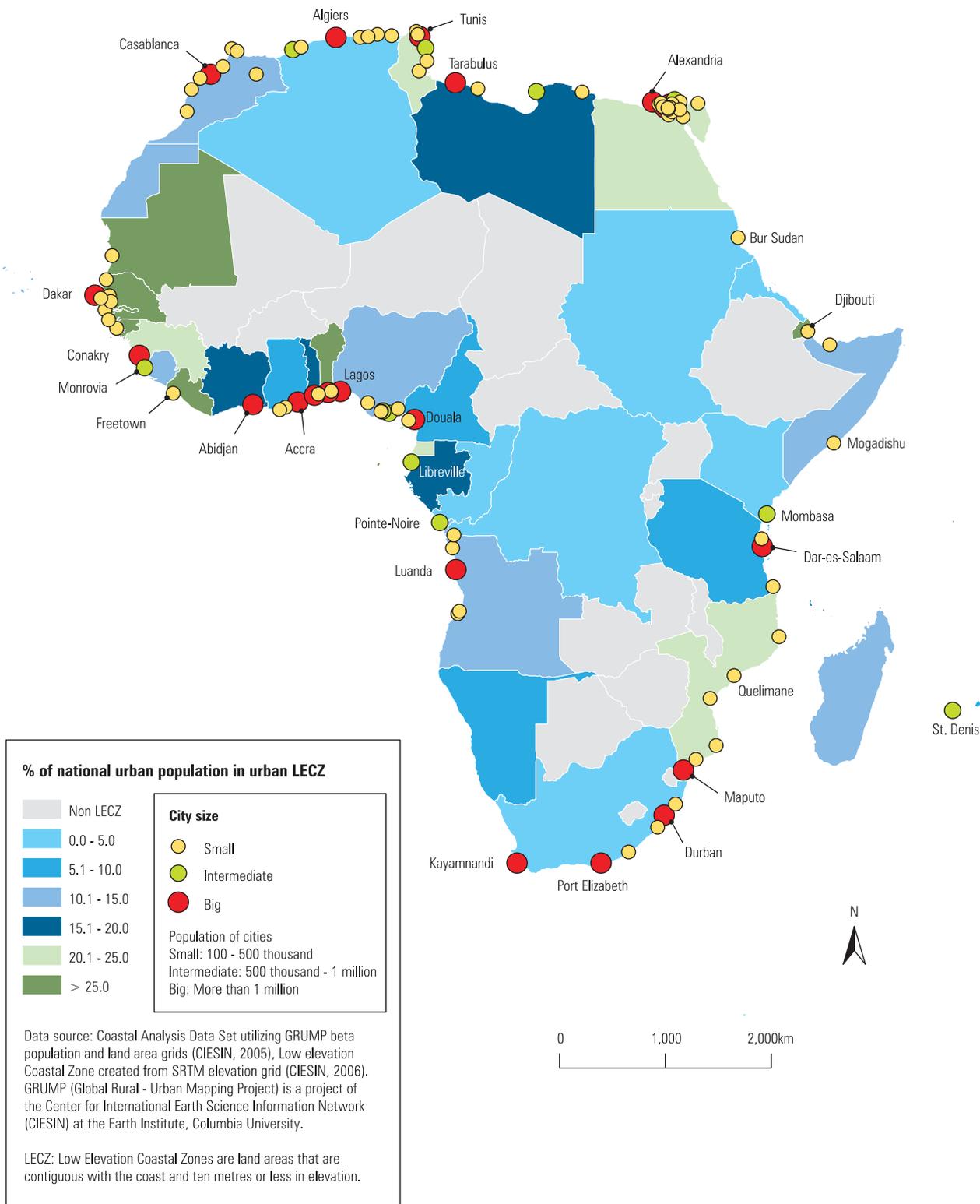
Africa is projected to be the world’s region worst-affected by climate change due to pre-existing vulnerabilities and dependence on rain-fed agriculture.<sup>145</sup> Drying and desertification due to climate change constitutes one of the significant threats, since over 40 per cent of the continent receives less than 400 mm of rainfall per year. Understanding regional variation in vulnerability to climate change impacts is critical to informed decision-making at city scales. Accurate city-regional-scale modelling of climate change variations is necessary to plan for climatic extremes that may affect a city within the modelled region or sub-region, as specific contextual factors differ significantly from one city to another depending on location and other factors. In general, however, climate change introduces greater levels of variability and uncertainty into urban planning and development. Climate change impacts can also combine with other global or local change effects to produce unexpected outcomes. Planning for climate change thus requires greater appreciation of how this phenomenon integrates with other factors (e.g. changes in the global economy, or specific local factors) to impact at local scales. It also requires that urban planning and development are focussed on producing urban systems that have greater capacity to absorb shocks and adapt to impacts. Detailed discussion of the sub-regional impacts of climate change in Africa is included in the respective sub-regional chapters of this report.

Mitigation requires improving efficiencies in existing systems for reducing greenhouse gas emission;<sup>146</sup> for example through recapture (sequestration), recycling and reuse. Improving energy efficiency would constitute a key by-product of emission strategies.

Climate change adaptation focuses on how societies and economies may moderate the impacts of climate change, thus building adaptive capacity is a logical and appropriate response. Decentralization, whether of technology or governance, is essentially an adaptation. Its purpose is to build and reinforce adaptive capacity at local scales. It is critical to engender local resilience with supportive conditions. However, since the climate change threat is simultaneously global, regional and local, responses must be implemented at all levels. Regional and national cooperation is critical<sup>147</sup> for appropriately framing and funding local responses, combining top-down and bottom-up responses. Cities need multilevel governance strategies, including strong national policies; more experimentation at local scales; close cooperation between local and national authorities; and cross-sector regional and urban strategies to respond adequately to threats.

In urban Africa, climate change presents a very real and

MAP 1.1: AFRICAN CITIES AT RISK DUE TO SEA LEVEL RISE



Source: UN-Habitat Global Urban Observatory 2008.

immediate threat, not least because many large cities lie along the coast and are especially vulnerable to sea level rise, saline penetration, storm surges, flooding and coastal erosion. Additionally, cities in more remote areas are prone to climate change impacts such as failed crops and rising energy costs that can cause price hikes and food scarcity.

Building adaptive capacity at all scales is essential for ensuring future urban climate resilience. Participation and inclusivity are key elements of boosting adaptive capacity at local levels, to aid identification of the key existing and potential vulnerabilities in specific locales, and to link short-term priorities to long-term plans. Critically, climate change needs to be factored into all areas of development planning and not treated as a separate development issue. This requires building of the institutional capacity to identify and act upon the critical linkages that enable adaptation. For example, greater socio-political cohesion and stability will be achieved by harnessing cooperative and competitive linkages for greater economic cohesion and by strengthening inclusive processes of governance. Urban risk reduction policies can yield mutual benefits<sup>148</sup> including *in-situ* upgrading of informal settlements; zoning to protect areas at risk; development of new, less risk-prone land with efficient transport systems; and promotion of densification in urban areas.

### Disaster Risk Reduction

Disaster records for Africa between 1974 and 2003 (Table 1.5) indicated that the East was worst hit while the central sub-region had the lowest incidence. The data further showed that the frequency of disasters in Africa was increasing.<sup>149</sup> Large-scale climatic phenomena, such as the El-Niño Southern Oscillation, introduce uncertainty into forecasts of weather variability for the region. As a result, climate change impacts are difficult to project reliably. Yet natural drivers of disaster are only part of the reason for Africa's particular vulnerability. Weak institutional capacity, low infrastructure provision and deep poverty incidence render Africa less able to prepare for, or adequately respond to, climate change and natural disasters.

It is important to differentiate between disaster risk and disaster vulnerability. Disaster readiness or preparedness does not reduce risk but can reduce vulnerabilities and actual

impacts of disasters. Some disasters can be prevented, for example, urban flooding can be exacerbated by ecological degradation of upstream catchment areas. Thus, reducing degradation and improving catchment function can reduce *risk*. Likewise, citizen drills for post-disaster situations can enhance the chances of survival of communities and individuals, thereby reducing vulnerability. Increasing adaptive capacity and internal resilience depends on the ability of urban systems to respond to sudden loss of capacity in one area of the system (e.g. energy supply failures, water supply shortages, food price increases, energy price increases). Some of the key areas that can improve internal resilience to disaster events in African cities include:

- Improving response times through establishing early warning systems – this requires monitoring and measuring (e.g. of upstream river flows and rainfall patterns)
- Compilation of simple, yet effective maps and databases that highlight, for example, areas of exposure, hazard and vulnerability, indicating probability, magnitude and frequency of possible events, as well as the population and localities most likely to be affected
- Clearly designated lines of authority in times of disaster where institutions (e.g. military, police and aid agencies) have a clear, predetermined framework of cooperation and action
- Building adaptive capacity with greater flexibility, to defend against unforeseen threats, including by establishing functional network groupings, linkages and clusters
- Adaptation strategies that directly focus on the key vulnerabilities of the urban poor.

### Re-imagining African Development Trajectories Towards Local Scale African Urban Sustainability

Sustainable development in general and development of cities in particular depend on whether economic growth trajectories are able to decouple, significantly, from wasteful resource utilization and ecological degradation.<sup>150</sup> This requires strategy, policy and regulatory instruments including bodies to monitor and influence the development patterns of cities. Yet decoupling alone is not enough. Development

TABLE 1.5: EMPIRICAL RECORDS FOR DISASTER INCIDENCES IN AFRICA FROM 1974-2003

Region/Disaster Type	Northern	Western	Central	Eastern	Southern
Natural disasters	14	24	10	41	11
Hydro-meteorological disasters	13	25	10	41	11
Geological disasters	38	7	17	31	7
Drought hazards	28	101	31	128	45
Flood Hazards	7	9	4	16	3
Volcanic disasters	0	1	6	4	0
Disasters that caused economic damage	26	43	8	58	16

Source: Adapted from Lukamba 2010 pp. 485-489.

trajectories in Africa need to be rethought and recast so that the economic, social, ecological and infrastructural dimensions of sustainability are mutually ensured in development planning, with political stability acting as the source of integration and coordination.<sup>151</sup> Urban development planning and governance regimes that focus only on guaranteeing material sustainability may run aground by widening inequalities, deepening poverty and political instability. Material sustainability is ultimately contingent on maintaining consumption profiles that remain within ecological, economic and social thresholds, while at the same time seeking to maintain sociocultural and economic stability.

Cities can influence footprints due to high densities and potential for maximizing efficiencies through design and management of urban material flows such as goods, data, nutrients, people and money. To achieve urban material sustainability, it is critical to consider large- and small-scale infrastructure choices. Many African cities lack adequate formal infrastructure and service provision. Therefore they are best placed to adopt new options, whereas cities in developed countries are typically locked into existing infrastructures which they must retrofit. African cities thus need to seize opportunities to leapfrog to sustainable and resource-efficient urban designs, infrastructure, technology and service provision.

How can Africa embrace a kind of urbanization that produces competitive cities that take advantage of the demographic dividend and ensure green growth? Green urban growth trajectories, if adopted now, can help enhancing the competitiveness of cities and their residents in the medium and long term. Such growth paths could be attained by reducing material use and ecological impact footprints; lowering short-term material costs and medium-to-long-term ecological ones. This can be achieved through investments and partnerships with regional and global agencies, as well as with local actors, civil society and non-governmental organizations, especially those which engage closely with youth development.

The opportunities for green growth are numerous in African urban contexts, not least because of the large infrastructure deficits of many African cities. Infrastructure choices made today in African cities will lock them into patterns of behaviour for the medium to long term. Therefore, engaging with the infrastructure requirement of African cities in a global context of resource constraint and increased global economic and climate-related uncertainties will likely prove critical to the future sustainability and equitability of African cities. There is great potential to formulate local-scale solutions that can improve living conditions in African cities through improved access to services and infrastructure, enhanced urban mobility and access to opportunities. *In-situ* development in slums and informal settlements can stimulate a transition to lower material use and to high efficiency standards. However, this requires that decentralized *in-situ* developments are coordinated for broader transition to sustainability by scaling up these developments. Energy,

water, food, waste and transport are all key thematic areas for greening and sustainability in African cities.

### Energy

Local renewable energy sources such as biomass, solar radiation, hydropower and wind are all abundant in Africa. Decentralizing and diversifying energy markets, and improving off-grid resilience, are likely avenues through which energy transitions in African cities can take place. For example, especially Central Africa has immense hydropower potential, which if developed, can provide in excess of 40,000 MW of energy, enough to power Africa and much of Europe. Moreover, Africa's current main source of energy is biomass, which represents an opportunity to harness renewable energy biomass technologies that convert waste to energy, as well as to compost nutrient-rich material to close nutrient loops to improve soil fertility.

Decentralized renewable energy security technologies (e.g. biogas digesters, solar water heater geysers, solar photovoltaic panels), energy retrofits (e.g. energy-efficient wood-fuel and solar cookers, green and white roofs, home insulation and appliance energy-saving technologies), wind turbines and smart design principles (e.g. densification strategies) can help ensure local resilience to the cost and availability of energy from centralized systems (see Box 1.7). Boosting efficiency is the key to achieving urban electrical energy security.<sup>152</sup> It has been estimated that a 29 per cent reduction in baseline emissions can be achieved at zero cost in the building energy efficiency sector.<sup>153</sup> Hence, the chance to engage funding opportunities in the low-carbon development sector can also be seized to catalyse the transition of African cities to higher levels of building energy efficiency.

However, centralized systems are also required to improve energy efficiency, especially where mobility is concerned (see Box 1.8). Mass transit systems typically make a huge difference to urban energy efficiency and are large employers. Indian Railways, for instance, is the largest employer in the world. How cities make large-scale transport infrastructure design and planning choices over roads for vehicles, cycling routes, pedestrian access and mass public transport has obvious consequences for the energy efficiency footprint of the city. A critical element to energy transition in Africa is to convince centralized urban energy suppliers to embrace semi-decentralization and decentralization by their continued participation in future energy markets.

The growth of the information and communications technology sector in Africa, for example, is restricted mainly by access to electricity.<sup>159</sup> African cities have the opportunity to lead their national economies towards greater levels of energy sustainability and resilience, while at the same time developing the competences required to participate in and compete in the global renewable energy sector. Africa's renewable energy resource potential is impressive on almost all fronts<sup>160</sup> and cities can take the lead in developing this potential and, at the same time, improve their material sustainability in the long term.

#### BOX 1.7: THE KUYASA PROJECT AND NATIONAL SOLAR WATER HEATER ROLLOUT PLAN



▲ Solar water heating in Potchefstroom, in South Africa's north-west. ©Abri le Roux. Licensed under the Creative Commons Attribution 2.0 Generic License.

The Kuyasa Project in Cape Town's informal settlement of Khayelitsha - the first gold standard clean development mechanism project in the world - undertook a participatory approach to introducing solar water heater geysers, energy-efficient lighting and insulated ceilings in 2,309 homes. At the same time the city developed skills and created 87 jobs in the community. Project costs were low, at around ZAR

36 million (USD 4.87 million). Kuyasa, a non-government organization, assisted in accessing carbon credits to enable a secondary funding stream for the project (i.e. its longevity and continuity) and the community.<sup>154</sup> The project was successfully piloted but faced challenges in attempting to scale up.

The South African government has since decided to support the rollout of one million

solar water heaters by 2014, with a 40 per cent subsidy.<sup>155</sup> Although this programme has been slow to actualize a national strategy for a large-scale rollout of the geysers, the effort has recently gained momentum and the rollout has reached 330,000.<sup>156</sup> The South African government is supporting skills development and employment of youth in solar water heater assembly, installation and maintenance.<sup>157</sup>

### Water

Future water shortages are projected for many African cities. Many are already engaged in upstream water catchment logging that can significantly endanger urban water security in this century. Moreover, many cities in Eastern and Central Africa also depend heavily on hydropower for their electricity supply. Water and rainfall shortages are further projected to impact heavily on rain-fed agriculture. Hence, water is a critical connector in ensuring food and energy security. Guaranteeing water security will require regional agreements and actions, especially for transboundary catchment areas (e.g. the Congo, Zambezi and Nile rivers), and the land-use activities and changes that occur therein.

Ensuring urban resilience to flooding and water supply depends critically on upstream catchment management practices and integration strategies and systems. In the Republic of South Africa, catchment management agencies have been established to increase coordination and integration in water catchments. The Inkomati catchment, for example, is a shared water resource critical to water-based services in South Africa's and Mozambique's major cities such as Johannesburg and Maputo. It is run by the Inkomati Catchment Management Agency. Johannesburg's coal-fired electrical plants require large amounts of water and Maputo's prawn fisheries industry depends on freshwater supply to Maputo Bay. Other African cities along the coast at the end

### BOX 1.8: MOBILITY

Formal and informal transportation in Africa is often fragmented, disorganized, unsafe and irregular, offering urban residents few options. Private motor vehicle ownership is desirable because it absolves urban residents of the need to engage with low-quality public transportation. However, urban congestion can be debilitating to local economic production, efficiency and competitiveness. In cities such as Cairo, Lagos and Nairobi congestion has become a fact of life. There is immense potential for the revision of African urban transportation systems.

Yet there is a fundamental contention between formal and informal transport providers, as the latter are not subject to taxation and effective regulation. Negotiating changes in transport systems in African cities is complicated by existing informal and private service providers who are understandably reluctant to relinquish their market shares. However, improved transport systems between cities can offer significant

opportunities for corridor development along inter-linking city routes through road and rail. This may include local and trans-local city linkages, as well as international connections between cities along regional corridors. In the long term, the development of these corridors offers the opportunity to leverage the functions of secondary cities and towns, to open up spatial development and link rural hinterlands more closely to large metropolitan areas as well as linking to secondary and smaller cities.

The United Nations Environment Programme's Transport Unit prescribes an "avoid, shift and improve" strategy. This consists of reducing demand for transport and emissions through improved urban planning and transport systems design; shifting modes of transport and fuel use towards mass public transit systems - and biodiesel and cleaner energy, respectively; and, improving vehicles and fuel that are used in cities for transport.

Negotiating the large informal transport

sectors in African cities presents a critical challenge to "avoiding, shifting and improving". Hence, negotiating the socio-economic dimension is paramount, and inclusive participatory-based processes are necessary to achieve socially sustainable transitions towards improved transport systems in African cities. Lagos and Johannesburg have adopted Bus Rapid Transit (BRT) systems and Lagos has already identified that light rail systems will be required to meet demand in the city. Yet many questions exist about the eventual affordability of these systems, and private vehicle owners often contest the allocation of BRT-only lanes on which they are prohibited to drive. It remains critically important that Lagos is thinking about how to improve transportation within the city, as improvements in public transport help bring about improvements in competitiveness in service provision, efficiency and the cost of goods.

*Source: Peter, C. and Swilling, M. (2012).<sup>158</sup>*

of rivers, such as Alexandria in Egypt, require continued freshwater flows to mitigate saline intrusion into groundwater and aquifers.

Centralized wastewater systems need to be reviewed as an option for urban sanitation development. In an energy- and resource-scarce future, large centralized sewage and wastewater abstraction systems using potable water to transport sewage to treatment plants far away are likely to be crippling in the future as water and energy costs rise. Whereas developed countries are locked into high energy and water costs, African cities have the opportunity to avoid these, ironically as a result of its current large infrastructure deficits. However, changing values, beliefs and norms is the most critical factor in enabling a transition towards greater decentralized water resilience in African cities.

Closing wastewater loops at micro-scales amongst the middle class would be an important step. However, common perceptions that human dry waste facilities are inferior to flush toilet systems need to be eradicated. In vastly unequal African cities, perceptions of social status play a critical role in fostering identity and belonging. Therefore, mediating against such perceptions is required and can be achieved through participatory processes that work closely with society and communities.

The technologies for improving local scale water and wastewater adaptation for resilience are numerous. Rainwater collection, water efficiency systems and technologies,

water recycling and reuse (e.g. grey water recycling), as well as biotechnologies for processing wastewater at the neighbourhood and municipal scales can play a key role in improving African urban water and wastewater resilience. At the same time, pathogen-free nutrient-rich outputs can be harnessed for improving soil fertility and extending urban agriculture to improve food security and household budgets, especially among the poor. Such technologies are available and further innovation is likely, but the key challenge is to engage urban communities in the technological transition. Simply deploying these technologies without adequate consultation and engagement can defeat the purpose by reinforcing the perception that inferior service provision is being forced upon the poor (see also Box 1.9).

### Waste

African urban wastes provide many recycling and reuse opportunities and are a key area for development. Informal waste recycling already exists but jobs are often unsafe, poorly paid and taken up by the most marginalized among the urban poor. Waste removal and processing policies and other supportive instruments (e.g. regulations and strategies) for moving waste recycling towards safer, more profitable and socially valued occupations are needed. Biomass and organic wastes, which comprise the bulk of solid waste from African cities, can produce compost, biogas and biodiesel. Linkages between waste and energy sectors offer opportunities for



▲ The Mariannahill Landfill Conservancy is a unique initiative by the eThekweni Municipal Area (EMA) that is both a waste disposal site and an area of natural beauty. Top: Photo courtesy of Landfillconservancies.com Bottom: ©BBC World Service. Licensed under the Creative Commons Attribution-NonCommercial 2.0 Generic License.

migrating informal recycling and re-use to formalized operations, creating niches and employment along value chains that can be created by increasing integration between the urban waste sector and others. The global market for waste-to-energy was valued at USD 19.9 billion (2008) and sector growth of 30 per cent was projected for 2014.<sup>161</sup>

Composting facilities in cities such as Johannesburg are already overloaded. Building capacity to recycle solid urban waste in Africa requires measures that go beyond centralized composting. Diversifying to local, medium-scale waste markets can help migration towards (close to) zero-waste urban footprints if solid waste is reused. High energy costs may, however, prove prohibitive to small and medium operators and such operations must be coupled to lower-cost energy provision. Improved waste collection can also be achieved in sites that are difficult to access. In Curitiba (Brazil), for instance, the “green swap programme” exchanges recyclable wastes (glass and plastics) for food in informal settlements.<sup>162</sup> Socially-sensitive approaches to waste management may be necessary locally in African cities to complement larger-scale waste infrastructure.

African urban landfill practices also require serious attention as these are critical to human health and reliable

ecosystem functioning. The Mariannahill Landfill, near eThekweni (South Africa), was registered as a national conservancy in 2002.<sup>163</sup> The facility receives over 450 tons of urban waste daily from which it produces electricity, treats and reuses leachates<sup>164</sup> as well as extracting toxic substances through artificial wetlands. In Kampala (Uganda) the Kasubi-Kawala neighbourhood entered into a partnership to recycle neighbourhood waste, of which 75 per cent was organic, into animal feed, compost and alternative fuel.<sup>165</sup> The Coptic Christian Zabbaleen in Cairo have traditionally collected the city’s waste and now operate at scales large enough to bridge international price variations of recycled glass and plastic. The social value of focused waste management projects, such as these examples above, is critical to catalysing behavioural change necessary for Africa to move towards future urban zero-waste profiles. Policies, governance structures, infrastructures and technologies adopted at the city scale play key roles in stimulating the transition and influence behaviour at large as well as at local scales. African city governments may be required to enter into partnerships, for example, with the private sector or with regional and international donors to achieve the large-scale actions necessary to speed up the transition.

### BOX 1.9: IMPROVING LOCAL FOOD RESILIENCE

Local food resilience is critical as African cities are heavily dependent on imported food (from rural areas or abroad) and therefore susceptible to exogenous shocks. Urban agriculture in Africa is largely informal and unplanned, while cities expand on the valuable agricultural land that feed them. African cities can support and encourage urban agricultural practices that draw on the vast amounts of local organic waste and biomass in cities to improve soil quality and nutritional content of produce.

Urban governance is critical to improving

food security in African cities. Zoning of agricultural lands; formalizing informal urban agriculture; improving irrigation for urban farmers (including support for women farmers and youth); skills development and training; agricultural credit support for urban farmers; funding local advice and support agencies; as well as support for “upstream” (compost and fertilizer production) and “downstream” activities (markets, cold chain storage, solar fish drying systems) can all help improve critical

urban food and nutrition security. At the same time, they would create new services and employment, especially through recycling and reuse linkages between different sectors. All this will require knowledge transfer and training to improve agricultural methods for small scale and urban farmers, and partnerships between farmers, civil society and NGOs as well as government agencies, to create and ensure supportive measures for urban agriculture.

## Opportunities

### Integration

There are interactions between food, energy, water, waste and transport systems that can be exploited for green growth. Material and waste flows from each sector can be taken up in other sectors, closing material flow loops and engendering closer cooperation and “clustering” between different sectors of the city. The key requirement in respect of achieving sustainability in African cities is integration.<sup>166</sup> In order for whole systems to be sustainable, there needs to be integration between the different subsystems and functions, controls and processes. The integrated approach is in keeping with the post-2015 development agenda (see Box 1.10).

Achieving this integration is critical for urban sustainability, in particular where a variety of often conflicting development actions can emerge. There are a number of success factors that can play a vital role in developing world city transitions to resource efficiency (decoupled urban growth) and sustainability at whole system scale. These success factors include and depend on:

- integration between different sectors and scales of governance (especially between formal and informal systems)
- focusing on tackling the “urban divide”;
- improved governance systems and decision-making;
- identifying and implementing smart growth and smart urban design;
- reliable logistics and spatial planning;
- adequate finance and funding;
- appropriate technology transfers and skills development;
- and the capacity to innovate and implement solutions that fit local contexts.<sup>168</sup>

Integration between these objectives is hence critical for urban sustainability in Africa.

The following elements are proposed to aid decision-makers, urban planners, developers and communities to achieve this integration.<sup>169</sup>

- **Improve integration in leadership and institutions through thematic and iconic programmes and projects.** These might include large public transit system projects, which capture citizens’ collective imagination about the possible futures that the city holds, and radically transform access and the urban spatial fabric. In cities where tourism is critical (e.g. Cape Town, Dar es Salaam and Mombasa), and is largely dependent on ecological features and eco-tourism attractions, thematic programmes which focus on urban ecosystem management can play a large role in integrating sectors such as urban waste and agriculture.
- **Ensure the existence of strategic sectorial, institutional, local community, and other intermediaries for innovation and integration through partnerships, participatory mechanisms and processes.** Sustainable development requires cooperation between urban governance, the private sector and civil society in order to actualize sustainability. Typically, intermediaries should focus on broad-level, interstitial or niche activities. These include participatory governance programmes, urban laboratories and observatories, as well as thematic and iconic projects that facilitate integration between sectors and arms of governance. They would typically innovate at all levels of society, from discursive and policy niches to process, system and technology innovations, as well as innovations in business models (e.g. microcredit innovations), cooperative (non-profit) models, as well as innovations in non-governmental and community organizations and their operation.
- **Improved monitoring and evaluation of urban sustainability.** Understanding resource flows and changes in demand for services, materials, goods and so forth that unfold in African cities is critical, especially because there are high levels of unplanned development

#### BOX 1.10: AFRICAN CITIES AND THE MILLENNIUM DEVELOPMENT GOALS POST- 2015

Since 2000, the Millennium Development Goals (MDGs) have served as a shared framework for global action and cooperation on development. Deliberation has begun on how to advance the global development agenda beyond 2015, the target date for achieving the MDGs.

The United Nations Secretary-General has established a System Task Team on the Post-2015 United Nations Development Agenda to coordinate system-wide preparations and to propose a unified vision of the future global development framework that will succeed the MDGs. The post-2015 process is running alongside that of the Sustainable Development Goals, which is meant to envision a more holistic and integrated agenda achieving universal human development while respecting the Earth's ecosystems and critical life support systems. Both processes are a follow-up to the Rio+20 Conference and aim to lead to a single set of goals.

In 2013, African countries convened in a series of regional and sub-regional consultations, initiated by the United

Nations Economic Commission for Africa, to develop a common understanding and identify an African position on the post-2015 development agenda. Agreement was reached that this agenda should focus on three broad development outcomes as priorities: structural economic transformation and inclusive growth, innovation and technology transfer, and human development. The last of these also aims to strengthen capacity to implement disaster risk reduction and climate adaptation initiatives.

UN-Habitat has joined forces with various United Nations agencies engaging in the post-2015 process to promote cities that are "environmentally safe, socially inclusive, economically productive and resilient", acknowledging that urbanization can be a driver for sustainable development as the future of mankind is one that is urban and cities consume more than half of the Earth's resources.

Targets that could be considered by African countries and cities to promote these goals include:

- increasing the number of countries implementing inclusive national urban policies
- reducing the proportion of people living in slums
- increasing the proportion of towns and cities using participatory approaches in public affairs
- reducing the rate of urban violent crime
- increasing the number of cities implementing inclusive policies to facilitate urban job creation
- reducing the average time and expenditure of urban dwellers on travel within urban areas
- increasing the share of renewable energy sources in cities
- improving access to safe drinking water supply and adequate sanitation in cities
- increasing the number of cities implementing policies or plans that integrate comprehensive and multi-sectoral measures to strengthen resilience.

Sources: Rippin (2012); UN-Habitat (2012).<sup>167</sup>

in these cities. Improved liveability, skills development, employment creation and innovation are also critical in order to ensure that broad-level urban sustainability can be achieved across multiple dimensions, from the material to the social, economic and ecological.

Other considerations can be taken into account in respect of green economic and sustainable development in African cities, including clustering and partnerships.

#### Clustering

Diversification can be achieved through clustering, which facilitates information exchange and shared resource use. Clustering seeks collective efficiency and cooperation. It improves supplier and market access as well as increasing niche specialization and output.<sup>170</sup> Green economic clustering can also increase competition<sup>171</sup> and clustering<sup>172</sup> can help improve urban adaptive capacity at local scales through harnessing diverse but complementary interdependencies in the urban sociocultural and economic fabric. It may potentially play a role in bringing about "bioregional economic diversification" and decoupling.<sup>173</sup> Working with nature,<sup>174</sup> leveraging density<sup>175</sup> and also optimizing infrastructure<sup>176</sup> are critical for the future sustainability of African and global cities.

#### Partnerships for Growth

Infrastructure choices that African cities make will determine whether this kind of sustainability is achieved, not least because they determine how functional specialization unfolds across the city. This is especially the case where large-scale infrastructure and development choices are made, especially bulk infrastructures, which are often deployed in the name of boosting economic competitiveness of cities and focus on areas where private sector and government activities are highest. Slums and informal settlements are neglected as a result.

Infrastructure choices need to be sensitively formulated in partnership with all stakeholders. Community-level partnerships and forums can also help to catalyse democratic participation and build local political constituency in cities. Broader engagement across different sectors is required between governance, business, civil society and institutions of higher learning. In addition, networks of actors, operating in niches, are critical to producing local, context sensitive innovations which can boost local capacity for sustainable development.

Partnerships with local communities and engagement at the city level hold potential for envisioning and negotiating

more equitable ways of engendering benefits from large-scale infrastructure, service provision and development choices. Organizations such as the African Development Bank are typically involved in making investments in large-scale, often regional infrastructures such as roads, rail, energy and water systems. However, these initiatives, while necessary, could be better complemented by linking them to national and local level strategies. Linking top-down driven initiatives to bottom-up priorities requires additional concerted attention, so that regional scale interventions link to local initiatives more cohesively. This necessitates the establishment of partnerships between regional, national and local actors, and decision-makers who manage these efforts.

### **Fostering Innovation**

Africa is rich in renewable and non-renewable resources, with vast consumer potential emerging from the growth of national economies and cities. Africa also has the potential to produce large amounts of food, as evidenced by the large scale foreign purchasers of agricultural land. The necessary preconditions exist to stimulate new agro-ecological economies of scale, but these potentials have not yet been adequately realized. Boosting the innovation capacity of African cities may open up new avenues of development practice, technological design and implementation. Due to the severity and immediacy of urban challenges, innovative responses are required. Linkages between key knowledge and innovation activities need to be fostered. For example, regional cooperation among African institutions of higher learning, innovation hubs, the private sector and civil society has the potential to unleash bold and relevant innovations. Fostering links between activities in different regions enriches the quality of professionals and graduates. It also stimulates the formation of knowledge networks that can evolve and adopt new configurations.

Innovation occurs in networked niches of activities and operations where actors can form varied interrelationships to explore new ideas, opportunities, policymaking and frameworks for business and governance. Innovation requires catalysts and some degree of protection from direct market forces if it is to incubate with some degree of success. This incubation, in different milieus of innovation, supported by networks of actors probing different opportunity spaces and experimenting with different combinations of relationships, is critical for African cities. Firstly, it can play a large role in reorienting often underdiversified economies. Moreover, due to the special nature of African urban challenges, solutions developed on the continent may find markets in other developing world contexts. Lastly, local innovations that lead to the development of new local chains of production are desperately needed to boost employment and incomes in African cities, especially amongst the youth and semi-skilled.

Innovations for African cities must be customized to their context of implementation because local contexts are governed by complex realities and interacting interests that can undermine the application of new technologies and

infrastructures, which are not sensitively oriented to these realities and interests. Local scale innovations that can boost small to medium-scale activities in African cities may well be more appropriate than the “grand” innovation models of developed countries that are too expensive and require scarce high skills levels. The possible exceptions are in cities where there is a proliferation of underemployed, or unemployed, skilled workers and professionals such as in Southern and Northern Africa.

“Innovation hubs” - such as Konza Techno City, some 60 kilometres southeast of Nairobi in Kenya (see Box 4.1), constitute attempts to establish secondary milieus of innovation that do not develop entirely new or innovative ideas, but link to innovation centres across the globe, and require outsourced assistance with activities. Typically, such developments are not integrated into the fabric of African cities, but are developed as stand-alone add-ons to existing cities. Access to these areas will be tightly controlled, and informality will likely be deterred from taking hold.

### **Sustainable Livelihoods**

Ensuring sustainable livelihoods is a cornerstone of sustainability, as it is a key component of maintaining social stability. Perhaps the greatest pressure on them is reflected at the household level, where global exogenous changes in the prices of food, water and energy combine with the effects of climate change to render poor African urban households extremely vulnerable. Sustainable, integrated service provision is necessary to ensure that urban household resilience is boosted and that liveability is seen as pivotal to the success of urban transitions to sustainability.<sup>177</sup> A diversity of local-scale economic activities, which draws on existing modes of formal and informal occupations in a supportive and coordinated manner, is required to improve local level resilience to exogenous factors such as climate change impacts, changes in the global economy, global resource scarcities, or natural and man-made disasters.

Realizing development at this scale in Africa has been historically ignored as many development policies were formulated and imposed from outside the continent. Reorientating the support of external institutions will be required to actualize partnerships that bring about local scale diversification of African urban and national economies.

Ironically, though perhaps fortunately, the turmoil in the global financial system has increased the willingness of global financial institutions to consider, develop and accept new frameworks for economic growth. A critical opportunity has now emerged in which new, or previously ignored, directions can be considered. There has been a significant change of stance in the International Monetary Fund, in particular, with acknowledgement of the inadequacy of earlier developmental models to maintain global economic sustainability and in ushering lasting development in poor countries.

Pluralism in economic growth and the provision of livelihoods are needed if African urban development is to be reoriented towards greater local-scale diversity. It will be

necessary to rethink the social role of development on more equitable terms and engage with local actors in development to formulate more people-centred approaches that engender “new forms of local community”.<sup>178</sup>

Existing regional economic and political bodies and programmes include: the African Union (AU), the Arab Maghreb Union (AMU), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the New Partnership for African Development (NEPAD) and the Southern African Development Community (SADC). These can also help reformulate bi- and multi-lateral trade agreements that presently undermine local trade linkages. There is also a need to reformulate visions for regional development and redefine the role of African cities in these visions.

In more immediate economic terms, however, the role of large-scale public-private enterprises created to provide infrastructure and services needs closer scrutiny. Such enterprises put together to provide water and sanitation infrastructure and services do not create competitive markets at multiple scales in African cities and economies.<sup>179</sup> Yet this multi-scalar development is necessary to absorb the large workforce and reduce inequality in income and consumption profiles.

Africa is urbanizing rapidly and many cities are expanding unplanned. Demand for services, which most urban slum dwellers find unaffordable, is growing. Large-scale developments, which are co-funded by governments and the private sector, should be implemented in ways that create employment and incorporate existing, often informal and private small-scale operators. The opportunity exists to create more diverse partnerships, which will promote activities at different scales.

Early independence-era African governments had a philosophical orientation that gave priority to hauling their people out of poverty and thrusting them into modernity. In the desire to provide services and security, the supply of energy, water and sanitation became the responsibility of central governments.

Today, governments, cities and municipalities are constrained by the control of central government, which allocates city-wide responsibility to a single large provider. The result of this is that often only middle- and high-income households can afford services. Informal and small-scale private sector providers are left to service slums. Therefore, in sub-Saharan cities, infrastructure and service provision often fails to reach the places where they are most needed. Decentralizing infrastructure and service delivery options at multiple scales is necessary in order to create a more competitive market. This does not prevent the formation of large public-private partnerships. However, it disagrees with the centralized modes of implementation, as they do not create the outcomes desired in African cities and countries. Building local scale capacity for governance, and hence a decentralization of governance, may also be necessary to facilitate effective local scale function and efficiency. This

would require skills development, the establishment of local institutions and partnerships that involve communities, civil society, small- to medium-scale enterprises, informal sector providers and innovative youth entrepreneurs.

Viewing infrastructure development as a chance to create lasting institutions within society that provide employment, enhance skills and create new scope for business and small operators, throws a different light on how public-private partnerships should be constructed to meet the developmental needs of African cities. The heavy reliance of governments on single providers of essential services in cities is an obstacle to creating urban societies engaged in all the major internal economic opportunities that exist within them in order to increase local scale resilience. Viewing waste, energy, water, sanitation, food and transport as vehicles for transforming African urban economies towards more distributed growth, income generation and consumption power is a significant departure from viewing large public-private partnerships as being solely service delivery engines. Yet new ways of conceptualizing how unequal growth and accumulation of benefits can be reversed are necessary in Africa. The same is true of decentralization, which must be accompanied by strategies to create different opportunities at varying scales along the value chain of infrastructure and service delivery. Municipalities need to get closer to their local economies; they also need to find ways to generate revenue for their budgets, and create business prospects for their residents and outside investors. Rethinking public-private partnerships and centralized service delivery in these terms may help conceptualize new ways of empowering African municipalities, diversifying local urban economies and increasing their competitiveness and levels of participation in the economy at the same time.

Establishing opportunities for sustainable livelihoods in African cities requires the formulation of new innovative development and economic growth pathways inclusive of the broader urban citizenry and their majority needs. This is especially the case because African urbanism has not been accompanied by the large-scale industrial transitions that accompanied urbanization in the cities of the developed world. Instead, Africa is characterized by a reliance on extractive or agricultural economies, as well as dual formal and informal economies and systems of governance. Identifying urban development opportunities that build on this understanding is of paramount importance to the future of African cities, since they will likely shape and lead the macro-economic transitions of African countries and sub-regions.

Lastly, careful consideration is required of how functional diversification of smaller cities and towns that spring up or expand rapidly along transport routes and development corridors takes shape; as this functional diversity (whether mining, tourism, storage, or agriculture-based) will likely determine how regional rural-urban linkages operate in future. This diversity will also determine the levels of success that are achieved in respect of spreading the benefits of urban development in Africa beyond city boundaries to the rural hinterlands.

# Urban Land





## Urban Land 1

**Dr. Andrea Rigon – DPU**  
**Dr. Joseph Macarthy - SLURC**



### **D1 S3 – Urban Land in Africa (Colin Marx) (1)**

There are many forms of urban land in African cities.  
 Thinking about these many forms is fundamental for creating alternative approaches to urban land that are more supportive of poor women and men's livelihoods

A parcel of land has many coexisting: **meanings, functions, and values**

**Resource, asset, source of identity, territory, ...** at the same time  
 social, cultural and political value to which a material value cannot always be attached  
 the value of land is also **subjective**, based on **emotions, personal preferences and beliefs**.

Different people have simultaneous valid and valuable interest or connection to a specific parcel, which have to be taken into account in the planning process.

Examples



### D1 S3 – Urban Land in Africa (Colin Marx) (2)

Sister, investor, owner, father, worker, planner  
 Difference in values linked to different identities  
 Different histories of land

diversity of ways in which urban land has a meaning, function or value makes it possible for people to find their way into the city, to access, acquire, hold or exchange land  
 this diversity is important for a city to flourish

Can planning take into considerations this diversity?

Social identities shape people positions regarding the land.  
 In many African cities, women can be sisters, mothers, workers, business owners and so on, but can rarely be land owners.  
 Foreign nationals can be shop-keepers or artisans but rarely land owners.



### D1 S3 – Urban Land in Africa (Colin Marx) (3)

Too much emphasis on thinking about urban land as it conforms to statutory planning standards and is held with formal title.

Other ways of thinking about the land are equally important, particularly for securing more supportive approaches to poor women and men's livelihoods.

Need to think how to challenge some of the ways in which land is meanings, functions and values exclude some groups, such as women or migrants.



## D1 S3 – ‘informal’ land market (4)

a variety of urban land transactions, exchanges and transfers that are not recognized by the state as legal, but which are nevertheless socially accepted as legitimate by a variety of urban actors.

hybrid of a variety of practices and contain elements of customary/civil code law and social practices adapted to suit existing urban conditions.

according to the law, illegal, but the state (or some of its agents) is often complicit in its functioning.

**EG** government officials are often called upon to witness transactions in this sector and keep informal records of ownership

informal market efficient and profitable. In Nairobi, the owner of a structure in a slum can expect higher returns than the owner of a house in a formal residential area.



## Land Tenure

- Land tenure is the relationship, whether legally or customarily defined, among people, (as individuals or groups), with respect to land
- It define how property rights to land are to be allocated, how access is granted to rights to use, control, and transfer land, as well as associated responsibilities and restraints.
- In simple terms, land tenure systems determine who can use what land/resources for how long, and under what conditions
- The right that a person has in an object such as land may be considered as property
- Different rights do exist to the same parcel of land, such as the right to sell the land, the right to use the land through a lease, or the right to travel across the land
- Each right may be held by a different party or shared (e.g. between the owner and a tenant)



## Types of Tenure/Property rights

It may be useful to simplify the representation of property rights by identifying

- Use rights: rights to use the land (e.g. for market gardening)
- Control rights: rights to make decisions how the land should be used
- Transfer rights: right to sell or mortgage the land

Note: Very often, the poor in a community have only use rights.

More frequently, land tenure rights are classified as follows:

- i. Formal tenure/property rights may be those rights that are explicitly acknowledged by the state and which may be protected using legal means.
- ii. Informal tenure/property rights are those that lack official recognition and protection. In some cases, informal property rights are illegal, i.e., held in direct violation of the law.



## Land Administration

- Is the way in which the rules of land tenure are applied and made operational
- Land administration, whether formal or informal comprises an extensive range of systems and processes:
  - Land rights - allocating rights to land; delimitating boundaries of parcels for which the rights are allocated; ensuring transfer from one party to another (through sale, lease, loan, gift or inheritance); and adjudicating doubts and disputes regarding rights and parcel boundaries.
  - land-use regulation- the enforcement of land use plans and regulations
  - Information on land, people, and their rights including Cadastral mapping
  - Enforcement of tenure rules - Recognition of right and protection against the acts of others



## Urban Land Market

- Land market in the Western Area is slowly gaining pace especially in the peri-urban areas where demand for urban land is fast increasing owing to urbanisation with vast portions of land becoming increasingly commodified. The market is however, relatively small compared to other countries in the sub region
- It is characterised by a plurality of land rights
- It also involves the coexistence of formal and informal land markets.
- While differentiating formal and informal markets is difficult given their inter-relatedness,
  - formal land markets can be referred to as those whose transactions are legally recognised, while
  - informal land market may refer to transactions which are not recognised by law or are not officially registered in the government's systems



## Efficiency of the Urban Land Market

- Market principles help us to understand how land is traded, but we must note that while sellers can buy more bags of rice and move them to where the price is best, land is both immovable and finite
- Land market in Freetown is subject to numerous transaction costs that may not be directly included in the price of what they are buying
- Transaction costs include the following steps: verifying the Property Registry to be sure that the seller has title, obtaining a survey, filing the survey at the MLH&E, preparing a purchase and sale agreement, obtaining a tax clearance certificate from the NRA, and paying the fees and taxes (World Bank 2008; Knox 1998)
- All these extra costs makes the land market inefficient.



## Key Actors in the Urban Land Market

- The MLH&E is responsible for: managing state lands; compulsory acquisition of land; surveying and mapping; planning; development; and establishment and enforcement of building codes
- The MLG&CD ensures the implementation of the government's local government reform and decentralization program
- The FCC has responsibility to manage land and Plan the development of Freetown
- The Registry (MOJ) Registers and document all land transactions in the Western Area. Arbitrates all court cases
- The NRA collects sales tax on all land transactions in the W/Area
- Community leaders/councillors etc.
- Sellers (e.g. family houses etc.)
- Buyers



## Taxing Urban Land

- Land is in a fixed supply. It is clearly unmoveable with its value derived primarily from its location. Therefore, location is the key determinant of its value (Atack and Margo 1996).
- Land near the city centre is usually the most valuable land. Therefore, if this land remains vacant, it is not being put to its most productive use. Moreover, this land presents the highest potential source for municipal revenue if it is taxed effectively.
- Local governments around the world have been becoming more interested in raising revenues from property taxes
- A land tax is one of the property tax particularly favoured by some economists
- A land tax places a higher emphasis on taxing the land itself rather than on its improvements (Dye and England 2010)
- Two potential benefits from a land tax for local governments is that it raises revenues and, from a planning perspective, has the potential to affect land use in a city.



## Urban Land 2

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## Urban Land Markets

- ❖ In urban areas, access to land is through the land market....although state land is also available.
- ❖ land market is defined as, “a framework through which seekers of land for various uses can acquire it for its development into the required uses” (Dowall, 1991; cited in Owei, 2007).
- ❖ demand and supply expected to determine price of urban land, but
- ❖ Bryant (1972) has shown that the laws of supply and demand are not adequately observed in land markets



## Reasons

1. there is an inherent monopoly in terms of supply. What this means is that land is different from goods, services and other commodities because its supply is relatively fixed
  - Land price is generally non-stationary when its temporal dimension is considered (Hannonen, 2008)
2. the heterogeneity of land plots in terms of location, and quality makes the urban land market imperfect in nature (Zhu, 2002).



## Brief history of ULM

- ❖ David Ricardo and Johann Heinrich von Thunen's 19th century literatures provided the first, though opposing theories on land use and land valuation, and on which the present-day theories of land use and land value are based
- ❖ Whilst Ricardo's economic theory was based on relative productivity of agricultural land (soil fertility as a dependent variable), von Thunen's geographical theory considered the locational attributes of land in terms of its values and use.



## Brief history of ULM cont

- ❖ Weber (1909) analyzed the distribution of Industrial locations around a central city, taking into consideration the volume of materials to be shipped, the distance that the goods had to be shipped, and the
  - unit distance cost of shipping;
- ❖ Burgess (1925) did a similar model by analyzing the distribution of urban land uses in Chicago using a concentric zone model of both industrial and residential uses around a city centre
  - Christaller's (1933) Central Place Theory followed. His theory focused on the number, size and location of human settlements in an
  - urban system. To him, each settlement functions as a central place that provides services to neighbouring areas



### Brief history of ULM cont

- Thence, several scholars (Alonso, 1964; Muth, 1969; Barlowe, 1978; Mills, 1981; Baross and Linden, 1990) determined the optimal pattern of land prices in zones, located at different distances from the center of a city. They proposed distance decay models for assessing the impact of distance on the land values



### Questions for Group Discussion

1. Describe the formal and informal land markets in Sierra Leone (if any)
2. How is land bought and sold in Urban areas in Sierra Leone ?
3. Which land parcel is more expensive, and why: residential, business, or agricultural land ?
4. What determines price of residential land ?
5. What determines price of land for business (if any) ?
6. Identify the factors that determine price of land in the West, Central and East of Freetown
7. What Challenges in the urban land market in Sierra Leone ?
8. What changes in urban land use practises are observed ?



## Management and Overlap of tenure systems

- ❖ the state should make judicious use of its available land
- ❖ Past colonies inherited land tenure systems of their colonial masters
- ❖ In Sierra Leone, the dualistic tenure system exists (Western Area including Freetown has freehold system, whilst the rest of the country carries customary tenure)
- ❖ Freehold tenure means one can possess land in his or her name; Customary tenure system prevents women and “non-natives” from holding land
- ❖ These have implications for land management



## Management and Overlap of tenure systems cont.

- ❖ Central government should provide land for various uses in the country
- ❖ Competing land uses make this a challenge, in both the western area, and in the provinces
- ❖ In the western area, residential land is more demanding whilst location of social services, and industrial areas pose challenges
- ❖ Acquisition and use of land in the provinces is problematic



### Questions for Quiz or Discussion:

Identify the challenges of :

- (i) the freehold system
- (ii) State land allocation and use
- (iii) customary tenure

in terms of :

- (a) food security
- (b) industrial or business development
- (c) Social justice and inclusion
- (d) livelihoods of the poor and vulnerable



### Taxing Urban Land:

- ❖ Urban tax is tax on a land parcel, depicting its value
- ❖ Land Value Tax taxes only the value of land itself, while leaving buildings and other improvements tax-free
- ❖ It is a tool that can be used to discourage speculation and encourage development of vacant land parcels.
- ❖ Many governments around the world have used this tool to motivate the private sector to develop vacant land. However, governments should not use this tool solely to address budget issues. Rather, they should use this tool to change the behavior of the private sector and block speculation



## Taxing Urban Land cont:

- Taxing vacant land parcels has its challenges and problems.
  1. It is a costly exercise because it requires a two-rate or split-rate property tax system to assess both improvements to the building site (if any) and the land value. As noted, assessments are expensive and many developing countries lack experienced assessors to perform a sound assessment of land value, regardless of improvements in or around it.
  2. Another issue concerns the definition of vacant land, which has to be carefully formulated to ensure an equitable taxation system while also discouraging speculation and blight. For example, comparing a 1-hectare land parcel with a single-family house to a 100-square meter land parcel with no structure on it, which one would be considered vacant and how much tax should be imposed to ensure fairness?



## Processes in formal and informal areas

- ❖ Governments have many policy instruments at their disposal to control or influence land use and land use patterns at different territorial levels. Planning traditions, systems and models vary across countries.
- ❖ The traditional command and control approach often involves zoning, density regulation, and other direct land use controls



## Informal areas (cont)

- ❖ In the majority of developing countries the low incomes of many urban households, combined with the high costs of urban land, conspire to make access to affordable, appropriate, and legal housing extremely difficult
- ❖ Informal areas are called informal because they develop in absence of government planning processes. In some cases, buildings and neighbourhoods are built illegally on agricultural land that is not officially assigned for housing and construction. Such ad hoc constructions often disregard government regulations concerning the size of allotments and standards of construction



## Quiz

1. As a government official tasked with evaluating/assessing land parcels around Freetown, provide criteria for valuing lands located in various parts of the city (eg. Areas closer to motor routes, closer to residents of government ministers, closer to city center etc)
  - You can provide a hypothetical table like this
  - | Area                  | Cost             |
|-----------------------|------------------|
| 1. closer to dumpsite | 1. Le 500,000.00 |
2. What are the features and occupation of people in informal areas?



## D1 S4 – Land Value Capture (1)

Land-based tool to fund urban development  
Not much used in Africa but key to urban development in many places

Urbanisation in developing countries generates very high income for land owners

When convert rural land into urban, typically increase value 400%

Value unserviced land in periphery	USD34m2
Cost of servicing land	USD 35m2
Value of serviced land	USD 135M2
value increment after costs	USD66 M2

Change of use of the land give even higher returns to land owner.  
All these increases pocketed by landowner



## D1 S4 – Land Value Capture (2)

**Effects of Administrative Land Use Changes on Land Prices (Stylized Facts)**

Type of Land Use Change	Price before Change (US\$/m <sup>2</sup> )	Increment (%)	Price after Change (US\$/m <sup>2</sup> )	Windfall on 5,000 m <sup>2</sup> (US\$)
Rural to Urban Conversion	2	400	10	40,000
Building Norms	100	80	180	400,000
Zoning Regulations	200	100	400	1,000,000

- Higher density
- Residential to commercial



### D1 S4 – Land Value Capture (3)

Land value capture refers to the recovery by the public of value increments (unearned income) generated by actions other than the landowner’s action.

**Efficiency:**

**Equity: avoid unjustified enrichment: with no own efforts.**

**Sustainability:**

**Betterment contribution**

**Building rights**

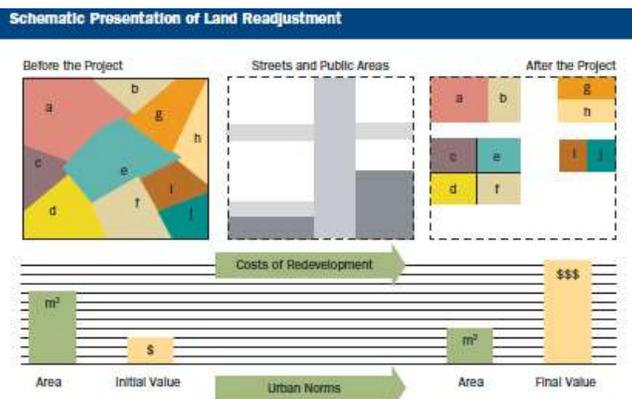
**Land readjustment**

**Expropriation**



### D1 S4 – Land Value Capture (4)

#### Land readjustment



## Urban land in African cities

2018

Dr Colin Marx, The Bartlett Development Planning Unit, University College London

This brief overview makes two points about urban land in order to challenge the view that there is only one way of thinking about urban land that matters. First, that there are many forms of urban land in African cities and second, that thinking about many forms of urban land is fundamental for creating alternative approaches to urban land that are more supportive of poor women and men's livelihoods.

I begin by demonstrating the ways in which urban land can be differentiated. An important starting point is to think of a particular parcel of land as having many co-existing meanings, functions and values. It is commonly accepted that land can be a resource, an asset, a source of identity, a territory and so on. What is less commonly accepted, but perhaps more important is that a single parcel of land can simultaneously have all these meanings, functions and values. We can say that these meanings, functions and values co-exist.

In order to make this differentiation visible, we need to assume that many different people can simultaneously have a valid and valuable interest or connection to a specific parcel. For example, a father living in an informal settlement close to the centre of town can value the piece of land for the educational amenities it offers his children at the same time as a developer may be valuing it as part of a commercial development. At the same time, the father could think of the value of the land differently as a self-employed artisan in the informal economy and the developer could be thinking about cultural constraints that are associated with a customary history of the land.

Thus, part of this diversity in interests and values comes from a recognition that we all have multiple social identities that emerge in relation to others. We value land differently when cast as a sister, investor, owner, father, worker or planner and in relation to people adopting other social identities. Of course, social identities are not the only factor in determining the meaning, function or value of land. The different histories of land (and how these are changing) are also crucial – often giving meaning to social identities. So that, customary land has a different history to church land, and owners of customary land are seen differently to owners of historically-defined church land.

This leads on to the second point that this diversity is fundamental for creating alternative approaches. Then almost unimaginable diversity of ways in which urban land has a meaning, function or value makes it possible for people to find their way into the city, to access, acquire, hold or exchange land and this diversity is important for a city to flourish because people can, create value, offer services, and make things happen. The diversity on which this depends cannot be accounted for in current urban planning approaches.

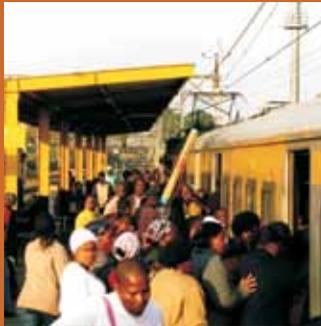
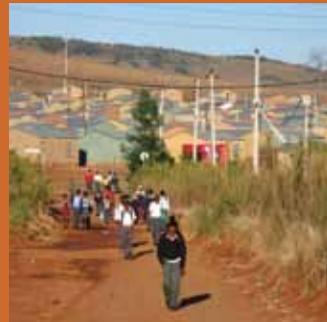
While this diversity makes it possible for people to find their way into the city, to develop themselves and grow the city, the ability to adopt certain social identities are not distributed equally. For example, in many African cities, women can be sisters, mothers,

workers, business owners and so on, but can rarely be land owners. Or, foreign nationals can be shop-keepers or artisans but rarely land owners. Thus, the diversity of social identities and histories of land in cities are cut across by particular fault lines that make it difficult for all to access land equally.

In amongst this diversity with its particular fault lines then, we come to the key point: that it is all the more remarkable that only one way of understanding the meaning, function and value of land is privileged as being important. That is, the view that the most important way of thinking about urban land is that it conforms to statutory planning standards and is held with formal title. And consequent, upon this view that, when they are acknowledged, any other way of thinking about land is somehow sub-standard to this view.

In sum, in order to create the basis for securing more supportive approaches to poor women and men's livelihoods, there is a need to challenge singular descriptions of urban land and recognise that the diversity of ways in which land has meanings, functions and values is important but already also contain inequalities that need to be addressed.

handbook  
for practitioners



# Urban Land Markets:

Economic concepts and tools for engaging in Africa



**Urban LandMark**  
making urban land markets work for the poor

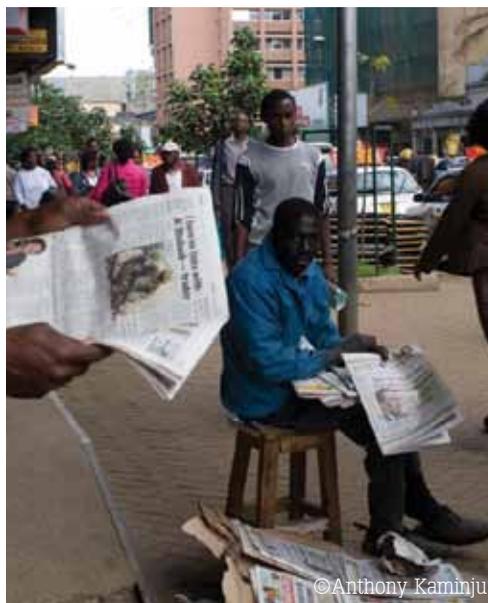


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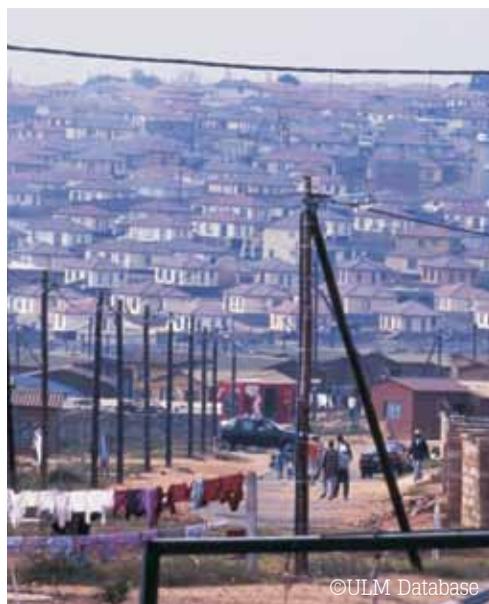
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# 1 Economics & the urban land market in Africa



Johannesburg, South Africa

SECTION A



# The pieces of the puzzle



# Defining the market

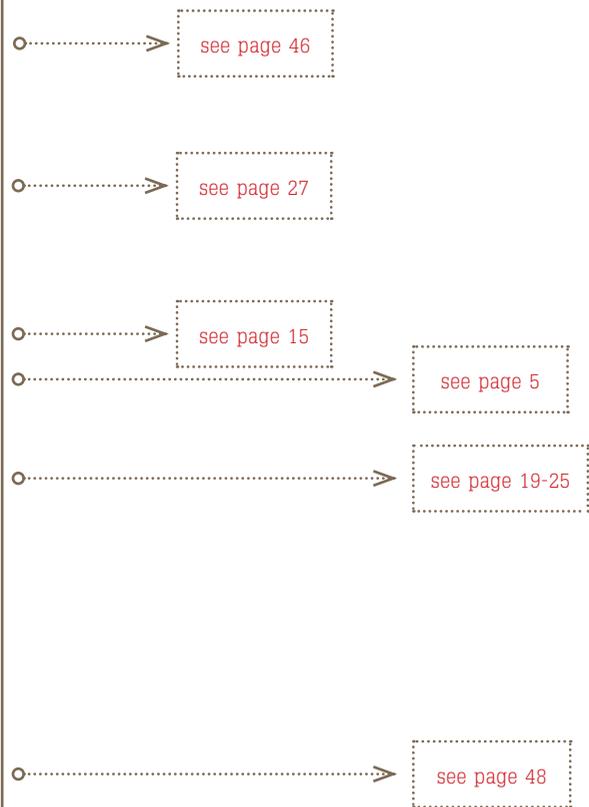
Simply put, a market is a site where buyers and sellers exchange goods, services or information. It consists of a framework of institutions, social practices, relationships, regulations and **actors**, all of whom participate, in one way or another, in the production and exchange process.

There are many types of markets, varying in size, **location**, the types of actors involved and the rules of exchange – from local neighbourhood or municipal markets to large international stock and **commodity** markets. Where a market brings together buyers and sellers to exchange goods for money, the **prices** of these goods are set according to the forces of **supply** and **demand**.

As this handbook demonstrates, land markets in African cities also have their own peculiarities, incorporating both **formal** and **informal** characteristics. Yet in many ways, the market laws of supply and demand do not care whether a market is formal or informal; these principles apply regardless.

Some describe the market itself as a mechanism that regulates trade. But the market is shaped by state regulations, principles of supply and demand, policies and norms. These are enforced by a variety of bodies, including the **state**, consumer rights organisations, international trade organisations, and localised community or social organisations. Depending on how sophisticated the market is, the number of these components and their relationships can vary considerably.

It is important to note that all markets operate within a broader political economy where the power balance between the different actors / institutions is unequal. How these imbalances shape the urban land market in Africa is discussed further in chapter 3.



While we can talk about specific markets – for land, food or car parts – as self-contained, each area of trade is dependent on and conditioned by others: markets in one part of the economy can and do affect other markets. To use the puzzle metaphor, ‘the market’ is itself a large jigsaw that is composed of many small and larger markets, all related to one another and subject to formal and informal rules and regulations. All these are embedded in a national economy that is itself part of a global economy – a market system.

# Supply and demand

## 'You want; I got'

Supply and demand are the forces that form the foundation for the allocation of resources in a market. Demand is the quantity of a product buyers are willing and able (if demand is **effective**) to purchase at a particular price at which the good is being sold. The supply of a good (or service) is the quantity that producers are willing or able to supply on the market at a particular price.

Beyond this, things start to get complicated. Because the market is an ever-changing set of relationships – in which actors respond to changing circumstances – the higher the price of a particular good, the less the amount buyers are typically willing to purchase. And if the price is too low, the seller is unlikely to sell.

If the price of meat increases, for example, we can expect households to buy less meat and consume it less frequently. On the other hand, when meat prices fall, households will buy more and eat more. Suppliers will often produce more of a good if the price is higher (because it is more profitable for them), and vice versa if prices are low (and less profitable).

When the quantity of goods being supplied in a market is equal to the quantity being demanded by buyers, the market is said to be in **equilibrium** – a balance between the quantity demanded and the quantity supplied. In economics, the market is considered most **efficient** when it responds to changes in demand and supply quickly.

As we shall see later, the property market often **takes time to respond** to changing circumstances, making it an **inefficient** market in the short term.

→ see page 11

### Did you know?



A **commodity** is a good for which there is demand but is supplied without differentiation in terms of quality.

For example, petroleum is a good that is the same no matter who produces it. The petroleum price is universal and fluctuates daily based on global supply and demand. Stereos, on the other hand, have many levels of quality – the better it is or is perceived to be, the more its cost.

Commoditisation occurs as a good loses differentiation across its supply base – often by the diffusion of the intellectual capital necessary to acquire or produce it efficiently. For example, silicon chips that would previously have carried premium margins are now commodities.

Source: [www.wikipedia.org](http://www.wikipedia.org)

→ see page 6, 43 & 51

→ see page 77

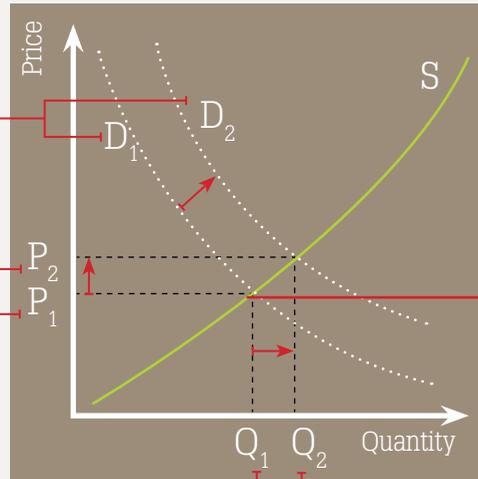
→ see page 6 & 81

→ see page 77

## Figure 1a: Demand curve

When consumers increase the quantity demanded at a given price – but supply conditions stay unchanged – it results in an increase in demand, which results in the demand curve shifting outwards – from  $D_1$  to  $D_2$ .

This raises the equilibrium price from  $P_1$  to the higher  $P_2$ .



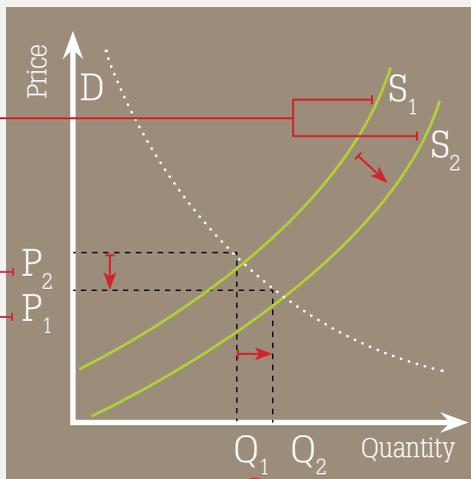
In a competitive market, price functions to equalise the quantity demanded by consumers and the quantity supplied by producers, resulting in an economic equilibrium of price and quantity.

Generally in the land market, if the demand curve shifts out from  $D_1$  to  $D_2$  – consumers demand more land to be available to utilise but the supply side often cannot respond to the increased demand that rapidly – the result will be a shortage – at the new market price, quantity demanded will exceed quantity supplied. Economic equilibrium will therefore not be reached.

## Figure 1b: Supply curve

When suppliers' cost for a given output changes – so that they are able to supply more of a product at a specific price, the supply curve shifts from  $S_1$  to  $S_2$ : an increase in supply.

This increase in supply causes the equilibrium price to decrease from  $P_1$  to  $P_2$ .



The equilibrium quantity increases from  $Q_1$  to  $Q_2$  as the quantity demanded increases at the new lower prices.

The following story of the informal market in Uganda illustrates the relationship between supply and demand well.

## What price chickens?



Owino is Kampala's largest outdoor market and one of the largest in East Africa. It has 500,000 vendors and attracts over 200,000 visitors everyday. Traders sell almost every product imaginable: from yams, chickens and fresh fruit to clothes, shoes, hats, candles, books, car accessories, toys and electronics.

The traders get their goods from various sources – wholesalers, garage sales or other dealers.

They buy these at a certain price and they sell them to recover their costs (the price of the goods plus **transaction costs** like transport costs, rental for the stall and licensing fees), and they add a little (or a lot) to the price to make a profit.

see page 14,  
25, 32, 45, 74,  
80, 85 & 89-91

If demand for certain products is low and they are not selling well, sellers drop their prices and stop buying more – they reduce the supply.

Unless a seller is offering some secondary benefit – a guarantee, for example – sellers who have higher prices than others will be forced to drop their prices in order to compete.

Even in informal markets there is sometimes a *de facto* regulator – an informal entity responsible for regulating and organising the market.

Sometimes traders recognise these as legitimate; at other times they are exploitative and not widely recognised – and sometimes they are resented.

Whatever the case, these authorities often allocate stalls, collect a tax or fee from stall owners, resolve conflicts between sellers and maintain the market's infrastructure.

Of course, the extent to which regulators are successful in carrying out these tasks varies from one market or situation to another.



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# Stretching the market

## Elasticity of supply and demand

Elasticity refers to how buyers and sellers react to changes in price.

The price elasticity of demand is the change in how much people will buy if the price changes. Demand for luxury items may slow dramatically if prices are raised, because these purchases are not essential, and can be postponed. We typically say demand for these products is highly elastic: it can bounce from high to low depending on the price. On the other hand, demand for necessities such as food, water and shelter are inelastic – their demand remains about the same despite price changes because buyers cannot postpone their purchases without adverse consequences.

On the supply side, we say that supply is elastic if a small rise in price results in a large increase in the amount produced. For most goods, this response may take a while, but they are usually more elastic in the long run than in the short run. In the short term, many goods are relatively inelastic.

Take the example of a cocoa farmer with a fixed number of cocoa trees, all producing at maximum capacity. If world prices of cocoa rise, the farmer will not be able to increase supply in the short run because it takes several years before a cocoa tree reaches maturity and produces fruit. Even if the farmer has extra fruit available, it may not reach the market quickly because of other obstacles related to transport, regulation or the fact that the farmer has not realised the price has gone up on the other side of the world.

The price elasticity of supply and demand of land is a central concept in the land market. First, because land is a finite resource, its supply is relatively inelastic: no matter how high the price of land, one cannot increase its physical acreage.

This has significant consequences for urban development. Increasing demand for urban land can rarely be met by increasing supply, as land is relatively inelastic. As a result, prices are bound to increase disproportionately to supply in ways that negatively affect poorer people in urban areas. By changing the development rights on land, densities can be increased and land can be used in more complex ways. However, this takes some time.

The same is true for housing. It takes a while to build or convert new stock despite increases in price; this lag means that the market is unable to adjust quickly to market signals.



Of course the Dutch did just this by reclaiming parts of their country from the sea, but generally it is very expensive and not really feasible in most contexts.

### Did you know?



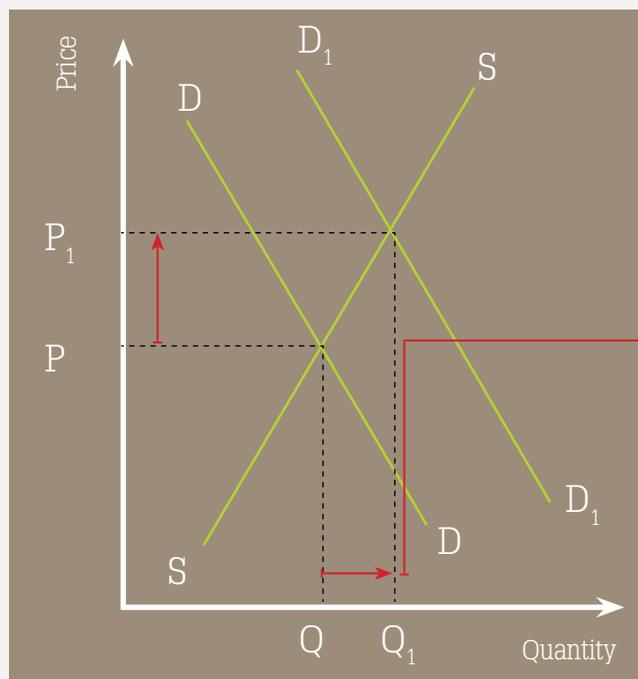
The price elasticity of demand for land is important for policy-makers because it provides municipal governments with an indication of the effectiveness of taxation tools as a means of raising revenues.

With an understanding of price elasticity, urban land policy-makers are able to determine the degree to which they can increase taxes on land and property without reducing the quantity demanded by urban dwellers.

If it is inelastic, increases in property taxes will have little effect on the quantity of land demanded, implying that it would be an important revenue stream for government.

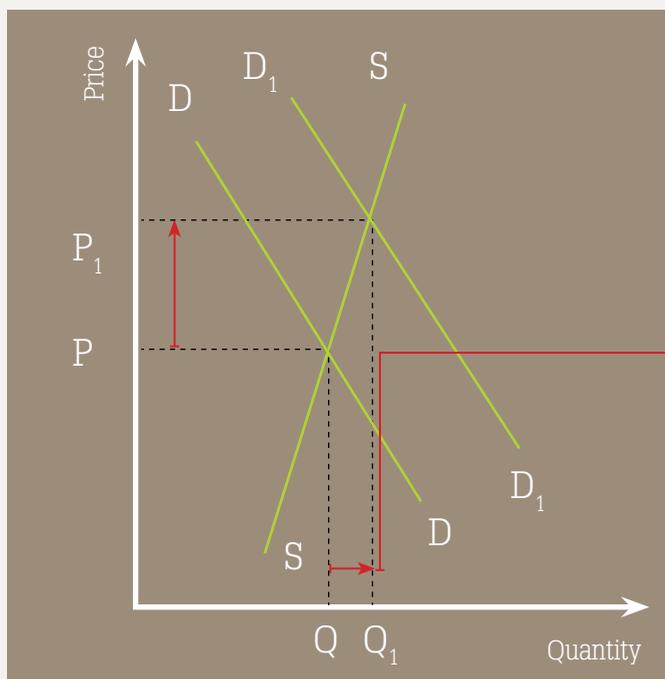
If it is elastic, large increases in property and land tax could result in people demanding less land for commercial and residential use, and/or selling their property and moving to areas with lower tax rates.

**Figure 2a: Price elasticity of supply**



With price elasticity of supply, the quantity of a product supplied can relatively easily respond and increase (from  $Q$  to  $Q_1$ ) if the price of that product increases (from  $P$  to  $P_1$ ). This is the conventional demand and supply relationship.

**Figure 2b: Price inelasticity of supply**



With price inelasticity of supply – as witnessed in the land market – the quantity of land that can be supplied is limited. As a result, when the demand curve shifts out, from  $D$  to  $D_1$ , representing an increase in demand at all prices, the quantity that can be supplied increases very little (from  $Q$  to  $Q_1$ ). The price therefore increases disproportionately (from  $P$  to  $P_1$ ) compared to the increase in the quantity of land supplied.

# Effective demand

It is one thing to want something, but quite another to have the purchasing power to buy it. Demand, in other words, is only effective as a force in the market if conditions allow for people's wants and needs to translate into real transactions. If consumers want something but are unable to buy it, their demand is latent. If consumers have the money to buy the object, demand becomes effective.

For example, importers of DVD players in Harare can be fairly certain that every household in the city wants a machine, but they are not going to import millions of machines unless they are sure enough households have the cash or credit to purchase what they are able to supply.

In an urban setting, if serviced land is available on the market at a certain price, those who can afford it have effective demand.

# Derived demand

## It's not the ground, it's what grows on it that counts

Demand for some products is indirect, because they are means to an end: it is not the thing itself that is desired, but what that thing makes possible.

Demand for transport is a good example of derived demand: riding on a bus is not something ordinary people do for its own sake; they get on because they want to go somewhere – to work, church or home. There may be exceptions, like pleasure cruises or sight-seeing, but for the most part, people need transport because it will enable them to get to work, to trade or to conduct some other transaction.

Derived demand is an important concept for land, since people need land for what the land makes possible – what it yields – and not for the land in itself. But there are exceptions, particularly in the African context, where there is a desire for the land itself because of its **symbolic value**. If land is fertile, there is of course greater demand for it than for infertile land. Similarly, in an urban context it is what you can do on the land which is important. The demand for land is 'derived' from that potential use.

see page 18 & 25

Land is used for various activities: retail shops, factories, housing, public uses such as parks or hospitals, or farming in agricultural areas. Demand for types of land varies depending on what the land is used for and the kinds of activities that will take place on the land. What people are prepared to pay for land is linked to what they are allowed to use that land for, and therefore **what income they are able to derive from that land**. Retail and commercial uses for land in the right place in a city tend to allow land users to extract greater profit.

see 'bid rent theory', page 29

## Market threshold

For a particular economic activity to be viable, a minimum demand for the service is necessary. The market threshold is therefore the minimum demand required to support an economic service.

Thresholds can also be linked to the spending power of customers. This is most obvious in periodic markets in poorer countries where wages are so low that people can buy certain goods or services only once in a while.

We can see how market thresholds would be important for planning in urban areas. They determine when a government can provide infrastructure – roads, clinics, schools, water and sewerage systems. For example, it is unlikely that a government will build a reticulated sewer system for one farm house; however, in a densely populated urban area, it becomes financially viable and (indeed environmentally desirable) for a government to build a sewer system, as there is enough demand to support it.

One should keep in mind, however, that a government would not necessarily make such decisions based purely on **economic considerations**; other issues such as social and political concerns may introduce a trade-off between government's implementation of different urban priorities – whether a market threshold exists or not.



see page 28 - 32

## Externalities

Externalities are 'side effects' of economic activities that impact on third parties – whether they like it or not – and are not considered in the price of the transaction. We usually talk about them as positive or negative.

Positive externalities benefit third parties without them incurring the costs of securing the benefit. Conversely, a factory that dumps chemical waste into a river creates negative externalities that manifest in health costs or the cost of cleaning the river. The effect of greenhouse gases on the environment is another example of a negative externality. The impact of these are so vast that they

are virtually impossible to calculate and they require systemic changes that impose costs on current and future generations.

Property is particularly prone to the impact of externalities because it is fixed in space. A landowner or tenant cannot move their land if a neighbour opens a noisy bar or brothel next door or because the city decides to build a highway over their house. However, a landowner may incur positive externalities from being located close to public transport, schools, employment or other social amenities.

## Transaction costs

Transaction costs are incurred by individuals or firms when they make an economic exchange. When buyers make purchases, they incur certain transaction costs that may not be directly included in the price of what they are buying.

For example, when parents spend a day queueing to get their child into school, the time, energy and inconvenience spent doing so is a transaction cost. Even finding out which schools are good or when registration will take place levies costs. So, in addition to paying school fees, they have to pay with their time and energy.

As we will see later, land markets are subject to numerous transaction costs – an aspect that makes property markets inefficient. The time, effort and money spent accessing land (for example, getting to meetings and negotiating with the owners, securing and registering the land with the deeds office and obtaining building permits from local government offices) are transaction costs that must be paid along with the land's market value.

# Price/cost/value

## What is the difference?

The terms price, cost and value are often used interchangeably but have different meanings in economics. Understanding these concepts is especially useful in Africa where a history of **customary** and **neo-customary** practices means that land is often not treated purely as a commodity that can be bought or sold on the open market.

see page 18-19, 21, 25-26, 49, 58, 69, 83 & 98

see page 21

When a clan or family is allocated land by a traditional leader, they will typically offer him a gift. But this cannot be equated to the price of the land or its market value because it is not intended as 'payment' and is often much less than the price one would pay in the market. They may, however, 'pay' in other ways – through loyalty, through political support or through taxes over time.

### Price

The price of a good or service is the amount that is paid for it in a transaction. The price may or may not be the same as the value.

### Cost

The amount paid to build/replace or reproduce a structure is its cost. This cost may or may not be the same as the value.

### Value

In economics, the concept of open market value has a specific and universally accepted definition. The International Valuations Standards Committee defines it as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length

transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion” (www.wikipedia.org). As we shall see in chapter 3, each of these elements are essential in the determination of the open market value.

When dealing with land, market value is not the only form of value that exists. Indeed, land markets illustrate just how many different types of value there are and provide good examples of non-monetary / non-market ways of deriving value.

Because land is a resource that has social, cultural and political value to which a material value cannot always be attached, the value of land is also subjective, based on emotions, personal preferences and beliefs. Understanding the complexities of urban land markets helps us to explain why they work the way they do in African cities.

## Did you know?

The willing buyer / willing seller concept means:

- The buyer is financially able
- The seller is legally able
- Both negotiate on equal terms
- Both are equally informed
- Both act rationally
- Neither party is under pressure to buy or sell.



## Not so different?

### The stock exchange and an informal market

The stock market, where traders buy and sell shares on behalf of individuals and companies all over the world, is often seen as beyond the realm of ordinary people. Here traders deal in complex financial goods, as well as in commodities such as oil, gold, coffee or cocoa. The prices of the commodities on offer sometimes fluctuate in a wide band in response to demand and supply. Unlike many markets where the prices are hidden, the price of a share is immediately shown on monitors and computer screens across the world.

Ironically an ‘informal’ market and a stock exchange are both seen as rather efficient markets because they can ‘clear’ quite quickly. Clearing is the process by which any excess supply and demand can be mopped up by changing the price.

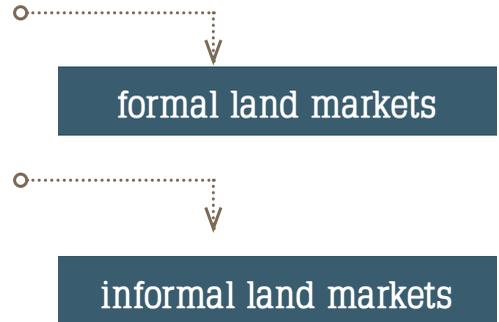
For example, if a street seller needs to sell her tomatoes at the end of the day, she can do so by dropping the price, and passers-by will be likely to buy more.

This is not the case with property, however. If there is an increase in demand for housing because of lower interest rates or rapid in-migration, it is very difficult to suddenly and rapidly build more houses.





# Deep attachments – the urban land market in Africa



Having explained some basic economic concepts, we can now begin applying them to Africa's urban land markets.

Market principles help us to understand how land is traded, but we must keep in mind that when land is traded as a commodity, it is in some ways unlike other commodities. While sellers can buy more maize and move it to where the price is best, land is both immovable and finite (although, by viewing land differently, one can allow it to become a complex commodity which increases the supply of land).

In addition, people do not tend to treat land like tyres, radios, or grain. Instead, it is often revered for cultural, historical and political reasons in a manner that makes its value difficult to translate into a monetary price. In areas where land was expropriated from indigenous peoples, the demand for land has an immense symbolic value, denoting ancestral and national belonging, but also freedom and self-sufficiency. In some instances, people will be unwilling to trade no matter what the price.

Although there is a growing urban land market in many African cities, particularly in peri-urban areas, urban land markets are relatively small compared to other parts of the world. This is in part due to the history of customary forms of land ownership which do not treat land as a resource for trade or sale. Moreover, colonialism initially restricted the supply of land in urban areas to certain types of people, often excluding the majority from ownership or even trade.

In South Africa, the apartheid government did not allow black populations to own land in the city. In Tanzania and Mozambique, the nationalisation policies of independent governments make it illegal for individuals to own or sell land. While individuals, families or businesses might own the property, the land it stands on belongs to the state and cannot be passed on to someone else. This can get rather complicated because owners can sell the property or any improvements on the land, but they cannot sell the land itself.

Generally, for an active land market to exist, land has to be alienable – there has to be an owner or owners with rights to own, use and sell the land. People may trade the rights to use the land or buy and sell what is built on the land, but unless they can own it, they are not trading the land itself.

However, land that is state-owned does not presuppose an inferior system – or that only privatised land denotes an effective market. In this situation, long-term secure leases on land effectively mean that the use of the land is guaranteed, and a functional market does operate in these conditions – which means land markets and poorer people's access to such land can still work.

# Formal land markets

Most analyses of land markets in African cities recognise the co-existence of formal and informal land markets. But defining formal and informal markets is difficult, as they are often inter-related. While they have different rules, regulations and processes, they also share similarities, actors and logics. Broadly speaking, formal land markets are those whose transactions are legally recognised, whereas informal land market transactions are not recognised by law or are not officially registered in the government's systems.

Many African countries recognise dual legal systems of land ownership – **common law** or **civil code law** (inherited from colonial governments) and customary law.

see page 25, 49, 83 & 98  
see page 21 & 49

Common law tenure could include both **freehold** and **leasehold** tenure systems. In both these systems land is alienable, which means that land owners can transact, sell and transfer the land. If these tenure systems are well managed and administered, and secure the rights of land owners and users, they provide the basis for a robust urban land market. However, in customary tenure options, land is not alienable. Instead, it is collectively owned by a community, clan or family and is not treated as a resource to be sold or transacted in the open market. Communal tenure practices thus typically discourage the existence of an active urban land market, although they may help some people gain access to urban land.

see page 26, 50, 52 & 98  
see page 26, 52-53, 58 & 98

Many African cities have a thriving commercial and retail property market, located in city centres and surrounding areas. In the majority of African markets, there is a scarcity of high-quality business space, and there is intense competition where it does exist (Knight Frank, 2009). Much of the demand for office space comes from foreign missions, international corporates, the financial sector, telecommunications and other highly capitalised industries.

## Did you know?



African countries have inherited colonial legal systems.

Anglophone countries generally apply the Common Law system, where the courts play an important role in defining the 'law'. The Common Law system thus places weight on court decisions and precedence.

In the Civil Code System, the 'law' is determined by the legislature: courts merely apply what is written in the statutes.

Common Law systems are considered more dynamic because the courts have leeway to reinterpret and revise the law without legislative intervention. The law is based on practice and actual events and is thus able to adapt to existing social contexts.

Civil Law systems, which rely on the legislature to change law, are more static, responding less quickly to social change.

The shopping centre concept is also becoming popular in African cities. Its success in Lusaka, for example, has seen its development in regional towns like the Copperbelt, Ndola and Chipata as developers cash in on the spending power of a growing middle class which is attracting international retailers (Knight Frank, 2009).

But the spatial location of offices is changing. In cities like Lusaka and Kampala, increasing traffic congestion is leading to the relocation of large business to stand-alone, single-tenant buildings (Knight Frank, 2009:15).

Like other markets, the urban land market is a framework that constitutes a variety of institutions, individuals, rules and regulations. A legal framework supports the land market, determining and enforcing the rights of land users. When the law is followed, it is usually the state that enforces and adjudicates these rights through the courts or special government departments.

see page 25-26, 45, 48, 52-53, 80 & 84

The state may also be involved in regulating land and its exchange through its **land administration** and management functions. In a robust market, there are buyers and sellers, financial institutions that provide debt financing or the funding needed to purchase and improve land, and developers (we come back to these actors later on in chapter 2). Most importantly, there is a regular supply of land to be exchanged.

Cairo, Egypt



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# Informal land markets

“... it is now accepted that, due to a variety of factors, informality is the predominant characteristic of urban growth and that a majority of urban residents, especially the poor, access property rights through transactions occurring outside state regulation and formal land markets” (Rakodi & Leduka, 2003).

The concept ‘informal’ is an umbrella term, used to capture a variety of practices which vary from one context to another. Some people refer to these practices as neo-customary, others call them quasi-customary practices, still others call them ‘living law’.

The term ‘informal’ land market is used to talk about a variety of urban land transactions, exchanges and transfers that are not recognised by the state as legal, but which are nevertheless socially accepted as legitimate by a variety of urban actors.

Informal land markets are a hybrid of a variety of practices and contain elements of customary/civil code law and social practices adapted to suit existing urban conditions. Although this market is, according to the law, illegal, the state (or some of its agents) is often complicit in its functioning.

For example, government land surveyors are sometimes involved in demarcating land for sale in the informal market. Similarly, local government councillors or government officials are often called upon to witness transactions in this sector. In some cases, these local state actors also keep informal records of ownership in their areas of jurisdiction.



This excludes practices that are violent, anti-social and not widely acceptable as legitimate by local actors, although these are also informal. The informal practices we refer to result in what would be deemed to be ‘fair’.

Like the formal urban land market, informal markets consist of a variety of institutions which support, facilitate, regulate and arbitrate informal land transactions. These include state officials, such as local government councillors, traditional leaders, chiefs, community leaders, and community and family networks.

Like formal markets, these regulatory bodies can be effective in facilitating exchange or can be overly restrictive and make it more difficult for (some) poor people to access land. Moreover, like formal regulations and structures, they can collapse in on themselves.

Within the informal land market, there are varying degrees to which land is commodified. The degree of commodification has a significant impact on how the price of land is determined.

The informal land market has a large number of **socially dominated** land market transactions, where the supply and demand of land are mediated more by social relationships than by a financial logic. A study in South Africa has shown that although price or cost is still an issue, it is of secondary importance in the way people transact (Marx and Royston, 2007: 5).

For example, where the right to land is conferred by a chief, the beneficiaries will offer the leader a gift as a gesture, which is often less than the market value.

But research shows that peri-urban land practices are increasingly becoming commodified and transactions are, like in the formal sector, becoming more and more driven by a financial logic. (Kironde, 2001; Syagga et al, 2002).

In fact, the sale of peri-urban land in the informal market is fast becoming a thriving trade, where sellers are able to fetch market-related prices. Indeed, as demand for urban land increases as a result of urbanisation, more and more customary land is traded through the market.

## Did you know?



The majority of urban dwellers in Africa, particularly poor people, gain access to land through informal supply mechanisms.

For example, a study done in South Africa – a country with one of the most extensive formal land systems on the continent – shows that a large number of land transactions in urban areas take place outside of officially recognised systems of land management and property ownership.

Source: Marx & Royston, 2007:3

The same is true for other African cities. Research in six African cities – Gaborone in Botswana, Kampala in Uganda, Enugu in Nigeria, Lusaka in Zambia and Maseru in Lesotho – shows that 50% to 70% of land for housing is accessed informally.

Source: Rakodi & Leduka, 2004

## Did you know?



A study conducted in Tanzania shows that in 1994, over 70% of peri-urban households acquired land through allocation by the village government or inheritance, while only 27% purchased land.

By 2001, 78.9% of households were purchasing land in peri-urban areas and only a minority were accessing it through inheritance or village government allocation.

Source: Kironde, 2001

see page 66

## Transactions in three informal settlements in Kampala



Around 70% of Kampala's residents live in slums. A study done in three slums – Kamwokya, Mbuya and Busega – showed that:

- Land buyers rely heavily on family networks and neighbours to gain information about plots for sale.
- Most land negotiations are conducted between landholders and prospective buyers, although land agents (brokers) sometimes act as a link between the two parties.
- The key factors influencing the price of land is the plot size, location and whether the land has access to water, the existence or absence of a registered certificate of title, neighbourhood characteristics and the quality of available infrastructure and social services.
- Clan identity is less influential than it used to be in the control of land.
- Some of the informal settlements use professional surveyors to demarcate plots, although many are demarcated by sellers.
- Most land transfers have a 'letter of agreement' between the seller and buyer or a certificate of title, which acts as an informal means of proving ownership.

Source: Nkurunziza, E (2007)

The increasing demand for urban land is resulting in its commodification in areas that have historically had communal tenure. Despite this, the informal market is generally considered a risky investment because of the fact that the transactions are not legal.

For example, in Ghana, disputes over land ownership have arisen when some family members have sold communal land without the authority of the clan or other family members (Gbaguidi & Spellenberg, 2004). In these cases, buyers risk losing their money and the land.

Informal land owners are not typically registered by governments as the legal owners of the land – this tends to discourage investment in land because of fear of losing their land and property.

Moreover, without a centralised and reliable system for registering land and owners' rights, urban land transactions are vulnerable to illegal sales such as the sale of one piece of land to more than one buyer. These problems increase the risk that potential buyers have

to take, discouraging investment in land and dampening activity in the urban land market.

To overcome these problems, the informal sector is developing systematic mechanisms of recognising tenure and rights. These methods adopt formal processes, such as the issuance of agreements and certificates that have been witnessed by recognised leaders in the community. While these forms of registration may not be legally recognised, they are considered socially legitimate by the actors involved, and in some cases help to reduce land fraud.

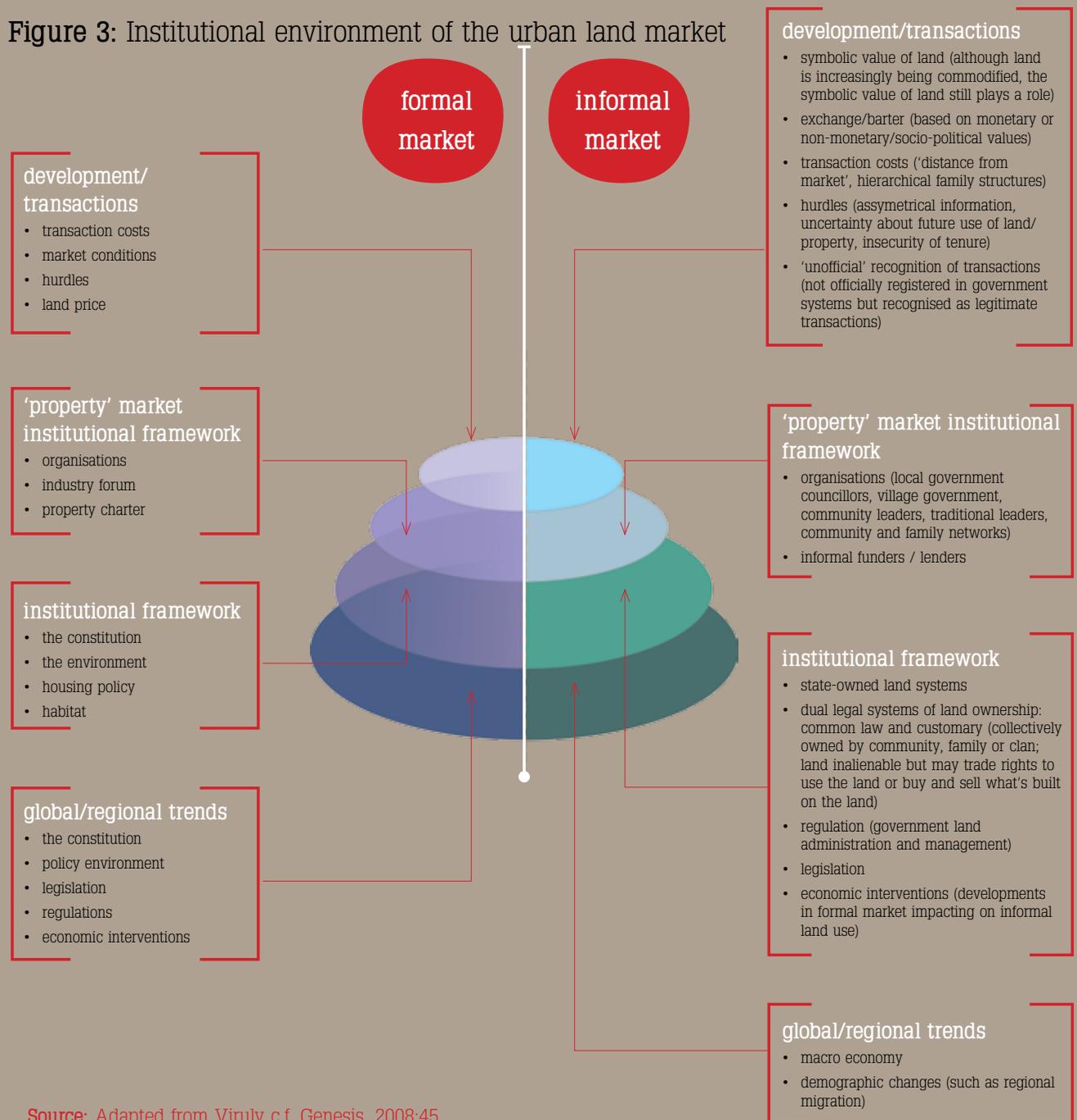
Both the formal and informal urban land markets are an integral part of urban land dynamics on the continent. Although they may have differing regimes of authority, the institutions and actors overlap, and the mechanisms employed are being increasingly institutionalised.

Figure 3 illustrates the institutional environment within which the urban land market as a whole operates.

Johannesburg, South Africa



**Figure 3:** Institutional environment of the urban land market



Source: Adapted from Viruly c.f. Genesis, 2008:45

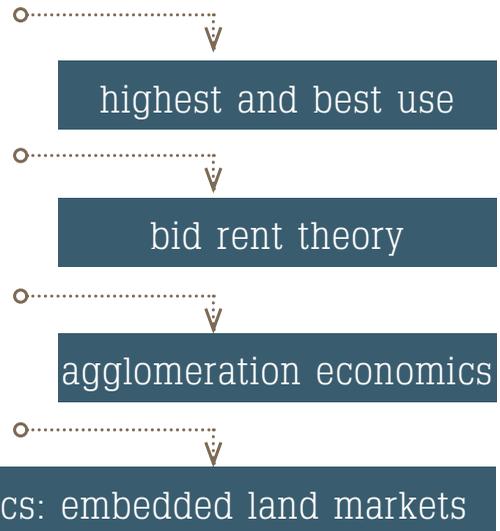
Figure 4: Characteristics of different tenure forms

		Freehold/ leasehold	Customary	Informal
	Court protection	✓	✓	✗
	Exchange based on monetary value	✓	✗	Sometimes
	Exchange based on socio-political values	Sometimes	✓	✓
	Accessibility to all	Depends on affordability	Only group members	All
	State authority responsible for management and administration	✓	✗	Sometimes
	Other regimes of authority (traditional, community leaders, etc.) administer and manage	✗	✓	✓

## SECTION C



Just when you thought we were through – some more puzzle pieces



## Location, location, location!

### The market, space and the built environment

Have you ever wondered why your city is structured the way it is?

Why there is a Central Business District (CBD) with high-rise office buildings, an industrial area and residential quarters where people live?

Why are slums mostly (but not always) located on the periphery of the city or on relatively low-value land?

The following economic ideas help to explain why.

# Highest and best use

One often hears economists speak about the ‘highest and best use’ of a plot of land. This refers to the legal and probable land use that results in the highest property value. In other words, it is the activity that produces the highest economic returns.

Of course, the activities have to be legal, physically possible and financially feasible. This means that a business selling illicit drugs would not be seen as its highest and best use, because there would be a limited number of people in the market willing to purchase the shop for selling drugs – and it would not be a sustainable business as the authorities could close it down.

Strictly speaking then, slums are not considered the highest and best use of the land where they are situated if they are not legally recognised by the state. But there are alternative forms of social recognition and means of acquiring land which a strict economic definition does not recognise.

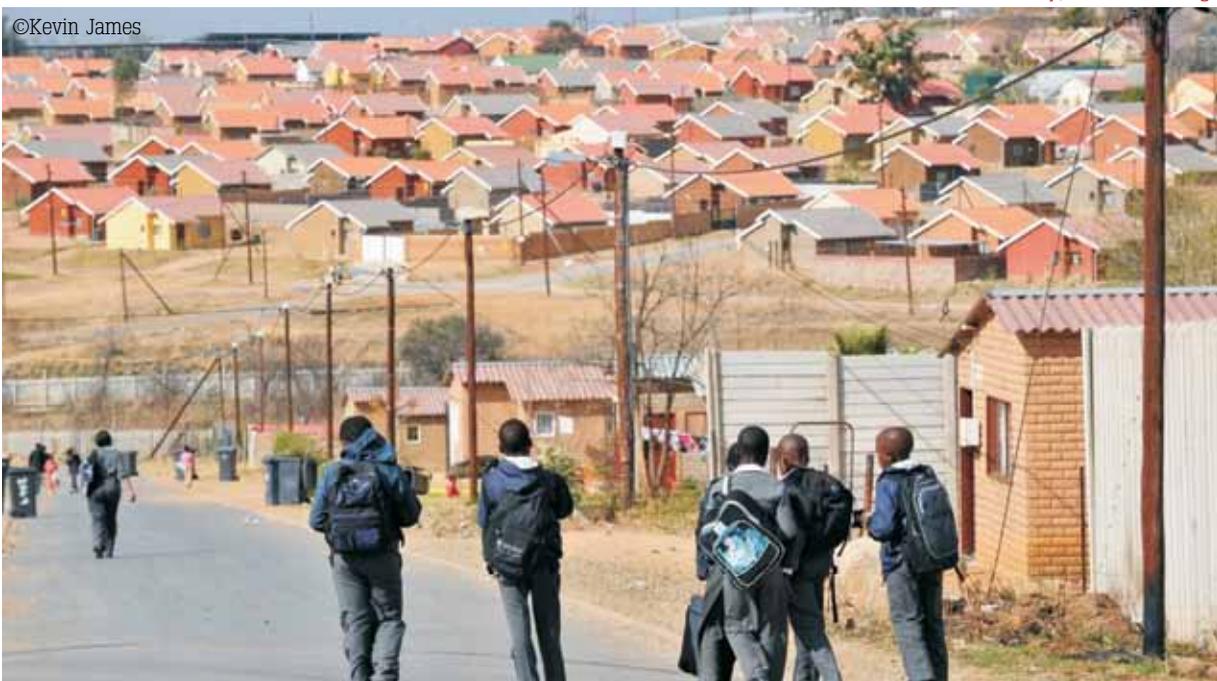
## Opportunity cost

In a pure economic sense, the highest and best use generates the highest price for a piece of land or for a property. But there is always an opportunity cost of choosing one land use over another. Opportunity cost is the value of the next best alternative that is foregone by making a decision.

For example, the opportunity cost of building social housing on a piece of land is the benefit that could have been received – for example through higher taxes or employment opportunities – if a factory had been built instead.

Similarly, by making a decision to allocate money for social housing, a government incurs an opportunity cost because it could have allocated that money to education or health. In allocating the money to social housing, the government gave up the opportunity to use that money for other purposes.

Cosmo City, Johannesburg



# Bid rent theory

One of the most powerful principles of the property market and the basis of investment decisions in cities everywhere is the bid rent theory. If markets were left to compete without regulation, the land use which can yield the greatest financial benefit or return from any particular piece of land should be in a position to 'outbid' other potential users.

In practice, the level of competition between different land uses is constrained by town planning and environmental legislation, as well as the overall institutional environment in which the market functions. In the city centre, developers in the retail sector typically 'out-bid' the price or land value – in turn a reflection of the expected return – which players in the office or residential sector are willing to pay for that land.

As one moves further away from the city centre, the value of land for, say, retail users declines, and developers in this market are 'out-bid' by other contenders, for example office and residential users. This is based on the fact that as users move away from the optimal location (the CBD for the retail user), the value they are willing to pay for property declines.

So it is clear that some sectors and users are more sensitive to location than others – a retailer would place little value on a property that is not well located from a market perspective, but an office space user tends to have more flexibility in the location chosen.

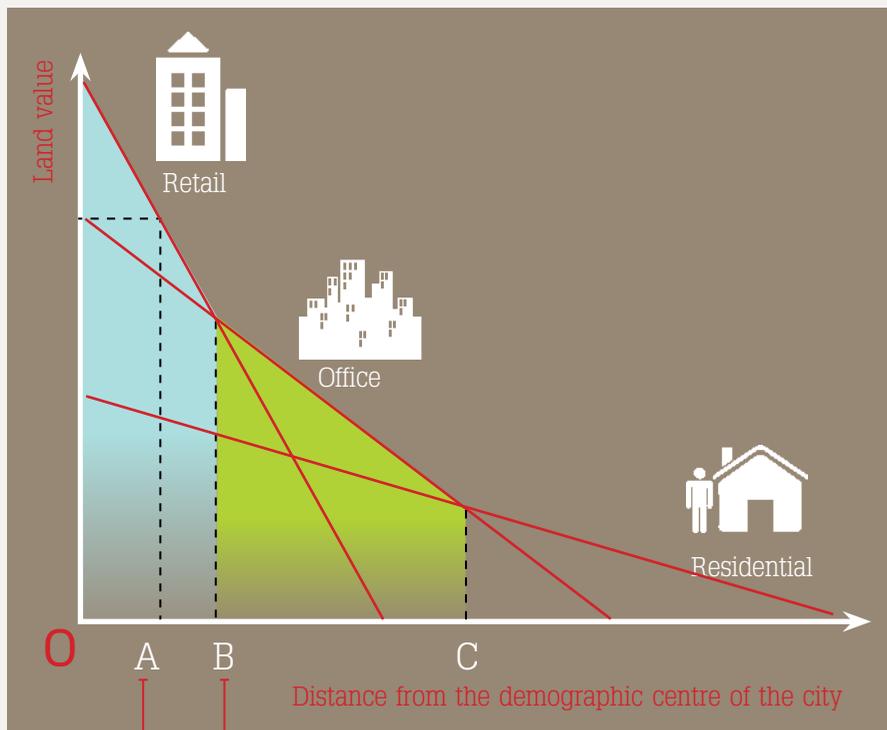
The bid rent principle partially explains why slums are often located on urban peripheries where land values are low. Where they are centrally located, close to infrastructure and economic opportunities, they are vulnerable to eviction because other land uses (for example, office blocks, or middle-class housing) potentially offer higher returns than slum developments.

But as discussed in the section on highest and best use (see page 31 and 32) political and social dimensions also influence land use.

Of course, the bid rent principle explains why South Africa's ambitious housing programme delivered the majority of Recon-

struction and Development Programme (RDP) houses on that country's urban periphery. For the government to afford to provide free housing to poor households, it had to locate the houses where land was relatively cheap.

**Figure 5: The bid-rent curve (the competitive allocation of land between sectors)**



If left to market forces, the property market tends to allocate land according to the highest and best use of each land parcel, which may not necessarily serve the needs of lower-income households who will find it difficult to 'bid' against commercial users and high-income households.

At point B, the office sector is able to 'out-bid' the retail sector

At point A, the retail sector can pay a higher value for land located closer to the city centre than the office sector can.

This shading shows that land between point O and B will tend to be used for retail developments.

The market will tend to allocate land between points B and C to the office sector.

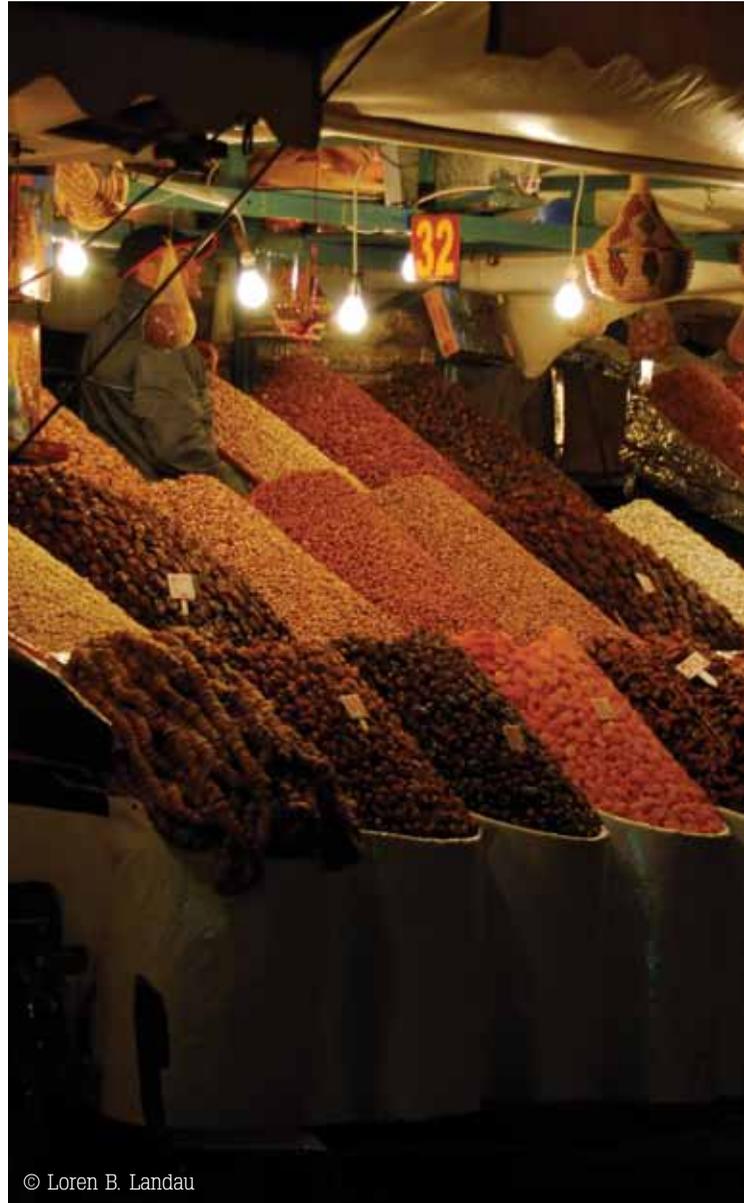
# Agglomeration economics

Another concept that explains why certain urban land activities and economic sectors tend to be located in close proximity to one another is agglomeration.

That industries tend to cluster together in specific locations is no accident. They 'agglomerate' because they can gain certain efficiencies from networks and concentrations. Since production of any good depends on the input of raw material, information and public services such as water and electricity, as well as labour, the production site should ideally contribute positively to the production process. Firms in related industries gather together because this makes production easier, faster and cheaper.

The approved land uses which municipalities place on areas of land in cities can either support or block agglomeration and so affect the choices that businesses have of grouping together or deciding not to (if they want to corner a local market).

Marrakech, Morocco



© Loren B. Landau

# Revisiting neo-classical economics: embedded land markets

## Best according to whom? Other forms of land value

The notion of 'highest and best use' is a contentious one. It sees the allocation of resources purely in financial terms and does not necessarily consider the full range of social, political and environmental rationalities for making land allocation decisions. In other words, what a market may consider highest and best use, a government may consider otherwise because of the high socio-political or environmental costs associated with that use.

A strictly financial interpretation of best use ignores those aspects that relate to social questions and issues of justice and equity. A market-driven allocation of land in most instances does not serve the needs of lower-income households who cannot 'out-bid' commercial users and high-income households. Gentrification of suburbs may, for instance, push low-income households out of particular suburbs and generally make inner-city living unaffordable. On top of being moved, poor people may then have additional transaction costs associated with working or trade as they travel to the inner city each day.

Similarly, calculated financially, the 'highest and best use' of a parcel of land could be building a manufacturing plant. If the environmental costs (externalities) of locating the manufacturing plant are high, a government could opt to dictate a land use that may have a lower financial return, but higher environmental benefits.

Government's role in the market is therefore an important one, and one that is – at least in theory – able to consider decisions on the basis of the broader social good.

Governments which understand both the land market and social needs are able to govern land with confidence. With clear land policies, municipalities are able to balance the needs of all people living in a city or town, and also stimulate the private sector to make its contribution to building the city.

The role of the state is often to protect land uses which may be of lower value in the market but which perform for the public good. The trick is getting the balance between land on the market and land kept aside for the public good.

However, in many cases this does not reflect the reality in African urban land markets. Political influence, corruption, and a lack of resources and capacity often impact negatively upon the state's role in the urban land market, to the detriment of poor people.

## Did you know?



What is 'best' financially may not be so politically.

Having a slum in the city might not make financial sense from a macroeconomic perspective, but it can still serve an important political purpose, making the settlement valuable in political terms.

Slum areas are important organisational bases for political mobilisation, and many are support bases for leaders in power.

For example, Mathare, a slum in Nairobi, was an important political constituency and organisational base for the late president Jomo Kenyatta. As a result, the slum enjoyed political protection from Kenyatta's regime and was not subject to destruction.

Source: Gatabaki, 1995 c.f. Syaaga et al, 2002

This example illustrates that urban land markets cannot be separated from the political and social contexts within which they occur; indeed, that the practices of urban land markets are embedded in social and institutional relations.

According to Mark Granovetter, an influential sociologist, "actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at a purposive action are instead embedded in concrete, ongoing systems of social relations."

Source: Granovetter, 1985: 487



## Big business in slums\*: Rental markets in informal settlements in Nairobi

“It would seem quite possible that, as is often suggested, unauthorised housing and *matatus* [minibuses] are the most lucrative investments in modern Kenya”,

*Amis, c.f. Syagaa et al. 2002*

People often think of slum settlements as places of squalor and poverty, home only to the poorest of poor people. While in many cases this may be true, slums also fill a gap in the market, providing a range of housing options to millions of urban dwellers excluded from the formal residential market.

Conditions in slum settlements vary. While some are located close to roads and job opportunities and have basic amenities, others are poorly located, and lack services such as water and sanitation. Within the informal market, perceptions of safety and community also affect decisions made about where to live. All these factors in turn affect the amounts owners are able to charge for a unit.

Research on rentals in slum areas in Nairobi reveals that the informal housing market performs better in economic terms than the formal market. The owner of a structure in a slum can expect higher returns than the owner of a house in a formal residential area. In some slum areas like Kibera, structure owners are able to recover their capital investment in less than one year. In other ‘less lucrative’ slums, the pay-back period is less than two years. Figure 11 illustrates this.

### Lessons

- Commodification of slum land
- Financial logic in informal land sector
- Land security linked to political power and patronage
- Very poor people remain exploited, vulnerable and marginalised
- Very high returns accrued by land ‘owners’.



\* This case study has been drawn from Syagga, P., Mitullah, W. & Karirah-Gitau, S. (2002) Nairobi situation analysis supplementary study: A rapid economic appraisal of rents in slums and informal settlements. A report prepared for the Government of Kenya and UN-HABITAT, August.

Figure 6: Investment returns in informal settlements in Nairobi (September 2001)



Source: Syagga et al (2002)

Compared to the repayment periods in formal housing markets of between 13 and 18 years, the informal sector clearly has quick returns. Part of this is attributable to the insecure nature of investments – because of the lack of secure tenure and the high risks involved in investing in an informal settlement, investors often charge high rents to recoup their investments faster.

Nevertheless, in places like Kibera, tenure insecurity may be more of a perception than a reality for those landlords who are among the politically connected local elite. In the case of Kibera, the majority of landlords are either public officials or politicians, and have enough influence to ensure that they are not displaced.

From an economic point of view, one might expect this relative security to result in lower rents in informal settlements. However, the rents remain high in proportion to the cost of the building structure. Depending on the location of the slum, acquiring land is costly and often out of the reach of very poor urban dwellers – a well-located plot of 0.125 acres could cost up to Kshs18,000 (or US\$257 at Kshs70 / US\$1).

In some settlements, owners must also pay a fee to the chief for permission to build. These amounts are not paid to the government, but are often not considered bribes by those involved. They constitute about 24% of the cost of the structure and are often passed on to the tenant. Obtaining a Temporary Occupation Licence through legal channels would be far cheaper (about Kshs200 per year) than the price paid in bribes and ‘gifts’ to chiefs and others.

In addition to socially recognised forms of tenure, political patronage and protection and links with the powerful elite provide slum inhabitants some modicum of security – at least for as long as the political benefactor remains powerful. As shown earlier, slums are often seen as important organisational bases for political campaigns.

## What is in it for poor people?

What is the effect of the slum market on very poor people?

- Informal settlements are not the same. They vary depending on their location, patterns of ownership, service and infrastructure levels.
- Those who live and own a structure in an informal settlement are not the same either – they come from different class and political backgrounds and are able to draw on varied forms of power. The poorest of poor people within these settlements remain particularly susceptible to evictions and often have little access to basic services.
- The rental business has become very lucrative in some of the settlements for those with political connections and financial means to buy plots and build housing structures.
- Those who hold land or are tenants in informal settlements without political connections or financial resources remain vulnerable to evictions and are marginalised from the urban economy.
- The marketisation of the informal market and the high rents charged often mean that very poor people live in crowded conditions of squalor and in locations without adequate basic infrastructure, far away from job opportunities. The prices paid in relation to the dwelling type and the services they get are also high.



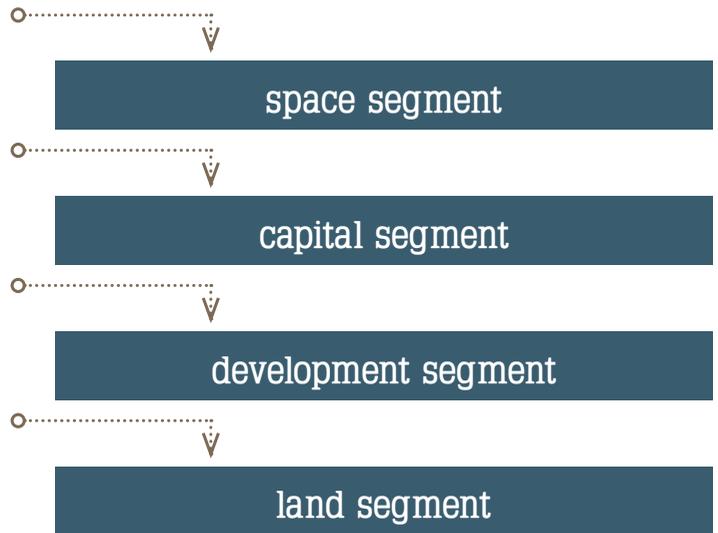
Duncan Village, East London



## SECTION D



## The four segments of the urban land market



The land market, its dynamics and the choices actors make within it can be described by dividing it into four segments. Circumstances and actions occurring in each of these segments influence other segments and have an impact on the land market as a whole. This of course means that interventions in a particular land market segment do not only affect that segment but send market signals to other segments which affect the decisions made in those segments – and so could have positive effects or compromise initiatives that have been introduced there.

# Space segment

Numerous individuals, households and companies each day try to make the most advantageous decisions about the living or work space they require. These decisions are of course influenced by a complex but dynamic set of economic and social considerations – as well as the information available in the market – which determine the accessibility players have to the space market and the opportunities available to them.

Of course, decision-makers within the space segment also influence the outcomes of the land market by attempting to determine the optimal amount, quality and location of space that are required to meet broader social, political and economic objectives.

Broadly, the space segment is divided between residential and non-residential properties. Properties are in turn categorised by the income/business groups they serve, and the kinds of activity that occur on them (Genesis, 2008). These divisions are not always clear-cut, particularly in the African context where multiple activities can occur in a particular space. For example, residential spaces are in many instances also sites of entrepreneurial activity.

Different types of urban dwellers demand different kinds of urban space. For instance, a commercial business will demand space in an area where there are high volumes of people passing through, while this may not be an important criteria for a household seeking residential space. For new immigrants in a city, affordable housing may be an important criteria, and they may therefore be drawn to slums or peri-urban areas where housing is cheap. Similarly, space to trade in the informal sector is a significant criteria for the majority of urban dwellers in African cities.

For these urban actors, informal markets, city streets and even residential homes become important spaces for economic activity. The supply of new space to the urban market is a function of the property values, building costs, land availability and expected returns that investors and developers are able to secure (Genesis, 2008). In many African cities, the high demand of space in peri-urban areas for residential purposes and informal trade has resulted in high development activity in these areas.

# Capital segment

For the land and property market to function effectively, equity, debt financing or other types of funding must be available in the capital segment of the market.

For example, in the residential sector, the need for and accessibility of land or housing can only be translated into effective demand if mortgage finance or micro finance is available to serve both higher-income and lower-end clients.

Where the commercial sector is concerned, the capital segment influences how property values are determined, as commercial sector clients mainly acquire these properties for their income-generating potential – they are therefore valued and finance made available for their acquisition in terms of their potential yield.

Of course, the workings of the capital segment are informed by local and global economic conditions, including rising or falling interest rates, which influence potential income streams in the commercial sector and the availability of debt financing in the residential sector. This has an effect on the degree of access players in the land and property market will have to the capital segment. Finally, as in the space segment, users' access to the capital segment varies considerably, influenced by the type of debt financing available and the types of land or property the capital market is prepared or able to fund.

Urban construction site



# Development segment

The dynamics at play in the space and capital markets determine the type and level of development activity. Actors in the development segment carefully consider supply and demand conditions in the space market, as well as the property values derived from the capital segment of the market.

Thus, where future supply will be located in the space segment, which types of development will occur and who will undertake such developments are decided within the development segment of the land market. How decisions are made in the development segment is influenced by the reigning demand and supply conditions in the space and capital segments.

see page 81-82

## Did you know?



The linkages and interactions between the different segments of the land market generally occur on a lagged basis.

As we have seen earlier, when demand for space rises, the price of property or rentals increases.

But the supply of additional space will only occur once the development segment is able/willing to react to the higher demand conditions.

The reasons for this lag include the fact that it takes time for information to flow from one segment to the next – and the quality of such information and how it is used by different actors operating in the different segments, could vary substantially.

Moreover, information around an increase in demand for space should assure decision-makers in the capital and development segments of balanced risks and returns – only then will development be undertaken and supply increase.

Property cycles are a consequence of this delay in the response of a particular land market segment to changing conditions in other segments.



# Land segment

Development activity translates into a demand for land in the land segment – the final result of the interactions which take place in the space, capital and development segments of the land market.

Peri-urban Khartoum, Sudan

©Jos Maseland



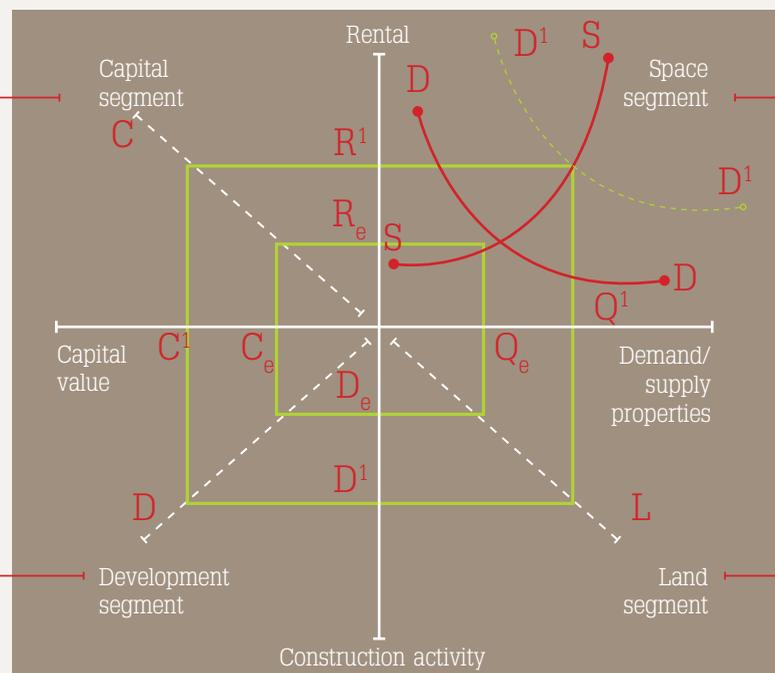
## Figure 7: Segments of the urban land market: the four-quadrant model

**Capital segment:** Line C indicates the yields investors can expect in the capital segment of the land market when rental values derived in the space segment are converted into capital values. As discussed, these yields are influenced by various circumstances – including rising or falling interest rates, financial policies and regulations, and a positive or negative outlook about market prospects.

For example, in the office sector, rental value  $R_e$  is converted into capital value  $C_e$ . If rental values go up to  $R^1$ , capital values go up to  $C^1$  – which means the market value of the property increases when the rentals generated by such a property rise.

Where the residential sector is concerned, when circumstances in the capital segment change for the better – interest rates fall, resulting in lower bond repayment costs – the demand for housing increases and residential house prices rise.

**Space segment:** An increase in the demand for space caused, for example, by improvements in market access, household income or general economic conditions, shifts the demand curve outwards – from  $D$  to  $D^1$ . The demand for space therefore rises from  $Q_e$  to  $Q^1$  and rentals (or the price of properties) from  $R_e$  to  $R^1$ . The supply curve does not shift, however; the development segment first has to react to the new demand and supply conditions in the space segment.]



**Development segment:** Changing conditions in the space and capital segments of the land market influence the development segment – rising land and property values encourage increased development activity. A capital value of  $C_e$  means the amount developed will be at  $D_e$ . But as capital values rise to  $C^1$ , the level of development increases to  $D^1$ . The line  $D$  reflects such activity and is influenced by whether, for example, when property values rise, building costs remain stable and town planning regulations do not become more onerous – which means the prospects for development look to be more viable and lucrative for developers and investors.

**Land segment:** The land segment links the development and space segments in the land market and reflects the outcome of development activity. In the longer term, as development activity increases, supply will rise, moving the supply curve,  $S$ , in the space segment, outwards. When supply increases, rentals will over time decrease, resulting in dropping capital values of land and property and an ultimate slow-down in development activity – which moves the land market closer to equilibrium again.

We say 'closer' because the complexities of – and delays in – the interactions between the different segments of the land market mean that adjustments in this market do not happen according to strict theoretical principles. This makes it even more difficult for both actors and decision-makers in the land market to ascertain when, where and how development or interventions should take place – and what the outcomes of such activity would be.

## Land market segment dynamics

In the space segment, the market can further be divided into residential and non-residential (commercial) property types; the latter includes office, retail and industrial space.

We discussed the concepts of highest and best use, bid rent theory, market thresholds and agglomeration earlier – we now see how these concepts come together where the characteristics and locational requirements of different land market users are concerned. For example, for an office development, the closer it can be located to the CBD, the better; on the other hand, industrial developments are not that dependent on CBD proximity, but do need public sector activity such as infrastructure and services provision to have occurred – not only for themselves, but also for supply chain providers to their industry environment – to be able to locate and manage their business optimally.

The same goes for the residential sector: although household income and workplace location largely influence demand in the space segment, both public and private sector activities also have a bearing on individuals' and households' access to the space segment and the type of locational decisions they are able to

make. Public sector policies should therefore be devised carefully to ensure physical and social infrastructure implemented have the desired effects in the space segment – but also in the capital and development segment to encourage additional – and the right type of – private sector activity.

It has been shown in various developing countries around the world that improvements in the accessibility and effective use of land by a larger segment of the population – whether urban, peri-urban or rural – have a direct bearing on economic growth in those countries. Of course, strengthening economic performance in an urban land market setting should in turn lead to an increase in the demand for both residential and commercial space.

Where the capital segment is concerned, without the availability of effective financial resources – and a variety of different types of financial resources catering for the needs of different segments of the population – as well as a regulatory framework that is not too onerous, investors in the land and property market would find it difficult to raise money to fund their property investments, developers would be unable to increase building activity and households would be unable to fulfil (and expand) their land and housing requirements. Because the land and property market relies

Nairobi's CBD



©Anthony Kaminiu

heavily on debt financing, access to funds in the capital market in turn influences the type, location and value of developments in other segments of the land market.

Similarly, the development segment is not only influenced by demand in the space segment and availability of financial resources in the capital segment, but is also dependent on the state and the efficacy of land market administration, allocation and regulatory frameworks – which could increase or ease developers' transaction costs. These frameworks to a large degree support decisions made in the development segment on whether and which sections of the land market should be targeted for development activity – if the institutional mechanisms are overly cumbersome, unpredictable, time-consuming and therefore expensive, development activity will be curtailed.

As seen earlier, the land segment is the manifestation of the nature of demand in the space segment, the availability of debt financing in the capital segment and the development decisions having been made in the development segment. The supply of land in the land segment can be divided into land that has already been zoned for development and land that has not been brought into the market yet. This means that actors in the different segments of the land and property market compete for a limited supply of land – and as we have seen, this supply does not expand in the short term – even if demand and capital conditions improve. But it gets more complicated than this; even developed parcels of land, as we have seen earlier, might not be used to their highest and best use because alternative uses are not available or reasonable, or effective access to such land is skewed because of market or government inefficiencies.

## 3

# Challenges facing the urban land market in Africa

**Market failure, efficiencies and inefficiencies: Why some are more equal than others in the urban land market in Africa**

As some of the pieces of the puzzle we have discussed are beginning to reveal, urban land markets in Africa are far from operating efficiently and in a manner that benefits all, and not just a few, in society.

This chapter discusses market failure and inefficiencies present in the urban land market in Africa, and the factors that cause these.

But before we discuss the urban land market inefficiencies, we will first introduce the qualities of a 'perfect' market, and then illustrate how the actual urban land market functions, and where its inefficiencies and failures lie.



# Market characteristics



market limits: the inability of the market to cater for the poorest of the poor

Nairobi's CBD

©Anthony Kaminju



# A 'perfect' market: level playing fields

A 'perfect' market is an abstraction, but it is an instrument classical economists use to theorise the ideal conditions for an efficient market. For a 'perfect' market to exist, there has to be 'perfect' competition – which necessitates several conditions:

- There must be many buyers and sellers of the same (homogenous) product, so that sellers have a market, and buyers have alternatives.
- It must be relatively easy for buyers and sellers to enter and exit the industry so that no single buyer or seller can influence the price of the good or service.
- There must be transparency, so that all information pertaining to the product is available, including price. Buyers must be able to access information about alternative sellers of the same product.
- Transaction costs must be absent or minimal.
- 'Perfect' competition would preclude unfair advantage, undue influence and unjust, unfair exchange.

But no markets are 'perfect', and urban land markets in Africa are no exception. There are nevertheless some actions that can ameliorate market inefficiencies and allow more actors to actively participate in it.

Some of our previous discussions have started to point to the fact that the playing fields in urban land markets are not level. The following sections discuss the causes of these inefficiencies and inequalities by exploring the concepts of market failure and market inefficiencies.

## What would a 'perfect' land market look like?



In addition to the qualities described here, a 'perfect' land and property market would have to ensure that:

- The land and property are advertised for a reasonable period.
- The land and property are on the market for a reasonable time.
- The land and property are not sold under unusual circumstances, for example during liquidation.
- Everyone has the right and opportunity to make an offer.

# Market failure in urban land markets

Market failure occurs when a market, left to itself, does not allocate resources efficiently. Market failure is often used to justify the need for government intervention in markets. There are several causes of market failure. Here are four that relate to the urban land market.

## 1 Monopolistic behaviour

When monopolies, cartels and other market players are able to use their power to set prices or output in the market.

## 2 Externalities

Externalities occur when the land market does not take into account the impact of an economic activity on outsiders. For example, the market may ignore the costs incurred by a society as a result of a factory polluting the environment.

## 3 Few public goods produced in competitive markets

One of the significant causes of market failure in urban land markets is the inability of the market to produce public goods. These are goods that can be consumed by everybody in a society, and where nobody can be excluded from consuming them. Because of this, it is difficult to get people to pay for them.

In the course of designing a city, planners have to set aside spaces for public facilities which are enjoyed by all consumers at no cost – no-one is excluded from their use. The public good has an essential function in every society, and in modern states it is provided by governments and paid for by tax revenues.

Clinics, parks, streets (when they have not been turned into toll roads), policing, national defence, the judiciary and even some research fall within the category of public goods, even if privatisation policies have tried to reduce their number and scope – healthcare, for example, is a terrain fiercely contested by free marketers and anti-privatisation activists.

Of course, the benefits of public goods are difficult to calculate in terms of a cost-benefit analysis – for example, how does one assess the cost of a life saved by army helicopters during a flood?

#### 4 Asymmetrical information

Another source of market failure in urban land markets is asymmetrical or incomplete information available in the market place. If not everyone in the urban land market has access to (adequate) information – or the same quality of information – about land, property availability and price, it can distort the incentives, resulting in the market not functioning in an effective manner.

Of course, what makes access to 'complete' information even more complex is that every transaction in the land market is unique because each one's location is different. Although some products offered in land and property markets are close substitutes – for example, one newly completed office block in the city centre available to let may only be marginally different from another – such substitutability also diminishes with age, location and tenure.

### Social housing as a public good



Some housing activists and researchers argue that social housing – housing subsidised by the state – is a public good.

They argue that, especially in the case of post-colonial societies, where inequalities are rife and large sectors of the population are often restive because they have not benefited from post-independence economies, the provision of housing makes for social stability, the eradication of poverty and development.

### Did you know?



The question is whether the redistribution of land is only an imperative in the short run – if once parity is achieved the rest can be left to the market – or whether the right to occupy land is an ongoing right in perpetuity.

In this regard it is important for public authorities to know how to strike a balance between when and which land should be commodified and which land should be kept out of the market on purpose.

# Market limits

## The inability of the market to cater for the poorest of poor people in society

Because the free market has inherent flaws and is unable to provide some goods efficiently, government interventions, such as subsidies, taxes, quantity controls and the provision of public goods are essential to correct market failures – but also to compensate for market limitations – and achieve more efficient markets.

For example, antitrust policies are used to keep the power of monopolies in check, while pollution taxes are used to limit pollution from production processes.

### Access frontier

A concept that enables a greater understanding of balanced market development, and where the state should be operating in different ways – whether they should be regulating or involved in direct provision – is that of the access frontier.

The access frontier is defined as the “current maximum proportion of people in a society who could access a product or service, given the current configuration of costs and market structure” (Porteous, 2004). It is affected by regulatory and technological considerations, which influence what is supplied at what price, and to which consumers.

The access frontier approach aims to “identify the potential of market-based solutions to serve unserved people” (Porteous, 2004), and distinguishes between users of a good or service and those who do not use it but may have access to it under certain

### Did you know?



Some would argue that the market is not meant to, or should not be expected to, cater for the poorest of the poor because they have no effective demand – and that this is a limit to the market, rather than a market failure.

Government intervention where market failure occurs – at the point of where the market is limited or ends – is to be promoted to ensure markets work efficiently

But the question is really when should government cater to the needs of people who do not have effective demand. This is not a question with a static solution, since the market limit is dynamic – wherever it is possible for the land market, its actors should be urged down-market to increase the proportion of the eligible population who can access a product such as land.

conditions. The focus of the approach requires defining effective access to a product, so that non-users may be segmented into different groups:

- Those who are able to use the product but choose not to – they define the limit of the market as they have placed themselves beyond it by choice, and therefore are not a policy concern.
- Those who can access the product as presently defined although they have not yet – these lie within the access frontier.
- Those who should be able to access the product in the next three to five years, based on expected changes in product or market features – these lie within the future access frontier.
- Those beyond the reach of market solutions in the next three to five years – these lie outside the reach of market solutions. (*Porteous, 2005*)

However, the reality is that land near economic opportunities is usually the most costly. Therefore the market tends to work against providing such land to low-income people, unless the government intervenes, or poor people themselves adopt strategies such as land invasions to access well-located land. Urban infrastructure investment is most often drawn towards developing the wealthier sides of the city.

## Why we need the state

This section has shown how markets fail, and are unable to produce goods that are essential in a society. State interventions are particularly justified when markets fail to provide for the needs of poorer people. From a development perspective, formal urban land markets are unable to cater effectively for the needs of poor people in urban settings, and government interventions are needed to provide basic goods such as housing, water and essential services. To ameliorate social inequalities, the state can:

- Harness the power of the private sector to provide goods and services to poor people on a sustainable basis.
- Mitigate asymmetries in the market by providing reasonable access to options for land and housing to all income groups.
- Lower legal, administrative, operational and financial barriers to entry for marginalised populations.

### Did you know?

There is another side to this coin, though.

It could be that the state is failing to govern the economy in ways which allow people to earn enough income to engage in the market.

We therefore need to balance the role of the state with what can reasonably be expected from the market.

Market failure is only one aspect in this regard.



## For state interventions to be successful, it needs to:

### 1 Deliver the good more efficiently than the poorly performing market.

If the state delivers the good inefficiently, a lose/lose situation is created – society still does not receive the optimal level of the good and the ability of the market to do so has been undermined.

### 2 Recognise why the failure is taking place.

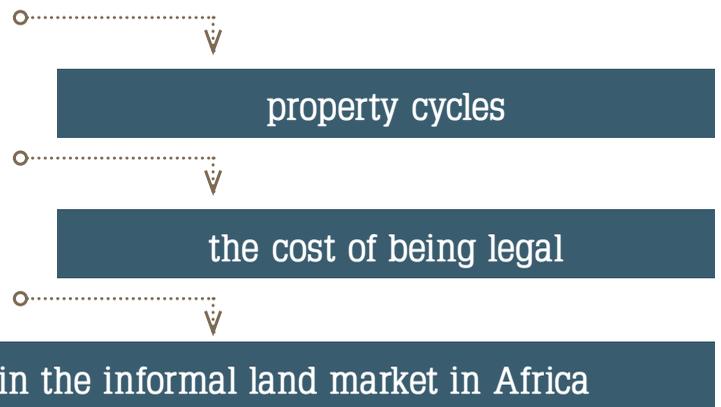
If it is because of knowledge asymmetries, the state should not try to take over the role of producing the particular product (for example, housing) but should rather deal with the knowledge asymmetry issue so that the market can produce the good efficiently.

### 3 Measure how its interventions will 'distort' the market.

Distortion can be justified when the intervention causing the distortion leads to societal returns greater than those lost as a result of the distortion. However, to do this one has to be able to recognise and measure the impact of the distortion. If the state's interventions distort the market to the degree that exchange, input and economic efficiency are not attained, this results in 'market failure'.



## Urban land market inefficiencies in Africa



The previous section has discussed how the market, when left on its own without any intervention, fails to efficiently allocate resources. In this section we turn to how the actions of various actors in the urban land market, including the state, cause market inefficiencies that affect all market players, including poor people in urban areas.

The market – at least the formal urban land market – is subject to significant transaction costs, and poor land management and administration systems contribute to inefficiencies in the market. These inefficiencies impact upon everybody in the market, particularly poor people who are excluded and continue to be marginalised.

Let us see how.

# Property cycles

One of the causes of inefficiency in the land and property market is its inability to respond quickly to shifts in demand. We briefly discussed this in chapter 1, but here we need to explain it a little further.

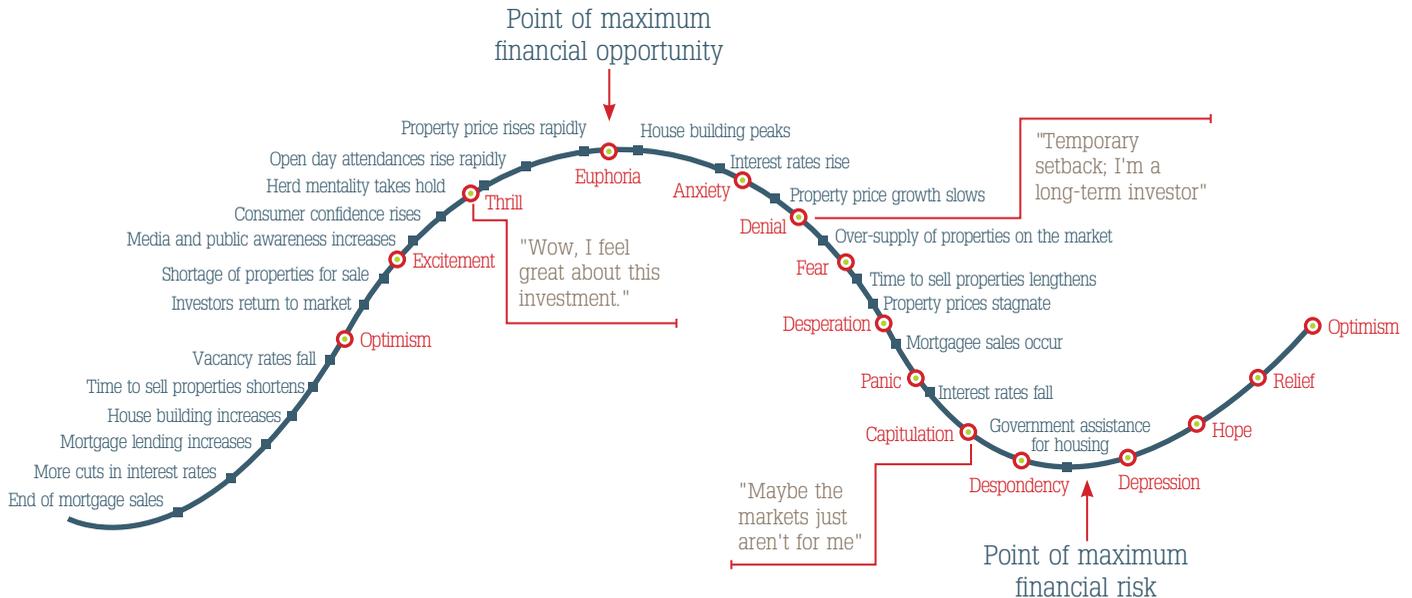
Property markets work in cycles, which respond to various factors – interest rates, inflation or deflation, economic growth or slump, effective demand, political stability or instability, and people’s general optimism or pessimism.

If the economy is doing well, people find work and wages increase, and they are generally optimistic – which may prompt people to invest in property. The increase in demand for property pushes its price up and sends a signal to property developers to build more stock. But building takes time – and a lag occurs between the time when the demand is high and when the houses finally come onto the market.

In the time that it takes to build more stock in the market, inflation could increase, and the economy could slow down, reducing people’s ability to spend. Demand for houses may drop because people do not have enough spending money, but it is at this time that the construction industry has finally completed the building of extra stock – which now enters the market during a downturn, causing a glut in supply and the lowering of prices.

The inability of the property market to respond quickly to forces of demand and supply is one of the causes of its inefficiency. Developers are often accused of ‘short-termism’ because they assume that current conditions, good or bad, are not going to change, and they make decisions based on these conditions.

Figure 12: The property cycle – and the cycle of market emotions



Source: Adapted from [http://www.vivid-construction.co.uk/smenews/uploads/image/property\\_cycle.gif](http://www.vivid-construction.co.uk/smenews/uploads/image/property_cycle.gif) and <http://network.nationalpost.com/np/blogs/wealthyboomer/archive/2009/02/27/the-cycle-of-market-emotions-revisited.aspx>

## Economic behaviour

The trajectory of the property market is fundamentally affected by the way players perceive conditions in the property market and how they interpret and respond to opportunities and constraints presented to them.

Behavioural considerations have an important influence on the pattern of market performance. Property investors typically ignore the reality of property cycles during the expansion phase of the property market because high profits, commissions and financing fees are being made. In these circumstances, it is in no-one's interest to suggest that the boom could come to an end. Because of such behavioural factors, the upward phase of the property

cycle often leads to an overpricing of assets, while the downward phase of the market cycle goes down faster and further than is expected or warranted in terms of market fundamentals, resulting in the under-pricing of assets.

Behavioural explanations also focus on the reluctance of owners to adjust occupancy and rent levels when demand changes. Research suggests that such behaviour is rational considering the flawed information/forecasting techniques that the market has at its disposal, the inherent uncertainty of demand, and the long planning and development processes that exist before new supply reaches the market.

## Land delivery: from land to stand

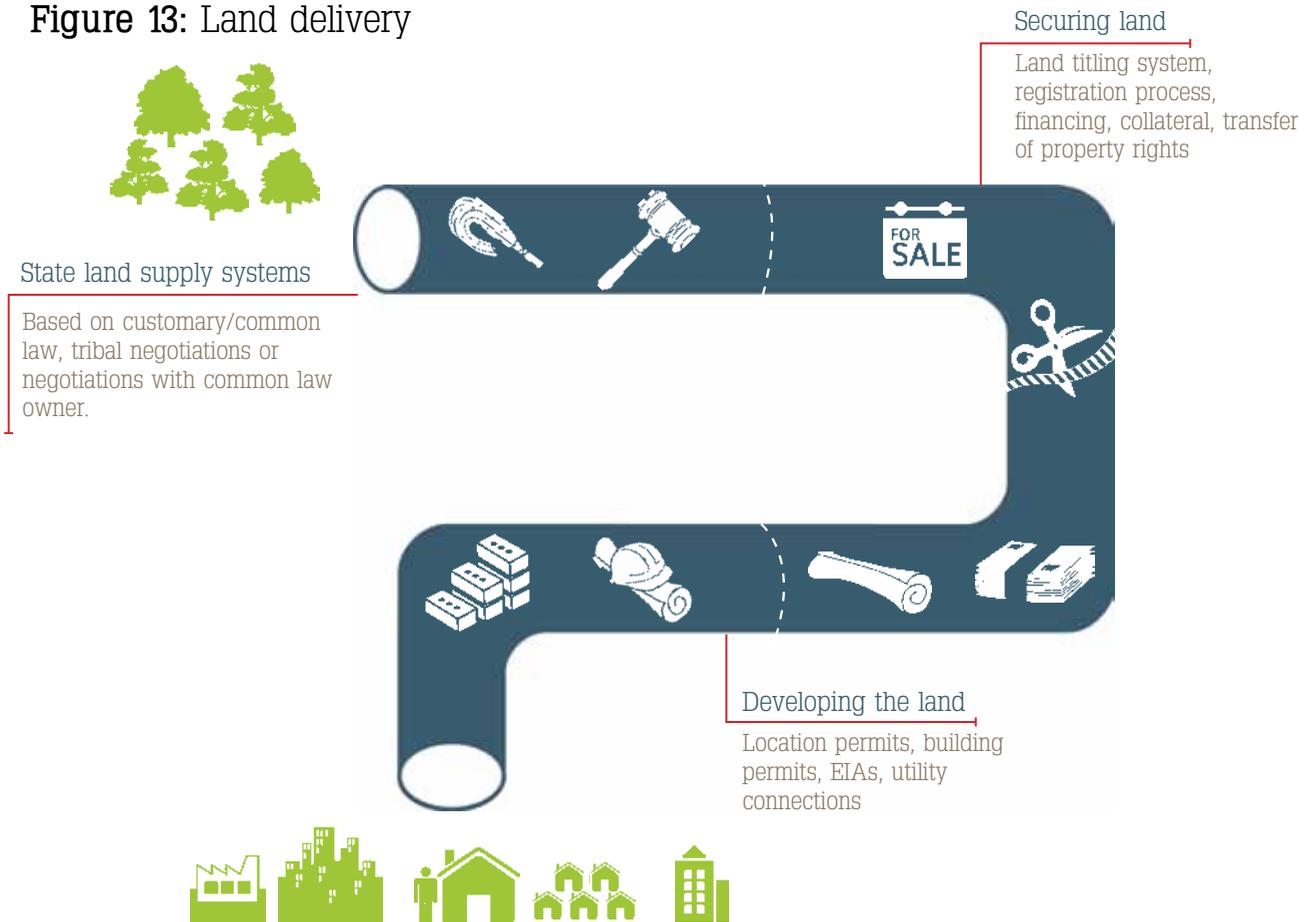


What is the process of formal land access in African cities? Generally, in the formal system, there are three main processes required when accessing land for residential or commercial purposes:

- **State land supply system** – based on customary, common or Sharia law; tribal negotiations or negotiations with common law owner; issues of information scarcity present.
- **Securing land** – titling system; registration process; financing collateral; transfer of property rights.
- **Developing land** – location permits; building permits; environmental impact assessments (EIAs); utility connections.

Source: Shen, X. 2008

Figure 13: Land delivery



Source: Adapted from Genesis Analytics, 2008:59

# The cost of being legal

## The challenges facing formal urban land supply

### Poor land administration and registration systems

One of the factors that undermine urban land markets in Africa is poor land administration and registration systems. Within the context of limited capacity and highly constrained resources, many African countries struggle with outdated land recording systems, a lack of modern technology and highly bureaucratic, inefficient and inaccurate registries. This, of course, makes the system of urban land market administration vulnerable to corrupt practices.

Further, registries are often maintained at national, highly centralised locations.

Even in urban areas, the poor reach of the national cadastre often presents a significant problem in African countries. In Rwanda, for example, out of 7.7-million plots only 80,000 have formal title (Oyier et al, 2008). Where they do exist, they lack accurate basic mapping, geographic or ownership information.

Registration systems form the basis for land valuation, taxation, development planning and administration by a local authority. Accurate cadastral and title systems are essential for a well-functioning urban land market because they locate the land in space and to an owner.

These systems also form the basis upon which capital can be raised for land development and investment. When the registration systems do not function adequately, investment in land is considered risky, and financial institutions are often reluctant to lend for the development and improvement of land.

### Did you know?

Zambia has a single land registry based in Lusaka, and attempts at decentralisation have largely failed.

Since only the Registrar in Lusaka can sign documents, this centralisation creates major backlogs and logistical problems for landowners.

In Lesotho, which also has a highly centralised system, getting a land lease registered is a similarly protracted and complex process.



To make matters even more complex, these registries often have to deal with the challenge of a myriad of tenure systems and types, and how to define and represent them in the records. In Namibia, for example, the complex legacy of different tenure systems has presented a major challenge to the deeds registry system.

## Land application and allocation processes

Land application and allocation procedures for urban land are often protracted and time-consuming – and poor people are often left out of the land allocation process.

## Mistrust in the courts

Not only are the systems of accessing and securing land inadequate, a World Bank study has shown that businesses do not trust the state to arbitrate fairly in land disputes.

A 2007 study showed that over 50% of companies in Angola, the Democratic Republic of Congo, Guinea and Swaziland did not trust the courts to uphold property rights. Of course, high levels of mistrust in the judiciary system to uphold land rights compromise investment in land.

## High transaction costs

The high transaction costs involved in the formal registration system – which include lengthy bureaucratic processes and fees – mean that formal access to land is almost impossible for most urban dwellers in Africa.

These high transaction costs not only limit entry into the market, but also act as obstacles to business investment and land development.

### Did you know?



In urban Mozambique, individuals may apply for concession of a plot of land from the relevant municipal directorate or municipal cadastre services.

But the process requires as many as 103 administrative steps and frequently takes several years.

Double allocations are also common, and poorly maintained land records often create disputes.

UN Habitat, 2005b

Also in Mozambique, with a new national housing policy stressing the role of the private sector, previously nationalised housing stock has been transferred to Mozambican tenants at highly subsidised levels.

However, this preferentially benefited the middle class.

And rather than spur on private sector construction as projected in the housing policy, it fuelled land speculation in well-located land and severe shortages of formal land provision for lower-income groups.

Source: Jenkins, 2000

### Did you know?



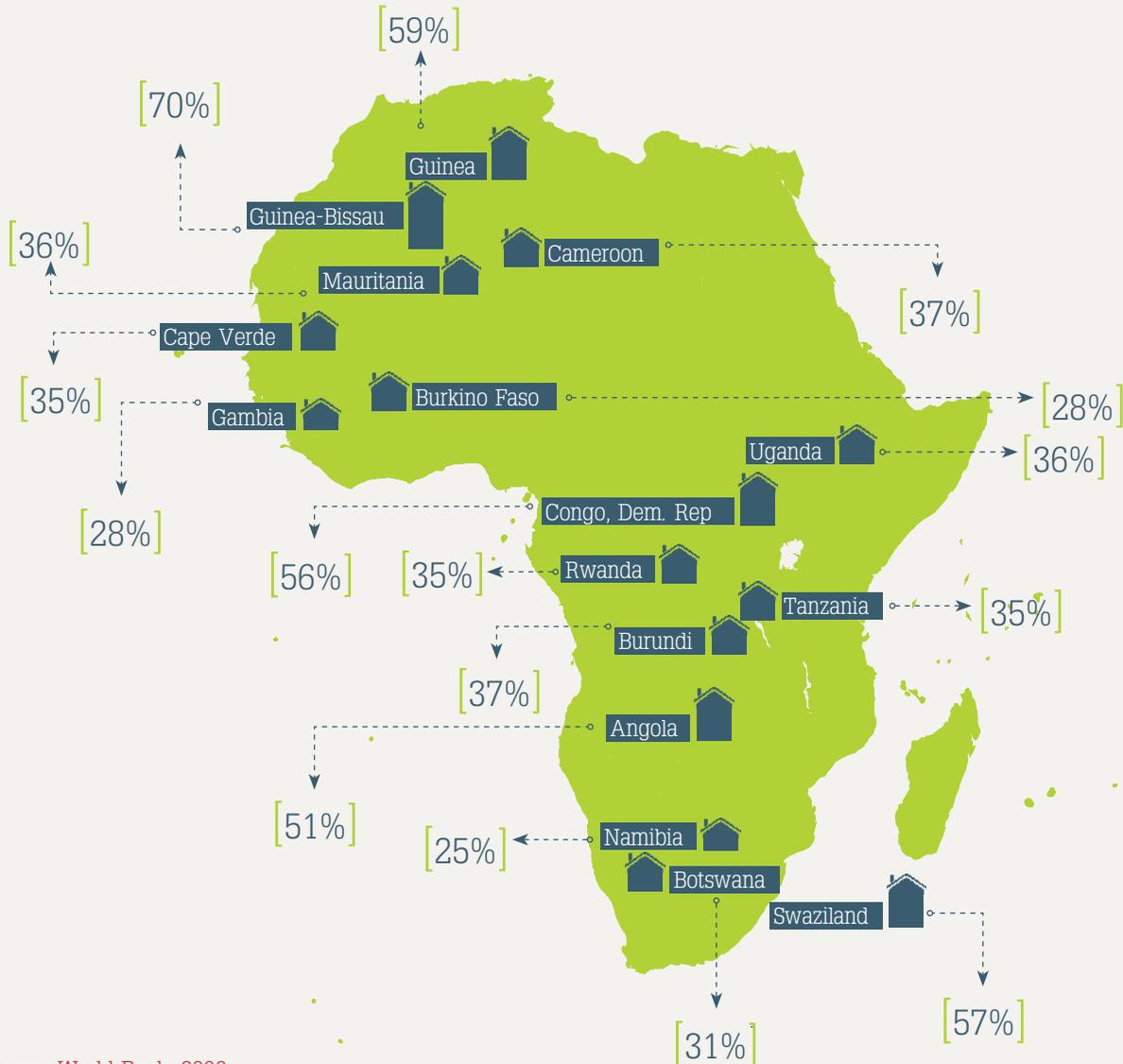
A study done by the International Finance Corporation showed that the cost of registering property in sub-Saharan Africa is the highest in the world.

It takes an average of 95.6 days to register land legally – the third highest time globally.

In extreme cases like Angola, it takes 334 days and costs 11.6% of the total cost of the land to register property legally.

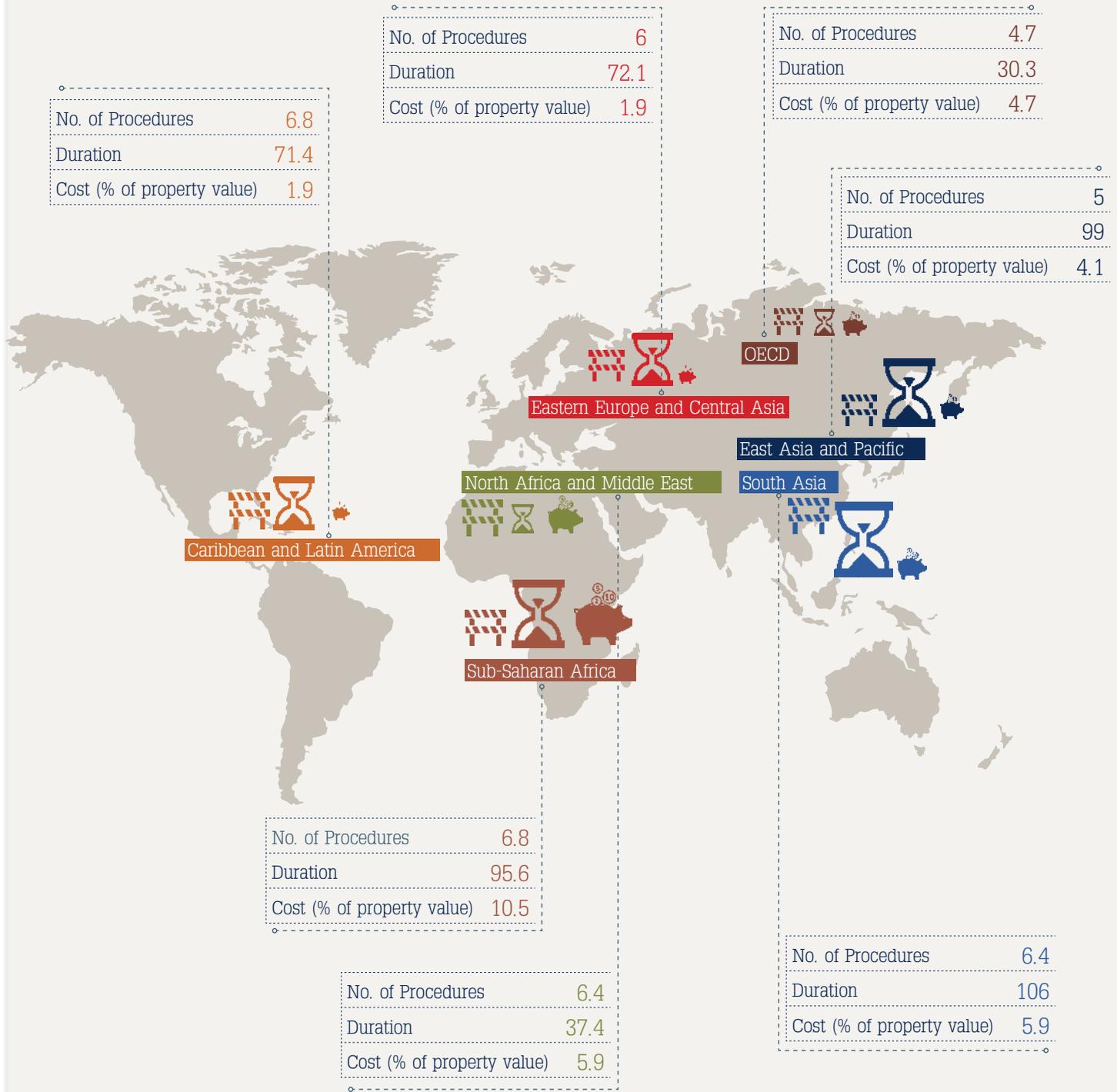
IFC, 2009

**Figure 14:** Percentage of managers surveyed lacking confidence in courts to uphold property rights in a number of selected African countries

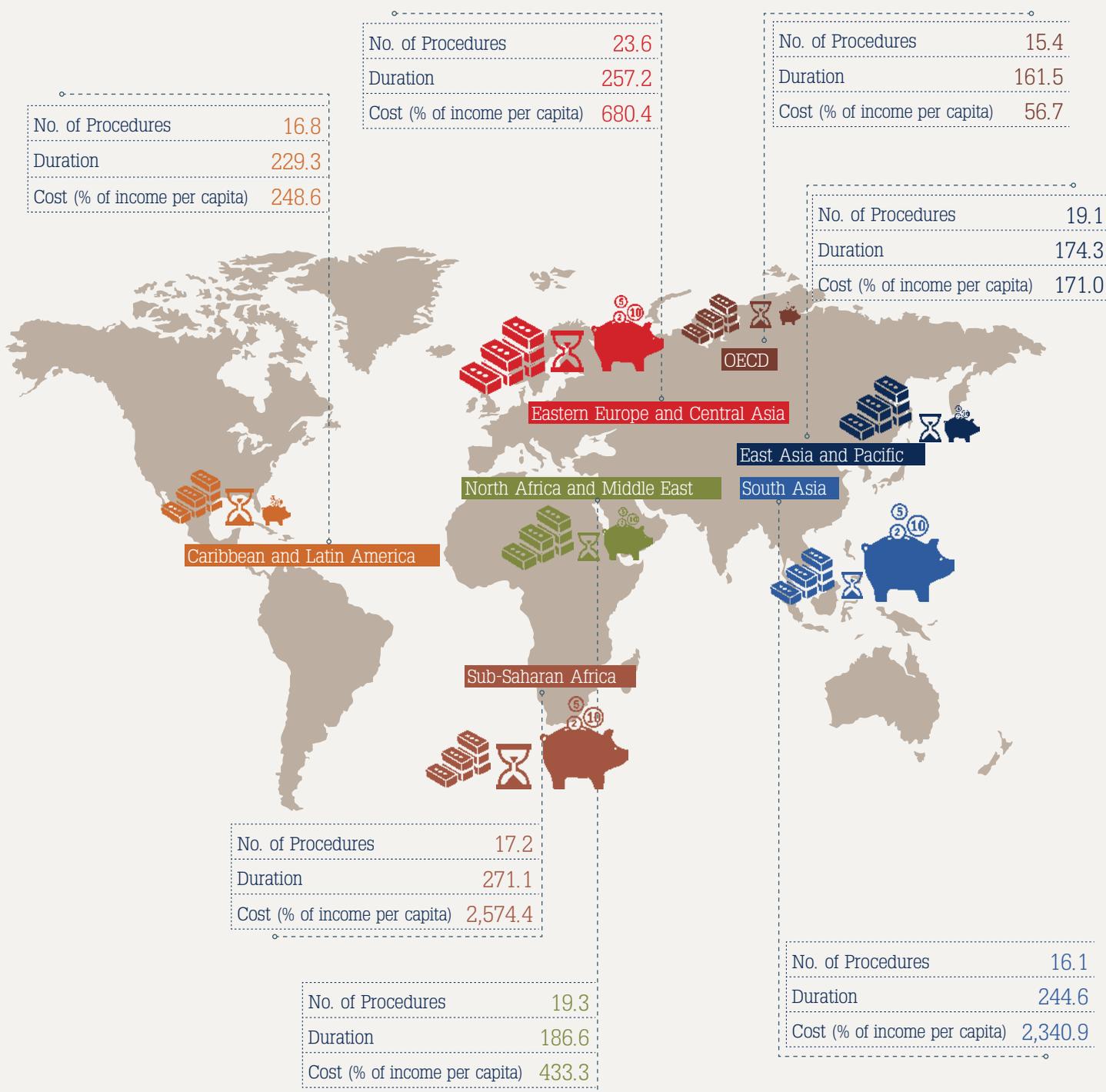


Source: World Bank, 2006

**Figure 15:** Steps, time and cost involved in registering property (assuming a standardised case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute)



**Figure 16:** Procedures, time and costs of building a warehouse, including obtaining the necessary licences and permits, completing required notifications and inspections, and obtaining utility connections



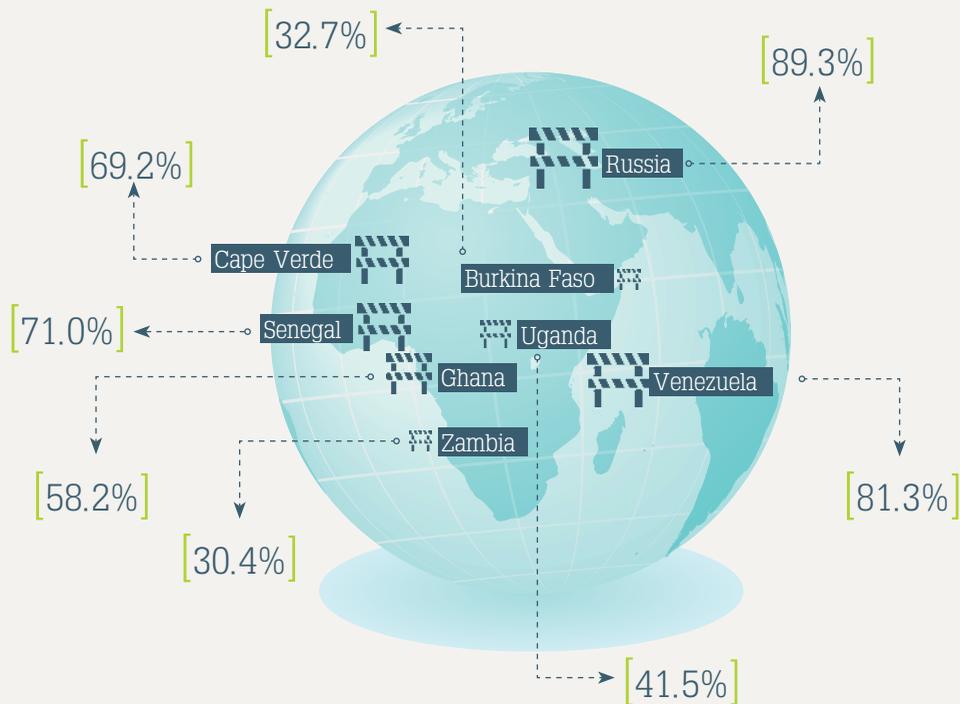
Entrepreneurs in sub-Saharan Africa often pay prohibitively high costs – incurred in fees, commissions, etc. – to set up businesses. These high costs discourage the growth of industry and businesses.

These high costs explain why there is a growing supply of housing in the informal market – it is a cheaper, more accessible option for the majority of urban dwellers.

Although Figure 16 illustrates the cost of building a warehouse, we can assume that the cost of building a house according to the required standard and procedures is also high as a proportion of per capita income.

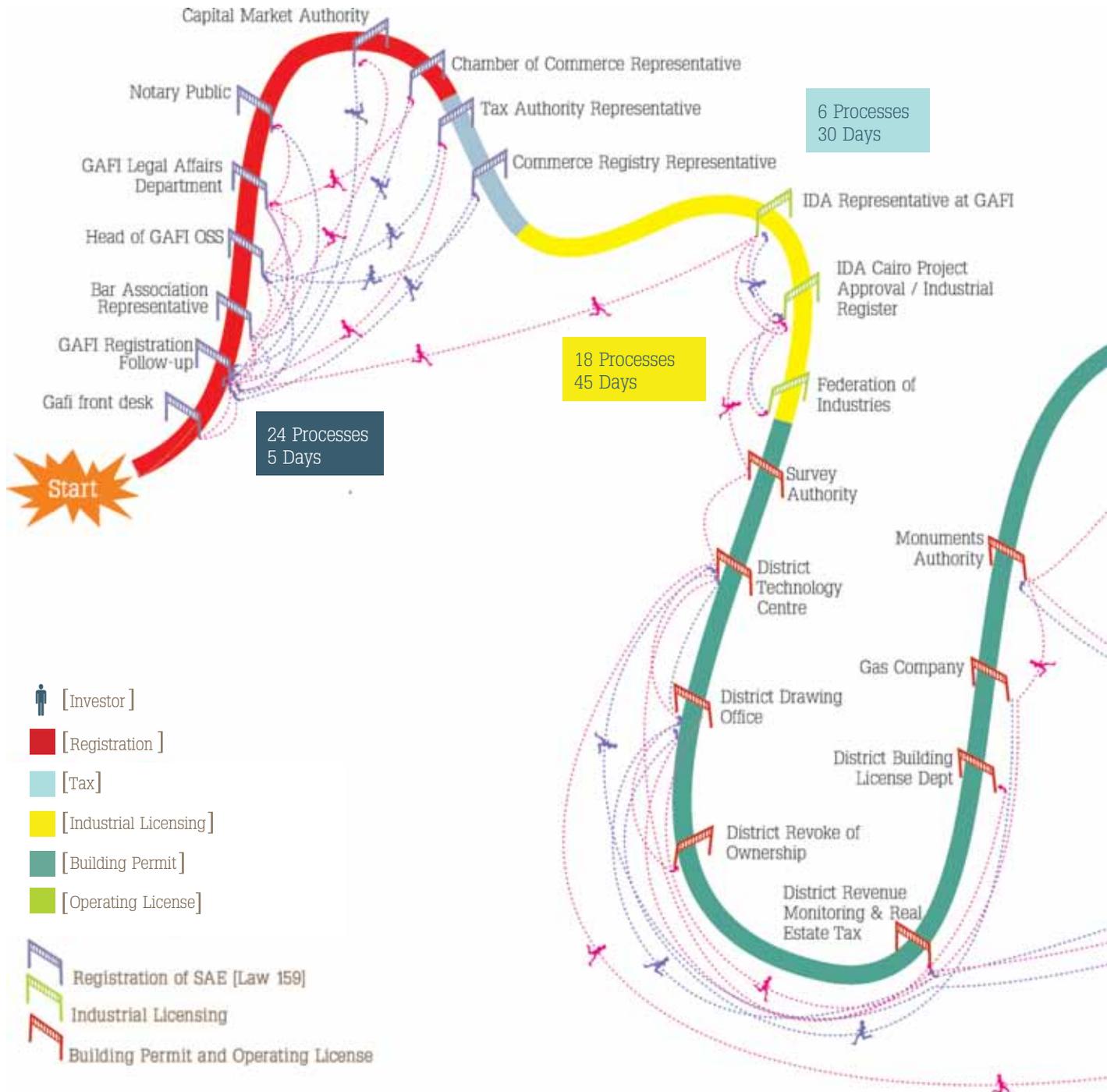
Transaction costs impact upon business creation and growth – as Figure 17 shows, a significant number of respondents claim that procedures for accessing land are an obstacle to business opportunity and growth.

**Figure 17:** Percentage of respondents claiming that procedures for accessing land are an obstacle to their business opportunity and growth

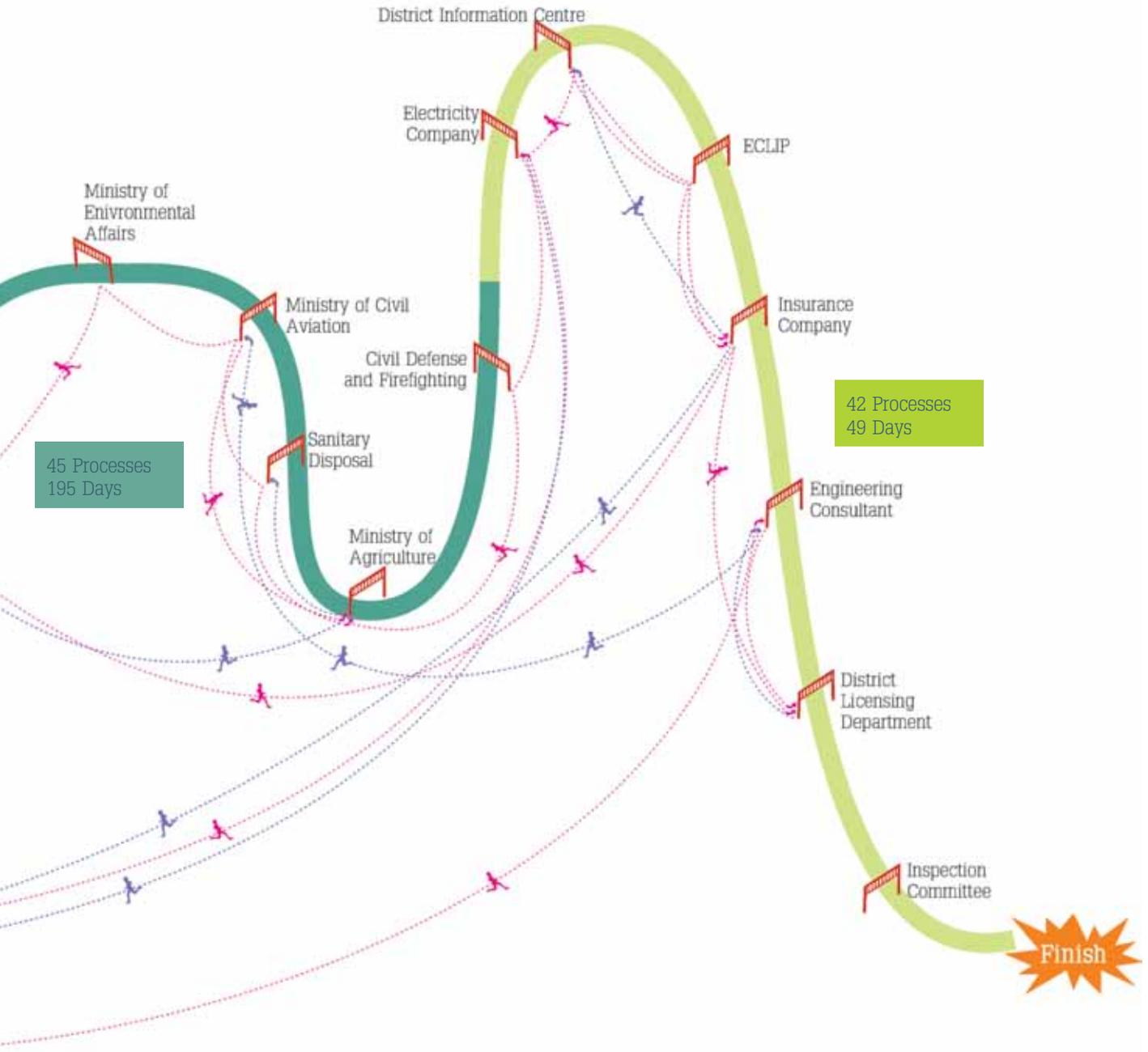


Source: Shen, X, 2008

**Figure 18:** Transaction costs: business start-up process in Egypt: 133 processes, 324 days, US\$15,260



Source: Shen, X. 2008. 'Making Land Market Work for Investors – A FIAS/IFC approach. Presentation to DFID Denham Grove, UK, 26 June.





# Barriers to a vibrant market in black townships in South Africa

The residential property market in South Africa's formerly black townships is dysfunctional as a result of the titling, transactional and financing problems experienced by potential buyers and sellers. These three dimensions are critical to making property markets work effectively, and as the South African experience shows, the delays, lack of financing and cost of security of tenure hinder the growth of a vibrant township market. This is because owners are unable to raise capital with their asset, or realise the growth in value of their asset.

## 1 Titling problems relate to delays in titling and the inaccuracy of some title deeds:

- The titling backlog extends to 53% of Old Township Stock, and about 11% of state-subsidised (RDP and site-and-service) stock.
- In 2004, the Surveyor General found that 36% of title deeds across South Africa were rejected as unregistrable due to conveyancing errors, attachments, interdicts or other legal constraints.

## 2 Transactional problems relate to legislation, clearance certificates, costs and the lack of information:

- The Housing Act (1997) prohibits the sale of government-subsidised housing for a period of eight years following occupation, making it impossible for households to trade unless they do so informally.
- The requirement that the transfer of a property cannot occur unless the property is valued and the seller receives a Clearance Certificate indicating that all rates and service charges to the municipality are fully paid, acts as a significant stumbling block. Municipalities struggle to find valuers qualified to work in the townships and most face backlogs in valuations. A large number of households are in arrears and this constrains their ability to trade their property.
- There are few service providers (estate agents and conveyancers) operating in former black townships. Most households buy or sell property by word of mouth.
- Properties over R500,000 attract transfer fees which are due to the government.

## 3 Despite having a well-developed financial sector, the lack of availability of appropriate financial products to purchase existing stock further inhibits the development of a robust township market in South Africa:

- Mortgage finance is generally not available to the informal, site-and-service and Old Township markets.
- The majority of households (77% of site-and-service and government-subsidised housing) use their own money to purchase a dwelling because of the lack of user finance.



## Summary: Inefficiencies in the formal urban land market in Africa

- High transaction costs.
- The existence of different systems of rights and practices with varied degrees of legitimacy, which lead to land insecurity and conflict.
- The lack of basic information on land, for example, mapping, geographic, ownership and registration information. Existing information is often incomplete, inaccurate and not centralised in one location.
- Poor administrative systems located in different state departments and levels and not well co-ordinated.
- Incoherent and ambivalent policy.
- Fragmented, outdated and only partially enforceable legislation.
- The failure to register many types of land occupancy, which reduces the state's ability to raise revenue from taxation and investors' appetite for investing in urban land.

Source: Rakodi, 1997: 337

# Inefficiencies in the informal land market in Africa

Formal land delivery systems supply only limited land, and such land is rarely accessible to very poor people. As we mentioned earlier, in some cities, only 30% to 50% of land is supplied through formal systems.

With the legal means of land access unavailable to the majority, many urban dwellers use informal systems of supply. While the transaction costs may be lower, the informal market also has its inefficiencies:

- Its operations are often opaque, information is not readily available to everyone and the procedures are unclear.
- As case study 2 describing informal markets in Nairobi shows, the costs and payments involved do not necessarily go into public coffers where they could be used to raise revenues for the provision of public goods. Conditions are often poor, without basic infrastructure and services.
- Because informal transactions are not legally recognised, the rights of owners and tenants remain precarious. This has two main consequences – it limits investment in improving the land and it increases the vulnerability of land users to eviction.
- Although this is the sector which provides the very poor with shelter, they remain highly vulnerable to evictions, homelessness and landlessness. As in the example of rental markets in Kenyan slums, it is the politically connected that benefit from slums.

## 4

## Conclusion

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The focus of this handbook has been to explain basic economic theory relating to urban land markets in Africa and, by using examples, to show how land markets actually work in African cities.

Our premise is that it is essential that policy-makers, non-governmental and private actors in the urban domain understand how land and development interventions shape market outcomes. Understanding land market dynamics thus requires a basic knowledge of land economic theory, as this reveals both its relevance and limits to land markets on the continent. It also provides a sound basis for developing mechanisms that allow policy-makers to make urban land markets work better for poor urban dwellers.

### Bamako



The specificity of the urban land market context in Africa raises critical questions around the state, its role, relevance and potential in shaping urban land markets. While the state and its actors are significant players in urban land markets, their roles are not always effective.

First, the state is often complicit in irregular and corrupt practices around land in ways that benefit an elite minority. Secondly, as the handbook shows, much of the growth in urban markets on the continent occurs in peri-urban areas, where state regulation and management are limited. In these areas, the handbook points out that the urban land market has multiple regimes of authority that regulate, shape and determine market outcomes.

Thus, to develop effective urban land policies in which poor people can participate, interventions will need to recognise the multiple actors in the urban land sector. This implies a shift in how policy-makers conceptualise the management of urban land markets. There is a need to move from traditional mechanisms – which see the state as the sole authority in charge of regulating land markets – to involving alternative regimes of authority, both recognised (for example, traditional authorities) and not recognised by the law. The critical challenge remains how to develop the appropriate mechanisms to do this in ways that will benefit the majority of urban dwellers.

This handbook is the beginning of a series of publications that addresses the urban land question on the African continent, and we hope that subsequent publications will begin to suggest alternative models for understanding and shaping urban land markets in Africa in ways that are more inclusionary.

# GLOSSARY OF TERMS

**Common law:** Common law rights are property or other legal rights that do not absolutely require formal registration in order to enforce them.

**Communal:** (as in communal system, tenure, land) is used to reflect the broadest possible interpretation of community land settlement arrangements, where land access and allocation are based on membership of a particular group or community in contrast to market-based private land transactions. The communal system refers to multiple levels of community decision-making around local land issues (i.e. land rights and access, spatial arrangements, land use management and governance practices).

**Customary law:** Traditional common rule or practice that has become an intrinsic part of the accepted and expected conduct in a community, profession or trade, and is treated as a legal requirement.

**Customary:** (as in customary system, tenure, principles). Used in a fairly loose sense to reflect local governance practices in relation to land access, rights and use that are well understood by a local community and that are regulated by customary principles. These include layered and shared rights of land access and use, institutional nestedness of family, clan and tribe, and normative values that inform the basis of resource entitlement. The principles governing land access, rights and use are well understood by a local community, but may not conform to the country's legal procedures.

**Freehold tenure:** The term is understood by most land practitioners to mean a title that confers ownership in land, which is recorded and registered in a central Deeds Registry, having been formally surveyed by registered land surveyors and transferred by registered property conveyancers. Freehold tenure is the most complete interest in land, allowing the owner full and absolute ownership of the land during the course of their life.

**Leasehold tenure:** The right to hold or use property for a fixed period of time at a given price, without transfer of ownership, on the basis of a lease contract. A leasehold is a fixed asset.

**Informal settlements versus slums:** According to the OECD, informal settlements are –

- Areas where groups of housing units have been constructed on land that the occupants have no legal claim to, or occupy illegally.
- Unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorised housing).

A slum, as defined by UN-HABITAT, is a run-down area of a city characterised by substandard housing and squalor and lacking in tenure security. Many shack dwellers vigorously oppose the description of their communities as 'slums', arguing that this results in them being pathologised and then, often, subjected to threats of evictions. Although their characteristics vary between geographic regions, they are usually inhabited by very poor people

or the socially disadvantaged. Slum buildings vary from simple shacks to permanent and well-maintained structures. Most slums lack clean water, electricity, sanitation and other basic services.

**Land delivery value chain:** A value chain describes the sequence of business activities by which – from the perspective of the end-user – value is added to products or services produced by an organisation. Michael Porter in 1985 first suggested the concept of the value chain to demonstrate how value for the customer accumulates along the chain of organisational activities that make up the final customer product or service – design, production, marketing, delivery and support. In the land market, as in any other market form, to stay competitive and able to supply what customers want to buy, players have to ensure that all value chain activities link together, even if some of the activities take place outside a specific sphere or player’s traditional function.

The land delivery value chain refers to the chain of activities that improves land and adds value to it with time.

**Cadastre:** A public record, survey or map of the value, dimensions, extent, location and ownership of individual parcels of land.

**Orthofoto:** An aerial photograph that has been geometrically corrected ('orthorectified') such that the scale of the photograph is uniform, meaning that the photo can be considered equivalent to a map. Unlike an uncorrected aerial photograph, an orthophotograph can be used to measure true distances, because it is an accurate representation of the earth’s surface, having been adjusted for topographic relief, lens distortion and camera tilt.

**Public goods:** Public goods can be consumed by everybody in a society, or nobody at all. Public goods have three characteristics:

- Non-rival – one person consuming them does not stop another person from consuming them.
- Non-excludable – if one person can consume them, it is impossible to stop another person from consuming them.
- Non-rejectable – people cannot choose not to consume them even if they wanted to.

Examples include clean air, a national defence system and the judiciary. The combination of non-rivalry and non-excludability means that it can be hard to get people to pay to consume them, so they might not be provided at all if left to market forces ([www.economist.com](http://www.economist.com))

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# Urban Informalities





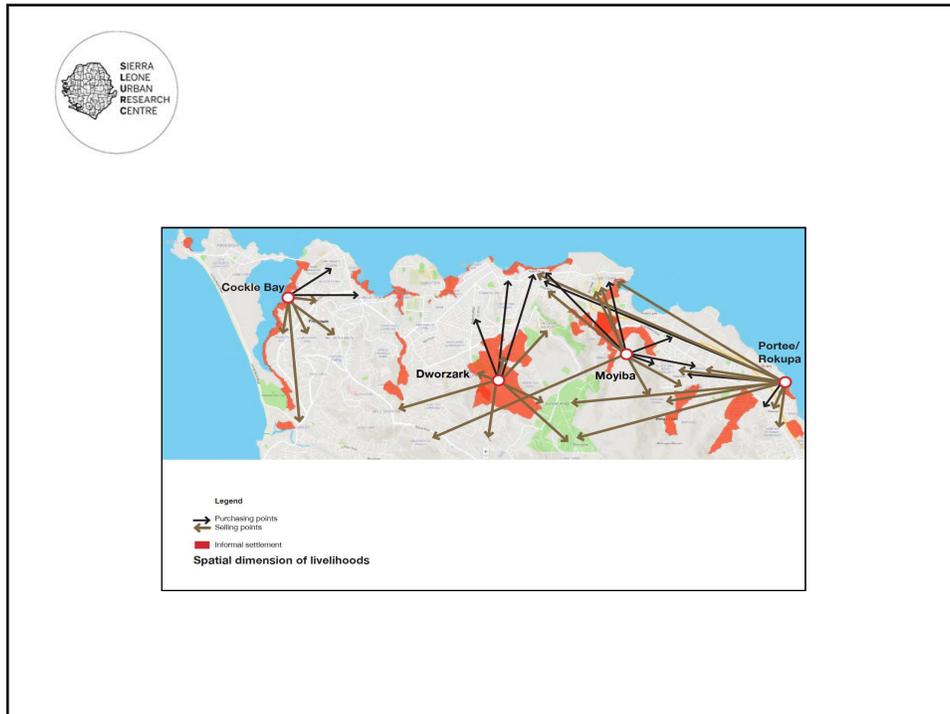
## Urban Informalities

Dr. Andrea Rigon - DPU  
Mr. Alexander Stone - SLURC



- SLURC conducted research into livelihoods in these four informal settlements in the city





Linked to two dimensions of informality:

1. Spatial – these processes are taking place all over the city, not confined to certain areas.
2. Economic – the formal relies heavily on the informal, and vice versa. These are inter-related and cannot be separated.

If you reduce or constrain one, then you also do the same to the other.



Question:

Do you work in the formal or informal sector?

On a typical day, what services and goods do you use/purchase?  
Who are the providers of these? Consider your professional and personal activities.

Which of these are informal?

What would happen if these services were suddenly constrained?



**D2 S5 – Urban informalities (3)**

Land value capture refers to the recovery by the public of value increments (unearned income) generated by actions other than the landowner's action.

**Efficiency:**

**Equity: avoid unjustified enrichment: with no own efforts.**

**Sustainability:**

**Betterment contribution: since 1921**

**Building rights**

**Land readjustment**

**Expropriation**



## Day 1 – Session 2

- beyond providing a livelihood
- key economic contribution to the city,
  - allow “formal” economic activities to be viable: construction as an example, particularly in the absence of state capacity to adequately regulate and promote economic activities.
  - contribute to a number of broader objectives: Social cohesion, diffusing social conflict, preventing violence (Finn & Oldfield, 2015).



## Contribution of informal livelihood sectors

- beyond providing a livelihood
- key economic contribution to the city,
  - allow “formal” economic activities to be viable: construction as an example, particularly in the absence of state capacity to adequately regulate and promote economic activities.
  - contribute to a number of broader objectives: Social cohesion, diffusing social conflict, preventing violence (Finn & Oldfield, 2015).



### Conclusions and Discussion Points

- It is wrong to frame informality as belonging to the poor.
- The paper challenges the idea that formality and informality are part of clearly different spaces in the city
- **The analysis of the “informality of the poor” demonstrates its significance to the wellbeing of the city.**
  - In the context of a post-conflict fragile state, social protection/employment/livelihood are very important for the stability of the capital city and ultimately the entire country and thus fundamental to the wellbeing of Sierra Leone
  - Policies and regulations interventions affecting these sectors should be carefully thought and aimed at to providing better alternatives, rather than undermining existing livelihoods.



Thank you for listening!



## D2 S5 – Urban informalities (1)

The formal:

- rule-based,
  - structured,
  - explicit
  - predictable” (McFarlane & Waibel, 2012, p. 3)
- informal is considered to lack these characteristics

informality as what is beyond the reach of official governance processes

**distinction formal/informal** difficult: “lot of informality within formal ways of doing things”

informality as an **exception or a norm?**



## D2 S5 – Urban informalities (2)

- urban value chains and services containing formal and informal elements that are interdependent
- “formal” enterprises have informal practices
- ‘informal’ presents key characteristics of the formal and vice versa
- informal is linked and mixed to formal.
- used as category to validate some type of businesses and people rather than others:
- the category informal to justify demolition of informality of the poor.
- Very political!



## D2 S5 – Urban informalities

2 dimensions:

economic activities (economic dimension but also organisational form)

Spatial dimension (informal settlements)



## D2 S5 – informal sector

**Informal sector:** employment and production that take place in unincorporated, unregistered, or small enterprises

Provides 66% of non-agricultural employment in Sub-Saharan Africa (2018: 28)

77% of non-agricultural employment is informal

1 every 3 people in *formal* sector are in *informal* employment

informal employment takes place in “formal” enterprises



## D2 S5 – informal economy

**informal economy:** the diversified set of economic activities, enterprises, jobs, and workers *that are not regulated or protected by the state*

- economic activities regulated in some ways (e.g. taxation) but not in others (e.g. social protection of workers or quality control of output).
- economic activities *officially* regulated by the state, but regulations may not be applied in practice

*“Even states have become informalized as public officials govern in ways that contravene formal relations, and downsizing public sectors concede an increasing range of governance activities to community organizations” (Meagher, 2007, p. 406).*



## D2 S5 – informality

- informal economic activities can be present in formal areas of the city
- formal economic activities and employment may be based in informal settlements (e.g. official public employment of teachers or officials in slums, NGO staff).

Questioning **formal/informal division**

**Focus on formal-informal relation**

**What the informal and formal do for different actors?**



## D2 S5 – informal settlements

- unplanned settlements, not in compliance with planning & building regulations.
- most Freetown as informal
- United Nations Statistics Division (2015): 75.6% of the total urban population in Sierra Leone is in areas classified as *slums*
- urban settlement with at least some of the following features:
  - a lack of formal recognition on the part of local government of the settlement and its residents;
  - the absence of secure tenure for residents;
  - inadequacies in provision for infrastructure and services;
  - overcrowded and sub-standard dwellings;
  - and location on land less than suitable for occupation (UN-Habitat, 2003).
- **'informality' is not just a phenomenon of the poor**



## D2 S5 – Urban informalities

economic dimension, the broad definition of informality encompass most of the economy

activities and localities are considered “desirable” and not labelled as informal even if informal from a point of view of regulations

EXAMPLES?

**Formal and informal mixed** E.g. second hand clothes: “formal company” employing people “informally” and importing “informally” through the use of family diaspora networks

policy makers use these categories

Difficult to use but difficult to change

demonstrating the value of informal sector may be crucial.

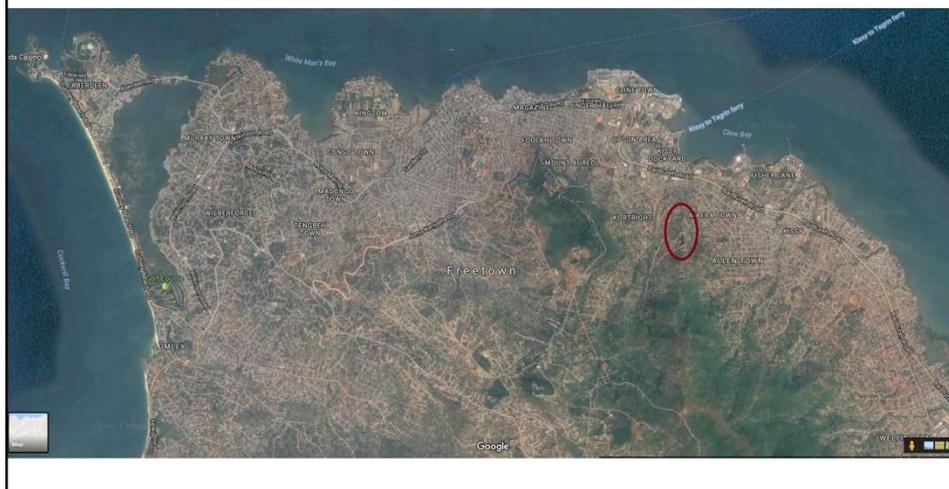


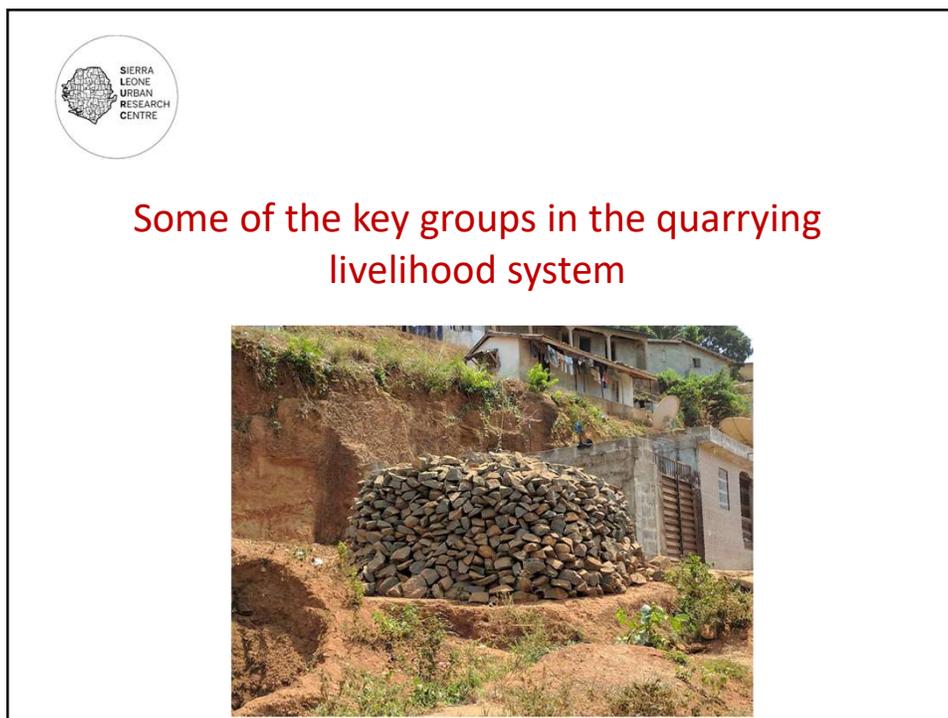
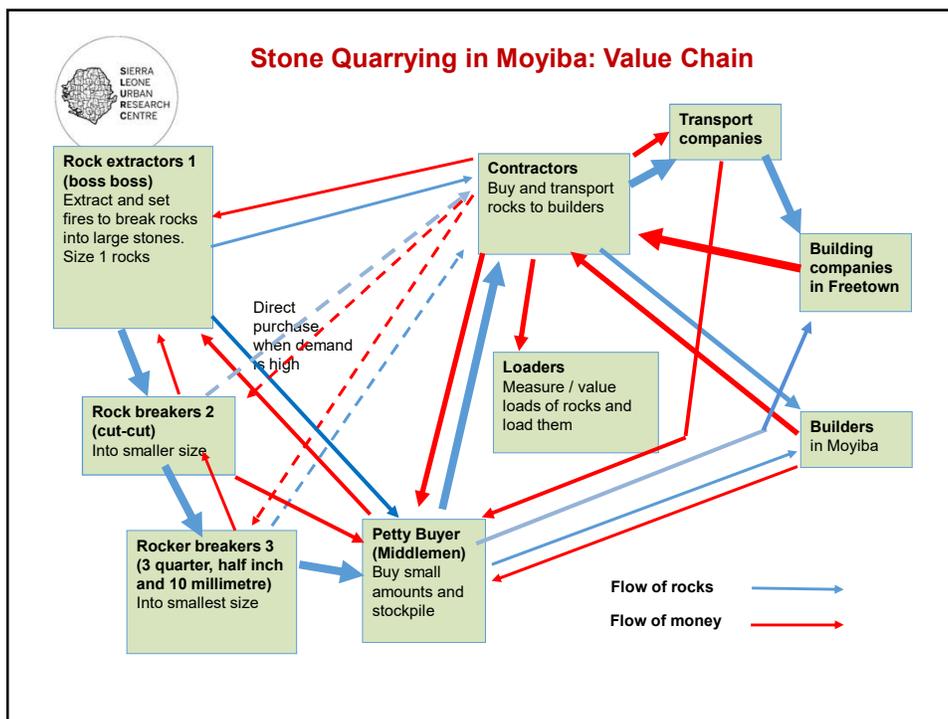
## The livelihood sectors of informal settlement residents

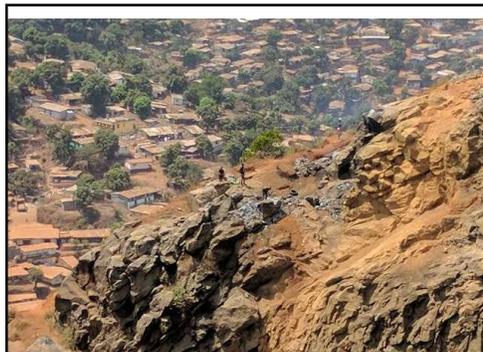
**Case:  
Stone  
Quarrying  
Livelihood  
System in  
Moyiba**



## Moyiba







**Stone extractors**

Men, on low incomes, who need limited assets (big hammer, bars, kerosene, charcoal, lighter, shovel, tyres) and some skills



**Stone breakers 2**

Mainly younger men, often students working after school. Need medium size hammers



**Stone breakers 3**

Women and children, need small hammer, head pan, jerrycans, shovel



**Contractor**

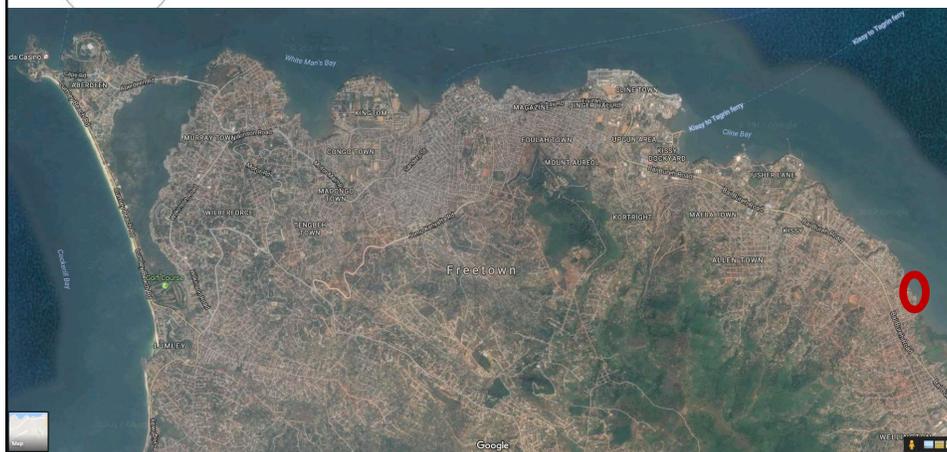
Mostly men but 1-2 women, need capital, contacts

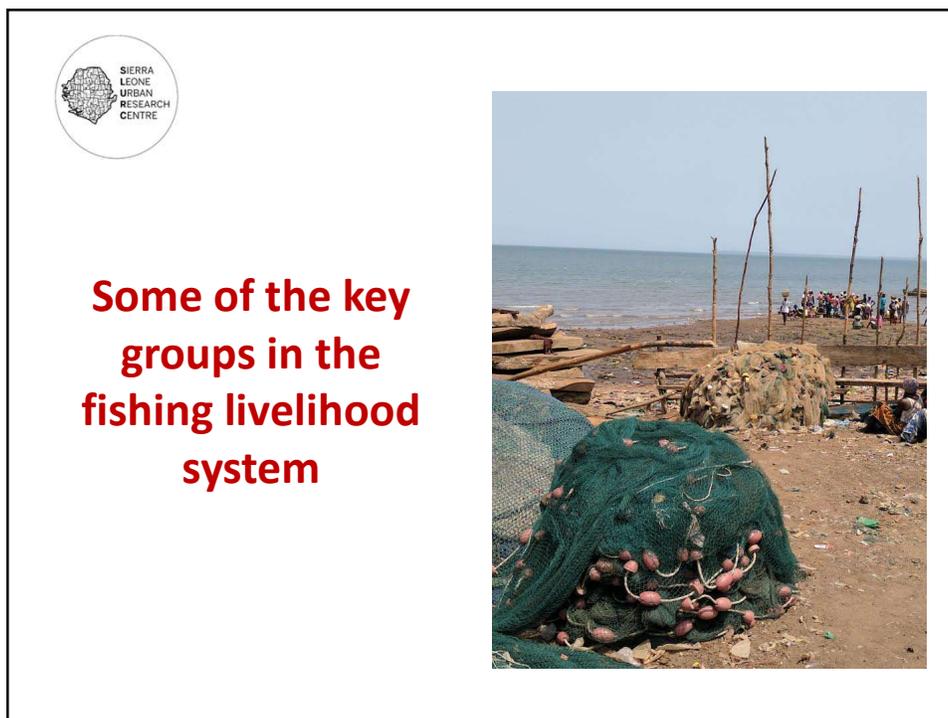
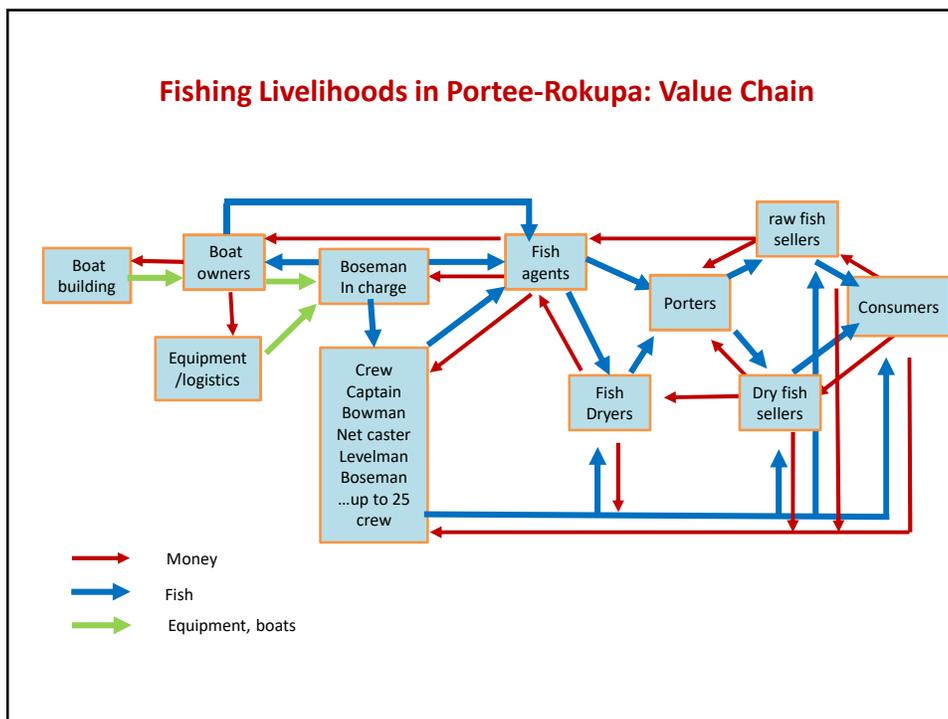


## The Fishing Livelihood System in Portee/ Rokupa



## Portee/ Rokupa







**Fishermen**

Men, low incomes, age between 15- 52 years, needs skills, logistics (daily provision) and healthy body



**Fish smokers**

Women, men mainly support, low income, needs smoking shed, wood, kerosine, lighter, torch light, wire mesh, etc)



**Agents**

Women, middle income, often related to the boat owners but may work for other fishermen, needs phone, networks, capital



**Boat owners**

Men and women, higher income, needs capital



## Findings 1: Livelihood systems

- Very structured chains, with a complex organisation developed over many years
- Mechanisms of cooperation to fulfil larger orders, or cope with difficult times (e.g. ill health, low prices).
- Evolving with the growth and expansion of the city
- Labour intensive
- Some stages are easy to enter (open access)
- Gendered roles:
  - Women often in stages where they can combine reproductive and productive work, but also lowest paid and least powerful
  - Women are powerful normally when family members also have important roles



## Three broad categories of actors

	Labourers	Brokers	Investors
Examples	Stone breakers, stone extractors, cockle pickers, fish sellers, fishermen	Fish agents, petty buyers	Boat owners, contractors
	No capital, ease of entry	Limited capital, strong social relations and trust, long experience of the sector	Capital, social relations
Gender	Men and women often in sex segregated parts of the chain with "male" activities generally better paid.	Women: are often family members of men occupying a capital based position Men: often built their position overtime	Mostly men



## Livelihoods of last resort

- Often livelihood of last resort. Joined in a moment of crisis:

*“Most of the women were selling at Abacha Street but because the police chased them from the street so they decided to join us in the quarrying”*

*“I have also lost my husband and so decided to choose stone mining as the only available option of survival”*

*“Migrated from the province to Freetown due to the intensity of the war in the province where I lost all my money as a petty trader. Fish trading was a lifesaving source of livelihood for me since I could not engage in a productive trade as this with the blessing of living in a fishing community.”*



## Insecurity of livelihoods

- **Seasonality:** For example, in the rainy season demand for stone collapses and it is also more difficult to extract them
- **Risk of injury** (occupational hazard)
- **Environmental changes**
- **Competition**
- **Subsistence** (hand to mouth)
- **Regulation**

### Responses

- Cope using multiple activities
- And/or
- Systems of mutual social protection:
    - horizontal, saving groups;
    - vertical advances from brokers



## Outcomes – Individual and Household

### Income

- Workers secure incomes, but these are insecure and fluctuating
- Inequalities in earnings (labourer, broker, investor)
- Women are in less profitable sectors (e.g. Cockle picking) or stage in chains, with the result that they earn less. E.g. Stone quarrying labourers, women's income on average was about 60% of men's. Women as 'secondary earners'?



## City-level and Settlement scale: Labour intensive work in a cash scarce economy

- Labour intensive sectors able to sustain a large number of people
- Consolidated trust relationships built over a long period of time allows the value chains to function with little cash



## City-level and Settlement scale: self-governance

- External governance interventions often undermine the chain. E.g. fishing nets regulation without adequate support.
- When there is no external governance, locally relevant systems are established within the settlement

*“We do not have licenses to operate as stone contractors but we do have laws guiding our operations in the quarry as contractors which are enforced through our association. [...] The fees from the fines are used for road maintenance, building of toilets and construction of drainages.”*



## D2 S5 – International sectors

- Kroo Bay Bay international trade with Guinea (UN IOM office inside the informal settlement)
- imported clothes from the globe sold locally through a complex system of traders who select them, adjust/improve them to fit with local fashion trends and sell them to the appropriate income customer group.
- Even people in the lowest stages of the sector are aware that their tools came from China



### Findings 3: Outcomes – City scale

- Labour intensive, open access livelihoods systems like these make a crucial contribution to well-being of city residents.
- provide employment opportunities and income for basic living needs at scale, in the absence of large **formal job markets** or **systems of social protection**.
- They also underpin systems of trust and cohesion, and protect the city from the social conflicts linked to inequality and large scale unemployment.
- However their use of natural resources in limited urban spaces may not be sustainable, or have potential for growth.



### Conclusions and Discussion Points

1. These livelihood systems:
  - ⇒ Provide for the well-being of large numbers of people, with little capital, while contributing to key sectors of the city.
  - ⇒ They are based on trust relationships built over long periods of time and informal institutions which regulate the sector
  - ⇒ There may be a need to regulate/ manage these systems to support spatial planning, environmental sustainability, or more productive economic activities
  - ⇒ However, any resulting disruption (relocations or major regulatory changes) will affect:
    - ⇒ the supply of key goods to the city
    - ⇒ cut the livelihoods of a large number of people



⇒ Therefore similar *labour intensive* alternatives need to be developed BEFORE any interventions which disrupt these systems.

⇒ Otherwise, there will be increasing unemployment, poverty, and potentially social conflict



## D2 S5 – Urban informalities

“Informal institutions can replace [...] formal ones in contexts where the state is unable or unwilling to implement its formal rules. In this sense, informality contributes to formal institutions by organising social interaction in the absence of the state, for example, during periods of rapidly changing socio-economic contexts, rapid urban development...” (Mcfarlane and Weidel, 2012, p. 2).

In Freetown:

- wealthy individuals have houses built without appropriate permission
- established businesses have set of practices or areas that do not follow official governance processes.

Informal is not about lack of government presence  
arrangements with government officials who sometimes explicitly and sometimes tacitly authorize the development.

a lot of what the state itself do is informal



## D2 S5 – Urban informalities

informality of the poor is criminalised

informality of the rich may be ignored or even incentivised.

**Can you provide examples?**



## Contribution of informal livelihood sectors

- beyond providing a livelihood
- key economic contribution to the city,
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## Conclusions and Discussion Points

- It is wrong to frame informality as belonging to the poor.
- challenging the idea that formality and informality are part of clearly different spaces in the city
- **The analysis of the “informality of the poor” demonstrates its significance to the wellbeing of the city.**
  - important for the stability of the capital city and ultimately the entire country and thus fundamental to the wellbeing of Sierra Leone
  - Policies and regulations interventions affecting these sectors should be carefully thought and aimed at to providing better alternatives, rather than undermining existing livelihoods.



# Towards a Pro-Poor “Agenda For Change”

*Opportunities and Experiences  
of Slum Policy and Practice in Sierra Leone*

By Benjamin Bradlow, Shack / Slum Dwellers International



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## **Abbreviations and acronyms**

CSG	Community Steering Group
FEDURP	Federation of the Urban and Rural Poor
HFC	Home Finance Corporation
MLCPE	Ministry of Lands, Country Planning, and the Environment
MWHI	Ministry of Works, Housing, and Infrastructure
PRSP2	Poverty Reduction Strategy Paper 2
SALHOC	Sierra Leone Housing Corporation
SDI	Shack / Slum Dwellers International
YMCA-SL	YMCA Sierra Leone

## Foreword

A major concern of this work is about an apparently irreconcilable divide. This polarity between the 'formal' and the 'informal' has not helped in creating comforting or complimentary instead of conflicting policies and actions between these two spheres of societal existence typical of all under-developed and developing countries. This divide is variously described as system 'rejects', versus those in the system, or the system-elects; The 'out-laws' versus the 'in-laws'; the approved versus the disapproved; the planned versus the unplanned. Though informal settlements are, *de jure*, in violation of several aspects of the law, they remain the responsibility of officialdom, whether by design or default, including Government inaction over the years that has served to condone or encourage the spread of slum settlements. Thus the latter can be described as 'unplanned-for' or 'accidental' children, for whom parental responsibility must still be borne.

To that end I subscribe to and endorse this report, commissioned by the YMCA of Sierra Leone, which attempts to "*create a framework for the kinds of relationships that can produce an organic and sustainable set of policies*". I am a great believer in socio-economically sustainable but fair policies, which is impossible without an effective and realistic engagement of especially those on the receiving end of policy. But over and above that, the Local Government Act of 2004 governing all nineteen local councils in Sierra Leone including the Freetown City Council, is ahead of its times in formally prescribing inclusivity and participatory governance. Part XV of same is titled Transparency, Accountability and Participation. In part XI, the Development Plan that guides the development of the locality and which informs the budget, must involve wide consultations with residents and other stakeholders prior to approval. Council meetings are open to residents, and monthly financial reports, minutes of Council, and schedule of Council activities must be put up on every ward notice board. Part XIII provides for Ward Committees in every ward consisting of ten elected residents.

At the national level, officialdom recognizes the bottom line problem is poverty, hence the guiding national policy is the *Poverty Reduction Strategy Paper (PRSP II)*, which encapsulates the President's Agenda for Change. The latter states in the forward to the Agenda for Change that:

*'Extreme poverty remains pervasive. Consequently, over 60% of our people are unable to afford one decent meal a day. This abject poverty is compounded by significant problems in the health and educational sectors.'*

*As a result Sierra Leone has consistently ranked at the very bottom of the UN Human Development Index.'*

The Agenda For Change has four strategic priorities, viz Power, Transport, and Agriculture, all undergirded by the fourth priority of Human Development. His Excellency the President Dr. Ernest Bai Koroma further therein states in his wisdom:

*'Fourth, in order to maintain the progress we will make, we must ensure sustainable human development through the provision of improved social services. Effective delivery of basic social services is essential for ensuring economic growth and poverty reduction. We are committed to bringing the service delivery closer to the people, by pushing forward our policy of decentralization and devolution of service delivery functions to local councils.'*

Though the paper commissioned by the YMCA focuses on two albeit very significant slum settlements, it belies the fact that Freetown has a very large number of informal settlements, up from under thirty a decade ago to well over 100. The Council's long-term ambition is a city without slums. Such a policy is informed by the following:

1. In the absence of massive investment in basic infrastructure, many of these settlements are likely to remain sub-standard, because they are built on environments that are non-conducive for unplanned human settlement.
2. Cosmetic 'Improvements' in the absence of the required infrastructure investment can sometimes compound the problem, as was proved after the interventions in six depressed areas by the IDA Funded Freetown Infrastructure Rehabilitation Project in the nineties. Such depressed areas - Kroo Bay inclusive - have as a result experienced a swell in numbers and rapid expansion and greater congestion, leaving human conditions worse than before the intervention.
3. A multiplicity of issues need to be tackled for ultimate success, inclusive of engaging and reshaping national policy to among other things stem the rural-urban drive, and redirect labour where it is most productive and needed. Key among such policies is the national housing policy and addressing the dual land tenure system.
4. Slums pose serious threats to the environment, with devastating cost to the city economically and ecologically. They are mostly disasters waiting to happen, as borne by the increasing death toll from landslides, floodings, disease, etc.

5. Freetown slums are unique in terms of the gravity of the incredibly inhumane living conditions. Available statistics in local hospitals and health centers attribute most mortalities to residents from such communities, which effectively makes them death traps. Mike Davis' 'Planet of slums' states p.150 that "*today's megaslums are unprecedented incubators of new and reemergent diseases that can now travel across the world at the speed of a passenger jet...*". No responsible government can turn a blind eye to such settlements, whether in the city or not.

The above however does not mean that the Government or Council is prepared to ride roughshod over slum settlements, or carry out forced evictions. As a matter of fact, the SLUM Strategic Management Agreement is the first recent official guide on slum issues. It was initiated by the FCC under the study on slum issues undertaken in conjunction with the Cities Alliance in 2009, and signed by the Hon. Ministers of Local Government; Works Housing and Infrastructure; Social Welfare, Gender and Children's Affairs; Lands, Country Planning and the Environment; and His Worship the Mayor of Freetown. One of the clauses for example states it aims to:

*Ensure that the SLUM residents are involved in the decision-making process leading to the development of neighbors they live in, being understood that those decisions are to be taken in the interest of the SLUM and overall Freetown community, the urbanities and the city as a whole.*

We trust this work will open a healthy dialogue that will ensure effective collaboration of all stakeholders in order to sustainably tackle what is effectively a national emergency.

***Bowenson F. Phillips***

***Chief Administrator***

***Freetown City Council***

## Introduction

Informality pervades the cities of the Global South. By “informality” we refer to the fact that housing, land, services, and economic livelihoods of many urban residents fall largely outside formal laws and practice. Informality is one of the pervasive characteristics of slums. More than any one characteristic of slums as identified by UN-Habitat and other official, multilateral agencies — bad housing conditions, lack of proper water and sanitation, etc. — “informality” is a term that encompasses the basic existence of slum dwellers throughout the cities of Africa, Asia and Latin America.

Political institutions and the policies they formulate are, on the other hand, quintessentially “formal.” They create the laws and bureaucracies by which both government officials and citizens structure relationships of money and power. Informal traders and dwellers are outside of these arrangements. They do not have tenure, they do not live in houses approved by government, they do not sell their goods in markets registered with government, etc.

The challenge for slum-related policy, whether we refer to policy makers, bureaucrats, or slum dwellers, is that such policy is trying to bridge the worlds of the “formal” and “informal.” This report is concerned with understanding what kinds of both policy and practice exist with regards to slums in Sierra Leone. The first section of the report covers the major institutions and political arrangements of the formal world: general slum policy at the local and national levels, land policy, administration of data for formal planning purposes, housing policy, institutions of housing finance, processes of eviction and relocation. The second section of the report focuses on the more informal arrangements of slum communities themselves, in particular those of Kroo Bay and Dworzack. They represent two different kinds of slum communities in Freetown, in terms of construction, density, the problems they face, and the ways in which their more informal forms of community leadership operate. Finally, this report contains recommendations for achieving a pro-poor policy environment regarding slums in Sierra Leone. The policy recommendations contained within are not just about specific legislative items, but also about creating a framework for the kinds of relationships that can produce an organic and sustainable set of policies. These are methods for structuring the kinds of engagements between formal and informal actors so that they can work together to develop policy and practice to bridge this all-too-present divide.

## **Methodology**

The research was commissioned by Y Care International to support a project aimed at transforming young people's lives in slum settlements in Sierra Leone, implemented by YMCA Sierra Leone (YMCA-SL) and funded by Comic Relief. YMCA-SL is a non-governmental organisation that focuses on community interventions that affect the lives of young people in the country. The slum project of YMCA-SL, in operation since 2007, has a particular focus on the lives of young people in urban slums, primarily in two slum communities in Freetown – Kroo Bay and Dworzack. In addition to those programs directed solely at young people, such as skills training, and youth advocacy development workshops, a major part of the slum project has been to support the formation of women-led, daily savings groups in slums in Freetown. These savings groups follow the methodology of community-based slum dweller federations affiliated to Shack Dwellers International (SDI) in 33 different countries throughout Africa, Asia, and Latin America.

The research began with a desk review of existing literature on slums in Freetown, which included previous YMCA settlement enumeration and baseline profile reports. A team consisting of the SDI consultant, an NGO professional from Ghana's People's Dialogue on Human Settlements, and two leaders of the community-based Ghana Homeless People's Federation, traveled to Freetown to conduct face-to-face interviews with a range of politicians, bureaucrats, and community leaders (see appendix 1 for full list of key informants), as well as to support the activities of the Sierra Leone Federation of the Urban and Rural Poor (FEDURP).

The goal of the research was to review existing policy and practice, and to make recommendations for further community work and advocacy around a pro-poor urban agenda in Sierra Leone. Though the report does address documented policy, much of the practice in Sierra Leone with regards to slums falls outside the writ of policy. Significant portions of slum-related policy appear to have been produced by outside consultants from multilateral agencies. It is worth noting that this report has also been researched and produced by outsiders. The methodology of SDI, the transnational network of slum dweller federations in Africa, Asia and Latin America, is fundamentally concerned with empowering those who face the challenges of urban poverty and exclusion to organize around their own capacities to address their own developmental goals. The analysis and recommendations in this report are made in the spirit of supporting an organic process of and by those most closely enmeshed in the particularities of the Sierra Leonean context. The course of the relationships of

---

formal and informal actors within this milieu will determine the kinds of policies and practice that emerge.

### **1. Existing Government policy and practice**

Post-war Sierra Leone has made halting steps towards the establishment of a functional, democratically-oriented civil service. At both local and national levels, we can begin to perceive the outlines of human settlements policy, as well as the means by which such policy is to be implemented. In this section we will look at the legislative and policy context for the local governance of Freetown, as well as at the national level. At both levels, the effects of war compose a unique backdrop for the way that human settlement policy has emerged over the course of the past decade. Displacement during the war has augmented the rapid pace of urbanization that is common to much of West Africa, as well as the Global South.

Formal political capacity has thus far been sorely insufficient to enable the nascent post-war bureaucracy to make effective interventions with regards to shelter, land, water and sanitation in urban areas. Lack of coordination between the many multilateral agencies that do work in Sierra Leone appears to have compounded any effort within the local bureaucracy to plan and implement human settlements policy effectively. Policy makers and ordinary bureaucrats alike have thus far been unable to engage meaningfully with those affected by such policy: communities of the urban poor. This means that both local and national government functionaries in the urban sector are left guessing about how to develop and implement a strikingly top-down policy agenda.

As a general rule, despite the massive influx of urban inhabitants in the past decade, urban issues barely register on the national political agenda. A Statistics Sierra Leone Survey from 2004 indicated that almost half of the population (43%) had migrated in the last year. The vast plurality of migrants had moved to the Western Area (42%), which includes Freetown.<sup>1</sup> The survey celebrates the successful relocation of internally displaced persons to their rural homes, yet the influx into Freetown in the post-war period has been a significant development in the demographic reality of the past decade. The lack of emphasis on an urban-focused development agenda is best reflected in the government's much touted — by its own officials — Poverty Reduction Strategy Paper 2 (PRSP2). The stated focus of this document is on electricity, transportation, agriculture, and health. Though all of these issues could theoretically have some bearing on an urban agenda, there are no major policy documents in

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<sup>1</sup> Sierra Leone Integrated Household Survey, Statistics Sierra Leone, 61-2.

Sierra Leone that prioritize urban development, except for, perhaps, water and sanitation issues articulated under the rubric of "health" in the PRSP<sup>2</sup>.

### **1.1 The post-war urban context**

Freetown is an extraordinarily dense city. Built under British colonial administration for a planned population of 200,000, Statistics Sierra Leone estimated the population of the city as almost quadruple that amount in 2004<sup>2</sup>. During the war, many residential buildings were destroyed. Countrywide, approximately 2 million people were displaced during the 11-year war. The extent of the buildings destroyed in Freetown would be enough to cause a housing shortage, but the city has since experienced a rapid influx of new residents, as many displaced Sierra Leoneans fled the countryside and came to look for work in the country's primary city. Other cities such as Bo and Makeni are growing, but Freetown is by far the largest. It is home to 15% of the country's population.

Homelessness and landlessness are chronic problems, and not just for the poorest of the poor. According to Kemoh Tarawallie, general manager of the Sierra Leone Housing Corporation (SALHOC), the city needs to build 500,000 houses just to get back to pre-war levels of housing stock. This does not begin to take into account the new residents of Freetown that have arrived since the end of the war in 2002. The formal housing that does exist is expensive. It is not unusual for a landlord to require payment of 2 years of rent upfront in order to lease an apartment or house. The average occupancy countrywide is 6.5 people per room, and often 3 generations of a family can live in the same house.

### **1.2 Policy and Practice in the slums of Freetown**

*"It is simple. People keep dying every year in that place ... Government will have to say, 'No. Enough is enough!'"*

— *Sam Franklin Gibson, Acting Deputy Mayor of Freetown and Councillor in Freetown Ward 389*

The seaside slums of Freetown, such as Kroo Bay and Susan's Bay, are densely inhabited, flood-prone areas. The summer rainy months of June, July, and August, can cause major floods in both slums. Kroo Bay is decades old, but its post-war growth has meant that residents are building shacks closer and closer to the sea. Already inadequate drainage systems are coming under increased strain. Children run through the same stagnant water frequented by the domestic animals kept in the

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<sup>2</sup> 2004 National Census figure, as quoted in Michael Johnson, "An Assessment of the Urban Conditions and Systemic Issues Contributing to Slum Development in Freetown, Sierra Leone," 2. Report funded by Cities Alliance.

settlement: pigs, goats, and chickens. The growth in Kroo Bay, along with the rise in population in areas uphill from Kroo Bay, has reduced the absorption of soil and effectiveness of drainage during the rainy season. This has led to an increase in flooding. Residents who have lived in the same shack for over twenty years report that they have only begun to experience major flooding in their shelters in the last two.

In 2010, the city council instituted new by-laws that focus primarily on a wide range of nuisance violations. These relate primarily to the disposal of garbage<sup>3</sup>, child labor<sup>4</sup>, keeping of animals<sup>5</sup>, and health hazards<sup>6</sup>. Every one of these by-laws could theoretically challenge the informal economies and livelihoods present in Freetown. They are designed to bring some order to what can appear to be an incredibly chaotic city. But these new by-laws may, in fact, be part of longer-standing practice in the city.

Though this research is concerned with a number of different kinds of government policy documents, it may be most instructive to look at policy primarily through the lens of practice. For much of the action taken by government authorities concerning slum settlements falls outside of the writ of any official documentation. The bylaws are perhaps a start towards codifying existing biases against the existence of informality in the city. The response by the city council and the mayor to the flooding in Kroo Bay has had many twists. And it is easy to question if policy towards Kroo Bay has been affected solely — or even primarily — by interest in the well being of the settlement's residents.

In a corner of the main hallway leading to the mayor's office in Freetown city hall hangs a pristine artist's rendering of a waterfront development done by a South Korean development and investment firm. The location of the proposed development? Kroo Bay. "In Kroo Bay, they are occupying prime land," said Aiah Brima, development planning officer for the city council. In 2009, a Korean firm tried to kick-start a development of high-rise luxury apartments and offices. The project was to be funded in partnership with the Housing Finance Corporation (HFC), a parastatal mortgage lending institution that started lending the same year the Korean firm made its pitch. The plan would have entailed the eviction of the current residents of Kroo Bay to make way for the construction and eventual occupation by more upscale Sierra Leoneans.

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<sup>3</sup> Freetown City Bylaws, Statutory Instrument No. 6 of 2010, published 19 February 2010.

<sup>4</sup> Freetown City Bylaws, Statutory Instrument No. 5 of 2010, published 19 February 2010.

<sup>5</sup> Freetown City Bylaws, Statutory Instrument No. 3 of 2010, published 19 February 2010.

<sup>6</sup> Freetown City Bylaws, Statutory Instrument No. 4 of 2010, published 19 February 2010.

In August 2009, the Freetown mayor called for the eviction of Kroo Bay residents after severe flooding in the slum. Brima noted that there are two reasons for why the city believes that *in situ* upgrading should not be an option for the current residents: 1) Health — “As we see it, the conditions in that place are not conducive to human living,” and 2) Land tenure — “They are there illegally and we don’t want to set a precedent.” Relocation is therefore the path that city government has pursued up until now. During last year’s August rains, Mayor Herbert A. George Williams issued a decree that the residents should be moved, citing health concerns. But this call for eviction was not made in consultation with the Ministry of Lands, and did not follow the legal route for eviction (see below section on “Evictions and Relocations”). No one has been evicted, but the possibility remains.

If the site is considered safe for development aimed up market, as the initial enthusiasm for the Korean plan suggests, then we can dismiss the health concerns out of hand. It is clear that, for the current residents in Kroo Bay living in the settlement the way that it is currently planned, life is often unhealthy and dangerous. But the city government’s concerns, as articulated by Brima, do not appear to consider the health status of the land / location a *fait accompli*. Based on this reason for the city’s concern about Kroo Bay alone, *in situ* upgrading may very well be a feasible and favorable solution.

But this brings us to Brima’s outstanding concern: land.

### 1.3 Land in Freetown

*“We are fast running out of land in Freetown.”*

- Kemoh Tarawallie, General Manager, Sierra Leone Housing Corporation (SALHOC)

Only the present-day city of Freetown was once a British colony. The rest of Sierra Leone was a protectorate. This is the prevailing explanation for why Freetown’s land laws differ from the rest of the country. The Western Area of Sierra Leone, which includes Freetown, is the only place where freehold title is, in legal terms, a possibility for residents. The rest of the country is leasehold or communally owned. But, according to Tarawallie, the legal structures are not always respected. “This [leasehold outside of the Western area] is only on paper. You can go to Bo and buy land,” he said, referring to Sierra Leone’s second biggest city. Freetown was built for 200,000 inhabitants; the current population is at least four times that size. It is little wonder that land is scarce.

Land planning in the city is disorganized. According to Tarawallie, little to no zoning is evident in post-war development of the city. Most slums are built on government or "crown" land in the city of Freetown, which the government has under freehold title.<sup>7</sup> A National Housing Policy was developed in partnership with UN-Habitat in 2006, but officers in SALHOC and the Ministry of Works, Housing, and Infrastructure (MWHI) reported little familiarity with its contents. "I know bits and pieces," said one of these bureaucrats. Officers of the MWHI have been unable to locate the final draft of this document since the new government came into power in 2007.

In late May 2010, one could not get anywhere close to the city hall compound without being bombarded by tax collectors asking for payment of local rates. Billboards dot the city encouraging residents to perform their patriotic duties and pay rates. The incentive, then, to make land available for potentially lucrative private investment is great.

At the national level, land policy is confused. This is reflected in the fact that the country is divided by two different kinds of tenure systems — what Tarawallie calls "a colonial relic." The Ministry of Lands, Country Planning and the Environment (MLCPE), is currently in the process of developing a new land policy for the country in partnership with the United Nations Development Program (UNDP). Thus far one workshop has been held that has included the ministers of Environment, and Agriculture, and representation of civil society through the Sierra Leone Association of Non-Governmental Organizations (SLANGO).

Current national policy on land holds no provision on informal settlements, according to William Farmer, the director of surveys and lands in the MLCPE. Much of policy and implementation has been devolved from the national to municipal level, but Farmer complained about the worrying lack of capacity in the municipalities, including Freetown. A reason for this, he said, is an acknowledged lack of communication on both sides at the national and municipal levels. The example of the administration of SALHOC indicates problems in communication between ministries at the national level.

Key to the problems behind the mandate of the ministry is the broken tenure system, where even basic notions of freehold ownership are murky. It is clear that the government does not have enough information about current land ownership, which is making already confused land tenure arrangements seem almost illegitimate. This is especially the case if formal understandings of tenure are being disregarded in places where free hold is said not to exist, as Tarawallie suggests. According to

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<sup>7</sup> Johnson, 13.

Farmer, the tenure system is under fundamental review as part of the UNDP land policy development program. "We are making a desperate effort to develop a land bank," said Farmer, noting that the ministry is about to undertake a country-wide effort to lead this effort.

#### **1.4 Data and Planning Administration**

The administration and collection of information regarding slums is a challenge in any country that has a proliferation of informal settlements. Sierra Leone, and the city of Freetown, are no different in this regard. Kroo Bay is a prime example. Though local government estimates had the population of the settlement at between one to two thousand inhabitants, a community-led enumeration of the settlement in August 2009 found that the population was 10,989. Government and consultant-driven surveys of informal settlements are almost always based in survey practices of sampling and even aerial photography. Conversely, a community-led enumeration methodology was employed by the community of Kroo Bay, along with many other communities that have used the social technology of enumeration pioneered by urban poor federations affiliated to SDI. This survey entails community members questioning their neighbors door-to-door on a wide range of social indicators, receiving much more accurate data, as well as enhancing community coherency around a prioritized developmental agenda. Statistical discrepancies between the government / consultant-driven model and the community-based model cannot help but have ramifications for planning and policy regarding the area.

Abdul Karim Marah, deputy development planning officer for the Freetown City Council, noted that outside consultants from the EU and Cities Alliance have conducted baseline surveys of a few slums in the city, including Kroo Bay. But these surveys were not conducted utilizing the door-to-door, community-led methodology long-employed by SDI affiliates. Rather, the consultant-driven surveys that have been undertaken since 2006, have been based on sampling and focus groups. Though the government has not collected definitive information on the extent of the different groupings of tenants and structure owners, Marah raised this as an issue impeding the government's ability to engage with legitimate structures within the community.

In a discussion with Abu Haruna, a leader of the Ghana Homeless People's Federation, Marah acknowledged that although there had been some discussions with the Kroo Bay community's leaders regarding a possible relocation, this was a matter of isolated instances of consultation. The intention appears to have been primarily to gain approval for government plans, not to develop a joint strategy for developing the area. The government strategy, of course, has not been geared towards

letting the community stay in Kroo Bay. Marah indicated that he would be interested to learn more about the community-led information gathering and planning strategies that SDI affiliates use.

Planning throughout the city is also missing a sense of coherence. A city development plan exists, but the city does not appear to be driven by the strategy it describes. The development of the plan was funded by the European Union, and its major findings are not the touchstones city officials use to describe their objectives. This is most evident in comparing the approach in practice to Kroo Bay with the following passage from a "recommendations" section in the Freetown development plan:

When planning the development process, the economic function of the slums in the context of the urban economy must be studied well and be taken into close consideration. This is particularly true where slum rehabilitation cannot avoid resettlement (due to hazardous environments of the present slums, overcrowding, and technical problems of protection against flooding). Nevertheless, resettlements should be kept to an absolute minimum and should follow legal rights. Slum dwellers should receive compensation and future secure tenure, no matter whether they were (informal) owners, or tenants, or else. Communities should be resettled only with their consent and as a social entity, or at least large parts of a collective community.<sup>8</sup>

Though most planning is done at the city level, there is interest at the national level, particularly in the Ministry of Works, Housing, and Infrastructure, in slum profiling. This allows for a wider set of information about slums at the city-wide level. It is possible that the UN-Habitat-commissioned "slums and informal settlements report" from 2006 did some of this, but the report appears to have been tossed aside and no one is aware of its contents (see below). The Ministry requested funding for such survey activities in last year's budget allocation, but did not receive the money.

### **1.5 Housing policy and institutions**

The national Ministry of Works, Housing, and Infrastructure (MWHI) is the main ministry in charge of housing policy. In 2006, UN-Habitat worked with the ministry to fund the production of three related documents: a national housing policy, a national housing program, and a slums and informal settlements report. The first two were produced and approved by cabinet, and the third has floundered, with the process for its cabinet approval having been superseded by the change in ruling party

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<sup>8</sup> Freetown Development Plan: Pre-Identification Study 2008, 129.

after elections in 2007. It appears as though none of the three documents are operational in any sense. The ministry has been unable to locate the final drafts of any of the documents for its own use, and ministry officials were not familiar with their contents.

Policy and action regarding slums and informal settlements does not appear to be a priority within the ministry. This is particularly the case because of an ongoing push towards government decentralization. "Slum issues are basically with the city council," said Nancy Tengbeh, deputy permanent secretary in the Ministry. In a briefing with the SDI research team, Tengbeh referred repeatedly to the PRSP2 document which she said forms the "backbone of the agenda for change," the rhetorical thrust of the current government's development program. However, the document to which she refers makes nary a mention of housing or urban policy.

The relationship between the Ministry and SALHOC, theoretically a parastatal that should fall under the Ministry's control, is near non-existent. SALHOC was formerly part of the MLCPE, but under the new government, moved under the MWHI. But the MWHI is not on the board of SALHOC and they rarely communicate. "If we actually want to make these parastatals functional, they have to be answerable to the relevant ministry," Tengbeh said.

Institutions for finance and technical expertise regarding housing are only beginning to take shape post-war. SALHOC is a parastatal company charged with developing housing throughout the country. The National Commission for Privatization manages it, with minimal involvement from the Ministry of Housing. The act incorporating SALHOC states that at least 60% of its resources should be for low-income citizens, 30% for middle-income and 10% for high-income. For a country with such an acute housing shortage — and this is particularly the case in urban areas — the lack of interest in public or private investment in housing is a huge hurdle. Private investment is minimal, particularly when it comes to low-income housing stock. And the public monies that go towards housing are not actually for building houses, according to Tarawallie. "The money that they do allocate is for making policy," he said.

SALHOC received an initial tranche of funds from the government shortly after the war, but it was always intended to be a self-financing institution. It began with 600 pre-existing units for low-income residents in Freetown, another 60 for high-income residents, and small pieces of land. The rent in the low-income units were so low, said Tarawallie, "it was as if we were subsidizing people to live in them." SALHOC decided to sell the units to the sitting tenants, which ended up being a subsidized sale. Some

of these units were and are occupied by low-level government functionaries, and SALHOC is claiming that the government still owes it 2 billion Leones (approx. USD510,000). SALHOC currently is refusing to pay any tax to the government until that amount is repaid. Both sides appear to have unofficially accepted this stalemate. In the past year, SALHOC has built 20 houses for low-income residents in Freetown, the only place where it has ever had projects. But it is hoping to focus on high-rise apartment buildings in the future, in order to make better use of scarce land in the city.

The national government has made it a priority to privatize parastatals, which has given hope that SALHOC could receive renewed capital to pursue new projects. Currently, the company is barely operational, Tarawallie admitted. The institution has long-term potential, but only "if we go through a catharsis of some sort."

The other main institution related to housing is the new Home Finance Company (HFC), which was capitalized by the National Social Security Insurance Trust (NaSSIT) in 2008. The focus of the HFC is to address the post-war housing deficit easing access to home finance. It was set up with the support of the HFC Ghana, which has been active for 19 years, with a long track record of innovating in housing finance throughout Ghana. HFC has worked with SALHOC to absorb 10 SALHOC-issued loans. Many of the lease-holders were in arrears and defaulting on the loans. HFC's strategy was to pay off the arrears and principal of the loans and then issue a new loan. On the new terms that HFC has set for the loans, repayment has been consistent thus far.

None of the HFC ventures — or any government or parastatal initiative — have gone to scale. HFC has funded the building of five 2-bedroom houses in the Hamilton area of Freetown. The model was to provide funds to a private developer and then look for buyers. In total, HFC has given out about 85 loans since July 2009. Though HFC did not provide exact socioeconomic statistics on who their customers are, they claim that their customer base includes police officers, informal traders, and photographers, which is supposed to demonstrate that they are reaching a working class part of society. The lending rate for HFC loans is at 19%, which is about 10% lower than commercial banks, and they have begun buying mortgages from other banks. Because of its long-term funding model from NaSSIT, HFC is claiming to be able to spread losses over much longer periods of time than a commercial bank. It is also planning to access funds from international sources by listing on the new Sierra Leone stock exchange within the next year.

## **1.6 Evictions and relocations in Freetown**

Brima admits that the Korean interest in the Kroo Bay area is probably long gone at this point. The latest development focus for the area is an European Union-funded project to improve drainage and build a sewage treatment plant there. Still, Brima noted, this would require the removal of at least some of the residents. The terms of reference for the EU project for infrastructure provision in Kroo Bay also stipulate a relocation process for some affected families. This plan is laid out in the document as one to be driven by consultants, and an NGO is to be recruited for sensitizing the community to what appears to be a pre-ordained process of relocation.<sup>9</sup> The process for eviction requires little to no consultation with those affected. Officials in city council and the national MLCPE described the same process prior to the eventual removal: (1) The city applies to the MLCPE to get the eviction approved. (2) The Ministry takes this to Parliament for approval. (3) The Ministry provides surveyors to demarcate the land. (4) The city council conducts a survey in order to determine who will be moved. (5) The land gets planned for new development by the Ministry.

There have been two recent cases of government removals of slum residents. In both cases the removals were from seaside slums to areas further uphill. Residents of Old Wharf were relocated two years ago to Grafton, but Brima acknowledged this as a failure. When alternative development did not begin at Old Wharf, the erstwhile residents left Grafton and moved back. According to Tarawallie, German aid agency GTZ funded a project in partnership with SALHOC to move people from Marbella also to Grafton, where units had been built for residents. Many of the residents sold or rented the units and then moved back to Marbella.

In Kroo Bay, the city government has been working with the International Organization for Migration (IOM) to facilitate a possible relocation. According to Brima, the council has already identified two possible sites for relocating residents of Kroo Bay: Yam's Farm and De Beer Water. It is also clear that the will within the council to develop an actionable plan for relocation that involves the residents' concerns is contested. Brima asked why the residents of Kroo Bay — many of whom were born there — could not go back to their ancestral lands. "Most of these people have land in the northern provinces," he said. Competing interests with regards to the future of the Kroo Bay settlement mean that much has been discussed, but little action has been taken. A historic, rapidly growing community lies in the balance.

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<sup>9</sup> Terms of reference for recruitment of consultant, "Freetown Development Plan: Preparation of a Resettlement Plan in the Kroo Bay area"

## **2.1 Community organization: Kroo Bay**

Elections in and of themselves are a relatively weak barometer of the consolidation of democracy. It is, of course, a hopeful sign that post-war Sierra Leone had a peaceful change of political party rule in 2007. But the emergence of civil society groupings able to engage constructively and effectively with government will be perhaps an even greater sign of Sierra Leone's political development. Community-based organizations are one of the more difficult and important kinds of civil society groups of this nature. Politicians and bureaucrats active in the urban sector in developing countries throughout the world have difficulty appreciating both the necessity and the means of engaging communities that are organized to address their own developmental challenges.

The emergence of the Sierra Leone Federation of the Urban and Rural Poor (FEDURP) in slum settlements throughout the city of Freetown is a key innovation in bridging this persistent divide. Its focus on daily savings, women leadership, and community-based information gathering, has served to augment and make more effective existing, male-dominated leadership structures in slum communities. Government, particularly at the local level, is quick to adopt top-down, programmatic agendas that dictate action to communities without more than nominal consultative meetings with these communities. The Kroo Bay example is a vivid illustration of this.

Despite the often paternalistic attitudes of government towards Kroo Bay, community initiatives there have been instrumental in beginning a slow turn of the tide towards planning and policy implementation through partnership between government actors and community leadership. The key leadership organization in the community is what is known as the Community Steering Group (CSG), which includes traditional leaders. Such associations exist under similar names in informal settlements throughout the city. The CSG in Kroo Bay is composed of representatives from traditional leaders and chiefs, youth leaders, and other, predominantly male leaders. In an interview with the CSG, members described their role as two-fold: (1) to plan for development and represent the developmental interests of the community, and (2) managing public relations externally and sharing information with the wider community internally.

There have been two major development initiatives that the CSG has undertaken in the past three years. In 2007, they began working with the Sierra Leone YMCA's slum project to install ten water standpipes and to build a community center. The CSG worked with the community at-large to identify the most advantageous locations of

the standpipes. It also negotiated with the MLCPE and the original owner of the land to acquire the title for what is now the location of a well-maintained community center.

By far, the greatest challenge that has helped grow the capacities and focus of the CSG is the continuing threat of eviction. The mayor threatened the community with eviction after flooding in August 2009 resulted in the loss of life, as well as the loss of property. The community is clearly of two minds with regards to relocation, at least in principle. But the community is united in opposition to the approach of government as pertains to a possible relocation. When the mayor issued his unilateral eviction order, he asked the CSG to communicate the decision to the community at-large, which the committee refused. It was, in any event, unlawful for the mayor to make this declaration, as he did not go through the channels of the MLCPE and Parliament (see above section on "Evictions and Relocations in Freetown").

The clearest sticking point is that the community claims that the government has made no provision for alternative accommodation in the case of eviction. Moreover, residents feel that their terms of relocation will be steep, because they are so reliant on the market nearby for their economic livelihood. One resident spoke of the possibility of being moved to the upscale neighborhood of Hill Station: "Even if I were to be taken to Hill Station, I would prefer to be in Kroo Bay." Proximity to the market at the edge of the settlement was the oft-cited reason for such sentiment. An enumeration survey conducted by residents in August 2009 revealed that two-thirds of residents are self-employed. The dense, bustling informal trading areas of the nearby city center are therefore key locations for income generating activities.

Though there is a theoretical willingness among some community members to move, the fundamental agenda of the CSG appears to be development *in situ*. In this regard, the community has conducted an enumeration survey, which helped identify the developmental priorities of the community. The four biggest needs, as identified by the community through last year's enumeration process are as follows: (1) Drainage, (2) Toilets, (3) Passable roads, (4) Skills development. And the governmental processes of collecting information related to developmental priorities have been frustrating for a community that has already demonstrated a capacity to manage such activities. The community is still waiting for an environmental impact assessment report that will help determine the course of the eviction order from government. But there are questions about why they have not been involved in the gathering of information for that report. After all, residents say, they bear the brunt of the

environmental impact every day. As youth leader Hajji-Bah put it, "You want to talk to consultants? No. You talk to us."

Engagement between formal political structures and the CSG in Kroo Bay is minimal. CSG members report that they have not had communication with two of the three ward councilors who are responsible for the interests of different parts of the settlement. One of the ward councilors is a member of the CSG, but did not attend our meeting, despite having promised to do so. Communication regarding the community's enumeration report has also been ineffective. Many officials in the city council reported to have never seen the report or only heard about it.

The FEDURP savings schemes in Kroo Bay are making headway in pioneering social technologies of community organization that strengthen the community at-large. The eviction threat has brought extra coherence to the male-dominated political leadership of the CSG, but the effect on the women-led savings schemes has been less clear. Some federation members claimed that savings had suffered in the wake of the eviction threat. Still the federation has made headway at the political level. Engagements between city officials and federation members at the World Urban Forum in Rio de Janeiro, Brazil, in March were said to be the start of greater understanding of community concerns.

## **2.2 Community Organization: Dworzack**

Dworzack is built on land once owned by an Eastern European farm owner. The settlement has grown rapidly, particularly in the post-war period. A YMCA baseline study estimated that the population of Dworzack is approximately 15,000 people.<sup>10</sup> Houses here range from tin shacks to bigger, multi-room, concrete dwellings. This reflects a socioeconomic diversity within the settlement that does not predominate in a place like Kroo Bay.

Though, as a general rule, slums share many of the same characteristics — lack of tenure, lack of basic services, population density, etc. — Dworzack is very different from Kroo Bay. Whereas Kroo Bay is located at the seaside, Dworzack is located in the hills of the outskirts of Freetown. Though residents in both settlements lack formal title to the land where they reside, Dworzack, unlike Kroo Bay, does not appear to be under imminent threat of eviction.

Like Kroo Bay, Dworzack has a CSG. But, unlike Kroo Bay, there appears to be little sense of common purpose within the CSG. Community members report that division along political party lines within the CSG and the community at-large impedes any

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<sup>10</sup> The same study estimated the population of Kroo Bay as 5,000 to 7,000, which was well below the figure obtained through the door-to-door enumeration conducted by the community with the support of YMCA: 10,989.

kind of coherent developmental agenda. When a community youth leader accused the CSG of being captive to divided political motivations, a CSG leader retorted, "In terms of our work, we are perfect." A chief reported that it is difficult to get community members to attend meetings without providing a financial incentive. Tribal differences also lie behind some of the divisions in the community. Residents complain that the politicization of appointments to the positions of councilors and members on ward committees renders these bodies useless as means of representing community concerns. The ward committee is mainly composed of members of the national ruling party. Moreover, community members reported that the working relationship the community and the city council is weak due to a lack of information flowing between the two bodies. Some councilors do not understand their responsibilities, said one community member. The chasm in Dworzack between ordinary community members and their leadership is wide.

The main issues identified by community leaders and ordinary members in interviews was access to water and roads. The steep hill on which the settlement is built means that to be far away from water is a great impediment, especially if one lives downhill from the closest water tap. In fact, this turned out to be a major sticking point after a councilor initiated a process to bring water taps to the settlement. Many complain that accessibility remains an issue. The land on which the settlement is built has natural water springs that are not being utilized. The community has requested help from the YMCA to build 3 spring boxes, and has also engaged the city council and the National Commission for Social Action (NaCSA) to assist in this regard.

The FEDURP savings schemes in Dworzack are a marked contrast to other forms of community leadership there. Savings scheme members report that there are no divisions, despite the fact that they belong to different political parties and tribes. The federation there is on a first phase of loans from collected savings, and are looking at the possibility of issuing a second round of loans. As a general rule, loans are issued with an interest rate of ten per cent. The federation is cohering in Dworzack through regular exchanges between the savings schemes in the settlement.

### **3. Interactions between government and slum communities**

Sustained, constructive engagement between government actors and slum dwellers is a key prerequisite for the expansion of capacity both within government *and* communities to deliver on developmental agendas. Yet it is clear that interactions between organized groupings of slum dwellers and government officials have only occurred in the post-war period to nominal extent. The intractability of the

relationship between government actors and slum communities is a clear result of the inability to structure meaningful engagements between the two parties.

Previous YMCA-commissioned baseline studies in Sierra Leone evaluated community understanding — particularly among youths — of government policy through statistical surveys. The questions in these surveys mainly pertained to perceptions of how representative different government institutions (parliament, city council, etc.) were of community concerns. A critical understanding of the community leadership initiatives in existence, as well as their track record in engaging with the institutions of the State at any and all levels is useful in understanding how perceptions play out in practice. In the review earlier in this document of the types of grassroots leadership organizations already in existence in Kroo Bay and Dworzack, we can see two different models, in large part determined by the manner and extent of State interventions in those settlements.

The Kroo Bay case is instructive as it is a priority of government action — at both the national and local levels — regarding slums in Freetown. Lack of understanding of the concerns for slum dwellers has quite clearly led to policies that are aggressively anti-poor: threatened evictions without the provision of negotiated alternative accommodation, top-down programmatic initiatives that do not engage the poor besides communicating predetermined policies, etc.

One Freetown city officer shed light on this divide when he ruminated on the dangerous, unsanitary conditions in Kroo Bay: "I do not understand human beings," the officer said. "How important is it to live where you could die and be in proximity to affluence, or to live on the hill and be far away from affluence?" Discussions with community members, such as those conducted during the enumeration survey or even during the interviews for this research report would more than answer such a question.

One high-ranking city officer insisted that any kind of dialogue with slum dwellers must be structured in a way that asserts the pre-eminence of government actors: "Only the council, only the government, can initiate that linkage of dialogue." Dialogue that has gone beyond merely informing slum dwellers of government plans has yet to take place in Kroo Bay or anywhere else, according to interviews with multiple politicians and bureaucrats in city council. Abdul Karim Marah, deputy development planning officer in the Freetown City Council, described how the council interacted with the Kroo Bay community around previously planned initiatives, such as the Korean investment proposal. There was a consultation with

the people council perceived to be elected leaders from the community. Then the council felt they had free reign to move forward on the project.

The slow move towards decentralization appears to be leaving government officials at all levels a bit uncertain as to how far they can or should go in engaging with communities. Francis Reffell, the YMCA slum project coordinator, said that allocation of resources has been a particular sticking point in this regard. Until recently all resources were centralized and development plans would be submitted to relevant Members of Parliament (MPs) in order to gain access to funds. Now these allocations are done by city council. Complicating things even further is the fact that though councilors should theoretically have the power to disperse these resources, political leadership appoints them, and therefore the mayor is perceived to have real keys to the proverbial purse strings.

A new kind of engagement between slum dwellers and city officials has begun to emerge after savings scheme members in the FEDURP interacted with the Chief Administrator of Freetown during the World Urban Forum in Rio de Janeiro, Brazil, in March of this year, according to Reffell. There FEDURP representatives made the case that sustained, meaningful engagement could be a means of producing an inclusive, pro-poor settlement to the question of what to do in Kroo Bay. The ongoing practice of enumeration and savings in that community was reported to have been an attractive model to the Chief Administrator but he was unavailable for an interview.

#### **4. Towards a bottom-up “agenda for change”**

The national government’s PRSP2 is intended to layout Sierra Leone’s “agenda for change.” This comes after two previous phases of national planning dedicated to reconciliation and post-war reconstruction. Since 2008, the government has therefore shifted to what can be referred to as a “developmental” agenda, seeking to address “balancing human development with growth.”

When we talk about pro-poor policy-making, ultimately we are talking about where policy comes from. Programmatic initiatives that come from the State, with little involvement of poor communities in their formulation may be “developmental.” By “developmental” we mean that the rhetorical emphasis of policy may very well be oriented towards the uplift of the poor. But a “developmental State” is not necessarily a “pro-poor” State. For the poor must be empowered as partners with the State in both the development and implementation of policy. This is not an empty ideological agenda. Especially in cases where there is an acknowledged lack of capacity within State institutions to both develop and implement policy initiatives capable of

**Case study 1: Multi-stakeholder policy forums in Uganda**

For Uganda, a country that until recently, did not have much of an urban agenda at all, the highly-publicized launch of such a national forum has signaled a public move towards a focus on urban issues and processes of inclusive planning. That country, though it does not have a particularly high urban population as a percentage of the total, is experiencing one of the quickest rates of urbanization in the world.

The national forum was launched in May 2010, and includes representatives from relevant ministries, the private sector, community-based organizations, and NGOs. The charter for the establishment of the forum indicates that national housing policy will be informed directly by all the local stakeholders that take part in the forum. The Minister of Housing, Lands, and Urban Development, and with his commissioners, have been leading the establishment of this forum in order to provide it with the appropriate political clout.

Since the national forum was established, such forums have been established at the municipal level in five different cities in the country (Arua, Jinja, Kabale, Mbale, and Mbarara). In addition to facilitating a similar participatory process for local policy planning and practice, these forums are allowing for an alignment of national and local policy towards urban issues that can lend coherence to what has been a previously confused and inactive policy environment.

reaching any kind of scale, organized communities of the poor are essential partners. The kind of policies recommended below all point towards the facilitation of the kinds of relationships between organized communities and the urban poor and formal political actors, which put paid to the notion that one can be "pro-poor" without actually involving the poor.

**4.1 Institutions of pro-poor policy development**

Too often, policy is determined at a theoretical level that is hard to bring down to the ground for implementation. The reliance on outside consultants for the development of policy has

been rife in the post-war period in Sierra Leone. And it is clear that though government officials at all levels are quick to refer to the fact that such documents were produced, government activities do not seem particularly concerned with the contents of these reports and policies. For instance, it is telling that it was so difficult to access consultant-driven housing policy documents for the purposes of this research. Housing ministry officials do not know the contents of a policy document that could theoretically provide shape to the basic functions of the ministry.

In order to achieve a policy environment that can be termed "pro-poor", a basic prerequisite will be the meaningful involvement of communities in the development of policy. At the local level, incorporating participatory planning mechanisms is also a major challenge. The lack of the voices of slum dwellers at the table with public and private sector actors who craft local planning policy is evidenced by the severe lack of communication on the potential eviction of large swathes of the community of Kroo

Bay, as well as the relatively smaller project of installation of water taps in Dworzack. The creation of multi-stakeholder forums in order to direct policy creates coherence among different actors within the urban sector. Duplication of effort or work that is at cross-purposes is an all-too-common blight on the operations of development actors, whether they come from the public, private, or NGO worlds. Forums with an executive committee that includes representatives from slum communities have been practiced in both low and middle-income countries in Africa in order to facilitate the development

**Case study 2: Community partnership with local government on in situ upgrading in Cape Town, South Africa**

The community of Joe Slovo informal settlement in Cape Town is among the many that lie along the N2 highway that goes from the airport to the center of town. Residents there have faced evictions, promises of development, but, until recently, had little to show in the way of progress on the ground. After a fire destroyed over 200 shacks in March 2009, the community organized itself to pursue a reblocking exercise. Just weeks later, residents could be seen planting flowers outside their shacks in the newly-arranged alleys and streets. Word of the successful project got around to municipal authorities who came to see for themselves.

The Joe Slovo community linked with other settlements throughout the city in what is known as the Informal Settlement Network. This network negotiated with the municipality to begin incremental participatory upgrading of ten different informal settlements throughout the city, including in Joe Slovo. The partnership was first sustained by a series of citywide forums, later through community-led enumerations in partnership with the municipality, and now new drainage, communal toilets, and innovative housing structures are being built with communities and government working together hand in hand.

of policy. **Such forums should be established at both the national and local levels — with relevant alignment between the two — so as to lend coherence to an inclusive, multi-stakeholder development slum policy. The substantive inclusion of organizations of the urban poor will be vital to the success of such initiatives. These forums need to be structured in ways that will have a direct bearing on legislation, institutions, and funding designated to implement such policy.**

#### **4.2 Pro-poor data collection and planning administration**

One of the most powerful tools for governments to make effective interventions in poor communities is to facilitate community initiatives to collect the kinds of information that have a direct bearing on planning and their related flows of resources. The practice of enumeration among SDI affiliates has a proven track

record in empowering communities to come to the negotiation table with relevant State actors ready to articulate and craft specific developmental agendas.

The community of Kroo Bay conducted an enumeration last year shortly before residents came under threat of eviction. Among other things, the enumeration put numbers and a methodology behind the articulation of an agenda for *in situ* upgrading, as well as an understanding of how and why people live in this hotly-contested settlement. Many of the questions that came up in government office after government office during the research for this paper are answered within this document: the plea of Gibson, the deputy mayor of Freetown — “I don’t understand these people” — receives a direct response. The numbers and figures are there for anyone to see and understand. They are the people’s own numbers.

The key is to use this document to move the agenda of the community forward in its relationship with the State. An important first step is to get the city of Freetown to acknowledge the information as official and legitimate. This will allow any planning regarding the settlement to begin taking place on the terms of those who live there. As the community gains capacity to engage with government, especially after having collected and analyzed their own information, it will be better-placed to advance its interests as represented through the data that they own.

**Case study 3: Community-led enumeration and the railway line relocation in Nairobi, Kenya**

Two of the biggest slums in Africa lie along the railway in Nairobi: Kibera and Mukuru. So when the government parastatal that runs the line decided that it would need to relocate many of these slum dwellers as part of a rehabilitation effort, they realized that only a community-led process would create a sustainable solution. The communities of Kibera and Mukuru agreed that they would be willing to relocate as long as they controlled the information that was used for the process.

In both communities, enumerators counted businesses and residents, door-to-door, surveying a wide range of social indicators. Community members mediate disputes about the information amongst themselves, building trust and community coherency in the process. They also worked together with the SDI-affiliated slum dweller federation Muungano wa wanavijiji to plan an alternative site for accommodation of displaced residents.

The relocation of tens of thousands of slum dwellers is proceeding peacefully because all the stakeholders talk to each other and treat each other as equal partners. The community produces and owns the information that serves as the basis for any kind of development. The development of the railway line could have been the bane of poor people throughout Nairobi. Because the government agreed to a community-led process and partnership, the project has become a win-win for all stakeholders.

The Cape Town example mentioned earlier is predicated on the power of community-based information gathering to inform informal settlement upgrading practice. Enumeration has been used in Mumbai and Nairobi to relocate tens of thousands of slum dwellers from dangerous shelters next to railway lines. Community-led enumeration paved the way for these relocations to happen in ways that were sustainable and advantageous for slum dwellers, as well as for the State and private sector actors who had an interest in clearing space

along the railway lines. This meant that people did not move back to the newly cleared space, and were generally happy in their new locations. The comparisons with the relocations that have taken place in Freetown are striking. In the cases of Marbella and Old Wharf, many of the residents moved back to their original settlement. A lack of consultation and partnership between government and affected communities appears to have played a big role in the failure of these relatively top-down initiatives. **Facilitating a community-led information gathering process is the way for local government to go in engaging in sustainable and meaningful ways around both *in situ* upgrading and potential relocation. Pursuit of pilot slum upgrading projects rooted in community enumeration data can be an effective model for practical demonstration of policy possibilities.**

### 4.3 The slum dweller federation model

Especially in the post-war context, where capacity in both the bureaucracy of government institutions and the organic leadership of slum communities is often low, the model of the relatively new FEDURP present an opportunity for all such actors. Though the federation is only active in some settlements in Freetown, there is great potential for the scaling up of its activities. The Kroo Bay enumeration from 2009 revealed that 14% of the community consider themselves to be part of the federation. This number may have taken a hit since the eviction threat, which federation leaders report has reduced enthusiasm for the practice of daily savings. When household security is under an acute threat like eviction, it is common for any planning for the future (like savings) to diminish.

The advantage of the FEDURP model is that it has a clear developmental orientation, as opposed to the more political thrust of other kinds of community leadership structures. The political and tribal divisions reported to be part of Dworzack's CSG and relevant ward committees, were nowhere to be found in the savings schemes in the same settlement. The federation savings schemes

#### **Case study 4: Bridging the gap between formal and informal finance in Ghana**

The Ghana Federation of the Urban Poor saves through the methodology of SDI-affiliated federations throughout Africa, Asia, and Latin America: daily and women-led. Organizing communities through savings is a well-established way of creating coherence and financial capacity within communities. Savings also facilitates mechanisms for leveraging further finance for development from outside actors, especially the State.

To leverage further finance means to create bridges between the informal world of the slum and the formal world of financial institutions. One such innovation in this practice, is the way by which the savings schemes in the Ghana Federation keep their money in Bafo, the micro-finance department of HFC Bank, Ghana. This allows for slum dwellers to develop the capacity to engage with formal institutions, while also demonstrating to these institutions the kinds of financial instruments that are of relevance to the situation of the poorest of the poor.

can therefore work with political leadership to spread the social technologies of community-based capacity for financial and information management. In engagements with politicians and bureaucrats, communities will actually have the capacity to partner with government rooted in the finance and knowledge capacities required to pursue any kind of development initiative.

What will be required is for the FEDURP to be scaled up. Time, resources, and energy will be needed to facilitate exchanges between savings schemes throughout the city in order to learn about savings, issuing loans, collecting information through enumerations, etc. The new institution of the HFC is an indication of will within

government towards exploring creative approaches to ensure that housing finance reaches lower income brackets.

Savings in the Ghana Federation of the Urban Poor is already done through Boafo, a micro finance department of HFC Bank, Ghana. This is a means of bridging the gap between informal practice of informal slum dwellers and the formal finance institutions. HFC in Sierra Leone indicated an interest in pursuing such arrangements when the FEDURP is developed to the point where it feels comfortable engaging at such a level. Promisingly, HFC is also interested in financing incremental developments. An example given by HFC employees was to first finance the purchase of land and then later finance house construction.

Emerging incremental practice in places like the Kambi Moto housing development in Huruma, Nairobi, will be useful touchstones for using the SDI network to learn about alternative

methods of housing construction and finance that work for the poor. This can break down the concept of incrementalism to floor-by-floor house construction such as in Kambi Moto or even step-by-step bulk service provision, currently being implemented in various cities in Zimbabwe by the Zimbabwe Homeless People's Federation. In both cases, organizations of the urban poor were able to negotiate with

**Case study 5: Incremental upgrading in Kenya and Zimbabwe**

Incrementalism is a means of development that incorporates the strengths and capacities of the poor. When one only earns small amounts of money at a time, one can improve one's house and livelihood bit-by-bit. The Kenyan slum dweller federation, Muungano wa wanavijiji has put this into practice through an incremental housing project in Kambi Moto neighborhood of Huruma, Nairobi. The federation negotiated with city authorities to agree to let the residents build a model of semi-detached, multi-storey units. The residents must save in order to contribute to the building of the first two storeys and then are required to contribute further savings in order to build the planned third storey. If you visit now, you will see that some houses have the full three storeys. Other residents say they are looking forward to the time when they will have saved enough to add on to their house.

The Zimbabwe Homeless People's Federation has similarly negotiated with local authorities throughout the country to agree to allow incremental development. Here, the focus is on water and sanitation infrastructure. The Federation has negotiated with a number of municipalities to begin projects for borehole water provision and "ecosan" alternative toilet technology to combat the high cost of traditional infrastructure in the country. The idea is that the provision of this kind of infrastructure can then facilitate stronger, healthier communities when housing construction proceeds. The municipalities that have adopted these attitudes now serve as learning centers for officials and residents of other municipalities who are curious to adopt similar strategies.

In both cases, organized communities of the urban poor have worked with authorities to change outmoded or irrelevant human settlements standards in ways that work *for the poor themselves*.

authorities to move them away from strict standards that bare little resemblance to the lived reality of poverty.

The lack of effective planning tools at both the city and national level can be a key opening for scaling up federation and community-building activities. Integrating the practical power of community-based information gathering such as enumeration and even city-wide informal settlement profiling into the planning apparatus of the State, will provide poor communities an important toehold in the development and implementation of policy. All engagements with politicians will need to be seen as opportunities for building capacity within the federation, as well as communities at large to advocate for their agendas. **Policies that incorporate innovations and methods of learning of networked organizations of the urban poor, like the slum dweller federations linked through the alliance of SDI, will be key to scalable urban development policy and practice in Sierra Leone.**

#### 4.4 Evictions

Finally, there should be no mistake that underlying this report is an unequivocal statement against forced eviction. Statements made by some officials regarding potential eviction in Kroo Bay indicate a theoretical willingness to forcibly remove residents of the slum. Such an action would contravene international law and would make Sierra Leone as a violator of basic human rights. **Sierra Leone should make a national commitment that any relocation of slum dwellers be conducted only after a) meaningful engagement with those affected by the move and b) adequate provision of alternative accommodation, social and livelihood possibilities.**

#### 5. Conclusion

It is difficult for government actors to acknowledge that they do not have all the answers. Their charge is to represent their constituents and provide services for them. Throughout the world, we often find bureaucrats and politicians throwing up their hands waiting for a silver bullet to come along and solve intractable problems from the top-down. This is especially so for those in the urban sector dealing with the growing and seemingly intractable issue of slum formation.

But the solutions that have been implemented successfully and shown the potential for scale are not quick fix silver bullets and they do not come from the top. Rather, success has come through patient and deliberate work by government actors with an overriding interest in inclusivity and multi-stakeholder ownership of development. Success has come through the hard work of poor communities themselves — organizing around their own capacities to manage and leverage finance, as well as to manage and produce information and learning. Success has come through acknowledgments by all sides that the way to achieve tangible change in the lives of ordinary people is through sustained engagements between all those who have a stake in this change. This is the success of both strong, confident governments and strong, confident communities; the strength of one feeds on the strength of the other.

The first section of this paper looked at the specificities of the urban context in Sierra Leone. The post-war environment has presented unique challenges to the urban center of Freetown both in terms of population influx and shelter availability. The divide between policy and practice in the slums of Freetown has perhaps been exacerbated by governance capacity issues in the last decade. Land and housing practice in Freetown has been confused by unclear policies, many of which were developed by outsiders, that have not actually gained traction among the relevant line institutions. Data and planning administration has been difficult with no consistent method for the collection of data, as well as a clear understanding for how the information can be tied to planning policy. Finally, the insistence on forced eviction as a means of both threat and action in Freetown has meant that government is in the business of State-sponsored dispossession and exclusion in the city.

The second section examined the means by which communities in the slums of Kroo Bay and Dworzack are organized. These are two different communities with disparities in terms of the capacity of organic community political organization, as well as the kinds of challenges each community faces. The emergence of the women-led FEDURP has led to growing capacity around innovative social technologies such as daily savings and community-led enumeration that has changed communities wherever there is a federation affiliated to SDI. The following section looked at how these formations and institutions of government and slum communities have been able to interact with each other.

Finally, this report included recommendations for new, pro-poor slum policy instruments. These relate to a) the kinds of institutions by which policy is developed, b) the way information is managed and tied to resource flows, c) the ways in which

government identifies, recognizes and facilitates the policy and practical capacities of organizations of the urban poor, and d) the abolition of forced eviction.

Governments and organized communities share the same destiny. Governments cannot serve their people without involving and including their people as part and parcel of the crafting and implementing of policy. The two sides reinforce each other. Most governments would not like to be branded "anti-poor." But "pro-poor" policy is much more than rhetoric. It is a specific set of policies and institutions that are aimed at models of inclusivity and growth. When governments and communities are able to recognize and grow the capacities of each other, it will be not only the poor who benefit, but the entire nation.

## Appendix 1. Key Informants Interviewed

1. Aiah Brima, development planning officer for Freetown city council
2. William Farmer, director of surveys and lands, Ministry of Lands, Country Planning, and the Environment
3. Sam Franklin Gibson, acting deputy mayor of Freetown and councilor in Freetown Ward 39
4. Samuel De Cox Koroma, General Secretary, CSG Kroo Bay
5. Abdul Karim Marah, deputy development planning officer for Freetown City Council
6. Francis Reffell, coordinator slum project, YMCA Sierra Leone
7. Ismaila Morie Sheriff, head of legal affairs and company secretary, Home Finance Corporation
8. Nancy Tengbeh, deputy permanent secretary of the Ministry of Works, Housing, and Infrastructure
9. Kemoh Tarawallie, general manager of Sierra Leone Housing Corporation
10. Communities (including FEDURP members) in Dworzack and Kroo Bay

### *Institutional breakdown of government stakeholders interviewed:*

#### **National**

MINISTRY OF LANDS, COUNTRY PLANNING, AND THE ENVIRONMENT

William Farmer, director of surveys and lands

MINISTRY OF WORKS, HOUSING, AND INFRASTRUCTURE

Nancy Tengbeh, deputy permanent secretary

#### **Parastatal and government-affiliated organizations**

HOME FINANCE CORPORATION

Ismaila Morie Sheriff, head of legal affairs and company secretary

SIERRA LEONE HOUSING CORPORATION

Kemoh Tarawallie, general manager

#### **Local**

FREETOWN CITY COUNCIL

Sam Franklin Gibson, acting deputy mayor

Aiah Brima, development planning officer

Abdul Karim Marah, deputy development planning officer

## **Appendix 2. Key Reference Documents**

1. Freetown City By-Laws, Published 19 February 2010.
2. Freetown Development Plan, Funded by European Union.
3. Poverty Reduction Strategy Paper 2, Sierra Leone National Government.
4. Sierra Leone Integrated Household Survey 2003/4, Published November 2007
5. Michael Johnson, "An Assessment of the Urban Conditions and Systemic Issues Contributing to Slum Development in Freetown, Sierra Leone," Funded by Cities Alliance.
6. Kroo Bay Enumeration, Conducted by Community of Kroo Bay, Published August 2009.
7. Baseline Survey of Dworzack and Kroo Bay communities, YMCA, Published August 2009.
8. Terms of reference for recruitment of consultant, "Freetown Development Plan: Preparation of a Resettlement Plan in the Kroo Bay area"
9. SDI website: [www.sdinet.org](http://www.sdinet.org)

## **Appendix 3. Photo acknowledgements**

*Front cover, from l-r, top to bottom*

Kroo Bay, Benjamin Bradlow, SDI

Dwarzack, Benjamin Bradlow, SDI

Humura Nairobi, Benjamin Bradlow, SDI (case study 3)

Accra Savings Scheme, Benjamin Bradlow, SDI (case study 4)

# Urban Risk and Vulnerability





## Urban Risk and Vulnerability Session 1



### Aims and Objectives:

- Introduce concepts and terms
- Apply these terms and concepts to Freetown issues
- Introduce everyday risk and risk traps



Risk = The probability of harmful consequences, or expected losses (deaths, injuries, property, livelihoods, economic activity disrupted or environment damaged) resulting from interactions between natural or human-induced hazards and vulnerable conditions. (UNISDR Terminology, 2009)



### What are we actually talking about?

Very simply put: Some entity (the vulnerable) is at risk of something harmful, because he/she is exposed to something (the hazard/s) and lacks the capacity to act immediately (coping) and in the long term (adapting).

Risk management brings about the possibility to influence these components (individually and together), ideally in an integrated, sustainable and socio-environmentally just way to avoid disasters, and mitigate their effects.

**Risk =**



Hazard

\*



Vulnerability

\*



Lack of coping capacity



**Question: How to apply this to Freetown?**



Considering one of the problems we described as being evident in Freetown on day 1, discuss with your neighbours:

- What can the terms ‘hazard, impact, vulnerability, coping/adapting, exposure, disaster’ mean in that specific context?”
- How did you prepare yourself? How did you act on the day? How did it affect you? What did you learn?
- Thinking beyond the event: what are the underlying drivers? What are the cumulative effects?



**Small Scale/ Everyday risk**

Nature of event	Disasters	Small disasters	Everyday hazards
Frequency	Generally infrequent	Frequent (often seasonal)	Every day
Scale	Large, or potential to be large (e.g. 10 or more killed, 100 or more seriously injured, need for external assistance)	3–9 persons killed, 10 or more injured	1–2 persons killed, 1–9 injured
Total impact	Can be catastrophic for particular places and times in most low- and middle-income nations, but generally a low overall contribution to premature death and serious injury	Probably a significant and considerably underestimated contribution to premature death and serious illness or injury	In most African urban areas, these remain the main cause of premature death and serious injury
An integrated framework incorporating risk from disasters and “non-disaster” events	VERY LARGE IMPACT FOR CITY LOW FREQUENCY	CONTINUUM OF RISK	SMALL IMPACT FOR CITY VERY HIGH FREQUENCY

*L Bull-Kamanga et al (2003) From everyday hazards to disasters: the accumulation of risk in urban areas*



### IIED reading

Please read the pages that have been circulated.

### Consider:

- How can we relate the concepts of spatial and social justice to how risk is experienced in Freetown?
- Why is it important to consider everyday risk as well as large scale disasters?
- What influences people's capacity to act? Why is this so important?



### Risk Governance

What is the situation in Freetown regarding risk governance?

Who are the different actors?

What are the key challenges in addressing risk and vulnerability in the city?



Risk Governance:

- Stakeholder participation and representation is key
- Recognition of the importance of culture, social capital, local as well as indigenous knowledge and self-governance
- Tend to receive less recognition in disaster risk reduction governance processes
- Sierra Leone subscribes to the Sendai Framework for Disaster Risk Reduction



Risk Governance in Sierra Leone:

- The Disaster Management department came into existence through an Act of Parliament in 2002
- Office of National Security to be 'The Government of Sierra Leone's primary Coordinator for the management of national emergencies, preparedness planning, management and disaster assistance function'



### Risk Governance in Sierra Leone:

- Government of Sierra Leone (Office of National Security)
- Local Government Councils
- Research institutions
- Private Sector
- Non-governmental organisations
- Communities
- UN Agencies
- Non-Governmental Organisations
- Local NGOs
- Civil Societies



### Participatory Approaches to DRR

- Sharing knowledge, or co-learning with, the stakeholders rather than a top-down approach
- Community co-management projects for disaster risk management which aim to build capacities among vulnerable, poor and rural coastal communities
- Community mobilisation (e.g. youth volunteerism)
- Capacity building and training of urban stakeholders and actors to connect communities to government services (NGOs).
- Implementing sustainable livelihood projects at community level
- Public education and awareness raising to increase understanding of urban risks and the need to self-mobilise
- Private sector investments
- Social learning and collaboration



### Gaps and Challenges for DRR

- Since June 2011, Sierra Leone has established a multi-sectoral and multidisciplinary National Disaster Risk Reduction Platform, but with little capacity to take on DRR at all levels;
- There are competing interests across government departments and agencies for dealing separately with disaster risk reduction issues
- There is still a problem of integrating disaster risk management into national development planning frameworks
- There is also limited cross-sectoral understanding of disaster risk reduction
- Sierra Leone is still grappling with the development of technical and scientific capacities for research into disaster risk



## Urban Risk and Vulnerability Session 2



### Aims and Objectives:

- Watch Falling Freetown Documentary
- Feedback on the ideas introduced in the film
- The importance of mapping when dealing with risk
- Considering the future



Falling Freetown Documentary –

Followed by discussion of key themes and ideas



Urban ARK project:

Urban ARK focuses in a number of cities – each presenting different development and hazard contexts: Ibadan in Nigeria, Karonga in Malawi, Nairobi in Kenya, Freetown in Sierra Leone and Niamey in Niger, as well as Dakar, Senegal and Mombasa, Kenya. These cities offer broad regional coverage, a range of population sizes and in-land and coastal locations.

The project examines how and why urbanisation processes generate human vulnerability and exposure to a whole spectrum of hazards. Its focus is on those at risk, especially in low- income and often informal settlements, but also on large scale planned urbanization projects and how these reshape the social and environmental geographies of cities and their consequent risk profiles.

**ReMapRisk** as a methodology and tool has been developed under the Urban ARK programme in Karonga, Malawi and Freetown, Sierra Leone with the intention of developing and expanding the application of the tool in other African cities and urban centres.



### Mapping risk

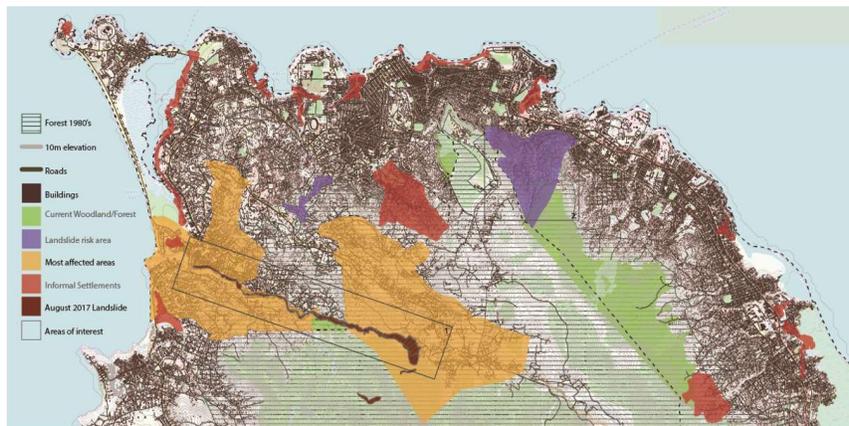
- Community-led mapping in 15 of Freetown's neighbourhoods.
- Collect localised data on the various risks faced by residents of these informal settlements –
  - what the problems are,
  - where they are located,
  - who is vulnerable to them,
  - What is being done to mitigate them.
- Information produced in this project, specific to the selected informal settlements, will be used by and for residents in a number of ways.
- Tool for groups of residents to demand effective responses that are designed for each communities' specific requirements.
- These can be planned and supported by different actors, including local governments and NGOs. Information, including the maps produced, can also be used to change negative attitudes towards the informal settlements and their residents.







Informal settlements and Landslide risk:



Map 2: Mapping Informal Settlements Related to Landslide Risk and Previously Affected Areas. Map Credit: Data Mapped and adapted by authors



Freetown WASH map:



- Traditional Freetown: buildings, sewage, indoor Guma
- 50' 60' Residential area, in door Guma, sewage, individual housing
- 70' 80' Residential areas, in door Guma, fenced villas
- Barracks, collective housing, poor water and sanitation
- Hill side extension, lack of pipe borne water
- Not yet constructed
- Industrial areas, now residential
- Traditional villages, individual housing
- Slums, poor quality housing and hygiene



Freetown, city boundary flood areas and dumpsites:

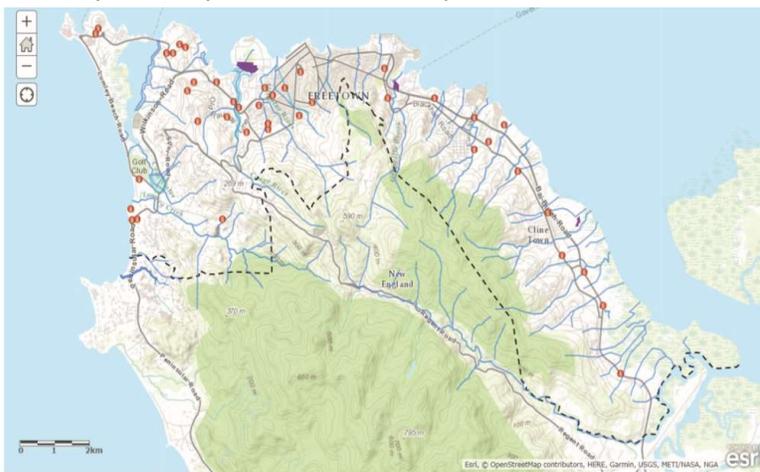


Figure 3. Map showing city boundary, flood prone areas, official skips and dumpsites.

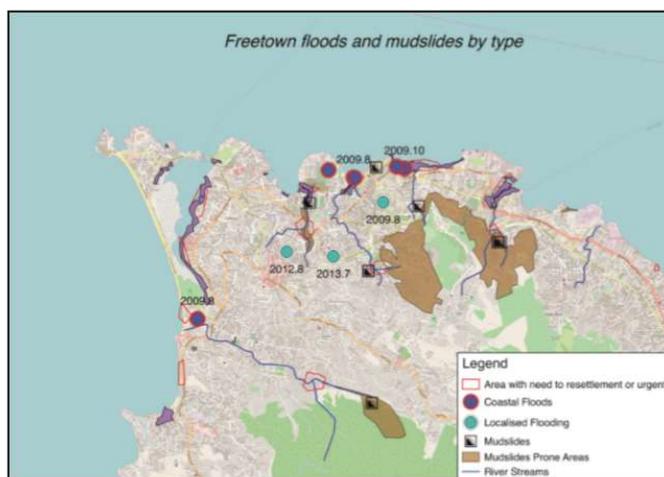


Fig 5. Spatial Mapping of Urban Flooding and Mudslides in Freetown. Data Source: Desinventar[11]



### Mapping Fire Incidence



Map 1. Fire Incidents in Freetown. Own elaboration based on data from Desinventar.net.  
Available at: <http://www.desinventar.net/DesInventar/results.jsp>

## SLURC MOOC - Session: Risk, vulnerabilities and capacities to act in Africa cities

Prof. Adriana Allen, The Bartlett Development Planning Unit, University College London

### INTRODUCTION

The introduction of a Sustainable Development Goal (SDG) dedicated to making cities 'inclusive, safe, resilient and sustainable' (SDG 11) reflects the importance of urbanisation in the post-2015 development agenda. The challenges facing this agenda will be increasingly concentrated in Africa and Asia, where the majority of the world's future urban growth is set to occur, but where the capacity to plan urban growth, provide risk-reducing infrastructure, and adapt to weather-related hazards is lacking. At the same time, little is known about how urban risks are distributed due to a lack of detailed and spatial data on losses at the urban scale. Even less is known about how social and political factors are combining with environmental factors to engrain patterns of risk accumulation into urban development processes.

This session will introduce what urban risk means and why it matters; the wide and multiple spectrum of hazards that often affects African cities and citizens; who is most affected and why; and why and how a better understanding of the urban risk-development nexus can help transforming the present and future of African cities.

### URBAN RISK: Why does it matter?



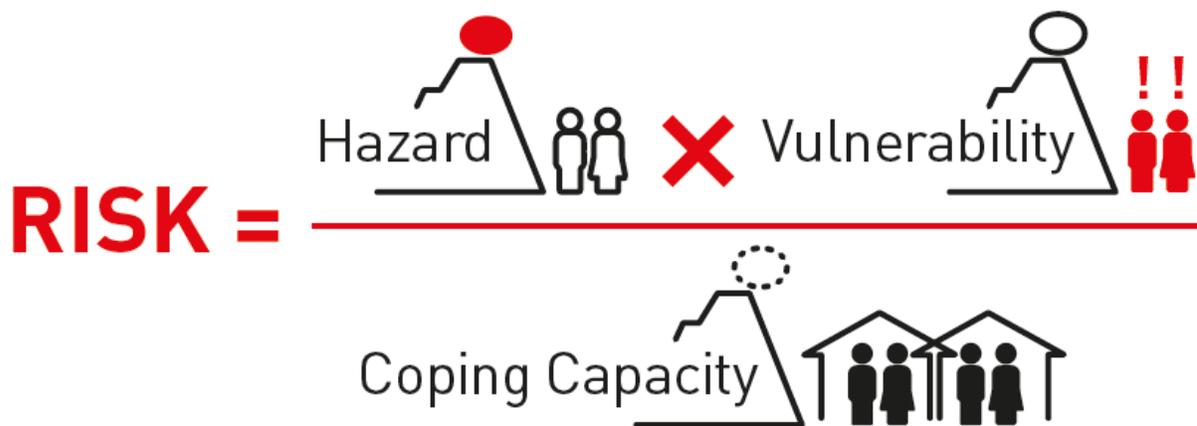
During the last two decades, the dynamics of urban development in African cities have been characterised by spontaneous fast growth and dramatic changes to the urban fabric that often compromise human wellbeing and environmental sustainability. Increased inequalities force low-income groups to settle mostly on marginal lands, reinforcing their exposure to a wide spectrum of risks, and imposing severe impacts on the everyday life, the livelihoods and assets of the urban poor as well as the environmental and socio-economic future of African cities.

Urban development is a driver as much as a solution for risk and loss, and vulnerability a threat to poverty eradication. Understanding the linkages between urban development processes and risk accumulation is vital if development is to be a force for reducing rather than generating risk.

### UNDERSTANDING RISK - What does urban risk mean?

Risk is commonly defined as the probability of negative consequences or losses induced by a combination of natural and man-made **threats** together with conditions of **vulnerability**, counterbalanced by the **capacity to act** to face and adapt to risk, as schematically illustrated in the Figure 1. **Disasters** are defined by actual damages and losses.

Figure 1: How is risk defined? Source: Allen et al (2015: 2)



While there is not magic formula to capture the complexity of urban risk, the notions of **hazards** or **threats**, **vulnerability** and **capacity to act** help us to understand what type of threats are likely to affect a city, who and what could be most affected, where and why, as well as what collective and individual capacities to act might counteract potential negative impacts.

For instance, urban centers in low-elevation coastal areas are likely to be more affected by hazards such as recurrent floods and at risk from sea-level rise, stronger storms and other seaward hazards induced by climate change. However, negative impacts are typically higher for those living in informal settlements with poor tenure security and inadequate protective infrastructures, and within these settlements even higher for tenants' households headed by single women with a high number of dependent children and/or elderly members.

### LIVING WITH RISK - Who is affected and why?

Who you are, where you live and work and why has significant consequences on how vulnerable you might be to be exposed and negatively affected by one or multiple hazards. In turn, both biophysical and human dimensions of vulnerability influence people's ability to respond or capacity to act prior, during and after a disaster event occurs.

Furthermore, people's capacity to act depends on the access and control they might have – individually and collectively - over different types of assets, such as savings and regular inflows of money, adequate

shelter and basic services and infrastructure; social networks, as well as recognition and entitlements, among others.

Women and men living in informal settlements respond to extensive risks through their collectives – notably the Freetown Federation of the Urban Poor – through sensitization and self-help initiatives, and through the establishment of local Disaster Risk Management structures, as well as through a range of initiatives supported by NGOs and external support agencies.



Vulnerability and capacity to act can be understood as two sides of the same coin, both regulated by collective grassroots agency, as well as external forces and shocks that either undermine or strengthen the right to live without risk.

### **A WIDE RISK SPECTRUM**

Typically, debates and interventions on urban risk have tended to focus on the occurrence of ‘intensive’ or large-scale events such as earthquakes. However, across African cities, women and men face a **wide spectrum of risks** – ranging from intensive disasters that can cause massive deaths and damages to infrastructure and property, to ‘extensive’ risks or small-scale events such as fires, localized floods and everyday health hazards such as respiratory and gastrointestinal diseases (Box 2). Yet, the extent and impact of these different risks, why they occur and how they accumulate over time are poorly understood.

**Box 2: What does 'extensive' risk means?**

The United Nations International Strategy for Disaster Reduction (UNISDR) describes extensive risks as the “*the exposure of dispersed populations to repeated threats with low intensity, which are highly localized and lead to accumulative impacts of disasters, further exasperated by poverty and urban as well as environmental degradation*” (UNISDR, 2009: 31). Extensive risks “*refer to the loss of less than 25 human lives or less than 300 ruined households within one municipality or equivalent, associated to the impact of a disaster on a local scale; risk is intensive when the loss exceeds these thresholds*” (UNISDR, 2014: 1).

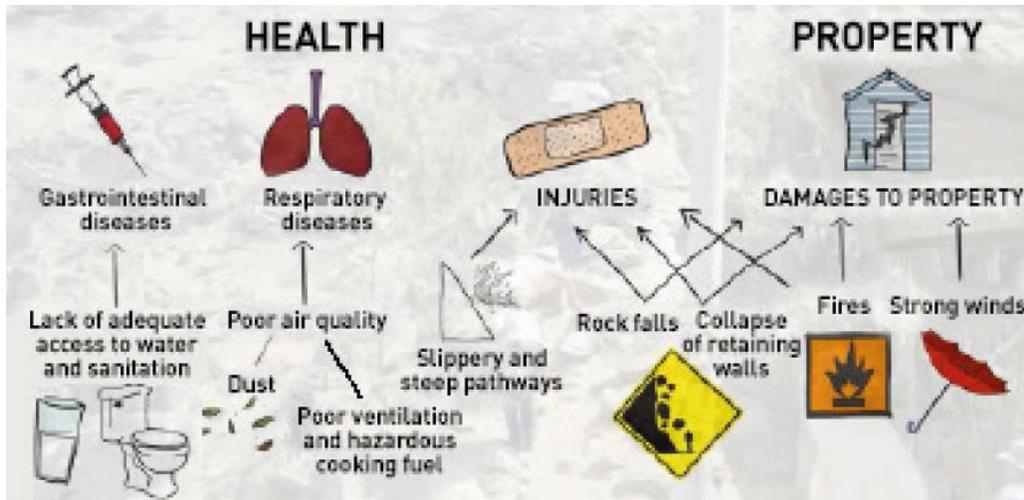
Table 1 offers a comparative overview of the frequency, scale and impact of different types of disasters and hazards to be considered in urban risk management. According to international sources, over the last 20 years, there has been an increase in the number of local reports expressing high levels of losses caused by extensive disasters which manifest as damaged homes, affected persons and ruined healthcare and educational facilities. We therefore witness a growing trend in the mortality, morbidity and losses attributed to preventable disasters closely linked to the development challenges faced in most African cities (ISR, 2011).

Table 1: A risk continuum. Source: Bull-Kamanga et al (2003: 199).

Type of event	Disaster	Small-scale disaster	Everyday hazard
Frequency	Generally low frequency	Frequent (seasonal)	Daily
Scale	Large, or potentially large (e.g. 10 or more deceased, 100 or more seriously injured, with need of external assistance)	3-9 persons deceased, 10 or more injured	1-2 persons deceased, 1-9 injured
Total impact	Majority of times catastrophic and especially in countries with low and medium incomes, generally contributes to premature death and serious injuries	Probably a significant and considerably underestimated contribution to premature death and serious illness or injury	In the majority of urban areas in Africa and is the principal cause of premature death and serious injuries
Integrated framework, including the disaster and non-disaster events	<div style="display: flex; align-items: center; justify-content: space-between;"> <div style="text-align: center;"> <p>Large impact on the city</p>  <p>Low frequency</p> </div> <div style="text-align: center;"> <p><b>RISK CONTINUUM</b></p> </div> <div style="text-align: center;"> <p>Small-scale impacts on the city</p> <p>Very high frequency</p> </div> </div>		

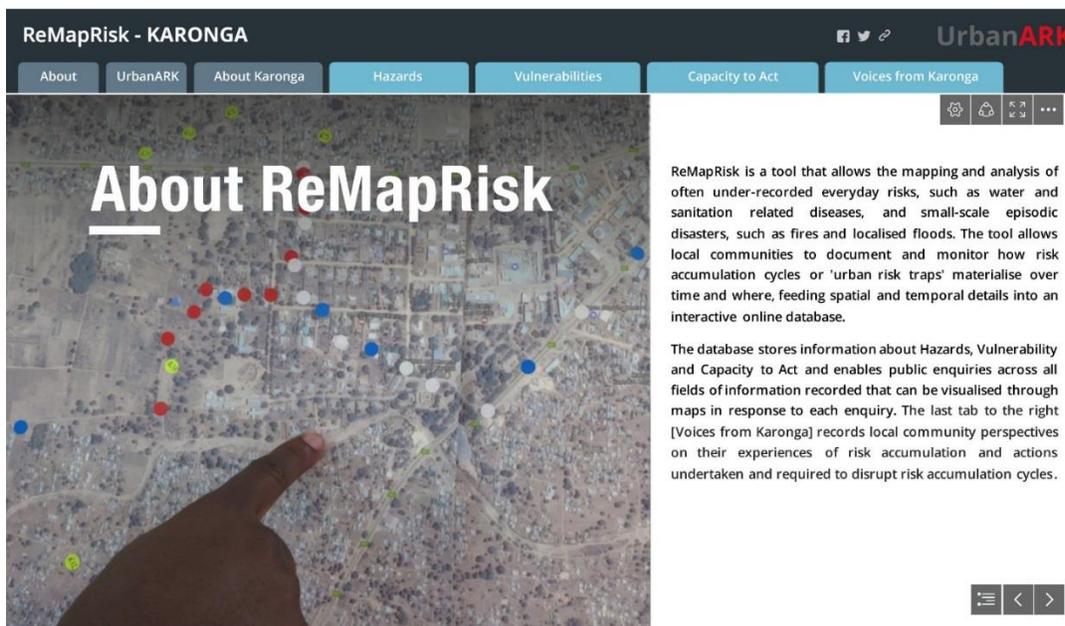
Everyday and episodic risks like those illustrated in Figure 2, not only contrast with intensive and sporadic events on the scale of their impact. Their consideration also allows us to acknowledge the daily struggles and experiences of those men, women, boys and girls exposed to urbanization under risk conditions. Therefore, when seeking to establish the causes of everyday risks, the boundaries between human and natural influences become less evident, especially when analysing these along temporal and spatial scales as well as considering people’s daily practices.

Figure 2: Everyday and episodic risks frequently found across many cities. Source: Ahmed et al (2015).



Additionally, the lack of knowledge and recording of these risks contributes to their invisibility which in its turn deepens their internalisation within the most vulnerable households and limits the design and implementation of preventive public interventions.

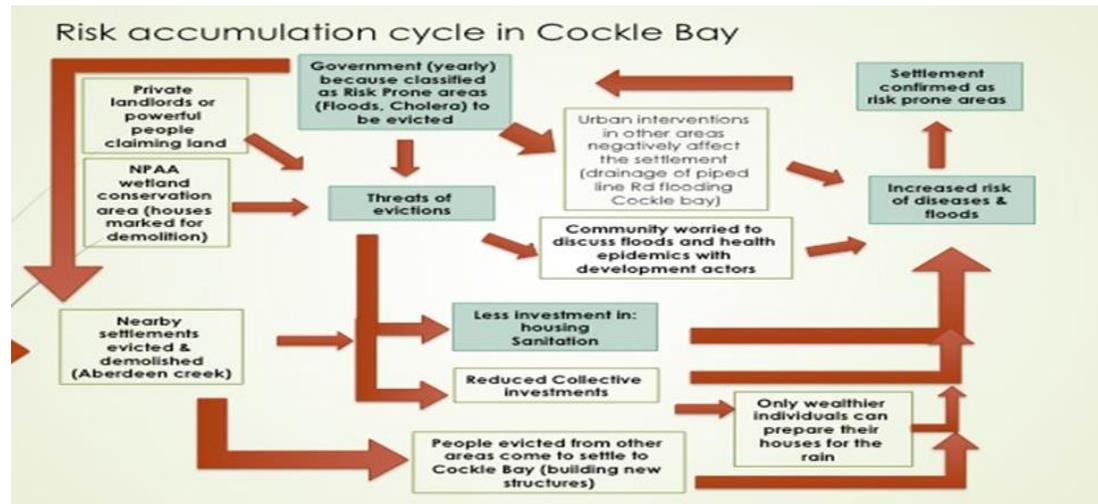
Grassroots-led data collection and mapping tools such as ReMapRisk Freetown can inform and strengthen community-local government partnerships for risk reduction, and bring to the fore the full spectrum of risks experienced by the urban poor, ranging from everyday risks, through small and large scale disasters. The tool allows local communities to document and monitor how risk accumulation cycles or 'urban risk traps' materialise over time, where and why, feeding spatial and temporal details into an interactive online database.



**[NOTE: image to be replaced with front page of ReMapRisk Freetown] [Link to ReMapRisk Freetown: <https://uclondon.maps.arcgis.com/apps/MapSeries/index.html?appid=6fa93fe520bb4d14a627b2546e8c8764> – This will be publicly available soon through the Urban ARK website.**

## FROM DISASTER RISK MANAGEMENT (DRM) TO RISK ACCUMULATION CYCLES

Focusing on how multiple risks – intensive and extensive – accumulate over time is thus imperative, as risk accumulation cycles tend to concentrate in informal settlements due a combination of environmental factors (e.g. poor housing and infrastructure, exposure to physical and biological hazards, etc.), socio-economic factors (e.g. lack of income and assets) and institutional/political factors (e.g. lack of government and external support).



Furthermore, risk accumulation weakens the efforts and investments made by ordinary people as well as those made by public entities to mitigate the impacts of disasters – small or large, similarly to the way in which urban poverty traps produced by complex conditions of urban deprivation, weaken the potential benefits offered by living in cities. Thus, understanding urban risk dynamics in relation to wider and historical processes of urban development, marginalisation and exclusion opens new pathways to generate inclusive and integrated approaches to risk management as part of urban development planning.

### Resources

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[[http://www.preventionweb.net/english/hyogo/gar/2015/en/gar-pdf/GAR15\\_Pocket\\_ES.pdf](http://www.preventionweb.net/english/hyogo/gar/2015/en/gar-pdf/GAR15_Pocket_ES.pdf)]

Urban ARK website [[www.urbanark.org](http://www.urbanark.org)] For multiple resources on risk in African cities.



Urban  
Africa  
Risk  
Knowledge

# Briefing

No.6 April 2017

## Keywords

Urban risks, extensive risks, risk profiling methods, risk accumulation cycles, Sierra Leone



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## Urban risk in Freetown's informal settlements: making the invisible visible

Rapid urban development and a rising population have led to significant changes in Freetown over the last decades. Although the city's status as the nation's economic heartbeat has been bolstered, the growth and sprawl of informal settlements and the continuous lure of rural-urban migration have led to a range of risks, both episodic and 'everyday'. These risks are more concentrated in the pockets of informal settlements and are becoming progressively embedded in the way of life of its residents, with adverse effects. In order to 'make visible' and capture the hidden vicious cycles of risk accumulation and risk traps, the city needs to be re-examined through a lens of urban risk. This policy brief reflects on the participatory approaches adopted to improve knowledge of small-scale and everyday urban risks. Through these approaches, urban risk traps were captured to assess mitigation efforts by a range of actors, revealing the embedded 'capacities to act' on the captured risks.

The city of Freetown has seen a significant growth rate of about 3.07 per cent since 1985. Internal displacement during the civil war (1991-2002) and migration in search of employment to the city contributed to this population growth. Today, its population of over one million residents make it the most populous and densely settled city in Sierra Leone. Rapid urbanisation has led to the creation of pockets of informal, unplanned settlements. These are underpinned by a number of factors, notably the local economy, which is dominated by small-scale and informal businesses (mainly petty trade), and a growing demand for proximal living to business centres and markets, coupled with unaffordable land and housing in formalised areas.

The topography of Freetown, a peninsula constrained between the sea and the hills, limits the spatial expansion of the city, forcing low-income groups to settle mostly on marginal

lands. The city has developed in three geographic areas: coastal settlements along rocky beaches of the Atlantic Ocean; sprawling inland settlements along the Sierra Leone River estuary; and hillside settlements on the steep hills of the city, which are rapidly encroaching onto vital forestland. In these settlements, flooding, rock falls, building collapse, and landslides are common phenomena, which result in significant economic and other losses, such as the destruction of property and infrastructure, and can include injuries, diseases and fatalities. The incidence of epidemics, especially of waterborne diseases, is significantly high.

Urbanisation in sub-Saharan Africa is increasingly coupled with the production of risk accumulation cycles or urban 'risk traps', which are not exclusively driven by, but exacerbated by, climate change.

## Policy Pointers

- Beyond major floods and epidemics, invisible everyday risks and small-scale disasters, such as fire and landslides, occur frequently and have cumulative and significant impacts on the life and assets of low-income households.
- Risk accumulation cycles can be made visible by capturing—spatially and over time—who is affected, how and why. The external designation of an area as risk prone represents a major risk for residents and their livelihoods because such designation is often used to justify eviction threats. In turn, uncertainty linked to these threats undermines the collective and individual capacity to act of those most vulnerable to these everyday risks and small-scale disasters.
- Disasters (particularly flooding) and the spread of disease are strongly linked. Therefore, disaster risk reduction strategies should be designed in conjunction with initiatives addressing public health.
- The urban poor have significant capacity to mitigate everyday risks, but their efforts need to be acknowledged and their rights recognised. Shifting from risk mitigation to risk reduction and prevention requires vigorous and concerted action between community organisations, public institutions, and external support actions.

### Box 1: Urban risk traps

Everyday risks, such as waterborne and diarrhoeal diseases generated by the lack of access to water and sanitation, and small-scale episodic disasters, such as flash flooding, among others, are common conditions that frequently affect the most vulnerable sections of the population and contribute to the creation of vicious cycles or 'risk traps'.

'**risk traps** are defined here as 'the sum over time of the articulation and reproduction of vulnerability and daily and episodic dangers or threats coupled with an eroded capacity to act'.

There is a variation in the perception, experience and understanding of risk amongst the residents in the various informal settlements, as well as an unequal distribution of the burdens of risks, with some women and men disproportionately more affected than others. This inequality seems to affect the capacity of local communities to work collectively to harness coordinated multi-stakeholder action to disrupt risk accumulation cycles.

### A fresh look at urban risk: co-learning through the lens of risk

In an attempt to delve deeper into an understanding of the risk burdens and coping capacities of informal communities in Freetown, in July 2016 a pilot workshop was jointly organised by the Sierra Leone Urban Resource Centre (SLURC)<sup>1</sup> and the Urban ARK team at the Bartlett Development Planning Unit (DPU) at University College London to explore methodologies of community-led risk assessment and the co-production of risk knowledge. The workshop was also the initial engagement of a SLURC-DPU partnership under the Urban Africa: Risk Knowledge (Urban ARK) research programme. Participants were drawn from various backgrounds and disciplines and comprised academics, researchers, government officials, NGOs and development practitioners, as well as community residents from the two target field locations – Cockle Bay and Dworzack – where further in-depth studies were carried out.

In the last decade, Sierra Leone, like many other African countries, has adopted a framework that promotes a decentralised governance approach to disaster risk management (DRM). While this approach seeks to enhance the capacity of local authorities and local dwellers to mitigate those hazards that are frequently documented and monitored, such as large-scale floods, it does not fully address the combined impacts of everyday risks and small-scale episodic disasters.

The workshop offered an opportunity to contrast the officially established framework that governs DRM with the actual practices deployed by ordinary citizens, state agencies and external support agencies, such as donors and NGOs to mitigate, reduce and prevent risk. In order to achieve this, specific participatory methods were adopted to capture where and when risk accumulation cycles manifest, and what actions or practices are taken by local communities and public organisations.

### Participatory methods used to capture urban change trajectories

Several methods can be applied and articulated to capture different trajectories of urban change so as to understand where change happens, why it happens, who is affected, and how. Co-producing this information with those who experience negative trajectories of change is essential to reverse such processes.

**Settlement timelines:** This method outlines demographic changes and the efforts deployed by local communities to improve housing, services, and infrastructural conditions to cope with and mitigate disaster events in a settlement over time.

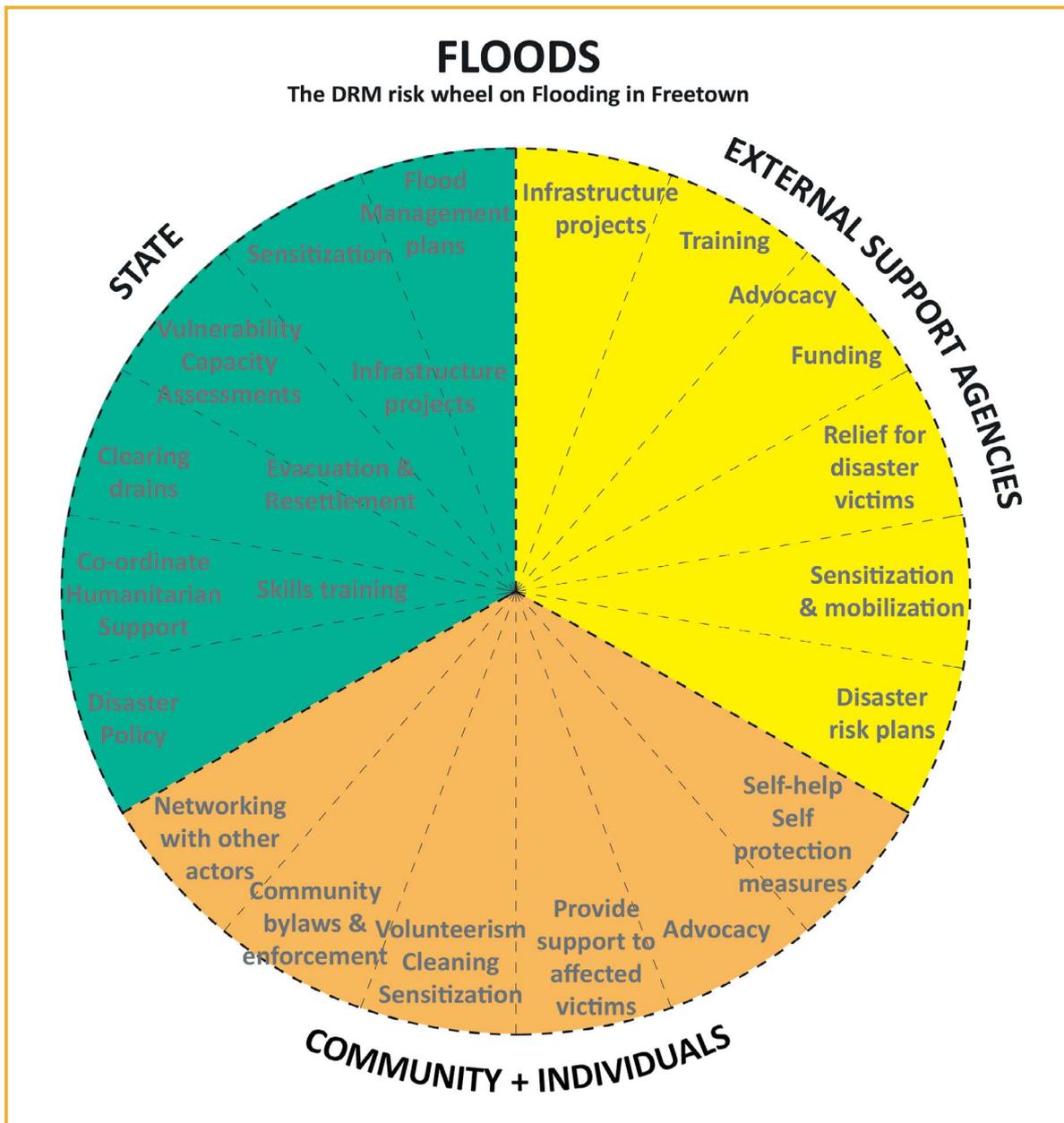
**Community-led mapping:** The production of settlement timelines are integrated into the processes of transect walks, with external participants and community residents engaging in a focus group discussion prior to the walk to share and finetune their experiences, knowledge, and perceptions, in order to build a risk profile of the area. The process of transect walks to document known risks is further enhanced through the use of open source mobile phone applications such as Ramblr, which participants are trained to use. Ramblr allows participants to track their location on a map and document points of interest, such as hazards, risk mitigation interventions, sites of previous disasters, etc., as media files (photographs, audio, video and text).

**DRM wheels:** These are used to understand and assess risk mitigation actions, identifying and evaluating collective and individual responses to risk by ordinary citizens, state agencies and external support agencies. The discussion and creation of the wheels are centred on what is done to confront small-scale and episodic hazards (such as fire, accidents, flooding and water-related issues), by whom, and with what resources. These are useful tools to assess the capacity to act of different actors, to evaluate the impacts of concrete actions, projects and programmes, and to design more effective and collaborative interventions.

The main findings from these processes show that residents of informal settlements are prone to multiple hazards and risks, and although this general statement holds true for most informal city dwellers, a closer examination reveals a different set of challenges depending on the geographic location and spatial distribution of informal settlements, as demonstrated by the case studies of Dworzack and Cockle Bay (hillside and coastal communities respectively), purposively sampled for the study.

### Urban risk in hillside informal settlements – the case of Dworzack

Dwozark is a typical hillside settlement which has been populated since the 1940s. However, since the 1980s, rapid urbanisation has outstripped investments in social infrastructure. Estimated to host 32,000 residents, Dworzack is characterised by poorly constructed housing structures (mainly mud bricks



and corrugated iron sheets), together with poor road networks and sanitation facilities. Land ownership in the settlement is contested and this hinders investment in improved housing.

The settlement's characteristics and location make it prone to fire outbreaks (12 outbreaks between 2010 and 2016 mainly from domestic fuel use and faulty electrics), floods (especially for residents living along the edges of the George Brook stream), rock falls (exacerbated by erosion and construction on the steep hillside), and outbreaks of waterborne diseases (from inadequate supply of treated water and solid waste disposal in drains and the stream). Although the number of fatalities from these risks appears to be relatively low (barring the recent 2014 Ebola outbreak), the full extent of vulnerability in this hillside informal settlement is significant when the cumulative effect of losses from these disasters is taken into account.

Although there is some community organisation, including the establishment of a Community Disaster

Management Committee (CDMC) and a system of Community Health Workers (CHWs), these were established in reaction to crises. More proactive and coordinated collective action at community level regarding the management of risks and disasters – including prevention and community preparedness – is not yet in place.

### Urban risk in coastal informal settlements – the case of Cockle Bay

Cockle Bay is an informal settlement located along the Aberdeen Creek on the western coast of Freetown. The land is owned mainly by the municipality and at present is home to an estimated 540 households. The settlement is characterised by poor infrastructure and lacks basic services (electricity, waste management, healthcare, potable water and sanitation). Vulnerability in coastal informal settlements like Cockle Bay is evident through cumulative losses from seasonal flooding, waterborne diseases, and a lack of domestic and community infrastructure.

Residents are faced with persistent (annual) and long-standing threats of eviction on the basis of both a formal designation of the area as risk prone (mainly due to floods and disease outbreaks), and as an area earmarked for ecological conservation. Residents are therefore wary of discussing risk openly with external agencies as these may further increase the threat of eviction. This blanket designation is applied without a systematic analysis of what parts of the settlement can be safe or unsafe for housing. The politics of using risk as a justification for evictions is a major contributor to the uncertainty, which increases the vulnerability of the residents. Such threats and the uncertainty they produce undermine community collective action to address known risks and residents' individual investment in housing, increasing even further the risk vulnerability of the residents.

### Community responses

Residents of informal settlements have the capacity to respond to disasters and risks through awareness-raising and self-help

initiatives to support those affected, through the establishment of structures such as CDMCs, CHWs, and the Federation of the Urban and Rural Poor (FEDURP). Settlements present different response capacities to risk. A major determinant of this capacity is the pre-existence of community governance structures. When these structures are in place and functioning, residents are more likely to be organised into committees and trained. Very effective responses take place when there are joint initiatives carried out by the residents and the city council or other public agencies (eg fire awareness and hazard monitoring in Cockle Bay).

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[www.urbanark.org](http://www.urbanark.org)

### Urban Africa: Risk Knowledge (Urban ARK)

breaking cycles of risk accumulation in sub-Saharan Africa

A three-year programme of research and capacity building that seeks to open up an applied research and policy agenda for risk management in urban sub-Saharan Africa. Urban ARK is led by 12 policy and academic organisations\* from across sub-Saharan Africa with international partnerships in the United Kingdom.

\* Abdou Moumouni University; African Population and Health Research Centre; Arup; International Alert; International Institute for Environment and Development; King's College London; Mzuzu University; Save the Children; UN-Habitat; University of Cape Town; University College London; University of Ibadan

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1. SLURC was created through a partnership between DPU and the Institute of Geography and Development Studies (Njala University) with funding from Comic Relief. It aims to strengthen the research and analysis capacities of urban stakeholders in Sierra Leone and deliver world-leading research in order to influence urban policy and practice ([www.slurc.org](http://www.slurc.org)).



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The views expressed do not necessarily reflect those of the donors.

# Participatory Disaster Risk Reduction Governance

Braima Koroma

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## 1. Introduction

- Stakeholder participation and representation is widely recognised and promoted as essential to disaster risk governance (IPCC, 2012, UNISDR, 2011, UNISDR, 2005).
- Participatory disaster risk reduction governance depends more heavily on local stakeholder participation to implement transformative changes and reforms (Gero et al., 2008), which includes the recognition of the importance of culture, social capital, local as well as indigenous knowledge and self-governance.
- While these elements are beneficial for disaster risk reduction, they tend to receive less recognition in disaster risk reduction governance processes.
- Sierra Leone subscribes to the Sendai Framework for Disaster Risk Reduction (2015 – 2030) supported by UNODRR at the request of the UN General Assembly whose goal is focused on preventing new risk, reducing existing risk and strengthening resilience. It outlines the need for understanding disaster risk at national and local as well as global and regional levels and calls for strengthening ‘Disaster Risk Governance’ to manage disaster as a part of significant priority of action.

## 2. Concept of disaster risk governance

- UNDP (2013:1) defines ‘*disaster risk governance*’ as ‘*the way in which public authorities, civil servants, media, private sector, and civil society coordinate at community, national and regional levels in order to manage and reduce disaster and climate related risks*’. This means ensuring that sufficient legal binding instruments, levels of capacity and resources are made available on a de-centralised basis, to prevent, prepare for, manage and recover from disasters.
- DRR governance also entails mechanisms, institutions and processes for citizens to articulate their interests, exercise their legal rights and obligations and mediate their differences (Bang, 2013; van Asselt and Renn, 2011; van Niekerk, 2014).

## 3. Disaster Risk Reduction Governance in Sierra Leone

- The Disaster Management department came into existence through an Act of Parliament in 2002 following the NASCIA (National Security and Central Intelligence Act), as one of the results of the government of Sierra Leone’s post-conflict reconstruction mechanisms.
- Act 10 section 18 sub section IV of the National Security and Central Intelligence mandate the Office of National Security to be ‘**The Government of Sierra Leone’s primary Coordinator for the management of national emergencies, preparedness planning, management and disaster assistance function**’.
- The implementation of the act, however, requires the involvement of various stakeholders from Ministries, Departments and Agencies of government, NGOs, United Nations specialised agencies, non-governmental organisations, the red cross, community-based organisations, civil society, the private sector, the media and local communities in disaster-prone areas. This makes the ONS the main agency responsible for disaster management in the country.

- To implement the act, a number of national platforms have been established for disaster risk reduction. The establishment of these platforms are an achievement in some sense, since they provide the foundation for fostering multi-sectoral and role-player engagement in disaster risk reduction and recovery.
- In addition to establishing platforms, the ONS in collaboration with other agencies, has set up provincial and district security committees to prepare for, mitigate and respond to disasters.

#### **4. Actors and agencies involved in governance of disaster risk reduction and management in Sierra Leone**

- Government of Sierra Leone (Office of National Security)
- Local Government Councils
- Research institutions
- Private Sector
- Non-governmental organisations
- Communities
- UN Agencies
- Non-Governmental Organisations
- Local NGOs
- Civil Societies

#### **5. Participatory approaches to disaster risk governance in Sierra Leone**

In seeking to promote sustainable development in the face of climate change vulnerability and disasters, a number of projects have emerged, which link climate change, disaster risk reduction, sustainable livelihoods and good governance. The key techniques in this approach include:

- Sharing knowledge, or co-learning with, the stakeholders rather than a top-down approach based on the a priori assumptions of researchers outside of the system or context.
- Community co-management projects for disaster risk management which aim to build capacities among vulnerable, poor and rural coastal communities
- Community mobilisation (e.g. youth volunteerism)
- Capacity building and training of urban stakeholders and actors to connect communities to government services (NGOs).
- Implementing sustainable livelihood projects at community level
- Public education and awareness raising to increase understanding of urban risks and the need to self-mobilise
- Private sector investments
- Social learning and collaboration

Through all of these, the broader community will benefit from improved governance and formalised disaster reduction.

#### **6. Gaps and challenges for disaster risk governance**

- Since June 2011, Sierra Leone has established a multi-sectoral and multidisciplinary National Disaster Risk Reduction Platform, but with little capacity to take on DRR at all levels;
- There are competing interests across government departments and agencies for dealing separately with disaster risk reduction issues (such as climate change, agriculture and/or environmental management) – although this should be viewed as a positive contribution to multi-layered governance;

- There is still a problem of integrating disaster risk management into national development planning frameworks at provincial and local levels, which will be enforced through national laws;
- There is also limited cross-sectoral understanding of disaster risk reduction, even within local communities, as disaster risks evolve due to a range of complex, interacting social, economic, political and environmental factors.
- Sierra Leone is still grappling with the development of technical and scientific capacities for research into disaster risk, vulnerabilities and capacities for public education and increased awareness to enhance resilience-building at national and community levels. This also speaks to limited capacities for disaster risk monitoring, assessment and reporting that involve communities and populations at risk.
- Closely connected to the above is the need to improve information access, real time information management, communication systems, and decentralised capacity to collect appropriate information, and analyse and operationalise needed actions.
- Also important is the lack of broad-based representation (e.g. some excluding CSOs, academics and the private sector; some reinforcing ineffectively gendered roles in decision-making) in disaster management processes, which is required for translating cross-sectoral plans and policies into local processes and actions. For this, a change to the current over-emphasis on top-down implementation is needed, given that such an approach limits the involvement of civil society groups, which in turn, limits accountability and transparency.
- A key challenge at the subnational level is that local government agencies prefer to follow national guidelines than using initiatives to align national policies and plans with the local context (local preferences, knowledge, practices etc)
- Critical to all the above is funding. Sierra Leone relies heavily on international aid and development support, thus making it difficult for implementing agencies to adequately budget for and fund disaster risk reduction measures.

## **7. Measures to address gaps and challenges for transformational resilience of DRR**

- In order to integrate disaster risk management into local level planning and programming, national governments and local-level structures would require organised action or series of actions involving various stakeholders, as listed above. These actions should be taken to influence people, policies and regulations, practices and systems for enforcement, in order to bring out necessary changes. Good governance for disaster risk reduction exists where there is adequate space for the participation of different stakeholders, especially at the level of local government.
- A transformational change in DRR governance is needed to reduce vulnerability and create development patterns that are more inclusive, equitable and sustainable (see Pelling, 2014).
- Building long-term resilience to disaster risk reduction and management requires a fundamental shift away from the current top-down and expert-driven governance approaches that are often characterised by vertical networks of power and influence and a focus on technological quick fixes and the protection of prevailing economic interests. To address this, governance must facilitate more bottom-up and multi-stakeholder based approaches that build trust through greater transparency and accountability, include diverse stakeholders, incorporate local knowledge and experience and place greater value on non-economic assets.

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# Participatory Planning and Governance



## **Participatory planning**

**Dr. Andrea Rigon - DPU**



## **D4 S9 – Participatory planning**

- From visit, example of citizens taking part in making the city?



## D4 S9 – Participatory planning

- urban residents build their houses and provide their own services through various forms of individual and collective action.
- This self-help approach to housing and services is a major force shaping and making African cities.
- A significant part of urban management and planning takes place outside the control of city authorities
- PP make planning processes more inclusive and responsive to diverse needs of urban citizen
- variety of participatory planning experiences
- recognizing the role that marginalized communities can have in processes of city-making



## D4 S9 – Participatory planning

***community-led processes*** of social mobilization and production and management of space in the city

Federations of the Urban Poor networked through Slum/Shack Dwellers International:

urban poor can enhance their power to influence urban decision making by generating and owning the knowledge about their living conditions.

- Savings
- Enumerations
- Organisation and trust



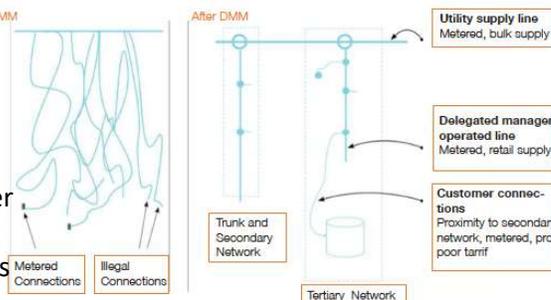
## D4 S9 – pro-poor private public partnerships

- through partnerships established by state and/or private companies with organisations of the urban poor,
- recognising and enhancing their role in the management and delivery of urban services.
- delegation management model.



## D4 S9 – pro-poor private public partnerships

- delegation management model in Kisumu:
  1. parastatal company agreed to supply water to community organisation
  2. Community organisation deliver water to kiosks and households.
  3. The system led to increased access to water while also strengthening community organisations





**rights-based approach** to participatory planning has involved the use of legal systems and constitutional rights to condemn violations of rights in the city

direct action as well as constitutional courts in South Africa to stop evictions and advocate for more equitable access to adequate housing



## D4 S9 – participatory planning

### Strengths:

- Respond to needs of marginalised communities, recognise their role in city-making
- Democratise decision-making
- Make use of resource and capacities of communities
- More equitable results, better solutions

### Challenges:

- prioritized local actions, potentially leaving structural processes unchallenged
- focus on consensus building, hiding social complexities and leading to limited recognition of social diversity;
- can benefit more organized and mobilized urban communities, leaving most deprived, fragmented and marginalised groups behind

## Participatory planning/planning from below in African cities

2018

Dr Alexandre Apsan Frediani, The Bartlett Development Planning Unit, University College London

Participation in planning debates emerged as means to make planning processes more inclusive and responsive to diverse needs of urban citizens. In the African context, there has been a variety of participatory planning experiences recognizing the role that marginalized communities can have in processes of city-making.

Some of these experiences have emerged through strong **community-led processes** of social mobilization and production and management of space in the city. One of the most significant examples of this approach to participatory planning, has been the work of various Federations of the urban spread in the African continent and networked through Slum/Shack Dwellers International. Their work has involved self-enumeration processes, recognizing that the urban poor can enhance their power to influence urban decision making by generating and owning the knowledge about their living conditions. In Cape Town (South Africa) for example, enumeration exercises have led to experiences of re-blocking of informal settlements, where communities re-plan their settlements in-situ, enhancing access to services as well as improve living conditions.

Participatory planning in African cities have also took place through partnerships established by state and/or private companies with organisations of the urban poor, recognising and enhancing their role in the management and delivery of urban services. Some-times referred as **pro-poor private public partnerships**, these experiences have led to the development of various models for participatory governance of urban service. An example of this has been the delegation management model implemented in informal settlements in Kisumu (Kenya) to deliver water. The water and sanitation parastatal company KIWASCO agreed to supply water to neighbourhood planning associations from informal settlements, who then managed the water delivery to water kiosks and households. The system led to increased access to water while also strengthening of community representative structures of residents from informal settlements.

Marginalised groups have also used the legal system to recognize their role in planning and their right to the city. This **rights-based approach** to participatory planning has involved the use of legal systems and constitutional rights to condemn violations of rights in the city and open up opportunities to push for legislations and initiatives that can improve the quality of life of the urban poor. The urban social movement Abahlali baseMjondolo, which originated in Durban, has used direct action as well as constitutional courts in South Africa to stop evictions and advocate for more equitable access to adequate housing. The movement's activities have also focused on the democratization of governance in informal settlements and improvements on the delivery of social services for the urban poor.

While these examples have been able to confront many injustices in city-making, studies have highlighted limits and challenges faced by participatory planning processes. Participatory

planning has often prioritized local actions, potentially leaving structural processes unchallenged; it tends to focus on consensus building, hiding social complexities and leading to limited recognition of social diversity; and it can end up benefiting more organized and mobilized urban communities, leaving most deprived, fragmented and marginalised groups behind. As argued by Miraftab (2018)

“decades of professional planning practice that advocates inclusion through participation have shown that its conception within liberal ideals obscures, and at best is unable to address, complex layers of conflict, oppressive power, and imposition (...). Inclusive planning through citizen participation has, in deed, often served as an alibi for elitist, private-sector-driven decision, or as cheat compensation for state withdrawal from public and social services” Miraftab, 277.

Therefore, recent work on the relationship between democracy and planning has called for a turn in planning thinking and practice to:

- engage with the trajectories of oppression by approach participation in planning as a means to encourage a ‘historicized consciousness’ and promote ‘historical memory of present experiences’ (Miraftab, 2009:46);
- recognize and support grassroots efforts of city-making through everyday practices or their participation in ‘invited spaces’ created by dominant urban planning stakeholders. But also recognize and support confrontations generated through grassroots’ oppositional practices as they create spaces of negotiation in their own terms of engagement;
- open up possibilities, scenarios and opportunities for change, rather than look for agreements on the common denominators;
- move away from a problem-solving approach to planning, to one based on public learning and fostering solidarity through the construction of more socially and spatially just urban imaginaries.

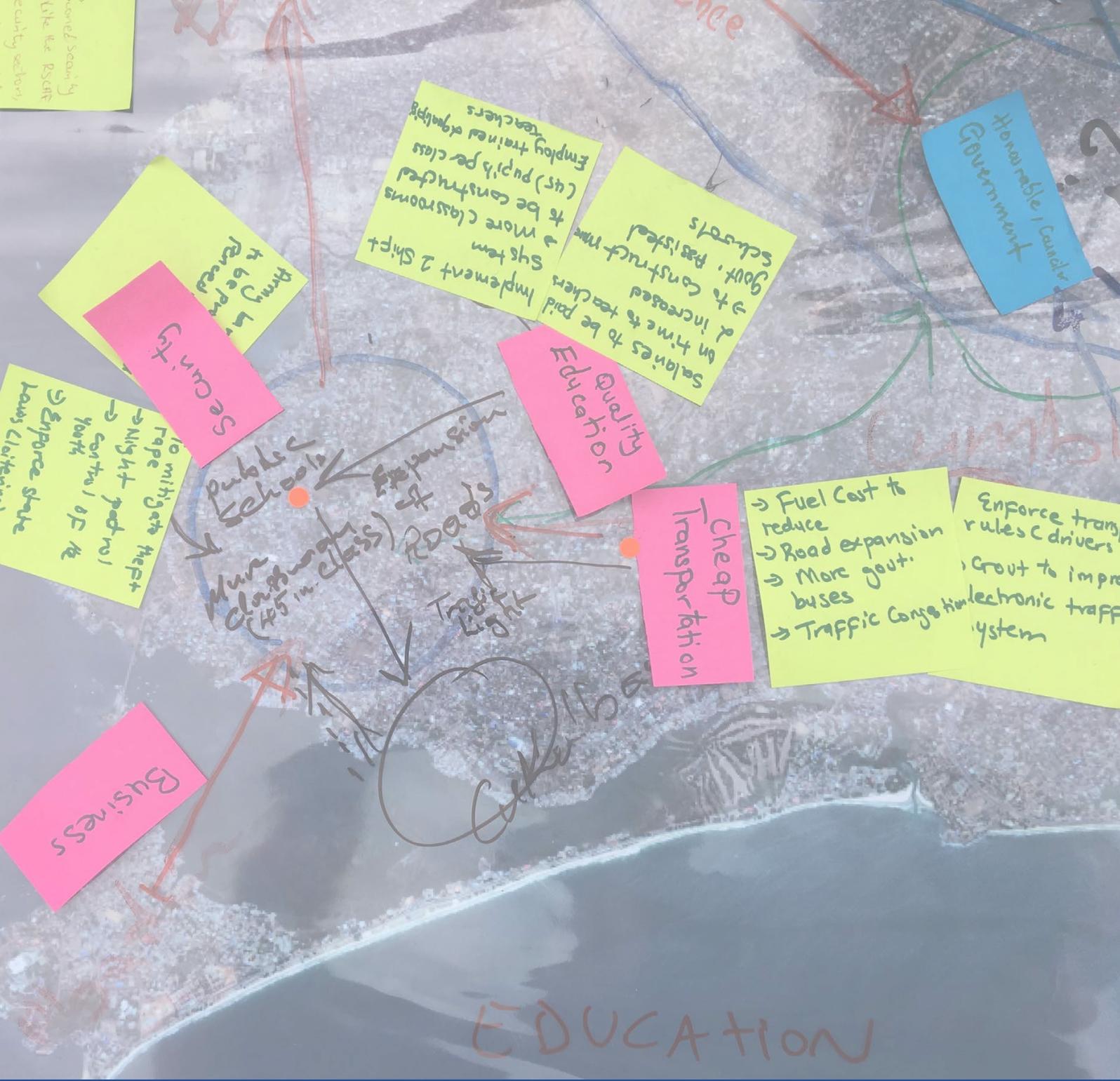
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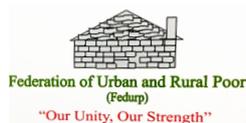
# CHANGE BY DESIGN

## Participatory Design and Planning

*How can neighbourhood planning bring about inclusive city-making in Freetown?*  
Workshop Report January 2018



SIERRA  
LEONE  
URBAN  
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CENTRE



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Others

Isaac Allie (Surveys and Lands Training School)

Image 01 Credit Alexander Stone



Around 2.9 million out of nearly 7.1 million people in Sierra Leone live in urban areas. Almost 40 percent of this urban population live in Freetown with a significant proportion residing in informal settlements. While the Freetown population is anticipated to grow from nearly 1.1 million in 2015 to 1.9 million in 2028, a central problem to unlocking community capabilities as well as, improve the wellbeing of residents in informal settlements has been the lack of sound information on their living conditions and the inadequate capacity of the different actors to deal with the challenge. Moreover, even though the Freetown Structure Plan for 2013 – 2028 recognises the role of action area plans as a mechanism to enable planning processes to bring about improvements to neighbourhoods in Freetown including, balancing demand for land uses, it has not been given the desired attention in guiding the city's development process.

This report highlight the potential role that action area planning can play in bringing together a broader range of people to the planning process; generate new ideas about space and place, as well as; integrate the local level priorities of the people with the future growth of the city. The report is an output of a week-long Innovative training workshop organised and jointly facilitated by the Sierra Leone Urban Research Centre (SLURC) and the Bartlett Development Planning Unit (DPU), University College London and, facilitated by Architecture sans Frontières in the United Kingdom (ASF-UK). The workshop focused specifically on two thematic areas of SLURC's work – (i) Land and Housing and (ii) Urban Vulnerability and Resilience.

The ASF-UK Change by Design methodology used corresponds with SLURC's central assumption that knowledge and research capacity are essential enablers of positive changes in the lives of residents of informal settlements. Apart from increasing knowledge on urban informal settlements including, building capacity to meet the related urban development concerns for Freetown, a key feature of the workshop was to broker relationship between different actors to achieve more equitable and inclusive urban development in Freetown – three core SLURC objectives.

The report recognises that because urban problems are generally very complex, it is inconceivable for any one actor to bring about the desired outcome. It proposes a strategic shift whereby everyone is provided with the opportunity to become an agent of change and to plan the city in ways that meet everyone's needs.

Joseph M Macarthy  
(SLURC Co-director)

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Image 02 Credit Alexander Stone



This report captures the process and findings of a week-long participatory workshop facilitated by Architecture Sans Frontières-United Kingdom (ASF-UK), the Sierra Leone Urban Research Centre (SLURC) and The Bartlett Development Planning Unit of University College London (DPU) from 28th August - 2nd September 2017.

The workshop is part of an ongoing action research initiative in Freetown led by SLURC and the DPU to assess the role that 'action area planning' can have in the production of inclusive city-making. The Change by Design methodology was utilised to address how communities together with their support institutions could develop neighbourhood scale plans in ways that can help them in securing rights to the city.

The workshop participants included community representatives from informal neighbourhoods across Freetown, local built environment professionals, staff from the Ministry of Lands and Freetown City Council, as well as researchers and lecturers from Njala University. During the workshop, participants visited and worked with residents of Cackle Bay, which is one of the two case study areas for the research on action area planning.

Outputs of this week-long workshop, which include this report as well as the video produced from this experience (<https://youtu.be/5Bg2Kf0WzwE>), aim to help the development of the methodology of the SLURC/DPU action research project.

## Key Workshop Objectives

- To understand the meaning of participatory planning and design in the context of Freetown through the perspectives of different stakeholders.
- To expose participants to the role that participatory design and planning has contributed to change in other contexts
- To explore how participatory planning and design could contribute to inclusive neighbourhood transformation in Cackle Bay.

- To discuss together some of the challenges and opportunities of using a participatory design and planning approach to neighbourhood transformations in Freetown.

## Partners

The workshop was carried out as a partnership between the Development Planning Unit (DPU), University College London, ASF-UK, the Sierra Leone Urban Research Centre (SLURC) as well as the Federation of urban and rural poor of Sierra Leone (FEDURP-SL).

## Methodology

ASF-UK's Change by Design (CbD) series of workshops and seminars is an evolving, action research-led methodology which examines socio-spatial urban dynamics and uses participatory design and planning to support and advocate for more democratic forms of city-making.

The methodology is structured around four different scales; Policy and Planning, City, Neighbourhood and Home. Each of these scales examines a specific set of issues relative to the workshop theme through four stages; Diagnosis, Dreaming, Developing, and Defining.

This framework allows groups to comprehend complex urban situations and explore options that respond to the local issues with a view to challenging the wider instruments of power that contribute to meaningful change.

In this workshop, Policy and Planning was addressed in a day-long symposium that brought together key stakeholders from the city to discuss the concept of inclusive neighbourhoods, how participatory processes have worked in Freetown, and also the potential of Action Area Plans to be produced in a more democratic way.

For the following three days the group split into scales with representatives from community-based organisations, built environment professionals and government in each group, led by an ASF-UK and a SLURC facilitator. Each scale group used morning sessions to plan participatory activities which were then implemented with members of the community in

**WORKSHOP STRUCTURE**

		Day 1	Day 2	Day 3	Day 4	Day 5	Day 6
		Monday 28th August	Tuesday 29th August	Wednesday 30th August	Thursday 31st August	Friday 1st September	Saturday 2nd September
		<b>Introduction</b>	<b>DIAGNOSING the current context</b>	<b>DREAMING of a better future</b>	<b>DEVELOPING alternatives</b>	<b>Public holiday</b>	<b>DEFINING a way forward</b>
<b>Morning</b>		Guest speakers and panel discussion	Preparation for fieldwork in groups	Preparation for fieldwork in groups	Preparation for fieldwork in groups		Reflection on findings and preparation for final presentation
		LUNCH	LUNCH	LUNCH	LUNCH		LUNCH
<b>Afternoon</b>		<b>Groupwork</b>	<b>Fieldwork in Cockle Bay</b>	<b>Fieldwork in Cockle Bay</b>	<b>Fieldwork in Cockle Bay</b>		<b>Final presentation</b>
			Group 1: Home				
			Group 2: Neighbourhood				
			Group 3: City				



Image 03.4.5 Credit Alexander Stone



Cockle Bay during the afternoon.

Prior to the workshop, personas were created based on the situation in Cockle Bay. The purpose of the persona is to provide a narrative of a place through the eyes of different residents/stakeholders. In the workshop these formed a base knowledge for each group to inform their understanding of the diversity of conditions and aspirations that different citizens face in Cockle Bay and relate this to their experience of home, neighbourhood and connections to the city.

This fast-paced and dynamic engagement concluded with a final event with workshop and community participants to share findings across scales and to evaluate the methods used. The final activity focussed on how participatory planning should be implemented in the city.

## Structure of the Report

Section one describes and evaluates the current policy and planning landscape of the city, and reflects on the current space for public participation and aspirations for change.

Section two outlines how participatory planning and design was defined by workshop participants. The section also includes examples of the process in practice and also evaluates the challenges and opportunities that this method of working brings.

The following three sections describe the implementation of the Change by Design multi-scalar methodology, breaking down the process into scales and stages and highlighting the key activities and outcomes with useful notes for facilitators to enable them to adapt the methods in different contexts. Also included are some key reflections on how this worked in Cockle Bay.

The final chapter documents the final event and defining stage where groups shared findings across scales and a facilitated session in which the group produced a set of parameters for inclusive city planning that will inform future approaches.

## Cockle Bay, Freetown

The informal neighbourhood of Cockle Bay was used as a case study to explore how this methodology could contribute to inclusive neighbourhood transformation in Freetown.

Cockle Bay is an informal settlement located along the Aberdeen Creek on the western coast of Freetown, 5km from the city centre. The community came to being as a result of displacement during the 11 years civil war. People started to reclaim the land and settle on the creek. They began to catch cockle from the creek and eventually the community became renowned for such produce and was named "Cockle Bay" (originally Hilet View) in 1998.

The settlement is divided into four zones – Jai Mata, Kola Tree, Mafengbeh and Hilet View. The land is owned mainly by the municipality and at present is home to an estimated 20,000 residents (0.11 people/square metre) in 540 households.

The settlement is characterised by poor infrastructure and lacks basic services (9% of households with access to electricity; poor waste management practices, healthcare, potable water and sanitation). There is no health facility within the community, only one communal toilet, two primary schools, two communal water collection points, two spring water wells and a host of individual water taps.

Although no extreme weather-related hazard has been reported in this community, its low altitude, poor drainage and weak infrastructure renders several areas and developments at risk from flooding associated with sea level rise, waterborne diseases such as cholera, and fires.

Residents are faced with persistent and long-standing threats of eviction on the basis of both a formal designation of the area as risk prone, and as an area earmarked for ecological conservation (International Wetland Conservation – Ramsar Site) by the National Protected Area Authority (NPAA). Residents are therefore wary of discussing risk openly with external agencies as these may further increase the threat of eviction. This blanket designation is applied without a systematic analysis of what parts of the settlement can be safe or unsafe for housing. The politics of using risk as a justification for evictions is a major contributor to the uncertainty, which

increases the vulnerability of the residents.

The economy of Cockle Bay depends primarily on sand mining, petty trading from self-owned micro and small enterprises within and outside the community, fishing and cockle production. In the 1990s - 2000s, the main livelihood activity of cockle production reduced considerably due to the overexploitation of mangroves. Today, sand mining is the main component of subsistence livelihoods in the area.

A number of community based organisations have been established, including the Disaster Management Committee (CDMC), Local Networks (through FEDURP) and a system of Community Health Workers (CHWs) to react to emerging crises. More proactive and coordinated collective action at community level regarding the management of risks and disasters have been supported by government agencies, municipal council authority, DFID Wash Consortium, YMCA and Restless. However, disaster risk prevention and community preparedness – is not yet fully in place.

Images 6-11 Credit Cockle Bay Participants



Central to discussion on Policy and Planning is The Freetown Structure Plan for 2013-2028. This comprehensive document recognises the role of action area plans as a mechanism to enable planning processes to bring about improvements to neighbourhoods in Freetown. However, in the current policy, it does not indicate the processes through which these plans are supposed to be implemented and by whom.

The symposium held as part of the workshop was an opportunity for key stakeholders from government, civil society and informal settlements to discuss the concept of inclusive city making and the potential of Action Area Plans to address the needs of informal communities in Freetown.

Panel Contributors;

Pious Sesay, Njala University  
Lahai Koroma, Cockle Bay  
Francis Refell, YMCA  
Vandi Nyallay, Ministry of Lands  
Abdul Karim Marah, Freetown City Council

## Key Questions

- What is the planning context and key issues affecting informal settlements in Freetown? What are the roles of the spacial development plan and action area plans in shaping the city?
- What are the existing mechanisms for public participation in planning in Freetown? What are the potential spaces for better participation to make processes more inclusive?
- What are the potential for collaborations between government institutions, third sector and communities?

## Planning Context and Key Policy Issues in Freetown

### Contribution by Pious Sesay

Probably the clearest mechanism put in place by government for public participation in planning in Freetown and the country in general is the ongoing decentralisation process. Within the decentralisation structures, there are ward committees at the lowest spatial level,

constituting of different local stakeholders within the communities. There is a democratically elected councillor within each ward that should work with the committee members to bring about desired changes for the community people. This means that the councillor (also a member of one of the communities within the ward) is the channel through which local development problems/challenges are communicated to the city councils and on the reverse, work with ward committee members to solve challenges facing the community.

This could be through dialogue, community/stakeholder engagement, sensitisation or by means of other appropriate participatory tools. As it is always the case that the city council has limited financial and technical capacity to meet the development needs of its citizens, the councillor should work with the ward committees to explore other avenues of opportunities with non-governmental organisations and other development partners to be able to respond to the development needs of the community. While this is what should be done in principle, the reality is different as was noted by the workshop participants.

Some of the concerns raised by members of the community during the first day of the workshop are as follows:

- **Their slum or informal communities were not recognised by the City Council, hence they face constant threats of eviction.** This is probably the most genuine concern to deal with if local communities should be provided the opportunity to participate in the planning and decision-making process of policies and interventions to shape their lives. Informal communities need to gain recognition and acceptance by the city's political and administrative arms before they can confidently pursue their rights to freedom of public participation. Participants noted that it is only during national election campaign periods that city authorities and politicians engage them, mainly to win their votes. As this is often the case, the workshop participants were encouraged to take advantage of this period to make a strong case for their inclusion and participation in the city's planning. In other empirical studies, fear of eviction at any given time has often caused people to be

reluctant to invest huge capital to upgrade their dwelling houses and basic community infrastructures.

- **Selection of ward committees is not done through a participatory process:** successive councillors have been only selecting their political party stalwarts for inclusion into the ward committees. This has the tendency of marginalising other people belonging to different political parties and with better initiatives to represent the community.
- **Lack of collaboration between relevant stakeholders:** while the community participants recognised the important roles different stakeholders within and outside the community could play in bringing about desired development initiatives, they noted that there have been frequent tensions between them. The participants indicated that stakeholders have not been working together, making it difficult to influence critical decisions in favour of their deprived and underprivileged communities.
- **Isolated and fragmented community-based organisations:** each of the communities seem to form and operate individual community-based organisations that need to unite into one powerful umbrella organisation that can push with a strong voice. This is particularly important as these different communities share to a considerable extent common development challenges, such as the lack of recognition by the city authorities, poor transportation and road network, lack of health and educational facilities and the lack of investment and job opportunities. The need for a strong community-based organisation with a very clear vision and common development goal came out clearly. Such an organisation and the ward communities should work together to complement each other rather than posing to be a parallel force.
- **Limited access to land:** people often choose to live in these so-called risky environments not necessary because they are unaware of the negative consequences, but rather, they are unable to afford the prohibitive cost of land elsewhere. Apart from the cost, the process of acquiring land in the city is also too complex for ordinary people.

Nonetheless, effective land distribution schemes go way beyond mere availability and affordability to include significant factors such as the livelihood options and other socio-cultural factors.

Participatory design and planning is an approach to urban planning and design which emphasises the involvement of the whole community in decision-making processes that affect their environment. Participation goes beyond simply consultation, to a situation where the community plays an active role in design and planning. This process can take different forms in practice, for example: community self-help, a partnership between the community and other organisations, or a state- or private-led process where the community is a key stakeholder. This workshop explored how participatory design and planning could work in Freetown.

According to participants in the workshop, participatory design and planning presents the following opportunities for improving the lives of communities:

- **Targeting specific needs:** taking a participatory approach to a project enables it to be more responsive to the actual needs of the community.
- **Ownership:** the community is able to take ownership over the process, helping to create a sense of empowerment.
- **Sustainability:** community ownership can help ensure a project is sustainable in the long-term.
- **Time:** strong community involvement can speed up implementation of a project.
- **Trust:** participatory processes help to build up trust between communities and external organisations/institutions.
- **Monitoring:** communities can take an active role in the monitoring and evaluation of a project.

However, there are also challenges in applying participatory design and planning in practice, which should be considered. Many of the opportunities also have a flip-side where the same issue could become a tension or limitation, for example:

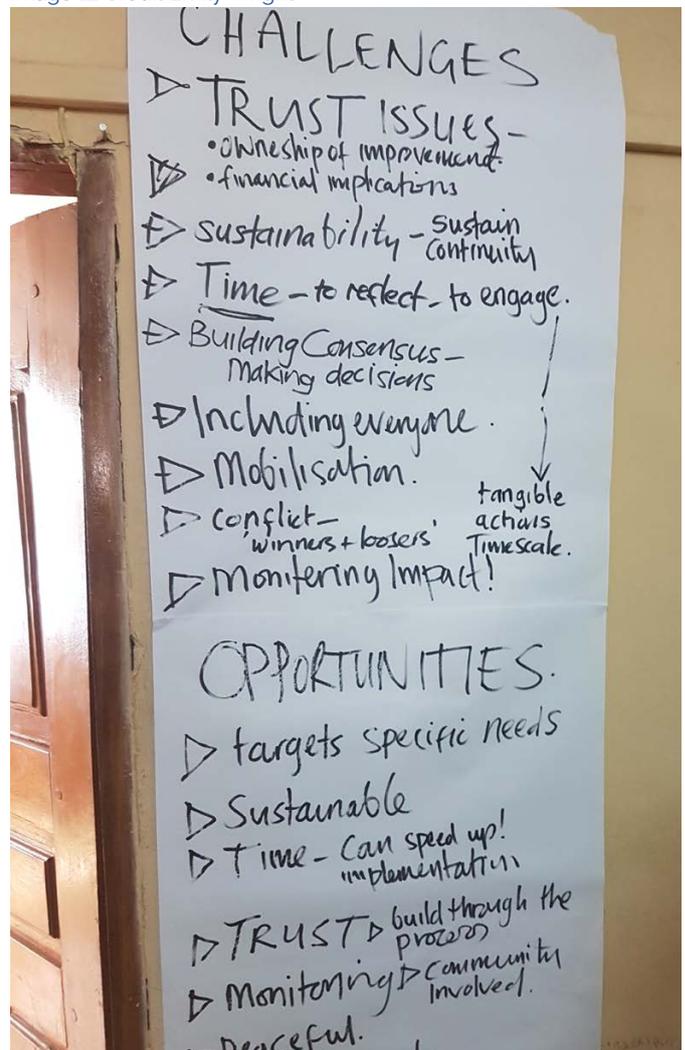
- **Trust:** there could be issues of trust between communities and external stakeholders.
- **Time:** participatory activities can be time-consuming and this needs to be considered when planning a project.
- **Representation:** how can we make sure that the diversity of the community is represented in participatory activities? Is it practical or

feasible to try and include everyone? What about those who are more vulnerable - how can their voices be heard so that no one is left behind?

- **Accessibility:** how to ensure that the process is accessible to all members of the community especially the most vulnerable groups.
- **Conflict:** how can disagreements be engaged with and managed during the process?
- **Consensus building:** there is a danger of participatory processes simply leading to consensus building around non-contentious issues, rather than dealing with more difficult but potentially more rewarding community problems.

The following pages present 9 case studies of projects from around the world where participatory planning and design has been a central feature. These showcase some different models of participatory development at the different scales of home, neighbourhood and city level.

Image 12 Credit Emily Wright



## Title

Monteagudo Housing Project

## Location

Buenos Aires, Argentina

## Key Words

Housing

## Further Information

[world-habitat.org/world-habitat-awards/winners-and-finalists/monteagudo-housing-project/](http://world-habitat.org/world-habitat-awards/winners-and-finalists/monteagudo-housing-project/)

## Description

Complejo Monteagudo is a community-initiated project involving the construction of 326 housing units for formerly homeless families that did not have access to credit.

The residents of Complejo Monetagudo were at the centre of the process, collaborating with the architects in the design and planning process, working in building construction and managing the government-

provided funds during the implementation phase, as well as being responsible for the ongoing management of the project.



## Title

Shack Dwellers Federation of Namibia (SDFN)

## Location

Namibia

## Key Words

Land Tenure, Housing

## Further Information

[world-habitat.org/world-habitat-awards/winners-and-finalists/shack-dwellers-federation-of-namibia/](http://world-habitat.org/world-habitat-awards/winners-and-finalists/shack-dwellers-federation-of-namibia/)

## Description

Twenty-two thousand households are currently participating in 434 saving groups across Namibia. Each group manages its own savings and when there are sufficient funds the group can put a deposit on a piece of land, of which each member has a plot. The land is provided by the government and repayments are made over a ten year period. Thus secure tenure is established and each household can begin building a permanent house when they can afford to.

To date, 3,200 households have secure tenure and 1,350 households have constructed brick houses at one-third the cost of conventional housing. Community management and household participation in production of building materials, is key to the success of the scheme.



## Title

RUSS Community Land Trust

## Location

London, UK

## Key Words

Community Land Trust, Housing, Sustainable neighbourhood

## Further Information

[www.theruss.org/about/](http://www.theruss.org/about/)

## Description

Community Land Trusts (CLTs) are a form of community-led housing, set up and run by local people to develop and manage affordable housing for the community.

The RUSS CLT has secured land in south London to develop 33 sustainable, high quality homes that are permanently affordable and partly self-built in order to reduce construction costs. The project will also provide opportunities for training in

construction for self-builders as well as volunteers from the wider community. The development will contain a range of houses and flats of different tenures, sizes and levels of self-build in order to create a mixed community made up of people from diverse backgrounds in the local area.



## Title

Upgrading of Audi União Shantytown

## Location

Curitiba, Brazil

## Key Words

Upgrading, Land Tenure

## Further Information

[world-habitat.org/world-habitat-awards/winners-and-finalists/upgrading-of-audi-uniao-shantytown-curitiba](http://world-habitat.org/world-habitat-awards/winners-and-finalists/upgrading-of-audi-uniao-shantytown-curitiba)

## Description

The main purpose of the project has been the protection of households living in high-risk areas on the banks of the Iguaçu river. The project has included improvement and/or provision of urban infrastructure (drainage systems, sanitation and flood control measures); housing within the local area for families living in high-risk areas; regularisation of land tenure; and social programmes contributing to safety and security, urban mobility, gender equality and social inclusion.

Residents have been involved throughout the process through partnerships established between government agencies and local residents' associations. The project has improved homes without resettlement and has only resettled those people who were at risk from flooding or landslides.



## Title

Relocation of Kamgur Putala

## Location

Pune, India

## Key Words

Community-led Resettlement

## Further Information

[shelter-associates.org/kamgar-putala.php](http://shelter-associates.org/kamgar-putala.php)

## Description

A community-based federation from the Kamgur Putala informal settlement, in partnership with a local NGO, negotiated with the city authorities for their own relocation plan to resettle the community away from a flood-prone location. The NGO worked closely with the community to identify a suitable site as well as on the design and construction of their new homes. Funds were secured from a government

housing scheme, as well as the community savings group. The project has created secure homes for the households most at risk of flooding, and a new neighbourhood where community links have been maintained.



## Title

Los Pinos Community Management Plan

## Location

Quito, Ecuador

## Key Words

Community-Led Housing, Upgrading, Land Tenure

## Further Information

*Frediani, A. A., De Carli, B., Nunez Ferrera, I., Shinkins, N. (2014) Change by Design: New Spatial Imaginations for Los Linos. ASF-UK.*

## Description

Los Pinos is a peri-urban settlement on the edge of Quito, which was occupied informally when over 300 people settled on the plot of unused public land at the same time. Instead of building shacks in a disorderly fashion, residents decided to plan the process of occupation. Firstly the area was divided into plots, and a small number of houses were built through collective self-help strategies. New houses were built progressively with the slow upgrading of services. For families to be able to stay living

there and to apply for tenure regularisation, they needed to generate a management plan to demonstrate to the authorities that the intended use of the area responds to the necessary land use regulations. ASF-UK worked with the community to support local residents in developing such a plan.



## Title

Domestic Solid Waste Management in Cerro el Pino

## Location

Lima, Peru

## Key Words

Waste Management

## Further Information

[world-habitat.org/world-habitat-awards/winners-and-finalists/an-alternative-approach-to-domestic-solid-waste-management-in-cerro-el-pino-lima](http://world-habitat.org/world-habitat-awards/winners-and-finalists/an-alternative-approach-to-domestic-solid-waste-management-in-cerro-el-pino-lima)

## Description

The Peruvian NGO Ciudad Saludable has developed an innovative community-based solid waste management programme in collaboration with the local government and a range of CBOs from the informal settlement of Cerro el Pino.

The key components of the programme include:

- Establishing micro-enterprises within the community to provide an innovative system of solid waste collection using motorbikes, as well as processing of organic waste and recycling services.

- Establishing a community-based monitoring committee to oversee the work of the waste collection services.
- Organising a system of door-to-door payment collection.
- Raising public awareness of health and environmental issues.

Residents have been involved in the implementation and development of all project activities, including through focus group discussions, participating in cleaning campaigns, painting murals, and separation of organic and inorganic waste in their homes.

## Title

Johannesburg Housing Company

## Location

Johannesburg, South Africa

## Key Words

Social housing, Regeneration

## Further Information

[world-habitat.org/world-habitat-awards/winners-and-finalists/johannesburg-housing-company/](http://world-habitat.org/world-habitat-awards/winners-and-finalists/johannesburg-housing-company/)

## Description

The work of Johannesburg Housing Company (JHC) involves the development and re-use of derelict city-centre buildings to deliver mixed-tenure, affordable rental housing whilst acting as a trigger for the regeneration of the surrounding area.

Pioneering participation and management processes have been instituted. Tenants committees are encouraged and community development

workers are employed to help build the capacity for community empowerment. Training programmes and social support are also provided.

The JHC vision of social housing includes encouraging tenants to participate in managing and maintaining their housing. Focus groups of tenants are brought together before any project to identify requirements, and JHC runs workshops to discuss the design and its impact on the long-term well-being of residents.

## Title

Impepho & Lime Market Infrastructure

## Location

Durban, South Africa

## Key Words

Informal livelihoods

## Further Information

*Asiye eTafuleni*: [aet.org.za](http://aet.org.za)

## Description

The Impepho and Lime Market is heavily affected by flooding which has a devastating effect on the informal sellers and their livelihoods.

Asiye eTafuleni (AeT) has been collaborating with the traders for infrastructural interventions to mitigate this challenge. Participatory research was carried out, including extensive and ongoing consultation,

which led to a sketch design for proposed infrastructure. AeT has since been trying to facilitate a partnership with various local government departments to realise the project.



# Home Scale

## Introduction

The Home scale focuses on housing conditions and experiences, including both the physical form of the house (spatial layout and use, thresholds, materials) as well as more intangible aspects of home (daily routine, support networks, power dynamics, tenure arrangement, service provision).

- **Understanding** the current housing conditions and experiences of residents in Cockle Bay.
- **Exploring** ideas for homes that reflect community/residents' collective values and aspirations.
- **Discussing** the challenges and opportunities to bring about change in the housing conditions in Cockle Bay.

## Framing

What does  
**Home** mean to  
you?

In order to frame the focus of the home scale activities, ask participants to collectively brainstorm key words and phrases they would use to describe 'home'. These words/ values are reviewed throughout the process, finally informing the production of housing development principles drawing from the experience of Cockle Bay.

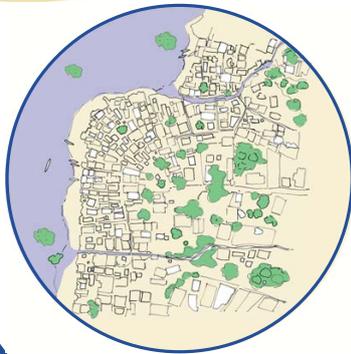


Image 13 Credit Emily Wright



Image 13 Credit Emily Wright

Diagnosis at the Home scale is concerned with exploring and understanding the diversity of current housing conditions in Cockle Bay, in order to identify the key challenges faced by residents in relation to their living environments, as well as household resources and opportunities.

This stage unpacks and captures social and spatial diversity - how different people experience their homes differently (eg. women, men, young, old), and reveals differences which may not be immediately obvious.

## Key Questions

- What types of houses exist in Cockle Bay?
- How are current housing conditions affecting residents of Cockle Bay?
- What are the main problems faced by residents in relation to their housing conditions?
- What are the main household resources available to residents?

## Activities

### 1. 'Where is your home?'

In order to gain an overview of housing in the settlement, participants are asked to identify and mark their house on a map of Cockle Bay. This will also help participants to start thinking spatially about the settlement.

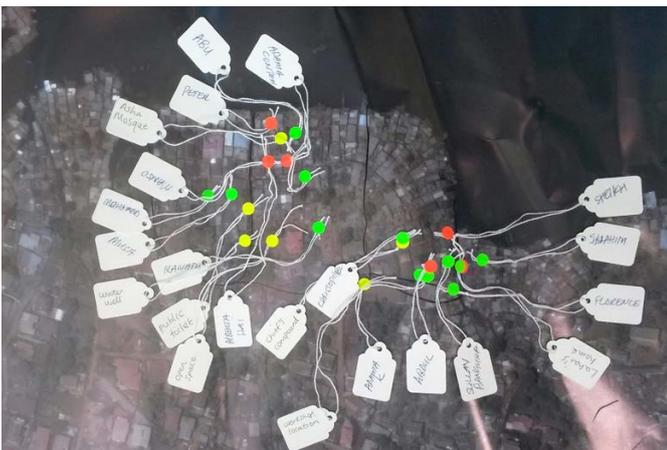


Image 14 Credit Emily Wright

### 2. 'What does home mean to you?'

This activity starts to uncover how residents of Cockle Bay experience their homes.

Introduce the question: 'what does home mean to you?' and ask participants to brainstorm key words or phrases that they associate with

home. These might relate to the spaces, social relations, cultures, power, feelings, or activities. The residents' personas can be used as a starting point for the discussion, enabling participants to think about the question in relation to the different profiles and triggering the opportunity for more personal reflections. Write each word or idea on a post-it note.

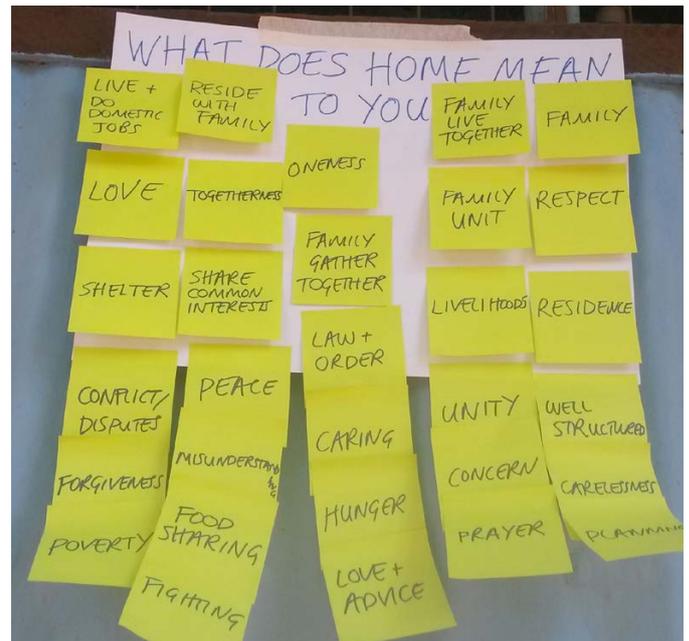


Image 15 Credit Emily Wright

### 3. 'Mapping housing experiences'

During this activity there is the opportunity to visit some homes in the settlement to gain a more in-depth understanding of the diversity of housing conditions.

In groups of 4 or 5, participants will visit a home of one of the community members willing to show them around. Using a base sheet and icons to represent different rooms and domestic activities, ask each group to map the home that they visit, capturing information about spatial layout and use, household structure, tenure arrangement, toilet facilities, and physical construction.

The process of mapping can also be used as a tool for discussion about the problems/issues affecting the dwelling experiences of the residents (eg. health, sanitation, waste, tenure insecurity, safety etc), as well as resources and opportunities available to the household.

Photos can also be used to record key elements of home, asking residents to take photos of the most important spaces or objects in their home.

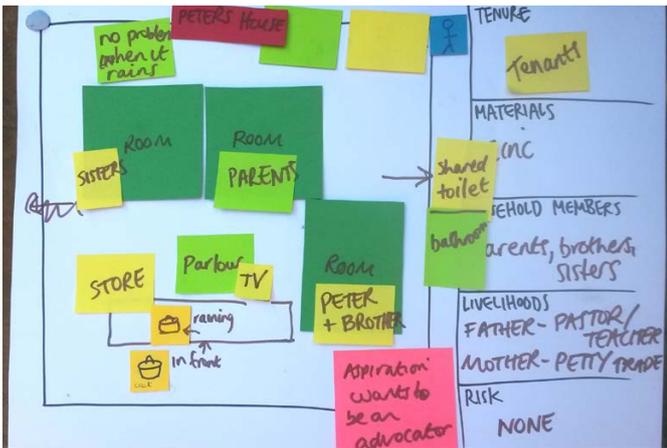


Image 16 Credit Emily Wright



Image 17 Credit Emily Wright



Image 18 Credit Emily Wright

## Outcomes

- Identification of different types of housing in Cockle Bay.
- Improved understanding of the different ways residents experience their homes.
- Prioritisation of key domestic challenges facing residents' of Cockle Bay.

## Reflections from Cockle Bay

The results of the mapping exercise were analysed to understand some of the diversity in housing situations in Cockle Bay. Some of the important variations that were found related to house size (one-room, two-room or larger dwellings), tenure arrangement (tenants, landowners and landlords), and access to sanitation facilities (use of shared toilets within a compound, public toilets, or private self-contained toilets).

### Facilitators Notes

Key to this stage is having a few people in the community who are willing to show others around their home in order to undertake the mapping exercise. These could either be organised in advance, or identified in a more spontaneous way as the activities unfold.

Ideally the resident of the home being mapped would take an active role in drawing their home. However participants might find it challenging to represent their home spatially, and the facilitator might need to start the process. Having pre-prepared icons representing different types of rooms and activities is helpful to allow participants to arrange them in a way that represents their home. It is important to think about the house in its wider context - is it part of a larger compound? Are there shared facilities with other households? The map can also be used as a springboard to engage residents in discussions about the more intangible aspects of their domestic environment, such as social relations, and how residents' experience of home changes over time.

This stage aims to discuss and articulate key values for housing that respond to the needs and aspirations of Cockle Bay residents.

## Key Questions

- How would residents like to see their housing conditions improve?
- What are residents' aspirations for tenure? What are the challenges / opportunities associated with different tenure arrangements?
- How should the process of housing delivery change?
- How can the community be supported to provide housing that meets their aspirations?
- What is a safe (resilient) house? How can houses be made more resilient?

## Activities

Dreaming activities aim to allow participants to dream about their future housing conditions, and to capture their aspirations for housing in the settlement.

### 1: 'Housing aspirations'

Ask participants to consider the type of house they would like to live in, and complete the sentence: 'I would like to live in a house that...'. These could be aspirations for size, location, construction materials, type of tenure, external spaces, toilet facilities etc.



Image 19 Credit Emily Wright

### 2: 'Drawing the dream house'

This exercise is aimed at capturing and interpreting the 'dream house' of residents through the use of drawing. Each participant is asked to make a drawing of their ideas for their dream home. Facilitators should observe the drawing process and assist where necessary to enable participants to represent their aspirations in graphic form.

The drawing is followed by a series of questions investigating the motivation behind the spatial arrangement of the house and to understand further participants' needs and aspirations, referring to external space, construction material, room sizes and use, and other characteristics of dwelling.



Image 20 Credit Emily Wright

### 3: Collective aspirations

In this activity, participants are encouraged to think about and discuss barriers/obstacles to the realisation of their dream houses, for example by thinking about the houses of different residents in relation to each other and exploring compromises and trade-offs that might have to be made to create a neighbourhood.

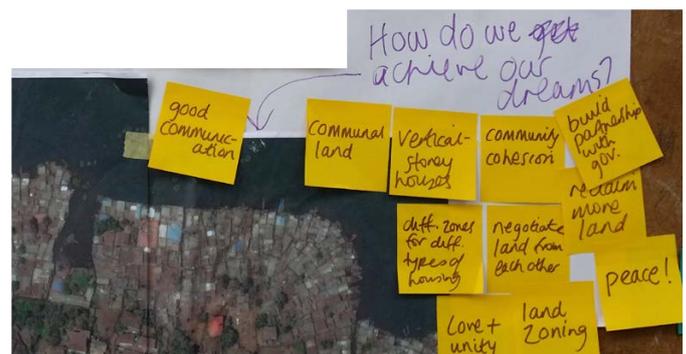


Image 21 Credit Emily Wright

## Outcomes

- Articulation and prioritisation of participants' aspirations for improved housing conditions.
- Identification of shared visions for future housing in the settlement, and also possible areas of contention.

## Reflections from Cockle Bay

Through the dream house exercise, several aspirations for improved housing in Cockle Bay were revealed, including:

- More private sanitation facilities;
- Homes that are large enough to comfortably accommodate the whole family;
- Green space near the houses;
- Easily accessible homes;
- Leisure and religious facilities close to homes.

## Facilitators Notes

In Cockle Bay, most participants found it relatively easy to draw their dream home, although in some cases facilitators might need to provide support - doing the drawing while participants describe their vision for their home.

It is important in the dreaming exercise to understand the values behind what has been drawn. Here the facilitator plays a critical role in helping participants to articulate the values underlying their housing aspirations by asking them why they have drawn certain elements, and what are the most important aspects of the dream houses.

It is more challenging for participants to think collectively about their housing aspirations, and how different people's aspirations might affect each other. For example in Cockle Bay, single plots were the preferred housing type, but it is important for participants to consider the what the implications of this would be for the wider neighbourhood.



Image 22 Credit Emily Wright

This stage focuses on developing and assessing several potential options for housing improvements in ways that draw on residents' aspirations and address issues revealed through the diagnosis activities. Options may concern the physical design of space (e.g. housing typologies, layout of public space and collective facilities) as well as issues of land ownership, project management, construction, and home ownership.

## Key Questions

- What are the different options for providing upgraded housing in the community?
- What are the options for providing secure tenure?
- How can members of the community work together to realise their aspirations for housing?

## Activities

### 1 'Develop a portfolio of options'

Facilitators gather and assess the information about residents' aspirations that was gathered from the dreaming exercises, and consolidate this into a set of options representing different ways that housing could be upgraded in Cockle Bay. Different aspects of housing should be considered, such as house type, tenure, sanitation, green spaces and water provision.

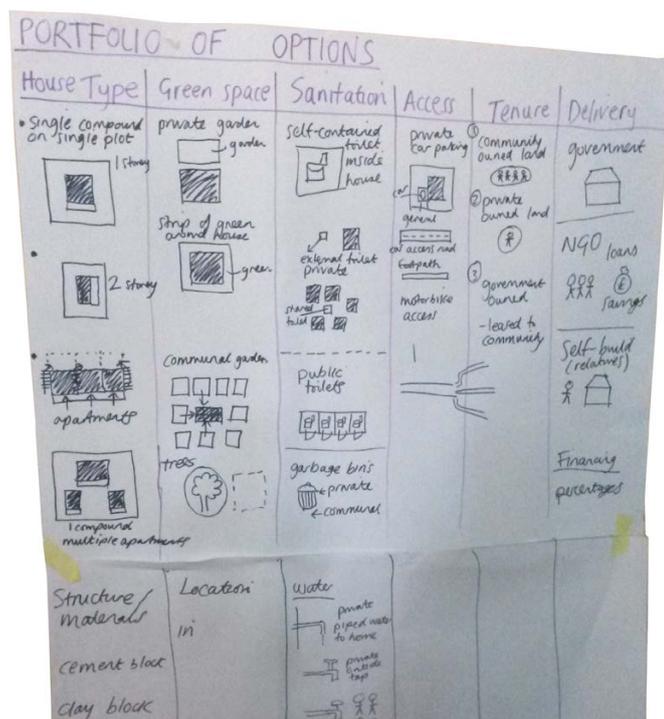


Image 23 Credit Emily Wright

### 2. 'Planning homes in the neighbourhood'

Building on the final dreaming exercise, ask participants to continue thinking collectively about how they could work together to realise aspirations for housing in the community.

Divide participants into groups of 4 or 5. Each group is provided with a pre-prepared toolkit of elements created from the portfolio of options. Then guide each group through an exercise of planning a portion of the neighbourhood, asking participants to consider in turn which options they would choose for each element of housing (house type, green space, access etc) to create a neighbourhood plan that is as inclusive as possible.

Encourage the groups to discuss different options to weigh up the benefits and limitations of each option, how long each would take to realise, and who would need to be involved in providing their chosen options.



Image 24/25 Credit Emily Wright



# Neighbourhood Scale

## Introduction

The Neighbourhood scale focuses on community dynamics in relation to neighbourhood spaces (streets, community spaces and surrounding areas), social systems and physical infrastructure (transport, water, sanitation, energy, information).

- **Understanding** the current conditions of shared spaces and physical infrastructure and who has access to them.
- **Exploring** ideas for inclusive neighbourhood spaces that reflect community/residents collective values and aspirations.
- **Discussing** the challenges and opportunities to bring about change in the neighbourhood.

## Framing

What is an  
**Inclusive**  
Neighbourhood?

It is important to recognise the differences in what constitutes an 'inclusive neighbourhood' in different contexts. Framing activities aim to develop a common terminology within the group to reference throughout the process.

This can be done by collectively brainstorming key words that participants would use to describe 'inclusive neighbourhood'. These words/values will be reviewed throughout the process, and finally informing the production of neighbourhood development principles - in this case drawing from Cockle Bay's experience.

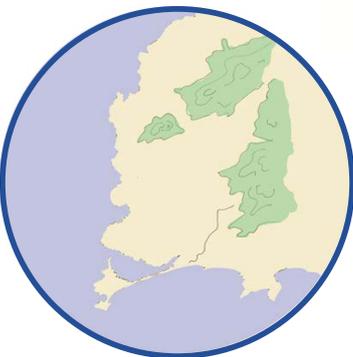
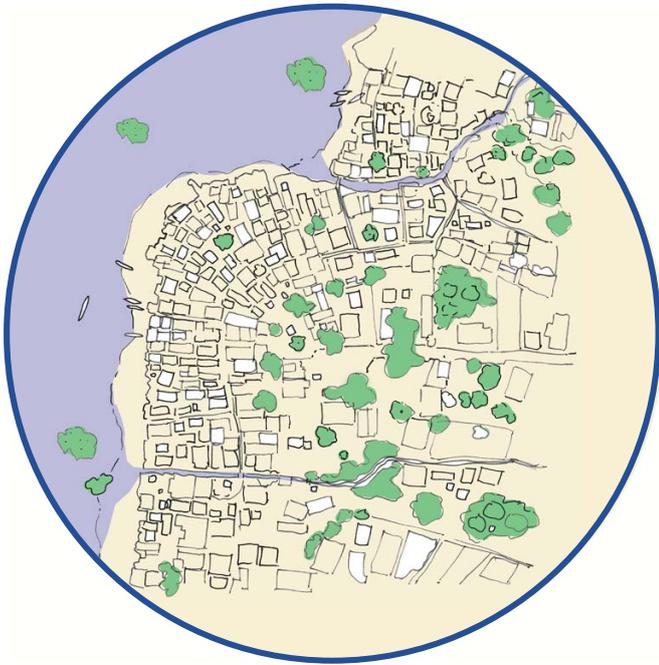
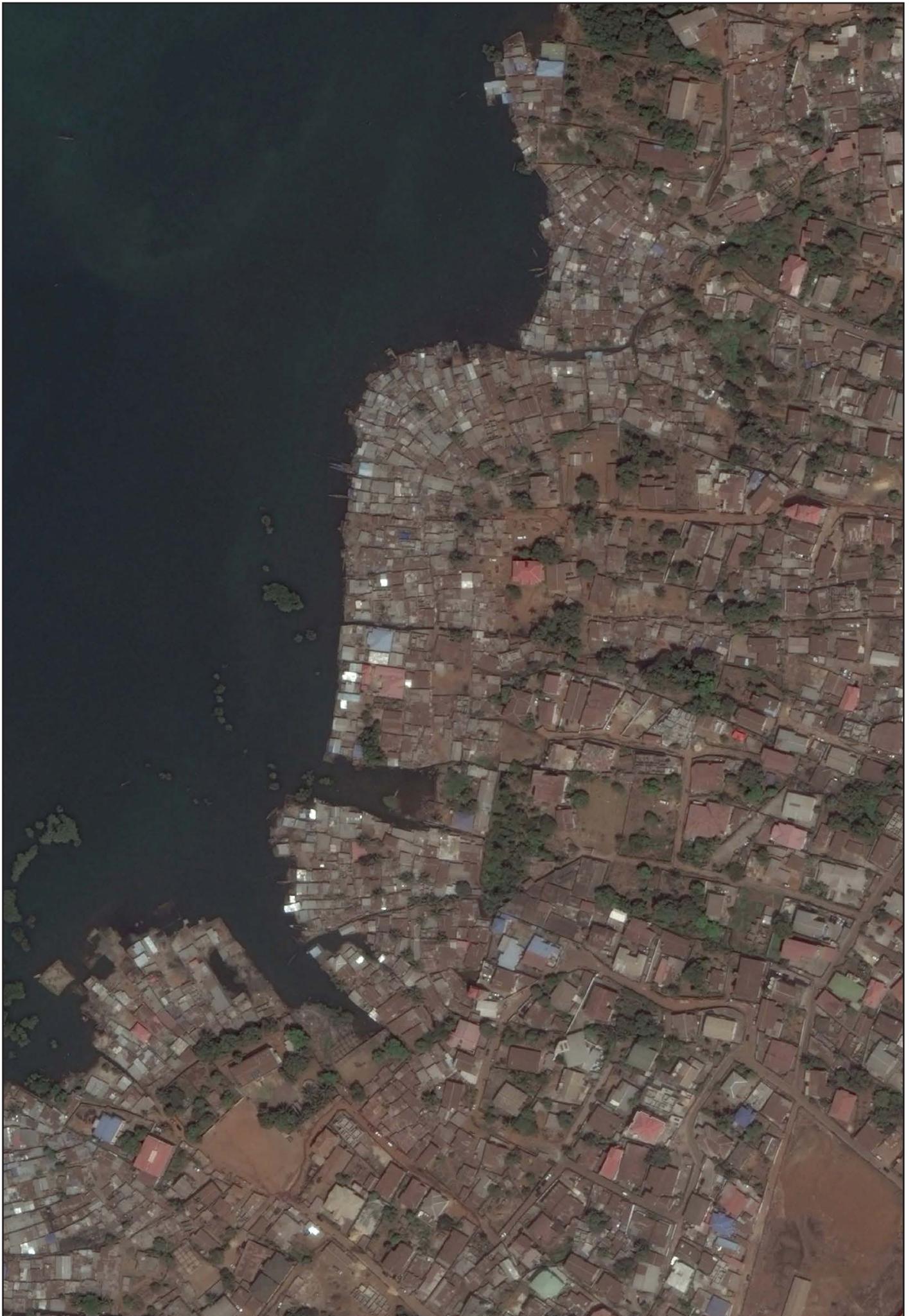


Image 28 Credit Alexander Stone





Diagnosis at the **neighbourhood** scale is concerned with understanding the current conditions of shared space and infrastructure in Cockle Bay. The focus is on the challenges that people experience, as well as identifying neighbourhood resources and opportunities.

This stage also unpacks and captures social and spatial diversity - how different people experience their neighbourhood (eg. women, men, young, old, people with disabilities), and revealing differences of experience which may not be immediately obvious.

## Key Questions

- What are the current conditions of neighbourhood spaces and physical infrastructure and who has access to them?
- What are the main resources and opportunities that exist? What are the main problems or hazards faced in the neighbourhood?
- What social structures exist in the neighbourhood? What is the heritage and identity associated with the area?

## Activities

### 1. Neighbourhood Spaces Terms and Language

The aim of this activity is to explore the different types of neighbourhood spaces and how they are perceived by residents. In this instance the workshop group used the personas to identify the locations that were important to the residents and analyse this in terms of social/cultural/environmental/physical/economic values.

A key was created with a colour for each category with a basic explanation about what these terms might mean in this context, the group considered how neighbourhood features could have multiple values, e.g a market was economic but also social. The group was also asked to identify hazards and assets in the built environment at the neighbourhood scale.

Note; These 'values' are not fixed and can be added to and changed for example health, wellbeing etc. This method allows a deeper analysis of the types of values/qualities neighbourhood spaces have that go beyond the physical building/construction. Using this terminology also introduces residents and other

groups to the type of terminology used in more formal planning in a tangible way which will build capacities when planning their communities and using the language needed for this.

### 2. Mapping the Neighbourhood

The aim of this activity is to map neighbourhood spaces with community members using the predefined values, as well as identifying assets and hazards.

The group used a large google earth map of the area with a plastic overlay to map the key features. 3 groups with workshop participants as facilitators mapped out different routes around the settlement. Coloured stickers and label were used as well as photography led by the community members. Dialogue around values of space as well as ownership.

### 3. Consolidating Findings

Each map was collected and overlaid to understand differences in labelling also different areas covered. The overlay allowed the group to identify neighbourhood spaces that had high importance and multiple values.



Image 29 Credit Sophie Morley

## Outcomes

- Providing a reading of the situation in order to understand the area of concern from the residents perspectives.
- Developing a spacial awareness using maps and planning terminology.
- Identifying either a common issue or specific area/areas on which to focus at the next stage.

## Reflections from Cockle Bay

The activities undertaken in Cockle Bay uncovered a number of emergent issues such as poor sanitation and water management; also the complexity of tenure with little community-owned infrastructure or land.

The mapping analysis uncovered two areas that were of high community value. These were the two bridges connecting different sides of the settlement. The bridges were also areas where a number of the community issues were present, in particular connectivity, neighbourhood facilities, public space and drainage.

The bridges themselves were built and maintained by the residents (different to some of the bridges implemented by INGO's) through the discussion participants identified these spaces could be seen as both hazard and asset.

## Facilitators Notes

Reading maps might be difficult for some participants, identify key locations to support people to understand this format. It is important to discuss the use of maps/plans in planning processes. Ask what information can we understand from this map – what is missing?

How can we add different levels of information on the map – refer back to the list of Neighbourhood spaces. What information do we want to uncover?

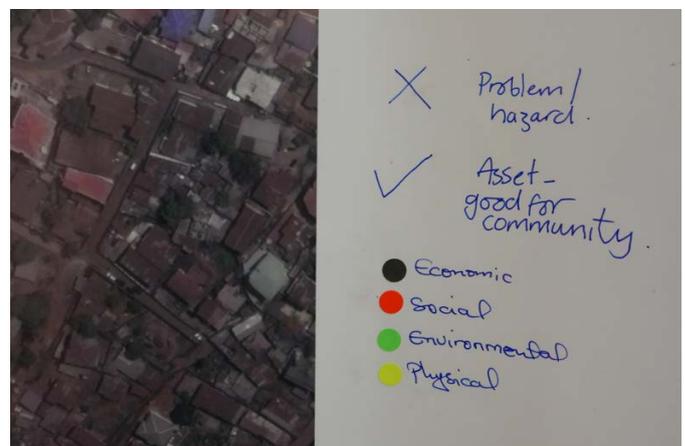


Image 30 Credit Sophie Morley



Image 31 Credit Alexander Stone



Image 32 Credit Alexander Stone

This stage aims to discuss and articulate key values and aspirations for the **neighbourhood**, in ways that respond to the needs and aspirations of residents of Cockle Bay.

## Key Questions

- What changes and improvements would the residents like to see in the neighbourhood?
- What services, facilities, infrastructure and space should be created or improved?
- What are the common aspirations identified in this process?
- What are the challenges and barriers to implementing these future scenarios?

## Activities

Focussing on a key location that is important to the neighbourhood

### 1. Dreaming Wall – Poster

The aim of this activity is to produce a collective vision for a neighbourhood location. Using the two bridges identified in the diagnosis exercise the group split into 4 sub groups with two groups for each site.

Using a detailed Google Earth plan of the location and pictures taken the day before the groups were asked to explore the improvements they would like to see in this location and reflect on how this might address the challenges in the neighbourhood. Each group had a large page to record their ideas

### 2. Dreaming Wall – Stakeholders

Having created a vision for the area the groups were asked to consider who will this benefit, also who might be involved.

### 3. Consolidating Findings

Each group shared their neighbourhood vision for improvements, articulating what problems they were responding to and key stakeholders.

The group reviewed each proposal identifying that even with common goals there were different ways to address these.

## Outcomes

- Address both the diversity and commonality in residents aspirations of the same space.
- An opportunity to explore aspirations in a structured way.
- Aspirations can be identified to analyse as options at the next stage.
- Introducing methods of self evaluation and terms of social/physical or small/large changes.

## Reflections from Cockle Bay

The four groups addressed the site challenges in different ways from small interventions such as improved lighting for security to some quite large projects like a health centre. The key improvements were consolidated into four themes;

- Infrastructure in the form of lighting, sanitation,
- Community Facilities such as a hall and health centre
- Public Space for people to congregate and children to play
- Drainage management including retaining wall and enforcing regulations



Image 33 Credit Alexander Stone

## Facilitators Notes

To manage the process of the dreaming exercise it is important for facilitators to identify the difference between aspirations and desires. Although the point is to 'dream' the role of the facilitator is to question the motivation for change particularly around who these changes will benefit and what challenges they are responding to. The personas can be utilised in this stage to access how their aspirations are being addressed.

It is also important to draw from existing

neighbourhood resources as the starting point to understand what can be built upon and improved, introducing external actors when necessary to overcome barriers to change.

The Dream Wall activity can be implemented in a variety of ways, in this instance a map was used and the responses were mainly noted however this also could be in the form of drawings or a series of icons developed that respond to the key themes. The scenarios developed for these spaces can also be thought about over time - improvements in 1,5 or 10 years.

Image XX Credit



Image 34/35 Credit Alexander Stone



This stage is concerned with developing and accessing a number of potential options for **neighbourhood** actions in ways that respond to community aspirations in Cockle bay and address issues revealed through the diagnosis activities.

These options refer to potential concrete social-spatial interventions as well as strategies to build necessary partnerships and alliances.

## Key Questions

- What are options for neighbourhood transformation in Cockle Bay emerging from the dreaming activity?
- How do we evaluate and prioritise these options?
- What are the enabling factors that could facilitate these changes?
- Who would be involved in change and what partnerships and lines of communication needed?

## Activities

### 1. Portfolio of Options

The aim of this activity is to consolidate the ideas and aspirations generated in the dreaming scale to options which can be analysed by the group.

Each group chose one of the themes identified in the dreaming exercise to explore further in their location. Within each group three options were developed ranging from small to large interventions.

A table was used to evaluate these options, with questions such as; who is it for? How much will it cost? How long will it take? Who will be involved?

The groups used this process to discuss the key challenges and opportunities with these options.

### 2. Stakeholder Analysis

The aim of this activity is to understand the stakeholders involved in a situation, using a diagram to represent power relations, lines of communication and of conflict.

The groups used this activity to develop a wider understanding of who was involved at different scales specific to their theme, identifying where alliances could be formed to support neighbourhood change.

### 3. Consolidating Findings and presentation

Each group presented their portfolio of options, and the wider group supported them to think strategically on how they might prioritise. The drainage group had started with improvements to a retaining wall and also considered a management committee.

The themes covered a comprehensive set of issues and formed a strategy from small scale low cost improvements to larger changes over a 5 year period. A number of challenges such as available land were consistent across groups.

## Outcomes

- Consolidating aspirations into options which are evaluated and prioritised
- Allows groups to unpack challenges and opportunities with proposed changes as well as identify the key stakeholders.
- Developing potential actions for neighbourhood planning that capture different issues and integrate these.
- Allows groups to understand the wider factors that contribute to change in an accessible way.

Image 36 Credit Alexander Stone



## Reflections from Cockle Bay

Building on the portfolio of options each group identified 3 key issues that the community wanted to address in the space. These were brought together and in a facilitated session condensed into 5 principles.

For an Inclusive Freetown there is a need to ..... at the **neighbourhood** scale.

1. Represent a diverse range of stakeholders in decision making
2. Improve, sustain and manage basic services and infrastructure for dignified living conditions
3. Provide community owned facilities that respond to local needs
4. Open access to resources (money/material/information) from different sources (public/private/charity)
5. Commitment to public space that work for all

Image 37 Credit Alexander Stone

## Facilitators Notes;

The portfolio of options exercise in this instance utilised a simple table to manage the information, the table allows options to be analysed and can be adapted to suit different contexts. It is important for the facilitator to interrogate the information produced to enable groups to produce realistic actions.

In this workshop the groups explored their theme in detail and the three options represented different scales of intervention, Another approach (requiring more time) would be to integrate these thematic groups across the locations to understand how changes to drainage could also influence public space and vice versa.

Key to the stakeholder analysis is to start with a general understanding of the wider city processes with the group and then to focus this to neighbourhood issues. This diagram can get quite complex so it is important to use distinct colours and symbols to differentiate actors, alliances and conflicts.



# City Scale

## Introduction

The City scale focuses on urban processes, conditions and experiences. These include issues that affect distribution of risks and opportunities in the city such as patterns of urban growth, access to infrastructure and the economy of the city. This scale reflects particularly how these processes affect residents of Cockle Bay and how city-wide actions can meet their needs and aspirations.

- **Understanding** the current city-wide processes and conditions through the experiences of residents of Cockle Bay with the rest of the city of Freetown.
- **Exploring** ideas for city-wide actions to make Freetown more inclusive and meeting needs and aspirations of residents of Cockle Bay.
- **Discussing** the challenges and opportunities to bring about a more inclusive and equitable Freetown.

## Framing

What are your  
visions for a  
**more just** City?

It is key to establish the linkages between city-wide processes and local conditions affecting neighbourhoods and dwellings. To do this, it is important for the participants of this group come from different locations from Freetown, and that they explore experiences of the city through the stories of personas from Cockle Bay.

Based on these personas and experiences, framing activities include brainstorming key values and aspirations of these personas from Cockle Bay have towards a more just city. These values and aspirations are reviewed throughout the process and linked to the conversations around issues and relevant places of Freetown.

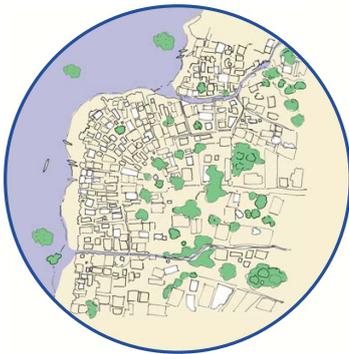
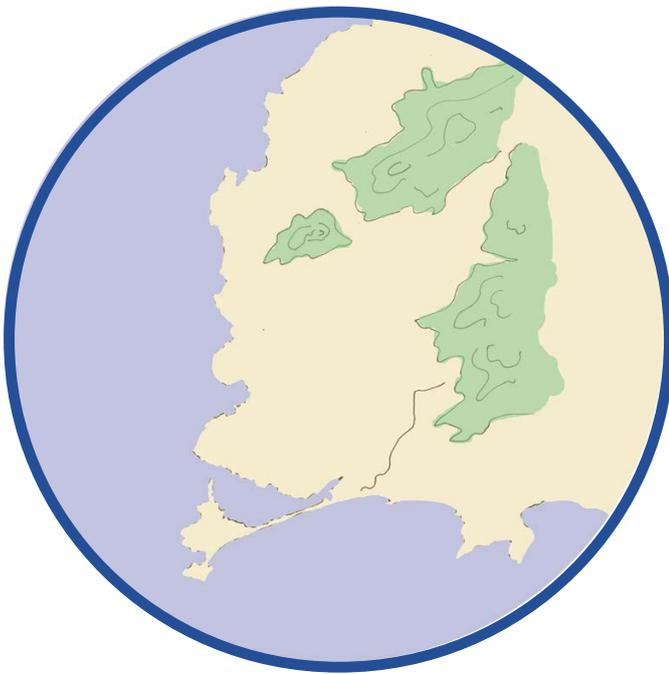


Image 38 Credit Alexandre Aspen Frediani





Some of the key urban pressures affecting residents of Cockle Bay discussed include:

- High price of rent from locations closer to the city centre, pushing people to look for cheaper as well as more vulnerable housing conditions;
- Urban mobility constrains, as residents of Cockle Bay need to get multiple sources of transport to access market and livelihoods opportunities, those being of poor quality as well as costly;
- Soil erosion from the hills behind Cockle Bay, pushing mud and waste down to the settlement, causing a series of hazards to residents of Cockle Bay.

## Facilitators Notes

It is important as well as challenging to get participants to use the map in an interactive way. It is important to think about the stages of participants' engagement with the map. Firstly asking participants to identify places, then asking them to visualise a point they were making, and finally using the map and visualisations to reveal issues and analyse a situation. Encourage as much as possible a direct engagement between participants and the map, giving out stickers and pens. There might be one or two people in the group that might take a leadership in actually interacting with the map, but it would be useful to try to get all participants to at some point draw and represent their points visually. In this way, participants are also building their abilities to think spatially, which is an important skill set to help in communicating urban issues to others, including government authorities.



Image 40-43 Credit Alexandre Aspen Frediani

This stage aims to discuss and articulate key values and aspirations for the city, in ways that respond to the needs and aspirations of residents of Cockle Bay.

## Key Questions

- What are participants values and aspirations to the city of Freetown?
- How can these values be grounded to particular places and processes in Freetown?
- In which ways city aspirations can support in the process of collectively imagining scenarios to what can take place to particular places in the city?

## Activities

Dreaming activities builds on the map produced in the previous stage and asks participants to articulate their aspirations in relation to particular places in the city.

### Identifying urban hot-spots:

Based on the discussions and illustrations from the previous stage, ask participants to identify two places in the city that are the most meaningful for the two personas. Meaningful here means where there are many things taking place, such as interactions, opportunities and/or challenges.

### Visualising city imaginaries:

After the prioritising two hot-spots, participants should reflect what they think that the personas from Cockle Bay would like to see happening in those locations. Ideas should be drawn on the map and explained in post-it notes. At this stage, the group might want to prioritise the type of action it is focusing on, for example it is transport, education or housing related. Focusing on a particular theme will help the group to develop options for city actions.

### Grounding city aspirations:

Once ideas for hot-spots are visualised in the map, participants are asked to articulate how these visualisations contribute to advance the values for the just city identified in the framing stage.

## Outcomes

- Prioritization of spaces and theme of intervention at the city scale;
- Articulation of values and aspirations associated to the future of Freetown;
- Identification and formulation of a common visions, drawing on values and diagnosis.

## Reflections from Cockle Bay

Based on the personas experiences of the city, each group prioritised a different hot-spot as well as theme of intervention. Based on the discussions around aspirations to these places, each group developed their own overarching goal. These included:

- To improve accessibility, affordability and distribution in the city by improving transport connections in Freetown;
- To improve well-being of residents of Cockle bay by securing access to affordable rental housing;
- To Improve provision and access to good quality education;

Image 44 Credit Alexandre Aspen Frediani





This stage focuses in planning options for city actions in ways that draws on city aspirations and addresses issues revealed through the diagnosis activities.

These options refer to potential concrete social-spatial interventions as well as strategies to build necessary partnerships and alliances.

## Key Questions;

- What are the potential social-spatial options articulated to hot-spots of the city?
- What the relevant stakeholders needed to advance on those?
- How can the necessary partnerships and alliances be built to advance options in ways that safeguards underpinning the prioritised city aspirations?

## Activities;

### Stakeholder analysis:

For each hot-spot, participants will identify the relevant stakeholders that will need to be involved to advance in the options discussed. After identifying them, participants will draw lines between them that represent the quality or type of their relationship.

### Navigating Power:

After mapping out the actors and their relations, participants will have a discussion on where is power located in this map. Who are the most important and who are the most powerful actors? Based on this analysis, participants will develop a strategy to build partnerships and alliances needed to advance on the options for city-actions discussed. What is the route to influence those with power and involving the important stakeholders? This route will then be visualised in the stakeholder map, illustrating the steps needed to implement the strategy.

### Developing options:

Drawing on the visualisations and findings from the previous exercises, different types of interventions to address the concern of the group are collated to be discussed within groups. Options are articulated according to different themes of intervention. For example, in the group discussing urban mobility, transport

infrastructure was a theme identified, and options included small interchanges, bus stops, traffic lights. After prioritising options and placing them on the map, participants talked about potentials and limitations of options, their timeframes of actions (short, medium and long term) and actors needed to be involved.

### Consolidating options:

Drawing on the information generated through the mapping exercises, each of the three city groups prioritised their main findings by writing up 5 ways of completing the following sentence: 'For an inclusive Freetown, there is a need to...'. These findings were then shared with the other groups, and the team consolidated into city principles and options of interventions.

## Outcomes;

- Shared understanding of the role and power of stake-holders associated to the topic of engagement;
- Development of collective strategy to build partnerships and alliances;
- Detailed analysis of potentials and limitations of potential options of interventions;
- Articulation of common principles across groups, focusing on city wide concerns and aspirations.

Image 46 Credit Alexandre Aspen Frediani



## Reflections from Cockle Bay

The main principles and options of interventions prioritised by the city group were:

### 1) Improve linkages between Cockle Bay community and the city by improving:

- transport connections;
- quality of education facilities;
- quality of housing;

### 2) Reduce city wide inequalities by improving:

- road networks across the city;
- distribution of education facilities;
- distribution of affordable housing across the city;
- distribution of livelihoods opportunities across the city;

### 3) Establish alliances to influence powerful stakeholders by improving:

- linkages between community actors and government authorities;
- opportunities to build city wide partnerships;

### 4) Build capacities of citizens to engage in processes of service delivery especially by improving:

- capacities of community actors to engage in housing processes;
- capacities of teachers to foster more inclusive learning environments;
- capacities of transport service providers to enhance transport coverage in the city.

### 5) Build and improve city-wide infrastructure, such as:

- low cost housing;
- schools;
- public transport

### 6) Have and enforce regulations on:

- quality of houses and price of rent;
- monitoring and evaluation of education services;
- fair price for transport fares and vehicles reaching destinations.

## Facilitators Notes

It is useful to draw lines of different colours and thickness to visualise relationship between stakeholders. For example, green for relations of cooperation, and red for relations of conflict; thicker lines can mean stronger while thinner could mean weaker quality of relations. Then, for the strategy to navigate power, a third and visually strong colour is useful to help in communicating key findings.

Through such representation, the diagram can become a useful instrument to discuss strategies with other actors and build commitments for future actions.

On the 'developing options' mapping exercise, it is good to have each theme of options associated to different colour, in this way visualisation can be more effective. Arrows and drawings are also useful to clarify focus of interventions, and to link relevant actors and policies to particular physical and social actions.

Image 47 Credit Alexandre Aspen Frediani



FOR AN INCLUSIVE FREETOWN, THERE IS A NEED TO..... AT THE CITY SCALE

- 1) IMPROVE LINKAGES between the COMMUNITY AND the CITY by:
  - improve transport connectivity
  - improve quality of education facilities
  - improve standard housing
- 2) REDUCE CITY WIDE INEQUALITIES by:
  - ROAD NETWORKS ACROSS the city
  - Better distribution of EDUCATION facilities
  - PROVIDING AFFORDABLE HOUSING ACROSS the city
  - Distributing livelihood opportunities ACROSS the city
- 3) ESTABLISH ALLIANCES to INFLUENCE POWERFUL STAKE HOLDERS.
  - improving linkages between community & Gov
  - build city wide PARTNERSHIPS
- 4) BUILD CAPACITIES OF:
  - COMMUNITY - women
  - TEACHERS
  - TRANSPORT SERVICE PROVIDERS
- 5) BUILD + IMPROVE CITY-WIDE INFRASTRUCTURE, SUCH AS:
  - Low cost housing
  - schools
  - PUBLIC TRANSPORT
- 6) HAVE AND ENFORCE REGULATIONS
  - ON QUALITY + PRICE OF RENT
  - ON MONITORING + EVALUATION of education services
  - ON MAXIMUM PRICE OF TRANSPORT FARES + ON FAIR PRICE OF VEHICLE REACHING DESTINATION

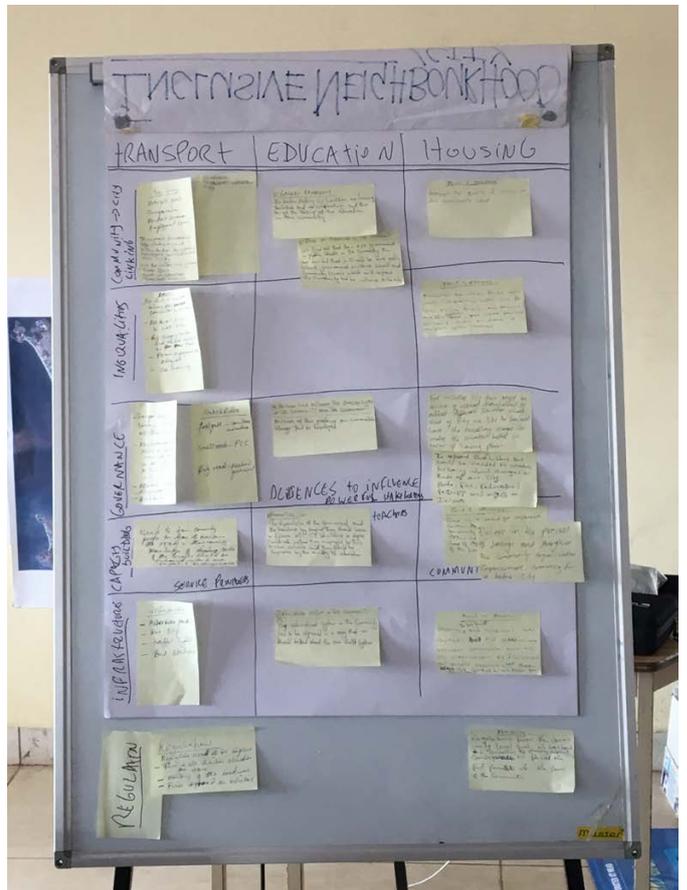
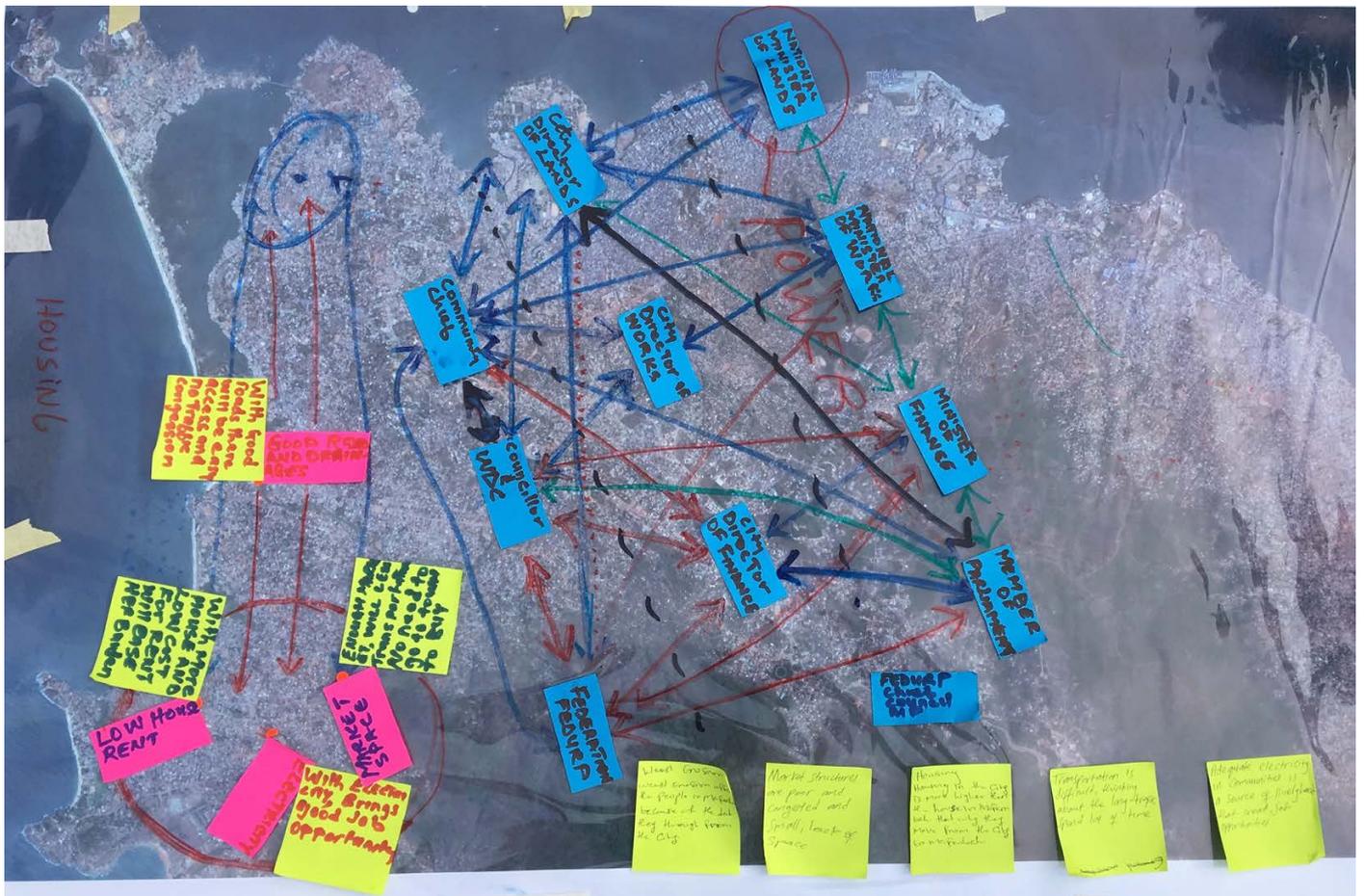


Image 48-50 Credit Alexandre Aspen Frediani



# Defining

This stage focuses on consolidating findings across scales, identifying common themes and discussing priorities for action. This process will reveal the challenges and opportunities for implementing actions.

The defining stage in the workshop was carried out in a session involving workshop and community participants, scale groups shared findings across scales in a facilitated session in which the group produced a set of parameters for participatory neighbourhood planning that will inform future approaches.

## Key Questions

- How do the principles developed in the last stage relate across scales?
- What are the emerging themes and issues?
- How can this method/process be applied in Freetown?

## Activities

### 1. Integrated Scales

The aim of this activity was to explore the connections between the principles produced at each scale in an interactive and visual way. Also for participants from each scale group to understand the findings from the other scales.

A circular board was created for each scale with a graphical icon. Groups were provided with cards to fill with their priorities and arrange them on the corresponding scale

The groups were reorganised, with each new group having representatives from each scale. Starting by taking one priority from one scale, the group then used string to connect this to related priorities at the other scales, as well as thinking about actions that would need to happen at the other scales for the original priority to become a reality. This process was repeated until several linkages had been made across the three scales. For example providing basic infrastructures was a strong theme at all scales.

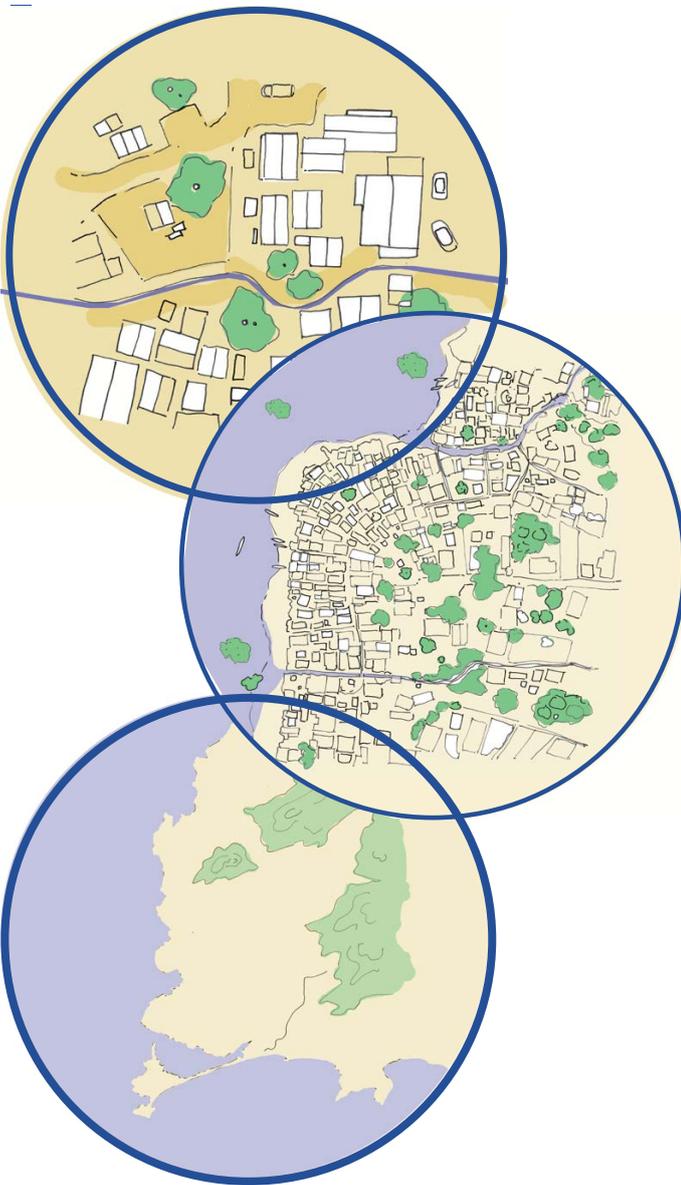


Image 51 Credit Alexandre Aspen Frediani



## 2. Inclusive Planning Manifesto

The aim of this activity was to develop a set of criteria in which participatory planning should happen in Freetown, reflecting on the workshop process.

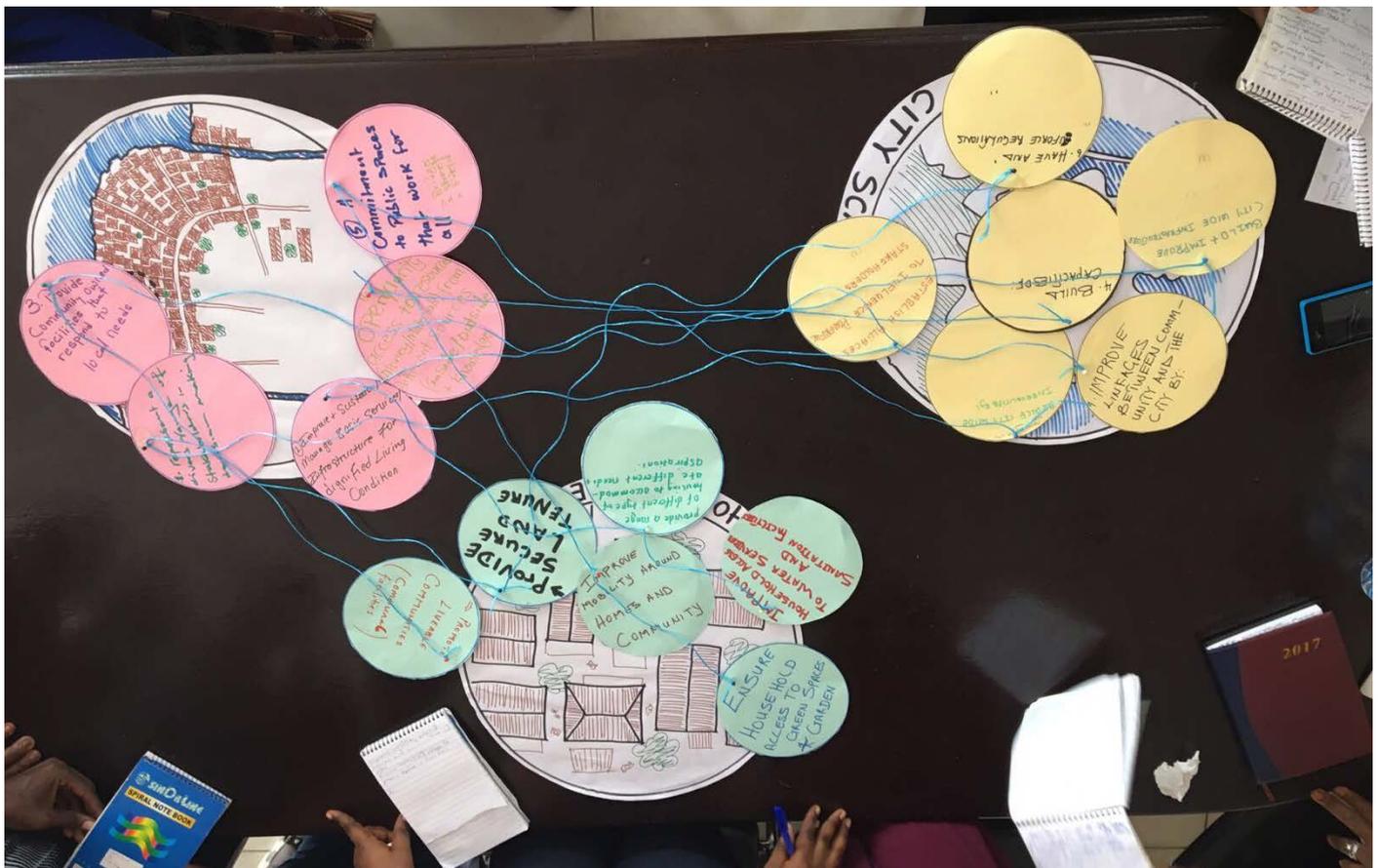
Working in groups participants were asked to consider 'To move towards an inclusive Freetown we demand Participatory Planning that includes...'. Each group identified different demands and wrote these down, These were presented back and pinned to the wall, these were aggregated into 9 bullet points.

### Outcomes

- Build a comprehensive understanding of issues across scales
- Understand that actions needs to happen across scales to produce meaningful long lasting changes
- Production of a collective manifesto for participatory planning



Image 52-4 Credit Alexander Stone



## Reflections from Cockle Bay

To move towards an Inclusive Freetown we **demand** participatory planning that includes;

### 1. Accessible Methods of Communication

This point refers to not only the accessibility of planning documentation but the lines of communication between groups.

### 2. Democratic Decision making

This responds to the need for transparency in the decision making process and exploring new ways of decision making at neighbourhood and city level.

### 3. Bringing everyone 'on board'

This responds to the need to include all stakeholders, 'leaving nobody behind', how to include the voices of the most vulnerable.

### 4. Training and Capacity Building

This responds to the need for more opportunities for community level training in participatory design and planning, enabling residents and groups to build the skills required to be part of the process of change.

### 5. Committees for Neighbourhood Planning

This responds to the need for a new neighbourhood level committee that could be responsible to carrying out the activities needed to inform the planning process, this should be representative of the whole community.

### 6. Alliances with different stakeholders at different scales

Participants recognised the need for multi-scale partnerships that would respond to different

requirements such as; funding, advocacy, capacity building, regulations and information.

### 7. Common Vision/Goals

This responds to the need to develop a common vision that reflects the aspirations of the community, something to work towards throughout the process and on which everyone can agree.

### 8. Technical Support

This responds to the need for technical support in the planning process also to develop realistic strategies for issues such as housing and water management.

### 9. Timescales for interventions

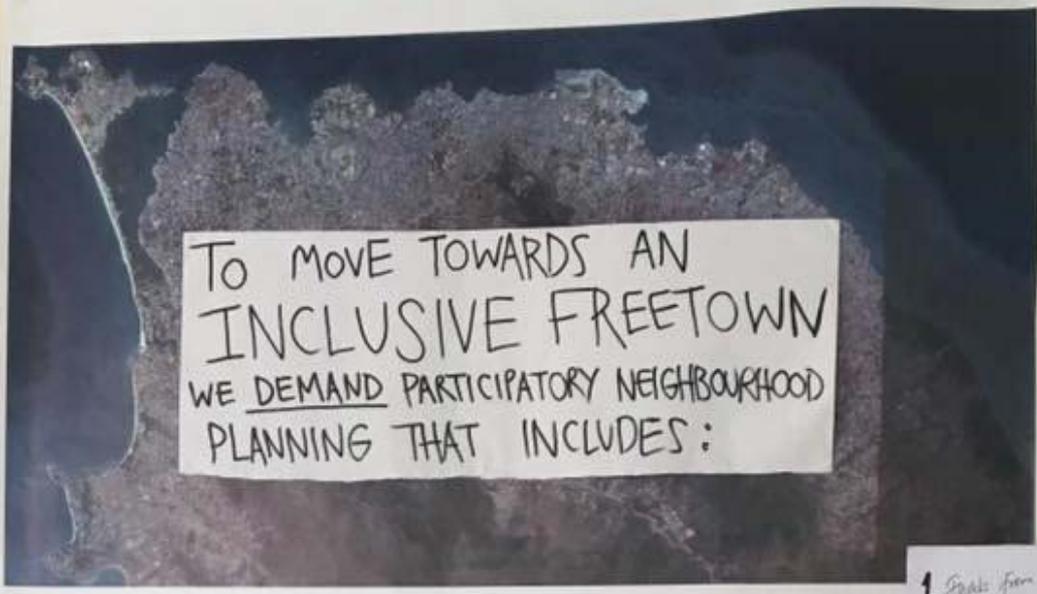
This responds to the need for realistic timescales for change, recognising that actions could be short, medium or long term.

### Facilitators Notes;

Participants spent the duration of the workshop focussed at a particular scale, enabling then to gain a detailed understanding of the challenges and opportunities at that level. During the defining stage these expand and provide opportunities for participants to develop strategies recognising that actions needs to happen across scales to produce meaningful change.

The role of the facilitator here is to guide participant|pants through this process and help to systematise issues, creating key links that could inform future actions but at the same time being wary not to lose the richness and details from different groups.

The final event involved large groups and many different voices. Facilitators should consider how to record these discussions through different mediums as in this case trajectories were useful but it was difficult to capture everything.



TO MOVE TOWARDS AN  
INCLUSIVE FREETOWN  
WE DEMAND PARTICIPATORY NEIGHBOURHOOD  
PLANNING THAT INCLUDES:

1. Space from Development Partner

Highly visible  
community  
participation

Committee - for  
neighbourhood planning  
with different stakeholders

Community to support of various  
partners / agencies

3 Small partnership with key stakeholders  
at community level (civil society) and  
Government level

Alliances with  
diff Urban Stakeholders  
at different Scale

Community planning  
process  
Set up a committee  
Community participation  
process  
Inclusiveness  
Full-time  
part-time  
Part-time  
community  
meeting  
Full-time  
meeting  
Full-time  
meeting

Common Visions/Goals

Time scales  
Short/medium/long -  
keep mobilised

2 Plan the role / objectives of all  
different partners of the  
community

Set  
Agencies  
for each  
activity  
Think  
about  
budget  
or money  
cost  
Think  
about  
resources  
Plan  
community  
coordination  
cost

Collaborate  
between  
Scales  
Inclusiveness  
between  
Scales

Accessible Methods  
of Communication

Use cases to use internet  
for planning

TECHNICAL  
SUPPORT

5 Technical support from Govt  
Planning office / external agency

Community  
participation  
in various  
ways  
Community  
participation  
change  
in various  
ways  
Community  
participation  
change  
in various  
ways

These committees need to play  
a key role in the process to  
use the world

Training + Capacity  
Building

Empower  
community  
improving  
capabilities

mobilise  
CRS +  
civil  
society  
mobilise  
community  
participation  
process

6 Mobilisation through groups  
(women, youth, social, sports, hand)

Democratic decision  
making

Community  
participation  
in various  
ways  
People  
participate  
in various  
ways

4 Community partner to take  
leadership in the process

Self-reliance  
of the  
community  
Information / Training resources  
to be kept at community level  
to own process

BRINGING EVERYONE  
ON BOARD  
mobilisation.

Image 55 Credit Alexandre Aspen Frediani

This report outlines the process and findings from a collaborative multi-stakeholder action research workshop in Freetown, designed as part of a wider initiative with SLURC and DPU to assess the role that 'action area planning' can have in the production of inclusive city-making. The workshop was conceived as a space to test how the Change by Design participatory methodology could contribute to the process of creating localised action area (or neighbourhood) plans that involve communities from informal settlements as well as civil society and government actors.

The week-long workshop condensed theory and practice with site visits to engage community participants in Cockle Bay. Given the timescale the priority was not to develop an action area plan for Cockle Bay but test the tools and processes as well as reflecting on the delivery.

The activities were implemented quite rapidly but proved to be engaging and successful in unlocking the challenges and aspirations of the community. The principles that emerged from the process were collectively produced and provided a powerful statement for change.

Challenges identified by participants included;

- How to leave no one behind: it was noted that the community participants were generally between 20-40, how to engage the young and old as some activities were fast paced and this made it difficult to follow.
- Engaging across tenures: land ownership is very complex in Freetown and there was a sense that a broader section of the community in terms of tenure is needed to make change.
- Local political affiliations and power relations in communities could destabilise the process of change.
- Need for technical support to establish plans that are in a format accessible to all stakeholders.

The symposium on the first day of the workshop identified a willingness of local government and ministries to consider and work with community-led plans with a recognition that people need to be involved in the process of change, have options to meet their needs and be part of the future vision for the city.

The next phase of research conducted by DPU SLURC and supported by ASF-UK will engage two informal settlements in a longer process to provide an example of how participatory design and planning can inform the production of an inclusive action area plan in Freetown.

The team would finally like to thank the community participants and residents from Cockle Bay for hosting the team and engaging in this research.

Frediani, A. A., 2016, Re-imagining participatory design: reflecting on the ASF-UK Change by Design methodology. *Design Issues*, vol. 32. n. 3, pp. 98-111.

Frediani, A. A., French, M. A., Nunez Ferrera, I. (2011) *Change by Design: Building Communities through Participatory Design*, New Zealand: Urban Culture Press.

Frediani, A. A., De Carli, B., Nunez Ferrera, I. and Shinkins, N. (2014) *Change by Design: New Spatial Imaginations for Los Pinos*. Oxford: ASF-UK.

Hamdi, N. and Reinhard, G. 1997. *Action Planning for Cities: A Guide to Community Practice*, Chichester: John Wiley.

Sanoff, H., 2007. "Multiple views on participatory design," *International Journal of Architectural Research* 2, no. 1, pp. 57-69.

Till, J., 2005, "The negotiation of hope," in *Architecture and Participation*, ed. Peter Blundell Jones, Doina Petrescu, and Jeremy Till (London: Spon

## Useful Links:

[www.asf-uk.org](http://www.asf-uk.org)

<http://www.asfparticipate.org/>

[www.world-habitat.org/world-habitat-awards](http://www.world-habitat.org/world-habitat-awards)

<http://www.slurc.org/>



## Urban Governance

**Dr. Andrea Rigon - DPU**  
**Dr. Joseph Macarthy - SLURC**  
**Mr. Braima Koroma - SLURC**



### **D4 S10 – Urban governance (1)**

**city-level governance** : governance structures at the city scale

**power decentralization**: how city-level government is selected and the powers that it has

**municipal finance**: the capacity of cities to achieve financial autonomy and generate revenues

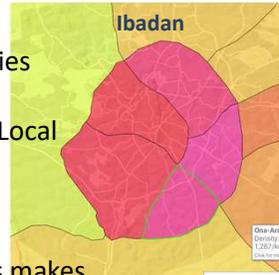


## D4 S10 – city-level & metropolitan governance

Many African cities do not have administrative and governance structures that align with city boundaries

Nigeria: 3 tiers of government: Federal, State, and Local Government Areas (LGAs).  
 no democratically elected city-level government.  
 LGAs lack power and autonomy  
 number of uncoordinated local government bodies makes city-level planning difficult.  
 LGA reports directly to state governors

Kaduna: administrative separation of the city reflects the religious divide  
 LGA urban and rural!



## D4 S10 – City boundaries

- spatial expansion of the city: urban and peri-urban areas beyond city boundaries becoming part of the city.
- However, the expansion of administrative city boundaries can be politically complex because:
  - Challenge political arrangements and requires permission from central government.
  - expansion can increase the tax base of the city, especially through taxes levied on land, and give city authorities the power to plan and deliver infrastructure



## **D4 S10 – Devolution of powers and fiscal autonomy**

transfer of some powers and functions from higher tiers of government to lower ones

devolution of controls over revenue collection  
major political issue in Africa

decentralising powers and functions that are better delivered by government actors closer to citizens

(1) financial autonomy, largely achieved through fiscal autonomy, i.e. the capacity to generate revenue, (2) planning powers, and (3) control over service provision

In Latin America: cities control the provision of key services, can raise their own revenues, and offer competitive salaries to highly skilled professionals



## **D4 S10 – Devolution of powers and fiscal autonomy**

Historically centralized system

Prevent disintegration where ethnic identities as strong as national

Large share of economic wealth

Capital cities place of coups, parliament and presidential residence

New devolution energy over the past 20 years

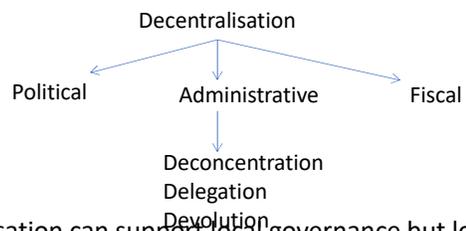
local government fund depends from central transfers

Financial autonomy needed to timely respond to needs, to generate revenue and borrow for infrastructure investments

# Decentralisation and Devolution

## What is decentralisation?

- Transfer of powers from central to local government in specific territorial unit.



Decentralisation can support local governance but local governance can also be bolstered without decentralisation

Forms	Levels	Power functions	Whom (locus)	How (means)
Deconcentration	National to sub-national	Administrative Developmental	Field officers	Executive order
Devolution	National to sub-national	Developmental Revenue generation Service delivery Political	Local bodies Elected representatives	Act. Ordinance
Delegation	Within the existing governmental agency or the newly created agency	Administrative Technical Promotional	Local bodies Spatial authority Field agency	Act, ordinance, executive order
Privatization/ divestment	Power to group and undefined units and level	Production Distribution Service delivery Promotional Developmental	NGO Voluntary association Consumer	Grant. Aid and other incentives

Source: Based on Ahmed (1993: 30)

## Devolution of power:

- Many countries in Africa and even Europe have adopted devolution in order to improve the governance of local communities at the same time promoting local developmental initiatives.
- However, what is devolved and how it is devolved vary considerably depending on individual countries (Cascon-Pereira et al, 2006:131).
- Devolution usually transfers responsibilities for services to municipalities/district councils that elect their own mayors and/district councils that elect their own mayors and councils, raise their own revenues (at least partly) and have independent authority to make investment decisions.
- In a devolved system, local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. It is this type of decentralisation that underlies most cases of political decentralisation.

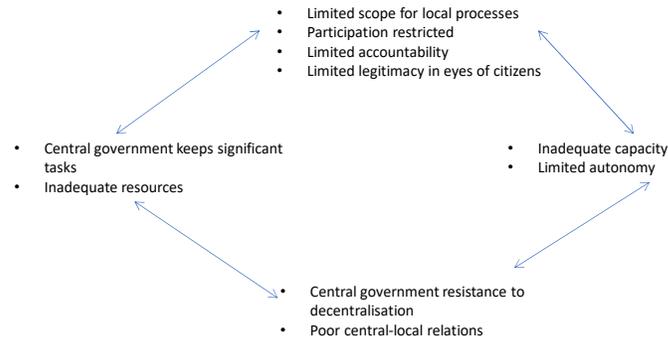
## Arguments for devolution of power:

- That the planning and implementation of services are best performed by those concerned with the delivery of the services.
- That a better quality will be achieved if the producers and consumers of the services are close to each other
- That decision-making will be more participatory or democratic if elected officials and their electors are in close contact
- That more efficient and cheaper service delivery will be the result of a mix of local demand and supply, since the local authorities know better the actual needs and the cost of production.
- Finally, the process of decentralisation can provide an opportunity for the institutionalisation of gender concerns at the local level and create spaces at the local level for women as political actors.

## Arguments against

- Enhance inequalities between richer and poorer regions of a country.
- Undermine the national unity and trigger off political or ethnic conflicts
- Marginalisation of women's folks
- Lack of financial resources
- Facilitate misuse or corruption of local government as well as central government, turning them into regimes of local dictatorship or elites

### The vicious circle of sub-national government weakness



### Local Government in Sierra Leone

- Sierra Leone has experimented with different forms of decentralisation, ranging from deconcentration to delegation and ultimately devolution.
- SL became protectorate in 1896, the British introduced 'indirect rule' – divided into provinces and districts – district commissioner (representative to the protectorate Governance for the maintenance of law and order), and traditional chieftaincy enjoyed limited powers of maintaining the peace and collecting house tax.
- In 1961, SL inherited a local government system
- In 1962 LG suspended due to allegations of corruption and lack of competent staff to manage local affairs
- 1965 restored and suspended again in 1967 followed by the abolitions of elected district councils in 1972. Resulted in centralized planning, administration and development

- However, some limited degree of deconcentration remained with powers delegated to provincial secretaries, field officers of MDAs through management committee systems in the towns and chiefdom development committees in the chiefdoms.
- In 1996 – ‘*Good Governance and Public Sector Reform Strategy*’ focuses on decentralisation as a major instrument for reform.
- In 2004 – decentralisation was launched through an act of parliament and its related statutory instruments.
- The Act created city councils and district councils

## Powers and functions of local councils

- ‘*A local council shall be the highest political authority in the locality and shall have legislative and executive powers to be exercised in accordance with this Act or any other enactment and shall be responsible, generally for promoting the development of their locality and the welfare of the people in the locality with the resources at its disposal and with such resources and capacity as it can mobilise from the central government and its agencies, national and international organisations, and the private sector*’ (Section 20 (1) of the 2004LGA).

- Local councils are accorded wide-ranging powers by the LGA 2004 within their designated geographical area.
  - Highest political and administrative authorities
  - Planning authorities
  - Development authorities
  - Budgeting authorities
  - Rating authorities

## Functions of local councils:

- The LGA 2004 subsection 1, it shall be the function of a local council to:
  - *Mobilise the human and material resources necessary for the overall development and welfare of the people of the locality*
  - *Promote and support productive activity and social development in the locality*
  - *Initiate and maintain programmes for the development of basic infrastructure and provide works and services in the locality*
  - *Be responsible for the development, improvement and management of human settlements and the environment in the locality*
  - *Initiate, draw up and execute development plans for the locality*
  - *Coordinate and harmonise the execution of programmes and projects promoted or carried out by public corporations, other statutory bodies and NGOs in the locality*
  - *Corporate with relevant agencies to ensure the security of the locality*
  - *Oversees chiefdom councils in the performance of functions delegated to them by the local council*
  - *Determine the rates of local tax*
  - *Approve the annual budgets of chiefdom councils and oversee the implementation of such budgets (Part V Section 20 (1) LGA 2004)*

## Threats and Challenges:

- No remuneration or allowances for ward committee members (sub-section 4 of section 95 states, that 'ward committee members shall not receive any remuneration or allowances.
- Champions of change
  - The Decentralisation Secretariat and the LGFD – intergovernmental agencies created under IRCDB project.
- Stance of the national government
  - Tensions between the local councils and the chieftaincy resulting from lack of clarity domain
- Dependence on national government
  - Local councils are highly dependent on grants from the national government
- There is also the challenge of the councilors been able to work collaboratively with MPs in taking development to their wards and constituencies.

- There is also the challenge of the councilors been able to work collaboratively with MPs in taking development to their wards and constituencies.
- Limited capacities to develop service policies and enforce their implementation, sometimes act in ways that disable innovative or informal mechanisms.

## Concluding thoughts

- Many countries have adopted some type of decentralisation since 1980s
  - Large gap between de jure and de facto decentralisation
  - Can vary across different sectors within a country
- The degree and nature of decentralisation depends on a variety of economic, political and social characteristics of a country
- There's rarely a one-to-one relationship between decentralisation and its intended goals due to a number of intervening variables
  - How would you go about testing these relationships?

Thank You for your attention!!!



## Urban Governance

- If cities are properly managed, with adequate attention paid to social development and the environment, the problems associated with rapid urbanization, can be avoided.
- A first step would be for national governments to incorporate a clear urban component in their economic and other development policies.
- Improved urban service delivery is the key to responding to the challenges posed by an increasingly urbanized world.
- Many urban environmental problems are the result of poor management, poor planning and absence of coherent urban policies rather than of urbanization itself.



## The Case for Urban Governance

Experience shows that no amount of finance, technology or expertise can ensure the protection of the environment/ secure environmental sustainable development — if the fundamentals of governance are not participatory, democratic and pluralistic. E.g. , Sierra Leone has extensive regulations on deforestation, most of which are seldom if ever applied effectively because of the lack of proper institutions, legal systems, political will and competent governance

Efforts to improve urban governance involve activities such as promoting participatory processes; developing effective partnerships with and among all actors of civil society, particularly the private and community sectors; securing greater effective empowerment of local government, including greater autonomy in finance and legislation; and reform of unresponsive organizations and bureaucratic structures.



## What is urban governance?

- Urban governance refers to how government (local, regional and national) and stakeholders decide how to plan, finance and manage urban areas.
- It involves a continuous process of negotiation and contestation over the allocation of social and material resources and political power.
- It is, therefore, profoundly political, influenced by the creation and operation of political institutions, government capacity to make and implement decisions and the extent to which these decisions recognise and respond to the interests of the poor.
- It encompasses a host of economic and social forces, institutions and relationships.



## What Urban Governance Ensures

According to Slack and Côté (2014:7), urban governance:

- plays a critical role in shaping the physical and social character of urban regions;
- influences the quantity and quality of local services and efficiency of delivery;
- determines the sharing of costs and distribution of resources among different groups; and
- affects residents' ability to access local government and engage in decision-making, influencing local government accountability and responsiveness to citizen demands.



## Urban Governance Actors

Urban governance involves a range of actors and institutions; the relationships among them determine what happens in the city. In managing urban transformations, government (at all levels) need to play a strategic role in forging partnerships with and among key stakeholders (UNESCAP & UN-Habitat, 2010: 211–12; 2015).

While the city government is the largest and most visible urban governance actor, much of what affects the life chances of the urban poor lies outside the control of city administrations. Instead, it is the market and private businesses, agencies of the central state or the collective voluntary action of civil society that determine the daily experiences of urban dwellers.



## Why does urban governance matter?

- Expanding urban populations are straining already overburdened and ill-equipped local government, planning mechanisms, infrastructure and urban finance (Bhatkal et al., 2015). In Freetown, the population has increased faster than the capacity of planners to provide houses and infrastructure and of local businesses to provide jobs. This has led to the emergence of large informal settlements, crime, an expanded informal economy, and increased social tensions
- Managing cities and urban growth is therefore, one of the defining challenges of this century. If managed well, cities can act as engines of growth and provide inhabitants with better job opportunities and improved healthcare, housing, safety and social development. Conversely, cities that are poorly planned, managed and governed can become centres of poverty, inequality and conflict



## Why does urban governance matter? (cont..)

- The well-being of the urban poor can be improved by facilitating access to economic opportunities, supportive social networks and greater access to land, infrastructure and services.
- Whether and how these are available to the poor depends to a significant extent on urban governance.
- A central facet of urban governance is negotiating the relationships among stakeholders. This can be facilitated by governance frameworks that encourage policy coordination at local and regional levels but also include the voices and participation of the poor.
- Given the growth of urban poverty, it is clear that the poor have both an interest and a central role to play in governing urban areas (UN-Habitat, 2013b). The urban poor have, however, largely been excluded from participating in the governance of urban areas, with their interests ignored or only partially addressed in exchange for political support.



## Civil society responses to the urban challenge

- To the extent formal urban authorities fail to produce the services expected of them, civil society initiatives emerge to fill the gaps, primarily in low-income areas. These initiatives comprise housing, road and bridge construction and maintenance; and service delivery in water supplies, sanitation, and waste management. In some cities these initiatives are largely complementary but can also be competing with formal measures.
- How is the city managed?
- Who is involved and how (Institutions and actors)?
- Whose voices are loudest?



## Activity

In groups of five, think about any urban development problem currently faced in Freetown

- How is the problem managed?
- Who is involved and how (Institutions and actors)?
- Whose voices are loudest?
- What do you think about the current approach to dealing with the problem?
- What else needs to be done?
- Which other organisations (if any) needs to be involved?



Thank you for listening!

# Chapter 6

## Urban Government: Capacity, Resources and Responsiveness

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*Nick Devas*



### **New opportunities for responsive city government**

City government is only one actor within urban governance, but it is the most obvious. Many city governments are locked into a historical model as monopoly suppliers of basic public services, with decision-making concentrated in the hands of a small but often ill-equipped group of officials, and minimal participation by, or accountability to, citizens. However, there is evidence of change in some of the case study cities.

Decentralization has focused attention on city governments, often after years in which their powers have been eroded and their functions transferred to other agencies. The search for increased efficiency and the pressures of global competition drive city governments to seek alternative ways of doing things, including building partnerships with the private sector and non-governmental

organizations (NGOs). The heightened international concern with poverty puts pressure on them to consider how to respond to the needs of the poor and excluded. Perhaps most significantly, the process of democratization, accompanied by the increasing strength of civil society, has forced city governments to start becoming more accountable and more responsive to citizen demands. While the performance of city governments in the South generally remains very poor, there are examples in the case study cities of at least the beginnings of more responsive urban government.

What accounts for differences between city governments in terms of performance and responsiveness? And what accounts for whether and how they change? Chapter 5 has examined the issues in terms of the urban political processes, both formal and informal. This chapter focuses on the organizational, financial and administrative aspects of city government. But these aspects are closely inter-related. As indicated in Chapter 5, the ways in which city governments respond to the situations they face depends greatly on the national and local political context, including the legal and institutional framework, and the nature of political processes at national and regional level. This includes the extent of political space available to civil society, and the ability of civil society organizations (CSOs) (particularly those of the poor) to make use of that political space to influence the political and administrative processes. This aspect will be considered further in Chapter 7.

City governments themselves face a number of specific constraints – institutional, organizational and financial – on their ability to respond to the needs of citizens, particularly the poor. How far they are able to overcome these impediments depends in turn on both the national political context and on the qualities and abilities of local leadership. In this chapter, we will examine some of the constraints facing the city governments in the ten case study cities, how these constraints affect their ability to respond to the needs of the poor, and how far they have been able to overcome these constraints. The greatest obstacle in many of the cities is finance. We therefore look in more detail at how city governments generate the resources they need, and how this process of revenue generation impacts on the poor. We also look at how far cities' spending patterns benefit the poor, and the processes of decision-making about the use of available financial resources. In the last section we look at some of the specific ways in which city governments have sought to become more responsive to the poor, and at the crucial role of civic leadership in this.

## **Constraints on city government**

The ability of city governments to respond to the needs of the poor is, in practice, highly constrained – by tight boundaries, limited range of responsibilities, out-dated bylaws, limited management capacity, inadequate financial resources, and so on. In this section we review some of these impediments.

## Boundaries

The boundaries of several of the cities in this study have not been extended to take account of the city's growth. Many of the urban poor settle on the periphery, beyond the city government's jurisdiction. This is where population growth is most rapid and where infrastructure and service needs are greatest but resources are most limited. In Ahmedabad, for example, the urban periphery is divided between 163 village, town and municipal councils, together with a number of special purpose agencies. The capacity of the adjoining local governments to address the needs of the poor may be very limited indeed. 'The result is an uncertain patchwork of provision, or no provision at all' (Dutta with Batley, 1999, p72). A similar situation applies in Bangalore.

In Santiago, the city is divided among 34 municipalities, with the poor concentrated in certain municipalities, and a ten-fold difference in municipalities' revenues per capita between the richest and poorest (Dockendorff et al, 2000, p182). Cebu City covers only the core of the metropolitan region yet contains a substantial proportion of the conurbation's industrial and commercial resources. A similar situation applies in Recife. Under apartheid, the Greater Johannesburg area was divided into 13 racially separate jurisdictions with vast differences in autonomy, political legitimacy, and fiscal and management capacity. The interim post-apartheid arrangement of four local councils under the Greater Johannesburg Metropolitan Council (GJMC) was an attempt to introduce a greater degree of equity between areas of the city. The effect was unsatisfactory, with bizarrely shaped jurisdictions and political resistance to transfers of resources between the local councils (Beall et al, 1999). Consequently, from 2001, the lower level was abolished, leaving a unitary city council for some 4 million people. Whilst this has brought about the objective, long cherished by the African National Congress, of 'one city, one tax base', it has made for a huge institution remote from its electorate.

## Responsibilities

Responsibility for many of the services most vital to the poor often does not lie with the city government. In a number of countries (the Philippines and much of Latin America) decentralization has expanded the powers and responsibilities of city governments. However, in several of the case cities, city governments have quite limited responsibilities: waste management, sanitation and local roads, but not primary healthcare, education, electricity, police and security services, and often not even water, land and housing. These services are typically provided by central government, parastatal agencies or even private companies. This severely constrains the ability of city governments to respond to the needs of the urban poor.

In south Asian cities, responsibilities are often divided between a great range of special purpose agencies such as development authorities, slum clearance boards, and public utility companies. These tend to operate in competition with each other and with the municipal government, creating problems for long-term operation and maintenance, and breaking the accountability link with local voters.

For example, out of 23 people on the board of the Bangalore Development Authority (BDA), only two are elected members of the Municipal Corporation (Benjamin and Bhuvanewari, 1999, p52). Benjamin (2000, p54) observes that, compared to the access which the poor have to the municipal corporation through their elected councillors, state agencies and development authorities are more accessible to middle- and upper-income groups (see Boxes 5.2 and 5.3).

In Kumasi, the decentralization law placed education and health services under the Metropolitan Assembly, but in practice the resources for these, and therefore effective control, remain firmly with the central ministries (King et al, 2001, p65). Similarly, Mombasa Municipal Council (MMC) nominally has responsibility for primary education, but with central government paying the teachers, head teachers being responsible for running the schools, and maintenance of schools being met largely from fees, the municipal council has little more than an advisory and supervisory role (Gatabaki-Kamau et al, 1999, p112).

With decentralization, some municipal governments have been given increased responsibilities for welfare and poverty alleviation, but often without the resources to meet those responsibilities. In Johannesburg, this ‘unfunded mandate’ has become a major political issue. According to the Ghanaian Local Government Act, Sub-Metro Assemblies are legally responsible for formulating poverty reduction interventions but they have no resources for this. In India, the 74th Constitutional Amendment proposed that local bodies should be responsible for poverty alleviation programmes but this has not been backed up with commensurate financial resources.

## **Conflicts between levels of government**

The limited powers and responsibilities of city government have much to do with the way in which decentralization has been framed and implemented, and with the vested interests at national or regional level. Thus, while in the Philippines and South Africa legislation assigning powers and responsibilities to local government has been implemented fairly completely, in Ghana resistance by central ministries, together with perceived incapacity at the local level, has prevented effective transfer of responsibilities. In Kenya, there has been a steady erosion of local responsibilities during a long period of national economic and political stagnation. In India, there is often a three-way tussle between union, state and local administrations, in which the weakest element – local government – finds its powers eroded in favour of special-purpose agencies of state or national government.

Political conflicts between municipal, state/provincial and central governments can undermine the capacity of municipal governments to respond. In India, where different parties may be in power at each level, state governments may oppose actions by municipal governments simply on political grounds. This has occurred in all three of the Indian case study cities. Because land is a state matter, municipal governments are effectively prevented from regularizing land and thereby increasing their tax base (Benjamin and Bhuvanewari, 1999, p57). Although the 74th Constitutional Amendment was intended to offer protection

to municipal governments from arbitrary interference from states, problems continue. In Colombo, the provincial government has on a number of occasions obstructed the municipal government's attempts to invest in poor communities, perceiving this as a political threat. It has also sought to control the flow of central government funds to the municipal corporation, creating delays and preventing services from being improved.

Overlapping responsibilities and rivalry between central and municipal government has also been an issue in Mombasa, where the centre's District Administration has the same boundaries as the Municipal Council. There have been numerous examples of central government interference in the local political scene in Kenya, including the curbing of the powers of mayors in opposition controlled local authorities and the reassignment of senior officials. Bureaucratic controls imposed by the centre often do little to improve local performance, resulting instead in delays, costs and rent seeking opportunities for those charged with enforcement. In Kumasi, the tight control exercised by the government appointed Chief Executive has much to do with the fact that the region is a centre for opposition politics. By contrast, one of the factors in Cebu's success in the late 1980s and early 1990s was the good relationship between city and provincial governments, although that seems to have broken down in recent years.

## **Legal constraints and outdated bylaws**

Outdated legislation inhibits constructive engagement in informal housing areas. A number of countries have regulations prohibiting the expenditure of public resources on 'illegal' or irregular settlements, or areas that are not paying property tax. This was the case in Colombo until the mayor was able to obtain a dispensation. In India, there is an elaborate system for defining categories of 'slums', and the ability of authorities to intervene depends on their classification. Thus, the Slum Clearance Board in Bangalore cannot provide water or remove waste from 'non-notified' slum areas, and the municipal government cannot regularize land tenure without state government sanction. It may suit some municipal governments to hide behind such regulations if they wish to ignore informal housing areas, but in other cases it can be a genuine obstacle.

Inherited planning bylaws and building standards are usually unsuited to the needs of the poor and their ability to pay. In Colombo, 90 per cent of residents in the city's under-serviced settlements occupy plots that are less than a quarter of the minimum plot size specified in the regulations (Fernando et al, 1999, p23). In Mombasa, applicants for official plot allocations have to show their ability to undertake permanent construction within two years, while regulations regarding plot sizes, land use and building materials are unachievable by the poor. Of course, such regulations are rarely enforced, but their existence can provide rent seeking opportunities for the enforcers. Even where municipal governments wish to revise their bylaws, there may be legal obstacles to doing so. For example, Cebu's policy of 'maximum tolerance' of street vending (see Chapter 8) has to remain unofficial since the Supreme Court has ruled that street trading is illegal.

## **Availability of information**

As noted in Chapter 2, the data which city governments possess about urban poverty is woefully inadequate and does little to illuminate the differentiated nature of poverty or the livelihood systems of the poor. City governments also lack essential data about environmental conditions and the impact of these on different groups. In some cases, they lack even basic information about the services for which they are responsible: service levels by area, service reliability, who benefits, who pays and how much, and so on. Citywide statistics sometimes exclude informal or irregular settlements, making nonsense of aggregate figures. Without such information, no meaningful poverty strategy can be developed or implemented.

## **Capacity and performance of municipal government staff**

Services under the control of local government are often significantly worse than those provided by central government or parastatal agencies. This may be partly because of the nature of the service (sanitation may be more difficult to provide and manage than electricity, for example), and partly because of the greater resources available to central government and parastatal agencies. But it is also due to the weak technical and management capacity at the local level.

A key problem is the poor rates of remuneration, so that capable and ambitious staff move elsewhere. At the same time, municipal governments are often seriously over-staffed at the lower end.<sup>1</sup> Because of the weakness of local technical capacity, important services and large projects are often transferred to special purpose agencies, thereby making local governments even less attractive for professionals to work in. Political interference and malpractice compound the situation. In Colombo, recruitment is the responsibility of the Public Service Commission, so the Municipal Corporation has little scope to do anything about its staffing situation. In Kenya and Ghana, key local government staff are posted to local authorities from the centre. While this may enable municipal governments to benefit from qualified staff, it weakens the allegiance of senior officials to the local government and contributes to demoralizing disputes between officials and elected members. But even where, as in Johannesburg, city governments are well staffed with professionals, problems remain, as illustrated in Box 6.1.

## **Financial resources**

Lack of financial resources is perhaps the most significant factor preventing urban governments from addressing the needs of the poor. Most of the case study cities have potentially substantial resource bases but are unable to exploit them effectively. Local tax instruments are often unsatisfactory – low yielding, politically sensitive, difficult to collect, economically damaging and impinging on the poor. Large amounts of tax remain uncollected because of political, administrative or legal obstacles. Mombasa Municipal Council, for example, is effectively insolvent, and is barely able even to pay its staff.

Despite its vast revenue base, Johannesburg was forced into financial crisis because of low collection rates on electricity and water charges as well as

### **Box 6.1 JOHANNESBURG: TRANSFORMING THE POST-APARTHEID CITY GOVERNMENT**

Apartheid left a damaging legacy in terms of the city's administration. Under apartheid, the city was run by whites for whites, while those areas occupied by blacks were managed by an imposed, segregationist administration. There were marked differences between the two in terms of the skills and capabilities available to them. Attempts to unify the system and redistribute staff resources through a succession of reorganizations during the 1990s led to the demoralization of staff, loss of experienced personnel and skill shortages in critical areas. The system remains quite dualistic, with a clash of governance cultures. In certain parts of the city, strong bureaucratic codes and rules are enforced, so that, for example, planning applications in the wealthy areas follow slow but due procedures. Elsewhere, in the fast growing areas where the poor live, there is a fractured system of informal political control, with increasing scope for patronage and corruption.

The inherited approach of the city government has been one of providing high standards for the few, with an expenditure-led budgeting system in which resources were always assumed to be available. Adapting to the demands of the hitherto under-served majority in a situation of limited resources has required a major shift in administrative culture.

Nevertheless, attitudes of metropolitan and municipal staff have changed. Today it is not unusual to find local officials with an activist or NGO background being supportive of NGOs and community-based organizations (CBOs) with good 'anti-apartheid credentials'. There is widespread recognition of the role that civil society organizations played in the transition to democracy, and can play in the city's reconstruction and development. A number of the major personalities from the oppositional NGO Planact, as well as from civic associations in former townships, now occupy senior positions in the city government. But that too has its problems, as activists have to make the transition from opposition and 'struggle politics' to the grind of institutional change and service management. Meanwhile community groups of the poor find themselves confronting in government those who were formerly their comrades.

Increasingly, the core business of city government is being more rigorously defined in order to make best use of limited fiscal resources. Participation is more generally and formally institutionalized, and the struggle-based personal connections between officials, politicians and communities are fading. While it is difficult to predict the future character of city government in Johannesburg, it is hard to believe that it can ever again be as unfair and inequitable as it used to be under apartheid.

Source: Beall et al, 2001

property tax (see Box 6.2). Unwillingness to pay in Johannesburg is a legacy from the days of political struggle but has proved difficult to change. As an example of the tensions surrounding the issue, two councillors were murdered during the government's campaign to improve utility charge collections. Enforcement action against defaulters is undermined by intimidation against utility company staff, and the ease with which illegal (re)-connections can be made. Whilst some of the poor may benefit from non-payment, there are serious problems of inequity between those who pay and those who do not. Later in this chapter we look at the attempts cities have made to address their financial constraints.

Some cities receive significant transfers from the central (or state) government. For example, transfers provide two-thirds of Kumasi's budget, through a combination of salary support and the District Common Fund (a national tax sharing arrangement). In Recife, national tax sharing represents over half of the city's budget, although the proportion is declining. In Cebu, decentralization increased the proportion of transfers in the city's budget from 30 per cent to 40 per cent, although cuts in the national tax-sharing rate in 1999 reduced this again. In both Recife and Cebu, these transfers allow the cities concerned full discretion in the use of the money.

By contrast, in South Africa, redistribution of national resources in favour of poorer local governments has meant that the transfers received by Johannesburg have steadily declined. These now stand at less than 5 per cent of the city's budget, most of which is in the form of grants for specified purposes (mainly health services). In India, state and central transfers represent only 10–20 per cent of the budgets in Ahmedabad, Bangalore and Visakhapatnam, and much of this is in the form of specified grants. Mombasa now receives around 12 per cent of its budget from national tax sharing, but until 1999/2000, there was no system of inter-governmental transfers in Kenya, so Mombasa received nothing at all from the centre.

### **Failings of city government**

While city governments face many obstacles, not everything is beyond their control. Internal organization – all too often centralized, departmentalist, hierarchical and inward-looking – inhibits access by and responsiveness to the poor. In Kumasi, every decision had to be approved by the (then) Metropolitan Chief Executive (MCE), whose behaviour was autocratic and whose response to the poor was generally negative.<sup>2</sup> Conflicts between elected representatives and officials and inter-departmental rivalry can be major impediments to effective delivery of services, even where there is a political commitment to addressing poverty. Professional training and negative attitudes towards the poor may also be obstacles. In Ahmedabad, engineers were reluctant to divert service lines into slum areas for fear of reducing supplies to the regularly serviced areas (Dutta, 1999, p76). In Bangalore, the pursuit of master planning has generally been at the expense of the poor (Benjamin and Bhuvanewari, 2001, p246). In Johannesburg the culture of high infrastructure and service standards for the few has made it difficult to address the needs of the poor majority within the available resources.

Officials – and elected representatives – are often too concerned with crisis management and with maximizing their own income opportunities to be willing or able to engage with the poor. Corruption has a negative impact on the urban poor in numerous ways: in reducing the resources available to the municipal government, in biasing the allocation of those resources, and in preventing access by the poor to services (UNDP, 1997a; Gupta et al, 1998).<sup>3</sup> At the lowest level, 'connections' are needed in order to get anything done, rather than the system being responsive to legitimate demands in a transparent and routine way. Demands for 'speed money' to process an application or issue a permit are

## **Box 6.2 JOHANNESBURG: IMPACT OF THE CITY'S FISCAL CRISIS**

Johannesburg is a wealthy city. The city government has substantial revenue sources, as well as technical and managerial skills to manage them. Under apartheid, those resources were heavily skewed to the needs of the well-off. With the political changes of the early 1990s, newly elected councillors saw the opportunity to redirect spending to meet the needs of the historically disadvantaged communities. But this came to an abrupt end in 1997 when the city ran into a fiscal crisis requiring severe cuts in its budget.

There were many reasons for the fiscal crisis. One was the costs and difficulties associated with a series of reorganizations of local government in the city. Another was the difficulty of spreading the resources which had hitherto served a minority to meet the needs of all. A third was the failure to collect all the revenue due. The city government inherited a culture of non-payment of charges and taxes in the former black local authorities – losses that had previously been borne by the national budget. At the same time payment rates in the former white local authorities started to decline – something made much worse by a tax boycott by the wealthy property owners of Sandton.

Nevertheless the fiscal crisis seemed to take the city by surprise. This was partly because the system of accruals accounting in use tended to disguise the problem. Accruals accounting credits revenues when they are due rather than when they are actually paid, with non-payment being recorded as a debtor. As a result, unless the debtor's position is taken into consideration, the revenue accounts can give the impression that more resources are available than is actually the case. The city government (GJMC plus the four Metropolitan Local Councils) continued to spend as if they were collecting 100 per cent of their revenues, when actually they were collecting only 90 per cent. Since a large part of the city's revenue comes from water and electricity charges, out of which it has to pay the utility suppliers, it soon ran into unsustainable cash-flow problems. The position was shored up by expensive, short-term borrowing.

The central government stepped in and imposed a new executive (Committee of Ten, subsequently the Transformation *Lekgotla*), with a brief to develop a radical restructuring plan. Heavy cuts were made in the capital budget and plans were developed to improve revenue collection, restructure certain activities along commercial lines and privatize others. The redirection of resources to the poor was put on hold and, until the elections at the end of 2000, local democratic accountability was effectively suspended.

commonplace. In Kumasi, while the official charge at a health clinic is Cedis 500, it is common for people to have to pay ten times that amount if they want to be treated (Devas and Korboe, 2000, p130). In Bangalore, it is routine for the police to require daily payments from street traders for protection. Elected councillors often perceive their position primarily in terms of the rents they can extract, in order to finance their re-election campaigns. In Kenya, land-grabbing by well-connected politicians has been a major issue.<sup>4</sup>

## **Generating and managing the financial resources**

All cities face financial problems, but some manage to do more than others to address them. In this section, we look at the ways in which cities have sought to increase resources, and the impact of this on the poor. We also look at the

impact of cities' spending patterns on the poor, and the processes of decision-making about resource use.

## Improving local revenues

Table 6.1 provides an indication of the scale and types of local revenue in seven of the case cities for which sufficient data were available. It shows not only that cities in relatively richer countries (South Africa, Brazil) have greater total resources per capita than those in poorer countries (Kenya, Ghana, India), but also that these resources represent a larger proportion of per capita gross national product (GNP) in richer countries than in poorer ones.<sup>5</sup>

Table 6.1 also shows that locally raised revenues provide between one-third of the city's budget (Kumasi) and nearly all of it (Johannesburg). In all cases, the cities have quite a high degree of local discretion about the use of resources as a whole.<sup>6</sup> All the cities levy property tax, and this is the largest single revenue source in four cases. However, revenues from property tax lack buoyancy, and a large proportion of the tax remains uncollected in most cases.

With the exception of Recife and Ahmedabad, per capita revenues have been static or declining in real terms. In Recife, decentralization has been accompanied by substantial increases in both transfers and local tax revenues, the latter as the result of new taxing powers. This increase in resources opened the way for the adoption of 'participatory budgeting' (PB) (see Box 6.3). Ahmedabad Municipal Corporation (AMC) has been highly successful in counteracting the evasion and corrupt practices that undermined collection of *octroi*, thereby dramatically improving yield and helping to turn around the city's fiscal position during the 1990s. Yet at the same time, efforts to improve collection of property tax, including a successful High Court case that cut the number of appeals by taxpayers, seem to have had only limited impact. Although property tax yield went up during the 1990s, the rate of arrears remains one of the highest in the country. One of the reasons was the closure of textile mills, which accounted for a significant proportion of the city's tax base.

Cebu had considerable success in improving the performance of property tax, with a 150 per cent increase in tax yield in real terms between 1988 and 1992 (Etemadi, 1999, p44), but revenue growth in subsequent years has been much smaller. Following its fiscal crisis, Johannesburg embarked on an ambitious plan to improve revenue collection and hive-off non-core businesses. Credit control measures succeeded in raising collection rates from 85 per cent to 92 per cent over three years, although those averages mask big variations across the city. Meanwhile, in Mombasa and Kumasi, tax arrears just keep mounting up. In some cities, the failure of central government and parastatal agencies to pay their dues is a major problem.

Cities with a variety of buoyant revenue sources, particularly those levied on some form of economic activity, are generally in a better position than those that depend mainly on property tax, such as Bangalore and Mombasa. Besides Ahmedabad, with its substantial receipts from *octroi*, Recife, Johannesburg and Cebu all get a significant share of their revenues from business-based taxes. In Kumasi, market revenues are the largest revenue source. In the end, city

Table 6.1 Analysis of city revenues

	Cebu 1999	Ahmedabad 1996/7	Bangalore 1998/9	Mombasa 1999/2000	Johannesburg 1999/2000	Kumasi 1998	Recife 1996
Total revenue per capita (\$) (excluding borrowing)	\$40	\$34	\$14	\$12	\$120	\$4.50	\$160
Total revenue per capita (as % of GNP/capita)	3.9%	9.0%	3.1%	3.2%	3.8%	1.1%	5.3%
Local own revenue (as % of total revenue)	65%	88%	75%	88%	97%	34%	46%
Total revenue growth in real terms	Overall: static (Business tax: good) Slight decline	Good (4–5% pa) (esp. Octroi) Modest increase	Static Negative	Static Negative	Modest (c.3%) Static	Negative Negative	High Positive
Total per capita revenue growth in real terms	Property tax 26% Business taxes 20% Amusements 7% 60–86% (dep.on definitions)	Octroi 58% Property tax 24% <20%	Property tax 30% Stamp duty 5% Betterment 7% <60%	Property tax 34% Bus.licences 17% Market fees 7% 79%	Property tax 65% Bus.turnover 25% Electricity 5% 90%	Market fees 12% Bus.licences 7% Property tax 5% 67%	Services tax 20% Property tax 11% N/A
Property tax collection performance	IRA tax sharing 35%	Mainly conditional grants for education 12%	Deficit/ conditional grants plus compensation for abolished taxes: 23%	General grant (LATF): 7%; specified grant for roads: 5%	Specified grants 3% (District Common Fund) 45%	Salaries subsidy (20%); tax share	Tax share (mainly FPM) 54%
Transfers (as % of total revenue)	High	High	High	High	High	High	High
Degree of local discretion in use of overall resources	High	High	High	High	High	High	High
New borrowing (as % of budget)	45% (mainly for one big project)	N/A (but significant)	20% (mainly for roads and infrastructure)	None	Small (mainly refinancing)	None	N/A

Note: All figures are approximate only.

Source: City case studies

governments can only levy those taxes which are specified in national (or state) legislation, and national regulations often limit the scope for increasing tax rates.

Borrowing is one way that cities have used to augment their resources for capital expenditure. With the development of the municipal bond market in places like India, the opportunities for borrowing have increased. However, loans have to be repaid, so unless they are used for projects that generate an adequate return, the burden on city finances increases. In Cebu, borrowing for the South Reclamation Project (a project to reclaim a large area of land close to the central business district) nearly doubled the size of the city's budget in 1999–2000. Although this project was expected to generate substantial returns, the debt burden was considered to be too great, and a large part of the project was transferred to a state agency. Both Ahmedabad and Bangalore have issued bonds for road construction, and for water and sewerage in the case of Ahmedabad, and both have borrowed from HUDCO (the national housing finance institution) for housing and urban infrastructure. While Johannesburg borrowed substantially in the past, recent borrowing has been mainly to re-finance previous loans. The weak financial positions of Mombasa and Kumasi have prevented those cities from borrowing at all in recent years.

### **Impact on the poor of resource mobilization**

To what extent do the revenues collected by municipal governments – and the attempts by municipal governments to mobilize more revenues – impinge on the poor?

Property tax, if properly administered, should have relatively little impact on the poor, especially where low value properties are exempted (as in Cebu and Ahmedabad), or taxed at a lower rate (as in Kumasi and Visakhapatnam).<sup>7</sup> However, where there are high rates of arrears on high value residential or commercial property – the situation in many cities – the burden of the tax falls proportionately more heavily on the less well-off. In such circumstances, increasing tax rates without improving collection performance could be inequitable. In Johannesburg, it has traditionally been the poor who have not paid – a legacy from the anti-apartheid struggle, but increasingly owners of higher value properties are failing to pay; the value of tax arrears on city centre commercial buildings now far exceeds that on all low value residential properties.

Local business taxes tend to be arbitrary and regressive, particularly since accurate assessment of profitability or turnover is difficult. Certainly, flat-rate business licences tend to burden small businesses much more heavily than large ones, although some systems exempt informal sector traders. In Kumasi and Mombasa, the burden of market fees – the largest revenue source in Kumasi – undoubtedly falls mainly on the relatively poor.

Cities have also sought to improve their financial situation by levying, or increasing, charges for services. Charges have an obvious impact on the poor, but city-level information does not always reveal the extent of charging or its impact. It is widely acknowledged that charges for health services represent a burden for the poor and may prevent them from accessing health services (Mills et al, 2001; Sepeheri and Chernomas, 2001). Yet charges for health services

rarely come anywhere near covering the costs of the services: typically, they cover about 10–15 per cent of expenditure on health in the case cities. A much greater problem for the poor is the unofficial charge levied by those controlling access to the service, since these are often much higher than the official charges. Charging for sanitation (such as public toilets) also has an impact on the poor, but can be justified as a way of covering maintenance costs, thereby ensuring that the service continues to be usable. However, this has been highly problematic in Kumasi, where contracts were awarded to members of the Metropolitan Assembly who then failed to use the revenues for maintenance, thus imposing significant burdens on low-income households (see Box 9.2).<sup>8</sup>

Charges may be justified where only certain people receive the service. In Kumasi, household waste collection is provided only in the high-income areas, and a charge is levied. However, the charge is not commensurate with the cost of the service, so that high-income residents effectively benefit from a large subsidy. Charging for water can also be justified on the grounds that finance is needed to maintain and expand the system. General under-pricing of water is likely to mean that there are no resources to extend water supply to areas where the poor reside, obliging them to continue using much more expensive vended water or polluted sources. In Bangalore, there is a system of free public standpipes, but resources are lacking for maintenance and extension of the network. In Mombasa, while the piped network nominally serves most of the city, in large areas no water flows because there are no resources to repair the network or increase bulk capacity.

In Johannesburg there is near universal provision at relatively high standards, but the problem is the absence of a system of targeted subsidies to enable the poorest to pay the relatively high bills. Low-income households, for example pensioners, can face utility bills that may exceed their entire income (Beall et al, 2001). Although the city established an 'Indigence Register' to identify those against whom enforcement action would not be taken, this did nothing to enable those on the register to pay their accumulated debts. In addition, the register soon became outdated, and there was scope for abuse such as meter switching.<sup>9</sup> Alone among the case cities, Santiago has a comprehensive system of relating water bills to ability to pay, based on household income data, although how well it works is open to question. A more common approach is to use progressive block tariffs to charge more to large volume consumers, on the assumption that the rich consume more water than the poor. But in Kumasi that system takes no account of how many households use one tap, thereby penalizing those living in communal blocks, whatever their income.

## **Spending patterns and their impact on the poor**

To what extent do municipal expenditures actually benefit the poor? To answer that would require a more detailed benefit–incidence analysis than is possible from the available municipal budget data. Comparisons between cities are also difficult because of the differing ways in which information is compiled. However, Table 6.2 indicates broad areas of expenditure that can be regarded as benefiting the poor.

Table 6.2 *Analysis of city expenditures*

	Cebu 1999	Ahmedabad 1996/7	Bangalore 1998/9	Mombasa 1999/2000	Johannesburg 1999/2000	Kumasi 1998	Recife 1996
Range of expenditure Responsibilities	Wide incl. health, education (shared) (water indirectly)	Wide incl. education, health, water	Moderate incl. public health, water distribution excl. education	Moderate incl. public health, education (shared) excl. water	Quite wide incl. water and electricity, some health excl. education	Limited incl. health (shared), excl. water education	Wide incl. health, education, social welfare
Capital expenditure (% of total expenditure)	45% * 2.5% **	20%	10-20%	2%	16.6% ***	40%	16%
Administrative expenditure (Incl. Mayor/Council)	25% *	30%	6.5%	27%	32% ***	c.25%	N/A
Debt-service ratio (approx) (% of revenues net of loans)	2.3%	9%	8.8%	5% (but defaulting on most loans)	15%	0	73%
Expenditures/subsidies benefiting the poor (% of total expenditures)	Health 9% Div. for Welfare of Urban Poor Purchase of lots/ slum upgrading Grants to <i>barangays</i>	Health 14% Primary educ. 20% Water taps 9% Slum improvement Economic opportunities	Health 14% Water taps 4% Provision for SC/ST 2%	Public health 10% Waste 11%	Health 7% Waste 4% Housing 4%	Nothing significant	Urban infrastructure in poor areas Education Health Social assistance
Sub-city levels of government	80 <i>barangays</i> (receive share of national/city revenues)	Part of budget handled through Zones and Wards	None formally but Wards have some significance	None	GJMC budget incorporates 4 MLCS (now abolished)	4 Sub-metros 20 Town councils 403 Unit committees but none really functioning	None but 6 regions and 15 micro-regions for participatory budgeting

Note: All figures are approximate only. \* Including South Reclamation Project. \*\* Excluding South Reclamation Project. \*\*\* Percentage of net budget (including only net revenue from water, electricity)

Source: City case studies; GNP data from World Bank 2001a

The most obvious area of expenditure to benefit the poor is that on health, since the benefits of publicly provided health services are – in principle – available to all, while higher income groups are likely to opt for private services. Expenditure on health typically represents 10–15 per cent of city budgets. Similarly, where the municipality provides primary and nursery education for free, the poor may be expected to benefit, so long as access is not dependent on unofficial charges. In Ahmedabad, 20 per cent of expenditure goes on education. The Indian cities subsidize a network of free public standpipes which are clearly of benefit to low-income groups. In Ahmedabad, water provision accounts for about 10 per cent of the budget, in Bangalore about 4 per cent. But many areas are not served – often the areas where the poorest live, and maintenance problems and lack of capacity in the system mean that many standpipes operate only intermittently or not at all. In Johannesburg, waste collection is provided virtually throughout the city, so that some of the 4 per cent of the budget spent on that could be considered as benefiting the poor.

Some cities spend money on slum upgrading and local level infrastructure and services. This could be expected to benefit the poor directly, although benefits generally accrue more to property owners than to tenants. By contrast, in many systems, subsidies for public housing provide little benefit for the poor, since they rarely occupy such housing. Cebu has a specific department for the Welfare of the Urban Poor, although its budget is minimal. By law, the city is required to set aside 20 per cent of revenues for a Local Development Fund, and some of this is used for projects that benefit the poor, such as artesian wells, fire hydrants, drainage, purchase of plots and so on. But actual expenditures from this fund are much lower than the statutory requirement. In Bangalore, the law requires 18 per cent of the budget to be allocated for Scheduled Castes and Tribes (SC/ST), but in practice actual expenditures are more like 2 per cent (depending on definitions). By contrast, in Ahmedabad, the city is required to assign 10 per cent of revenues to slum areas and in most years this proportion has been exceeded. In Kumasi, 20 per cent of the District Assemblies Common Fund (DACF) is supposed to be allocated to income-generating activities for the poor. But this has not generally been complied with, and what little has been spent in this way has been allocated in a most opaque manner (King et al, 2001, p155). By contrast, participatory budgeting in Recife has resulted in some shift, albeit modest, in the pattern of expenditures towards social expenditure and infrastructure in poor neighbourhoods (Melo et al, 2001, p118).

Other expenditures are less obviously of benefit to the poor. Most cities spend 25–30 per cent on administration, including the mayor and council, and revenue collection, but figures vary depending on what is included. Most cities spend large amounts on public works, much of which is for roads. The benefits to the poor of such expenditure are likely to be marginal at best, through the effects on economic growth, or negative at worst, as the poor are displaced for new road construction or to enable traffic to flow freely. Expenditure on street lighting, drainage and public parks may benefit the poor, but since it is generally commercial and high-income residential areas that are best served, the benefits to the poor are small.

The huge resources used by Cebu for the South Reclamation Project will have little direct benefit for the poor. However, it is possible to justify such an investment if, as is claimed, it will generate substantial financial returns that can then be used for pro-poor expenditures. Other cities such as Bangalore, Ahmedabad and Johannesburg have all undertaken major loan-financed projects, some of which are of questionable benefit to the urban poor. Whether or not large-scale infrastructure improvements aimed at enhancing local economic growth prospects ultimately benefit the poor is open to debate. But there are clearly risks that such ‘mega-projects’ actively disadvantage the poor, by pre-empting available land, expelling the poor from valuable locations and upsetting fragile trading relationships. This is demonstrated clearly in the case of major road and market projects in Bangalore (Benjamin, 2000). Loan financing for bulk water supplies and sewerage projects can be justified, so long as costs are recovered from consumers, particularly high-income and commercial consumers. But there are risks that heavy debt-service obligations may pre-empt resources which might otherwise be used to address the needs of the poor. One of the over-riding considerations in the restructuring of the Greater Johannesburg Metropolitan Council after the fiscal crisis of 1997 was to re-establish the city’s credit-worthiness with lending agencies. In order to do that, cherished anti-poverty initiatives were abandoned or put on hold.

What all this shows is that, unless there is a clear policy of redirecting expenditures towards the poor, which is followed through into actual service and infrastructure delivery, the normal, ‘budgeting-as-usual’ pattern of city government expenditure will have only incidental benefits for the poor – and in some cases could actually disadvantage them.

It should also be noted that much of the public spending which relates to the urban poor bypasses city government altogether. In most of our case cities, the bulk of funding for health and education comes from central ministries. Even where such functions are formally decentralized, funding – and therefore control – may remain with central ministries, as in Ghana. In several cases, water supply is the responsibility of state enterprises, and, in Kumasi, this has now been privatized. In South Africa, funding for housing and related infrastructure – probably the most significant public spending on urban poverty – flows through provincial rather than municipal governments. In Bangalore, there has been a perceptible shift in responsibilities from the municipal government to state boards, remote from the urban poor. The Karnataka Slum Clearance Board, for example, appears to have delivered virtually nothing of benefit for Bangalore’s poor residents. Meanwhile, the housing and land-banking projects of the Bangalore Development Authority (BDA) have pre-empted land resources for the benefit of higher-income groups and for revenue generating activities. Ironically, however, the poor have at times benefited by illegally occupying land owned by BDA.

## **Processes of budgeting and expenditure management**

A central question for this research is how decisions are made by city governments, including decisions about the use of financial resources. Another

is how far citizens – especially the poor – are able to have any influence on these decisions. What emerges is that even where the poor are able to exert some influence on the formal budget process, outcomes in terms of actual expenditures depend more on informal processes. These informal processes are often under the control of a small executive group.

All the cities have formal systems by which the elected members of the city government as a whole approve the annual budget. In cities with directly elected mayors (Cebu, Recife, Santiago), responsibility for preparation of the budget is in the hands of the executive, ie the mayor and his/her cabinet, with the council or legislature having power only to reject or amend the budget. In the executive council system, councillors have – in principle at least – a greater opportunity to influence what goes into the budget. But since the locus of executive power is more diffuse, paid officials (chief administrator/clerk and treasurer/finance director) tend to play a greater executive role. Whatever the system, there is much negotiation over the final shape of the budget. The ability of individual councillors to influence the outcome in the interests of their constituents (or, indeed, in their own interests) depends on their position, power and negotiating skills.

Whatever the formal arrangements, the executive (taken here to mean those at the centre of the processes, whether the mayor and cabinet or senior officials) have considerable scope to influence the outcome, through their control of both the process and the information. Their construction of the draft budget generally allows little scope for ordinary elected representatives to suggest changes, even if the latter had the information and technical skills to do so. More significantly, formally approved budgets often bear little relationship to what is actually implemented. In the Philippines and in much of Latin America, the budget represents only an authorization to spend if funds are available. In Cebu, budget approval is followed by a process of ‘allotments’, which is mainly in the hands of the executive. These allotments depend on the resources actually available and are generally much smaller than the allocations in the approved budget. In Recife, while participatory budgeting has shifted budgetary priorities in favour of the poor, it has had less impact on actual expenditures because resources have not been available to implement all the agreed projects. At the same time, the mayor is empowered to spend up to 30 per cent beyond the budget if resources permit – potentially a huge area of discretion. In Mombasa, and quite commonly in Africa, local budgets are based on unrealistic projections of revenues. This is done in order to satisfy the demands of councillors while at the same time meeting the legal requirement for a balanced budget. Since the projected revenues do not materialize, budget cuts have to be made during the year. Because of the difficulty of cutting staff or other overhead costs, cuts fall mainly on maintenance, service operations and capital projects – including the pet projects of local councillors. The executive effectively operates a ‘shadow budget’ which determines how resources are actually used and protects those areas deemed to be essential, notably salaries and councillor allowances.

There are other devices at the executive’s disposal. The power to bring forward or postpone expenditure gives the executive considerable discretion. Supplementary budgets, which are usually subject to less rigorous scrutiny than

the main budget, can provide some room for manoeuvre. Extra-budgetary funds, too, offer considerable scope for discretion. In Cebu, the Mayor controls a number of such funds, with little accountability to the elected legislature. The largest of these relates to the revenue share from gambling (PAGCOR), the accounts for which show all manner of uses, from water pumps and dental supplies to training and contributions for celebrations. Other extra-budgetary funds include a Special Education Fund and the unspent balances from previous years' budgets. All these offer scope for mayoral patronage.

Of course, it is not only the executive that seeks to manipulate decisions during budget implementation. Councillors, civil society organizations and individual citizens continue to lobby for particular projects during the course of the year. Since the budget may be regarded by those responsible as little more than a general guide, or even just a wish list, there is nothing to stop councillors or others from lobbying at any stage. The mechanisms noted above provide the executive with considerable scope to respond to such lobbying. The result is that effective decisions about resource use differ markedly from those approved during the formal budget process.<sup>10</sup>

All this is not to say that control by the executive is necessarily bad for the poor. The poor, and organizations representing the poor, may be able to take advantage of executive discretion, by virtue of their persistence in pressing their demands. There are also situations where executive discretion may produce a more rational use of resources for the city as a whole than responding to numerous demands from local communities or councillors for small, unrelated projects. For example, investment in bulk water supply capacity may be required before local water taps can deliver any water. But the opportunities the executive has to manipulate financial resources concentrates power, reinforces clientelistic relationships and undermines the democratic link between poor communities and formal decision-making through local councillors.

## **Explaining city government financial performance**

Why do some city governments manage to perform better than others in terms of mobilizing and managing their financial resources? The most obvious factor is the economic position of the country concerned: cities in richer countries find it easier to generate resources and to recruit skilled personnel to manage their finances. Then the national political and institutional context clearly plays a large part, in terms of defining the freedom which cities have to mobilize and manage their resources, and the checks that are applied to prevent local excesses. But it is important to look at the reality, which is often shaped more by informal processes than formal ones. Thus, while revenue systems may be designed (whether at national or local level) to be equitable and to protect the poor, the way these are administered may render the system very inequitable in practice, through tax evasion, rent seeking and unofficial charges.

The engagement of civil society may also explain some differences between cities, although probably less so in relation to finance than some other aspects (for example access to land or infrastructure), not least because of limited access to information about finance. Again, in terms of the influence of civil society,

there may be a large gap between perceptions and reality. This may occur where the formal budget process in which civil society has engaged is overtaken by other, unofficial processes, and where democratically agreed and published budgets are not implemented. As a result, while organizations of the poor may appear to make gains through their engagement with city government, what is eventually delivered may be much less than what had been agreed.

Fiscal crises and resource shortfalls are often the reason for non-delivery. These crises may, under certain circumstances, provoke far-reaching reforms to improve the fiscal situation, albeit at a cost to some, as in Ahmedabad and Johannesburg. More often, they reinforce the informal processes of decision-making and the position of those with power over resources, as in Kumasi and Mombasa. In the end, much depends on the attitude and capability of the local leadership – mayor, senior elected representatives and senior officials, and how this cascades down to junior officials charged with implementing revenue and expenditure policies. This aspect of civic leadership is one to which we will return at the end of the chapter.

## **Responsive city government: Mechanisms of participation and accountability**

Even if city governments manage to overcome the many constraints they face, what chance is there that they will be responsive to their citizens, particularly those who live in poverty? From the discussion in Chapter 5, it is clear that the conventional model of representative democracy has many limitations in terms of responsiveness to poor people. Periodic elections are a crude mechanism for ascertaining citizens' preferences and priorities about services, infrastructure investment and public expenditure, and are often dominated by élite groups. Representative democracy needs to be complemented by a range of mechanisms of participation and accountability that can ensure that decisions made reflect the interests of ordinary citizens including the poor. Of course, élite groups may not wish to open up decision-making in any way and may use their power to prevent other voices from being heard. Nevertheless, our case studies show that a number of city governments are seeking to be more responsive, and others are being forced by pressures from civil society to become more responsive and accountable. Many of these initiatives can be criticized in terms of: which voices the city governments are responding to, how far those voices are representative of the poor, and whether the initiatives reinforce rather than challenge dependent and clientelistic relationships. In this section, we will look at six aspects of a more responsive and pro-poor city government which emerge from the ten city case studies.

### **Developing a pro-poor agenda**

A pro-poor agenda only emerges, and that agenda only turns into reality, if there is political commitment to it at the city level. That political commitment may emerge as a result of pressure from civil society, but it requires an institutional

context that is capable of responding to that pressure. In a number of cities, a more pro-poor agenda emerged as a result of a national struggle for democracy that galvanized civil society. In South Africa, the commitment of the post-apartheid government to poverty reduction was apparent in both the discourse and the range of anti-poverty initiatives being pursued throughout government, national and local. Local governments were required to identify Land Development Objectives (LDOs) and prepare Integrated Development Plans (IDPs), in consultation with local citizens, in order to address the inequalities of the past. But here, as elsewhere, there are tensions between the demands of those in poverty and the need to promote economic growth within a market economy. In Johannesburg, this was exemplified by the competing claims on the one hand for a radical redistribution of resources and, on the other hand, for economic modernization and high-tech growth. Following the city's fiscal crisis in 1997, the adoption of *iGoli 2002* as the development strategy for the city was seen by many as the triumph of the neoliberal agenda, but this is to underestimate the extent to which the city's agenda had already shifted in favour of those disadvantaged by the previous system.

Cebu, too, faced tension between promoting economic growth and more specific policies to address the needs of the poor. Economic growth from the mid-1980s to the mid-1990s succeeded in raising living standards for the majority, but made little impact on poverty. NGOs played a key role in keeping poverty on the national and local agenda. Local governments throughout the Philippines were made responsible for formulating and implementing the national anti-poverty agenda in their jurisdictions. Cebu City adopted the Urban Basic Services Programme (UBSP) as the centrepiece of its poverty alleviation strategy, and was the first city government in the Philippines to establish a specific department concerned with urban poverty. Commitment to poverty reduction has been a major issue in every recent mayoral election. But as in any city, there are competing centres of power and wealth which resist significant redistribution, and vested interests which promote major projects that disadvantage the poor.

In Santiago, rapid economic growth combined with national systems of targeted welfare payments enabled the worst problems of absolute poverty to be addressed. The discourse has now shifted to issues of inequality and exclusion, over which there is much less political agreement. In Brazil, (re-)democratization and decentralization, combined with the increased resources available to the municipal governments, enabled Recife to embark on a number of initiatives to address the needs of the poor, including recognition of the rights of favela dwellers, the integration of squatter settlements into the city and the adoption of participatory budgeting.

Other cities have yet to take the pro-poor agenda seriously. In India there is much pro-poor rhetoric, as well as a number of legal obligations to the poor such as the special treatment for Scheduled Castes and Tribes. But these do not seem to have had much impact on the practices of municipal governments. In Visakhapatnam, more or less the only poverty-focused initiative was the externally-driven slum-upgrading project funded by DFID (Department for International Development). In Bangalore, the principle pro-poor programme,

UBSP, was funded mainly from the centre, while a number of municipal initiatives have been decidedly anti-poor. In Mombasa and Kumasi, poverty reduction has barely made it into political rhetoric, never mind into any effective programmes of action.

## **Avenues for citizen participation**

The case cities provide a number of instructive examples of attempts to broaden participation and engage citizens in decision-making, but few have been sustained. Some have been externally driven as part of a donor-funded programme, as in Visakhapatnam, rather than being based on local political commitment.

The role that Community Development Councils (CDCs) played in the Million Houses Programme in Colombo illustrates the potential for increased citizen participation in identifying priorities and preparing plans for their area. However, that case also illustrates how such participation can wither once immediate needs have been met and political support is withdrawn (see Box 5.4). In South Africa, despite the good intentions of enabling the citizens to engage in identifying priorities and plans, the IDP process was effectively taken over by professional consultants and the voice of the poor marginalized. In Johannesburg, the IDP process also became sidelined by the city's fiscal crisis. By contrast, the case study of a low-income informal settlement on the periphery of Johannesburg illustrates how a local organization like the Diepsloot Community Development Forum (CDF) can be effective in negotiating on behalf of poor residents (see Box 7.2). But this case also illustrates how the municipal government can become reliant on a community organization as the sole means of communication with local residents, thereby according that organization a monopoly role in allocating housing resources.

In the Philippines, citizen participation relies heavily on the privileged position of NGOs within both national and local government. Etemadi (2001, p153) estimates that between 50 and 70 per cent of Cebu's urban poor households are organized, and alliances of NGOs and CBOs have played a key role in shaping mayoral elections. Even so, Etemadi concludes that formal participation by NGOs in planning has been more in form than substance, with the consultative body between the city and NGOs rarely meeting (Etemadi, 1999, p42). In Santiago, there is an elaborate, participatory process for producing local development plans. However, such plans are rarely put into effect, either because of the lack of resources, or because of a lack of commitment by the mayor. Similarly, legislation in Ghana established an elaborate system for participatory planning through institutions below the metropolitan government, yet in Kumasi these institutions were never allowed to function. In Mombasa, contacts between Municipal Council staff and local residents were said to be 'infrequent and antagonistic' (Gatabaki-Kamau et al, 1999, p90).

The most systematic form of citizen participation amongst the case cities is the participatory budgeting programme (PB) in Recife. As Box 6.3 shows, whatever the weaknesses of the process, PB has greatly enlarged the number of people, including the poor, who engage with the municipal government over budgetary choices.

### BOX 6.3 RECIFE: PARTICIPATORY BUDGETING

Participatory budgeting (PB) is an approach that has been adopted in a number of municipalities in Brazil. The stated purpose is to widen participation in budgetary decisions to include the poor majority who have hitherto been excluded or kept in a state of clientelistic dependence by the political system. An unstated objective is to strengthen the position of the mayor in pushing through his priorities, with community support, against the resistance of the local legislative chamber (the elected councillors).

In Recife, PB started in 1993, but grew out of earlier initiatives (eg *Prefeitura nos Bairros*). It is organized through 6 regions and 15 micro-regions of the city. Public meetings are held in each micro-region to discuss the statement of broad budgetary options and resource availability, as prepared by city officials. Five hundred delegates are then elected at the micro-region level (roughly one per 4000 citizens), through a combination of individual votes and votes of community associations. These delegates prioritize the expenditure options. Around 30 of these delegates are then selected to participate in supra-regional meetings which consolidate the priorities in the light of technical feasibility, citywide needs and resource availability. CBOs and civil society organizations are also represented in the forums responsible for coordination, oversight and technical assistance to the process. From this, the budget is prepared and sent to the legislative chamber for approval.

The impact of PB has been more limited than the above description might suggest. The executive remains firmly in control, setting the initial agenda and budget priorities and restricting the PB process to a subset of capital investments. The executive also tends to pack the list so that delegates are obliged to propose cuts in order to prioritize other expenditures. Moreover, the executive is not bound to implement everything in the budget, since the budget only provides the authorization, and cost overruns mean that resources are insufficient to fund everything. Typically, only 80 per cent of the budget is actually implemented within a given year. Ultimate decision-making power rests with the mayor, who is not obliged to implement the decisions taken in micro-regional and regional meetings. In practice the political costs of failing to fund agreed projects ensure that most are implemented. However, they have to be juggled with other priorities, including large-scale infrastructure, identified by councillors and the mayor himself.

Around 5 per cent of the city's budget is subject to PB (or 9 per cent if related programmes are included) – essentially that part which relates to local level capital projects. This represents between 15 and 25 per cent of the municipality's capital expenditure (depending on definitions). Nevertheless, PB has resulted in a shift in expenditure towards social programmes and local infrastructure benefiting the poor. More importantly, the process has extended participation considerably to include the poor – although probably not the poorest. Although the proportion of the population voting for delegates has been very low (2.3 per cent), and only one-third of those elected are women, many thousands of citizens participate in meetings that elect delegates and establish spending priorities (over 28,000 meetings in 1998).

The relatively small number voting leaves the process open to challenge by elected councillors who consider that they have a much more substantial mandate. Also, unlike in Porto Alegre where delegates are elected on a mandate only after priorities have been agreed in the public forum, the delegates in Recife are elected to make choices using their own judgement. Thus, the Recife PB delegates operate more like councillors. As a result, councillors, who are effectively excluded from the process, perceive PB as a threat and have periodically tried to reduce the scope of the exercise. They have also sponsored candidates for election as delegates and colluded with them to secure municipal resources for the areas in which their support is concentrated. Delegates are

very conscious that their lack of a specific local mandate limits their ability to influence decisions, and that the large projects are outside the scope of PB. Many regard themselves as scapegoats, forced to take the blame for local government's poor performance or failure to implement agreed projects. Research shows that residents regard the representative political system as corrupt and clientelistic, and that their awareness of the PB process is limited.

The system of PB is less well entrenched in Recife than in some other Brazilian cities such as Porto Alegre and Belo Horizonte. This is partly because, despite a history of left-wing activism in Recife, the city's contemporary politics is fragmented, bringing frequent threats to the process. In Belo Horizonte, PB has been incorporated into local law, giving it a degree of protection, and elected councillors are formally involved in the process, unlike in Recife.

Despite its limitations, the PB process has made budgetary choices more transparent, especially since the executive is required to publish information both about the budgetary options and about implementation. Above all, community level participants have gained new, more institutionalized opportunities to participate in rule-based rather than clientelistic decision-making.

*Source:* Melo et al, 2001 and Souza, 2001

It cannot, of course, be assumed that greater citizen participation and an active civil society always benefit the poor. The most articulate voices, with the best connections to city government, are usually those of the better off. Business interests are generally well organized, and partnerships with the city government to promote economic growth may adversely affect the poor. NGOs claiming to serve the poor may instead promote their own, élite interests and create dependency. In Johannesburg, the most powerful CBO is the Sandton Ratepayers Association, representing the residents of the richest district of the city, whose rates boycott had a crippling effect on the city's finances.

## **Mechanisms of accountability**

Responsive city government also requires accountability to citizens for the decisions made. Yet mechanisms of accountability are seriously weak in virtually all the case cities. In most systems, meetings of the full council or legislature are open to the public, but in reality decisions are taken beforehand in closed sessions. There may be forums for consultation with 'stakeholder groups' but these may have more to do with public relations than real accountability. In Colombo, the mayor holds 'Division days' and 'public day interviews' with electors and tax-payers, as well as dialogues with professional groups. In Cebu, the mayor holds meetings with various organized groups, but such meetings tend to reinforce patron-client relationships rather than achieving real accountability. More significant are the independent studies carried out by NGOs on the performance of the municipal government, such as the efforts by the federations of civil society organizations in Cebu to monitor the performance of the mayor against a poverty-reduction agenda. In Recife, one of the most significant achievements of PB has been to bring budgetary choices into the open and to oblige the executive to report on implementation.

Information is typically seen as something to be withheld rather than distributed. At the most basic level, plans, budgets and audited accounts should be public documents which are easily accessible. This is not generally the case in practice. Nor do accounts, where they are available, necessarily give an accurate picture of the city's financial position.<sup>11</sup> In Mombasa, accounts have not been produced, let alone audited, for some years. Cebu does publish monthly revenue and expenditure figures in the press, but these do not tell the complete picture (omitting, for example, the extra-budgetary funds). The format of the budgets and accounts may also be extremely difficult for ordinary people, and even elected representatives to understand or engage with. It is often difficult to see from these how resources are actually being used, or to identify the extent of subsidy for a particular activity or client group.

### **Responsiveness through informal mechanisms and traditional authorities**

Much of city governance happens through informal processes. This reflects the fractured nature of the administrative system and the clientelistic nature of politics in many cities. The poor may, however, be able to make use of these informal mechanisms, through persistence, to assert their claims. In Bangalore, Benjamin and Bhuvanewari (2001, p35) describe what they call the 'porous bureaucracy', in which councillors or community leaders are able to achieve results through their informal networks with lower level bureaucrats. Such arrangements may enable the poor to consolidate their land claims, protect themselves against enforcement action and obtain essential services, but may also reinforce their dependent position.

In Kumasi, traditional authorities such as tribal chiefs offer an alternative avenue for the poor, at least for those of the indigenous Asante population. Local traditional leaders have some voice within the formal system of city government, and they have a central role in land allocation. They are accessible to, and understood by, ordinary people, who are therefore more likely to bring their claims to them than to the municipal government. This is not to say that such authorities are necessarily benign: they may also be unresponsive, corrupt and interested mainly in maintaining power and patronage. Nevertheless, traditional authorities have provided something of a countervailing influence to the remote and unresponsive municipal government in Kumasi.

### **Sub-city levels of government**

The conventional argument for decentralization is that decisions made at the local level will more accurately reflect the needs and priorities of citizens. But where the 'local' jurisdiction covers a population of a million people or more, it is hard to see how this can happen without sophisticated mechanisms of citizen participation on specific issues. Decentralization below the city level to, say, a settlement or neighbourhood, can give ordinary citizens, including the poor, a greater chance of having their voice heard and influencing the spending choices which affect them. This is not to say that very local level decision-making will

necessarily be more responsive: indeed it may still be dominated by local élites who maintain a feudal control over their locality. But decision-making at such a level is more accessible to the poor, and there may be greater scope for the poor to organize collectively than at the metropolitan level. Nor is it to say that the metropolitan level is not required: there are many matters which need to be decided at that level, for example about planning, transportation and bulk infrastructure. But the metropolitan level needs to be supplemented by something much more local. Yet few of the case study cities have any elected level below the city, and for those that do, the arrangement is mostly unsatisfactory.

In Colombo and the three Indian cities (serving between 1 and 6 million people), there is nothing apart from administrative subdivisions below the municipal level, although Ahmedabad has started to decentralize its administration and budget allocations to the zonal level and even to wards (Dutta with Batley, 1999, p80). For a while, the Community Development Councils in Colombo operated somewhat like a lower tier of local government in the parts of the city occupied by the poor. But in the absence of any statutory basis, their role greatly diminished with a change of government. While the metropolitan area of Santiago is divided into 34 municipalities, these are still very large, with an average population of 150,000, and their resource base is very unequal. Similarly, the metropolitan area of Recife is divided into 14 municipalities (of which Recife municipality is the largest), each with varying financial capacities. In Johannesburg, the abolition of the four metropolitan local councils (MLCs) means that there is now a single metropolitan authority for nearly 4 million people.

In Ghana, the 1988 local government law established an elaborate structure of local governance below the metropolitan level. In Kumasi, there are officially 4 sub-metropolitan councils, 24 town councils and 1020 unit committees. This would mean one unit committee for every 500 or so residents – truly a local-level institution. Unfortunately, most of this exists on paper only. The sub-metros operate but are deprived of the resources they are entitled to and so do virtually nothing. The town councils have never been inaugurated, and only a few unit committees function at all. This is largely the result of the opposition of the previous metropolitan chief executive – and members of the Metropolitan Assembly – to any alternative locus of power in the city.

Of all the case cities, only Cebu has an effective system of sub-city local governance, called *barangays*. These are small scale and hence accessible, having a statutory basis (unlike CDCs in Colombo), and receive an equitable distribution of resources (unlike Johannesburg's MLCs). As a result, they do enable local citizens, including the poor, to have an influence over at least some spending in their locality. It could be argued that such an arrangement offers a more secure institutional framework for local-level decision-making about resource use than does Recife's version of participatory budgeting, which ultimately depends on the political commitment of the mayor.

### BOX 6.4 CEBU: SUB-CITY LEVEL GOVERNANCE – *BARANGAYS*

*Barangays* are the sub-municipal level of governance in the Philippines. In the past, they were part of the system of state control, with *barangay* captains appointed by the ruling party. But with the democratization and decentralization of government from the late 1980s, they have become part of the local democratic system. *Barangay* captains and council members are elected by local citizens. *Barangay* assembly meetings, which are open to all adults, are supposed to be held twice a year.

In Cebu there are 80 *barangays*, with an average population of around 8000 each. *Barangays* receive a share of national tax revenue plus one-third of the city's property tax with which to fund their activities. These include local security and certain local services such as sanitation, drainage and waste collection. A large proportion of their revenue is spent on honoraria for elected officials and security staff, but some is available for development. *Barangay* leaders have become adept at negotiating for additional resources from the mayor and congressmen.

The proximity of the *barangay* to citizens (an average of one *barangay* councillor per 1000 citizens) helps to ensure responsiveness to the needs of the area. In low-income areas, the poor are able to exert influence through the electoral process, and through standing for election themselves. The Cebu case study identifies a number of ways in which the *barangay* leadership is approachable and responsive to the poor, including allowing *triskads* (cycle taxis) and informal traders to operate in their areas, improving basic services and providing emergency relief for the poorest. However, where the poor are only a minority in a better-off *barangay*, their needs may be neglected. The study also shows how *barangays* provide an avenue for issues of concern to the poor to be put to the city government. The fact that the *barangay* has some funds for local development projects brings decision-making over those resources closer to the poor. While this does not guarantee responsiveness or accountability, it certainly helps.

## Conclusions: City government and the poor

In an era of decentralization and democratization, much is expected of city governments, especially in terms of responding to the needs for the urban poor. Yet, as this chapter has sought to show, city governments are heavily constrained in what they can do – legally, administratively and financially. Some city governments appear to be more successful in overcoming these constraints than others. Some cities have made progress in developing pro-poor strategies, widening citizen participation and becoming more responsive and accountable. Others have made little if any progress on these scores.

What, do we conclude, can explain these differences? As already noted, one obvious factor is economic: cities in relatively richer countries find it easier to generate resources and to retain the skilled staff to manage those resources properly. Greater resources can permit many other initiatives to take place. Another key factor is the national legal and institutional framework within which cities have to operate, together with the national political environment which shapes the political and administrative processes at city level. A third factor is civil society – the extent to which there is an active civil society, working effectively on behalf of the poor. However, as the next chapter will argue, the role of civil society in the case study cities appears to be rather less significant

than is sometimes claimed, certainly in terms of negotiating with city government.

Finally, and perhaps most importantly, there is the role of civic leadership. From the case study cities, it is clear that civic leadership can make a difference to city governance and to the outcomes for the poor. City governments may be highly constrained, but there is always some room for manoeuvre. How cities make use of that depends to a large extent on the qualities of the civic leadership. In most systems, civic leadership is focused on the mayor, but it also includes other senior elected representatives and senior paid officials. It may also include some outside the formal structures of city government whose voice is influential. Clearly, some civic leaders are more responsive to the poor and have more vision, more integrity, more dynamism, and a greater capacity to make the system deliver than do others. Recent mayors of Colombo, Cebu and Recife, although open to criticism on various counts, have all been able to achieve results that have been of benefit to the poor. Other mayors have been more concerned with maintaining their hold on power and lining their pockets than with the interests of the poor, or have been too ineffectual to achieve anything of lasting value.

Moving beyond pro-poor rhetoric into policy and practice depends – in large part – on the commitment and dynamism of the mayor and other civic leaders. It also depends on the ability of the leadership to build and sustain supporting coalitions around such issues. This is a challenge where political allegiances are fluid and where, as in much of Latin America, there is a tradition of abandoning all previous initiatives whenever a new administration comes into power. In this context, the role of externally appointed leadership can be significant. In Ahmedabad, it was a particularly dynamic municipal commissioner – an appointed not an elected official – who is credited with turning around the fortunes of that city. By contrast, the appointed metropolitan chief executive in Kumasi – dynamic but ill-motivated – seems to have done much to discredit that organization in the eyes of its citizens.

While individual leadership qualities are important, they must be exercised within an adequate framework of public accountability, to avoid the emergence of personal fiefdoms. An institutional framework is required which allows dynamic, responsible and responsive leadership to emerge, and which obliges leaders to deliver results for the poor, not just as favours but as a matter of routine. While such a framework seems to be lacking in most of the case study cities, there are signs of movement in the right direction in a number of places.

In the end, though, what matters for the poor is what happens in practice: how policies and official processes are translated into actual practices and outcomes. This chapter has highlighted the distinction between the rhetoric and the formal systems on the one hand, and the informal processes and decision-making that determine what actually happens, on the other. Even apparently benign policies towards informal sector businesses, land development and service provision may be degraded in the process of execution, or have unintended negative consequences for poor people. These are issues to which we will return in later chapters of this book.

## Notes

- 1 In 1999, Mombasa Municipal Council, already overstuffed and financially insolvent, took on 2000 additional junior staff through political patronage.
- 2 The Kumasi study records how the Chief Executive made key decisions, including dictating the budget, in the car park of the Metropolitan Assembly offices or at his home (King et al, 2001, p43).
- 3 There are, of course, circumstances in which some of the poor may benefit, at least temporarily, from certain forms of corruption: illegal electricity and water connections and non-enforcement of trading regulations, for example. But the impact of such arrangements is at best uncertain and uneven, and at worst imposes greater costs on the poor and increases their vulnerability.
- 4 It was the attempt by Mayor Balala to resist one such land-grab that led to him being ousted as Mayor of Mombasa (Rakodi et al, 2000, p161).
- 5 An exception is Ahmedabad, which seems to have remarkably high revenues. These come mainly from *octroi*, a local tax on goods entering the city. This tax is noted for its buoyant revenues but also for its negative impact on the economy.
- 6 This is somewhat surprising since in many other cities in the South, restrictions on transfers limit local discretion considerably.
- 7 Exempting low value rented properties may, in practice, benefit the owner (through the higher rents that can be charged) more than the (poor) tenant.
- 8 It is estimated that, for a family of five each using the toilet once a day, the cost would absorb 10 per cent of the basic wage (Devas and Korboe, 2000, p130).
- 9 Johannesburg, in common with other local governments in South Africa, has now introduced a progressive tariff structure for water which provides the first 6000 litres per month free of charge. It remains to be seen whether this arrangement can be self-financing without external subsidy.
- 10 This supports Grindle's contention that, in developing countries, policy making occurs mainly at the stage of implementation (Grindle, 1980; Grindle and Thomas, 1990).
- 11 For example, an analysis of budget implementation in Bangalore for 1997/98 suggested that, in order to show a positive balance at the end of year (as required by law), figures had been adjusted even though there was actually no surplus. More seriously, it appeared that capital expenditures had fallen short of capital receipts – in other words, the Corporation appeared to have been using loan funds to cover revenue shortfalls. In Mombasa, deficits are routinely disguised by postponing payments, leading to serious problems of indebtedness and inter-agency arrears.

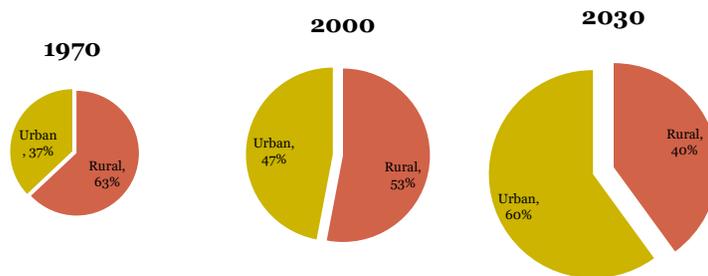
# Urban Infrastructure



# Urban infrastructure in Africa

## *Introduction*

- ***'Africa cities are the fastest urbanizing continent at a rate of 3.65% annually adding 350 million new city dwellers by 2030. A billion more people are expected to be living in African Cities by 2063.'***



- The exponential growth in urban centres led to **rapid densification thus exerting unexpected pressure on its infrastructure**. Such as
  - **Increasing water demand and decreasing supply**
  - **Increasing pressure on aging bulk services of sanitation and sewage**
  - **Increasing demand for electricity**
  - **Growing demand for decent affordable housing and other public services**

## Infrastructural Challenges in cities:

- In the African context, where urbanization is often driven by migration of the urban poor to cities **these infrastructural challenges are compounded by:**
  - ✘ Social challenges of inequality
  - ✘ Unemployment and crime.
  - ✘ Over-crowding
  - ✘ The endless traffic jams
  - ✘ The bad road network
  - ✘ The absence of meaningful infrastructures
  - ✘ Expensive to live, invest or run a business.
    - *29% more expensive than cities in countries at similar income levels. Families in African cities have to spend 55% more on housing than other regions (World Bank. 2017).*
  - ✘ The high transport, housing and food costs make labour more expensive

## Urban infrastructural gaps

- *Financial investment gaps*: The continent requires US\$ 93 billion to fund infrastructure needs, a large share of which is for urban areas. *“Two-thirds of the investments in urban infrastructure to 2050 have yet to be made”* (ADB, 2016).
- Infrastructure gap is reflected in the adequacy of **transport infrastructure in African cities compared with access to electricity, water and sanitation and telecommunications**.
- African cities are physically fragmented and dispersed with a **lack of connective infrastructure**.
- Many African largest cities are without paved roads. This poor infrastructure leaves people and forms disconnected, constraining their accessibility and economic opportunity.

- Problem of capital investment in Africa over the past 40 years.
- Insufficient concessional resources for urban capital investment.
- **Private participation in infrastructure** in Africa has been more directed at ICT, and to a **limited** degree, to energy and transport in terms of sectoral and country coverage.
- The **density of paved roads in Africa is less than one-quarter** of that in other low-income regions (Foster and Briceno-Garmendia, 2010). Within cities, roads are inadequate. For example. Roads constitute only around 10 percent of land area of several large African cities.
- **Colonial road network**, for example in Freetown. As a consequences, the few roads become highly congested as private users of cars ignore the negative externalities they generate

# Mobility/Urban Transport

## Introduction:

- Daily mobility is a major challenge in cities in Africa (UCLG, 2013).
- Increasing car ownership has out spaced management capacities – congestion.
- Cities struggles to provide decent public transport, but also lack a functional traffic management unit

## Why talk about transport in Africa?

- By 2020. transport will kill more than HIV, War and TB combined. The majority of victims are the poor and children
- Families and individuals spend upwards of 30% of their incomes on transport and energy services.
- Workers commute up to four hours a day (sometimes walking) to low-paying jobs, wasting time and losing productivity.
- Transport infrastructure investment is one of the leading causes of forced evictions and displacement worldwide.
- Upwards of foreign exchanges go to importing fossil fuels for urban transport bankrupting national treasuries.

## The Urban Mobility Challenge In Africa:

- **Mobility flows** are the key dynamics of urbanization, with the associated infrastructure constituting the backbone of urban form.
- Urban planners in African cities have largely **focused** on facilitating urban mobility by investing in new and expanded **infrastructure for private cars**.
- Rapidly rising motorization rates in **African Cities-Faster** than population growth
  - Africa an emerging market e.g. Johannesburg0Pretoria metropolis has to cope with an annual traffic increase of 7%

- Urban sprawl, congestion and emissions from vehicles
- Road traffic accidents – Pedestrians (38%), occupants (43%), cyclists (7%), motor bikes (7%) and others (5%)
- Africa is experiencing the highest per capital fatalities in the world – particularly non-motorised transport users.
- High population of imported used vehicles.
- Air pollution estimated to cause 4900 deaths per year

### Collective action:

- Unions and associations of public transport operators – self-regulation
- Little involvement of civil society and few channels for passengers to voice their views (Sohail et al., 2006)
- However, there is **not much scope for co-production of transport services**

## Freetown Case Study

- The country's Transport Policy was formulated in 2013, but it is still in its draft form and has not been adopted. The policy is predicated on the fourth Pillar of the Agenda for Prosperity –International Competitiveness. The policy reviews the transport needs of the country and shows how well these are addressed by the current transport system.
- The basic attributes of the required transport system are identified and converted into clear guiding principles that direct the transport strategy. The transport system consists of a network of infrastructure including all transport modes such as road, rail ports, airports and inland waterways, and the transport services operating on the network.
- The Transport Policy is yet to be finalized due to lack of political commitment and multi-sectoral involvement and coordination.

## Problems that characterized the urban transport in Sierra Leone

- Growing population/urban sprawl
- Limited land/urban space
- Poor land use planning
- Traffic congestion in the city
- Uncoordinated institutional arrangements
- Poor bus service – public transit
- Competition on the streets among private operators
- High bus operation cost
- Low customer satisfaction
- Poor bus labour working conditions
- Unsustainable finance for private and public transport
- Limited financial and human resource
- Poor infrastructure maintenance
- Weak enforcement of regulations
- Lack of long term National Transport Plans.

## Urban transport planning:

- A policy for transport development - multi-sectoral approach urban transport planning and a transportation plan
- Public transport reforms
- Institutional reforms and inter-agency collaboration/coordination

## Strategies for urban transport system interventions

- Pull strategies
  - Integration measures
  - Creation of pedestrians' friendly streets
  - Creation of recreational public spaces
- Push strategies
  - Improvement of public transport networks
  - Technological innovation
  - Improvement of management
  - Enhancement of the environment of buses and pedestrians
  - Parking roadway supply and pricing
  - Road supply and traffic engineering



## Urban Infrastructure

## Waste Management

**Mr. Braima Koroma – SLURC**



## Waste Management



- Waste includes those materials that are discarded, or are intended to be discarded
- Waste is a substance that has no further use and requires on-site or off-site treatment and disposal.
- Waste management (solid, liquid etc.) services is one the challenges facing institutions responsible for the implementation of environmentally-sound practices in most developing countries.



## Waste Management



Bad waste management leads to the contamination of water, soil and air, all of which have a major impact on public health and the spread of epidemics such as diarrhoea, typhoid, malaria and cholera

- Inadequate sanitation and waste management are major causes of disease worldwide
- Improvements bring significant health benefits to households and communities



## Descriptive definitions of waste types

- **General Wastes** are often associated with domestic or office activities, and include: Recyclable general waste (e.g., paper, wood) Non-recyclable general waste (e.g., food scraps)
- **Special Management Wastes** require enhanced management due to their physical state, chemistry, or potential to harm human health or the environment. Examples of these include: Recyclable special management waste (e.g., tires, drill rig fluids) Non-recyclable special management waste (e.g., domestic sewage, wash water)
- **Hazardous Wastes** (termed Dangerous Wastes in many locations) are commonly regulated in their handling and disposal, often at a national or international level. These include: Recyclable dangerous waste (e.g., oil, fuel, antifreeze, batteries) Non-recyclable dangerous waste (including hydrocarbon solvents, such as varsol and grease)

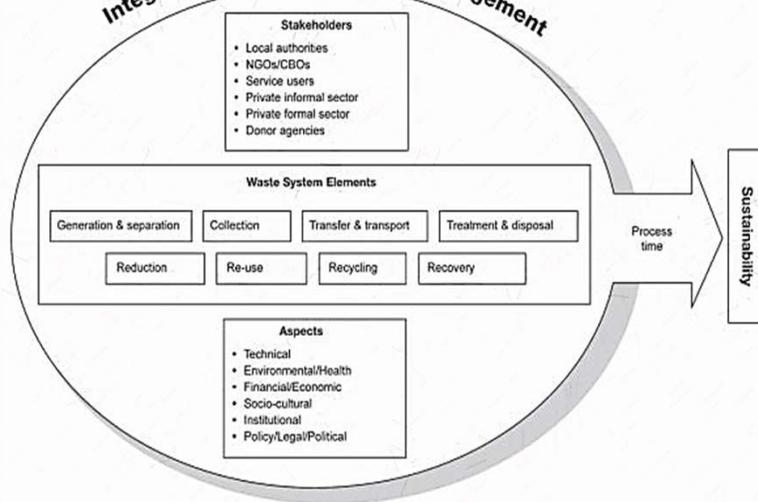


## Descriptive definitions of waste types

- Solid waste in a broader sense is understood as any household, industrial and agricultural materials that have been used up.
- Municipal solid waste does not include industrial wastes, agricultural wastes, and sewage sludge.
- Biodegradable waste is a type of waste, typically originating from plant or animal sources, which may be degraded by other living organisms.
- Non-biodegradable waste is the waste type that cannot be broken down by other living organisms



## Integrated Sustainable Waste Management





## Waste Hierarchy

The waste hierarchy refers to the 3 (or 4) R's of reduce, reuse, recycle, (recovery) which classify waste management strategies according to their desirability

**REDUCE** Waste minimisation is the process and the policy of reducing the amount of waste produced by a person or a society

**REUSE** To reuse is to use an item more than once. This includes conventional reuse where the item is used again for the same function, and new-life reuse where it is used for a different function

**RECYCLING** To recover materials which are renewed for some other use.



## The Waste Situation in Sierra Leone

- Urban areas in Sierra Leone are facing increasing population levels caused by rapid urbanization and natural population increases. This puts severe pressure on city governments to provide effective and efficient services (e.g. waste management) due to a lack of technical knowledge, inadequate organisation and limited finances and human resources
- Therefore, delivering solid and liquid waste management services in the country has been a serious challenge for the institutions responsible for the role.
- This has led to the contamination of water, soil and air, all of which have led to epidemics such as diarrhoea, typhoid, malaria and cholera



## Approaches to Waste Management in Sierra Leone

- In the late 1990s, the cities of Freetown, Bo and Kenema were part of a waste management modernisation project called the IDA Transport Sector Project. The key aim was to generate employment, through local contracts and was implemented by the SLRA with supervision by the Ministry of Transport and Communication.
- In 2005, following an assessment of the environmental health and waste management situation (by the MoHS and the UNDP), the World Bank agreed to fund the provision and preparation of landfill sites in six cities: Freetown, Koidu, Bonthe, Kenema, Makeni and Bo. Freetown was later dropped due to the complexity of the city and the size of the challenges.
- Between 2008-2010, UNDP supported, a solid waste management programme in Bo and Makeni with the aim to strengthen the waste management capacity of the municipal Councils in the two locations



## Current solid waste management situation in Freetown: *Waste Generation*

- In Freetown, the actual production of waste is not as high as in middle and high income countries, but the lack of proper funds jeopardises the provision of adequate waste management services
- Freetown is estimated to produce 900-1000 tons of solid waste per day, comprising around 0.5 kg/capita of household waste and an unknown amount of other types of wastes (Abarca and de Vreede, 2018)
- The waste storage practices of the resident households are rather poor
- The composition of the waste in high income areas is mainly, organic residues (70%), with 30% composed of plastics, textile products, glass, metals, paper and cardboard.
- Low income areas mainly produce dust/ash, organic matter and few plastics. These plastics are sometime sold to vendors



## Waste Collection

Currently, around 40% (360-400 Ton/day) of the total solid waste of the city is collected by MASADA (which replaced the Freetown Waste Management Company) and other regulated informal private operators

540-600 tons per day are disposed outside the formal disposal sites

An umbrella organisation called “KlinSalone” (formed in 2007 & consisting mainly of youth groups) with support from the GIZ (equipment, salaries, training and coordination) provides convenient and affordable waste collection services while promoting sustainable employment for its members

Low density high and middle income areas are served by private collectors, who have been given permits and identification cards by FWMC to deliver the service



## Transfer and Transport of Waste

After collection, waste is transferred either to the identified legal “transfer stations” run by MASADA (There are more than 45 waste transit points in Freetown) **or** the several illegal points across the city **or** directly to the two legal/final disposal sites, (Granville Brooke for the eastern and Kingtom for the western part of the city).

Legal “transfer stations” receive household waste collected by the private operators who pay a tipping fee to FWMC of 200,000 – 300,000 LE/month.



## Treatment of Waste

- Households usually burn waste on site due to the absence or unreliability of the collection system. This practice is common way to reduce volumes, but this can cause environmental pollution especially when burning plastics with chlorine molecules, which produce dioxins or furans which are highly toxic.
- The lack of an efficient and effective waste collection service also encourages inhabitants to dispose of their wastes in water courses, drainage channels, vacant land and alongside roads.
- Treatment is done in the two formal disposal sites, Kingtom and Granville Brook, which were initially designed as controlled dumps but due to lack of maintenance, equipment and human resources they became unhygienic disposal sites.

**Note:** When they were constructed, both disposal sites were on the borders of the city, but are now, surrounded by low income neighbourhoods.



## Present Institutional Context

- Over the years there have been continued changes in the institutions responsible for leadership in regard to waste management. It has moved from the **Ministry of Health and Sanitation (MoHS)**, to **FCC**, then to **the Ministry of Youth and Sports**. Recently, the responsibility has been handed back to **FCC**.
- However, because the MoHS still oversees policy formulation and other national level processes around sanitation and waste management, it is still a major stakeholder. The Environmental Health Division (EHD) of the Ministry of Health and Sanitation is also an important actor in the management of wastes in Freetown
- Other stakeholders include the **District Health Management Teams (DHMTs)**, **MASADA** (privatised waste management provider), the **WASH Consortium**, **KlinSalone** and **a range of Private waste pickers**

## A Situational Analysis of Waste Management in Freetown, Sierra Leone.

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**Abstract:** Freetown served as safe haven for thousands of people from the provinces during the war and suffered a corresponding increase in the rate of generation of waste with very little waste management facility as such facilities were vandalized or completely destroyed. Solid waste management in Freetown has been under variable organizations, with each change further deteriorating the system, bringing it on the verge of collapse. Freetown Waste Management Company (FWMC) is struggling to manage the wastes, hence, the need for the intervention of potential investors/donors to ameliorate this waste management problem by helping address this problem sustainably for the betterment of the lives of all Freetown residents. Streams of waste are characterized by their sources, the types of waste produced, and the composition and generation rates; therefore, knowledge of these characteristics is required in order to design and operate appropriate waste management systems, hence, the need for the Sierra Leone Government or FWMC to set limits on certain physical characteristics and properties for waste classifications; having significant implications for the collection and disposal of various waste streams, since any material deemed hazardous must be handled with specific protocols. The total quantities and characteristics of waste streams generated are yet unknown, with uncategorized refuse, poorly collected, dumped at the two city's insanitary landfills, hence exposing FWMC workers, scavengers, etc., to the dangers of hazardous waste. This appalling garbage situation needs efficient corrective measures or serious rehabilitation; otherwise it will adversely impact the living conditions of the people, further endangering their environment and health. [Journal of American Science 2010;6(5):124-135]. (ISSN: 1545-1003).

**Keywords:** Sierra Leone, Hazardous waste, health care waste, landfills, Freetown Waste Management Company.

### I. Introduction

Management of waste in Freetown poses costly and annoying problems (including low service coverage – averaging 40%, insufficient budgets, highly inadequate equipment, substantial inefficiencies such as high costs, low quality service, low labour productivity, poor public attitudes, and widespread illegal dumping). With respect to waste management, a direct relationship exists between a city's population size and both the percentage of waste removed and rate of household enjoying regular waste collection. If solid wastes are not managed properly, they can pose many environmental and human health risks for many Freetown's inhabitants; for instance, refuse blocking storm drains can cause malaria and other diseases and fires set at disposal sites can cause major air pollution,

causing illness (mostly respiratory) and reducing visibility, making disposal sites dangerously unstable and possibly spreading contaminants to adjacent property. Unfortunately, Freetown's poor bear an uneven burden of the impact of externalities resulting from poor management of municipal solid (and/or liquid) wastes.

In a study carried out by Sood (2004) for the Government of Sierra Leone, it was estimated that over 745 tons day<sup>-1</sup> (averaging 0.45 kg person<sup>-1</sup> day<sup>-1</sup>) of garbage is generated in the Freetown municipality, of which, biodegradable organic waste, mostly from residential areas and vegetable markets, accounts for over 84%. Construction, demolition debris and yard wastes are not included in this estimate as these are highly variable and skew quantity assessments.

However, medical, toxic, and hazardous wastes are included, as these are currently disposed off with regular wastes. Additionally, the few Freetown industries contribute approximately 20 tons day<sup>-1</sup> of wastes, mainly, broken bottles and glasses, waste cans, rags and plastics, and small amounts of hazardous wastes.

## II. History of Waste Management in Freetown and other parts of Sierra Leone.

Waste management in Freetown has been under variable organizations, both public and private. Unfortunately, each change further deteriorated the system, bringing it on the verge of collapse. The Freetown Waste Management Company (FWMC), the current authority, is struggling to manage the wastes under tight budgets, limited trained but inexperienced manpower, and little or no legislative authority and experience in waste management. Given the lack of education and awareness, and coupled with the very weak penalties (if any) for non-compliance, the public at large is also generally non-cooperative.

The main issues noticeable in the system are highly inadequate and malfunctioning equipment; inefficient collection practices with quite a variable levels of service, poor and unhygienic operating practices; including no environmental control systems; open burning of garbage; indiscriminate illegal dumping and littering; and a public with seemingly little sensitivity to the garbage around them or any awareness of what represents responsible waste management. Coupled with changing waste management authority, the appalling garbage situation, with its present state of management in Freetown, which borders collapse, needs efficient corrective measures. A collapse of the system will adversely impact the living conditions of the city dwellers, further endangering their environment and health. Freetown's solid waste management system needs serious rehabilitation, first on an emergency basis, followed by development and implementation of long-term, sustainable measures. It also needs a change in behavior of individuals and the society. A successful solid waste management depends on an efficient operational system from the outset. It is commonly recognized that four technical pillars of any SWM system are: (i) storage at or near the point of generation, (ii) collection of waste, (iii) street cleansing, and (iv) transport and disposal of wastes. Each of these precepts for sustainable SWM also requires careful planning and implementation by a financially sound, well-footed institute that has executive authorities and appropriate policy and legislative support. In addition, the participation, organization and management of relationship between all key stakeholders must also include consensus building throughout the planning

process, which also requires regular revisions and updating. A sound solid waste management system is also essential for sustained economic growth, which in turn can also help generate better revenues and potentially better waste management resources and services (World Bank, 1999). Unfortunately, a sustainable solid waste management system is beyond the ability of any municipal government alone, as is the case of the Freetown City Council (FCC). To meet this need, SWM authorities in many countries are increasing involving private sector and communities as key participants.

In terms of solid waste management, in Freetown, there is too much to do, and at present, there is too little to do it with. Waste management in Freetown, under shifting authorities, has been treated as a political football. Table 1 shows the Record of our Solid Waste Management Responsibility.

The Sierra Leone Department of Health and Human Services (DoHSS) was assigned the responsibility in the 60s which nominated FCC in 1971, an urban Health Authority to manage Freetown's solid wastes. However, the FCC had difficulty in providing the services, and in late seventies, given the hosting of the 1980 Organization of African Unity (OAU) conference in Freetown, the Health minister, while launching a "Keep the City Clean" campaign, also transferred the waste management to the Ministry of Health, DoHS's (Department of Health and Sanitation) new name. In early 80's sanitation was added, and a new name - the Ministry of Health and Sanitation (MoHS) emerged. In 1987, the MoHS assigned the waste management responsibility to its (then newly created) public health units under its Environmental Health Division (EHD).

The *Kreditanstalt für Wiederaufbau* (KfW) of the Federal Republic of Germany helped the EHD's Public Health Units with technical and financial assistance during the 1980-1990 periods, which assistance included provision of waste management vehicles, equipment and consultancy services. The equipment provided included ten (10) skip trucks, two (2) tippers, two (2) front-end loaders, three (3) monitoring vehicles and one (1) one-track bulldozer. The assistance, however, was abruptly halted in 1994, because of the Sierra Leone's government's political misunderstanding, and declaration of the German Ambassador as *persona nongrata*.

The World Bank, in 1995, under its Freetown Infrastructure Rehabilitation Program (FIRP), provided two (2) skip trucks, two (2) monitoring vehicles and thirty (30) skip containers to the city. Additionally, the project also provided one (1) truck in 1997. Unfortunately, by this time, most of the skip trucks provided earlier by Germany had ceased to operate, creating an acute shortage of skip trucks

needed to cope with the city's growing requirement. Coupled with the domestic insurgency, by this time, most of the equipment was damaged or destroyed. In 1999, based on government's request the British government provided used waste management equipment including four (4) skip trucks, three (3) cesspit emptier, two (2) waste bowzer, and two (2) tipper. Almost all of these vehicles have since been grounded due to lack of maintenance.

Table 1: History of waste management in Freetown, Sierra Leone.

Date	Name of Authority
Before 1961	Department of Health and Human Services (DoHSS)
1971	Freetown City Council (FCC)
1980	Ministry of Health (MoH)
1982	Ministry of Health, German Assistance and Ajibu Jalloh – Private Contractor
1987	Environmental Health Division (MoH), German Assistance and Ajibu Jalloh-Private Contractor
1993	Environmental Health Division (MoH) with assistance from Freetown Infrastructure Rehabilitation Project (FIRP)
1995	Environmental Health Division (MoH) with assistance from Freetown Infrastructure Rehabilitation Project (FIRP)
May 2003	National Youth Multi-purpose Cooperative Society (NYMCOS) under Ministry of Youths and Sports (MoYS)
March 2005	Freetown City Council (FCC)
February 2008	Freetown Waste Management Company (FWMC)

The waste management situation further deteriorated significantly under the EHD's resumption of Freetown's waste management responsibilities. As before, key contributing factors were essentially the same and included high bureaucratic inefficiency, corruption allegations especially in the procurement of spare parts and existence of "ghost" workers, poor management, lack of accountability, and lack of funds. The continued restructuring also placed junior, inexperienced, and incompetent staff over the qualified and the experienced ones, adversely impacting staff morale and performance.

At this time, EHD's key solid waste personnel included its chief, one Senior Sanitary Engineer (SSE), one Sanitary Engineer (SE) and three Public Health Inspectors. In addition, EHD also had 57 junior staff and 328 labourers. In terms of equipment, the EHD's

main operating equipment (until 1994) included one (1) bulldozer, nine (9) skip trucks (average availability 80%), two (2) dump trucks (90% availability), two (2) loaders, ten (10) other vehicles, and three (3) cesspit emptier and 2295 m<sup>3</sup> vehicles. Waste containers were emptied according to the appraised requirements, daily or less frequently.

Following several field missions consisting of the MoHS and UNDP, assessing Environmental Health and Waste Management situations in five major towns and Freetown city in 2005, a project concept on Sustainable Waste Management was designed by the MoHS, in cooperation with the UNDP Governance Unit. At the same time, the World Bank, as a key partner, agreed to fund the provision and preparation of landfill sites. To formally launch the project in the different towns, a 2-day Validation Workshop (called "Write-Shops") was organised in each of the six locations: Koidu, Bonthe, Bo, Kenema, Makeni and Freetown. Detailed implementation plans were put up at these Write-Shops, and the local community; from paramount chiefs to religious leaders, to representatives from schools and local police, was at the forefront of their development.

As an emergency measure, also the IDA Transport Sector Project (TSP) financed a solid waste collection program for Freetown, Bo and Kenema designed mainly to generate employment, through local contracts; and was implemented by the Sierra Leone Roads Authority (SLRA) under the overall supervision of the Coordinating and Monitoring Unit (CMU) of the Ministry of Transport and Communications (MoTC). Makeni, the headquarter town of the Northern Province, was not included at that time due to the problem of inaccessibility caused by the war. Although relatively successful, these service contracts ended in March 2002, and the MoHS continues to be responsible for the management and sustenance of refuse collection and disposal in the country.

The Ministry of Youth and Sports (MoYS) was responsible for managing the city's wastes in May 2003. The transfer of solid waste management to the MoYS also created an ideal enabling environment to partially tackle unemployment, drug abuse, and the homelessness of city's vast numbers of unemployed youth. For collection, the MoYS has assigned the responsibility to one of its (non-professional) branches, called "National Youth Multi-purpose Cooperative Society", (NYMCOS). Earlier, the NYMCOS youths were engaged in mostly voluntary services in the cleaning of strategic public places, streets, drainages, and sidewalks.

However, in March 2005 the responsibility of the management of Freetown's waste was transferred to the FCC, which used to receive between 35 and 40 million Leones per year from government for garbage

collection by paying staff monthly salaries, hiring and fuelling vehicles and machines, providing protective gears and medical care for the workers. To compound the problems, there were very few official garbage dumping sites, so the overcrowded-city residents use gutters and other unofficial sites resulting in choked waterways/streams that flow down to the sea, depositing waste into the waters that only wash up again on the beaches, destroying the environment and beautiful tourism sceneries. The reality on the ground was that there was an inadequate number of trucks to clear garbage as they were generated. The vehicles and few trucks the council was using were donated by the Libyan President and some trucks were out of service by then. This waste disposal situation would have brought about many health hazards in the city. For instance, residents of Fort Street and Lucas Street among others trapped in heaps of filth and unbearable stench have complained about dirt-related sicknesses. One of the residents remarked that, mosquitoes and flies continue to increase, respectively, malarial- and diarrhoeal-related deaths in the communities and that the transit points are now garbage fortresses sometimes blocking human and vehicular traffic (Concord Times-Freetown, 2008a).

Based on the recommendations of a study by Sood (2004), a World Bank project aimed to help Freetown manage its waste in an effective and sustainable manner, will fund equipment for much-needed emergency and the short-term, two to four year cleanups, as well as helping establish an independent organization, Freetown Solid Waste Management Company (FSWMC, named proposed by Sood 2004 report), capable of implementing these activities. Equally important, for Freetown, the outputs can provide long-term sustainable solid waste management (SWM) services.

To implement the recommendations of the report by Sood, the Sierra Leone Government, in 2008, decided to take garbage collection from the authority of FCC, and called for its privatization to ensure Freetown from continuing been filthy and to avert huge capital investment spent in solving the traditional structural problems in waste management. The council no longer had the logistical capacity to dispose of the city's mounting garbage as all the vehicles used by FCC were not able to collect the volume of garbage at dumpsites and it was not pleased with government's decision as garbage collection has traditionally been the responsibility of the local council. The FWMC (a name almost the same as that proposed by Sood) was given that mandate backed by a three (3) million US dollar World Bank loan and it started operations on February 1, 2008. This company inherited 520 cleaners from the GTZ/Klin Salone (GTZ – Germany's agency for overseas development/German technical cooperation in

collaboration with Klin Salone - a youth-based enterprise) programme; whereas the real running cost they inherited was one hundred and twenty one (121) million Leones a month from the government and GTZ, together with its, providing the balance money needed for the cost of providing safety gears and salaries of 520 cleaners and the running and maintenance of 11 trucks and other equipment, 2 tippers and 9 compactors which had to be fueled on a daily basis and repaired and other administrative costs. The Project Manager of GTZ in Sierra Leone said they came up with the Klin Salone project to promote health, a cleaner environment, and create jobs for some hundreds of marginalized youths (the most vulnerable in the country) through the private sector after years of war and political instability. For the past one year and half, GTZ worked with 42 youth groups in Freetown who have been actively involved in both the public and door-to-door collection of wastes.

### III. Study Area

Freetown is the capital and largest city of Sierra Leone. A major port city on the Atlantic Ocean located in the western region of the West African country. The climate of Sierra Leone is tropical (hot, humid); with the Rainy Season lasting from May to December and the Dry Season from December to April, and rainfall along the coast can reach 495 cm a year with Freetown having the highest amount of rainfall, greater than 3500 mm, hence one of the wettest places along coastal western Africa. The other main towns in Sierra Leone include Bo, Kenema, Makeni and Koidu.

The ten-year (1991-2001) old rebel war severely impacted Freetown's economic and infrastructural developments, including the vandalization or complete destruction of waste management equipment such as skip trucks, skips/large containers, etc, coupled with swelling its population from 1.2 million in 1994 to an estimated high of 1.4 million in 2006 (Rosenberg 2006). Recent UN and World Bank estimates indicate a projected annual population increase of 4.0 for Freetown (World Factbook 2008), which would proportionately increase the amount of solid waste generated with resultant inadequate sanitation, etc. The result of serious population migration has been squalor, poor housing, inadequate sanitation, congestion, pollution, poor public services, and chronic unemployment, particularly among the youth, most of who are without any employable skills. The ubiquitous pile-up of garbage, can be seen everywhere in Freetown. Also, most city drains are clogged with garbage and even a number of manhole covers have been removed to dump garbage. Many existing skips/containers that also act as transfer stations for the solid waste are broken. Often, garbage is strewn around, where scavengers (mostly

children and wandering dogs, birds, pigs, and other stray animals) forage amongst the rubbish, spreading it around. City's coastal area residents dump their wastes into the sea, whilst, in poor neighborhoods, collected waste is often set on fire. The situation is a major contributor to the city's significant rise of the incidence of vector-propagated diseases.

Besides increasing population, in general, problems with solid waste management particularly in Freetown and Sierra Leone in general, are a lack of continuity in implementation of government policies (which are sometimes inadequately formulated), financial and operational constraints, and unfortunate attitude of citizens towards waste management. Poorly collected waste is subjected to much quicker putrefaction, stronger stinks, and more flies (vectors of diseases) and during the long rainy season of Freetown the waste, being uncovered, becomes soggy, smelly and difficult to handle (collect and transport).

#### IV. Analysis of the Existing Situation

As indicated earlier, the ten-year rebel war severely impacted the infrastructure, the agriculture, and the economy of Sierra Leone. During and by the end of the war, thousands of refugees, mostly rural poor migrated to Freetown, swelling its population.

The ubiquitous pile-up of garbage is a significant contributor to the city's significant rise of the incidence of vector-propagated diseases. Currently, most of the city's drains are choked with rubbish. A number of manhole covers have been removed so that garbage can be dumped there. Where special dumps or public "dustbins" or containers (skips included) are provided, garbage is often dumped outside due to lack of capacity, poor collection, and/or public insensitivity. Open Dumps allow free access to waste pickers or scavengers, animals, and flies; and often produce unpleasant and hazardous smoke from slow-burning fires. Garbage can be seen strewn everywhere, scattered, or in small or large piles, many of which are regularly set on fire, used as a waste disposal option. Waste generation in Freetown far outstrips its collection and transport.

From media reports, it seems as if the company presently in charge of waste management in the city, FWMC, is struggling to cope with the present situation (Concord Times-Freetown, 2008a, 2008b and 2009) as it suffered so many strike action threats from workers in 2008 and 2009 because of reasons of poor conditions of service and unfair treatments, including but not limited to, late or none payments of salaries, non-provision of workers protective gears, no medical care for the workers, the attitude (molestations) of some bosses to their workers; inadequate funding; lack of heavy equipment and other working tools to do the job; lack of trained and experienced workers to

efficiently do the job; insufficient availability of official garbage dumpsites; etc.

Kroo Bay, one of the largest and poorest slums in Freetown, is located at the mouth of one of the rivers which crosses Freetown, so all waste dumped in the streets and in the drainage systems all over the city will all end up there causing a health risk and a serious environmental disaster (for instance, massive flooding during the rains) to the inhabitants. And also drains along the streets of Freetown, meant to collect rainwater in the rainy season, become clogged with waste and during heavy rainstorms entire areas of the city are flooded as a result of bad management of the waste.

At the two dumpsites (i.e., Granville Brooke Landfill in the East and Kingtom Landfill in the West of the city) in Freetown, thousands of scavengers make their living from the collection of waste. They collect cans and other metallic objects, plastics, and other products in order to sell them for few Leones (the local currency). Healthcare waste is also dumped at the dumpsites, mixed with domestic waste, increasing the risk of infection with Hepatitis B and HIV and other diseases (World Bank, 2000).

Silvia Garcia, a researcher, Caledonian Environmental Centre/PhD student and 2009 Gordon Masterton/Magnusson Award winner, went on a successful working visit to Freetown in April 2009 as a part of twelve (12) professionals working in the waste management sector in the United Kingdom (UK); on which visit, this group was able to review the city's waste problem from top to bottom and held meetings with a number of key stakeholders including the FCC Mayor, FWMC, GTZ, the British Council, Klin Salone, MoH, the World Bank, hospitals and universities. These experts delivered training in relevant waste management approaches to a mix of waste practitioners and universities and organized environmental awareness sessions with a large group of very enthusiastic school children; and also delivered a session with the aim of launching an ecoschools programme in few schools selected by the British Council. This opportunity was used by them to raise awareness of waste and environmental issues and assist in setting up environmental clubs. They gave to the School of Environmental Sciences (Njala University, NU) some waste management books donated by Dr. Gholam Jamnejad of the Built and Natural Environment Department at Glasgow University; and are currently working on potential partnerships between Sierra Leone and UK universities. Before their departure, the group also undertook a waste and environmental audit for the Freetown's British Council offices; and later presented the main findings of their visit to the group of stakeholders.

Upon their arrival to the UK, Silvia, on behalf of the group, expressed her appreciation, “Thanks to the Magnus Magnusson Award and my employer, Caledonian Environment Centre, I am part of this project. It has had a great impact on me, both professionally and personally. After being in direct contact with the severe poverty my perception of life has changed; my “problems” are not problems anymore and I have realized how well we live in the UK. Professionally, waste in developing countries is a new area to develop which is much more challenging than my everyday job in the UK. I believe that nobody can remain indifferent after such an experience. We are therefore very keen to continue our project, in order to work towards a sustainable transformation of waste management in Freetown. We are currently working in a document that summarizes our findings, intended activities and future actions, which will be presented to potential investors/donors in order to address the waste management issue in Freetown”.

In a recent media report (Sierra Express Media, 2009), contrary to Concord Times-Freetown (2008a, 2008b and 2009), the General Manager and Operations Manager of FWMC claimed that, the company was embarked on recruiting more manpower to help clean the city and that they were engaged constantly in efforts to sensitize the residents of Freetown about the need for respect for sanity and cleanliness; there’s an ongoing construction of garbage disposal points all over the city; and the company has procured more vehicles, motor cycles and push carts to make sure that the city is clean on a twenty-four hour basis.

In August 2009, the Government of the Republic of Sierra Leone (through the Ministry of Finance and Economic Planning), on behalf of the FWMC, released an “Invitation for Bids” notice for the construction of Transit Points (including perimeter fence walls) in Eastern and Western Freetown and Access Roads within the Kissy Grandville Brooke Landfill and the Kingtom Landfill, Freetown, and Rehabilitation of Offices and Garages at Works Yard, Blackhall Road, Freetown. The government recently received this financing from the International Development Association (IDA) toward the cost of the Sierra Leone Water and Power Project (Water and Sanitation Component), of which funds IDA intended applying a portion, through the FWMC, to eligible payments under the contract for IFB No: FWMC/NCB/08/01.

## V. Waste Collection Practices, Categorization and Disposal Methods

### 5.1 Collection Practices

The snags to an efficient or rather house-to-house waste collection in Freetown include, the

unwillingness and/or inability of the residents to pay for such services; coupled with large areas of the city been highly congested, making up more than two-thirds of all city neighbourhoods, mostly inhabited by low-income communities. Additionally, waste storage practices at homes are rather poor, adding to the insurmountable collection difficulties. Unsorted waste is often stored in old leaky buckets, and used paper/plastic bags instead of a bin lined with plastic bags. Given the small-scale house-to-house collection, pre-collection from homes to the public or communal skips placed at strategic spots in the city, has to be organized by households or some informal private groups; thus, household waste is thrown by a family member, usually either a child or a family servant and since 2005 this has been done on a very limited basis by an arm of National Youth Multi-purpose Cooperative Society (NYMCOS), doing the service for a negotiated payment from the households concerned. To add to the waste collection problem, there has never been any transfer station, a common situation to most Africa countries. Rubbish picked up by collection workers (not provided with safety gears, including gloves, etc.) from communal skips is moved straight for the city’s two disposal sites.

Table 2: Garbage Skips Distribution and their Average Monthly Collection Rates (Adopted from Sood, 2004)

Zone #	Zone Range	# of Skips	Collection Frequency	Estimated Population
1	Calaba Town to Ferry Junction	11	30	185,000–200,000
2	Ferry Junction to East End Police Station	9	20	185,000–210,000
3	East End Police Station to St. John	8	25	250,000–285,000
4	St. John to Juba Bridge (7 <sup>th</sup> Battalion)	26	50	275,000–410,000
	Total No. of Operational Skips	54	31.2 (Avg.)	

The then Ministry of Youth and Sports (MoYS) in early 2000 divided the city into four zones for waste collection (as shown in Table 2); each zonal team consisted of ten members who had access to tipper trucks, 5-7 ton capacity wheelbarrows, and related equipment including shovels, long and short brooms, rakes, shovels, etc.

Household waste in Freetown is collected using 6 m<sup>3</sup> skips, which are strategically located along various streets and given their (skips) highly inadequate number, wastes are often illegally deposited in small dumps along city streets, and market and business districts, making collection inefficient and expensive. Furthermore, often immobilization rate of waste collection vehicle reaches about 70% in Freetown, thereby seriously impacting the rate of collection. The volume of waste to be collected in areas, where manual collection is performed, often far exceeds the capacity of the collection system. To salvage the situation, a few community groups collect their own waste; which, however, often end up as garbage mounts elsewhere. In economically better neighborhoods, such as Signal Hill, and Wilkinson Road, etc., waste collection is performed at least three times a week, on the average, considered a desirable collection frequency, but poor neighborhoods, like Calaba Town, Wellington, etc., are serviced less frequently, once a week, on the average; the reasons cited for the variation been better roads, little or no congestion, etc., in economically better neighborhoods making vehicular waste collection easy.

Streams of waste, broadly categorized into “controlled” and “non-controlled”, are characterized by their sources, the types of waste produced, and the composition and generation rates; therefore, knowledge of these characteristics is required in order to design and operate appropriate waste management systems. The single most important part of waste classification is accuracy because all other waste management requirements (including monitoring and controlling the existing waste management systems, and making regulatory, financial, and institutional decisions) hinge on this one assessment. It’s also proper to determine the volume, density and weight of solid waste produced to estimate the storage requirements and collection frequencies and devise suitable collection methods.

## 5.2 Waste Categorization

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Table 3: The eight major categories of Solid Wastes (modified from Sood, 2004)

Source	Typical waste generators	Types of solid wastes
# Residential	Single and multifamily dwellings	Food wastes, paper, cardboard, plastics, Textiles, leather, wood, glass, bulky items, and household hazardous wastes
# Industrial	Light and heavy manufacturing	Housekeeping wastes, e-waste, packaging, food wastes, demolition materials, wastes from mining industries (mine tailings), etc.
# Commercial	Stores, hotels, restaurants, markets	Paper, cardboard, plastics, wood, food wastes, hazardous wastes, e-waste, etc
# Institutional	Schools, hospitals, prisons	Same as commercial, government centers, new construction sites, road repair, Wood, steel, concrete wastes, e-waste, etc.
# Municipal Services	Street cleaning, etc.	Street sweepings; landscape and tree Trimmings, general wastes from parks, sludge water, e-waste, etc
# Process wastes	Heavy and light manufacturing	Slag, mineral tailings, etc
Agriculture	Crops, orchards, vineyards, dairies	Spoiled food wastes, agricultural wastes, etc.

# All should be included as “municipal solid waste”

Principally, the three main classifications of urban solid wastes are municipal, industrial and hazardous. But, the designation of a material as ‘municipal waste’ depends upon the individual city’s definition of

municipal solid waste. Nonetheless, the current waste authority, the Freetown Waste Management Company (FWMC) handles solid waste, known as “controlled waste”, from households, markets and institutions, street and public open spaces, dead animals; “uncontrolled waste” from agriculture, mines and quarries; and non-hazardous waste from processing and industries. The eight major categorizations of solid waste generators are as shown in Table 3.

### 5.3 Disposal Technologies

Freetown’s wastes are disposed of at the city’s two landfills, which are essentially open dumps; which approach can be classified as the primitive stage of landfill development and is the predominant waste disposal option in Freetown. These uncontrolled or insanitary open dumps have no environmental safeguards, hence, can pose major public health threats, and affect the landscape of Freetown.

#### 5.3.1 Municipal Wastes

The two landfills, Kingtom and Granville Brooke, located at the western and eastern ends of the city, respectively, were initially designed as controlled dumps. In addition to the disposal at these landfills, there is also significant illegal dumping of wastes at vacant lots, street corners, roadside, the city’s drains (mostly clogged with garbage), and the few streams from the mountainside that empty into the sea.

Bulk of the refuse deposited at these landfills is mainly domestic refuse and market-refuse, mainly from the public markets; with organic, biodegradable waste accounting for the largest component with lesser amounts of industrial and street-refuse, in addition to the city’s medical, hazardous, and toxic wastes. Uncategorized refuse are dumped at these landfills as all refuse is mixed and piled at available or accessible areas at each dumpsite. Some commercial and other institutions, which pay little or no fee to the waste management authorities, do their own dumping using their own refuse carts or vehicles. Waste is tipped in heaps at each of the landfills, and leveling of these occurs in a several-day rhythm depending on the availability of a bulldozer [given the high daily hire costs of \$600 day<sup>-1</sup> in late nineties and early 2000 (Bartone, 2001)], which works diagonal to slope. With infrequent bulldozing, smaller fraction of all collected medical waste disposed with regular waste, come up to the surface of the dumpsite. Uncertain bulldozer availability often results in garbage heaps that are intermittently burnt to decrease volume, and to make space for incoming garbage, thereby polluting the environment and posing some health risks to the residents. There exists the potential for open as well as controlled dumps to significantly pollute an area’s groundwater; as water percolates through the solid

waste in landfills, it absorbs chemicals and microorganisms present in the rotting materials. The uncontrolled discharge of liquid formed in solid waste dumps or landfills, known as leachate, contaminates ground and surface waters, and thus, pose environmental and public health risks to the local area. Additionally, the emission of harmful gases such as methane (highly flammable gas having the risk of explosion and affects global warming), given its high calorific value, need to be controlled and economically utilized. Each of the two landfills has at least one (1) rudimentary office and no weigh station or formal tipping area. The staff at each landfill is skeletal and it’s composed of five laborers, two supervisors, one clerk, at least one health inspector and two security guards.

The 2-3 skip trucks, used to transport skips to the city’s wastes to the nearest dump, are supported by two front-end loaders dump trucks to haul garbage. When in good conditions, these trucks work right around the clock, sometimes, driving over scattered waste dumps; as use of bulldozer for waste leveling is highly irregular, given the high daily hire costs, when available for renting from a private company. Because the city’s environment is congested, a huge number of skips are hauled at night usually by a crew of four, including a driver and during the day, pushcarts, both small and large, transport wastes from neighborhood to the nearest skip/container or illegal dump, many of which seem to have never been cleared. In many of these containers, garbage is regularly set on fire to dispose of wastes. Sood (2004) estimated that over 40-50 percent of the total garbage in Freetown is disposed of illegally, including large quantities been dumped in open drains, sewers, street corners and so on. Furthermore, each of the landfills, particularly the Kingtom’s, is also reaching its designed capacity, which situation is exacerbated by the lack of appropriate equipment, in particular to level the refuse, preventing “refuse hills.” The two landfills have already failed, having been pushed beyond their engineered limits; and due to poor operational practices, each landfill has almost degraded into potentially hazardous and toxic dump. At the fringes of each of the landfills, some vegetable gardening is done by squatters living in makeshift huts and they are also engaged in various small-scale industrial activities. The leachates from these open dumps entering the adjacent surface and ground waters will expose downstream residents to disease organisms in their bathing, irrigation, and drinking water supplies, and through eating contaminated fish and other foods. Consequently, proper management of the two landfills can effectively remedy this situation.

#### 5.3.2 Industrial Wastes

Commercial and industrial wastes are privately collected and transported to nearest dump site. For instance, the Sierra Leone Brewery Limited (SLBL) collects and deposits its waste at the nearest dumpsite, at no cost. Forms of wastes from Freetown's industries, including the SLBL, Freetown Cold Storage Company Limited (FCSC), range from solid (broken bottles, plastics, spent grains and yeast), liquid (including detergents used for cleaning bottles and other equipments) to gas (basically CO<sub>2</sub> which is a product of fermentation). The non-biodegradable ones include bottles and plastics and the spent yeast extracts from Brewery are believed to be biodegradable, thus, releasing dangerous gases. The SLBL's liquid waste, mostly of unknown composition, is discharged untreated into a nearby Rogers Stream as the SLBL has no wastewater treatment plant. However, it must also be noted, that an effort is being made in the factory to minimize the amount of CO<sub>2</sub> going into the atmosphere as some percentage is trapped and used in the gasification or carbonation of the final products. Also used in the manufacturing process is caustic soda and its wasted excess, being a base, will cause alkalinity (increase in pH) of the surrounding streams to which it is released, hence aquatic life will be threatened.

Surface mining methods to extract ore are employed by most of the mining industries in most rural areas of Sierra Leone. By its very nature, surface mining causes disturbance to the surface of the earth and its associated activities is certainly detrimental to humans, animals and plant lives in the short term. The mining industry, however, differs from the other production industries in generating an extremely large quantity of waste materials in the form of overburden tailings heaps, slags, sludge and mineralized deleterious wastes; hence, causing adverse environmental effects on the landscape in its broadest sense and on the community depending very much on the particular mining company. Some 700,000 tonnes of slimy, red (mainly  $\leq 2.5$ mm tailings consisting mainly of alumina, silica, kaoline and iron oxide) wastes from the Sierra Leone Ore and Metal Company (SIEROMCO) process plant are disposed of into impoundment areas in valley adjacent to the plant, ending up into the Jong River. Sierra Rutile Limited (SRL), mining and processing mineral sands (including rutile, TiO<sub>2</sub>; ilmenite, FeO.TiO<sub>2</sub> or FeTiO<sub>3</sub>; and zircon, ZrSiO<sub>4</sub> or ZrO<sub>2</sub>.SiO<sub>2</sub>), generates tailings and high concentrates of acidic pyrites (FeS<sub>2</sub>) and marcasites (FeS<sub>2</sub>) that are pumped back into the pond and sand tailings pumped to the back of the dredge; ending into Nitti harbour and the other bodies in this mining area. The other mining industries including, Gold Mining, Marampa Iron Ore Mining Company, and lot of diamond mining industries, also deposit their wastes into their immediate surrounding adjacent water bodies.

The main resultant effects from such operations are traffic, noise, visibility, dust, water pollution, vibration, displacement of residents in the affected areas, the destruction of current land use, and so on.

### 5.3.3 Hazardous, Toxic and Medical Wastes

Hazardous wastes, which can be in the form of solid, liquid, sludge or even gas, contain highly persistent inorganic or organic chemicals and compounds with acute and chronic (immediate, short-term, as well as long-term) impacts on human/public health and on environment; with direct contact (such as during handling of waste) been the most common exposure route. They also vary in the degree of hazard posed.

#### 5.3.3.1 Industrial and Hazardous Wastes

Key industries in Freetown are plastics, soap manufacturing, tanneries, Freetown Cold Storage Company Limited (FCSC), National Confectionary Company Limited (NATCO), Aureol Tobacco Company (ATC, non-functional at present), Sierra Leone Brewery Limited (SLBL), R. K. Distilleries, G. Shankerdas and Sons Limited (GSS), and others; none of which has any effluent controls. Waste lubricating oil, motor and gearbox oils, and some cutting oil; small amounts of organic solvents; flesh and hide cuttings contaminated with sulfide and chromium salts; waste batteries; and textile dyeing wastes which contain toxic metals like cyanide, are the main hazardous and toxic wastes arising from these facilities. Additionally, there is rubbish from production processes, including, floor sweepings, rags, discarded cardboard and wooden packaging materials, broken glass, metal offcuts, and swarf, whilst the office waste is mainly paper and cardboard. In Freetown, there is no heavy industry, large production or processing of chemicals, oil refining or other similar industrial operations that can generate significant quantities of hazardous wastes. Moreover, inhalation of dust from waste storage or dumpsites may also constitute a hazard at the facilities.

Generally, however, the industrial units are small, with the exceptions of SLBL and FCSC; and all dispose of their wastes, mostly by private arrangements at the nearest landfill. SLBL also gives waste malt to area farmers who use it as cattle or pig feed at no cost. Smoke from burning tires, often used to provide heat to small manufacturing operations, can be seen in a number of places around the city.

#### 5.3.3.2 Health Care/Medical Wastes

Another category of waste that requires special care in handling and disposal is HCW, defined as the total waste stream from a healthcare establishment, research facilities, laboratories, and emergency relief donations. HCW is broadly classified

into communal and special wastes; with communal waste usually having the characteristics of regular municipal waste, such as food waste, packaging materials, waste plastic, cardboards, and office supplies. It can be safely disposed of with regular municipal waste. The remaining HCWs, called special waste, require special attention.

Medical waste is generated by Freetown's health care facilities, including veterinary hospitals. The government medical hospitals in Freetown include Connaught Hospital, PCM Hospital, Under Fives Hospital, Kingharman Road Hospital, Rokupa Hospital, Macauley Street Hospital, and Children's Hospital. The Ministry of Health and Sanitation's (MoHS) 2004 estimates of the total number of beds, including those at the city's major private clinics and health centers (including The Good Shepherd Clinic, Yearima Memorial Clinic and Lumley Health Center, Curney Barnes Hospital, etc.) is 1,455. It is unfortunate that, the overall health care delivery has significantly deteriorated in terms of quality and patient care, coupled with an inefficient waste handling and disposal system in the city's limited number of hospitals; hence, no current estimates of total quantity of medical wastes generated in Freetown are available. Average rates have been projected at  $0.55 \text{ kg bed}^{-1} \text{ day}^{-1}$  (Sood 2004), to an estimated total of  $727 \text{ kg day}^{-1}$  depending upon the number of beds occupied and based on similar city data. The numerous ways used for safe handling and disposal of medical waste (of which the infectious waste can vary from 3%-30% of the total medical wastes) include incineration, non-burn technologies such as use of microwave (radiation) systems, shredding and sterilizing, shredding and chlorination, autoclave, electric arc systems and mechanical systems.

#### 5.3.4 Sludge/Sewage Disposal

With Freetown having no central sewage treatment plant, and at household level, about 60 percent of the city's total population uses pit latrines, and over 30% have septic tanks coupled with the given improper maintenance and servicing, each of these systems represents serious health and environmental hazards to the public. The emptying of cesspits at household and industrial levels has been the duty of the MoHS and now FWMC's and other cesspit emptying private companies. Slurry trucks or "cesspit bowzers" are used to collect and transport faeces to one of the city's two landfills, the Kingtom landfill, where the faeces are spread in a polder with alternating pits (each currently overflowing) for dewatering and drying up. Upon drying, a polder's contents are covered with soil and after few months the product, "night soil", is used as fertilizer. There must be some risk concerns as inappropriate treatment and disposal methods are used;

the existing polder/slurry pond has run out of capacity and its overflowing sewage is led, in its vicinity, through a 6-8 feet-connecting pipe to an unlined pit, which is further connected to a source of tidal water which takes the untreated sewage out to the sea. Inadvertently, a number of families have set up homes close to the tidal pipe and often, these families use waste plastic to prevent the sewage pass their front doors. There is no water supply in the area, and the situation presents an environmental and health nightmare.

#### VI. Discussions

Freetown waste management has been under various authorities, both public and private, with each change associated with further deterioration, and bringing the system on the verge of collapse. The current authority, FWMC, is struggling to manage the wastes under the aforementioned prevailing conditions and given the illiteracy rate and awareness, coupled with the very weak penalties (if any) for non-compliance, the society at large is also generally uncooperative with seemingly little sensitivity to the garbage around them or any awareness of what represents responsible waste management.

There are no reliable estimates of the quantities of hazardous wastes produced by Freetown's approximately more than 30 manufacturing companies but a German study gives an estimate of 7,500 tons year<sup>-1</sup> (GOPA 1995). Also a study carried out by Sood (2004) estimated that an average of  $0.45 \text{ kg person}^{-1} \text{ day}^{-1}$  of garbage is generated in the Freetown municipality, of which, biodegradable organic waste accounts for over 84%, excluding construction, demolition debris and yard wastes; but including medical, toxic, and hazardous wastes, as these are currently disposed off with regular wastes. The few Freetown industries account for over 20 tons day<sup>-1</sup> of solid wastes, and small amounts of hazardous wastes and the key industries that have the potential to generate hazardous wastes include, soap, paint manufacturing, the large Germany's Heineken-owned brewery (SLBL), chemical, kernel oil and other products. It is likely that given poor economic growth, past domestic insurgency and other factors, these quantities may not have changed. There is also no separation or pretreatment of wastes or polluted effluents at any of these facilities and no existing environmental monitoring, either voluntarily or by authorities of industrial wastes in Sierra Leone. Most industrial wastes are disposed off at the city's landfills by private arrangements. In a few cases, such as, during the operations of ATC, wastes such as tobacco dust and cigarette wrappings were disposed at the facility. In some cases, the effluents are illegally discharged into city drains. Unfortunately, this is also

the case at the SLBL. A used oil recycling facility (recycling used oil from the Sierra Leone Ports Authority and National Power Authority) located at Rokel in the eastern outskirts of Freetown also engages in illegal waste disposal, disposing the potentially dangerous residues in an unlined earthen pit at the facility. Sierra Leone also lacks industry-specific environmental regulations and has an overall weak institutional capacity, which aspect needs to be reviewed through establishment and strengthening of institutional framework.

Generally, frequency of waste collection in Freetown is very low as its estimates range between 35 and 55 percent of the total waste generated and given such low collection rates, the uncollected waste is sometimes burnt, buried, or illegally deposited in open spaces, water bodies, and storm-drainage channels, along the streets or roadsides; with particular days set up for removal of bulky items such as furniture, tree stumps and tree cuttings. The key issues apparent in the system are highly inadequate equipment; poor, unhygienic operating and inefficient collection practices with quite variable levels of service; littering, widespread illegitimate dumping and open burning of garbage; inefficient or no environmental control systems; and a public with apparently little or no sensitivity to the garbage around them or any awareness of what characterizes reliable waste management.

## VII. Conclusion

As per above discussions, a sound institution is essential to sustainable solid waste management (SWM) operation. Experience in developing countries indicates that an efficient waste management institute should be autonomous, and has executive authority to design, monitor and implement sustainable SWM strategies; and given the needs for its multi-sectoral role, such an institution must also possess authority, visibility, adequate budgets, legislative and policy support, administrative capacity, and a strong constituency to advocate its plans and their potential implementation.

The FWMC, the current authority, seems to have many shortcomings, particularly, on the areas of management and implementation. Additionally, coupled with equipment shortage, inadequate budgets, lack of authority, the company is struggling with very weak staff capacities at all levels. Lack of adequate records and information related to the SWM costs; lack of internal controls; lack of institutional and regulatory frameworks for procurement, and legislative enforcement; etc.; are some of the snags on the operational side of FWMC. Minimum standards will have to be set and implemented for all World Bank projects with FWMC.

One of the major weaknesses of SWM in Freetown is administration, though tight or limited budgets, inability to raise revenues through user fees, municipal bonds, or other means, as well as poor organizational set up are also serious limitations to effectively implement and run the solid waste management projects. The service ultimately depends on effective administrative and organizational systems and hence, they are very crucial to a sustainable SWM system. It's proper to make provisions for both public feedback and input from related public organizations in planning, evaluation and upgrading of the system. As a role of a private sector, cost-recovery contributes to sustainability. After the setting up of sound institutional structures, it's possible to adopt sustained improvements through labour-intensive, low-capital alternatives, and enabling administrative changes, when necessary.

And on this note, one can really tell the severity of waste management problems in Freetown, despite the invaluable joint efforts of the new company, the government and its partners (World Bank, IDA, GTZ/Klin Salone, etc.) to clean the city of its heaps of waste. There is the need for the intervention of potential investors/donors to ameliorate or lay to rest this waste management problem by helping address this problem sustainably, once and for all for the betterment of the lives of all Freetown inhabitants.

Thus, in the context of Freetown, there is a dire need of a sound institute, if a sound and proper waste management is to be realized.

## VIII. Recommendations

Based on this study, this report is proposing that this appalling garbage situation needs efficient corrective measures/serious rehabilitation, first on an emergency basis, followed by development and implementation of long-term sustainable measures; otherwise it will adversely impact the living conditions of the city dwellers, further endangering their environment and health. It also needs a change in behavior of individuals and the society. In addition, the participation, organization and management of relationship between or/and among all key stakeholders must also include consensus building throughout the planning process, which also requires regular revisions and updating. A sound solid waste management system is also essential for sustained economic growth, which in turn can also help generate better revenues and potentially better waste management resources and services. Unfortunately, a sustainable solid waste management system is beyond the ability of any municipal government alone, as it's the case of the FWMC. To meet this need, waste management authorities in many countries are increasingly

involving private sector and communities as key participants.

Regulatory requirements making it easier to classify waste in Freetown has either not commenced or are dormant. To assist the waste industry in meeting the changed requirements for waste classification, the FWMC needs to replace its environmental guidelines (if any), which will outline a clear and easy-to-follow step-by-step process for classifying waste. There should be regulations on special waste, which will provide effective system of control for wastes that are difficult to handle. The regulations will ensure that dangerous wastes are soundly managed from their production to their final destination or recovery. Any would-be transfrontier shipment of hazardous wastes is to be controlled by a national legislation as they can pose threat to both human health and the environment. For instance, the UK legislation on this is governed by the EC Directive, which is based on international multilateral and environmental agreements.

There should be proper management of HCW, both within and outside healthcare facilities, to lessen risks, the first priority been the segregation of wastes, preferably, at the point of generation, into reusable and non-reusable, hazardous and non-hazardous components; and the other important steps been the instituting of a sharps (i.e., sharp instruments) management system, waste reduction, avoidance of hazardous substances such as the PVC-containing products, mercury thermometers and others, wherever possible, ensuring workers' safety, providing secure methods of waste collection and transportation, and installing safe waste treatment and disposal mechanisms.

It is envisioned that successful implementation of the measures recommended in the study can help establish a long-term, 10-year and beyond, self-sustainable waste management system in Freetown.

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# **URBAN INFRASTRUCTURE IN SUB-SAHARAN AFRICA – HARNESSING LAND VALUES, HOUSING AND TRANSPORT**

Final report on land-based financing for  
urban infrastructure in sub-Saharan African cities

31 July 2015



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# **E** XECUTIVE SUMMARY

## **Background**

This report is submitted to the Department for International Development (DfID) by the African Centre for Cities (ACC) at the University of Cape Town, as a final report and part of the 'Urban infrastructure in sub-Saharan Africa – harnessing land values, housing and transport' project. The ACC team is made up primarily of researchers

based in Cape Town but includes researchers from Angola, Cameroon, Ethiopia, Kenya, Nigeria and Zimbabwe. The research team's work has been strengthened by an international panel of reviewers and by constructive comments from DfID on earlier drafts of the report.

## **Key findings**

The key findings of this work are that it is timely and necessary to promote the development and implementation of 'development charges' in sub-Saharan cities. Development charges is the term used here to describe a requirement that, in return for permission to develop land, a developer pays an amount of money to the relevant authorities to cover the costs of the infrastructure associated with the project. This does not start to share the unearned land value increment that is the target of many land value capture instruments, but represents a significant step forward in the context of the cities of the region. Two consequences emerge from introducing a system of development charges. Firstly, developments serving middle- and high-income groups 'pay their own way' and no longer consume public funds that are more appropriately directed towards land and infrastructure to serve low-income households. Secondly, it lays the foundations for developing more demanding instruments that share more equitably the land value growth flowing from the rapid urbanisation taking place in Africa. This report proposes that local governments adopt more robust and defensible legal and policy frameworks to ensure that, where developers provide infrastructure themselves (effectively instead of paying development charges), this infrastructure is provided in a

manner consistent with the city's overall infrastructure and development needs.

Achieving progress in the implementation of land-based financing is not just a technical or administrative exercise. It strikes at the heart of the political economy of property development, shifting the respective opportunities and obligations of both government and developers. Regulatory reform alone, for example, will not achieve sustainable land-based financing unless the reforms are designed to fit within the prevailing political and economic conditions. There are no short cuts to developing land-based financing for urban infrastructure in the region. More effective urban governance and using the land development process to finance infrastructure are two sides of the same coin: the one supports and makes the other possible.

On the technical level, however, national governments must develop and strengthen intergovernmental fiscal frameworks to achieve a realistic and practical national infrastructure investment framework, and local governments must prepare and approve city infrastructure investment plans.

## Land-based financing

This project has examined the current experience of land-based financing of urban infrastructure in sub-Saharan Africa, evaluated that experience in the light of international literature and proposed an approach to strengthening the use of land-based financing in the region's cities.

For the purposes of this research, the term 'land-based finance' or 'land-based financing' includes land value capture; these terms are used internationally.

A useful definition of land value capture is the following (Suzuki et al., 2015):

Land value capture (LVC) is defined as a public financing method by which governments (a) trigger an increase in land values via regulatory decisions (e.g., change in land use or floor area ratio) and/or infrastructure investments (e.g., transit); (b) institute a process to share this land value increment by capturing part or all of the change; and (c) use LVC

proceeds to finance infrastructure investments (e.g., investments in transit), any other improvements required to offset impacts related to the changes (e.g., densification), and/or implement public policies to promote equity (e.g., provision of affordable housing to alleviate shortages and offset potential gentrification).

The term 'land-based financing' (LBF) is more inclusive than land value capture in at least four ways: (1) LBF includes arrangements that result in infrastructure being provided or financed by a developer; (2) LBF includes special assessments that reflect the cost of improvements to serve a property, whether or not these result in actual increases in the property's value; (3) LBF usually includes property taxes (expressly excluded from this report), which are the foundation of land value capture instruments such as tax increment financing; and (4) LBF would include transfer taxes imposed when land is bought and sold.

## Conceptual framework

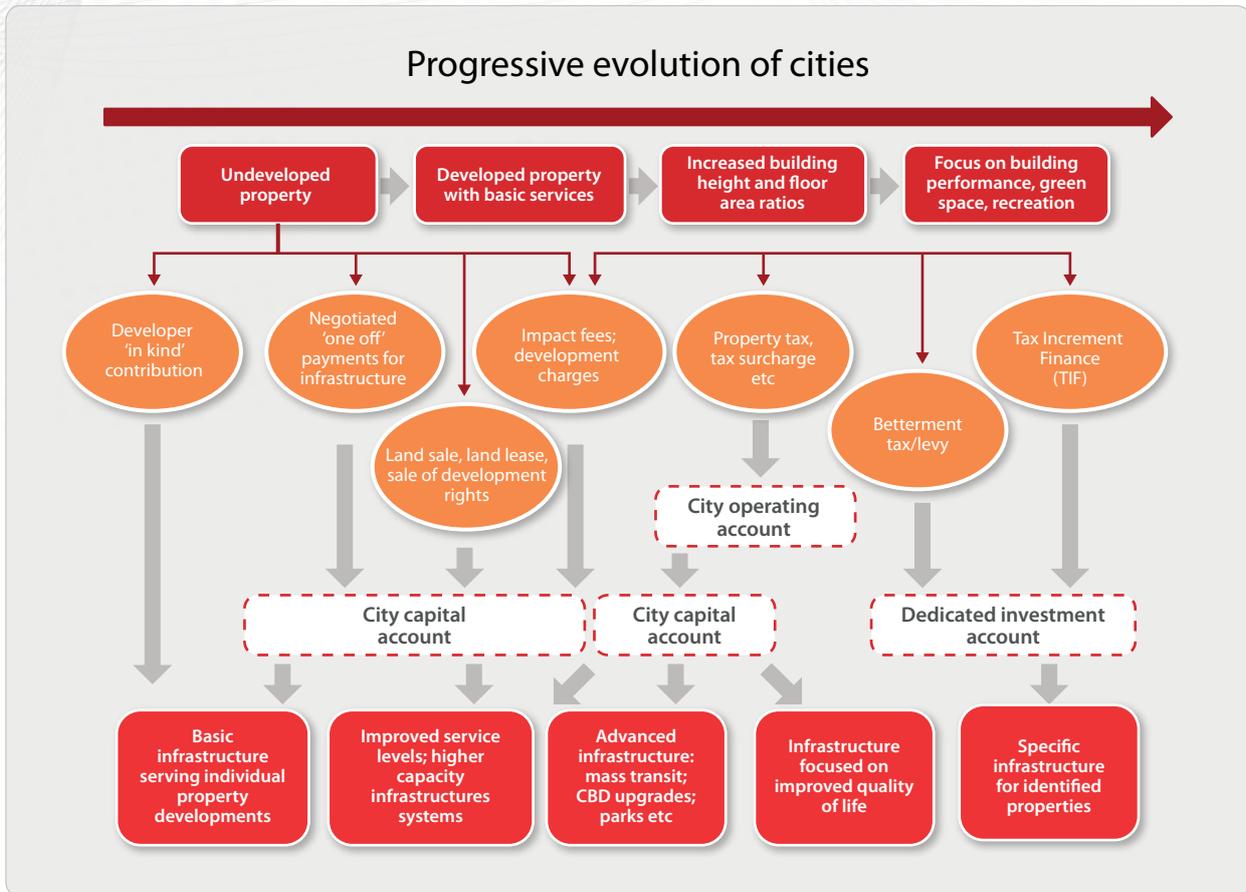
As cities evolve, their infrastructure needs grow and their capacity to pay for that infrastructure also grows. There is, however, an inevitable gap between the revenues a city can generate and the city's capital investment needs. This gap is vast in sub-Saharan African cities. Unsurprisingly, cities' infrastructure needs are correspondingly immense.

Theoretically, cities can use a number of sources in addition to land-based financing to enable infrastructure investment (e.g. own sources of finance, transfers and external service providers). In the region's cities, these options are not widely available, if at all. Own sources of finance are limited either by administrative and capacity constraints or by the absence of legal powers to raise them. Transfers from central government occur sporadically and are often unpredictable, due to political tensions between central and local governments. The partnerships needed to draw on service providers' sources of finance are difficult to establish. This is because of the twin constraints of poorly designed legal frameworks for

such partnerships (if they exist at all) and the lack of suitably capacitated private sector partners. Yet even in these cities that lack so many traditional sources of infrastructure finance, there is potential for land-based financing. This is built on the inevitable processes of real estate development, whether or not these processes are currently managed through formal regulatory processes.

Land-based financing instruments also allow for funding to be raised through increasing property rights or increasing the benefits brought by improved infrastructure. Some of these instruments are more effective for cities in 'survival' or 'basic services' mode, while others become effective as cities evolve and have more complex administrative arrangements in place to support them. Highly evolved cities have the ability to employ any of the land-based financing instruments. Figure 1 shows how land-based financing instruments apply across the property development and infrastructure provision spectrum.

**Figure 1:** Land-based financing instruments and city evolution



## Conditions for land-based financing

The political economy of land development is a prominent feature of land-based financing in African cities. National and local state bodies compete for the political and financial advantages of managing urban development. Corruption is a pervasive theme running through almost all cities. In many countries, land is a politically volatile subject, reflecting the legacy of colonial dispossession and out-of-date, inappropriate land-administration laws and policies. Within this context, it is important to understand the conditions that will support effective land-based financing.

Land-based financing occurs as an integral part of a city's infrastructure, finance and regulatory processes. While individual land-based financing instruments can work even in cities where these processes are weak and fragile, they will work optimally in cities where the following preconditions are met:

- There is an effective **demand** for property, generated by the city's economy, as well as an effective **supply** of developable land, which is determined by the ease of access to land rights, the strength of the property developer sector and access to property finance.
- There is a sufficiently **effective state**, providing regulatory, governance and policy framework that is conducive to land-based financing, as well as **effective cities** with the legal status, political support, and financial and technical capacity to implement land-based financing.

It is no secret that few of these preconditions are met in most African cities. The challenge is to identify the minimum requirements that will make particular land-based financing instruments work in certain city contexts.

## Experience in sub-Saharan Africa

A study of three countries (Ethiopia, Kenya and Zimbabwe) and a scan of 28 large-scale property development projects found that only very limited land-based financing is taking place in sub-Saharan Africa. Where it is happening, such financing takes the form of 'in-kind' contributions: installation by developers of the connector and (sometimes) bulk infrastructure needed for their projects to access services. In some cases, the city is able to leverage these contributions to serve a wider pool of citizens than the users of the developers' projects. While money does not pass from developers to the city, the city does receive infrastructure assets in lieu of financial payments. However, these assets may not be optimally located or contribute towards an integrated and efficient infrastructure network. In many cases, the city provides some or all of a project's required infrastructure, ostensibly to promote economic development, but effectively subsidising the developers. The city is generally left financially less well-off but may be able to recover the investment through future revenue from land-based financing mechanisms applied later, or by some other means.

## Proposed interventions

Taking into account the realities in sub-Saharan African cities, this report proposes a relatively modest approach to building and strengthening land-based financing. The intervention with the greatest potential for relatively immediate, positive impact seems to be development charges, a one-off payment made by a developer when land-use changes are approved. These charges should cover the investments in connector, bulk and social infrastructure, over and above that required within the property development. Of these three, investment in connector infrastructure is likely to be the easiest to implement in the short term. In some countries, the

Ethiopia is the country in the region that has directed the most resources towards land-based financing; a task made easier by the state's control of land ownership, local government, and ownership of many of the country's banks. With these advantages, the Ethiopian state has generated significant land-based financing through the land-lease system in cities such as Addis Ababa.

Kenya and Zimbabwe are both countries that have legislated land-based financing, which in practical terms is underperforming to the point of non-performance, especially in Zimbabwe. Both countries have statutory requirements that developers pay towards the cities' infrastructure costs, but the money is not adequately ring-fenced and so is not spent on infrastructure investment.

Across the region, land-based financing has delivered minimal benefits for the urban poor who make up the majority of urban citizens. In fact, in many cases it has been regressive, where the state has financed infrastructure that in effect subsidises developments for the middle- and high-income groups, often in an attempt to boost local economic development.

introduction of development charges will be an innovation, but in others it will require the strengthening of existing instruments. In most of the countries where in-kind contributions to urban infrastructure are the norm, the value of these can be set off against a development charge, which means relatively few shocks when the system is introduced. Over time, a system of development charges will build the basis for cities to explore and implement additional, complementary land-based financing instruments. These instruments will start to share the land value increases created at least in part by of infrastructure provision.

## Conclusion

The report highlights the need for improved arrangements for financing urban infrastructure, given how dysfunctional infrastructure systems are in so many sub-Saharan African cities. Using a fairly broad definition, land-based financing is being applied quite widely in the form of in-kind contributions by property developers. However, instruments conceived typically as some sort of tax or fee for infrastructure have been ineffective in creating infrastructure improvements. Overall, the scale of finance made available through these means, in relation to the need, remains small.

Yet there is potential to improve the financing of infrastructure through land-based financing measures. Development charges have a big part to play considering how rapidly cities are urbanising. As with any land-based financing instrument, though, the success of a development charges system will depend on how conducive the policy and governance frameworks are to its operation in a particular country or city.

The conclusions are negative in relation to the potential of land-based financing to fund infrastructure serving poor households. At best, land-based financing should be aimed at maximising funding for infrastructure to commercial and residential property for middle- to high-income households.

This will at least avoid having to subsidise infrastructure for these developments and hence release other funding sources for infrastructure for the poor, including slum upgrading.

It is, however, far-fetched to think that funding all middle- and high-income residential and commercial or industrial developments' infrastructure through land-based financing will result in enough money to finance infrastructure to support low-income development. Even with these measures in place, a severe shortage of funding for services to poor households will remain. Land-based financing, which ensures that property development for the well-off pays its own way and is not effectively subsidised by the state, is a necessary step towards freeing up finance for capital investment in infrastructure that serves the poor.



# 1

## INTRODUCTION

This report is submitted to the UK Government – Department for International Development (DfID) by the African Centre for Cities (ACC) at the University of Cape Town, as a final report and part of the ‘Urban infrastructure in sub-Saharan Africa – harnessing land values, housing and transport’ project. The ACC team was appointed on 31 July 2014 and the project has run for 12 months. It is made up primarily of researchers based in Cape Town but includes researchers from Angola, Cameroon, Ethiopia, Kenya, Nigeria and Zimbabwe. As the findings developed, the research team engaged widely with outside stakeholders and with DfID. Workshops were held with DfID and academic partners in London, and with international urban development agencies in Abidjan. The research team’s work was strengthened by an international panel of reviewers, and by constructive comments from DfID on earlier drafts of the final reports.

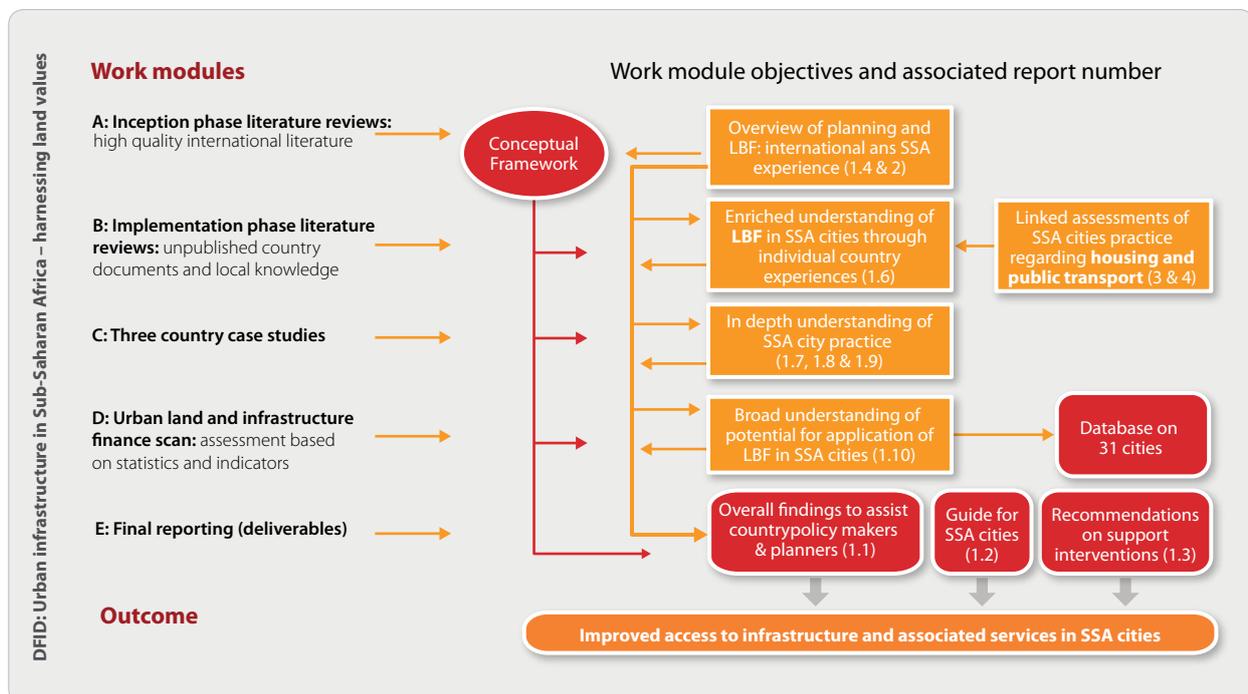
This report synthesises the key overall messages that have emerged from a wide range of studies and reports. Fuller explanations of many of the points raised in this report can thus be found in the other reports (see Section 1.1).

The report’s central objective is to address the question: “to what extent are public authorities in [sub-Saharan] countries proving able to use rising land values in urban areas to finance better, higher-capacity urban infrastructure?” This report looks at how the land development process can be used to finance urban infrastructure, while the other reports provide an overview of the project’s ancillary and complementary studies (Section 1.1).

### 1.1 Project structure

The overall structure of the project is shown diagrammatically in Figure 2.

**Figure 2:** Project structure, objectives and associated reporting



The overall project includes the following primary components (see report list at the end of this report):

- Research into land-based financing of urban infrastructure (Report 1 series).
- Literature review of planning and land-use regulation (Report 2).
- Literature review on housing (Report 3).
- Literature review on public transport (Report 4).

This report (Report 1.1) summarises the findings from the following work elements, each of which is covered by reports that inform this summary:

- Review of international literature on land-based financing of urban infrastructure (Report 1.4).
- Report 1.5 is a short summary of Report 1.1 in brochure form.
- Overview of property development experience in 16 sub-Saharan African countries, based on 28 ‘mini’

## 1.2 Definition of land-based finance

For the purposes of this research, the term ‘land-based finance’ or ‘land-based financing’ includes land value capture; these terms are used internationally. A useful definition of land value capture is the following (Suzuki et al., 2015):

Land value capture (LVC) is defined as a public financing method by which governments (a) trigger an increase in land values via regulatory decisions (e.g., change in land use or floor area ratio) and/or infrastructure investments (e.g., transit); (b) institute a process to share this land value increment by capturing part or all of the change; and (c) use LVC proceeds to finance infrastructure investments (e.g., investments in transit), any other improvements required to offset impacts related to the changes (e.g., densification), and/or implement public policies to promote equity (e.g., provision of

property development case studies (Report 1.6). This report is supplemented by short reports on each of the ‘mini’ case studies, which are not considered to be primary outputs from this research.

- Country case study reports for Ethiopia, Kenya and Zimbabwe (Reports 1.7, 1.8 and 1.9).
- Report on the scan of land-based financing potential in 31 cities, referred to as the Africa Land and Infrastructure Scan (ALICS) (Report 1.10). This report is supplemented by an interactive web-based database that contains the key data from the scan and allows data to be analysed to assess the potential of cities to apply land-based financing measures.

Reports 1.2 and 1.3 are companion reports to this report, dealing with guidelines for sub-Saharan African countries and proposed interventions by international development agencies.

affordable housing to alleviate shortages and offset potential gentrification).

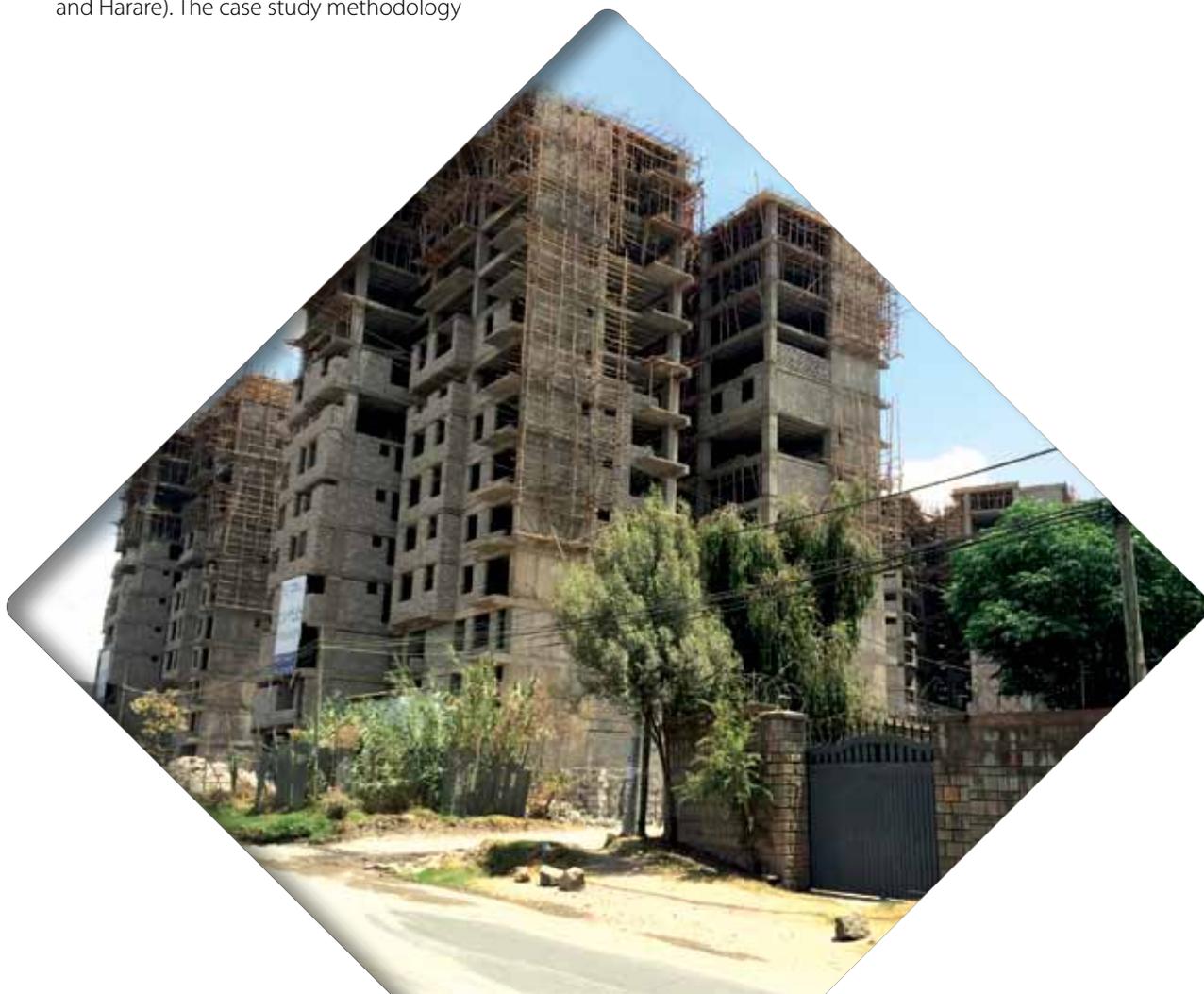
The term ‘land-based financing’ (LBF) is more inclusive than land value capture in at least four ways:

1. LBF includes arrangements that result in infrastructure being provided or financed by a developer.
2. LBF includes special assessments that reflect the cost of improvements to serve a property, whether or not these result in actual increases in the property’s value.
3. LBF usually includes property taxes (expressly excluded from this report), which are the foundation of land value capture instruments such as tax increment financing.
4. LBF would include transfer taxes imposed when land is bought and sold.

## 1.3 Methodology

The methodology used can be summarised as follows:

- A review of the international literature on land-based financing and the context in which land-based financing takes place in sub-Saharan Africa. This review is based on published documentation.
- A conceptual framework for infrastructure finance, which draws on the ideas and experience of the authors, as informed by the relevant literature.
- 'Mini' case studies that assessed the experience of 28 property developments in 16 countries in sub-Saharan Africa. These case studies were selected based on the project team's country knowledge. Data was collected through news media, project publicity, written documents and limited interviews.
- Country case studies, selected through an engagement process with DfID. The intention was to include countries where there was evidence of land-based financing (Ethiopia and Addis Ababa); where there was evidence of considerable potential (Kenya and Nairobi); and where the state is considered fragile, implying a low level of potential (Zimbabwe and Harare). The case study methodology included the use of local documentation; interviews over a period of 2 weeks with people in national government, city administrations, parastatals and civil society; and the knowledge of a local consultant appointed onto the team.
- A scan of the 31 largest cities in sub-Saharan Africa, based on international datasets, to build a quantitative profile of these cities with a selection of indicators that have relevance for land-based financing. Where necessary, these datasets were supplemented by additional information on individual cities. The data was incorporated into an interactive web-based database (ALICS) which was developed specifically for the project to allow a multi-criteria analysis. Here the project benefited from the previous experience of team members on similar databases applied in South Africa.
- The reports were drafted by team members with specialists appointed to the team to review them and with additional reviews undertaken by a DfID-appointed panel of experts.



# 2

## LITERATURE REVIEW ON LAND-BASED FINANCING<sup>1</sup>

In the coming decades, sub-Saharan Africa is projected to experience ongoing and increasing population growth, economic growth and urbanisation, with consequent pressures on demand for land, housing, infrastructure and services. In this context the demand for infrastructure will grow rapidly, whereas the region is already experiencing a large gap between the finance needed and the finance available to provide the necessary infrastructure. Hence, new methods for financing infrastructure are needed.

### 2.1 Sub-Saharan African context

The infrastructure deficits in sub-Saharan African cities are well understood. Over 200 million people, or 62% of the urban population, live in slums, and poorly serviced areas continue to grow because of the high urbanisation rates. Sub-Saharan African countries are making progress with infrastructure provision, but this progress is insufficient to deal with the backlogs in access to basic services. For example, between 2005 and 2008 the proportion of people with adequate access to electrification decreased slightly, from 58% to 57%, but the absolute number of the population increased by almost 10 million. Adequate access to water in urban areas was low at 69%, while only 34% of people had access to sanitation. Of equal concern is the limited access to public infrastructure, such as public transport systems, parks and community facilities, which are central contributors to the quality of life in cities, as well as to their economic efficiency.

In looking at land-based financing instruments as a way of raising capital for infrastructure in order to improve access

Land-based financing has been used successfully in other parts of the world, particularly in the global north. It requires a functional land market<sup>2</sup> and sound urban infrastructure financing policies. These are the core focus areas of this literature review, which deals with the nature and dynamics of urban property markets in sub-Saharan Africa, and how they can provide a basis for funding urban infrastructure using various land-based financing instruments.

to services, key to success is a functioning property market providing opportunities across the price range. This requires sound policies and support from national governments, functional local governments, active private developers and an established finance sector. However, in much of sub-Saharan Africa, investment is being hindered by a poor and sometimes uncertain institutional environment, insufficient infrastructure, lack of business certainty and associated difficulties of doing business. Property markets are perceived to be too high risk to justify the rewards and are characterised by insecure land ownership arrangements, undeveloped financial markets, and insufficient data and transparency. Progressive improvements have, however, been seen in governance structures, the reduction of trade barriers and in political stability.

Nevertheless, international investors are identifying the opportunities for profit in African real estate markets, especially since the 2008 financial crash. Private developers are eyeing the potential of a rapidly growing African

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1. This section of the report is a summary of the full literature review (Report 1.4) and individual references are not included. Readers who are interested in more detail and a list of references are referred to Report 1.4.

2. In some cases, notably China, land-based financing in the form of a land lease was used to initiate a land market that had not previously existed.

middle class and the consequent demand for residential, commercial and industrial property. It is precisely the lack of effective land-based financing or land value capture instruments that makes some real estate projects very financially attractive for global investors. An investor can realise, at least in the short term, substantial profits in places that have weak or non-existent state requirements

for developers to contribute to infrastructure costs or to share in the land value increases resulting from real estate development. Notwithstanding this, the development market in sub-Saharan Africa currently has insufficient active formal developers, and access to property development finance remains difficult in most countries across the region.<sup>3</sup>

## 2.2 Land-based financing instruments

Table 1 list the land-based financing instruments considered in this study.

**Table 1:** Land-based financing instruments

LAND-BASED FINANCE INSTRUMENT	DEFINITION
<b>'In-kind' contributions</b>	A developer constructs infrastructure external to the property development, as the city is unable or chooses not to provide this infrastructure. This may be done under instruction from the city or as a voluntary contribution by the developer which should be in accordance with the city's infrastructure plans.
<b>Negotiations and voluntary contributions</b>	Before the investment takes place, a bilateral negotiation is used to determine a rate that property owners in the area of influence should pay for the improvement (Peterson, 2009).
<b>Sale of development rights</b>	The sale of the rights to convert rural land (agricultural or unzoned) to urban use and to build at greater densities than would normally be allowed by zoning rules or height restrictions (Peterson, 2009).
<b>Public land leasing</b>	If the relevant local authority owns the land, it leases the land out for a period of time, thus generating revenue that should ideally fund urban infrastructure (Peterson, 2009).
<b>Land acquisition and resale</b>	The public sector or relevant authority purchases and then resells the land around a development, thereby capturing some of the gains that an infrastructure investment may create (Peterson, 2009).
<b>Land sales</b>	The sale of public-owned, preferably city-owned, land, with the money being used to fund urban infrastructure (Peterson, 2009).
<b>Impact fees and development charges</b>	A one-off capital contribution designed to cover the costs of the bulk and connector infrastructure required for a new property development or property development improvements. These charges could also possibly fund other infrastructure not directly linked to the property development. The charges are based on a formula, so that they can be applied consistently to all property developments.
<b>Property taxes, property tax surcharges and tax increment financing (TIF)</b>	A tax levied on the value of property (sometimes including land) by the local government. A surcharge may be applied in some situations, such as if the property is in a business improvement district. Tax increment financing (TIF) allows municipalities to finance infrastructure development by earmarking property tax revenue from increases in assessed values within a designated TIF district (Dye and Merriman, 2006).
<b>Betterment levies/taxes</b>	Any tax or charge to a specific group of properties based on some measurable feature of the property such as frontage, area or value. It is based on the projected increase in the value of the property resulting from some public infrastructural investment or change in property rights presumed to be of general benefit to property values in that area (Adapted from various references).

3. Access to finance shows a positive trend, but this is off a low base

Other ways of applying land-based financing require rearranging parcels of land to optimise their value. This is referred to as **land readjustment** (not included in Table 1). In this situation, landowners pool their land for reconfiguration and reconstruction, and potentially contribute a portion of their land for infrastructure, or to raise funds to defray infrastructure costs. Some of the land may also be sold to generate

additional funding and may be contributed towards streets and parks.

Each of these instruments has specific benefits and constraints, with those towards the top of the above table having the most potential for application in sub-Saharan Africa. The relative merits of specific instruments are discussed in Sections 3.4 to 3.6.

## 2.3 International experience

The considerable literature on international best practice with regard to land-based financing include:

- The use by Colombian cities of ‘contribución de valorización’ to fund infrastructure projects. This is essentially a betterment levy charged to landowners and based on the increased value that accrues to their properties because of public works in the vicinity. The use of this instrument in Colombia has declined recently, largely as a result of local authorities accessing alternative sources of infrastructure finance.
- The Outoga Onerosa do Direito de Construir (OODC) used in São Paulo (Brazil) is a regulatory instrument used to administer building rights within the city. The OODC requires those who receive building rights from the government to pay a levy, which is used for public sector investment. The OODC is used where the city government has issued a ‘certificate of additional development potential’ (CEPAC) for a part of the city, a certificate it is entitled to issue in terms of national legislation. This effectively allows city governments to sell development rights by auction, which has raised considerable revenues in many Brazilian cities, especially São Paulo.
- Mexican municipalities are entitled to collect fees from property owners once land has been developed and improvements have been made to properties in their districts. This was applied mostly during the 1980s and 1990s and was only partially successful due to high levels of non-payment.
- Shanghai (China) used land sales to raise funds for infrastructure development. This was done through prepayments made by future users of the land, as well as the sale of already developed land. China has also successfully used land-based financing methods through its urban highway construction policies, facilitated by the fact that all urban land in China is owned by the respective municipal governments.
- Fee-based development charges are applied in numerous places in the developed world, with explicit policies found in Australia and the United Kingdom (UK). In the UK, several local authorities have implemented a ‘community infrastructure levy’ (called a Section 106 payment), whereby new developments will contribute to the local infrastructure. The rates are set in consultation with local communities and developers. In Australia, the development charge has been one of the fastest growing sources of revenue for local government, increasing at an average rate of 8.2% per annum over the period 2001–2009 (Master Builders Australia, 2009).
- In India, a number of states are seeking instruments to supplement the commonly used ‘area based development charge’, with few achieving sustained success in this endeavour. Tax-based development charges are being proposed for general use by local government in India in the form of an Urban Infrastructure Benefit Tax (Phatak, 2013).

## 2.4 Policies

The sound policies necessary for a functioning land market have received considerable attention from major multilateral and regional institutions and think-tanks. Their strategic focus on Africa is of importance for this review, as well as their underlying principles on land, including land-based financing, and any programmes that relate to land-based finance. The key policy points relating to land-based financing can be summarised as:

- the importance of infrastructure provision and the opportunities that property development offers for the financing of infrastructure
- the possibility of shifting the tax base from income to land
- the autonomy that should be provided to local government to raise taxes from the property sector
- the role of land markets in influencing economic outcomes, and the distribution of the costs and

## 2.5 Lessons for sub-Saharan Africa

Key lessons can be abstracted for application in sub-Saharan Africa from both international examples and policy positions reported in the literature. An important message emerging from an evaluation of international experience and from practice in the region is that the implementation of land-based financing instruments cannot be separated from the political economy of a particular city and country. The alignment of political forces between national and local government is a major determinant of whether or not national legal and policy frameworks support city-level land-based financing. Similarly, the patterns of land ownership and control are an integral factor in establishing the degree to which government bodies are able to extract financial contributions of any kind from powerful players in the real-estate sector. Taking into account the importance of political and economic considerations, the elements listed below reflect the ideal contextual factors that will determine the degree to which land-based financing systems can evolve in sub-Saharan Africa:

- a. The necessary governance systems and tools to manage land development processes, or at least

benefits of land development between rich and poor

- land-based financing used to finance infrastructure and redistribute resources to poorer neighbourhoods

With regard to infrastructure provision and associated finance, policy positions focus on:

- empowering local government to have control over infrastructure and infrastructure finance, including adequate revenue instruments
- bolstering and modernising infrastructure finance tools, including better access to credit and application of land-based financing measures
- enabling endogenous financing by local government through their ability to raise debt finance, engage with private partners and manage land-based financing arrangements

major land development projects, and to regulate the operation of emerging urban land markets must be both in place and followed or used.

- b. Sufficiently clear policy, legislative and governance support for local government to manage the land development process must be provided by national government.
- c. Sufficiently well-established developers must exist who are able to access finance to cover the cost of property developments, noting that they could come from both the private or public/parastatal sectors.
- d. Sufficient certainty about land use, which is based on a credible city planning framework combined with the ability of local government to manage the property development process.
- e. Local government must have a degree of control over land development, either through owning the land or having established powers of land-use regulation, in order to be able to grant development rights through a regulated system.

It should be noted that these findings emanate largely from research in the high- to middle-income countries. For cities in low-income countries, which often have weak administrations, these ideal circumstances are seldom likely to occur.

Furthermore, successful delivery of infrastructure financed through land-based financing mechanisms will depend on the capacity of local government – and institutions mandated by it – to design, construct, operate and maintain the infrastructure and resulting services.

Land-based financing will be constrained if the contextual factors listed above are absent or inconsistently present.

## 2.6 Applicability of land-based financing in sub-Saharan Africa

Access to capital finance is a critical constraint in providing and improving infrastructure. In the past, cities have relied heavily on transfers from national government and contributions from donors. However, future success is clearly dependent on cities raising their own capital finance. The traditional strategies of using surpluses on operating accounts and debt finance have severe limitations, as they depend on local authority financial viability, which is heavily constrained in sub-Saharan Africa. Therefore, innovative measures related to property development and the associated capturing of value from property need urgent attention. This underscores the importance of this DfID initiative to support policy-making and good practice with regard to the use of land-based financing instruments. Strengthening cities' capacity to collect property tax revenues will also significantly improve their capacity to access capital finance.

Property markets need to be effectively governed. Although generalisation is difficult, property markets in sub-Saharan Africa are typified by a spectrum of market

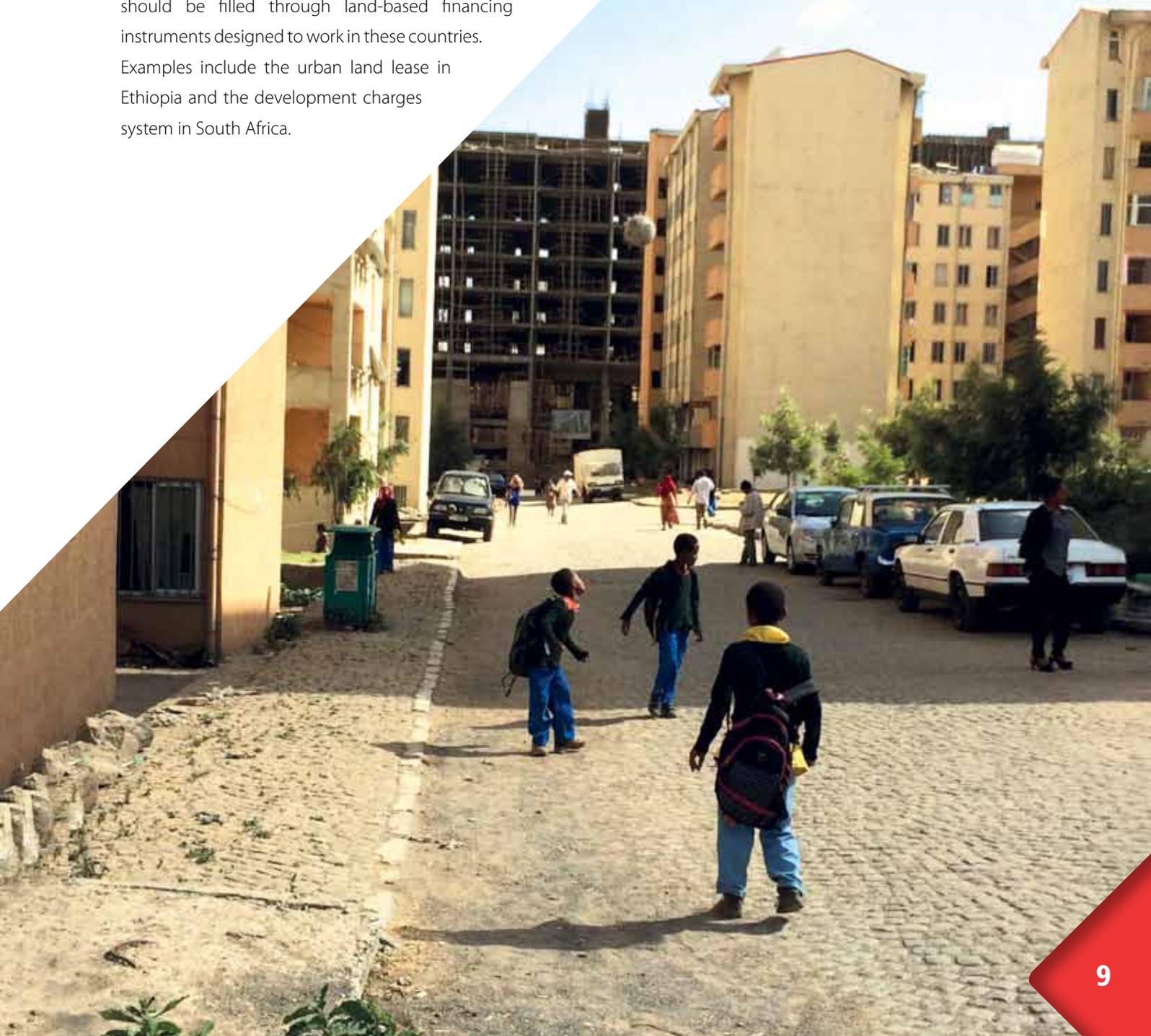
That said, the requirements for other forms of infrastructure finance, besides transfers from national government and donor funding, are also considerable. International experience suggests that land-based financing options can, by comparison, be relatively easier to apply than pursuing these other options. The biggest risk is probably that land-based financing mechanisms may lead to a skewing of access to infrastructure, with infrastructure for poor households being neglected in favour of servicing non-residential and higher-income residential property owners. There is also a considerable risk that, in contexts of weak governance and a low level of rule of law, corruption will become a significant factor that weakens land-based financing.

arrangements (incorporating both formal and informal elements), evolving land tenure arrangements, weak financial regulatory environments, and land management systems that try to meet a range of complex, and sometimes contradictory, objectives. Moreover, the poorly developed valuation profession in sub-Saharan Africa implies that property values are often difficult to assess. This constrains the banking sector's ability to support the market through the use of properties as collateral.

The region has had limited success with regard to urban planning, and considerable progress still needs to be made in developing the planning systems that can support the evolution of land-based financing instruments. Nevertheless, increasingly, local initiatives have started to yield more encouraging lessons for the rest of the region. Equally significant is the local government's control over land, and many sub-Saharan African countries are facing difficulties, such as land being controlled under customary laws, especially in rural and peri-urban areas.

Land tenure arrangements have a major impact on the way the market functions. Different land-based financing instruments will work in relation to different tenure systems. A challenge for sub-Saharan African cities is to identify those instruments that can work when land rights may not be formally protected but effective tenure security does exist. Experience in the region shows that where land for property development is in demand, developers are normally able to strike a deal with the holders of the rights to that land. Where the land rights system lies outside the formal land governance system, applying land-based financing instruments is more difficult in such a case.

Finally, with regard to current practice, infrastructure finance instruments related to property development and associated land-based financing have not been widely applied in sub-Saharan African countries. This is clearly a gap that should be filled through land-based financing instruments designed to work in these countries. Examples include the urban land lease in Ethiopia and the development charges system in South Africa.



# 3

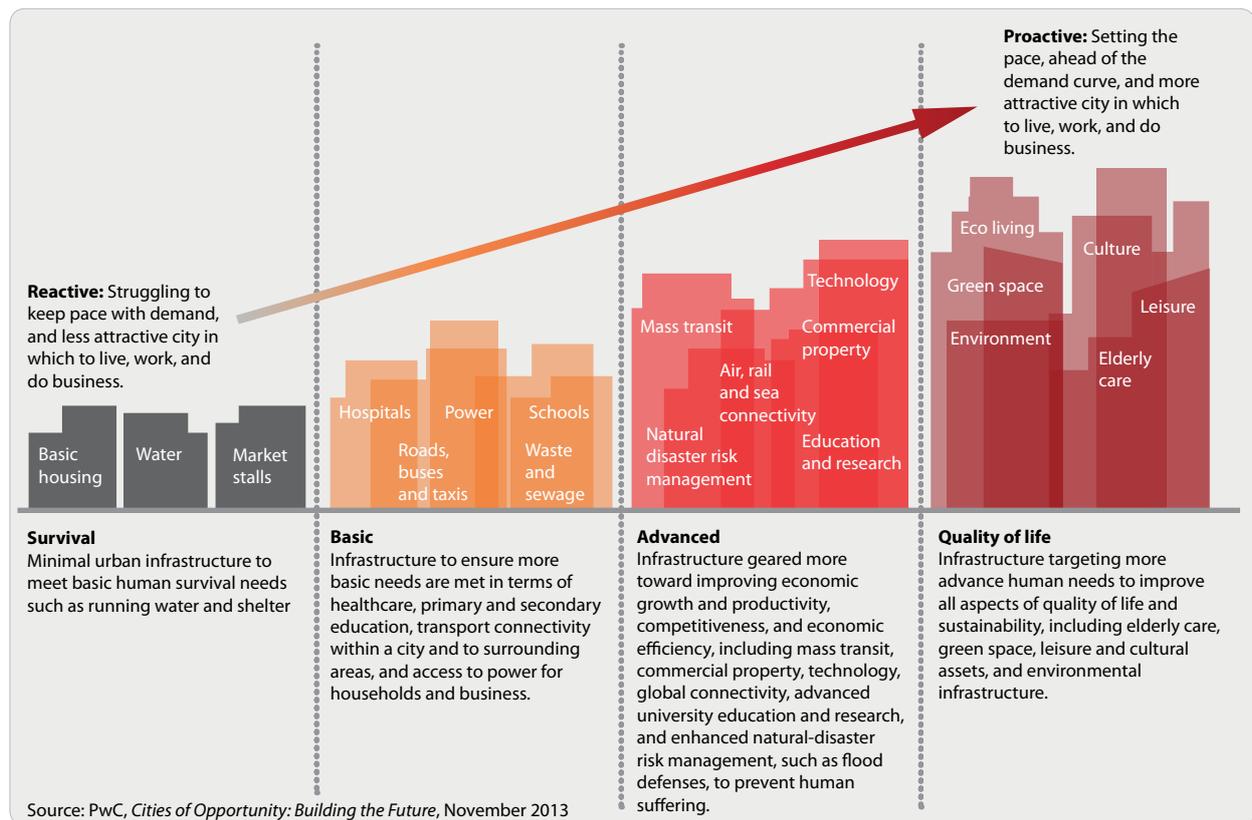
## CONCEPTUAL FRAMEWORK: LAND-BASED FINANCING FOR URBAN INFRASTRUCTURE

### 3.1 Evolution of cities

Cities evolve over time, as they grow physically and economically, and gain increasing control over the management of the services that allow them to function effectively. This transition is illustrated in Figure 3, which

shows the progressive evolution of cities. Different parts of individual cities may progress in different ways, but the broad concept of the evolution of a city is nevertheless relevant.

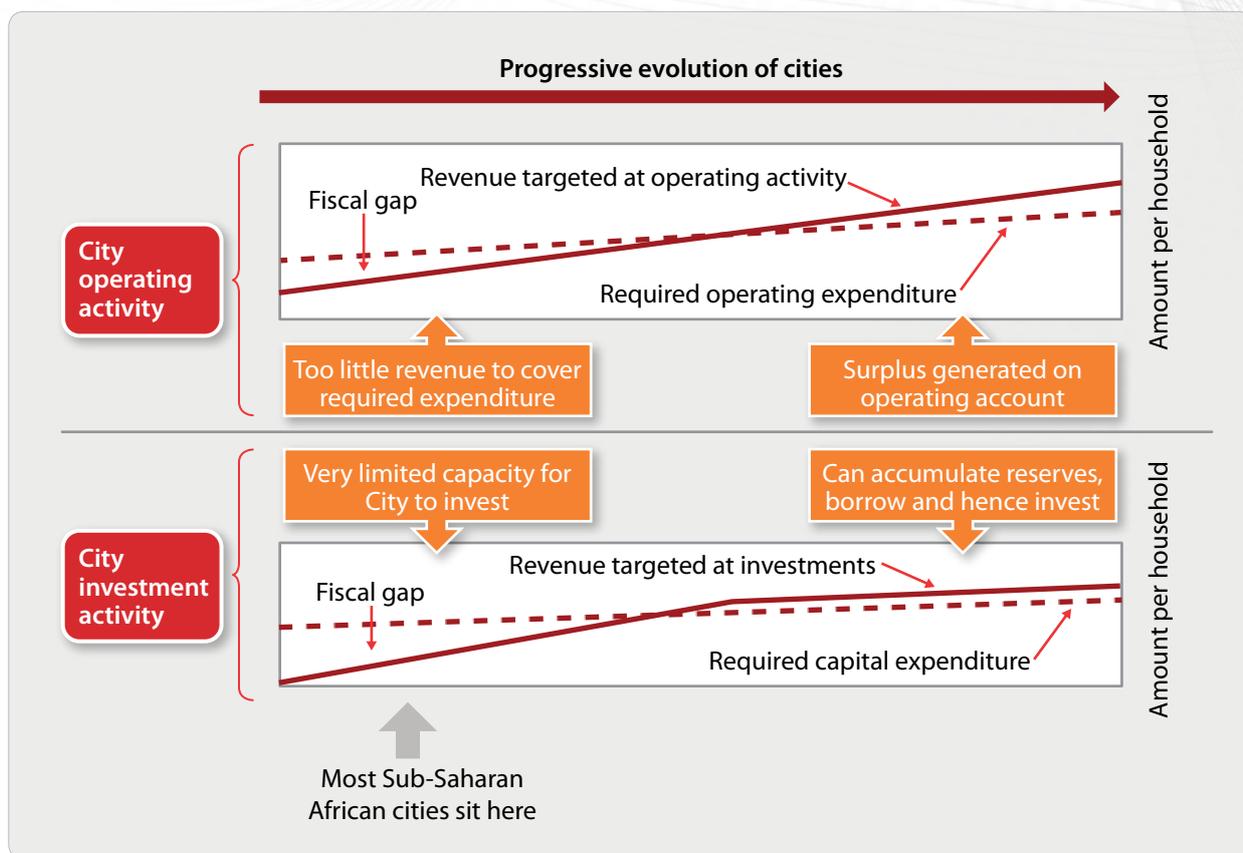
Figure 3: The evolution of cities



The way in which cities finance their service provision activities is changing. This is associated with the physical evolution of cities (as illustrated in Figure 3) and aligned with the change in property configurations and the nature of urban services.

Figure 4 shows the transition in how cities finance their operating activity (the costs of day-to-day governing the city, and operating and maintaining the infrastructure and associated services provided by the city) and their investment activity (primarily the capital works required to renew existing infrastructure and provide new infrastructure).

**Figure 4:** The financial viability transition of evolving cities



In the case of **city operating activity**, providing the expected service ‘package’ for a specific city incurs costs. These costs will vary depending on the city’s level of evolution and the specific mix of functions which the city is mandated to undertake (albeit not consistently legislated). Costs will depend on (1) the level of service which the city chooses (or is required) to provide at a particular stage of its evolution, and (2) the stage of evolution of the city, with costs increasing as the services provided shift from basic services to fuller and more complex services, coupled with a higher level of service. Whatever the stage of development, the city incurs a minimum cost for providing an adequate level of service to all citizens and enterprises within the city boundary.

Cities have a range of revenue sources for covering operating and capital expenditure (see Section 3.2), including revenue raised internally from citizens and enterprises, and revenue that is (or can be) external to the city. Figure 4 relates specifically to a city’s own-source revenues. The opportunities for raising revenue vary according to the revenue-raising instruments assigned by

national policy to the city, and the city’s revenue collection capacity at its specific stage of evolution. As the city evolves and the economy grows, revenue increases, which leads to both increased consumption of services and a greater ability to pay for services (as the income of citizens and enterprises increase).

At the survival stage, even a well-managed city typically cannot access sufficient revenue to cover the operating cost of keeping services functioning effectively. There is, therefore, a structural **fiscal gap**. Every city has a structural fiscal gap, but the gap is so large for cities at the survival stage that they are effectively financially dysfunctional. It may be possible to close this gap using external sources of finance, but not always. If it is not possible, cities have to cut operating costs to match what revenue they have, thereby compromising the effectiveness of the services provided. More evolved cities are able to generate more revenue than they need, to cover required operating costs, taking external funding into consideration, and hence have the potential to raise a surplus which can, inter alia, be used for investment in infrastructure.

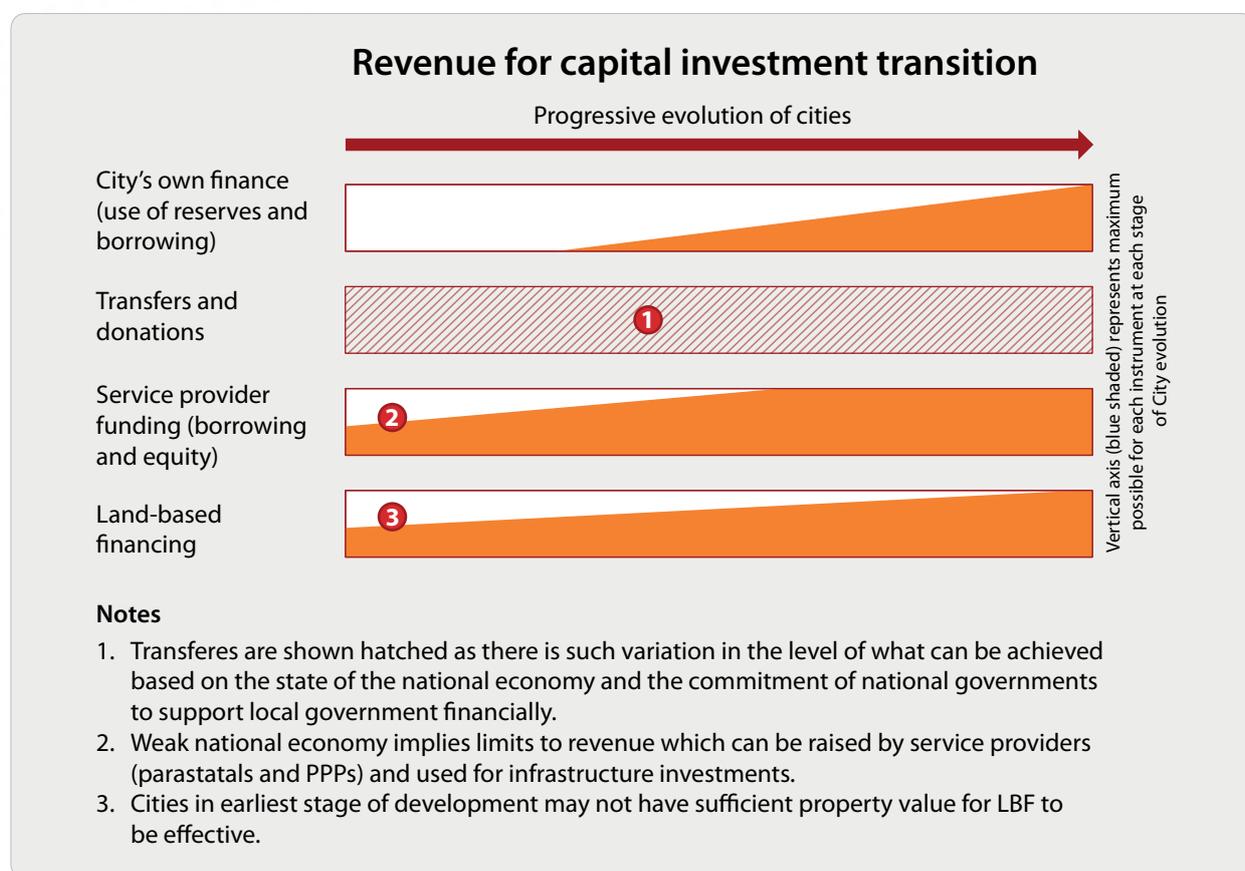
### 3.2 Infrastructure financing options for cities

With regard to the **city investment activity**, cities that struggle to raise sufficient revenue even to cover essential operating expenditure, such as salaries and emergency maintenance, typically cannot provide funding for infrastructure, either from reserves or through borrowing. The inability to borrow relates to the perception of lenders that a city does not have sufficient revenue in its operating account to cover the cost of capital finance (such as interest and redemption of loans). As the city evolves and

can raise more revenue, it is able to accumulate reserves and to borrow, which can both be used for capital investment in infrastructure.

If cities are unable to raise capital for infrastructure provision themselves, how does this infrastructure get provided, if at all? Figure 5 illustrates a range of options and the extent to which they can make capital finance available as cities evolve.

**Figure 5:** Transition for main revenue-raising options for infrastructure investment<sup>4</sup>



#### *City's own finance (use of reserves and borrowing)*

The first block on Figure 5 relates to the previous figure (Figure 4) and shows that survival-stage cities cannot provide funds for significant capital works, although the situation improves progressively as a city evolves. This includes the special case, rarely applied, where the city sets up a ring-fenced department or unit, which can borrow

money independently of the city and service the loan from its own cash flow. This means that the unit must be able to generate revenue itself through fees charged to consumers of the service it provides. This option may be possible for a city in or close to 'survival' mode but is more feasible for more evolved cities, particularly for services that people are willing to pay for, such as electricity and water.

4. Land readjustment not included in this figure (refer also Table 1).

### *Transfers and donations*

The availability of transfers and donations depends on the national policy and the policies of international development partners. The role of national government with regard to financing urban infrastructure is discussed in Section 3.3. However, in relation to Figure 5, the point here is that the level of transfers from national government to fund urban infrastructure is highly variable based on the health of the national fiscus and, therefore, no attempt is made to plot a trend on the second block of the diagram.

### *Service provider funding (borrowing and equity)*

The third block relates to funding from sources external to the city, where a service provider is appointed by the city or mandated by national government to provide services to citizens and enterprises within the city. There are two groups of service providers: parastatal organisations (independent legal entities with majority ownership by national, regional or local government), and public-private partnerships (PPPs) where a service provider is appointed to provide a service. In the latter case the appointment requires the private partner to invest in infrastructure. When the provision of capital funding is included, the contracts will be in the form of build, operate and transfer contracts, concessions, or similar contractual arrangements.

In sub-Saharan Africa, few PPPs provide **urban infrastructure** (Paulais, 2012), although private companies have been engaged in water supply in South Africa, Tanzania and Mozambique.<sup>5</sup> However, the provision of services by parastatals is common. In most countries,

national parastatals provide electricity with little or no private sector participation (Eberhard et al., 2008; Foster, 2008). Parastatals also provide water and wastewater services, with parastatals owned by local authorities being the most common<sup>6</sup> (Banerjee et al., 2008).

An important consideration is the extent to which these parastatals can raise funds to cover infrastructure investments. Typically they do not have the fiscal resources to do so, devoting less than 20% of their spending to capital and relying heavily on national government for finance. In sub-Saharan Africa, infrastructure provided by parastatals is usually 80%–90% funded by the national government (Briceño-Garmendia et al., 2008). Although research on the gap between capital expenditure required and funding available is limited (DBSA, 2010), the capital expenditure requirements for all electricity supply in sub-Saharan Africa (urban and rural) have been estimated at US\$26 billion, whereas current sources of funding available to cover this expenditure requirement amount to US\$4.6 billion (Eberhard, 2014).

With regard to the shape of the transition illustrated in Figure 5, given that parastatals lack the capital to invest in cities on the subcontinent, cities in ‘survival’ and ‘basic services’ modes (see Figure 3) have insufficient capital to cover required costs. However, as the economy of countries improves, typically associated with an improvement in city economies, the ability of parastatals to raise funds for infrastructure investments improves.

## 3.3 The role of national governments in financing urban infrastructure

National governments (and in some countries regional governments) have a key role to play in financing urban infrastructure, whether it is provided by local government or, as is often the case, by parastatals. The extent to which they provide funding and the targeting of this funding should be

established under a national urban infrastructure investment framework, but this is seldom done.<sup>7</sup> Such an investment framework needs to be informed by a subsidy policy dealing with the targeting of funds paid from the national fiscus towards infrastructure for low-income households.

5. The PPPs for Dar es Salaam and Maputo have largely been a failure.

6. Personal communication with R. Eberhard on 13 October 2014, data from personal dataset on water utilities in Sub Saharan Africa.

7. An exceptional example is in South Africa, where the Division of Revenue Act, promulgated annually, sets out intergovernmental finance arrangements. It is supplemented by the Municipal Infrastructure Investment Framework (DBSA, 2010).

### *Subsidy policy*

The research undertaken for this report did not deal directly with national subsidy policy. However, one of the objectives was to assess how infrastructure is provided to low-income households. This leads directly to assessing how funding from the national fiscus is targeted. In broad terms, financial support to poor households can be grouped into demand-side subsidies and supply-side subsidies. Demand-side subsidies are monies provided directly to individuals and households (for example, a State Pension). Supply-side subsidies are paid to the organisation providing a service, on the assumption that this money will benefit the poor by allowing them to access services at an affordable price. These latter subsidies can broadly be termed ‘transfers’.

### *Transfers*

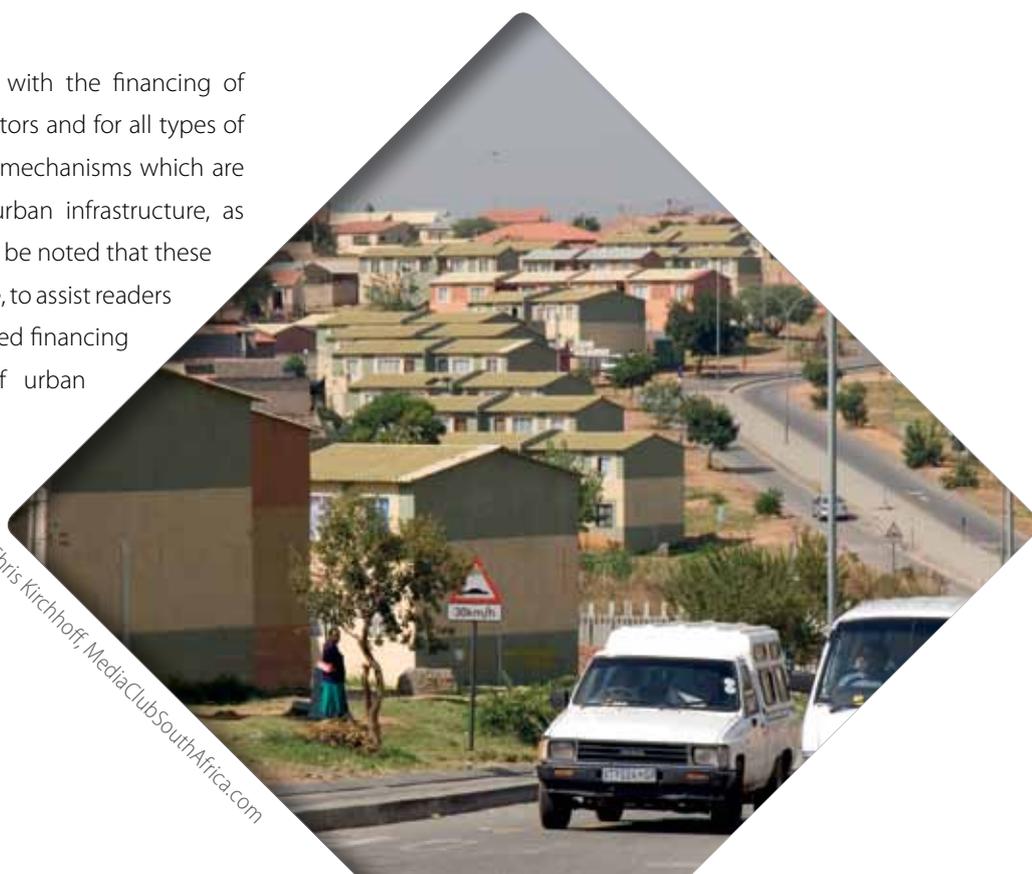
The term ‘transfers’ is applied here broadly, based on the approach by Shah (2013) to include tax sharing, general-purpose grants and specific purpose grants. Also included in this category are donations (sometimes called grant funding) provided by international development agencies and other donors.

The extent to which transfers are applied, or how national revenue is shared with local government in other ways, is highly variable both across sub-Saharan Africa (Paulais, 2012) and globally. At one extreme, South Africa has a well-developed and administered set of transfers, backed by legislation, and Addis Ababa in Ethiopia has a progressive system of national tax sharing, which provides the major portion of revenue for the city (although not sufficient for the city to provide services effectively). At the other extreme, Harare receives virtually no funding from the national government of Zimbabwe and must rely on internally generated funds.

The key question for this research is how transfers are targeted at infrastructure investment and, specifically, how they benefit the poor through providing infrastructure for low-income residential property developments (including slum upgrading). This is often dealt with under housing subsidy policy, but the emphasis here is on providing the infrastructure associated with housing. The argument is made below that the role of national government in funding internal infrastructure for low-income residential property developments is most important.

## 3.4 Financing particular components of infrastructure

The discussion above has dealt with the financing of urban infrastructure across all sectors and for all types of infrastructure. There are financial mechanisms which are suited to specific elements of urban infrastructure, as shown in Tables 2 and 3. It should be noted that these tables are intended only as a guide, to assist readers in understanding where land-based financing fits into the bigger picture of urban infrastructure finance.



Chris Kirchhoff, MediaClubSouthAfrica.com

**Table 2:** Suitability of finance mechanisms for each service

TYPE OF INFRASTRUCTURE	TYPE OF SERVICE	CITY <sup>1</sup>	PARASTATAL <sup>2</sup>	LAND-BASED FINANCING (LBF)	DEVELOPER <sup>3</sup>	TRANSFERS & DONOR <sup>5</sup>	COMMENT
Bulk	Water and Wastewater	L	M	L		M	Normally provided by parastatals in sub-Saharan Africa. While these parastatals should raise their own finance, they seldom do this at sufficient scale. They are, therefore, reliant on donors and transfers with small potential for contributions from city sources and LBF.
	Electricity		H			L	Normally a national function in sub-Saharan Africa, with service provision by national parastatals. These parastatals should be self-funding, at least for bulk infrastructure, but in reality most are reliant to some extent on transfers and donors.
	Distributor roads	L		L		M	These are the higher order, high-traffic roads in the city. While there is some potential for city-sourced funding and LBF, these roads are often funded from national transfers or loans, or by donors. There is also potential for toll roads.
	Public transport			L		H	At this stage of development, sub-Saharan African public transport infrastructure, particularly mass transit systems, is most likely to be funded by donors and transfers (including loans taken out by national government). However there is potential for LBF through betterment taxes (in South Africa specifically).
Connector		L	L	H		L	Ideally suited to LBF, as the infrastructure is strongly associated with property developments. But this infrastructure may also be funded by parastatals in the case of water, wastewater and electricity. There is some potential for contributions from city sources and from transfers.
Social and community		H		L		M	Often funded from city sources, but national government plays a significant role, particularly if the function is national. Some potential for LBF.
Internal	Commercial and industrial				H		Should be funded by the developer as part of their primary obligation, prior to applying LBF.
	Mid to high income residential				H		As for commercial and industrial property.
	Low income residential	L		L	L	H	Low-income residential property developments are seldom undertaken by developers, who can raise capital themselves. But there are examples of informal property developments where internal infrastructure is funded by the community. There is low potential for this to be funded from city sources and LBF. As the social benefits of funding this infrastructure are so high, the role of national government in funding this infrastructure through transfers is most important.

1. Includes direct use of operating surpluses and debt finance.
2. Debt finance, equity with possible support from state and donors.
3. This is the minimum contribution by the developer before LBF is applied.

### 3.5 The application of land-based financing

#### Land-based financing overview

Land-based financing becomes an important funding option when considering the limited extent to which transfers, city own-source revenues and service provider funding are able to cover the infrastructure investments required for cities in sub-Saharan Africa to function effectively. The lowest bar in Figure 5 shows that a form of land-based financing can function even for cities in ‘survival’ mode, which is the most important feature of this grouping of financing instruments. However, at this stage of a city’s evolution, the value of property in the city is relatively low and the infrastructure needed is mostly among poor households who can pay very little, if anything, towards the capital cost of infrastructure. This is not ignoring the fact that in some of these ‘survival’ cities, pockets of very high-value land are found, mainly because they fall within areas that are both well located and have some access to infrastructure. This shows that, even in these cities, an unmet demand for serviced land exists, which will make land-based financing of one sort or another viable. Such financing will not meet the cities’

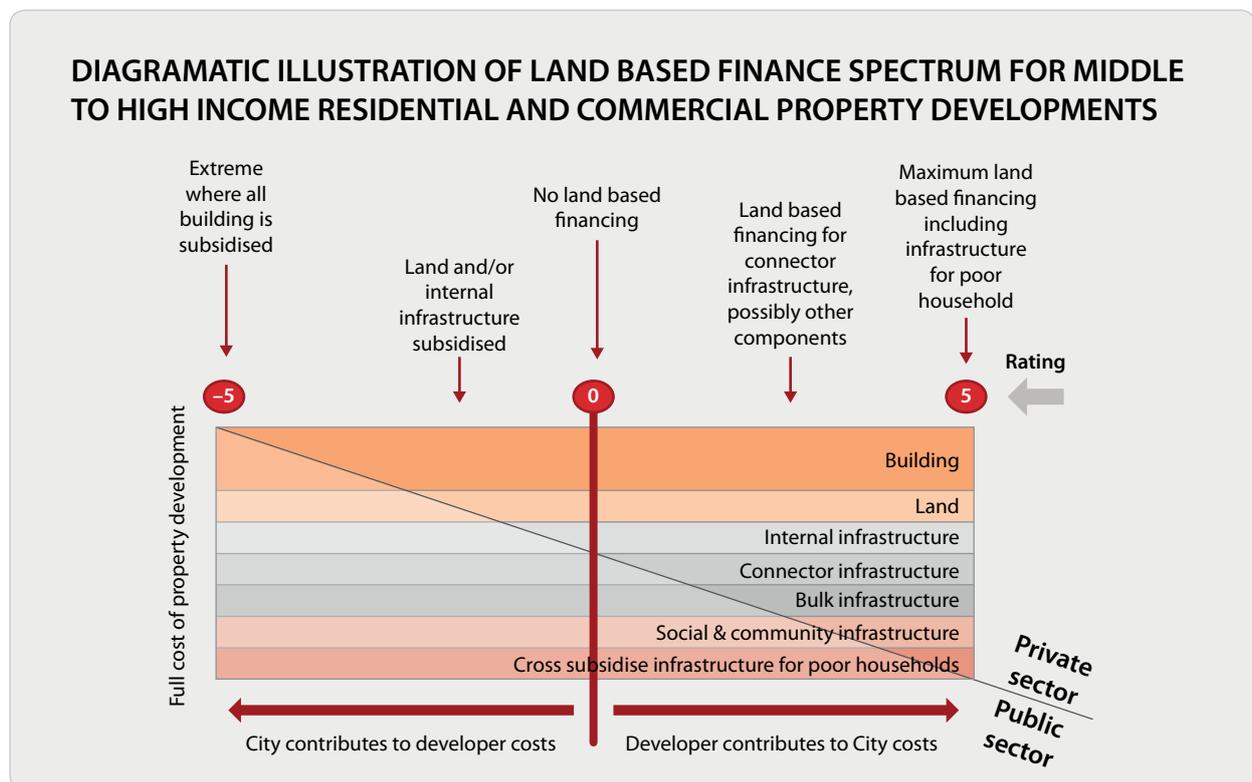
overall infrastructure needs but will support a higher proportion of more formal land development than would otherwise have been the case. However, overall land-based financing for cities in survival mode has its limitations.

The combination of capital funding sources (including land-based financing) implies that cities in ‘survival’ mode have a serious lack of funding for infrastructure investment. The situation improves for cities in the ‘basic services’ stage of evolution, but they too lack capital.

#### Principle of land-based finance linked to subsidies

Drawing from Table 2, the principle applied here is that land-based financing should be used only for investing in the connector, bulk and social infrastructure that is over and above what is required within the property development. Preferably, there should be some form of cross-subsidy from commercial and middle- to high-income residential property owners to fund infrastructure for poor households. This situation is illustrated in Figure 6.

**Figure 6:** Land-based financing and property development costs



The neutral point in Figure 6 (rating 0) relates to the 'benchmark' situation, where a property developer covers the full cost of internal infrastructure, land and building. Moving towards the right-hand side of the diagram indicates a positive trend towards land-based financing, as the developer (and ultimately property owners) pay progressively more for connector, bulk, social and community infrastructure. On the extreme right-hand side (rating 5) the developer will also contribute

infrastructure, or funding for infrastructure which serves poor households.

On the left-hand side of the diagram the public sector contributes to the cost of internal infrastructure, land and, at the extreme, the building itself. In relation to the 'benchmark' position (rating 0), this represents a government subsidy to the development, which could be commercial, high- and middle-income residential property.

### 3.6 Where to use each land-based financing instrument

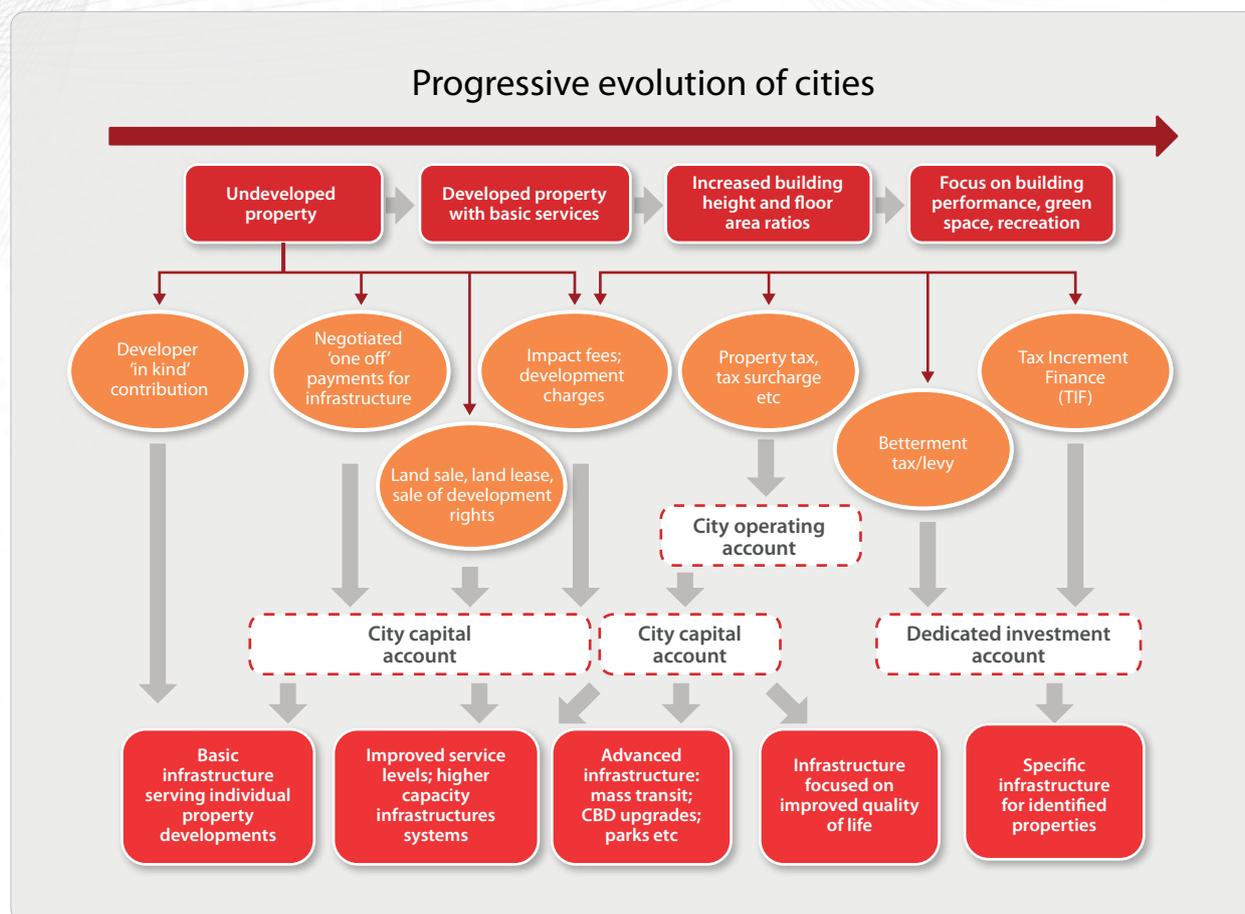
Property owners – often with the developer acting as an intermediary – can contribute to providing connector, bulk, social and community infrastructure, and possibly subsidise infrastructure for poor households, through a range of land-based financing instruments (see Table 1). Figure 7 relates to the way individual land-based financing instruments are applied to fund the provision of infrastructure across the transition from cities in 'survival' mode to those in 'advanced' mode and beyond. Land-based financing is directly related to the property development process, as the funding is raised from property developers or property owners. In the early stage of a city's evolution, the emphasis is on providing new property on undeveloped land (often rural land). As the city evolves, building height and land-use intensity increase, and the emphasis is on improved building performance. The emphasis is also increasingly on the relationship of property to the living environment within cities, with improved green spaces, recreation and health facilities. In addition, there is a move away from land-based financing instruments that merely attempt to recover the costs imposed on the city by the new development. The move is, ultimately, towards instruments that extract a proportion of the surplus value added to the

land by the land development process and then redistribute that money through the city, through investing in either social infrastructure or infrastructure for low-income residential development.

Land-based financing instruments allow for funding to be raised through the property development process, by increasing property rights, or increasing the benefits brought about by improved infrastructure. Some of the instruments are more effective for cities in 'survival' or 'basic services' mode and others become effective as cities evolve and have the more complex administrative arrangements in place to support these more sophisticated instruments. Highly evolved cities have the ability to employ any of the land-based financing instruments. Figure 7 shows how land-based financing instruments apply across the property development and infrastructure provision spectrum.



**Figure 7:** Land-based financing instruments and city evolution



Note that the tools at the right of the diagram are taken up cumulatively over time by an evolving city, so that well-developed cities typically use the full range of LBF tools

In Figure 7, the land-based finance instruments on the left-hand side are used in advanced cities and can also be used in cities that are at an early stage of development. **Contributions 'in kind'** can be negotiated with developers and do not require the city to have any complex systems in place, although the capacity to negotiate with a developer remains key to success. Similarly, a **negotiated payment**, within a properly regulated and structured environment, requires only a system that ensures the money raised by the city is in fact used for infrastructure related to the property development. In this case, the negotiation requires a particular skill and there is room for corruption.

For **land sale** and **land lease** options, the starting point needs to be that the city has control over the land and can, therefore, sell or lease it. In many countries, all of the

land belongs to the state, while in others its use is delegated to the local government level. Even in countries where the state does not have a first claim on the land, a proactive city with the right resources and capacity could choose to buy up land, particularly for expansion plans or plans to provide new infrastructure. Ideally, this land could later be sold for more than it cost, to generate revenue. The sale of development rights is also a one-off transaction related to a particular piece of land or developed property, where the developer gets increased value through a rezoning or an increase in permitted floor area ratio (the ratio of building floor area to plot area). To be considered a land-based financing mechanism, funding raised through all of these instruments, as one-off payments, should be directed towards infrastructure investment and hence be 'protected' within the city's accounting system.

The literature sometimes differentiates between impact fees and development charges but sometimes uses the terms synonymously, which has given rise to confusion in practice. This report uses the term **development charges**, which means fees, implying that they are purposefully calculated to cover the cost of infrastructure associated with a given property development. Alternative means of calculating charges associated with development are based on (e.g.) land area or land value, and could be termed a 'benefit tax' (see Phatak, 2013 for discussion of a proposed Urban Infrastructure Benefit Tax in India). Here, a development charge is assumed to be related to the anticipated impact of the development on different infrastructure networks (the 'rational nexus'), and the use of the word 'tax' in relation to a development charge is avoided.

A development charge is based on a considered policy and a formula that relates to the finance required for infrastructure investment in the city. It can be applied equally across all property developments. To a large extent, development charges avoid having to have individual negotiations for each property development. The other key feature of this charge is that the money must be ring-fenced for infrastructure provision.

On the right-hand side of Figure 7, the land-based financing options involve property owners paying money over a continuous period, as a monthly or annual amount. **Property tax** is typically paid into the city's operating account. If property tax is to be considered as an infrastructure financing measure, then the operating account needs to be in surplus, so that funds are available for direct investment in infrastructure, for servicing loans or for repaying bonds. Surcharges on property taxes can be charged to property owners in specific areas (for example, city improvement districts) but are not typically used for providing infrastructure.

**Betterment taxes** (or levies) are amounts charged to specific property owners who will benefit from an improvement in infrastructure or through an

increase in property rights. One of the best examples is in Medellín (Columbia), where betterment taxes are charged in addition to property tax bills for those properties that will benefit from new public transport infrastructure (Ochoa, 2011). Typically, a betterment tax is paid into a dedicated account and used to fund specific infrastructure through, for example, repaying the bond issued to finance the infrastructure that triggered the land value increase.

**Tax increment financing** (TIF) is a tool used in developed countries, particularly in the United States. A TIF area is designated, and the increased tax collected is dedicated to financing improvements. The TIF is generally used to finance loans taken out by the city, via the city's operating account. These loans should be allocated for use in the TIF area. This is an advanced tool, requiring up-to-date property valuations.

In sub-Saharan Africa generally (with the exception of South Africa), using betterment taxes and TIF to finance urban infrastructure has limited applicability. Both typically build on property tax systems and share the limitations of property taxes (Fjeldstad et al., 2014). In addition, they require special accounting and capital financing instruments.

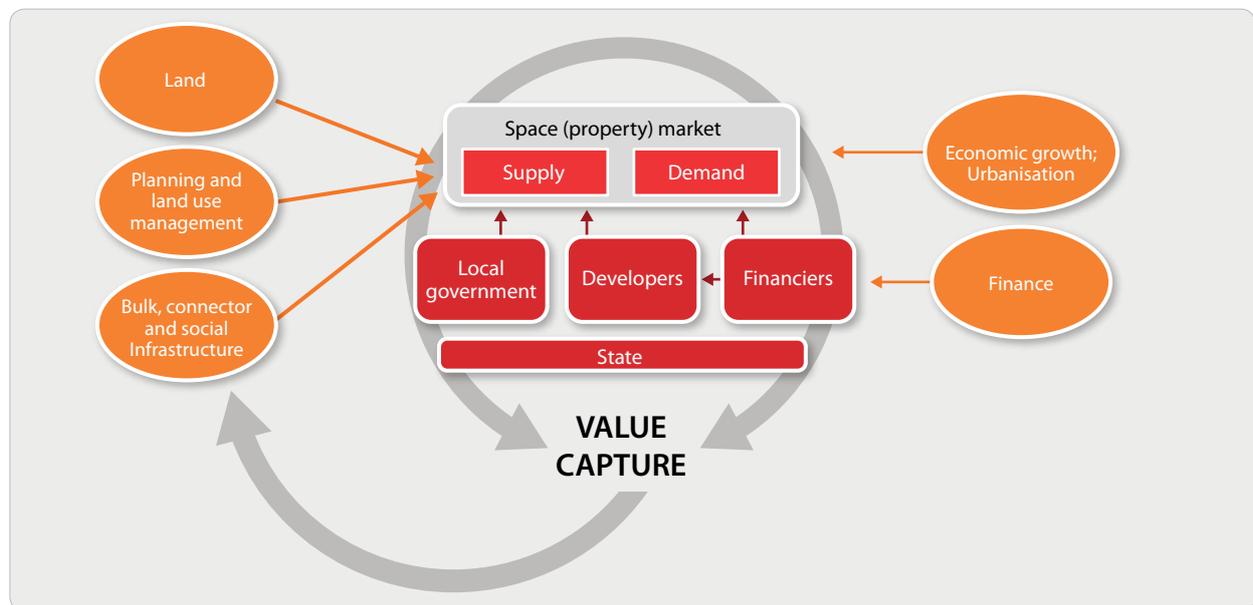


# 3

## CONDITIONS FOR EFFECTIVE LAND-BASED FINANCING

Land-based financing takes place through the process of developing and improving property and the infrastructure which is associated with the property. Figure 8 illustrates the factors that influence the supply and demand of property, and the institutions that mediate the process of value capture and associated land-based financing.

**Figure 8:** Influences on land-based financing



The following criteria for successful land value capture are based on the review of the international literature, findings from the case studies and the judgement of team members.

### 4.1 Demand for property

For land-based financing to take place, demand for property needs to increase, as this is directly associated with an increase in property value. The property value may increase because of property being developed on undeveloped land or improved intensity of use. Increased intensity of use is defined by either greater floor area ratio or increases in property subdivision

Demand for property is associated with a city's level of economic development: values are higher in more

economically developed cities. Demand is also influenced by increased population and by a city's rate of economic growth. While population growth is important, the economy is arguably the more important driver because it creates a direct demand for commercial and industrial property and for higher-value residential property as household incomes in the city increase. The opportunity for land-based financing is associated mainly with middle- to low-income residential property and commercial and industrial properties, which are all strongly influenced by economic growth.

## 4.2 Supply of property

The supply of property to meet demand is a function of access to land, the extent to which property developers are active in the city, and the availability of property-related finance.<sup>8</sup> The availability of infrastructure is also a

consideration but is applied here as an indicator of 'effective city' rather than as a criterion for supply of property. This is covered in Section 4.4.

### 4.2.1 Access to land

It is assumed that land is always available for sub-Saharan African cities to expand, either within the current city boundary or on the periphery. However, specific conditions need to be in place so that land is 'supplied' in such a way that property owners will be willing to invest, and cities will be able to capture part of the value of this investment. These conditions relate to (1) the security of tenure established through national legislation and the ease with which tenure can be registered, and (2) the way in which the controls on the use of the land are managed, which influences both the quality of the built environment (leading to investor confidence) and the city's ability to capture value associated with higher orders of land use.

The ongoing processes of adapting, reforming and strengthening land-administration systems, including land tenure frameworks, are not likely to be completed in the short term. As Napier et al. (2013) point out:

These are complex systems. Creating a more appropriate system of land use management where the tenure rights of the majority of urban dwellers are properly recognised and where many of the customary views of land are understood and codified is not likely to be a simple matter.

Opportunities for land-based financing instruments will emerge at different stages, as each country's land tenure frameworks and land ownership patterns evolve. Cities will have to engage with these complexities in order to support the levels of real estate development needed to

accommodate growing economic and population pressures. Commercial interests in secure and expeditious land-use approvals need to be weighed up against the political imperative to respect and strengthen underlying land rights, whether they be formal, informal or customary.

The issue of land-use management conditions is debatable. On the one hand, property developers and owners see land-use regulations as too onerous and thus a constraint to development.<sup>9</sup> On the other hand, land-use management is regarded as necessary for several reasons:

- Control over property development promotes the public good, such as the evolution of effective and liveable cities where businesses and households all have equitable access.
- The process of infrastructure provision is aligned with land use.
- The stage at which the city grants land-use rights to the developer is critical for land-based financing, as at this stage developers and property owners gain a step change in the value of their properties – this is therefore a prime opportunity for the city to capture part of this value, at least where land development applications are submitted through the formal channels.

Two criteria are proposed for sound land-use management practice: the extent to which land is formally approved, and the ease with which land-use management applications are processed. The research found that developers, particularly smaller property developers, are

8. While finance remains essential to cover the capital cost of developing the property, there are examples where property owners will gain access to land but not have the money to complete the building on the property.

9. *The Economist*. 2015. 'Space and the city', 4 April 2015.

bypassing the land-use management system, subdividing or increasing floor area ratios without approval, thus acting 'informally'. This could be in spite of the city having established land-use application and approval systems.

The location of the land-use management under 'access to land' is also debatable. It could be located under 'effective city', as it relates to the systems and capacity within the city. However, locating all the land and property development conditions and associated criteria under 'access to land' makes more sense.

The proposed secondary criteria associated with 'access to land' are:

#### 4.2.2 Active developers

The nature of developers is discussed in Section 6.2. Developers facilitate the supply of property. They locate property, liaise with potential owners, facilitate the planning and subdivision process, and construct the internal infrastructure and buildings that make the

#### 4.2.3 Access to property-related finance

Access to finance from banks is an important factor that influences the supply of property. Developers require finance, but the purchasers of property generally also require finance to buy either residential or commercial property. This has a direct link to value capture, as the

### 4.3 Effective state

While the city is the primary agent through which land-based financing takes place, it is important, if not essential, for the state to support and promote land-based financing. This is because (1) legislation needs to be in place that allows for land-based financing (or at least does not prevent it); (2) land-based financing can be difficult to implement and so state support (possibly working with

- Degree of secure tenure: tenure allows property owners with sufficient security to raise finance or commit their own financial resources to purchasing or improving a property.
- Ease of registering ownership: increased certainty and speed associated with property developments brings more property owners to the market, and lowers costs of development.
- Land use formally approved: without formal approval of land-use conditions, property owners have less security and are less likely to invest.
- Ease of getting land use approval: the speed of processing land-use applications adds security to investors and reduces costs of development.

property useable to future owners. To be effective, land-based financing needs to be a private sector activity, as the value of the property in private hands is 'captured' by the public sector in order to provide infrastructure.<sup>10</sup> What is important is the ease of doing business.

value is ultimately captured from the owner of the property who has to be able to raise this money in the first place. Therefore, the greater the supply of property-related finance, the greater the prospects for effective land-based financing.

development agencies) to cities is a key success factor; (3) without a firm position on this from the state, cities have a tendency to play one off against the other to offer developers the best property 'deal',<sup>11</sup> which is not in the national interest; (4) land-based financing is in the state's interest, as it reduces the obligation from the national fiscus to fund a portion of urban infrastructure.

10. Although it is acknowledged that if the public sector develops property and sells the property to a private buyer at a price which allows for bulk and connector infrastructure to be provided, this also a form of land-based financing.

11. This has occurred with development charges in South Africa where municipalities have discounted the contributions required from developers and this is why the National Treasury wants to establish a mandatory policy for all municipalities.

### *Sound governance*

For land-based financing to work effectively, the quality of governance and accountability within a country and a city's legal and political system are essential requirements. By its very nature, land-based financing is susceptible to corruption and mismanagement. For cities to flourish and be assisted in raising their own finance, national government must have sound governance, with proper financial controls and minimal corruption. Similarly, cities need to be governed in accordance with laws and policies that promote clean and accountable urban management. In many sub-Saharan African cities, profits from over-inflated property markets in elite enclaves have led to fierce contestation between national and local political forces, with both parties wanting to manage and benefit from the development process. The weak legal status of local government in almost all African countries makes it more

difficult for cities to resist national government interference in urban management. This makes it more difficult for cities to use land-based financing for their intended purposes.

### *Level of transfers to local government*

While the ultimate aim is for cities to be fiscally independent of national government, cities in sub-Saharan Africa are a long way from achieving this. Their success, and the success of their own efforts to raise finance, depend strongly on transfers from the national fiscus or through appropriate tax-sharing arrangements.

### *Commitment to support local government*

As noted above, the success of a land-based financing programme is strongly influenced by the extent to which national government supports local government.

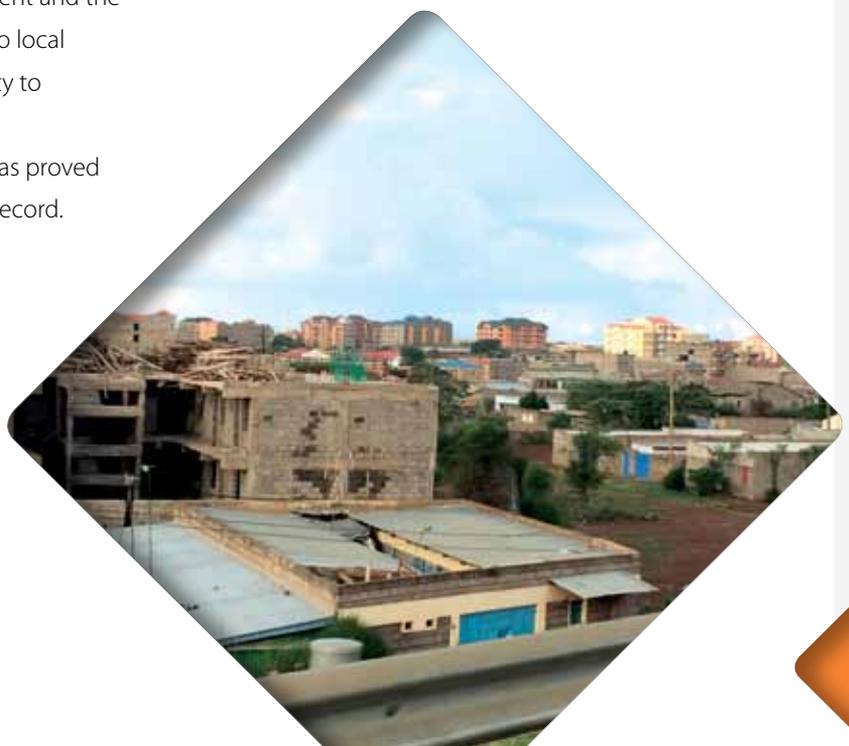
## 4.4 Effective city

The city's role is important for the success of land-based financing and generating substantial funds for infrastructure provision, as value is captured through giving property rights and/or improved infrastructure to developers and property owners. Effective land-based financing, therefore, depends on having an effective city that has real control over land-use management, and the financing and provision of infrastructure. The criteria for an effective city are:

- Functions relating to land-use management and the provision of infrastructure are devolved to local government, and the city has the capacity to implement these functions.
- The city or designated service provider has proved itself by having a service provision track record.
- The city is financially viable.
- Adequate technical capacity and political will exist.
- Planning and land-use management are effective.
- Citizens and businesses are willing to pay for services.

### *Functions devolved*

While planning and land-use management responsibilities are commonly devolved to cities, the responsibility for providing infrastructure is less commonly devolved. However, internationally the move is towards greater devolution. This is important because the city has no incentive to take responsibility for financing infrastructure if it is not responsible for providing infrastructure, either directly or through control over a parastatal provider.



### *Service provision track record*

A key indicator of a city's success (and that of its service-delivery partners) is how many households within a city have access to services. This could also be considered the ultimate success indicator of land-based financing (assuming such financing was part of service delivery). However, for this analysis, the service provision track record is used as an indicator of an effective city.

The three most commonly available indicators of service provision are the percentages of households in a city with access to water supply, sanitation and electricity. Urban road access is also an important service indicator but is not included because it is difficult to measure and internationally consistent data is not available.

How access to water and sanitation is measured varies considerably. The measurement of access to sanitation varies the most because of the range of views as to what constitutes an 'adequate' service (from a connection to a sewerage system to an improved pit latrine, for example). It has not been possible in the time available for this scan to fully assess how this access is measured, and the data is accepted as it is recorded in the various references used.

Overall, the quality of the data is poor, with some cities having no data or outdated data going back to 2003. Nevertheless, the best available figures have been used. The data for each of the three services is given in the data annexure to this report. In incorporating this data into the overall multi-criteria analysis, the indicator for access to these services is compiled using a water-to-sanitation-to-electricity weighting of 40:30:30.<sup>12</sup>

### *Financially viable*

Financial viability is central to the success of a city and illustrated by the country case studies: Nairobi and Harare do not have enough revenue to cover their current operating costs, and so any funds raised for infrastructure

are used to cover operating expenses. Furthermore, a financially strong municipality is obviously better placed to set up better systems and recruit more qualified staff.

### *Adequate technical capacity*

Well-qualified staff – primarily planners and engineers – are necessary both for sound land-use management and effective infrastructure provision. Many land-based financing instruments require property valuations, and so the absence of sufficiently skilled property valuers is another constraint on implementing many land-based financing instruments in sub-Saharan Africa.

### *Effective planning and land-use management*

This is an important indicator, as a weak planning and land-use management system makes it very difficult to implement land-based financing consistently across the city. In theory at least, the optimal point for the local authority to extract a payment or levy is when a developer obtains approval to intensify use. The difficulty is that, in many cities, developers either proceed with their developments without first securing a formal land-use approval or are able (and willing) to obtain de facto approval through corrupt channels. For land-based financing to work effectively in sub-Saharan Africa, planning and land-use management systems must be incrementally improved and rationalised, to ensure improved capacity over time to implement land-based financing.

### *Citizens willing to pay for services*

The extent to which citizens are willing to pay for municipal services (provided by the city or a parastatal working for the city) is an indicator of established relationships with consumers of the services and of potential financial viability. It could also approximate a willingness to pay for infrastructure.

12. It would have been possible to take access to the three services separately into the ALICS database. However, this would have required a third-level criterion hierarchy which was considered to be unnecessary.

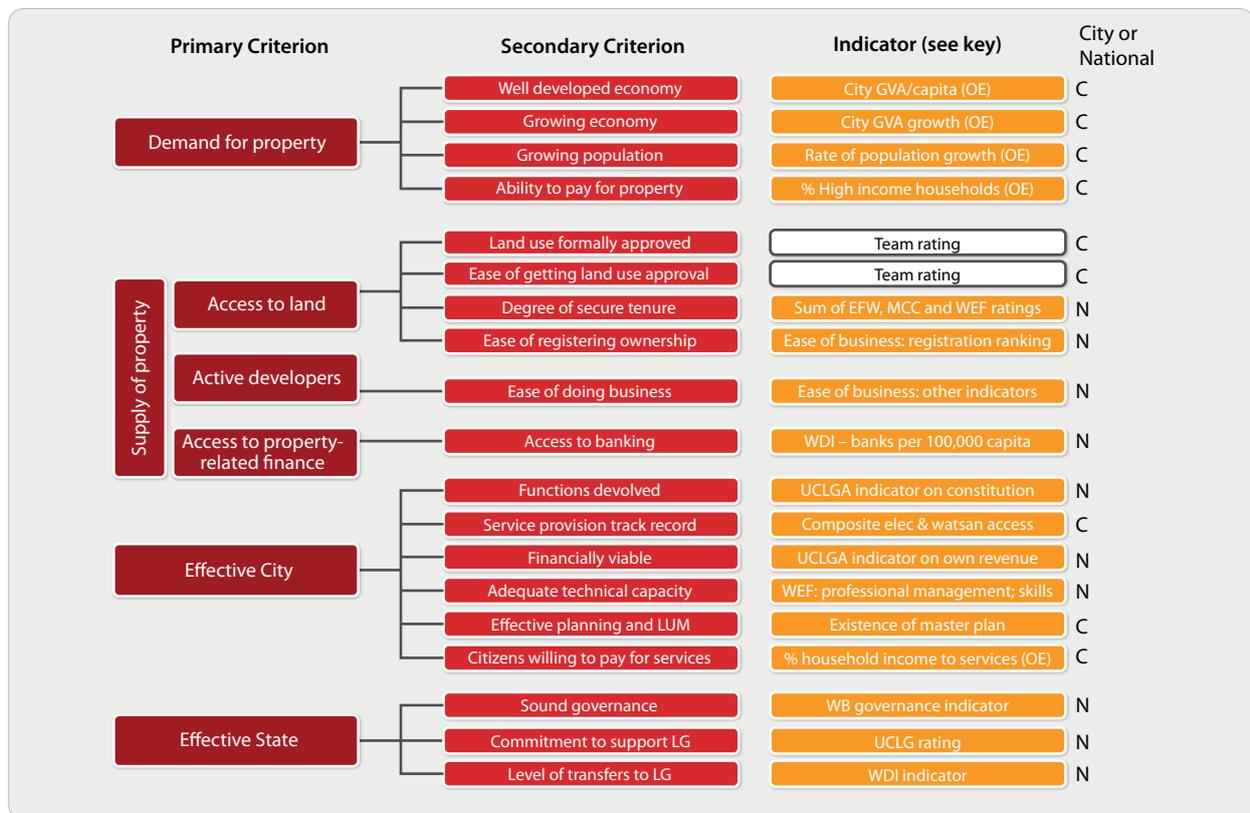
# 5

## THE POTENTIAL FOR LAND-BASED FINANCING IN SUB-SAHARAN AFRICAN CITIES

Multi-criteria analysis (MCA) is a technique for comparing a number of options, where each option has a range of attributes (see DCLG, 2009 for more on this technique). The attributes can be framed as criteria, which are all required to be associated either with a measurable indicator or assessed through expert judgement or the opinions of stakeholders. Each option is scored in relation to each criterion. MCA then provides for the weighting of criteria to get a final 'score' for each option which allows for them to be ranked.

This analysis uses MCA to compare the potential of sub-Saharan African cities to apply land-based financing methods. The criteria are covered in Section 4. These criteria must be related to an indicator, and sufficient data for each indicator must be available for the cities being investigated. Report 1.10 covers these indicators and the data are covered in more detail. The criteria are structured into a decision-making 'tree' (Figure 9).

Figure 9: Decision-making tree for MCA



As Figure 9 shows, 4 of the 6 primary criteria have secondary criteria. The MCA technique requires that the secondary criteria are first applied, to get a score for the primary criteria. This is done by weighting the relative importance of each secondary criterion under each

primary criterion. The primary criteria can then be applied with a weighting of each of these against each other to get a final result. The result is in the form of a score out of 100 for each city.

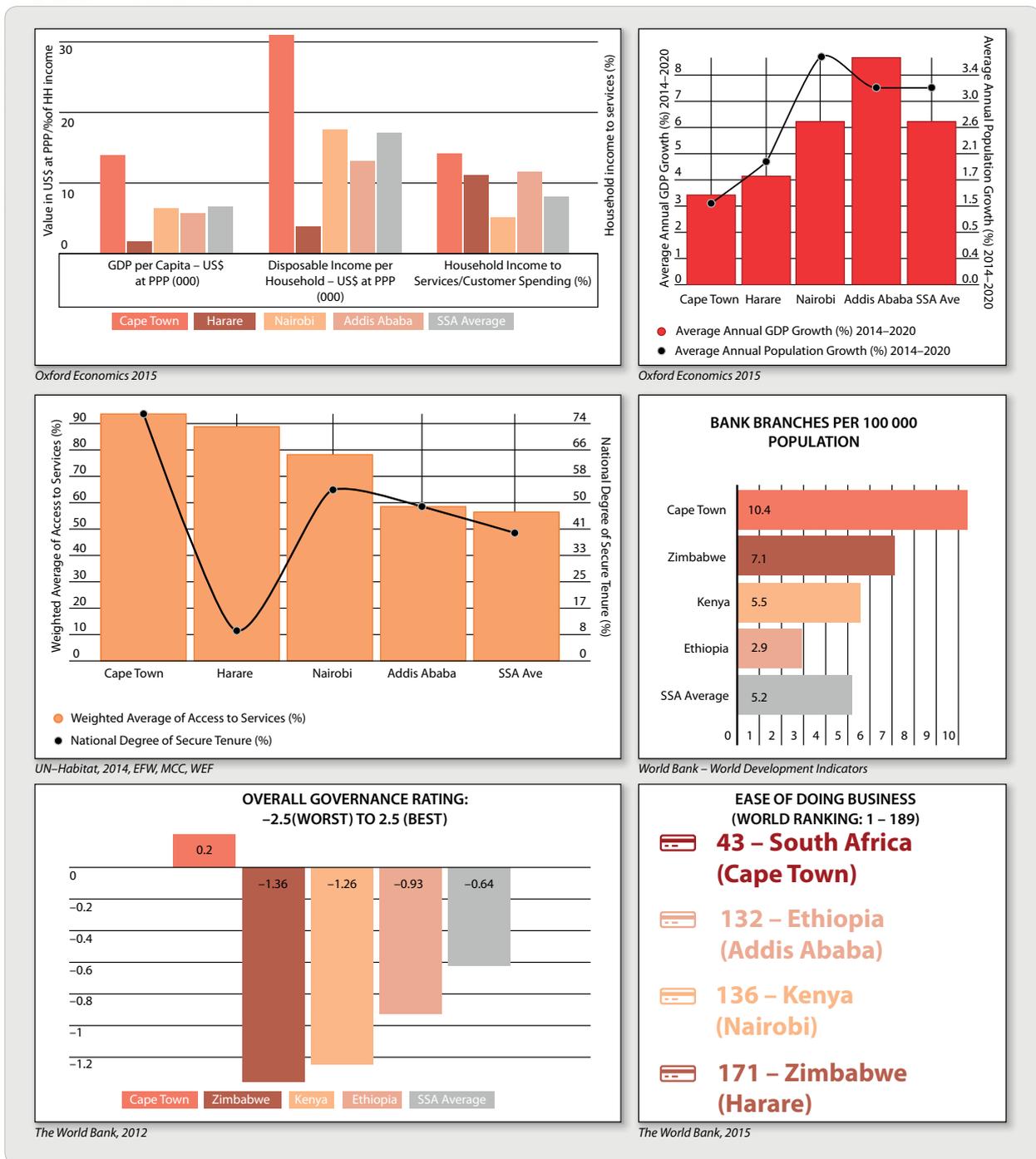
The weighting of the criteria in relation to each other is a matter of judgement, and the MCA technique requires that those most informed about land-based financing agree on the weighting and that the impact of changes in weighting on the final result be tested. The actual weighting applied is described in Report 1.10.

An interactive web-based database was set up as part of this project, referred to as the 'Africa Land and Infrastructure City Scan' (ALICS). All the data for each city and each

criterion is stored in ALICS database and can be publicly accessed. The MCA analysis is undertaken on this site. The site makes provision for adding information, including additional criteria and their associated data. The decision-making tree can be amended and calculations undertaken to develop new criteria. The implications of weighting changes can be easily assessed.

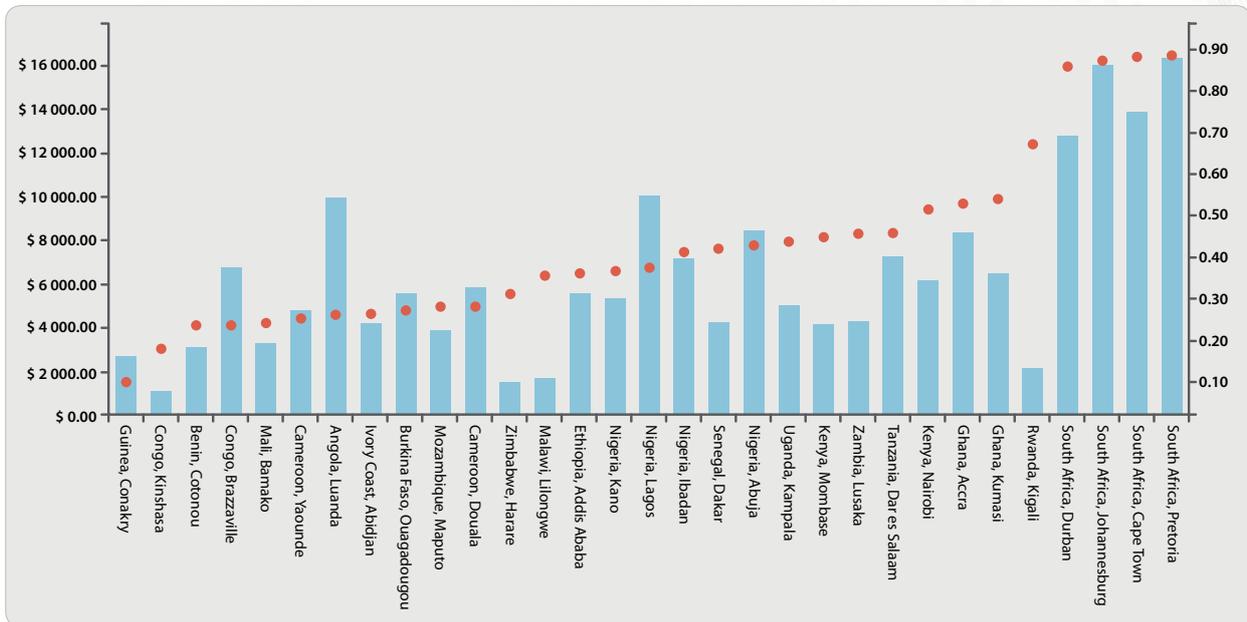
A sample of statistics used as indicators for land-based financing potential are given in Figure 10.

**Figure 10:** City comparison sheet: statistics for selected sub-Saharan African Cities



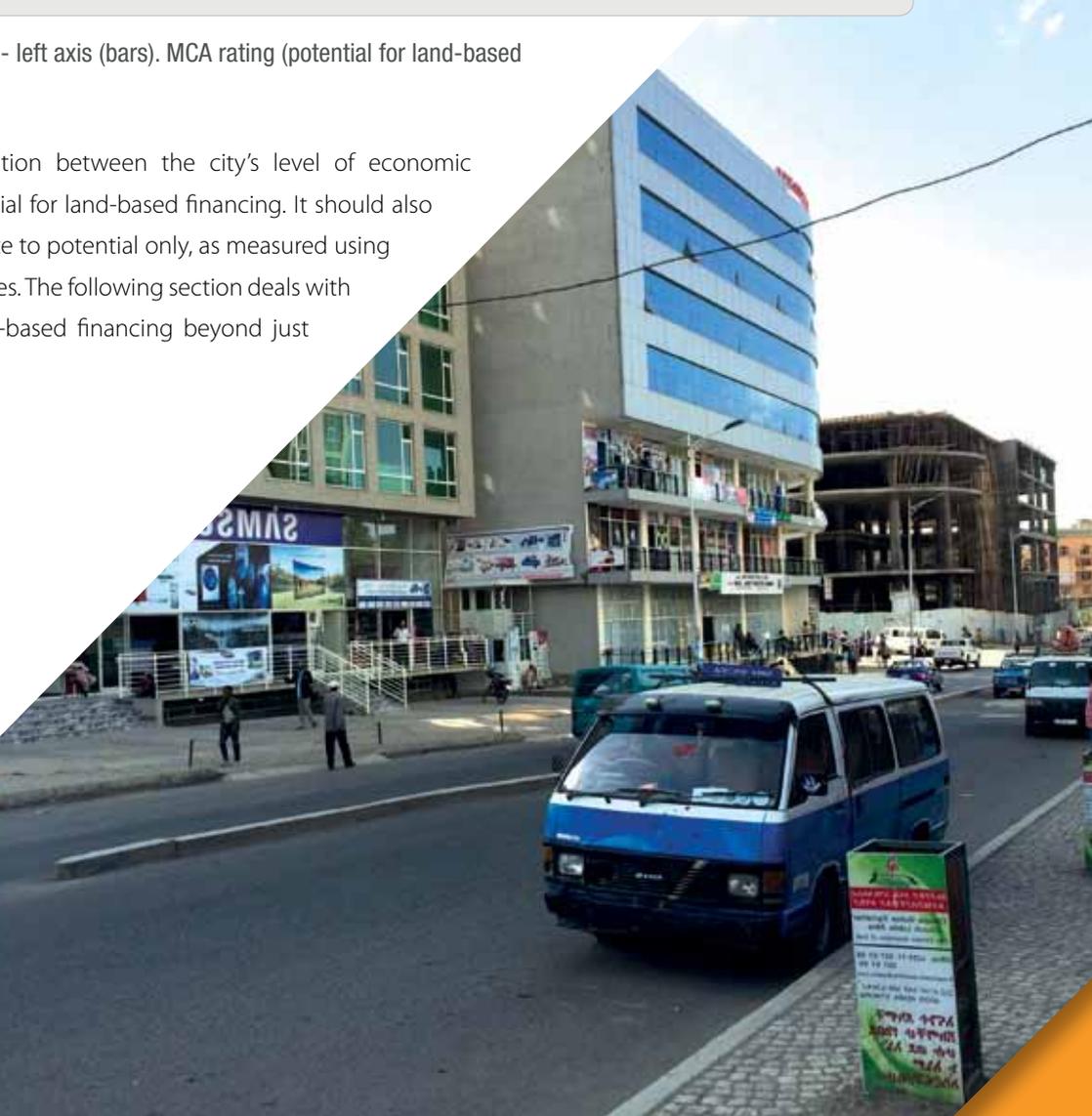
After applying the MCA using the weighting shown in Table 5, the final results of the analysis are provided in Figure 11.

**Figure 11:** Results of MCA to assess potential for land-based financing for 31 cities



GDP per capita (US\$ with PPP) - left axis (bars). MCA rating (potential for land-based financing) – right axis (dots)

There is an obvious correlation between the city's level of economic development and the potential for land-based financing. It should also be noted that the results relate to potential only, as measured using available data across all 31 cities. The following section deals with factors which influence land-based financing beyond just potential.



# 6

## CURRENT APPLICATION OF LAND-BASED FINANCING IN SUB-SAHARAN AFRICA

This section deals with the extent to which land-based financing is actually taking place. The research found that certain factors influence whether land-based financing achievements exceed or fall short of the potential assessed in Section 5.

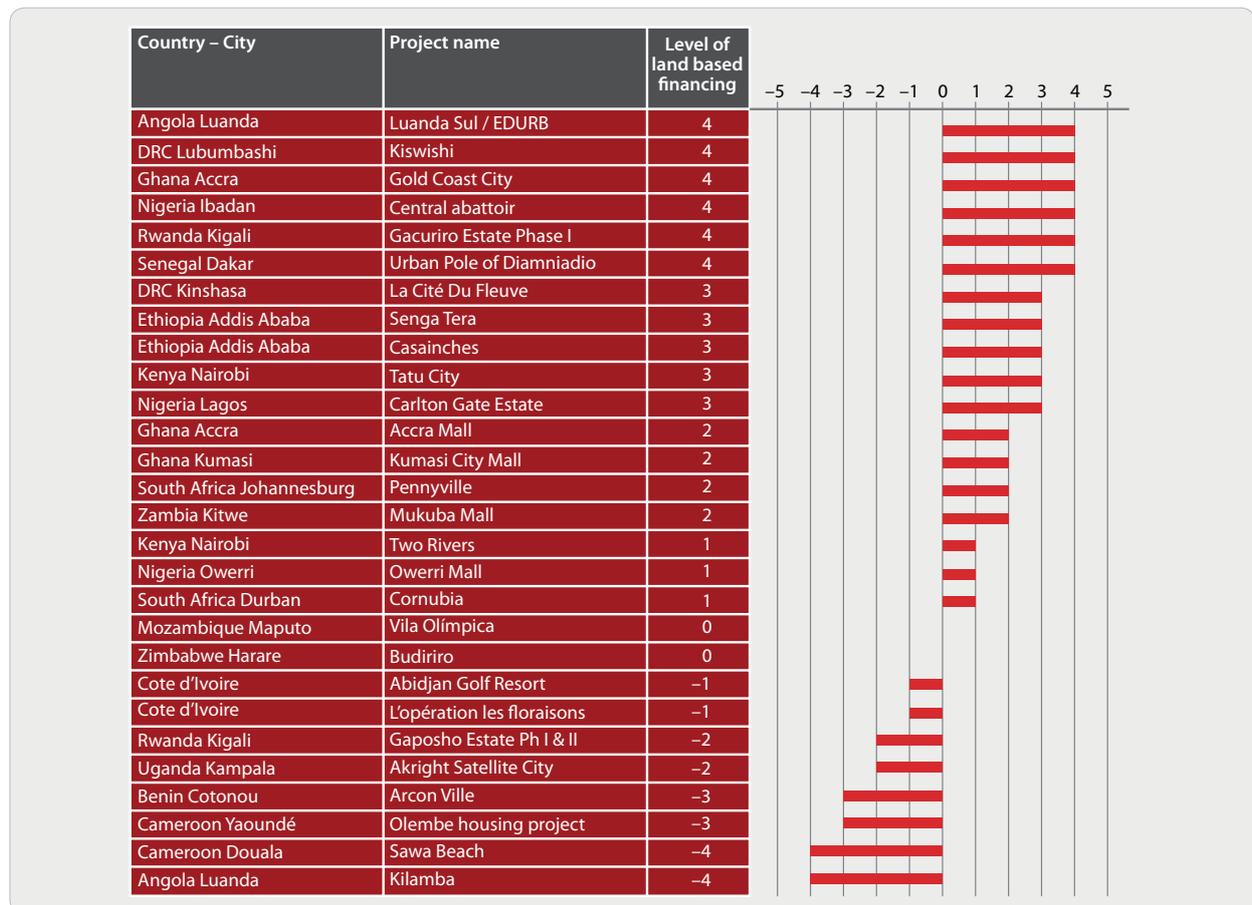
### *The extent to which land-based financing is taking place*

In this research, land-based financing is defined broadly and includes in-kind contributions by property developers. If this broad definition is applied to the selected 16 countries, land-based financing of urban infrastructure appears to be relatively widespread in sub-Saharan Africa. Such financing is found in 10 of the 16 countries: Angola, Democratic

Republic of Congo (DRC), Ghana, Ethiopia, Kenya, Nigeria, Rwanda, Senegal, South Africa and Zambia. However, 'negative' land-based financing, implying commercial and high- to middle-income property developments are being subsidised (see Figure 6), was found in Benin, Cameroon, Côte d'Ivoire and Uganda. The property developments in Zimbabwe and Mozambique showed a neutral position, but other investigations (as part of the country case study) showed a propensity towards subsidy in Zimbabwe. Further, in Angola and Rwanda the results are mixed, with property developments indicating commercial and high- to middle-income housing being subsidised.

Figure 12 shows the spectrum of land-based financing 'scores'.

**Figure 12:** Land-based financing ratings for the property developments



It is important to note that these results are based on a sample of 28 property developments in just 16 countries and include relatively large cities. Further, the selection criteria favour larger-scale developments, where relatively

good information is available. Yet sub-Saharan Africa contains 48 countries with a wide variety of property development circumstances. Nevertheless, land-based financing does occur quite widely.

## 6.1 The types of land-based financing instruments being applied

In all but one country (Ethiopia), the land-based financing instrument applied is an in-kind contribution by property developers. This contribution takes usually the form of the actual construction of connector infrastructure serving their developments and, in some cases, of bulk infrastructure.

Several countries have in place a fee-based instrument such as a development charge, but these fees are waived for the development concerned, or the revenue collected is not applied to the financing of infrastructure (Table 4).

**Table 3:** Land-based financing instruments applied in sub-Saharan African countries

COUNTRY	TOOL APPLIED
South Africa	Development charges have been applied quite widely in the past, and recently a national policy on development charges was completed. However, the charge was applied for the two sample property developments (see Box 1).
Kenya	Developers are charged an infrastructure levy of 0.05% of the development cost, but this does not go into a separate account and is not used to finance infrastructure provision.
Zimbabwe	Developers are charged an 'endowment fee' of up to 20% (generally closer to 10%) of the value of the property. Historically this has been paid into a separate account intended for capital works, but in reality this money has been used to cover operating revenue.
Côte d'Ivoire	National government levies 4 property taxes on property developments, with the intention that they be redistributed to local government. However, the Abidjan case studies found the developers were exempted from 2 of these taxes and no indication that the taxes resulted in infrastructure investment by the city.
Nigeria	The owners of property in new developments pay a land-use charge, which is a one-off property-based tax levied by Lagos State Government. This tax is assessed on the capital value of the property. However, the case study found no evidence that the revenue raised was used to finance infrastructure.

The emerging picture is that some form of development charge is used in these countries but has not been effective in financing infrastructure.

The land leasing arrangement in Ethiopia is exceptional because the state owns the land and hands over the right

to lease it to its cities, which is uncommon in sub-Saharan Africa (see Box 2). Even more unusual is that this control over land tenure and land holding is linked up with control over all major urban infrastructures, as it is in the case of Addis Ababa.

### ***Box 1: Developer charges policy as applied in South Africa***

For many decades most South African municipalities were empowered to require that developers make a contribution in cash or kind (either in the form of land or the installation of infrastructure) as a condition for granting a land-use change. Different provinces had different rules as to the basis on which the municipalities could calculate the amount owed by developers, as well the purposes to which the developers' contributions needed to be put (although these invariably focused on capital investment in infrastructure or land). This resulted in uneven collection across municipalities. A study by the World Bank also showed that municipalities were recovering only around 10% of the contributions that they could theoretically demand from developers.

National Treasury viewed this situation seriously. It saw municipalities fiscally 'racing to the bottom': competing with each other to provide the lowest costs for developers in order to attract investment into their municipal areas. Over time, this reduced the municipal funds available for investing in infrastructure, prompting growing demands on the national fiscus to meet municipalities' obligations to provide infrastructure. National Treasury is in the process of developing a policy framework and legislative reform in order to establish a mandatory and uniform set of rules applicable to development charges across the country.

The draft policy framework retains the granting of a land-use change or subdivision approval as the trigger for a developer to make a contribution, in cash or kind. However, the total value of that contribution is calculated based on a uniform formula that relates to the change in intensity of land use, from prior to the developer submitting a rezoning or subdivision application to after the application is granted. The formula is designed to capture the full costs to the municipality of expanding the capacity of its infrastructure networks to accommodate the additional impact on those networks by the new development. The draft policy stipulates the need for maximum transparency and openness in calculating, paying and spending development charges. It also prohibits municipalities from granting any exemptions from development charges unless alternative funding sources are found to make up the loss of revenue that would otherwise result from the exemption. Although in progress for more than 5 years, the policy has not yet been finalised. The intervening enactment of new spatial planning and land-use management legislation, which is inconsistent with the draft policy framework in important ways, has slowed down the process of introducing the new policy and its accompanying legislation.

## ***Box 2: The land leasing system in Addis Ababa***

Until the advent of the military (Derg) regime in 1974, all land in Ethiopia was privately owned. This situation remains in that Ethiopia's Constitution declares that land ownership is "vested in the State and in the people of Ethiopia. Land is a common property of the nations, nationalities and people of Ethiopia and shall not be subject to sale or to other means of transfer."

In urban areas, local authorities can lease this land through a Lease Proclamation. Land leases are sold in two ways: direct allocation, where a 'base price' for the land servicing is paid, and land auction, where land is sold to bidders at a market-related price. Once the land is identified, it must be prepared for the planned developments. This means the land must be cleared and serviced. If households are living on this land, they must be compensated for the lost value of their structures. The duration of lease varies from 99 years for residential land, to 60 years for commercial and all the way down to 5 years for small enterprise development.

In Addis Ababa, 94% of released land is allocated directly at the base price for activities and development seen to be of strategic importance to the fulfilment of the spatial plans (Kognova and Zenebe, 2014). These activities can include the provision of housing, in which case land can be allocated to the State for supplying condominium-style development (90% of units delivered) or to housing cooperatives (7%) or private developers (3%). Since little land is available on the open market, the demand for land far outstrips the supply.

Land leasing also takes place on the periphery of the city. However, due in part to the slow release of land (a ramification of needing to first service and process land before its auction or allocation), farmers on the edges of the city have taken to illegally subdividing their plots and selling off the parcels directly to households who build their own dwellings.

The proceeds from land leasing are dedicated to infrastructure provision. This represents an important form of land-based financing but only provides 9% of the city's capital expenditure. This system does have its shortcomings, in that it creates an artificial market situation: constrained supply is coupled with high demand, leading to high prices. Furthermore, the land leasing system has not been able to address the housing needs of the very poorest in Addis Ababa.

## 6.2 Nature of property developers

A wide range of developers are active in sub-Saharan Africa, as shown by the types of developers involved in the sample of 28 property developments (Table 5).

**Table 4:** Types of property developer

TYPE OF DEVELOPER	COUNTRIES WHERE THESE DEVELOPER TYPES HAVE BEEN INVOLVED
Large-scale private developer acting as ‘umbrella’ developer, working with smaller scale developers (not identified).	Angola, Kenya, Rwanda
Medium- to large-scale partnership between government and private developer	Ghana, Cameroon, South Africa, Zimbabwe
Small-scale partnership between government and private developer on commercial property developments	Nigeria
Large-scale private developer undertaking complete development, typically with access to international sources of finance	Cameroon, Côte d’Ivoire, DRC, Ghana, Kenya, Senegal, South Africa, Uganda, Zambia.
Small-scale private developer undertaking complete development	Ghana, Nigeria, Rwanda.
Parastatal developer	No developers identified in this category, but some cooperative developer entities have public partners giving situations which, in aggregate, are close to being parastatals
Public sector developer, sometimes with construction firms acting as subsidiary ‘developers’ but taking little risk.	Angola, Benin, Ethiopia, Mozambique.
Community-based developers structured as NGOs.	Kenya, Ethiopia

The results in Table 5 are based on a sample of property developers, and each country may have a range of developer types. Further, many property developments are undertaken by individual property owners, without a developer.

Currently there is a strong drive by international property developers to invest in sub-Saharan Africa. These

developers are often active in locating land for large-scale developments, which may or may not be well located in relation to the city structure. Smaller developers typically rely on local finance sources and may be financially constrained specifically with regard to making upfront payments associated with a property development.

## 6.3 Access to finance

This research paid only limited attention to the ways in which developers access bridging finance and property owners access finance to cover the purchase price of the property. However, in 15 of the 28 case studies a substantial

proportion of the finance is being raised internationally, with the balance likely to be financed by local banks and through equity. In the case of finance for purchasing properties, the three country case studies found that:

- In Ethiopia, loans to middle- to lower-income home buyers in condominiums are facilitated by the city and provided by the National Bank at a subsidised interest rate.
- In Kenya, traditional mortgage finance makes up approximately 14% of the total credit to the private sector. In 2013, there were approximately 20 000 mortgages across the country worth approximately US\$1.4 billion. This number has been slowly increasing, constrained largely by high and variable interest rates. A growing trend in Kenya generally, and in Nairobi specifically, is microfinance for the construction of housing. Many of the existing microfinance institutions have begun to offer alternative savings and lending products aimed specifically at housing. Beyond the traditional microfinance institutions, Savings and Credit Cooperatives (SACCOs) have increased dramatically over the past few years. In 2013, there were 1.7 million registered members of SACCOs in Kenya (CAHF, 2014).
- In Zimbabwe, lending is largely short term and dominated by the main 5 commercial banks, which lend 59.18% of the country's total loans. Mortgage lending is dominated by the Central African Building Society (CABS), followed by CBZ Bank. Interest rates on borrowed money are high, averaging approximately 15% per annum (CAHF, 2014).

## 6.4 Land-based financing – practice related to potential

### 6.4.1 Learning from the 31 largest cities

The results from research into a total of 31 cities in 22 countries and actual practice of 22 cities in 16 countries are considered. These results are drawn from the ALICS database.

The 10 countries with the least potential (Figure 11) are Guinea, DRC, Benin, Congo (Brazzaville), Mali, Cameroon, Angola, Côte d'Ivoire, Burkina Faso and Mozambique. The research included 10 property development case studies, located in 6 of the countries. The extent of land-based financing was found to be neutral or negative for 7 of these property developments. Substantial land-based financing is used in the other three developments (Kinshasa and Lubumbashi in DRC and Luanda in Angola). However, these are all large-scale developments on the periphery of cities (on reclaimed land in the case of Kinshasa) where developers recognised that they had to provide connector and bulk infrastructure themselves if the development was to go ahead. This type of land-based financing arguably takes place in the absence of effective government and effective land-administration systems.

The middle group in terms of potential contains 8 countries: Zimbabwe, Malawi, Ethiopia, Nigeria, Senegal, Uganda, Zambia and Tanzania. Nine property development case studies were investigated in 7 of these countries: (Tanzania and Malawi not included; 2 developments in Ethiopia and 3 in Nigeria). Of the 9 property developments, 7 were shown to use significant land-based financing, one was neutral and one was negative, indicating subsidies.

The highest potential was found for 4 countries and their largest cities: Kenya (specifically Nairobi), Ghana, Rwanda and South Africa. Nine property developments were studied, 2 in each country with an additional one in Ghana. A significant level of land-based financing was found in 8 of the developments. The exception was a project in Kigali that received substantial subsidies.

The research found that countries with higher potential apply land-based financing to a greater extent. Therefore, a concerted action by the state and cities, supported by international development agencies, has the potential to create a successful system of land-based financing in most cities.

## 6.4.2 Lessons from the three case study cities

In addition to the scan of the 31 largest cities in the region, (Section 6.4.1) more detailed work was done on the experience of land-based financing in Addis Ababa, Harare and Nairobi (Table 6).

**Table 5:** Findings from three sub-Saharan cities

	ADDIS ABABA	HARARE	NAIROBI
Land-based financing instrument	Land lease (combined land tenure, through lease, with the land development rights)	'Endowment' contribution (10–13% of project value)	Infrastructure levy (0.05% of project value)
Effectiveness of the LBF instrument	Effective at delivering integrated land development and infrastructure	Contributions not spent on infrastructure because of weak city finances and depleted operating account	Levy not ring-fenced and so not used for infrastructure investment
Challenges	Land supply is constrained, with the consequence of poor people being priced out of the city land market	Quasi-legal peri-urban developers competing with formal developers, hence low formal supply of property development projects Unpredictable and non-transparent city-wide planning Unconstructive tensions between national and local government	Overheated property market, operating largely outside of the legal framework, with extensive political interference Infrastructure investment and land-use planning not synchronised City's institutional arrangements not designed for integrated infrastructure investment
Opportunities	Growing financial contribution to city revenues for infrastructure investment Growing professional and technical capacity to manage LBF instruments	Substantial (but uncoordinated) provision of infrastructure 'in kind' by developers Growing economy Innovative property development finance from private sector	Significant new road and rail infrastructure is conducive to new land value capture instruments High capacity to provide in-kind contributions of infrastructure by developers
Lessons	Investing resources in setting up LBF systems does produce results (although high levels of state control over land, infrastructure and planning is a unique advantage)	A city's in a very weak financial position is not able to invest in any infrastructure, and even LBF instruments cannot assist very much.	The combined effects of rampant property speculation and government interference in the property market makes it difficult to design effective LBF instruments.

It is not surprising that the relationship, between the potential for land-based financing and the practice, is not particularly strong. The political and economic complexity relating to the property development process, compounded by often ill-conceived regulatory and fiscal frameworks, underscore the difficulty of getting effective land-based financing to work in the region. Some of the main factors, which are not necessarily directly measurable but inevitably have a major influence, are addressed below.

#### *The influence of political economy*

The term 'political economy' here relates to the overall governance of a country, the relationships between the state and cities, and the institutional arrangements in place to provide urban infrastructure. These in turn reflect the balance of economic power within a particular city and country. A key dimension for property development is the interplay between the political and institutional arrangements on the one hand and the distribution of economic opportunities on the other. In many sub-Saharan African countries, where relatively few economic opportunities exist and are concentrated in only a few economic sectors, competition over the profits from property development is invariably intense.

A country's political economy has a major influence on the effectiveness of urban development, the financing of infrastructure and the associated arrangements for applying land-based financing instruments. This complex factor is not possible to measure using the criteria for effective land-based financing (Section 4) and is therefore missed to a large degree in the analysis of 'potential' (although governance by the state is included as a criterion and has a measure). Yet this factor remains a key influence on the effectiveness of land-based financing, as shown by the country case studies.

For example, following the 2005 election crisis in Ethiopia, political interventions in the administration of Addis Ababa resulted in a relatively seamless line of accountability between the national and local government bodies. This had the effect of enhancing the city's capacity to raise revenues through land leases, albeit at the expense of multiparty democracy. In Kenya, the contestation among politically well-connected individuals to capture the benefits of property development in Nairobi has resulted in a free-for-all situation, in which land-use regulations have become largely irrelevant and the integrity of the city's land register is now in doubt. The resulting proliferation of extra-legal land development of all scales contributes to the city's difficulty in using its available land-based financing mechanisms to generate infrastructure finance. Finally, with economic collapse and fierce political conflict, Harare has been rendered almost completely impotent in its capacity to finance infrastructure of any sort, through any means. Certainly the existing land-based financing instruments make no noticeable contribution to the city's capital budget. Notwithstanding a new Constitution in 2013 guaranteeing local government powers and revenue sources, the city's administration remains vulnerable to political conflict on the national stage and has seen no appreciable or practical change in the institutional arrangements or functional responsibilities needed to carry out effective urban management.

Land is a highly contested feature of every country in the region. Histories of colonial dispossession, followed often by civil unrest and territorial conflicts, have left African countries with a legacy of ambiguous land tenure and land development systems. In each city studied, the contested nature of land has surfaced. It underlines the reality that, while technical and legal reforms will go some way to address the need for more effective urban land-

based financing, all of these initiatives will have to be grounded in a deep understanding of the particular nature of the land tenure, land-use and land-administration systems applicable in each sub-Saharan African city.

### *In-kind contributions are happening but there are concerns*

In-kind contributions by developers are taking place across almost all of the countries studied, sometimes matched with a subsidy from the city or the state in the form of land provided at below market price. Further, in-kind contributions are found across the cities, from those with the lowest to those with the highest potential. Where city administrations are relatively weak, developers have little option but to build connector and, sometimes, bulk infrastructure themselves.

This research has not been able to cover how infrastructure associated with individual projects integrates with infrastructure as a whole. However, the concern is that, without proper planning and management of developers, such integration will not take place properly.

Furthermore, in-kind contributions are likely to be biased towards larger-scale property developments, where the developers are able to raise the capital to provide infrastructure external to the area being developed. A developer of a smaller project is less likely to be able to raise the amount of capital needed to provide infrastructure beyond that which serves the immediate needs of the particular project.

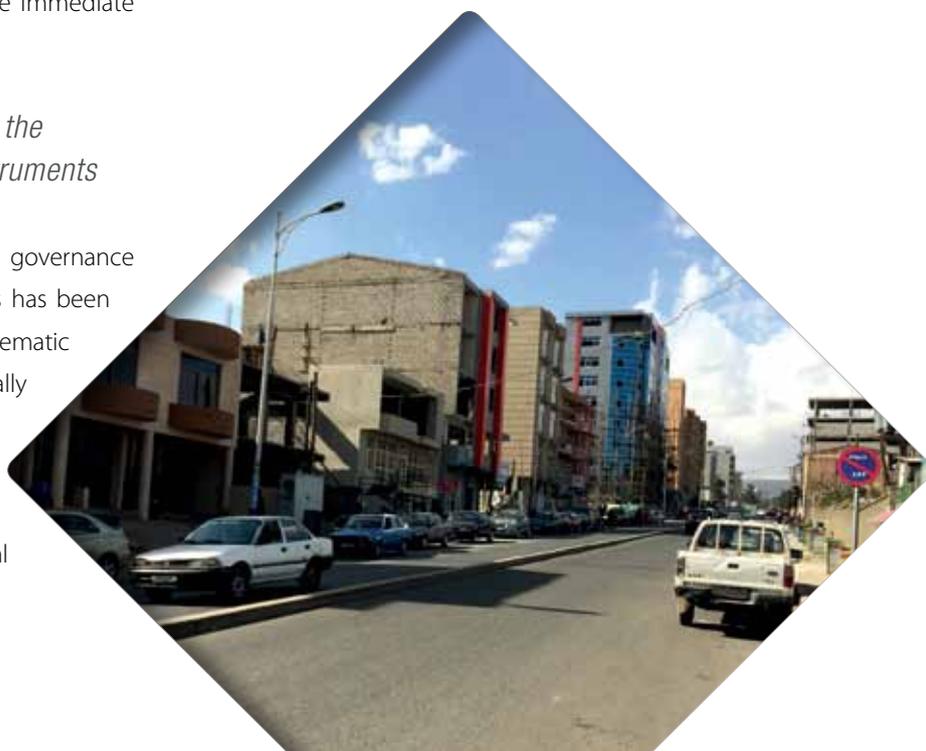
### *Weak governance systems undermine the potential for land-based financing instruments using fees or charges*

The importance of strengthening governance arrangements for sub-Saharan African cities has been emphasised elsewhere in this report. Systematic and efficient land-based financing, especially where it depends on the city requiring the payment of fees or charges, is impossible to create in a policy and legislative vacuum, within dysfunctional institutional

arrangements. Initiatives to strengthen urban governance, through both national legal and policy frameworks for local government and the internal governance of cities themselves, are all important to improve the capacity of cities to implement land-based financing. Indeed, it can be argued that improved urban governance and greater use of land-based financing are interdependent; it is difficult to conceive of a city achieving the one without the other.

### *Land-based financing largely bypasses the poor*

In theory, land-based financing should have pro-poor outcomes. In a best case scenario, the system captures the surplus value created by the land development and spends it on infrastructure that directly benefits the poor. A worst case scenario is one where developments are built for the well-off but at least are not subsidised by public money. In practice, neither outcome is attained, not even the worst case scenario. In Addis Ababa, the city's control over the supply of land via the lease system is insufficient to meet the demand, with the result that land access is increasingly unaffordable to the poor who are inevitably displaced by developments on leased land. In Nairobi, developers make in-kind contributions of infrastructure but only to serve the needs of their particular projects, designed for the wealthy. While it could be argued that the provision of peri-urban land to poor (and some not so poor) households is beneficial, it comes without any mechanism to finance the infrastructure needed to integrate the new settlements into the urban system.



# 8

## IMPACT OF LAND-BASED FINANCING ON URBAN DEVELOPMENT

### 8.1 Making gains but too slowly

Urban infrastructure systems in sub-Saharan African cities are often dysfunctional. Serious infrastructure backlogs exist, with statistics collected for the 31 largest cities in the subcontinent showing:<sup>13</sup>

- 45% of citizens do not have adequate water supply
- 59% do not have access to 'sewerage'<sup>14</sup>
- 26% do not have access to electricity

While the absolute number of people with access to infrastructure is increasing (see Report 1.4), the high rate of population growth may mean that the percentage of people in cities with access to adequate services is not increasing, or is not increasing as fast, as is the case with electricity access. Furthermore, having a connection to a

water, sewer or electricity grid is only part of the requirement for an adequate service. The failure of bulk supply systems, and sometimes connector infrastructure, means regular power and water supply cut-offs. This is part of life in Addis Ababa, Nairobi and Harare, for example. It affects all consumers of services, but the poorest are worst off.

Land-based financing of urban infrastructure is obviously contributing to improvements but, while not measured as part of this research, the indication is that the impact is too small and that benefits tend to accrue to enterprises and high- to middle-income households; seldom to poor households.

### 8.2 The economic versus social development argument

Cities that are striving to move from 'survival' mode to a more advanced stage have to make difficult trade-offs. From a financial aspect, one typical trade-off might be deciding to subsidise commercial and medium- to high-income residential property developments, thereby subsidising the property owners who become part of these developments. The subsidy may take the form of providing land at below market value or supplying internal infrastructure to the property development, or even covering part of the cost of the building (a house). This

type of subsidisation is happening, notably in Angola, Benin, Côte d'Ivoire, Cameroon, Rwanda and Uganda, and is most common in housing developments (addressed in more detail below) as well as large-scale mixed-use developments.

The motivation may not often be transparent, but two primary reasons are: (1) the city and/or the state want to promote economic development of the city and believe that offering a subsidy is necessary to get developers to

13. Note that the data is outdated with some figures as old as 2006 while some are more recent (See Report 1.10 for more information).

14. As there is some uncertainty over what is access to 'adequate sanitation' and what is access to 'sewered sanitation', the likelihood is that this number relates more to 'availability of sanitation infrastructure' which may include 'on site' sanitation and public sanitation facilities.

commit to property developments; (2) the initial belief that the housing part of the project is for the poor, when in reality the cost of the housing units is way outside what poor households can afford. At the same time, subsidising

infrastructure for low-income residential property developments – whether in ‘greenfield’ or ‘in situ upgrade’ – is neglected, despite strong social development arguments for using subsidies for this need.

### 8.3 Infrastructure fragmentation

The importance of planning for integrated city infrastructure is obvious. However, with sub-Saharan African cities growing at their current rate and the lack of technical expertise to plan and manage growth, infrastructure inevitably is provided in ‘pockets’, serving only specific property developments. There are arguments for planned, decentralised infrastructure relying on small-scale systems (Bieker et al., 2010; Nelson, 2008), but these become less feasible as densities increase and, for large cities, well-functioning networked infrastructure for roads,

water supply, sewerage and electricity are necessary. The type of infrastructure provided in ‘pockets’, typically associated with in-kind contributions by developers, may not serve the effective functioning of city-wide infrastructure, may ignore neighbouring developments and may be cost inefficient. Furthermore, such an approach to infrastructure provision will only exacerbate, not mitigate, already extremely high levels of inequality in the access to basic services.

### 8.4 Residential infrastructure and housing for poor households

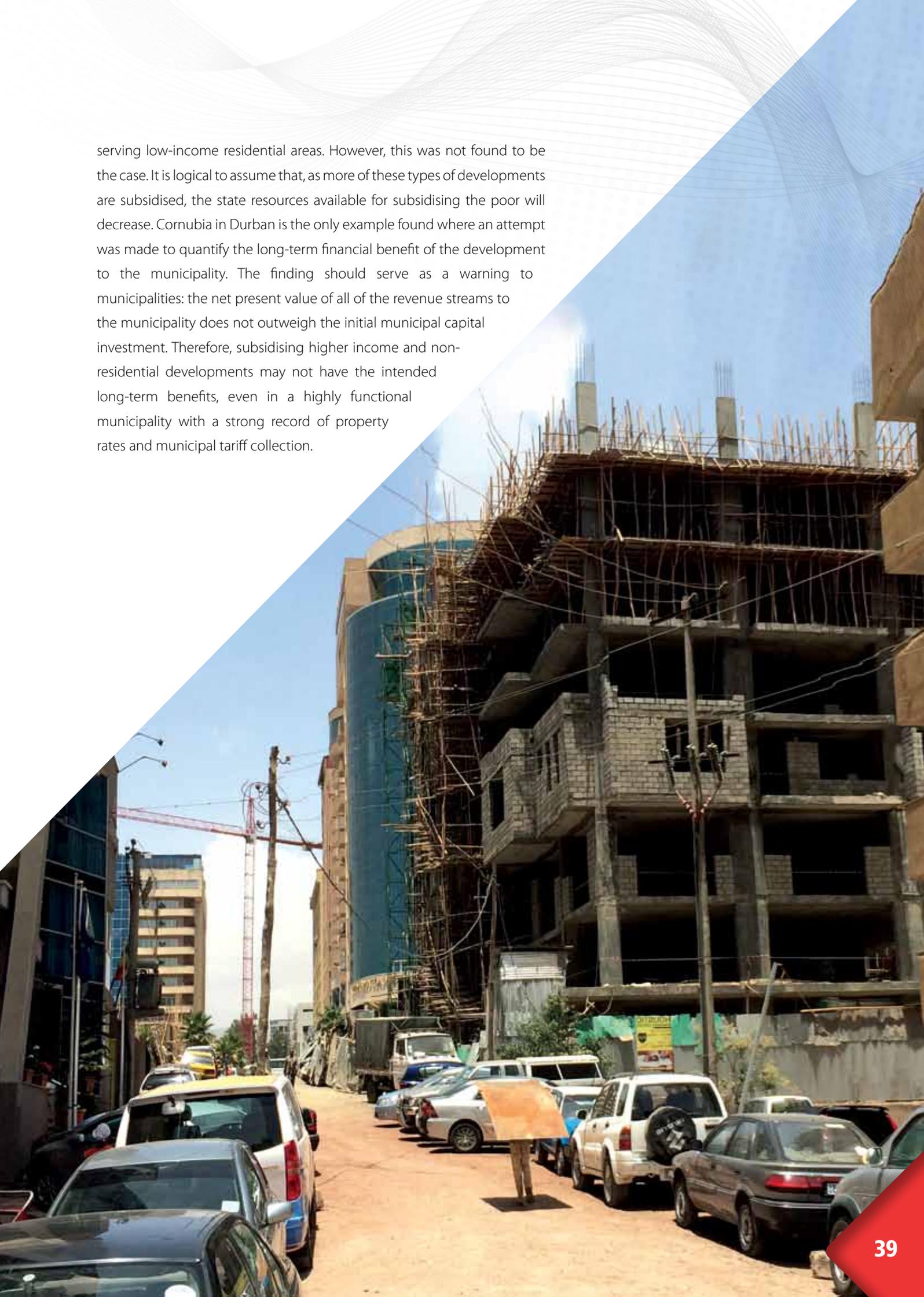
As noted above, many developments originate from an identified need to address the chronic shortage of housing and commercial property, including in many cases the shortage of low-cost housing (at least as a portion of the development). However, the end result is often unaffordable to the intended beneficiaries. Two forces appear to push prices up beyond the target market: (1) the construction cost is higher than expected (sometimes as a result of the specifications being too high); and (2) speculation and resale occur in response to the high demand. In the case of heavily subsidised housing, allocation is an issue and is seen as a tool for political manipulation.

There also appears to be a clear push for mortgage finance for the middle class. Housing is being built for this market by the private or public sector and sold at unsubsidised market rates, with the expectation that these households will access housing finance. This approach is strongly supply-driven, without an appreciation of the levels of access to credit in this market.

Most of the documented housing projects, both state and private, are on ‘greenfield’ land due to issues of titling and because land is cheaper. These developments are taking place in the midst of largely informal and surprisingly heterogeneous tenure arrangements. Formal land titling in many cases is not the norm. It is estimated at less than 3% in the Côte d’Ivoire and less than 10% in Cotonou, Benin. At the other extreme, all land in Mozambique and Angola is state-owned.

Many of the property developments studied deliberately target high-income residents, but these developments are often subsidised, motivated in part by the desire to attract investment in these cities. This could be a deliberate local government strategy to intervene in this market, either to increase housing stock to satisfy demand, or to generate increased future revenue streams from developments, or both. However, when city and state capital resources are constrained, allocating city and state resources to this type of development could reduce the capital available for investment in infrastructure for low-income housing, particularly if the anticipated future revenue streams do not materialise. This situation could be improved if land-based financing was taking place at a level that allowed cross-subsidisation of infrastructure

servicing low-income residential areas. However, this was not found to be the case. It is logical to assume that, as more of these types of developments are subsidised, the state resources available for subsidising the poor will decrease. Cornubia in Durban is the only example found where an attempt was made to quantify the long-term financial benefit of the development to the municipality. The finding should serve as a warning to municipalities: the net present value of all of the revenue streams to the municipality does not outweigh the initial municipal capital investment. Therefore, subsidising higher income and non-residential developments may not have the intended long-term benefits, even in a highly functional municipality with a strong record of property rates and municipal tariff collection.



# 9

## PROPOSED INTERVENTIONS

Given the large gap between the cost of urban infrastructure required to provide for economic and social development in the region and the availability of finance, all available infrastructure finance mechanisms must be considered. Land-based financing certainly has considerable merit and should be pursued by sub-

Saharan African governments and the development agencies which support them. This will contribute to increasing the emphasis on urban infrastructure, balancing the priority currently given to national-scale transport, energy and water resource infrastructure.

### 9.1 Political economy

The political economy of each city and each country is different and constantly changing. While it is easy to say that the political economy of land development and urban land is a crucial piece of the land-based financing puzzle, identifying concrete interventions to change the situation is much harder. In principle, however, interventions that promote the following will be valuable for promoting land-based financing in the region:

- a. Ensuring that cities have wider control over the provision of urban infrastructure: building the argument for land-based financing is very difficult if the cities do not have this mandate.
- b. Promoting a clear governance framework for cities, including law, policy and institutional arrangements: uncertainty over urban management powers brings conflict between national and local political forces, which undermines the rationale for introducing and strengthening land-based financing.

- c. Promoting accountable and responsive government: when implementing land-based financing, the high risk of corruption and financial mismanagement demands that government accountability and responsiveness improve, particularly related to budgeting, performance management, procurement and financial reporting.
- d. Clarifying urban land policies and regulatory frameworks: contestation and uncertainty over underlying land tenure arrangement are present in most cities in the region, while the frameworks regulating land use and development are notoriously inappropriate and ineffective. Incremental improvements in the urban land sector will be essential to create an efficient and inclusive urban land management system that is conducive to land-based financing.

### 9.2 National infrastructure investment framework

The intergovernmental fiscal framework for sub-Saharan African countries needs to recognise the importance of land-based financing as an infrastructure financing mechanism, alongside the other three primary financing mechanisms: transfers and donations, city own sources of

funding and service provider funding. An infrastructure investment framework needs both to focus on capital finance and to address the financial viability of cities and other local governments, by understanding their operating expenditure requirements and the revenue

that they can (and should) raise to cover operating expenditure. The key features of a national infrastructure investment framework are proposed as follows:

- a. The role of the state, city, parastatals and the private sector in providing and funding infrastructure.
- b. The design of intergovernmental transfers in the form of tax-sharing, general purpose grants and specific purpose grants.
- c. The role of international development agencies in funding urban infrastructure.
- d. The extent to which cities can raise own revenues to cover necessary operating costs and generate surpluses that can be used for infrastructure investment.
- e. The extent of borrowing by the state, cities or parastatals, and the extent to which the state will guarantee loans taken out by cities or parastatals.

### 9.3 City infrastructure investment planning

An infrastructure investment plan is essential for a city to be able to relate infrastructure requirements and associated costs to the availability of funding. Such a plan also allows a city to better understand the possible levels of service and the extent to which services reliant on infrastructure can be provided at an adequate service level to all in the city. Key features of a plan should include:

- a. The role of the city and its service providers – typically parastatals – in providing and financing infrastructure.
- b. An understanding of the city's social and economic objectives and the role subsidies play (see Section 8.2).
- c. Identifying a service provision programme based on increasing coverage of adequate services, taking population and economic growth into consideration.
- d. An assessment of transfers available to the city, likely trends and the targeting of transfers at particular services and associated infrastructure.
- e. An assessment of the revenue sources available to

- f. The obligations of parastatals to finance urban infrastructure at sufficient levels to provide the service they are responsible for to all.
- g. The application of land-based financing and the type of financing instruments to be promoted.

Assuming, as is proposed below, that the land-based financing instruments will primarily be in-kind contributions and development charges, the state should develop a policy for these instruments.

Ideally the investment framework should be based on an analysis of costs and revenue along the lines of the 'Municipal Infrastructure Investment Framework' in South Africa (DBSA, 2010). But it is possible to work on a progression from a simple framework, which is largely conceptual, to one with a full analysis.

the city and the extent to which these can cover necessary operating costs.

- f. Opportunities for the city to borrow or use operating surpluses to fund infrastructure.
- g. An understanding of the ability of parastatals to finance the infrastructure for which they are responsible in the city, as well as the extent to which the city can contribute to the financing of this infrastructure.
- h. An assessment of the extent to which land-based financing can be applied and of the instruments which are most appropriate (see below).

Like the investment framework, the investment plan should ideally be based on an analysis of costs and revenue along the lines of the 'Infrastructure Investment Planning' guideline used in South Africa (DBSA, 2009). Again, it is possible to work on a progression from a simple, largely conceptual plan, to a plan with a full analysis.

## 9.4 Application of land-based financing instruments

The two land-based financing instruments with most potential for sub-Saharan Africa are in-kind contributions by developers and developer charges. This is not to suggest that other instruments do not have a place. For example, if the city has rights to sell or lease land that is under state ownership, this is certainly a feasible land-based financing instrument. Furthermore, as cities advance and require (for example) mass transit systems, such infrastructure may be best funded through betterment taxes. However, in-kind contributions exist and will continue to exist, and development charges have great potential. Therefore, they represent a good starting point for a typical city looking to improve access to finance for urban infrastructure through land-based financing instruments.

### *Development charges*

Development charges are calculated based on the cost of infrastructure required to serve the property developments in particular contexts (see Box 1). A range of charges, levies and fees are currently applied in sub-Saharan African cities, many of them development charges, but very few are effective. This highlights the importance of promoting and supporting the use of development charges on the subcontinent. The potential to raise additional finance in this situation, where cities are expanding rapidly, is large.

Alternative types of charges based on development, which amount to a 'benefit tax', have the advantage of

being relatively simple to calculate, possibly based on the value of the property development.

### *In-kind contributions by developers*

Once a sound plan and a commitment to a development charges policy are in place, negotiations with individual developers become easier. However, this does not remove the need to negotiate in-kind contributions for unusual and/or large-scale property developments (perhaps in lieu of a development charge), so long as the plan provides a sound basis for entering into these negotiations.

### *Application of the funding raised through land-based financing*

The principle is that funds raised through land-based financing should be used for investing in connector, bulk and social infrastructure, over and above that required within the property development. Connector infrastructure has the highest potential for the application of land-based financing, as it can be directly attributed to a particular development. Where there is potential to raise funds in excess of that required to fund connector, bulk and social infrastructure, it may be possible to cross-subsidise from commercial and middle- to high-income residential property owners to fund infrastructure for poor households. However, given the current practices and case study examples, it is evident that the opportunity for this application of land-based financing is small.

## 9.5 Working with developers

Property developers are key players on the land-based financing stage, but this sector is poorly developed in sub-Saharan Africa. A more stable and transparent property market needs to be created, with simpler procedures and fewer, lower barriers to entry for smaller developers.

Greater transparency also needs to be introduced into the property development sector, which is notorious for corruption and bribery. Efforts should be focused on improving the overall governance arrangements for land development. Interventions should be introduced that both facilitate project implementation by developers and

empower citizens to hold both the developers and the relevant authorities to account for land-based transactions underpinning property development projects. Relationships between developers and politicians that are too close need to be exposed, through systematically introducing greater transparency and openness in city governance. Where developers organise themselves into associations in order to promote their shared interests and objectives, these should be supported and strengthened, as the capacity of the sector as a whole to deliver property developments is a key requirement to introducing land-based financing.

## 9.6 Advocacy and support

Advocacy by international development agencies will be important, if land-based financing instruments are to gain traction in sub-Saharan Africa. While the Angolan, South African and Ethiopian examples show what can be done, relatively little is happening. Advocacy should initially be aimed at national governments, to provide them with support in preparing policies. National governments can then work with cities to assist them in preparing infrastructure investment plans and applying land-based financing instruments, specifically development charges. A further advocacy issue is that cities should avoid subsidising commercial and mid- to high-income residential developments, where these government investments are not recovered later through land-based financing instruments or other means.

## 9.7 Capacity development

It is trite to observe that improved capacity is needed to realise the potential of African cities. This is certainly true in the case of land-based financing, and capacity development is particularly important in specific areas, including land and property valuations, municipal finance, land administration, infrastructure engineering and urban planning. Over and above these initiatives to strengthen individual professional sectors, the overall capacity of the city governance system has to be strengthened. Meaningful land-based financing is not possible without more efficient, better capacitated local government, as the wider the application of land-based financing instruments, the greater the capacity of local government will be. Capacity building and land-based financing are thus inseparable and parallel requirements.

# 10

## CONCLUSION

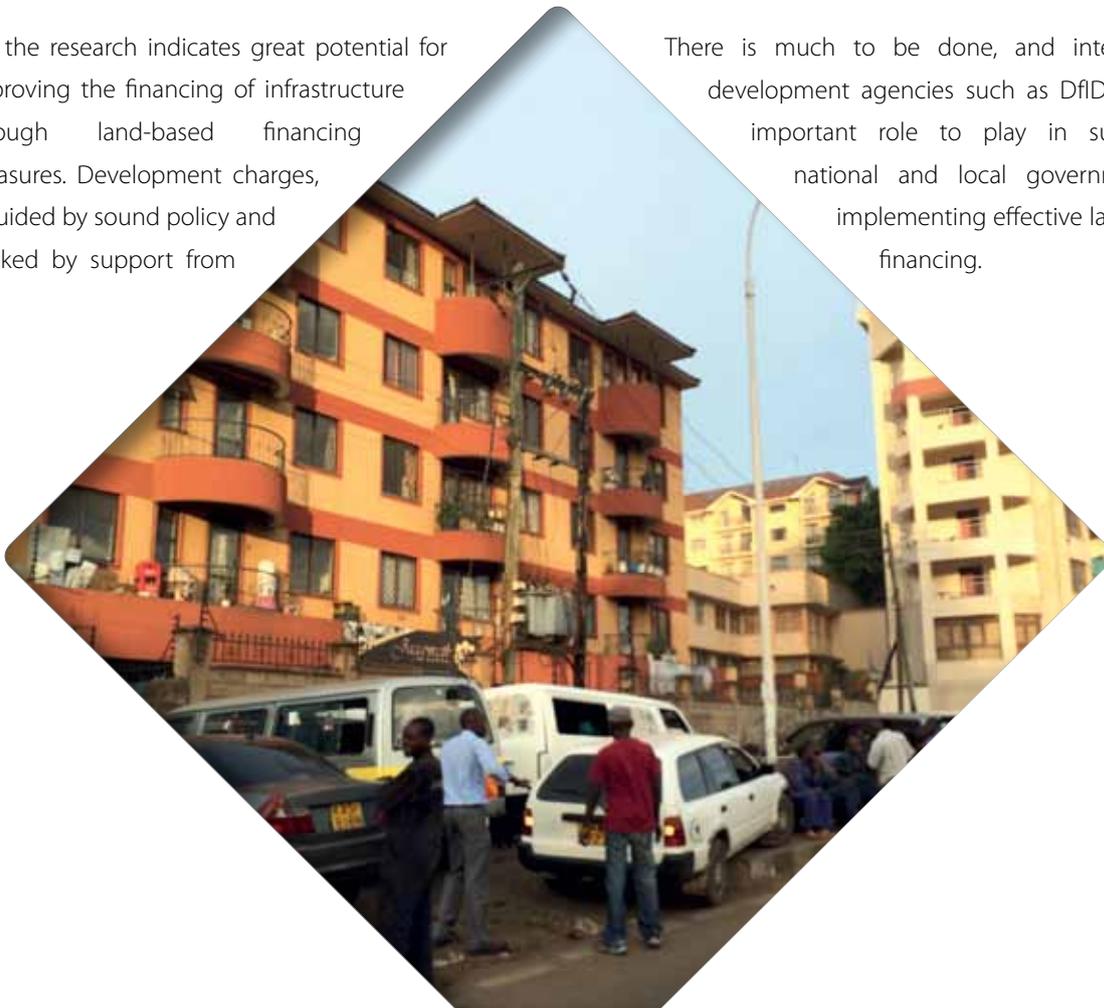
The research summarised in this report has been aimed at discovering what is happening with land-based financing both in sub-Saharan Africa and the rest of the world, with the aim of improving how this method of financing infrastructure is applied in the subcontinent. The research has highlighted the great need for improved arrangements for financing urban infrastructure, given the extent to which infrastructure systems are dysfunctional in many sub-Saharan African cities. But, taking a fairly broad definition of land-based financing, land-based financing is being used quite widely in the form of in-kind contributions by property developers. However, other instruments, conceived typically as some sort of tax or fee for infrastructure, have been ineffective in creating infrastructure improvements. Overall, the scale of finance made available through these means, in relation to the need, remains small.

Yet the research indicates great potential for improving the financing of infrastructure through land-based financing measures. Development charges, if guided by sound policy and backed by support from

national governments and international development agencies, have a big part to play in the region's many rapidly urbanising cities.

The research brief from DfID also included the requirement to assess the potential role of land-based financing measures in funding infrastructure serving poor households. Here the conclusions are rather negative. At best, land-based financing should be aimed at maximising funding for infrastructure to commercial and residential property for middle- to high-income households. This will at least avoid having to subsidise infrastructure for these developments and hence release other sources of funding for infrastructure for the poor, including slum upgrading. But, even with these measures in place, there remains an alarming shortage of funding for services to poor households.

There is much to be done, and international development agencies such as DfID have an important role to play in supporting national and local governments in implementing effective land-based financing.



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