African Cities
THE NEW MAGAZINE OF UCLG-A No 2/2016

AfDB's Dr Frannie Léautier on:

HABITAT III & AFRICAN CITIES GROWTH

THE ROAD TO QUITO

SOUTH AFRICA'S DRAMATIC LOCAL ELECTIONS

COP22 PREPARATIONS

RSA: R45.00 - VAT inclusive
AFRICA LOOKING FORWARD TO HABITAT III AT QUITO

Foreword
5 Jean Pierre Elong Mbassi

Celebrating our cities
6 Maputo

Habitat III
8 Africa’s road to Quito

Cover story
12 Rapid pace of urbanisation Interview with Dr Frannie Léautier

UCLG
17 Voice of the islands co-President of UCLG, Jacqueline Moustache-Belle

Accra
22 Attractive real estate investment hub

Local Elections - South Africa
27 Free, fair and hung

Cape Town
32 Municipal Management Best Practices

Cities Alliance
37 Africa’s cities need strategies

UNCDF
42 The Bond issue

Botswana infrastructure
46 Delivering water

Infrastructure development
49 Monopoly for real

Kampala
54 Kampala shows the way

Angola
56 Urban and habitat challenges

Energy
59 Energy catastrophe or energy-secure futures?

COP22
65 Ready and united for Marrakesh

Luanda International Airport
70 We have lift-off

PPP’s
72 Opportunity or risk?

7th Africities
73 Africities influence
For the average Joburger the option to live close to work and use an efficient transport system will be life changing.

The Transit Oriented Development dubbed Corridors of Freedom will make this a reality. They will be characterised by; living areas close to office developments, shopping centres, schools, recreational facilities, have pedestrian-friendly streets and cycling lanes.

Not only will we be creating a cleaner and healthier environment, but we will be lowering the cost of transport and transforming our city.

**Corridors of Freedom**
Restitching our City to create a new future.
AFRICAN CITIES AND LOCAL GOVERNMENTS:

THIS MAGAZINE IS IMPORTANT

The global agendas negotiated by the international community in the course of 2015 and 2016 have confirmed the obvious: cities and territories are the places where the fight against poverty and inequality will be won or lost; where the fight against global warming and for low carbon societies will be won or lost; and where the fight for sustainable and resilient cities and human settlements will be won or lost.

This centrality of cities and territories in shaping the future of humanity puts a huge responsibility on local and regional authorities that are compelled to adopt innovative approaches to governance, service delivery, and technologies. It is such innovation that will enable them to cope with the requirements of the emerging new world, in which, for the first time in history and from now on, the share of urban dwellers will surpass that of the populations living in rural areas.

This global trend is even more challenging in Africa where cities will have to accommodate, in the next 20/30 years, the equivalent of today’s entire continental population at 1.2-billion people. This is almost the entire 2015 population of China, three times the population of the USA, and four times the population of the European Union. African local and regional authorities therefore have no choice but to innovate, exchange notes, and engage in order to build a better life for all on the continent.

At this historical juncture, a number of agendas have been, or are being, adopted by the international community: the 2030 Agenda on Sustainable Development Goals (SDGs); the Paris Agreement on Climate Change; and the forthcoming New Urban Agenda that will be signed in Quito, Ecuador at the Habitat III conference.

These are agendas that will shape international relations in the field of development and cooperation for the next three decades. For these agendas to have a meaningful and tangible impact on people on the ground, local and regional authorities roles should be prominent and recognised, as they are the ones best placed given their closeness to citizens, to ensure the implementation of such agendas within populations at grassroots.

It is timely therefore that the UCLG-A leadership is ensuring that African local and regional authorities are provided with an appropriate communication platform, the African cities magazine, in order to demonstrate the activities they are undertaking pertaining to the implementation of these global agendas; to share lessons learnt from their experiences be those poor or best practices; and to voice concerns should implementation processes be delayed or derailed from expected trajectories.

The African cities magazine is intended to put African local and regional authorities on the map so that their positions count in the definition of development and cooperation policies and strategies in Africa and worldwide. It provides a comprehensive base for those who wish to work and partner with African local and regional governments. It is intended to be the rallying space for those who care about leaving no one behind.

African cities magazine also provides a conduit for those interested in reinventing a world of solidarity, and in providing a better life for all; a world of viable, sustainable and resilient cities and territories where all can contribute and participate, as well as be able to monitor and evaluate public policies.

African cities magazine empowers local Africa to mark its presence, own and build its future.

This magazine is the responsibility of its prime target audience, those being the local and regional authorities of Africa and their partners. It is they that will keep this magazine alive and motivate its constant improvement. Their presence, inputs, and contributions are highly welcome. •
CELEBRATING AND HONOURING OUR AFRICAN CITIES

MAPUTO
MOZAMBIQUE
Centre for Affordable Housing Finance in Africa

CAHF is an NGO based in Johannesburg, South Africa. Our main work is to understand housing finance markets well, and to use this to make housing finance markets work for the poor, enabling access to affordable housing across the continent.

We commission research, work on data, and advocate for change, enabling access to affordable housing across the continent.

We believe that housing finance is a critical component of the financial inclusion story, central to poverty alleviation, and fundamental to the growth agenda.

For more information and to join us in pursuing this agenda, please visit our website: www.housingfinance.org.za. Like our Facebook page and follow us on Twitter: @CAHF

CityMark Market Intelligence

CityMark is a tool designed to analyse treatments in the affordable property market. It’s a way of thinking and planning that uses a cutting-edge business intelligence platform. CityMark offers solutions to developers, investors, and public sector officials to open new ways of understanding affordable housing markets, the most recent down-to-earth instruments in South Africa.

CityMark has developed tools to better understand local housing markets.

- Housing Performance Index: measuring and understanding the levels of waste in affordable housing markets.
- Distribution of properties and values: identifying the level of waste in the market.
- Rental rates: identifying trends in rental housing, and their effect on the affordability gap.
- Data analytics: measuring and understanding the levels of waste in affordable housing markets.

For more information, contact Ruben Boksley at info@citymarkintelligence.org or www.citymarkintelligence.org
Africa is ready for Quito – not in 54 disparate entities, but as one block, with a common position, one voice. It is indeed cause for celebration and expectant jubilation.

The mail came in from one of the two African Members of the Habitat III Bureau who was coordinating Africa’s position at the negotiations on the New Urban Agenda. “We have a document on which we are all agreed.” The relief that followed was palpable among all the African diplomats, professionals, experts, government focal points, and partner networks who have toiled for over two years to build up Africa’s position on Habitat III. Their joy was infectious even across the airwaves. Africa is ready for Quito – not in 54 disparate entities, but as one block, with a common position, with one voice. It is indeed cause for celebration and expectant jubilation.

Why is this such a milestone? Although a new mandate for the United Nations Centre for Human Settlements (UNCHS) was derived to support and monitor the implementation of the Habitat Agenda adopted at the Istanbul Conference, and approved by all regions of the world, both the Vancouver and Istanbul conferences had no regional or sectoral focus but they set the stage for global awareness and regional policy debates. The urbanisation phenomenon was not associated with Africa and some parts of Asia, which were considered rural.

During the Habitat I and Habitat II Conferences, Africa’s participation was hardly relevant. The continent was still basically rural and participated as a continent that neither accepted that it needed to worry about human settlements.
The last two decades have seen a marked increase in Africa’s economic growth and productivity and with it a rise in the multiple challenges of rapid urbanisation and the growth of cities and human settlements. The consequent growing appreciation that it is impossible to deal with Africa’s growth and poverty challenges without managing urbanisation has provoked the establishment of the African Ministerial Conference on Housing and Urban Development (AMCHUD). Over a period of 10 years (2005-2015) they met in different cities of Africa bi-annually, discussing a wide range of themes on urbanisation. At its 4th meeting in Nairobi in 2012, the Ministers took a decision to “maximise the urban advantage”. This decision stood on four pillars: develop a transformative national urban policy; create a more compact city at human scale; undertake institutional and legal reforms and learning to do things together.

At its session in Ndjamena, the AMCHUD took a decision to advance partnership (learning to do things together) as the mechanism for preparing Africa for the upcoming Habitat III. In appreciation of the daunting challenge of building a consensus on urbanisation to reach a broad understanding of the common issues that confront the African continent, and as a response to the need for an early preparation and to have a unified voice for Africa at Habitat III, a group of African Member States took up the challenge and provided financial and technical support to facilitate country level preparations as well as support consultations required for forging a common position that has been achieved as a product of the national reports.

At its 5th Session, African Ministers decided to further adopt the UN Habitat-led African Urban Agenda (AUA) as its main input into the ambitious and visionary Agenda 2063. The AUA was born as a partnership between government and non-state actors out of the need to raise the profile of urbanisation as a force for structural transformation of Africa, as well as a vehicle to prepare Africa for the Habitat III Conference. Subsequently, the transition of the AMCHUD into the AU’s Specialised Technical Committee No 8: Public Service, Local Government

nor understood the implications of the urbanisation dynamics to its predominantly rural-based primary exports as the backbones of their economies.

The Building Blocks

The first signs of continental consciousness of the challenges and potentials of urbanisation for Africa was marked by African Union’s (AU) Decision 29 of 2003 in Maputo, in which Heads of State pronounced their determination to “reap the potential benefits of cities and towns as centres of economic growth and places of opportunity and prosperity for all African people in the course of economic development and structural transformation.” The AU called upon UN-Habitat to continue providing support to the Commission of the AU to implement this decision. This marked the opening of space for attention to urbanisation at the highest level.
Decentralisation Urbanisation and Local Government (STC No.8).

The AUA’s top-down and bottom-up approach, which emphasises partnership between government, civil society and the private sector, was integrated in the work plan of the STC No.8 and the programme of work of the 10-Year implementation plan of the Agenda 2063, was subsequently endorsed by the Heads of State in Johannesburg in 2015. In forging consensus to achieve a common position and frame of work, various strategies were adopted:

- Technical and financial support to multi-level and multi-sectorally comprised National Habitat Committees to prepare their national reports;
- Sponsoring civil society members to accompany government partners to regional and global conferences at which they participated in various events alongside their counterparts from other regions;
- Close support to UCLG-A by providing strategic inputs into all its regional seminars designed to prepare associations of local governments to understand their roles in the AUA, the New Urban Agenda (NUA), the Sustainable Development Goals (SDGs) and Agenda 2063;
- The outline of the processes for the Habitat III were discussed with all National Associations of Local Governments and this buttressed a strong buy-in to Agenda 2063;
- UN-Habitat took advantage of all major conferences to hold side events to which cross-section of African experts, professional, diplomats and civil society partners participated, and the concepts of the AUA and its drive for a common position was explained;
- An applied research was commissioned, and the report served as an expert and intellectual compliment to the Africa Regional Report, which was produced as a synthesis of the national reports;
- Several expert group meetings were held, under the leadership of the AU Department of Political Affairs, at which concepts, processes and regional position on issues were defined.

The sub-regional economic commissions were also contacted, consulted and a some of them invited to the regional meetings to participate in shaping the Common Africa Position.

Of special note is a side event that was organised in New York in Sept 2015 at the SGD Summit, which was attended by UNSG, Chairperson of the AU, President of the AfDB, Executive Secretary of the UNECA and the Executive Director of the UNFPA. At this event the world witnessed an Africa that had found its voice, and was decisively preparing to engage the world as a continent with the most challenges in urbanisation.

Key messages on the role of urbanisation in Africa’s structural transformation were articulated and disseminated at all global conferences and Heads of State summits. All the strategies outlined served to raise the awareness of Africa at all levels to the challenges of urbanisation as well as its potential as a force for structural transformation of African economies. The buy-in and build-up to the Common Africa Position on Habitat III (CAPH3) that culminated with the endorsement by African Ministers at the Africa Regional Conference on Habitat III in Abuja in Feb 2016, was indeed gratifying.

The CAPH3 which stands on eight pillars and the Abuja Declaration was endorsed by African Heads of State at its Summit in Kigali in June 2016, served as the main premise for Africa’s engagement and negotiation for the NUA.

From New York to Nairobi to Abuja to Kigali to Surabaya and back to New York, Africa’s main concerns, which it pushed to see reflected in the NUA, were mainly woven around: finishing the business of the MDGs on slum rehabilitation and prevention; adequate shelter and affordable housing; basic services and effective environmental management; retaining the concept of cities and human settlement as a continuum; strengthening of institutions and systems for transformative change; enhancing environmental sustainability and effective response to climate change in human settlements; enhancing Africa’s global competitiveness; addressing attendant consequences of massive movement of populations due to insurgency and terrorism; urbanisation as a force for economic growth and structural transformation; and as a catalyst for job creation for women and youth.

Most of the issues of concern to Africa were captured in the draft NUA but a point of critical importance to the continent, which proved tough, was the strengthening of UN-Habitat based in Nairobi as the focal point for human settlements and sustainable urbanisation. The negotiations were held off for four months and a couple of points revolving around the implementation and review of the NUA. After 38 long hours of negotiation, the
final draft that has been agreed to is testimony to the commitment of the parties involved, and the willingness to give and take. Africa has stood up to be heard.

**The Driving Force**

Africa’s road to Quito is marked by early preparation championed by Member States that committed resources to support national governments to prepare reports in an inclusive, representative, consultative and integrated manner. These reports formed the inputs for the African Regional Report on Habitat III, and inspired the Common African Position on Habitat III.

Africa’s road to Quito has been framed by strong partnerships, alliances and unflinching resolve. Member States have been faithful to their resolve to do things together and with cooperation and collaboration. UN-Habitat, the Economic Commission for Africa (UNECA), the AfDB and the UCLG-A gave the requisite support to the AU to formulate the CAPH3 that was built on all of Africa’s previous commitments as already highlighted. Backed by a team of dogged and firmly resolved diplomats, experts, professionals and technocrats who spared no night nor day in keeping the momentum going. They kept in tow with emerging positions at the negotiation table and consulted one another for redlines, amber lines and green lines. Unlike its fragmented posture in previous conferences, Africa on this road is sure-footed as a committed member of the global community. Africa negotiated hard while making its voice clear on its interest and issues germane to the development and attainment of its Agenda 2063.

Africa is going to Quito’s Habitat III with a stronger voice than hitherto, yet as a continent that is keenly aware of its challenges and, more than ever, the need for building trust and alliance within itself and the people as well as the need to cooperate with international partners in a mutually respectful and beneficial manner.

Africa is pleased to have overcome its traditional weakness of fragmentation and has learned value in sharing views and pooling resources on its way to Quito. The continent is glad to have contributed to shaping a new strategic global urban agenda with a human face. A global vision of the 20th century urbanism, which addresses the specifics of compact cities, polycentric growth, mixed land uses and city skylines, prevention of unplanned growth and sprawl and transit oriented development, is not only refreshing but a welcome development to Africa. The generality of Africans can relate with and find meaning in the New Urban Agenda – a thought without which the world could not be said to be truly advancing.

Needless to state that post-Quito will be critical as all eyes, so to speak will be on Africa as the last global frontier of urbanisation to uphold its loud and articulated voice into concrete sustainable programmes - programmes which will give hope and confidence to the youth of Africa and equip them to own their future … programmes that will stimulate economic transformation and promote regional integration in Africa.

Africa’s road to Quito has been tough, exerting, challenging and engaging but absolutely rewarding and I believe, worth it all. •
RAPID PACE OF URBANISATION

BY KERRY DIMMER
For Africa this is going to be a conference that will have much importance, and couldn’t be better timed as the continent’s cities face and tackle the challenges of the rapid growth of urbanisation.

One of the most significant events will be the adoption of the New Urban Agenda, a document that in essence is an action-oriented blueprint, which ‘will set global standards of achievement in sustainable urban development, rethinking the way we build, manage and live in cities through drawing together cooperation with committed partners, relevant stakeholders, and urban actors at all levels of government as well as the private sector.’

“The New Urban Agenda is,” says Dr Frannie Léautier, Senior Vice-President of the African Development Bank (AfDB), “a commendable vision that has so far set the scene in preparation of the consultations for the Habitat III discussions. It has several merits including the efforts to take stock and learn from the achievements of the Millennium Development Goals, and most importantly builds on Goal 11 of the Sustainable Development Goals (SDG) to propose a new global urban paradigm geared towards achieving inclusive, sustainable urban development, which puts African people and the improvement of their livelihood at the centre of the agenda.” (Goal 11 of the SDG is to ‘make cities and human settlements inclusive, safe, resilient and sustainable.’)

“The fact that the debates around Habitat III will be focused on political and substantial decentralisation, land policies and effective planning systems, and integrated human settlements strategies that make housing and service rights work for the poor, is most welcome as these touch on the important building blocks of sustainable urban development,” continues Léautier.

“Nevertheless I do believe that the Habitat III discussions could go beyond these elements to really explore ways to put urban development at the centre of Africa’s economic transformation process. This would include highlighting and clearly setting priorities and targets related to the materialisation of urban development’s transformative economic opportunities and positive externalities such as creating more, and better, jobs (including for the youth), industrialisation, productivity increase, enhanced prosperity and quality of life.”

African Urban Agenda

Léautier also says that it is important to clearly acknowledge the importance of the financing implications of the African Urban Agenda and make efforts to come up with an estimate of the financing needs to support the Agenda.

“It is equally expected that the Habitat III discussions will tackle the crucial question of how to secure adequate and innovative financing to ensure that the Urban Agenda truly works for African people.

“I believe that it would add value that the African Urban Agenda specifically includes advocacy and capacity enhancement aspects geared towards pushing for collective efforts to continuously support and bring countries to realise the necessary transformative changes and adequately insert urban development opportunities and challenges in their national development plans and strategies.

“Without strong commitment and buy-in at national level, gathered through participative consultations and debates culminating to national urban plans in most of the countries, the implementation of the African Urban Agenda may face significant challenges.”

In being closely aligned to the Habitat III conference, the AfDB is co-sponsoring a joint publication on African cities with UN Habitat, and is also planning a joint AfDB/(UK) Department of International Development/UN Habitat side event around the findings of the publication. In addition there was a proposal made by the AfDB’s Development Research Department, which was approved, to host a networking presentation on State of African Cities 2017, and another on Housing Dynamics in Africa as a side event.

“We are currently working with UN Habitat in Nairobi for the presentation of the side events. We have also been approached by our colleagues from the World Bank Global Practice on Urban Development for consideration to speak at their own side events, but this is yet to be confirmed,” says Léautier.

Status quo

Considering the timing of Habitat III, it is pertinent to visit the issues currently facing African cities. Over the past 50 years, Africa’s centres of economic activity have shifted markedly from the agrarian countryside to urban areas. Urban areas now account for the bulk of economic activity given that more than a third of the population now live in towns and cities.

For Léautier, there are many areas that need to be investigated and considered as potential drivers of economic and social development. “Domestic demand in urban areas is increasingly becoming important in supporting rural production and agricultural productivity. Linked to this is that the urban sector currently accounts for 40 percent of the total population, including home production, and 60 percent of the food market. We need to feed this market, through our own resources.”

Improvements to production value chains are needed. As Léautier points out, the
The New Urban Agenda is a commendable vision that has so far set the scene in preparation of the consultations for the Habitat III discussions.

The informal economy of Africa has worked remarkably well in producing entrepreneurs in the food sector particularly but this needs to be enhanced so that productivity can be improved through, suggests Léautier, increases in clustering and networking. With more productive informal and non-farm jobs flourishing in close proximity to towns and cities, farmers close to those areas can provide employment opportunities.

Another aspect to consider is that urbanisation creates demand for industrial products and this contributes to structural transformation and industrialisation. “Rising incomes shift household demands towards industrial products, while the middle-class preference for diversity allows value-creation through differentiation. Moreover, by mending Africa’s infrastructure deficit and building new cities, housing and commercial properties generate significant demand for construction materials and supporting industries.”

Supporting structural transformation requires inter-city and intra-city connectivity. Léautier says that investment in connective infrastructure, logistics and storage capacity is required. “By reducing trade costs among cities, and having such cities specialise in niche functions and complementary products, as well as improved transport and communication, the market catchment can be expanded for firms, which will further reduce the transaction cost of sourcing intermediate inputs from specialised cities within a chain.”

One of the most important aspects remains that by encouraging specialisation and shared services, cities also generate external economies, which can be classified into three functions: matching, sharing and learning. Léautier expands: “The concentrated pool of workers and supply industries allow
firms to specialise in their comparative advantage and outsource uncompetitive activities. Subcontractors can take advantage of the group of potential customers inside the clusters to scale up their operations.

“In addition, cities facilitate access to a wider range of shared services and infrastructure. The concentration of users spreads the fixed cost of indivisible goods and facilities such as public mass transportation, skill training centers, universities and machineries.

“Investments in cities offer surrounding regions better connectivity to national and global markets,” continues Léautier. “And enable knowledge sharing and the cross-fertilisation of ideas. Proximity facilitates communication and sharing complex ideas among firms, research hubs and related actors through a process of comparing, competing and collaborating.

Close contact generates the trust and formation of formal and informal networks of innovation. The innovation-generated productivity gains attract mobile capital and talent to enforce a virtuous circle of endogenous growth.”

None of these are going to transform cities into engines of growth however, unless there is investment into sustainable public infrastructure and services, without which will impose huge costs on third parties that are not necessarily involved in economic transactions. “Congestion, overcrowding, overloaded infrastructure, pressure on ecosystems, higher cost of living, and higher labour and property burdens can offset the benefits of concentrating economic resources in one place. And these negative externalities tend to increase as cities grow,” says Léautier.

Fortunately, urbanisation does present opportunities that can fast-track some of the challenges, such as the use of modern technology and innovation. The pooling of financial resources, particularly from the private sector, is something that governments are beginning to use more frequently to provide infrastructure. Such PPP initiatives must be devoted to tapping into the potential for structural development.

**Informal growth**

While there may be steady economic growth in Africa, this has not been matched by proportional formal employment creation. The proportion of the labour force in vulnerable employment in Africa dropped by only two percentage points between 2000 and 2015, despite exceptionally robust GDP growth rates of over five percent a year fuelled by a long commodity boom. “Most workers thus stayed in the informal services sector, for instance as street vendors, with no prospect of moving to more productive activities and durably improving their livelihoods,” says Léautier.

The informal economy is estimated at 61 percent of urban employment and 93 percent of all new jobs created. Most people are trapped in vulnerable employment or are forced out of the labour force altogether. Léautier says that to be able to meaningfully support, particularly youth progression, and create the right jobs, skills development is key to match youth skills with the available urban job opportunities. Employment creation in a world shrinking through mechanisation is going to remain a problem but the adoption of new technologies enables diversification into new industries and high-tech manufacturing, especially now with more foreign investors linking to local firms. Combined to this, the clustering of firms into inter-related groups is helping to reduce the cost of doing business and enabling the transfer of skills.

“Urban authorities should be looking at providing more incentives, including tax breaks, for firms that invest in local companies or providing skills transfer by training locals. Léautier says: “If urban cities provide seed capital and funds for research and innovation, firms are enabled to attempt new ideas and fulfill ‘nursery’ roles by developing new products and experimenting with business processes borrowed from different activities. This process of trial and error through deductive tinkering adds to the country’s know-how and complexity.”

More also needs to be done to protect street traders from being seen as undertaking illegal activities. Léautier remarks that supporting local traders in urban cities starts with recognising the role they play in the urban economy and the potential for them to graduate into formal entities that can contribute to the revenues of the urban authority. “A comprehensive reform package is necessary to bring these workers under some legal protection, ensure minimum wages and non-wage safeguards, train them, and match them with jobs for a gradual progression into higher-value, formal work. Participatory approaches can also help integrate informal firms into the urban fabric and facilitate the development of an organised formal urban sector. Appropriate regulations and targeted incentives enable informal employers to move beyond merely subsisting to saving for and investing in productivity growth.”

As will be seen from the outcomes at Habitat III, the solutions and creativity in solving not just Africa’s but the world’s urbanisation issues, will advance change. For now though massive urban growth is a challenge and opportunity for Africa. Léautier says: “Africa must anticipate that rapid urbanisation will come with significant challenges if proper planning doesn’t exist. Unplanned urbanisation will result in environmental degradation, rural urban migration leading to unemployment and crime, overloading of physical and social infrastructure as well as widening skills mismatch and inequality.

“To take advantage of the dividends of urbanisation, policy makers must ensure that urbanisation policies address issues like human capital, entrepreneurship and industrialisation, as well as the core urban concerns of infrastructure and urban form. The emergence of sprawling, car-dependent cities for the next two- or three-billion urbanites will require policies that favor transit-oriented development, green building design and sustainable land use and could help make the current wave of urbanisation part of the solution to the world’s environmental challenges, rather than part of the problem.” •
Top 10 REASONS to join UCLG Africa

1. Become part of the second most important democratic organization on the African continent after the African Union.

2. Gain access to a platform of resources and knowledge based on the exchange of experiences and on scientific work.

3. Benefit from the support of UCLG Africa in your dialogues with your government on critical issues related to decentralization and local governance.

4. Enhance your leadership and management capacity by participating in our programmes.

5. Connect easily with your peers in Africa and beyond.

6. Benefit from exchange of experiences and learning opportunities through the “peer review”.

7. Echo your voice in all regional, continental or global forums that discuss decentralization, governance and local development issues.

8. Join the digital world and cross the digital bridge by owning your own webpage on UCLG Africa Internet portal “www.localafrica.org”

9. Benefit from assistance in sourcing funds for your activities.

10. Contribute to the dynamics of African integration through decentralized cooperation between local governments, including cross-border decentralized cooperation.

Contacts
22, street Essaadyine, Hassan - Rabat - Kingdom of Morocco
Tel : +212 537 26 00 62 / + 212 537 26 00 63
Fax : + 212 537 26 00 60 - Email : info@uclga.org

www.localafrica.org    www.Africities.org
In your role as a UCLG co-President, how did you promote and contribute to the Africa agenda and how valuable is it to UCLG?

Africa is definitely growing and all pointers indicate that this growth can be sustainable as long as our most precious resource - our human resource - remains at the centre of all key decisions in terms of the development of our continent and our cities.

Africa is now widely recognised as the continent of the future. Our opportunities are infinite and our potential boundless. The continent is experiencing profound changes but what is very clear is that Africa’s destiny is inextricably linked to that of the whole world. Africa’s failure would be the world’s tragedy: and which has long been on the sidelines, is now increasingly establishing itself as a major player in international life.

With an increasing growth rate, substantial reserves of natural and energy
The UCLG has a key role to play in the sustained growth of Africa, working in close collaboration with other partners like the African Union in building partnerships for innovative solutions to Africa’s main challenges.

resources and a young vibrant population, Africa has great opportunities to transform itself into one of the leading economic regions of the world. The UCLG has a key role to play in the sustained growth of Africa, working in close collaboration with other partners like the African Union in building partnerships for innovative solutions to Africa’s main challenges.

As the platform for local authorities, we have an indistinct responsibility in strengthening the capacity of our African countries to develop and manage their human capital. UCLG, and more specifically, UCLG-A are well placed to feel the pulse of the people at the grassroots level and ensuring that their challenges are addressed in the most comprehensive way.

We have been a key factor in ensuring that socio–economic development programs such as education, employment creation especially for youth, skills development, and health aiming at poverty alleviation and inclusiveness make a difference in the lives of people at the local level.

If we want to transform Africa and bring it to even higher levels of development, we must start with our cities. No actor should be left behind in this endeavour. The African agenda is therefore critical in the work of UCLG.

In this regard, we greatly value and welcomed the seven aspirations elaborated under the African Union’s Agenda 2063 and the accompanying plan of action to realise the ambitious, yet very clear, goals and targets set for the transformation of our continent. Agenda 2063 and the 2030 Sustainable Development Goals (SDG) are key roadmaps that are vital.

We believe that all African countries can recognise the challenges and opportunities presented in Agenda 2063 and will therefore be in a position to take ownership of a crucial process that will break the mould that has for so long prevented us from writing our own narrative.

The ambitious targets are a clear reflection of the great promise that Africa holds, and Seychelles, as the smallest member of the African family will spare no effort in actively playing its part in ensuring that we create “an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena”. This has been by motto throughout my mandate at the UCLG and I spared no effort in ensuring that we fully accomplish this goal.

What will the African goals be for the World Summit of local and regional leaders to be held in Bogota during October? And how will this meeting impact on Habitat III?

UCLG is holding its World Summit in Bogota on 12-15 October immediately before the Habitat III Conference.

The New Urban Agenda, which is expected to be agreed at Habitat III, is a critical opportunity to support the achievement of the SDG agreed in New York in September 2015, and in particular Goal #11 that ensures that cities and human settlements are inclusive, safe, resilient and sustainable.

Expanding urbanisation is a global phenomenon affecting all countries, particularly in emerging and developing economies. It presents challenges and opportunities – both of which can be managed if all actors concerned are well prepared and have a framework for urban development.

Local Governments have a pivotal role to play in this process and both the Bogota and Quito meetings are essential in the sharing of best practices, in developing synergies, and partnerships that can put countries in a position to establish the connection between the dynamics of urbanisation, demographic changes and the overall process of national development.

Promoting good urban governance will also be a key issue at both conferences. Urban governance has a substantial impact on
At a time when much emphasis is on innovative financing, focus will also be placed on developing new sources of financing for key projects being pursued in the cities especially in terms of infrastructure development. Public Private Partnerships are increasingly being adopted in many cities and there is a need for this new form of partnership to be structured so that it truly becomes a win-win for all.

We should never lose sight that we can advance global agendas in the cities. Cities are well-positioned to help achieve global agreements such as the SDG, the Sendai Framework, and the Paris Agreement.

At a time when much emphasis is on innovative financing, focus will also be placed on developing new sources of financing for key projects being pursued in the cities especially in terms of infrastructure development. Public Private Partnerships are increasingly being adopted in many cities and there is a need for this new form of partnership to be structured so that it truly becomes a win-win for all.

The whole point of these conferences is for us to develop common positions, share our experiences and collectively find solutions that will enable us to address the issues being identified. Partnerships are pivotal in this common endeavour, for the UCLG and others.

We will need the buy-in of all stakeholders including governments, local authorities, NGOs and various international partners as we all have a role to play. Once we commit to the declaration of both summits, we need to honour our commitments.

No efforts should be spared by African leaders in our common efforts of building resilient cities. This requires focus and clarity in terms of the various national development plans while ensuring that local authorities are empowered and given the resources that will enable them to make cities prosper.

Strategies are required to help cities deliver quality public services and education, link people to jobs through accessible transport, and facilitate and sustain an affordable housing supply.

You are also the Mayor of the African island Seychelles. What trends are you noticing in terms of city and urban African development? Have you played a role in pushing that agenda at global events?

While we each have our unique culture and heritage, island states intrinsically share some fundamental commonalities. I am the Mayor of one of the smallest capitals in Africa and the world.

I highlighted the importance of Agenda 2063 to UCLG. As island nations, we believe very strongly that Agenda 2063 vision for Africa is a forward-thinking aspiration that all of Africa should see itself reflected in. Island states must see themselves, and the dreams of our nations, reflected within this modern dream for our continent.

For Seychelles this dream is one of a cosmopolitan Africa that treasures and appreciates its smaller, but no less valuable, islands. An Africa that recognises that when battling climate change, the survival of island states, that are on the front line of this on-going struggle, is intrinsically linked to the survival of all.

An Africa with increased connectivity through maritime links and investment into maritime corridors for trade will allow us to not only be our own closest and biggest trade partners, but also allow us to be global players.

I have made it the focus of my work at the UCLG to ensure that the voice of the islands remains strong. To ensure that the uniqueness of the islands of Africa is recognised. To ensure that our challenges are recognised and partnerships developed to unlock our true potential.

We may be small but this does not mean that our challenges in urban development are equally small. On the contrary, small capitals make excellent case studies in terms of how various key challenges like climate change, limited resources and revitalising trade are being addressed and this could be emulated by bigger capitals. There is still much work to be done but I believe we have a reached a point where we can no longer leave out the preoccupations of the islands in global discussions especially those that concern urbanisation.

Habitat III is being held at a time when the “Africa Rising” concept is being promoted. What for you are the most significant issues that the conference will discuss in terms of an African scenario, or that Africa can learn from?

Fifty years ago, the dream of the founding fathers of the OAU was that of a unified Africa where African States could intensify their cooperation and efforts to achieve a better life for the people of
the continent. This was at a time when Africans were on the very brink of overthrowing colonisation and independent sovereignty African States were becoming realities.

More than 50 years later this dream is still very much alive. We want a unified continent, where our people remain inspired, innovative and are masters of their own destiny. The global context and political paradigm in this past half century has changed considerably but we have been able to adapt to the changes and become more than ever committed to our goal of working together for the same end.

This unity, in the aspiration of our continent, will be important at Habitat III so that the African agenda and priorities occupy an important place at the Quito deliberations. The strategy document Optimising the Urban Advantage, which emerged from the fourth edition of the African Ministerial Conference on Housing and Urban Development (AMCHUD4) in 2012, encapsulates the various issues of importance to our continent and it will be our responsibility to ensure that we acquire the necessary support to ensure its effective implementation.

Quito also provides us with another opportunity to break the perception that Africa is a continent of only challenges. We need to bring innovative solutions to the table and forge stronger south-south cooperation to bring about the change and future we want.

You are the first woman to have a co-Presidency role within UCLG. What has this meant to you, and how does this impact on African women?

It has been an honour for me to serve Africa on UCLG and I believe it was a victory for all African women when I was elected for this post. I truly appreciate the opportunity that I was given in promoting the African agenda on UCLG and I am of the opinion that my election will add to the unwavering efforts deployed by many African women and men working towards gender equality in Africa while ensuring that the women of Africa are empowered. African women is a strength of our continent which is often overlooked. The time has come for us to valorize our strengths, if we are to move forward as a continent. •
Un premier contact réussi est souvent le début d'une grande aventure.
À la BSIC, nous traitons chaque client comme un membre de notre famille. Car qui mieux qu'un proche peut vous aider dans vos projets ?
Personnel, professionnel, projet d'épargne, immobilier, études ou retraite, nous sommes là pour vous accompagner.

Désormais, votre carte prépayée GAFFA est disponible dans toutes nos agences :
   PÉRMANENT - POIDS- VOYAGE D'AFFAIRES

Nos Agences : 14 agences au Sénégal et un large réseau de correspondants.

Contactez-nous au :
+221 33 889 58 58 / +221 33 889 58 80
ATTRACTIVE ESTATE INVESTMENT
Precipitously, the horizon of the city of Accra is changing. The Capital is now West Africa’s hub of real estate. From government housing projects to roads and highways to redevelopment of the country’s main entry and exit points by air, to private real estate development, Ghana is seen to be paying attention to building the necessary infrastructure for accelerated development.

BY PAA SWANZY

Timeworn lorry parks are being neglected for modern office blocks. Tumbledown colonial government bungalows that served past dignitaries are being pulled down to make way for world class residential estates. Estate developers are rushing to buy large tracts of land on the fringes of Accra at bargain prices to keep in their portfolios for future real estate development.

A drive from Accra Central on Independence Avenue all the way to Tetteh Quashie reveals huge billboards announcing all manner of real estate projects currently under construction.

The beaches are also getting their share of the rush to build and sell property. Someone thought Labadi Beach might one day become something similar to the beaches of Palm Beach, Florida, Rio de Janeiro or Waikiki, Hawaii and Viola! A new project is born by the name, La Beach Towers: this 18-story apartment complex is being built in three phases with
phase 1 having 66 units. Beach lovers are falling over themselves to stake their turf. Wonda World Estate has also secured a site along the beach for its beach front development project, which they say will be one of a kind.

It is the area of Accra called Airport City that truly reflects the amount of investment dollars, from both local and foreign sources, pouring into real estate development activity in Accra. The speed at which construction projects are taking off in this part of Accra is remarkable.

Marina Mall, a shopping mall and office complex owned by the Marina Group of Burkina Faso, was completed barely two and a half years ago. Shortly after came South Africa’s RMB Westport that a year ago completed its flagship mixed-use property named Icon House in the same Airport City, with Stanbic Bank already signed up as anchor tenant.

Next door is Nester Square, another mixed-use office tower and retail development, being built for Ernest Chemists by the construction firm DeSimone Ltd. The eight-floor building is designed to accommodate a balance of commercial offices, retail shops and services. It has houses chic and upscale eateries and shopping centres. The retail and commercial areas are also environmentally managed to comply with international standards.

Tony Sekyere is the Head of Property Management at facilities management firm, Broll Ghana Limited. He asserts that the recent oil and gas boom in Ghana is part of the reason why there’s been this surge in high rise building complexes. He says that the oil and gas discoveries have not only increased the number of businesses in the country but also inspired the desire by corporate entities to have decent offices, which will serve their comforts as well as their clients. Mr. Sekyere’s outfit Broll, which is owned jointly by Social Security and National Insurance Trust, State Insurance Company and the Broll Group of South Africa, manages properties in the $100 million-plus bracket, with most of them located in Accra. The A and C Shopping Mall, West Hills Mall, the Achimota Retail Centre, the Accra Mall, are some of the other big malls being managed by Broll Ghana.

It is the area of Accra called Airport City that truly reflects the amount of investment dollars, from both local and foreign sources, pouring into real estate development activity in Accra.

Walking distance away is Atlantic Tower, a modern 13-story architectural office edifice, sited on a two-acre land owned by the Meridian Group.

The African Sun Hotel, in this same enclave, was built by Trassacco. Other name-brand international hotels are gunning for space in the same vicinity because of its proximity to the Kotoka International Airport; the main entry and exit points to the country by air. Nester Square, SSNIT Emporium, and Manet Towers are among the new edifices in the airport region.

In the Oxford Street area of OSU on Kuku Hill, a 1.2-acre piece of land has been turned into a 120-unit apartment complex called Chateau Towers. This project is being developed by Hollywood International Developers; their very first in Ghana. Preceding this development a year before, GLAHC0 had completed a beautiful 13-storey shopping mall and hotel complex on Oxford Street called The Oxford Street Mall, whose anchor tenant is Shoprite, a supermarket brand from South Africa.

Another addition is No. 1 Oxford Street, a high-end luxury residential, commercial and recreational development property that is being constructed by Wonda World Estates.

Not to be surpassed, the central business district of Accra is hosting some construction activity. The sprawling 13-story Octagon Business Centre in the heart of Accra is almost complete. Dubbed as one of the most expensive and opulent business centres in West Africa, this ambitious project by Dream Realty is a mixed-use property comprising luxury office and hotel suites and retail space, all offering leisure, food, business or hospitality services.

The Centre comprises a 200 hotel room block, 13 floors of office space, five floors of parking, a food court, five cinema theatres, world-famous branded shops and supermarkets, and space for clinics, banks and world-class tenants. Next door, at what was the Accra Race Course, Kempinski Hotel Gold Coast City has an all new five-star 269-room hotel to compete with the Moevenpick Ambassador Hotel and Novotel (now Accra City Hotel) in the vicinity.

The banking industry is not excluded from the fray either. Agricultural Development Bank erected its new corporate headquarters (Accra Financial Centre) next door to the Moevenpick Ambassador Hotel, while Societe-General has moved into its new headquarters along the Ring Road, a walking distance from the famous Busy-Internet.

Other banking structures are rising and it is definitely a sign of the positive economic trends in the country currently. The very first office park project in Ghana, Capital Place is being built by Mobus Property Development in the Airport Residential Area. This office park is a cluster of buildings with multiple offices offering various professional services in a commercial park setting.

It is in the Cantonments, Airport Residential and Ridge areas that the fiercest competition for high-end residential real estate development is currently occurring. As the most desirable part of Accra, particularly favoured by foreigners, apartments, condominiums and town-home projects are fiercely being erected. The rush to build in this area is not surprising, considering the high rents properties command.

Expect to buy a 3- to 4-bedroom apartment in such an area from $450,000 to $600,000, with rentals around $3500 to $4500 unfurnished. A one-acre piece of land in this area costs between $2.5 and $3-million and a developer need only
The capital Accra is seen to be in the lead for an infrastructure renaissance. A quick stop around the main airport city area is a testament to such ongoing development in infrastructure. Estate development is fast on the ascendancy in the city, one key centre of attraction - The Kwame Nkrumah Circle, which is a hub for informal and formal business activities - is experiencing a facelift with the Brazilian construction company Queiroz Galvao. This key intersection in the major road networks, and its relevance and prime location in carrying goods and passengers, has become a bottleneck in the business district carrying some 84,000 vehicles a day. The Euro 74-million project, scheduled to be completed in June 2015, has been bumped for completion in September 2016 but progress indicates that even that deadline will be missed. The Brazilian government loan-facilitated project will save Ghana some US$25-million annually according to the President of the Ghana Institution of Engineers, Magnus Lincoln Quarshie.

One sector literally begging for investors to explore but which has largely been ignored is the warehousing industry, in desperate need of storage for imports and exports as a result of the expansion of the ports and harbors.

Another overlooked sector is low-end real estate. Even though demand for middle-income and low-end residential real estate is extraordinarily high, supply in this sector is extraordinarily short because of the lack of construction financing and the high costs of building materials.

Property developers in this sector have to settle for the practice called “build-on-request”, in which houses are only built when a request is made by a potential buyer; the buyer pays for the house in installments as construction progresses. The industry practice is then for builders to buy large tracts of land, subdivide and sell as serviced plots, from which they derive income to start the build-on-request process.

Apart from RegimanuelGray Ltd, RSS Developers, Devtraco and a handful of others, several members of the Ghana Real Estate Developers Association (GREDA) can only survive in business mainly through building on request, due to the reluctance of local banks to grant construction loans and mortgages. This lack of construction financing has created a huge gap between demand and supply in the middle-income and low-end residential real estate sector. Consequently, it is in this regard that some creativity is most needed.

The government has wide open arms for welcoming foreign investors into the housing sector. The huge concessions granted by government to the South Korean investor STX to build 200,000 houses, before the project collapsed under boardroom wrangling, is ample evidence of the open-door policy of government to attract foreign participation in this sector.

This policy is given an acronym PPP (Public Private Partnership) and foreign companies like Brazilian Construtora OAS, Nairobi based Shelter Afrique and the Addoha Construction Company of Morocco are taking advantage of this huge opportunity.

Accra’s development reflects the needs of the rest of the country, and what is being achieved in that city can be replicated in Takoradi, the oil city, Kumasi, the garden city, Sunyani, Tamale, Ho, Cape Coast, and so on. With a vibrant economy, a rising populace, a sophisticated and well-read professional class, the demand for a myriad of real estate development hugely outstrips supply.

“It is a sector desperately waiting to be explored, and the Ghana Investment Promotion Center (GIPC) is doing everything humanly possible to attract foreign investment into this sector,” says Mrs. Mawuena Trebarh, CEO of GIPC.

“...a safe haven to place their investment dollars on the African continent.

For a country widely acknowledged to have moved from low-income to lower middle-income grade (according to The World Bank classifications), with a reputation for economic and political stability, Ghana is becoming the go-to investment destination as well as a springboard for investors from all over the world, seeking a safe haven to place their investment dollars on the African continent.

If this trend continues, the confidence, peace and tranquility the country has chalked over the years should bring in more investment, some of which should trickle into the real estate sector. This trend has happened in so many other countries all over the world, the US being a classic example, so the question is: can the investor community can stay away from a country like Ghana with a housing deficit of 1.7 million housing units?
THIS IS CELEBRATING 20 YEARS OF SHARING

moving money for better

WUAFRICA.COM

© 2015 WESTERN UNION HOLDINGS, INC. All rights reserved.
On the 3rd of August South Africans took to the polls in a bid to “make their vote count” in the highly anticipated local elections. These would be the most contentious local elections in the ruling party, the African National Congress’ (ANC) history. In the months leading up to the event it appeared that the ANC, despite warning signs, were in denial of the potential peril ahead and as the results proved, its rule is wobbling. For the ANC, heralded for years as the liberation movement of the people, it is now arguably battling with its decline and is manifestly grasping for salvation.

Soon after the polls closed and counting completed, the Independent Electoral Commission (IEC) referred to the 2016 local government elections as ‘a huge success, declaring them to be ‘free and fair’. So the consensus was a healthy outcome despite the elections being held slightly later than expected due to a court challenge questioning the legitimacy of the voters’ roll.

The Electoral Commission Forum of the Southern African Development Community (ECF-SADC) concurred with the IEC that the elections were “free and fair” despite a few hiccups with its chairperson, Justice Mahapela Lehohla from Lesotho commending the Commission for doing a “commendable job” in conducting the elections.
followed by the DA with 38.37 percent and in an interesting twist, new kids on the block – the Economic Freedom Fighters (EFF) received 11.09 percent with the Inkatha Freedom Party (IFP) 1.72 percent.

In Tshwane, the DA walked away with 43.46 percent of the votes, the ANC trailed with a very close 41.59 percent. The EFF followed with 11.68 percent of the seats. In Nelson Mandela Bay, the country’s manufacturing hub, the final tally showed the DA held 46.71 percent, the ANC falling short with 40.92 percent, and the EFF third with 5.12 percent.

Post-election, these three metros were without an outright winner, opening up the opportunity of coalition negotiations with smaller parties including the EFF. As coalition talks commenced, tensions across the country remained high, especially given the EFF made it clear that it would demand President Zuma’s resignation should it align to the ANC, and that was unlikely.

In due course, the two main opposition parties – DA and EFF - agreed to informally band together in local governments, shutting out ANC completely. The de facto kingmakers, the EFF announced at a press conference in Alexandra Township that it would vote with the DA in a number of the 27 municipalities left with hung councils, stopping short of a formal pact because of ideological differences. “We were caught between two devils and we had to choose the better devil,” EFF leader Julius Malema told reporters. With the opposition controlling the cities, he said, “you start breaking the powers of patronage that the ANC has in these areas. We want the ANC to be removed from power and this is the beginning” … “we will vote for the opposition, but we are not in bed with the DA”.

This decision by the kingmakers gutted whatever lingering hopes the ANC had of clinging onto key metros, particularly Johannesburg and Tshwane.

Following the announcements, the ANC leaders argued that the party had done extremely well in winning an overwhelming number of municipalities, compared with all other parties combined, which was true but somewhat denialist. In losing Nelson Mandela Bay, Tshwane, and Johannesburg, the ANC lost control of a combined metro budget of R130-billion.

This translates to a potential loss of control of 80 percent of the combined metros’ budget nationwide, a loss many argue the ruling party never saw coming. Prior to these elections, the ANC controlled 85 percent of the R228-billion combined budget of eight metros, while the DA controlled just 15 percent.

However, it was not the freeness or the fairness of the elections that created a stir across the country; it was the results and subsequent outcomes. The people spoke through their votes and the ANC were possibly left shocked and baffled by its percentage losses in many of the nation’s major cities.

**A country divided**

These elections have reshaped the political landscape in South Africa, and the impact is leaving the ANC licking wounds given that it has ruled virtually unopposed since it ended white minority rule 22 years ago. Although the ANC retained power in the majority of councils across the country several key areas’ percentages were so close that it left them ‘hung’.

A total of 27 councils, including the key cities of Johannesburg, Tshwane and Nelson Mandela Bay and smaller councils in KwaZulu-Natal to the Northern Cape and Limpopo, were hung. However although the ANC retained its leadership in 162 of 269 municipalities, it still emerged as the biggest losers of this election. This is why …

The main opposition party, the DA shared the majority of the votes in key metros with the ANC, essentially leaving the outcome in flux. In Johannesburg for example, the ANC received 44.5 percent of the votes, followed by the DA with 38.37 percent and in an interesting twist, new kids on the block – the Economic Freedom Fighters (EFF) received 11.09 percent with the Inkatha Freedom Party (IFP) 1.72 percent.

In Tshwane, the DA walked away with 43.46 percent of the votes, the ANC trailed with a very close 41.59 percent. The EFF followed with 11.68 percent of the seats. In Nelson Mandela Bay, the country’s manufacturing hub, the final tally showed the DA held 46.71 percent, the ANC falling short with 40.92 percent, and the EFF third with 5.12 percent.

Post-election, these three metros were without an outright winner, opening up the opportunity of coalition negotiations with smaller parties including the EFF. As coalition talks commenced, tensions across the country remained high, especially given the EFF made it clear that it would demand President Zuma’s resignation should it align to the ANC, and that was unlikely.

In due course, the two main opposition parties – DA and EFF - agreed to informally band together in local governments, shutting out ANC completely. The de facto kingmakers, the EFF announced at a press conference in Alexandra Township that it would vote with the DA in a number of the 27 municipalities left with hung councils, stopping short of a formal pact because of ideological differences. “We were caught between two devils and we had to choose the better devil,” EFF leader Julius Malema told reporters. With the opposition controlling the cities, he said, “you start breaking the powers of patronage that the ANC has in these areas. We want the ANC to be removed from power and this is the beginning” … “we will vote for the opposition, but we are not in bed with the DA”.

This decision by the kingmakers gutted whatever lingering hopes the ANC had of clinging onto key metros, particularly Johannesburg and Tshwane.

Following the announcements, the ANC leaders argued that the party had done extremely well in winning an overwhelming number of municipalities, compared with all other parties combined, which was true but somewhat denialist. In losing Nelson Mandela Bay, Tshwane, and Johannesburg, the ANC lost control of a combined metro budget of R130-billion.

This translates to a potential loss of control of 80 percent of the combined metros’ budget nationwide, a loss many argue the ruling party never saw coming. Prior to these elections, the ANC controlled 85 percent of the R228-billion combined budget of eight metros, while the DA controlled just 15 percent.
Mabine Seabe, Spokesperson to the Democratic Alliance Leader asserts that the DA’s success in the three major metros was attributable to aggressive campaigning and increased efforts.

“Through our tremendous efforts over the years, the Democratic Alliance has made significant inroads in Johannesburg, Nelson Mandela Bay and Tshwane,” he details.

The ANC certainly did not anticipate the Nelson Mandela Bay loss. Before counting in the metro was concluded, the ruling party officially launched a complaint with the IEC related to comments made by DA leader Mmusi Maimane who claimed his party had won the Nelson Mandela Bay metro. The party later withdrew the complaint and conceded defeat. “Our support in Nelson Mandela Bay has gone up over the years, and what we did was put forward a credible offer of change to the residents of Nelson Mandela Bay,” Seabe says.

**Leadership woes**

The preceding series of events suggest a long term loss of considerable political and economic power by the ANC which, in turn, could result in diminished means to pursue its political programmes unencumbered.

There are number of issues that have seen the party’s supporters withdraw their votes. For one, President Jacob Zuma has had a somewhat tumultuous reign. Plagued with accusations of rape, suspicion of corruption, a lack of leadership on vexing socioeconomic issues such as e-tolls in Gauteng, university funding, a near miss impeachment after the Constitutional Court ruling on the Nkandla debacle, and the alleged state capture by the Gupta family, which has close connections to Zuma, has seemingly left much to be desired of the man. Not to mention the often referred to “Nene Gate” fiasco when President Zuma fired the then Minister of Finance, Nhlanhla Nene, in a shock move, barely two years after he took office.

This decision saw the SA currency; the Rand plummet to over R18 to the US dollar. Soon after Zuma appointed a relatively unknown parliamentary backbencher, David ‘Des’ van Rooyen, to replace Nene. In a further huge blow to the economy, and under pressure to do so, Van Rooyen was removed a mere three days later.

These events have led to the widespread opinion, particularly among urban voters, that the President was and is, grossly mismanaging and abusing state resources to the detriment of the economy. It is these voters that appear to be looking beyond the ANC’s liberation struggle credentials and holding the party accountable for the economy teetering on the edge of a recession. Although the currency has seen some recovery, the question must be asked: could the winds of change within the electorate mean the citizens are fed up?

Seabe believes just that: “This election was about change, and charting a new course for the country. South Africans no longer want to engage in rhetoric, they want to see change advance the interests of the citizens.”
“The ANC did not present a credible plan to the people of South Africa, whereas the DA did, and it did so by talking about the issues that face the citizens and the solutions for these problems. We want to build a better South Africa to realise the dream we had for South Africa in 1994. It’s not an easy task but more and more South Africans are starting to believe that the DA can make it happen,” Seabe asserts.

New kids on the block turned Kingmakers

Often described as a radical leftist party, the EFF, led by former ANC youth league president, Julius Malema, who went from President Zuma’s one-time protégé and loyalist to arch-rival, has come a long way despite his party achieving a distant third in the local elections. Since its inception in 2013, the EFF’s support has grown in numbers. National chairman of the EFF, Dali Mpofu said he was “extremely happy” with the party’s progress in the local government election, despite falling short of the 10 percent national support it had hoped to win.

“As of 2014, we are starting from a zero base. Anything we get is a bonus,” Mpofu says. “For a new kid on the block with little experience, we outstretched ourselves. We pulled it off. We managed to have candidates across the country. For a party without funding it stretched us a lot. With the muscle power of our opponents and with our relative inexperience, what we have achieved is phenomenal,” Mpofu adds.

Mpofu detailed how part of the thinking behind entering candidates in all areas across the country was about changing the political landscape; and change the political landscape they did.

Malema has drawn support for his party largely by promising to nationalise banks and land, and redistribute these among poor black people, policies that both the main opposition and the ruling party have found particularly difficult to stomach. Even so, the EFF has positioned itself as ‘the party to watch’.

An odd pair

The DA/EFF combination is an odd one at best. These two main opposition parties are world’s apart where economic policy is concerned. The DA is looking to making it easier to do business in SA, in a bid to grow the economy amid an economic slump and high unemployment. The EFF on the other hand is an advocate of the nationalisation of mines and banks, and the expropriation of white-owned land without compensation, which the DA, and the ANC for that matter, have deemed unpalatable.

Although worlds apart, the common thread is the efforts to dislodge the ruling party, perhaps the greatest motivation of all, for both parties. “We want to be the best we can to stop patronage and destroy a very arrogant organisation in the ANC,” Maimane told reporters in Johannesburg.

For a new kid on the block with little experience, we outstretched ourselves. We pulled it off. We managed to have candidates across the country. With the muscle power of our opponents and with our relative inexperience, what we have achieved is phenomenal

Seabe also commented: “President Zuma’s actions are deplorable. His actions undermine the rule of law, the Constitution and the fight against corruption. Holding the President accountable is the DA’s Constitutional responsibility. South Africans are tired of corruption and the DA is at the forefront of fighting this disease. And if fighting corruption is top our detriment, so be it!”

Council meetings post pacts

Weeks later the DA, with the EFF’s support, elected Herman Mashaba as Johannesburg mayor, marking the end of the ANC’s Parks Tau’s term in the city. The council meeting was eventful, with a number of objections and in an unfortunate string of events, including ANC councillor, Nonhlanhla Mthembu dying after collapsing during the meeting.

In the city of Tshwane, during its council meeting, DA councillor Solly Msimanga was elected executive mayor, with his nomination completely unopposed.

The Nelson Mandela Bay inaugural council meeting was in disarray as the ANC caucus, now in opposition, booted, raised multiple objections, and staged a walkout reminiscent of the EFF in parliament many times before. The DA’s Athol Trollip took the executive mayoral seat, and in his speech declared “change has come to Nelson Mandela Bay”.

The DA has governed the City of Cape Town for more than a decade now and in furthering its reach campaigned and committed to implement change that creates jobs, delivers better services and stops corruption. “This is what can be expected in the 33 municipalities governed by the DA. Residents can expect a caring and responsive government that serves all residents, especially the poor,” says Seabe. In this case, only time will tell.

Can the ANC salvage what’s left?

Admittedly, the ANC has had trouble transitioning itself from a liberation movement to a modern political party operating within the confines of a constitutional democracy in the 21st century. With elections and inaugural council meetings concluded, the ruling party is now faced with preparations for its next elective conference, which will undoubtedly be tumultuous and strenuous on the party, but perhaps also present an opportunity for much needed reflection and honesty amongst comrades.

ANC leaders will have to make bold and possibly unpopular decisions despite the risk of alienating others if they come back from this defeat. Issues such as university funding, e-tolls in Gauteng, university fees must fall, and the Gupta state capture issue will need to be high on the agenda in consideration of leadership. The question remains, does the ANC have the political will and moral rectitude to salvage all that has been lost? 2016 was definitely the year of the opposition. •
Expand Africa's horizon with your business

Microsoft

Where people and technology meet.

1. TV white spaces
   - Delivering affordable access to devices, broadband connectivity, and locally relevant content to help African TVs grow.

2. Office 365 and Azure
   - Providing African TVs with trusted cloud solutions that help customers enhance and extend their data center and cloud services.

3. Accelerators
   - Highly personalized monitoring for excellence and world-class expertise contributing their time, talent, skills, and energy to help TVs grow.

4. Top Startups
   - Providing TVs with a study program that helps them develop ideas in their early stage with a strategic foundation.

5. Akilisi
   - 21-month paid internship opportunities that prepare them for the future.

6. Device Bank
   - Improving TVs' productivity by equipping them with a range of quality devices.

7. Schools of Government
   - Supporting African governments to develop and implement national policy around ICT in the TVs sector.

8. Microsoft Analytics
   - Providing technology support, consulting, and training.

9. Sustainability
   - Supporting TVs in developing and maintaining best-in-class applications and ensuring sustainability.

10. Microsoft Virtual Academy
    - The online learning platform provides access to business training.

11. Microsoft Analitika
    - The online learning platform provides access to business training.

12. Microsoft Business
    - The online learning platform provides access to business training.

13. Microsoft Government
    - The online learning platform provides access to business training.

14. Microsoft Education
    - The online learning platform provides access to business training.

15. Microsoft Health
    - The online learning platform provides access to business training.

16. Microsoft Innovation
    - The online learning platform provides access to business training.

17. Microsoft Research
    - The online learning platform provides access to business training.

18. Microsoft Services
    - The online learning platform provides access to business training.

19. Microsoft Cloud
    - The online learning platform provides access to business training.

20. Microsoft Applications
    - The online learning platform provides access to business training.

21. Microsoft Security
    - The online learning platform provides access to business training.

22. Microsoft Cybersecurity
    - The online learning platform provides access to business training.

23. Microsoft Compliance
    - The online learning platform provides access to business training.

24. Microsoft Management
    - The online learning platform provides access to business training.

25. Microsoft Innovation Center
    - The online learning platform provides access to business training.

26. Microsoft Innovation Laboratory
    - The online learning platform provides access to business training.

27. Microsoft Innovation Hub
    - The online learning platform provides access to business training.

28. Microsoft Innovation Network
    - The online learning platform provides access to business training.

29. Microsoft Innovation Platform
    - The online learning platform provides access to business training.

30. Microsoft Innovation Process
    - The online learning platform provides access to business training.

31. Microsoft Innovation Strategy
    - The online learning platform provides access to business training.

32. Microsoft Innovation Training
    - The online learning platform provides access to business training.

33. Microsoft Innovation Ventures
    - The online learning platform provides access to business training.

34. Microsoft Innovation Workshop
    - The online learning platform provides access to business training.

35. Microsoft Innovation Zone
    - The online learning platform provides access to business training.

36. Microsoft Innovation Accelerator
    - The online learning platform provides access to business training.

37. Microsoft Innovation Community
    - The online learning platform provides access to business training.

38. Microsoft Innovation Lab
    - The online learning platform provides access to business training.

39. Microsoft Innovation Center
    - The online learning platform provides access to business training.

40. Microsoft Innovation Hub
    - The online learning platform provides access to business training.

41. Microsoft Innovation Network
    - The online learning platform provides access to business training.

42. Microsoft Innovation Platform
    - The online learning platform provides access to business training.

43. Microsoft Innovation Process
    - The online learning platform provides access to business training.

44. Microsoft Innovation Strategy
    - The online learning platform provides access to business training.

45. Microsoft Innovation Training
    - The online learning platform provides access to business training.

46. Microsoft Innovation Ventures
    - The online learning platform provides access to business training.

47. Microsoft Innovation Workshop
    - The online learning platform provides access to business training.

48. Microsoft Innovation Zone
    - The online learning platform provides access to business training.

49. Microsoft Innovation Accelerator
    - The online learning platform provides access to business training.

50. Microsoft Innovation Community
    - The online learning platform provides access to business training.

51. Microsoft Innovation Lab
    - The online learning platform provides access to business training.

52. Microsoft Innovation Center
    - The online learning platform provides access to business training.

53. Microsoft Innovation Hub
    - The online learning platform provides access to business training.

54. Microsoft Innovation Network
    - The online learning platform provides access to business training.

55. Microsoft Innovation Platform
    - The online learning platform provides access to business training.

56. Microsoft Innovation Process
    - The online learning platform provides access to business training.

57. Microsoft Innovation Strategy
    - The online learning platform provides access to business training.

58. Microsoft Innovation Training
    - The online learning platform provides access to business training.

59. Microsoft Innovation Ventures
    - The online learning platform provides access to business training.

60. Microsoft Innovation Workshop
    - The online learning platform provides access to business training.

61. Microsoft Innovation Zone
    - The online learning platform provides access to business training.

62. Microsoft Innovation Accelerator
    - The online learning platform provides access to business training.

63. Microsoft Innovation Community
    - The online learning platform provides access to business training.

64. Microsoft Innovation Lab
    - The online learning platform provides access to business training.

65. Microsoft Innovation Center
    - The online learning platform provides access to business training.

66. Microsoft Innovation Hub
    - The online learning platform provides access to business training.

67. Microsoft Innovation Network
    - The online learning platform provides access to business training.

68. Microsoft Innovation Platform
    - The online learning platform provides access to business training.

69. Microsoft Innovation Process
    - The online learning platform provides access to business training.

70. Microsoft Innovation Strategy
    - The online learning platform provides access to business training.

71. Microsoft Innovation Training
    - The online learning platform provides access to business training.

72. Microsoft Innovation Ventures
    - The online learning platform provides access to business training.

73. Microsoft Innovation Workshop
    - The online learning platform provides access to business training.

74. Microsoft Innovation Zone
    - The online learning platform provides access to business training.

75. Microsoft Innovation Accelerator
    - The online learning platform provides access to business training.

76. Microsoft Innovation Community
    - The online learning platform provides access to business training.

77. Microsoft Innovation Lab
    - The online learning platform provides access to business training.

78. Microsoft Innovation Center
    - The online learning platform provides access to business training.

79. Microsoft Innovation Hub
    - The online learning platform provides access to business training.

80. Microsoft Innovation Network
    - The online learning platform provides access to business training.

81. Microsoft Innovation Platform
    - The online learning platform provides access to business training.

82. Microsoft Innovation Process
    - The online learning platform provides access to business training.

83. Microsoft Innovation Strategy
    - The online learning platform provides access to business training.

84. Microsoft Innovation Training
    - The online learning platform provides access to business training.

85. Microsoft Innovation Ventures
    - The online learning platform provides access to business training.

86. Microsoft Innovation Workshop
    - The online learning platform provides access to business training.

87. Microsoft Innovation Zone
    - The online learning platform provides access to business training.

88. Microsoft Innovation Accelerator
    - The online learning platform provides access to business training.

89. Microsoft Innovation Community
    - The online learning platform provides access to business training.

90. Microsoft Innovation Lab
    - The online learning platform provides access to business training.

91. Microsoft Innovation Center
    - The online learning platform provides access to business training.

92. Microsoft Innovation Hub
    - The online learning platform provides access to business training.

93. Microsoft Innovation Network
    - The online learning platform provides access to business training.
South Africa’s Cape Town city has been widely regarded as one of the best-run municipalities in the country. This has had an important influence on August’s local government elections and led to a significant swing to the country’s main opposition, the Democratic Alliance.

By Kabele Senna
It's been 10 years since South Africa's opposition party, the Democratic Alliance (DA), won control over the city of Cape Town. At the time – 2006 – it was the only metropolitan council in South Africa not controlled by the African National Congress (ANC), and has since afforded South Africans an opportunity to compare DA versus ANC city management. The success of the DA in Cape Town has since rippled out across the country, indicated by the August local elections, for not only did Cape Town remain in the hands of its current DA Mayor, Patricia De Lille, but the DA was able to expand its influence and control over other metropolitan cities, ousting the ANC from the City of Johannesburg, Tshwane and Nelson Mandela Bay.

The swing to the DA - despite the necessity of a coalition with new-kid-on-the-block the Economic Freedom Fighters (EFF) to control the three newly-gained municipalities - indicates that ordinary people feel the ANC no longer represent the interests of the masses. This has further created a rift inside the ANC as there is no longer general consensus within its ranks, resulting in some justified fears for maintaining its leadership in the 2019 national elections.

What the ANC could have done differently is marked by what the DA did right in Cape Town: the DA delivered on its promises and presented to South Africans what many hail as a world-class city. At the same time the DA put to rest the question of it being a ‘whites’ party as could be seen at its manifesto launch leading up to the recent local elections when the DA leaders came out 'guns blazing' with an outstanding event; for not only did they fill the Rand Stadium south of Johannesburg to full capacity, the launch represented a unison of all the ethnic groups in the country, a true spirit of the rainbow nation. A similar statement to that of ANC that has rested its laurels on since 1994.

To quote the DA leader, Mmusi Maimane: "In this election, millions of voters chose hope over fear. They refused to succumb to divisive race-based rhetoric, because they know that we are better together". In this way, Maimane rejected the accusation that the DA is only interested in the needs of the white people, clearly demonstrated by a two-third majority win in the Western Cape area, which is largely a coloured and black dominated environment.
“Elections are about people,” said Maimane. “This was a watershed-election where people voted on the ‘bread and butter’ issues that affect them daily. Issues such as access to water, electricity, sanitation, refuse collection have been priorities. People had the opportunity to measure governance between ANC run municipalities and DA run municipalities. The DA ran on a track record that showed we deliver the best services to more people. Our municipalities have the lowest unemployment rates in the country and unlike the ANC we tackle corruption head on. Voters are intelligent and were able to see the difference and that is why more people voted for the DA around South Africa”.

Clearly the masses have spoken on who they best trust to represent their interest as far as politics and the progression for of the country is concerned. Indeed, the era of change is on the horizon. It helped too that the DA could build on growing resentment and perceptions of wide-spread ANC corruption to emerge victorious from the country’s most fierce political standoff.

The DA in Cape Town have capitalised on the growing mistrust of the ANC government with a clean record of audits and good track record of service delivery, thus creating jobs (especially for the youth), and embracing an informal city economy. The DA’s zero-tolerance for crime and its track record for crime prevention has been a factor that made it far easier for residents to trust the DA with their votes. In the words of the Mayor De Lille: “The City of Cape Town is the benchmark of a well-run municipality.”

She is right, and so much so that the DA uses the city of Cape Town as a blueprint for the measure of what a South African city should be. It has become the mecca of sustainable development, thus resulting in the migration of people to Cape Town for a better life.

In winning Cape Town yet again, De Lille has been emphatic that it is not just about service delivery only, it’s also about having respect for those under its care. “We never took the voters in our jurisdiction for granted and wanted to be honest with our them.

“During the election period, we took the opportunity to speak to people and to show what we have delivered, where we have spent their money and the plans to deliver more if they voted for us. The ANC ran a racially divisive campaign without a plan to show voters. And the voters could tell the difference.”

The hotly-contested SA local government elections have been nothing but intriguing to the country and the world, with an astonishing turn of events that led to the unexpected marriage of former political rivals – the Democratic Alliance (DA) and Economic Freedom Fighters (EFF). This new alliance in the three newly won metros of the City of Johannesburg, Tshwane and Nelson Mandela Bay, resulted after the DA and EFF agreed to cooperate to end the ANC government’s grip on power. Patricia De Lille, the DA’s Mayor of Cape Town, made it clear that she did not envisage cooperation with the ANC but that the coalition was based on an agreement as to which party could run the country better.

It is too early to be sure how this new alliance will proceed, however there are some positive early developments with talk about cooperation for key needs such as service delivery and job creation. A City of Cape Town’s spokesperson said that the DA formed a broad coalition with the African Christian Democratic Party (ACDP), the Congress of the People (COPE), the Freedom Front Plus (FF+), the Inkatha Freedom Party (IFP) and the United Democratic Movement (UDM), by being bound by the shared principle of putting South Africa first. “The EFF chose not to enter into coalitions, opting rather to remain in opposition. If we all put service delivery first during our council term, we will be able to work better together and improve the lives of more people.”

All eyes are on the DA in their newly won municipalities to see if alliances will hold, and if they will be able to demonstrate some of the achievements they have enjoyed in Cape Town.

“Over the past five years, the DA government in Cape Town has carried out a programme of action on five pillars: building an opportunity city; a safe city; a caring city; an inclusive city; and a well-run city. In 2011, we put our manifesto to the voters and translated it from a political promise into a governing programme. Today, those five pillars are the architecture of the City of Cape Town’s administration.”

In listing some of the major milestones, De Lille highlights the installation of a public transport system that extends from Atlantis to Khayelitsha and Mitchell’s Plain. “We have put in a broadband network that is helping us become a digital city of the twenty-first century,” she says, “and have invested more in the Expanded Public Works programme, - over R130 million a year - than any other municipality.

In achieving notoriety for growing its economic and financial sector, the DA Cape Town municipality has combined business best practice with innovative planning and management improvements in an effort to increase service delivery especially to the poor. Its most recent manifesto is a pledge to further modernise government with the introduction of the Organisation Development and Transformation Plan (ODTP) (see box).

“This programme describes the organisational requirements needed to give life to strategic planning. As a result, Cape Town has been the site of best government practice and excellent management for the past decade,” said De Lille.

Bring the business best practice to local government

The hotly-contested SA local government elections have been nothing but intriguing to the country and the world, with an astonishing turn of events that led to the unexpected marriage of former political rivals – the Democratic Alliance (DA) and Economic Freedom Fighters (EFF). This new alliance in the three newly won metros of the City of Johannesburg, Tshwane and Nelson Mandela Bay, resulted after the DA and EFF agreed to cooperate to end the ANC government’s grip on power. Patricia De Lille, the DA’s Mayor of Cape Town, made it clear that she did not envisage cooperation with the ANC but that the coalition was based on an agreement as to which party could run the country better.

It is too early to be sure how this new alliance will proceed, however there are some positive early developments with talk about cooperation for key needs such as service delivery and job creation. A City of Cape Town’s spokesperson said that the DA formed a broad coalition with the African Christian Democratic Party (ACDP), the Congress of the People (COPE), the Freedom Front Plus (FF+), the Inkatha Freedom Party (IFP) and the United Democratic Movement (UDM), by being bound by the shared principle of putting South Africa first. “The EFF chose not to enter into coalitions, opting rather to remain in opposition. If we all put service delivery first during our council term, we will be able to work better together and improve the lives of more people.”

All eyes are on the DA in their newly won municipalities to see if alliances will hold, and if they will be able to demonstrate some of the achievements they have enjoyed in Cape Town.

“Over the past five years, the DA government in Cape Town has carried out a programme of action on five pillars: building an opportunity city; a safe city; a caring city; an inclusive city; and a well-run city. In 2011, we put our manifesto to the voters and translated it from a political promise into a governing programme. Today, those five pillars are the architecture of the City of Cape Town’s administration.”

In listing some of the major milestones, De Lille highlights the installation of a public transport system that extends from Atlantis to Khayelitsha and Mitchell’s Plain. “We have put in a broadband network that is helping us become a digital city of the twenty-first century,” she says, “and have invested more in the Expanded Public Works programme, - over R130 million a year - than any other municipality.
“We have worked to make gang-ridden areas safer and tackle substance-abuse head on. We were the first government to roll-out an anti-racism campaign to inform residents of their rights, a campaign endorsed by Archbishop Desmond Tutu and Ahmed Kathrada (South African politician and anti-apartheid activist).

“We have helped create jobs through investments in incentives and in the green economy. And we have done all of this while getting successive clean audits from the Auditor-General. As successful as we have been, we still have so much more to do.”

The latter statement is typical of De Lille, and her team, who work tirelessly to ensure the upliftment of all in her jurisdiction. She acknowledges that there is still much to be done to address issues of poverty in the city. “We will continue to spend 67% of our budget on the poor. We will continue to redress the imbalances of the past and to replace concrete roads, retrofit ceilings in government housing, and give title deeds and property ownership to people. We will continue to provide sanitation and basic services to informal settlements. We will continue to provide the best level of services in the country to all residents. And we will continue to attract business and investment, creating jobs and growth.”

“But our work is not just for Cape Town,” she emphasises. “It is for South Africa as we set the example of what good governance can achieve. In the next five years, we want to make more progress and build on our strengths.”

Cape Town future plans

According to the Mayor, the future for the city of Cape Town is bright. Future plans, under the Organisational Development and Transformation Plan (DTP) include: “Improved tender demand and supply chain management; faster turnaround times for tender appeals; extensive monthly reporting systems; project management training; and an improved due diligence processes … and it’s all a result of changing how we do our planning!

“The ODTP is a legislative requirement when considering the requirements of local government legislation and regulations, specifically the Municipal Structures Act and the Municipal Systems Act,” explains De Lille. “The city of Cape Town has decided to embrace the ODTP process as a means of rebooting city government for the 21st century. The management has distilled 11 transformational priorities that will inform our city strategy for this term of office.” And in keeping with good practice, structure follows strategy. “Further, we have proposed to reorder the macro-structure to accommodate a proposed new service delivery model, reducing the number of directorates from 11 to 10.”

On the ‘burning issue’ of renewable energy, the city of Cape Town is demanding that the Minister of Energy, Tina Joemat-Pettersson allows the city to procure renewable energy from Independent Power Producers (IPPs) in the light of the national power supplier, Eskom’s decision not to do so.

“We will not sit back passively waiting to be crippled by Eskom’s decision, especially amid rapidly escalating electricity prices,” says De Lille. “If we are allowed to procure renewable energy, we can reduce the long-term electricity costs for our residents and provide a greater measure of protection against energy insecurity and Eskom’s load shedding,” said De Lille. “Our outdated electricity regime forces us to be wholly dependent on Eskom for our energy requirements.” In her view, the time has come to restructure the entire South African electricity industry “and break the vertical monopoly status that Eskom has enjoyed”. 

Mayor Patricia De Lille, has the pulse of her city, Cape Town.
more empowerment

At MasterCard®, we are developing solutions in Africa to support financial inclusion and empower consumers with advanced payment technology. So that there is less dependency on cash and more freedom to enjoy life. We are making payments safe, simple and smart: the cashless way.

www.mastercard.com
Cities Alliance has been motivating discussions about the strategies needed by African cities to develop and be empowered to advance city agenda’s for development, growth and economic development. Panelists and stakeholders share their views on the necessary requirements and the collaborative efforts that will accelerate challenges to be solved.

**WORKSHOP ONE**

**LOCAL RESPONSIBILITIES**

*Khalifa Sall, Mayor of Dakar and President of United Cities and Local Governments and Cities Alliance Assembly* says that cities must play a critical role in spatial planning and development.

This will empower local planning authorities to confront challenges as well as develop the spatial frameworks necessary to formalise urbanisation. Further such actions will equip local governments with the knowledge and ability to address urbanisation challenges.

Sall’s keynote address on the theme “Delivering Agenda 2030: The role of Cities, at the Cities Alliance Strategic Workshop held in Dakar in September, emphasised that for effective response to urbanisation challenges, cities require adequate financing and institutional capacity.”

This would include physical decentralisation within national governments and positioning cities to be able to generate revenue through loans and access financing mechanisms to confront developmental challenges. “If cities have physical instruments, including funds, plans and space for development at their disposal, they would be more empowered to confront issues affecting their growth”.

In highlighting some of the issues, Sall says that despite the ability of some continental cities to create their own source of funding, local authorities, must find ways through
which the United Nations (UN) systems and development financing agencies and institutions could extend both physical and institutional support to African Municipalities. Once cities are able to demonstrate a clear path towards development, additional resources would be necessary to consolidate the gains made by the internal revenue.

Sall is confident that agencies such as the Global Environment Facility will be ready to extend facilities to deserving cities as part of its corridor development programme, aimed at supporting cities financially to develop. This also speaks to infrastructure development, which Sall says continues to remain the most critical part of urbanisation.

“The availability of infrastructure is key in providing social amenities, addressing settlement problems, controlling the creation of slums and managing waste efficiently,” said Sall, noting that it is important that local authorities be extended the responsibility of developing infrastructure and to have the ability to introduce innovative solutions to infrastructure development programmes.

For easy access to amenities and facilities provided, Sall further referenced the importance of urban mobility and urged for a rethink of the cost of transportation and mobility in cities to allow even the deprived to have unlimited access.

In order to create meaningful advances for women at community and urban level, Ms. Proscovier Viknam, Executive Director: Afrolinks International Frontiers Limited, commented that access to information, training and sensitisation for women through empowerment programs should be advanced. She maintains that shared information about opportunities should be broadcast as well as clear source of funding and investment partnerships so women can contribute fully to the urbanisation process.

To encourage other women to engage in the development of cities, Viknam also says that urban women must share the impact of their work with others and called for a concerted effort towards women empowerment.

The government of Ghana has reaffirmed its commitment to partner other African governments and international organisations to harness opportunities and address challenges presented by urbanisation.

In a speech read on his behalf by the Chief of Staff, Julius Debrah at the Cities Alliance Global Workshop held in Accra, President of Ghana John Mahama noted that the rapid growth of urbanisation on the African continent requires an urgent response from governments and civil society groups to deal with the inherent challenges.

As co-chair of the team assisting the United Nations (UN) Secretary-General in the campaign to realise the Sustainable Development Goals (SDGs), President Mahama requested member states endeavour to implement a global compact by localising targets into their respective national development planning frameworks, especially the SDG Goal 11, which seeks to “make cities inclusive, safe, resilient and sustainable”, thus addressing urbanisation challenges.

Despite challenges, the massive socio-economic and infrastructural development potentials urbanisation present cannot be underestimated.

“Cities are hubs for ideas, commerce, culture, science, productivity and social development among others. At their best, cities have enabled people to advance socially and economically,” President Mahama recounted.

He did however maintain that the challenges cities face, including congestion, lack of funds to provide basic services, shortage of adequate housing and declining infrastructure, may be overcome in ways...
that allow them to continue to thrive and grow while improving resource use, reducing pollution and poverty.

“The future we want includes cities of opportunities for all, with access to basic services, energy, housing, transportation and more”, President Mahama stressed.

In appointing Ghana to the Board of Cities Alliance, the President was grateful to Cities Alliance for its continuing support of urban programmes saying that the country will continue to strengthen its local authorities to effectively play their role in developing cities and human settlements, irrespective of the challenges.

As the last major continental gathering prior to the UN’s International Conference on Sustainable Development and Human Settlements, widely known as Habitat III, President Mahama urged all participants to carry discussions and decisions as further input for the African position into the New Urban Agenda, which will provide clear guidelines and commitments by member states towards embracing urbanisation as a catalyst for development.

Echoing the President’s remarks, Minster for Local Government and Rural Development of Ghana, Mr Collins Dauda emphasised that in dealing with challenges posed by urbanisation, various programmes and projects, including comprehensive decentralisation and granting of autonomy to Metropolitan, Municipal and Districts assemblies, the District Assemblies Common Fund to augment internally generated revenue, the Urban National Policy and Action Plan have been developed.

Additionally, the Ministry has developed a Local Government Borrowing Bill permitting Cities to borrow from the capital market for infrastructure development, and the introduction of the Public Private Partnership (PPP) policy will serve as the framework for local governments to harness private sector efficiency and resources for public sector benefit.

A three-pronged approach; Urban Frameworks, Urban Design and access to finance for infrastructure and service delivery, the Minister noted, underpins various interventions being pursued by the Ministry.

In formulating the African Strategy, Mr Dauda entreated stakeholders of urbanisation to recognise local governments and city authorities as the pivot around which resilient and inclusive cities can be developed.

The UN Resident Coordinator in Ghana Ms Christine Evans-Klock highlighted the importance of coherence of efforts among all partners in ensuring Agenda 2030 which incorporates the SDG Goal 11 was realised.

WORKSHOP 3
AFRICAN GOVERNMENTS MUST PLAN FOR URBANISATION

“African governments must have a clear long term planning for the urban future of the continent.” This, William Cobbett, Director of Cities Alliance, believes is the main solution to the rapid growth of urbanisation in African countries. He was speaking at the Cities Alliance Africa Strategy Workshop in Accra, when he added that “national governments, in seeking to alleviate urbanisation challenges must mobilise all the necessary forces that include regional and local authorities to supervise and implement allocated national policies regarding urbanisation in respective jurisdiction.”

Cobbett maintains that local governments must be well-positioned to offer appropriate responses to both formal and informal growth, and commented that his organisation will continue to engage member states on the next phase of turning policies into good investment.

“The focus of urbanisation must be areas of high population growth, mostly rural communities, with little or no social and economic growth to match.” Slums are a part of the urbanisation process and Cobbett appeals to national governments to support local authorities in responding to those challenges.

In attendance member states, including Ghana, Tunisia, Uganda, Burkina Faso, Ethiopia, Mozambique and Kenya, shared experiences in dealing with the challenges associated to structural transformation that urbanisation introduces.

The workshop also brought together partners and member states to deliberate on policies and analytical studies - including energy accessibility and human resource capacity – required by local authorities to promote urbanisation.

Reiterating the importance of strong and effective local governments, Jean Pierre Elong Mbassi, Secretary General, United Cities and Local Governments of Africa (UCLG-A), said national policies designed to effect
change cannot be properly implemented in local communities when it fails to address the immediate needs of people.

In view of this, local authorities that understand the characteristics and dynamics of communities must be empowered to adequately execute national policies in conformity with local characteristics in addressing problems. Development, according to Mbassi, begins with locals stressing the need for the localisation of the United Nations Sustainable Development Goals (SDGs) and the New Urban Agenda, formulated to help improve the lives of people across the globe.

For strong and efficient national institutions, Mbassi reiterated that African governments must support local authorities, which are embedded with local values and interests, to build collaborative mechanisms between government and the people to enhance development.

He indicated that the coming into force of the New Urban Agenda would highlight how local governments and African cities can contribute to the overall development of the continent and how collectively they can tackle the challenges of urbanisation.

Isaac Isanga Musumba, Minister of State for Urban Development, Republic of Uganda, noted that member states solutions to urban challenges including waste management, city planning, provision of social amenities, employment creation and eradicating slums will be adopted and implemented in his country to improve living conditions at urban centres.

WORKSHOP 4

ENERGY ACCESSIBILITY- A TOOL FOR URBANISATION

Lack of access to reliable energy is the factor hindering the development of urban centres in Africa.

Discussing the impact of energy accessibility and climate change on urbanisation at the Cities Alliance Africa Strategy Workshop in Accra, Dr. Meagan Spires, Manager, Climate Change and Biodiversity, Local Government for Sustainability explained that urbanisation is a consequence of solid energy supply. “Urbanisation is dependent on energy accessibility which needs to be adequate and sustainable”.

With most African cities characterised by informal growth and the development of slums and settlement around cities, access to energy and other amenities is limited so that in turn urbanisation is stalled. “Energy and urbanisation are closely aligned because the constant supply of energy is necessary to improve quality of life which in turn creates and enhances urban settlement,” Spires explained.

“Although energy accessibility is the bedrock of urbanisation, attention must be paid to a source of energy that will sustain the environment and protect it from further depletion.”

To reduce the effect of climate change, African governments and local authorities, must collaborate to develop and implement policies, capable of ensuring access to energy using the most environment-friendly source.

“Face-to-face engagements, mechanisms, forums and workshops between national and local government representatives are necessary to draw up plans and strategies to combat energy generation challenges and its impact on the climate,” Spires added.

In addressing the problem of insufficient energy to support urbanisation, Barbara Schreiner, Executive Director, Pegasys Institute, proposed the exploration of different sources of energy available to reduce over-reliance on hydropower, which, she explained is also susceptible to climate change and as a result, unlikely to generate the maximum power needed in urban areas.

“Geothermal, wind and solar energies, which are environmentally friendly and sustainable, must be the next focus to champion the urbanisation drive of the continent”, said Schreiner.

To accelerate the process, she urged African governments to collaborate with researchers and appropriate agencies to be enabled to fully undertake exploitation of both renewable and unrenewable sources of energy.

Silva Escudero, Project Manager, European Union Energy Initiative Partnership Dialogue Facility (EUEI PDF) said the EU, through the agency, is providing policies, regulations and strategies for African governments to ensure energy efficiency.

To ensure sustainability and enabling environment for the sector’s growth there is a need for energy institutions, including a council to implement policies, instruments and models, to enhance energy access in Africa.

“There are a number of untapped natural resources that require the right skills and technology to be exploited for the benefit of the people. The technical assistance the EU provides is to aid both the building of human capacity for establishing the infrastructure, and the creation of policy frameworks for energy accessibility,” Escudero concluded. •
THE 2nd AFRICAN MUNICIPAL BONDS FORUM

Johannesburg
October 2017
www.amb-forum.com

Be part of the African municipal bonds platform

For more information, please contact Elisee Marie
T: +44 (0) 208 0045556
E: elisee@markets-africa.com
THE BOND ISSUE

BY KERRY DIMMER
Africa is lagging behind in terms of the five-six percent of GDP that is recommended as the ideal spend on infrastructure development. David Jackson and Vito Intini, from the United Nations Capital Development Fund (UNCDF) explain why enhancing the range of fiscal and financial tools available for local governments, such as municipal bonds and public private partnerships (PPPs) may provide a workable solution for transforming local economies.

"Infrastructure investment is crucial if African economies are to break out of the low-to-middle income trap," says David Jackson, director of Local Development Finance of the United Nations Capital Development Fund (UNCDF). "Without it, economies are unable to transform. While economies may be able to experience some growth in terms of GDP through commodity exports, tourism etc, there will still be a point where they become structurally stuck and unable to build a large middle class."

This is especially true in the case of growing urban and peri-urban settlements that have the populations of cities but don’t have comparable infrastructure. Such areas are trapped in not being able to secure the investment per capita required.

Jackson’s colleague, Vito Intini, the UNCDF’s manager responsible for its Municipal Investment Programme relates a study of the discrepancies between low-income countries in sub-Saharan Africa with counterparts in the rest of the world.

“There are significant differences in many areas, for instance power generation capacity, electricity coverage, access to water and sanitation. When one understands that some of these southern African low-income countries are not even contributing one percent of their GDP into infrastructure, it is clear that a catch-up scenario prevails and they need external support, be that public or private.”

Intini also points out that for the poorest countries on the continent, using local revenue resources may still not be enough to recover. This is one of the motivations behind a conference the UNCDF hosted in Tanzania during March, which explored how to bridge the gap between the infrastructural needs at local level with what is actually allocated to cater for those requirements.

One of the most heated topics, and one that is regularly debated, relates to decentralisation, which in turn enables municipalities to issue bonds. Jackson explains that it is not possible to provide infrastructural investment in cities and rural areas without significant contributions from local government given that it is the delivery, planning, and procurement agent in building infrastructure.

“Only when a municipality is autonomous can it borrow and then issue a bond or participate fully in a PPP. The Addis Ababa Action Agenda outlines a blended finance approach with the inclusion of public and private sector participation.

“The only way to achieve blended finance at local level is by creating autonomous local governments that can issue bonds and also co-finance in public-private partnerships. This requires fiscal decentralisation.”

One of the success stories is that of Jozibonds, issued by the city of Johannesburg in South Africa. These are essentially savings products for investors, including individuals, allowing them to invest in municipal-issued securities at market-related interest rates. A low-risk investment, Jozibonds is listed on the continent’s largest bourse, the Johannesburg Stock Exchange, which regulates the conduct of the city as an issuer.

**Risks and Potentials**

There is of course always a risk when entering capital market space so it crucial to mitigate, understand and manage risk. For municipalities there are two elements that Jackson warns of: “There is an element for municipalities to get ahead of themselves and should not fall into the trap of thinking that borrowing is a panacea … it is part of blended finance package that should include tax revenue, transfers from central government, PPP funding, and leasing income from assets like land. By pooling income resources, the borrowing component can remain small so that risk is mitigated and the potential for default is minimised.

“The second element lies in the phenomena of population growth which means..."
revenue generation capacity grows commensurately and therefore the potential to pay returns is increased. Conversely if a city faces a declining population, revenue falls and bonds risk default, such as recently happened in Detroit, USA. Yet in African cities, population growth is the trend."

Intini concurs and refers to the interest that a large number of mayors are showing in PPP and the pre-requirements needed to tap into these types of schemes and instruments. “Such tools imply good municipality financial reporting, management efficiency and modern organisational setups. “

One cannot however separate the concept of municipal decentralisation from intergovernmental transfers as Intini explains. “Fiscal decentralisation in Africa shows a patchy history given the diverse budget resource allocation. In South Africa, for example, some 60 percent of the budget is decentralised, whereas in Kenya just five percent or less. We have a range of fiscal decentralisation on the continent that is not homogenous, each country basically following its own individual path. We agreed at the conference that there is a need for a clear consistent framework that provides guidance on the division of the functions and responsibilities between the tiers of central and local governments.

Intini says that during the two-day conference many accounts were relayed of heavily formalised procedures that are complicated by a plethora of grants from central governments, up to 40 in some cases, which further burdens the process.

“In terms of fiscal transfers, smaller municipalities tend to rely disproportionately on transfers from central government. This means transfers need to happen in a timely manner and consistently over a medium-term period while being simple and transparent in allocation. There must also be accountability between the central and local governments and it was also made clear that central governments cannot give local governments responsibility without giving them the related fiscal resources.”

The conference also discussed the many other instruments related to intergovernmental fiscal transfers, such as performance-based grants, which have expanded “dramatically” says Intini, over the past 15 years. “Another policy instrument we investigated is that of credit ratings and how they benefit both primary and secondary city municipalities and enable those to better access debit markets. Credit ratings also attract and facilitate partnerships, and again the conference highlighted some of the African municipalities, such as Kampala, that, on receiving a good credit rating-some of them as high as a ‘A’- have been approached by banking and private sector investors.”

Risks and Potentials

Answering the question whether such future investors are likely to be local or international, Jackson was adamant that
both are welcome but local investors are preferred for a number of reasons. “Firstly local investors provide funding in local currency so there is no currency exchange risk. Secondly if those investors are domestic banks or pension funds, it is a way of recycling capital within the domestic economy, which in itself is transformative and helps to build resilient economies. It is also a way of tapping into excess liquidity that some of the funds have, instead of them investing in real estate or taking the money offshore. This has such a powerful knock-on effect for local economic development.

“Thirdly it is likely that the type of infrastructure and investment requirements, be that equity or lending, is more appealing to domestic investors because projects of this nature have long-term payback periods of up to 15 years. The international sector, on the other hand, in terms of equity and venture capital, usually demand a payback of between three to four years, with higher returns, and is therefore more suitable for other types of commercial ventures.

It is worth mentioning that in terms of foreign direct investment, although it is likely to be directed towards infrastructure development, it doesn’t always have a multiplier effect within local economies. The MOZAL plant in Mozambique is a case in point. It contributes some five percent towards the country’s GDP but only a small amount to fiscal revenue and employs a relatively small number of Mozambicans. There are few backward linkages therefore for the local economy.

There have been numerous worldwide studies that prove that infrastructure projects at the local level have a multiplier effect that is difficult to match. Intini says that although not all local projects are implemented given risks in capacity, institutional and political instability, in terms of labour generation and fiscal returns the literature is increasingly convergent.

“Small infrastructure projects may may have a small impact at a national level but on a local level their multiplier effects can make a huge difference to communities and their growth,” says Intini.

One of the conference outcomes is that in unlocking the resources for municipalities – big and small – to pave their way towards obtaining long-term finance and the creation of municipal bonds, there is a need to take a holistic approach. Jackson explains that this means an all-inclusive model that includes performance-based grants from central government, concessional financing as seed capital, improving revenue, financial management and procurement systems and “getting your house in order.

“Once a municipality has followed proven procedures the result is improvement in procurement, better value for money in terms of infrastructure build and maintenance, and this moves local government further down the road towards credit worthiness,” he says. “Before being credit worthy in terms of borrowing, such entities will also become more attractive for public private partnerships for infrastructure.”

An example of which Jackson cites small Tanzanian towns which the UNDCF has been aiding with the building of bus stations, modern markets, abattoirs and waste disposal plants. These are the types of infrastructure projects in which the private sector can play a meaningful role and help to substantiate the credit worthiness of the towns even without borrowing. “Thereafter local governments can pull together to issue and service a bond. Dakar in Senegal has achieved this and is seeking access to regional capital markets.”

This type of formula is holistic in the sense that as a municipality moves along a maturity path, it increases its access to further financial resources. In effect it is what Jackson refers to as ‘resilient development’, “in other words ways in which African cities can leapfrog stages of infrastructure development and get ahead of the curve in terms of climate-proofing and preparing for a viable future.

**Conclusion**

“As Africa begins to experience the effects of climate change it has a need for resilient water supply and drainage, food security and so on. These are technologies that local government need to enable them to get ahead of the curve, and that doesn’t necessarily mean laying pipes under every street, there are other ways to deliver and accommodate such services,” says Jackson. “Sustainable financing for state-of-the-art green, low-carbon technologies is not just for European cities.”

Sustainability isn’t just a green issue, it also means finding solutions for central and local governments to work effectively together. Jackson and Intini remind us that power relationships may be a struggle but there are times when those are healthy. “It is important to recognise that a strong plural economy benefits from multiple centers of power and decision-making. This expands the fiscal space of the economy. Local governments provide this function and this is part of pluralism. The important part is a clear policy framework and division of labour.”

Intini expands on this. “The balance of power between local and central governments is different from one nation to the next. There is no one recipe that works for all. In any region the difference between low-income and medium-income countries presents vastly different challenges and similarly varying opportunities to enter capital markets.

Overall Jackson and Intini agree that Africa and many – but not all – of its cities, despite being in a permanent state of flux, works relatively well despite the challenges. There have been significant improvements in capacity over the past 15 years that are not always acknowledged. The key that links central and local governments lies with having a clear division of responsibility, the establishment of credible frameworks, and ensuring that mandates for funding are progressed so that towns are enabled to generate, and concentrate, on sourcing finance elsewhere be that through the issue of municipal bonds, PPP’s or taxes.
DELIVERING WATER

The development and implementation of a 360km strategic water transfer system for the Botswana government has resulted in an award for its consulting engineering company, Bigen Africa, and improvements to socio-economic conditions in capital city Gaborone.

Botswana, a democratic emerging country within the SADC region, has shown robust growth since independence. The country is, however, facing serious water supply challenges as local resources cannot meet the demands of especially Eastern Botswana where more than 75% of the demand is exerted by the capital Gaborone and its environs. For some years it has been dependent on the supply of water from neighbour South Africa to supply Gaborone Dam. As an emerging economy, largely attributable to diamond mining activities in the eastern parts around the capital city Gaborone, the development and completion of two of the three-phase water North-South Carrier (1, 2 and 3), is significantly enhancing regional economic growth and inducing an improved quality of life of the Botswana people.

NSC 2 has also averted a major water supply catastrophe in Gaborone. With local dams now virtually empty, the city has reverted to relying solely on the NSC II for its water supply, the efficiency of which has resulted in infrastructure development leader, Bigen Africa, winning the annual Best International Project award from the Consulting Engineers South Africa and also top awards in the categories for Business Excellence and Mentoring Company of the Year. The awards celebrate innovation, quality, outstanding workmanship and professionalism in the consulting engineering sector. The focus is on projects, which advance infrastructure development both in South Africa, and on the continent.

Bigen Africa was appointed by The Ministry of Minerals, Energy and Water Resources in 2007 as its Employer’s Representative for the conceptual design development, EPC tender documents and construction supervision of the NSC 2 transfer system. The work would entail completion of a water transfer strategy feeding on various dams, existing or newly emerging from the first phase, which was completed in 1999.

The direct water transfer route runs primarily alongside north-south traffic route A1 and pass the demand nodes of Palapye, Mahalapye and Mmamabula, where raw water is treated, en route to Mmamashia in northern Gaborone.

The project was intended to ensure an all-pumped system (starting at 45Mm³/a), with four separate pumping systems, along a continuously welded steel pipeline running between Dikgatlhong Dam and Mmamashia, through a storage reservoir at Palapye. Communication and control signals would be conveyed through a
primary fibre optic cable network and a secondary microwave radio network. The project included upgrading of water treatment works at Mahalapye, Palapye and Mmamashia.

From the start, it was realised that the Botswana government would rely extensively on Bigen Africa as the Employer’s Representative for guidance as to the best possible technical solution for the NSC 2.

Mias van der Walt, Divisional Managing Principal: Water and Sanitation at Bigen Africa says that for this project the Bigen group extended itself to meet many challenges in terms of planning, logistics and construction.” A high level of innovation and problem solving with regard to both construction and aesthetics was required and the team invested substantial time in numerous workshops and meetings in order to understand the needs of the client properly before an engineering solution was developed.

“Because of the extent of the work, we realised that this is was a project of national importance and that the quality and durability of the solution equally crucial.”

The conceptual design of the pipeline, reservoirs and pumping stations went beyond what would normally be expected from conceptual design and addressed all interfaces with existing and future water supply and treatment systems. The success of the design and the tender documentation is reflected in the quality of the end product says Mias. “The installed pipeline as well as concrete, mechanical and electrical work is of the highest quality with a pipeline life expectancy of 75 years.

“Because of the extent of the work, we realised that this is was a project of national importance and that the quality and durability of the solution equally crucial.”

The conceptual design of the pipeline, reservoirs and pumping stations went beyond what would normally be expected from conceptual design and addressed all interfaces with existing and future water supply and treatment systems. The success of the design and the tender documentation is reflected in the quality of the end product says Mias. “The installed pipeline as well as concrete, mechanical and electrical work is of the highest quality with a pipeline life expectancy of 75 years.

“A further example is the fact that of the 5 700 welds along the pipeline, only six failed the X-ray weld tests, which amount to only 750mm on 21 km of steel welds of the entire 360 km pipeline. Such results have never been achieved before on any similar pipeline across South Africa.

“The project also achieved budgetary compliance, which is unusual for such a large project,” Mias continues. “At no point, however, was there any compromise on quality or the sophistication of the design.”

At a cost of P1.4-million, the project has been somewhat of a financial burden for the small landlocked country, and in particular Gaborone, which is the centre of commerce, but worthy nonetheless. Minister of Minerals, Energy and Water Resources, Mr Kitso Mokaila has been quoted in the media saying: “It has to be noted that our ability to continue to undertake huge projects of this nature depends on the depth of our financial resources, which are no doubt stretched almost to the limit by a host of other national needs of equal importance.”

It is estimated that by 2035, greater Gaborone will receive 76 percent of its water from the NSC, given new connections to villages Thamaga, Moshupa, Kanya, Molapowabo, Kgomokatiswa and the Goodhope sub district.

Bigen Africa CEO, Anton Boshoff says: “Bigen Africa actively lives its creed of “doing good while doing business” and consistently undertakes projects that have a developmental impact to local communities beyond the commercial value or demand. The Botswana North South carrier water transfer scheme will constructively impact on the economy and lives of the people of Botswana for many decades to come.”
We believe in Africa

Odebrecht is a global organization with Brazilian origins, present in five continents, with a decentralized structure and 15 business lines always aiming at the development of key priority infrastructure projects.

For nearly 30 years, the Organization has focused in Africa on transportation, sanitation, housing, energy and mining, through the implementation of sustainable and social impactful projects, which have strongly contributed to the economic growth of the countries where we are present through the development of the surrounding communities and local people.

Furthermore, the Organization runs the Odebrecht Africa Fund, an investment vehicle that manages a selective portfolio of strategic assets in Retail, Agribusiness, Shopping Center, Mining and Oil & Gas. The Odebrecht Africa Fund is a token of Odebrecht’s long-term commitment to the continent.

www.odebrecht.com
As African cities grow, the need for infrastructure also grows. Increasingly, the pace of the one outstrips the other leaving millions of people living in cities without access to services, and economies struggling to fulfil their growth potential. Cities can close the infrastructure gap but only if they manage to access the huge amounts of financing needed to build the African metropolis of the future.

BY DIANNE TIPPING-WOODS
According to research carried out by the World Bank and the African Development Bank, $US93-billion of annual investment is required to meet the continent’s existing infrastructure needs. Current spending amounts to just $US45-billion and even with potential efficiency savings of $US17-billion, the continent currently faces a financing gap of some $US31-billion per year, the majority of which is invested into power generation and water management – both central to sustainable urban development.

“In most cases African city governments are unable to finance their municipalities without contributions from national coffers and this influences what can and can’t be achieved from an infrastructure development perspective,” says Jean-Pierre Labuschagne, who leads Deloitte’s Africa Infrastructure & Capital Projects team. He adds that not all infrastructure projects pay for themselves either. “This introduces the realm of social policy and social engineering, where not all projects can be looked at purely in monetary terms.” And let’s not forget city population growth.

According to a 2015 Siemens Cities in Africa Report, over one-billion Africans will live in cities by 2050. “On the continent, moving to cities is seen as a way out of poverty, a route to prosperity and a way to find a job,” explains Labuschagne. “Big cities like Nairobi, Accra and Lagos represent the hope of a nation. The challenge is to convert long-term national plans to city-level projects.”

In the case of Kenyan cities, the Kenya Urbanisation Review states that in Nairobi and Mombasa water demand exceeds supply by more than 150,000 and 100,000 cubic meters per day, while only some 18 percent of the total urban population has access to a sewer system; 70 percent rely on septic tanks and pit latrines, and the balance have no access to sanitation services at all. “Dealing with

It takes a brave person to push a project. What is needed is passionate and responsible leadership within the city. Even if there is a need; if there isn’t a person or team pushing, it won’t happen.
water and sanitation and solid waste are important. In cities like Nairobi, both need to be managed closely and have huge implications for people living there,” says Labuschagne.

The question is, how can cities address these infrastructure needs? Cities that struggle to cover their operating costs won’t be able to fund infrastructure projects so they need to look elsewhere for the large sums needed and motivate for different types of finance. This can include a wide range of potential sources like donor funding, money from development finance institutions (DFIs), national governments or private equity firms. “And sometimes, even with adequate funding, projects still fail,” says Labuschagne. “It takes a brave person to push a project. What is needed is passionate and responsible leadership within the city. Even if there is a need; if there isn’t a person or team pushing, it won’t happen.”

Kigali is not alone in attracting investment in local infrastructure projects. Across the African continent, city infrastructure memorandums, agreements and contracts are being signed to unlock the enormous potential of Africa’s growing urban areas.

Rwanda makes for a good case study:

“Good leadership and a friendly business environment in Rwanda has attracted the infrastructure investment that we have been carrying out across the world,” said Suhail Albanna, managing director of Dubai Port World for the Middle East and Africa, where he signed, in January, a 25-year renewable concession agreement with the Rwandan government to develop and operate a logistics platform in Kigali, expected to boost international trade and competition in external markets.

The Kigali Logistics Platform (KLP) will be a hub for goods coming from the ports of Mombasa in Kenya and Dar es Salaam in Tanzania, including a depot and customs services. Currently offloading containers can take an entire week in Rwanda, which limits the number of trips truckers can undertake monthly. With the KLP up to five per month will be possible, suggested the Rwandan trade minister Francois Kanimba. “This will definitely reduce transport costs and increase profit for businesses.”

Projects, big and small, range from ports and roads to power and water provision. While finance mechanisms and the abilities of cities to leverage them vary, “businesses are under pressure as the pace of urbanisation increases. The continent won’t achieve its potential for economic growth without adequate infrastructure,” confirms Kieran Whyte from law firm Baker & McKenzie, which recently released a report on Africa’s infrastructure gap that it commissioned from The Economist.

Cities also need to provide non-profit services. “There are a number of demands on balance sheets and there can often be a lot of bad debt. Frequently the consumer doesn’t pay, but there are other compelling reasons to prioritise projects, like social good,” Whyte suggests.

Whyte also points out that the heavy dependence cities have on national government transfers to fund projects, instead of raising local revenue through taxes and fees, makes it harder to make local-level decisions without national input. “Developers and lenders want certainty. A city’s financial and revenue management are key, as is its compliance with – and the integrity of – the procurement processes.” He notes that establishing a ‘bankable’ environment to support large and complex projects is just as crucial as finding the investors to fund them. “In the case of cities, a lot depends on individual profiles. What does the balance sheet look like? What story does the procurement cycle tell? Are we dealing with private or public sector entities?”

There are a number of demands on balance sheets and there can often be a lot of bad debt. Frequently the consumer doesn’t pay, but there are other compelling reasons to prioritise projects, like social good.
The easiest projects to bank may be the ones that allow for both social good and an off-take mechanism. One example would be South Africa’s Renewable Energy Independent Power Producer Procurement Programme, which guarantees successful bidders a predetermined price for any power generated. This clear purchase price, as well as a supportive regulatory framework, has resulted in over 6,000 MW of power-purchase agreements to be concluded in three years.

Ongoing maintenance and operation costs also need to be considered. “The potential is there and the money is often there but closing the infrastructure gap also requires the technical capacity to manage the physical build and on-going maintenance of infrastructure projects in African cities,” says Whyte. Regardless of how capital expenditure is funded, the cost recovery tariffs or revenue collection associated with maintaining infrastructure projects in African cities may not reflect the realities. This is exacerbated by the fact that tariffs need to be set within social constraints.

Talking to The Economist, Mohan Vivekanandan, Group Executive: Strategy, the Development Bank of Southern Africa said: There is plenty of money out there, where there are projects with proper off-take. But, in the case of social projects such as schools or water-related projects, that’s often not the case.” This may affect the types of projects in cities that are that are prioritised and how attractive or unattractive they are to different kinds of funders.

How cities respond to such challenges will be crucial, says George Wolf from TradeMark East Africa, an Aid for Trade company that pools funds from eight bilateral donors and spends some $US100-million annually on projects to boost the value of trade flows in East Africa. “African countries are investing at breakneck speed to catch up for past under-investment and this is putting huge strain on implementation capacity at every level. Traffic congestion is perhaps the most visible problem in African cities, followed by power reliability,” he says.

The signing of the agreement for the Kigali Logistics Platform was a highlight for TradeMark East Africa, The company supported the government of Rwanda in laying the groundwork for the project, with Dubai Port World eventually taking full construction, financing and traffic risk.

Other notable city-based infrastructure projects that Wolf is currently working on include a new container terminal for the Dar es Salaam harbor and the Mombasa West Integrated Urban Transport project, which involves expanding the network of urban transport roads leading to Mombasa Port. TradeMark East Africa will introduce a third party to manage the flow of traffic between urban locations and the port.

As these examples illustrate, Rwanda and Kenyan cities are obvious examples of African cities with massive potential for successful infrastructure projects, many of which form part of larger national and regional plans.

A Kenya Urbanisation Review, published by the World Bank in February 2016, estimates that for each US dollar that Kenya spends on water and sanitation infrastructure, has the potential to generate a further eight dollars in saved time, increased productivity, and reduced health costs.

Inadequate sanitation infrastructure costs the country roughly $US324-million annually. Similarly investments in transport infrastructure can generate savings in the long run. Increasing travel speeds could save more than $US50-million a year: the current cost of congestion in Nairobi.

Another exciting project exists in Nairobi, looking into optimising the design of the western terminus of the new Standard Gauge Railway. “This has the potential to become a large inland port project. Initially we are looking at full public funding but will explore opportunities for private participation,” says Wolf.
He says that people talk about an infrastructure financing gap, “but I’d argue it’s really a project preparation gap. For well-structured projects with solid business cases - and where appropriate, public credit support - there is always financing,” he suggests, although certain financing mechanisms seem to be more attractive in some sectors than in others. In the transport sector for example, “aside from high-traffic logistics nodes, it’s really difficult to get the private sector to take volume risk,” Wolf notes.

Infrastructure projects also often fall into two categories: poverty reduction and economic modernisation and the two don’t always overlap. “When the multilaterals supported the Africa Infrastructure Country Diagnostic (AICD) analyses a few years ago, the question they wanted to answer was: What infrastructure investment is needed to meet the Millennium Development Goals? Economic modernisation in cities, on the other hand, is more about linkage with international markets, large-scale power reliability, broadband and airports.”

Governments do try to invest in both areas, “but the priorities are sometimes instructive,” says Wolf. In Kenya for instance, the initiative to build 10,000km of rural roads has stalled due to lack of finance, but the $US3.2-billion Standard Gauge Rail project and about US$2-billion worth of road-related PPPs are underway.

The result is that African cities, including capital cities, which tend to benefit most from national investment, are left with huge gaps in both funding for infrastructure and human capacity. “There are manifold gaps in planning, appraisal, implementation and financing of city infrastructure projects,” he notes.

So where does the money come from? According to Deloitte’ Africa Construction Trends Report 2015, DFIs are currently the largest providers of financing for African infrastructure projects, representing 48% of total projects and 34% of continent-wide financing. Government comes second, followed by the combination of all singular countries’ financing and then by China on a stand-alone basis. In the case of East Africa, the vast majority infrastructure financing is sourced through central government, as local governments and parastatals lack both “credit and capacity” says Wolf. While DFIs can bring capital, technical expertise and capacity to projects, they also create a platform for private and public-sector participants to build on to develop viable infrastructure initiatives. Without them, private-sector funding contributions to Africa-based infrastructure projects would be significantly less.

Drawing on his experience, Deloitte’s Africa Infrastructure & Capital Projects team leader, Jean-Pierre Labuschagne cautions that DFIs are process- and procedure-driven. “You will need to make sure you start working with them early enough. And, at the end of the day the money needs to come from somewhere to fund the shortfall to maintain these assets,” he notes.

Donor funding plays its role in infrastructure development; “these funds are a grant and unlike DFI funds, don’t have to be paid back,” says Labuschagne. Additionally, public-private partnerships (PPPs) create the legal framework for the private sector to invest in a government project in cities. Private equity is also coming to the party.

Andrea Orzan, Director PV Strategy at Black Rhino Group, a private equity company focused on the development and acquisitions of energy and infrastructure projects across Africa, suggests that private equity firms are open to the most efficient way of deploying their capital. Key issues in cities like Nairobi and Lagos are the regular provision of electricity and connecting the un-electrified, while larger national and regional projects address large-scale generating capacity.

“The major infrastructure challenge in cities is distribution. That’s the business of state utilities and sometimes private entities are seen as a threat as they challenge revenues,” says Orzan. However, he believes there is a case to be made in cities for distributed generation through, for example, solar home systems.

“The more you can address private sector end users, the more you can relieve the strain and burden on state-owned infrastructure. Clear need and a growth story can make certain projects a win-win for private investors, governments and end users,” he says.
City Authorities across sub-Saharan Africa are grappling with, among others, the challenges of limited funding, rapid urbanisation, slum development and youth unemployment. These issues are what formed the basis of discussion at a three-day East and Central African Cities Development Forum held earlier this year and hosted by Kampala Capital City Authority (KCCA) in partnership with The World Bank, IGC, PWC, Hwawei, UN agencies, slum dwellers International, French Development Agency and Netherlands government among others.

Over 550 participants including urban managers, development partners, researchers, academicians, scholars and urban development enthusiasts from some 41 countries convened with the aim of sharing the common challenges they face and the best path to sustainable urban development in the region, under the theme ‘building inclusive growth and livability in African cities’.

According to the KCCA Executive Director, Jennifer Musisi, most African countries are urbanising with younger and poorer people finding their way into towns without employment and residing in informal settlements.

“We need to realise that Africa is urbanising younger and at lower levels of income more than any other continent. This brings in the current challenges of high youth unemployment and slum growths, increased pressure on the existing infrastructure, and climate change adaptation issues among others,” says Musisi.

She also highlights that a number of city authorities in East And Central African countries have been seeking information from KCCA on best practices in city management and financing motivating the organisation to host the forum in order to bring together African cities to dialogue and strengthen partnerships to find solutions to best manage and control the problems they face.

Musisi also cited a need for African countries to re-organise cities in order to tap into available investment opportunities for development and growth: “Most African cities have an expansion of informal settlements which cannot provide a good platform for investment as no investor will risk money in a disorganised environment.”

United Nations Development Program Resident Representative in Uganda, Rosa Malongo, believes the forum was an opportunity for interactive dialogue with citizens on why cities need to change and why certain policies need to be adopted for a wholesome and inclusive approach towards the development of African cities.

The World Bank estimates Africa’s infrastructural needs at US$-93 billion per annum but most African cities are heavily dependent on their central government’s for such financing. This has so far proven ineffect thus the call for alternative sources of financing.

The forum outcome has produced ‘The Kampala Declaration on Building and Inclusive Growth and Livability in African Cities’, a document that outlines sub-Saharan duties for growing key urban development.

Post the forum, four cities expressed the desire to twin with Kampala : Harare in Zimbabwe; Nandi County in Kenya; Juba in South Sudan; and Kinshaha in Democratic Republic of Congo. They are yet to sign a Memorandum of Understanding (MOU). Addis Ababa and Nairobi have already signed MOUs with Kampala for such a twinning.

The forum also entertained the suggestion of going beyond twining to form an East and Southern cities development network comprising cities in the COMESA, SADC and EAC regions to enable cities tap into shared resources freely without further need MOUs.
Need for alternative financing in African cities.

Musisi commented that African cities need to seek alternative financing for the training of technocrats, for skills sharing, and to enable the sharing of experiences related to lower-cost strategic planning. She says the KCCA has offered to host the Second Africa Municipal Innovative Investment Forum in Kampala in June 2017, which is expected to attract over 250 city developers, leaders, technocrats and administrators from across Africa to drum up non-conventional ways of municipal financing.

Patrick Musoke, the KCCA’s Deputy Director Strategy Management, says that many cities in Africa are heavily reliant on fees and taxes for revenue which have proven inadequate in terms of collecting such funds to finance a city. “Many cities don’t realise they can use the city asset base as collateral to obtain loans or even float a bond, and attract private sector funding for infrastructure development.

“The Forum will be great opportunity for Kampala to expose its nascent steps taken towards development as well as tap into private investment for the city’s development.”

Musoke also pointed out that Kampala has not been marketed fully to the private sector but given that funding agencies and international banks, along with representatives from cities with well-developed private sectors will be in Kampala, it will present the city as an attractive investment.

KCCA funding for infrastructural development.

Kampala is the financial centre of Uganda, accounting for approximately 80 percent of industrial and commercial activity, as well as contributing 65% to Uganda’s Gross Domestic Product (GDP). The city is experiencing a five percent urbanisation rate per annum and, according to the city authority, such rapid urbanisation is aligned to an infrastructural deficit that cannot be sufficiently addressed by government transfers alone.

“We realised that if we are to rely on resources from government it will take us between 15 and 20 years to work on roads in Kampala Metropolitan area,” says Musoke. “Now the question is by the time you finish the last kilometer of the road ,what would happened to the first one? This means staying in a cycle of road infrastructural improvement.”

The Kampala Physical Development Plan estimates that Kampala needs at least US$1.5 billion to address the city’s infrastructural deficit. Musoke says to address this the KCCA looked at alternative financing such as use of bonds, private/public partnerships and increases in revenue resource mobilisation. However, although the KCCA managed to improve revenue collection from US$8.6 million in 2012 to the current US$24.6 million (85.6 billion Uganda Shillings), using improved technologies such as the e-city project, it is still facing the challenge of issuing treasury bonds given an impediment in the KCCA law.

Unlike cities like Dakar of Senegal where the issue of bonds is thriving even with minimal political support, Kampala has the political will but the law needs to be amended to provide room for bond prospectors. “Resources are available and financial institutions have been approaching the KCCA for floating bonds. We would have started issuing bonds by June 2015 but the law has to be amended,” says Musoke.

According to a survey by Uganda Bureau of Statics, over 500,000 youths enter Uganda’s job market annually, most of them remaining in Kampala which has created a deficit of 120,000 housing units in the city.
Angolan cities are largely a reflection of the country’s colonial past which still plays out today with the migration of the rural population to the main urban centers.

**The current situation**

After independence, following the war that lasted until 2002, a major change was required as to where the Angolan population would settle. Certain crucial aspects needed to be considered:

- Citizen’s international emigration movements to other countries including neighboring nations;
- High internal migration movements from the interior rural areas to small and medium sized cities; and
- An intense urban-urban migration, from small and medium sized cities to major cities.

The armed conflict forced an intense population movement; with the search priorities focused on security and improved lifestyle conditions within urban zones. This, on top of natural population growth dynamics, led to disordered occupational phenomenons in the peripheral urban areas outside of major cities.

The major cities, most being province capitals, also began to suffer a
disordered population occupation at town peripheries right through to central zones, where blocks and service areas were flooded. After this mass occupation, buildings and many residences went without maintenance for long periods of time, and so began a constant process of degradation.

In the city of Luanda there is an increasing informal process contributing to the creation of an urban economy combined with a growing deterioration of residential conditions and of public buildings. This occurred not only during the privatisation process but also as a result of landlords or established residents do not have the economic resources to rehabilitate their homes.

The disordered occupation of the urban areas outside of the main cities of Angola constitutes, therefore, the concept of an unplanned informal habitational park growth, characterised by the general lack of urban infrastructure and social equipment, which has a direct effect on the degradation of sanitation and therefore, quality of life.

**Characterisation of the cities**

Angolan cities are largely a reflection of the country’s colonial past which still plays out today with the migration of the rural population to the main urban centers. This creates a deep rupture of living standards and of social and cultural reference standards, as well as the exponential growth of urban land search.

The extension of this phenomenon, and the absence of human and material resources to properly guide it, causes an urban expansion mainly through individual and informal activities, these being outside of local administration controls, and that gives rise to human establishments that lack comfort, sanitation and security.

With the war over and peace following, a favorable environment presented itself for the resolution of critical social address of social environments and the solving of urbanisation problems.

Currently Angola, is rebuilding and its perspectives for a social and economic evolution of the country compelled the government to pay special attention to urbanism and housing.

In the context of the Angola’s economy of the last decade, there were major opportunities to guide government actions towards decreasing social imbalances.

The launching of the ambitious National Housing Construction Program constituted an unparallelled opportunity to execute the government’s goal of strategically taking into account the creation of job’s for the greater number of citizens, both in the rural and urban areas.

It is expected that Public promoters will be able to count on the “Urban Development Social Promoters” partners. This is a way to to harness ONG’s, neighbor associations and the housing cooperatives, into organised structures.

The National Urbanism and Housing Program needed an overwhelmed amount of construction materials and this produced differing levels of work standards.

As a lesson learnt Angola took measures to prevent low quality construction materials entering the market, inclusive of those that do not harmonise with climatic conditions, and ensure that only credible construction companies are allowed to operate.

---

**Goals of the National Housing Programme**

The Housing National Programme has among others goals:

The development of a housing policy that guarantees access to adequate housing for families, based on income and prioritised to those who have immediate and delicate needs.

The development of measures of complementary public policies, in particular:

- Policies to support construction and real estate corporations;
- Tax policies that make possible fiscal compensations;
- Housing credit policies that encourage family savings and easy credit access;
- Measures regarding customs policies that enable a temporary exempt of duties for equipment and material for urban projects and social housing;
- Environmental policies intended to enhance the preservation of the natural patrimony and landscapes as a guarantee of the natural balance and improvement of the quality of urban life;
- The adoption of relevant legislation regarding urbanism and habitation.

The National Housing Policy was structured on the basis of specific prioritised objectives, reflecting the main needs of the diverse Angolan society. Priority was given to low and medium income groups in the following projects:

- Construction of social houses in urban zones;
- Improvement and growth of existing houses;
- Construction of housing for public officers.
- Requalification or renewal of musseques (informal settlements);
- Social housing in agricultural zones.

In this endeavor special attention must be given to the private sector, in a way that they can become the State’s privileged partners for implementation, and its strategies.
Housing promotion and implementation strategy

The government intends to continue to mobilise public institutions and private agents, as well as the general society, to take a more active and sustained role in achieving the directives of policies and public strategies on matters of urbanism and housing.

Important challenges are being overcome:

- The regulation of the migratory phenomenon and the development of the national urban system therefore solving population concentration at coastal areas;
- Improvement of the living standards in the neighborhoods of illegal zones where some 80 percent of the urban population live. This includes the provision of basic sanitation infrastructure, water supply, electric energy and social needs (education, health, leisure, etc…) as well as providing legalised lands and adequate housing;
- Development and incentives for competitive participation in the national business structure, particularly the construction sector;
- Development and incentives for the promotion of social housing through the participation of the banking sector and national financial institutions;
- Institutionalisation of appropriate National Financial and Fiscal Systems.

Constructing a million houses

The National Housing Project is an ambitious, but honourable goal, especially given the target to build a million houses. Priority is given to the low to medium income group and ensuring ownership of the land to be occupied.

If the program is successful it will be praised far and wide, copied even, but the only way it’s truly going to be viable requires the buy-in of many entities and their broad participation.
To say that African cities are experiencing a potentially catastrophic energy crisis is neither sensationalist nor an understatement. Of 48 African countries, the World Bank considers 32 to be in crisis. This is not surprising—these are the cities of developing countries whose GDP grows every year, while power generation and distribution capacity lags well behind.

BY LINDA CILLIERS
It is sobering to think that two-thirds of African people - more than 620 million - have no modern-service access to energy, relying on biomass and charcoal for their day-to-day energy needs.

Many factors are to blame for the colossal energy deficit in Africa, including poor and ageing infrastructure, but the biggest problem - and opportunity - is no doubt the unstoppable influx of people into the continent’s cities.

“The rapid rate of urbanisation is a major challenge for cities throughout the continent, where the historical deficit of infrastructure will see energy crises looming large,” says Cape-Town based OneWorld Group CEO Belynda Petrie. Petrie is also a major contributor to the United Nations Economic Commission for Africa (UNECA) Economic Report for Africa, 2016, released in April, and the author of Green Growth and the SDGs: a scenario for Africa, OneWorld, Cape Town (2016).

“If Africa continues along the path it is on now, reliance on fossil fuel imports will increase, leaving countries subject to price vagaries and unacceptably high levels of energy insecurity. The only solution is renewable options, particularly in growing urban centres, given that these are also often hubs of innovation and skills,” Petrie says.

More than half of the world’s population live in cities and the United Nations Environment Program (UNEP) places energy consumption in urban areas at no less than 75% of total consumption. The UNECA report says, “unemployment, particularly under-employment and informal employment, is rising alarmingly in developed and developing countries at a time when the problems linked to rapid urbanisation, such as pollution and poorly provisioned services, are hitting the urban poor the hardest.”

Africa’s population increased by 2.55% each year between 2010 and 2015. By 2050, the population will have doubled from around 1.2 billion people in 2015 to almost 2.5 billion in 2050 - and the United Nations expects most of the population growth to take place in cities, with the urban population reaching more than 55 per cent of the total by 2050. The regions hardest hit are expected to be West and East Africa.

The two scenarios explore alternative trajectories for Africa between 2015 and 2050:

BAU is a scenario portraying a continuation of current patterns and trends. The forecasts under BAU illustrate how the current development trajectory will affect different sectors, highlighting areas of concern.

The GA is a scenario that models policy interventions in the sectors of concern under BAU. Together, these interventions are intended to model a structural shift in the development trajectory of the continent towards a greener, more inclusive economic growth pattern than under BAU.

Adapted from United Nations Economic Commission for Africa (UNECA), Economic Report for Africa: Greening Industrialisation, 2016
Throughout Africa, population growth is the main reason for the increasing demand for energy. More people need more energy for heating, lighting, moving about, manufacturing and industrial activity. A growing middle class, with people earning higher incomes, along with increasing industrialisation, further drive up energy demand. And countries where people’s energy needs are met and ventures can flourish become wealthier, more resilient and able to improve health and human development1.

“Even without urbanisation or population growth, Africa has an enormous infrastructure deficit, which makes desired industrialisation impossible,” Petrie says.

“Nodes where populations are increasing most rapidly include Tanzania in East Africa and Nigeria in West Africa. In Nigeria, the energy crisis is beyond crisis proportions, it’s become a way of life and it’s only going to get worse, with the country being negatively affected by the slump in the oil industry.

“Nigeria is heavily reliant on generators thus locked into diesel imports. Unless we shift away from the ‘business-as-usual’ scenario described in the report, cities throughout Africa are going to be in very bad shape. Lagos, Abuja, and many other Nigerian cities are hotspots because of population growth and urbanisation.”

Despite the fact that Lagos, one of the fastest growing cities not only in Africa but also in the world, consumes some 40% of all the power generated in Nigeria, energy supply remains woefully inadequate. Generators are ubiquitous and this contributes to unacceptably high levels of pollution. (Because of the proliferation of generators, Lagosians have a saying that goes, “everyone here is their own municipality”.) And, as more people enter the city from poor climate-pressured rural areas, more generators result in worse pollution, further contributing to variances in climate.

Nigeria accounts for more than a quarter of all of the energy demand in sub-Saharan Africa energy demand.


Population growth and rapid urbanisation present a primary opportunity - and challenge - for Africa as it sets about securing sustainable economic growth into the future. Cities - key engines of economic growth - job creation and innovation, and major contributors to global warming and environmental problems, are at the heart of the transition to a green global economy.2

Mayors from around the developed and developing world agreed at an OECD Urban Roundtable held in 2009 that because the wellbeing of cities will be intimately tied to promoting environmental and social inclusion through economically stimulating activities, cities will be fundamental to advancing green growth. One of the mayors’ arguments is that urban form matters: lower urban density is a driver for higher energy consumption for electricity and transportation. This, among other factors, such as feeding fast-growing urban populations and ensuring reliable access to safe water, makes careful planning imperative.

“Many African cities bring some of the continent’s deficits together and into sharp focus, including poor infrastructure (energy, water and sanitation), dirty air (local air pollution from transport, kerosene and paraffin), un- and underemployment, paucity of food, and social inequality. In overburdened cities (some of which are already megacities, with populations of more than, or fast approaching, 10 million) and in growing cities that can cope now, as well as in emerging cities, these challenges require urgent resolution.

The BAU scenario highlights the need for green urbanisation in Africa quickly; the GA scenario provides hope that doing so will deliver green growth through strengthened synergies between economic, environmental and social inclusion policies. Effective urban policy will fit into place one large piece in the puzzle of the enabling environment for Africa’s industrialisation. It may even deliver more on green growth than wider economic approaches, such as deeper industrialisation, simply because cities, as centres of skills, innovation and opportunity, are well placed to deliver concentrated eco-innovation, scaled-up green infrastructure, and green skills for the economy.”


Hammer et al, 2011
But the UNECA report is upbeat about the potential for positive outcomes, provided a Green Agenda is implemented. “Although continued rapid population growth places heavy pressure on already scarce resources and service delivery, when combined with accelerated urbanisation, growing numbers of working-age people have the potential to drive industrialisation,” it says. With more working-age people in an active labour market, and fertility and mortality rates in decline, a vibrant economy can be built.

Petrie agrees. “Crisis is often what brings about real change, and the opportunity is there for the African energy crisis to be turned around into positive industrialisation and rapid economic growth. A window of opportunity exists to achieve this but there is very little time. Our graphs in the UNECA report show urbanisation along a 35-year timeline but it indicates a critical threshold long before 2050.”

This basically means African governments and municipalities have to pursue alternative sources of energy to those used today, namely fossil fuels, biomass, charcoal and even hydropower, which is a limited resource. And looking at the graph below, they need to start doing so before 2025/2030, if they are to avert a calamitous crisis of energy by 2050.

A 2015 McKinsey & Company report, Brighter Africa: The growth potential of the Sub-Saharan electricity sector takes an upbeat perspective: “The power sector in sub-Saharan Africa offers a unique combination of transformative potential and attractive investment opportunity.” This report says it is necessary for the private sector to get involved. “The only countries that have been able to build significant amounts of generation capacity with no involvement from the private

Hydropower crisis in the Zambezi Basin

In the Economic Report for Africa: Greening Industrialisation (2016), Belynda Petrie, from the United Nations Economic Commission for Africa, says ZESCO, Zambia’s national electricity utility, has been steadily increasing its rationing of electricity throughout the country in recent months. “It blames insufficient water levels at the Kariba and Itezhitezhi hydropower dams because of poor rainfall during the 2014/15 rainy season. Zambians now experience between 10 and 14 hours of power cuts a day. This of course has a deep impact on commerce and industry. It may even lead to the hydropower plants shutting down,” she says, adding that poor rainfall and overuse of water by Zambia and Zimbabwe, the countries that share the reservoir, have caused Kariba’s levels to drop, and electricity generation in Zambia has reduced by more than half in a country that is 95% dependent on hydropower for its electricity,” she says.

“At the end of December 2015, Kariba was around 14% full, compared with 51% a year earlier, and hydropower generation at a minimum. Tourism has been affected with Victoria Falls’ depression in water amount. Mining companies in Africa’s second biggest producer of copper have had no choice but to reduce electricity usage and buy expensive imports at a time of job losses and mothballing of operations in the mining sector.

Other hydropower investments around the Zambezi Basin, such as Batoka, are also not meeting expected returns on investment and the situation is likely to worsen as a climate change-exacerbated El Nino event continues to grip Southern and parts of East Africa. “There is additional cause for concern. Sedimentation, for example, has caused a major loss of hydropower capacity in North Africa because of erosion of soils in catchment areas. In Morocco, many dams have lost between 10% and 40% of their capacity since construction, with a few cases where the entire basin is now
Crisis is often what brings about real change, and the opportunity is there for the African energy crisis to be turned around into positive industrialisation and rapid economic growth.

So, is a green, energy-secure future something that the cities and governments of Africa can achieve, or will it remain but a pipe dream?

In January this year, the African Development Bank (AfDB) announced that it had struck a new deal with a number of partners in a bid to rescue Africa from an energy meltdown. The bank describes the deal as an “African-led initiative to mobilise political will and financial support to solve Africa’s energy challenges”.

As bold a claim as this appears to be, the partnership aims to raise funds from the public and private sectors, on the continent and internationally, to the tune of US$60-to US$90-billion a year over the next five years. It will also invest US$12-billion in additional energy funding in the hopes of attracting four times this amount from other backers. Partners include the Africa Renewable Energy Initiative supported by the G7, the UN’s Sustainable Energy for All Initiative, and the US Power Africa Program.

The AfDB deal has four ambitious objectives:

- To increase on-grid generation by adding 160GW of new capacity by 2025 - nearly double the current capacity.
- To increase on-grid transmission and grid connections that will create 130 million new connections by 2025 - 160% more than today.
- To increase off-grid generation to add

filled with silt. Similar problems are being experienced in the Rift Valley, with the reservoir of Koka Dam in Ethiopia now threatened by increased siltation. While digging out is possible, it is also very costly,” says Petrie.

For various reasons, hydro-electrical investments are under threat across the continent. Petrie concludes that diversification of the power mix, informed decisions between sectors on water use priorities and careful abstraction and water management between sectors and countries are all essential to consider. She is emphatic that improved trans-boundary water governance is at the centre of the solution.
Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

Another promising initiative that is set to spread into Africa is the Covenant of Mayors for Climate and Energy. Signatories to this project undertake to reduce carbon emissions by at least 40% by 2030. This is a global project that seems to enjoy some success. Funded by the European Commission, it is only now in the process of being launched in Africa.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

Another promising initiative that is set to spread into Africa is the Covenant of Mayors for Climate and Energy. Signatories to this project undertake to reduce carbon emissions by at least 40% by 2030. This is a global project that seems to enjoy some success. Funded by the European Commission, it is only now in the process of being launched in Africa.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

Another promising initiative that is set to spread into Africa is the Covenant of Mayors for Climate and Energy. Signatories to this project undertake to reduce carbon emissions by at least 40% by 2030. This is a global project that seems to enjoy some success. Funded by the European Commission, it is only now in the process of being launched in Africa.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

Another promising initiative that is set to spread into Africa is the Covenant of Mayors for Climate and Energy. Signatories to this project undertake to reduce carbon emissions by at least 40% by 2030. This is a global project that seems to enjoy some success. Funded by the European Commission, it is only now in the process of being launched in Africa.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

Another promising initiative that is set to spread into Africa is the Covenant of Mayors for Climate and Energy. Signatories to this project undertake to reduce carbon emissions by at least 40% by 2030. This is a global project that seems to enjoy some success. Funded by the European Commission, it is only now in the process of being launched in Africa.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

Another promising initiative that is set to spread into Africa is the Covenant of Mayors for Climate and Energy. Signatories to this project undertake to reduce carbon emissions by at least 40% by 2030. This is a global project that seems to enjoy some success. Funded by the European Commission, it is only now in the process of being launched in Africa.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.

Another promising initiative that is set to spread into Africa is the Covenant of Mayors for Climate and Energy. Signatories to this project undertake to reduce carbon emissions by at least 40% by 2030. This is a global project that seems to enjoy some success. Funded by the European Commission, it is only now in the process of being launched in Africa.

In January, the CoM issued a call for SSA participants and it is in the process of selecting participating cities. During the CoM Africa pilot phase, 10 cities will be selected. Mayors will be expected to sign the pledge, employ staff, commit to clean energy strategies, and implement these in the interests of moving towards sustainable energy and lower carbon futures, says Sustainable Energy Africa (SEA) MD Mark Borchers, who leads the CoM Africa technical support team. The other African partner is ICLEI Africa. “Approaching the issue of clean and secure energy futures at national level is not effective. Shifting the national energy profile is possible only with the cooperation of local government,” Borchers says.
African cities and regions are essential players in implementing the global climate agenda and it is therefore essential for them to come together to coordinate their negotiation strategy for the annual climate conference, COP22.

For José Tonato, Benin’s Minister for Environment and Sustainable Development: “Cities and regions are at the heart of the climate issue as they contain the small and medium-sized enterprises and socio-economic infrastructures which form the backbone of our national economies, but which are also the most vulnerable to disasters”.

According to the minister: “Local governments and representatives bear responsibility for implementing the international climate agenda, in particular through Sustainable Development Goal 11 – “Make cities inclusive, safe, resilient and sustainable”. This has to involve large-scale investment in public transport, green spaces as well as improving urban planning and management and making it more participatory.”

A key step in the run-up to COP22 in Marrakesh, the forum for African cities and regions that took place in the Beninese capital provided the opportunity to take stock of progress in implementing the Paris Agreement and its implications for local and regional authorities in Africa. It also provided a forum for all the initiatives and commitments being taken by local governments to implement the provisions of the agreement to be presented.

Over the course of the three days, the participants focused on the Covenant of Mayors for Climate and Energy and its implementation in Africa.

They debated the position of African local and regional governments with regard to the COP22 negotiations and reviewed the formulation of African local and regional
Local governments and representatives bear responsibility for implementing the international climate agenda, in particular through Sustainable Development Goal 11.

Minister Jose Tonato

Local governments’ commitments in terms of mitigation and adaptation.

Local councillors and partner institutions at Cotonou were all in agreement that local and regional governments have to be involved at Marrakesh and they are ready to defend their mandate at all times.

Luc Atrokpo, president of the National Association of the Municipalities of Benin (ANCB), argues that there needs to be greater involvement of local and regional governments in decisions on climate change. “It is at local level that the adverse effects of climate change are felt most keenly. Local and regional authorities are best placed to mitigate the risks relating to climate change through implementing small-scale, low-cost projects. In combating climate change, we combat poverty”.

Mr Atrokpo says he is disappointed that the majority of the Green Climate Fund remains at the central level where it is used for training and other activities which do not necessarily have any real impact for people: “Local and regional governments need to have the possibility of applying for funding and accessing the next Green Climate Fund for it to show better results”.

His colleague from Togo, Kodjo Atchan, from the Union of the Municipalities of Togo and Mayor of Vogan, welcomes the fact that the local governments of Africa have come together to align their positions for COP22. He subscribes to the following adage which was a recurring slogan throughout the Cotonou Forum: “Those fighting for you but without you are acting against you”.

For him, there is no doubt that “African local governments will be at Marrakesh to defend the cause of Africa and local populations. Local governments represent the grassroots and can tackle the problems people are faced with better”.

On the subject of the Carbon Fund, Atchan wants it to be accessible for large numbers of local governments. “The problems being combated by this fund are at local level. It is at local level that we are rallying to work on adaptation, that we are initiating projects and tackling mitigation on a daily basis”.

He says he is convinced that Marrakesh will be very beneficial for African local governments: “We are working to ensure that local governments will be smiling on the evening of 18 November”.

The problems of climate change affect different areas and countries in different ways. Dr Abdou Salami Abdou, Governor of Anjuan in the Comoro Islands, bemoans the fact that “we are surrounded by a lot of water currents but there is a lack of drinking water. These water currents are not benefitting the people”.

He points out that 70 percent of the towns and villages on the Comoro Islands are on the coast and are being severely impacted by climate change. “The sea is eating into the land and we are witnessing a drastic reduction in agricultural land with all of the associated consequences for the local populations”.

Noting the paradoxical situation his country is facing with regard to water, he explains that there will soon be a large conference dedicated to the issue. He is calling for a greater commitment from the international community as it is not acceptable that Africa accounts for little pollution but is badly affected by the effects of climate change.

The Governor of Anjuan wants local governments to be able to put forward projects to better address adaptation. He regrets the fact that decision-makers
are still unaware that it is a thousand times better to invest at local level than at national level. “For Africa to develop, investment needs to be made at local level”, he maintains.

For Mevoulou Yann Iguendju from the Municipality of Libreville in Gabon, local governments have not undergone significant transformation, although a certain number of problems are in fact being resolved. “Local governments today are weighed down by the problems of infrastructure and urbanism”. He calls for south-south cooperation as the only way to guarantee development for communities.

In the time between the conferences in Paris and Marrakesh, the only positive offsetting the young local representative from Gabon is his disappointment that local governments are acting with increasing autonomy and rallying to make their voice better heard.

“We will spare no effort in working for the well-being of the African people. We will be faced with all manner of obstacles, but we will continue to fight for the interests of local populations in Africa”. In addition to local representatives, partners to local governments are just as convinced that Africa’s future lies in local governments being incorporated in managing the problems arising from the adverse effects of climate change.

For Jean-Pierre Elong Mbassi, Secretary General of United Cities and Local Governments of Africa (UCLG-A), the body that organised the forum, the Cotonou conference “was essential in preparing local governments to present a joint position at COP22.

“The position of national governments alone does not cover the entirety of people’s needs. Being close gives you a different perspective. To develop good policies, you need to look at things up close, from local governments’ point of view. A macroscopic perspective does not get to the heart of local areas. You need the viewpoint of those managing life for local people on a daily basis.” For this ardent defender of local governments, government at the local level is better able to provide perspectives enabling people to be taken into account.

“The real picture is local and governments at national level only have a panoramic view. It is essential for local governments to be taken into account because democracy cannot allow people to be left by the wayside. Local governments will enable local Africa’s voice to be heard, because it explains the reality of what is going on. Statistics do not tell the whole story, there are always human beings involved.” This indicates that high-level politicians provide statistics whereas local governments understand the real, human dimension.

Mbassi reiterates that the local government perspective is essential for governance in African countries and the climate agenda needs to be given a greater human dimension by adapting solutions to local areas and by enabling local governments to make their voices heard and take centre stage, it is easier to see that they take their commitments seriously and that they should be given the means to deliver on these commitments.

On the subject of climate finance, Mbassi suggests that there should be a funding stream for financing local government projects. “For us to be successful in 2020, we need to enable local governments to prepare bankable projects and implement those. We need to give them the capacity to prepare projects by investing in capacity-building,” he stresses.

Mbassi also spoke out in support of the Covenant of Mayors Africa. In his view, it is the only way to create stronger local governments in Africa. His suggestion is that south-south cooperation and north-south cooperation between local governments, capacity-building and the preparation of bankable projects are some of the essential solutions required to build local governments capable of united and resilient development.

Local government funding stream within the Green Climate Fund

The local governments of Africa left Cotonou with the conviction that they need to fight on all fronts and put forward their position at all levels for the voices and needs of the people they represent to be recognised, in particular with regard to the adverse effects of climate change.

Grassroots stakeholders made commitments and suggestions through the Cotonou Declaration that will be sent to the COP22 Presidency in Marrakesh, and presented to the Summit of Local Governments on 14 November. The African cities and regions will not just submit their proposal – they will fight for it to be taken up.

Within the declaration, local governments demand that a funding stream must
be provided within the Green Climate Fund to finance projects submitted by sub-national governments and that the national and regional associations of these governments should be recognised as implementing bodies of the Fund.

The local and regional governments commit to complying with the Convention of Mayors for Climate and Energy and to implementing its recommendations and requirements in order to show their determination to play an active part in the international campaign to combat climate change. However, the request is that Africa be considered as one single entity within the initiative.

The local governments believe that it is at the level of cities and local regions that there are potential coalitions of stakeholders that can be mobilised directly to initiate the energy and environmental transition which will enable their communities to move forward in a way which is sustainable, resilient and based on solidarity.

If COP 21 was a conference of commitments, local governments say that Marrakesh must a conference focused on actions. They expect COP22 to result in specific proposals for implementing the Paris Agreement, particularly with regard to mobilisation of, and access to, finance for local governments and local operational players.

The forum participants also demand that procedures be simplified to facilitate access to climate financing. The forum was held under the patronage of the Moroccan Presidency and under the COP22 label, with the support of institutions including the Benin government, the National Association of the Municipalities of Benin (ANCN), the Association of Moroccan Regions (ARM), the Moroccan Association of Presidents of Municipal Councils (AMPC), the Francophone Institute of Sustainable Development (IFDD) and United Cities and Local Governments of Africa (UCLG-A).

Among other participants the forum brought together: local and regional governments of Africa and their respective associations at national, regional and international level; local governments from other parts of the world; partners of the local and regional governments of Africa; and the African and international institutions involved in implementing the climate agenda. Cooperation and funding agencies involved with the climate agenda were also present.

Discussions at the Cotonou forum focused on a number of activities, including an inaugural conference on the subject ‘The Paris Agreement and the post-2015 Agenda – the role for cities and local governments’ and a panel discussion on ‘The issue of climate change mitigation’.

This panel discussion provided participants with the opportunity to discuss subjects relating to access to energy, energy efficiency, and the transition towards clean energy, among others. The participants exchanged views on the management of natural resources in view of the growing pressure on water, land and raw materials, the imperative of environmental transition, urbanisation management and African cities’ environmental footprint.

The second panel discussion on ‘The issue of adaptation to climate change’ focused on early warning systems, disasters and local governments’ preparation for emergency situations.

Global strategies for managing the risks linked to climate change, implementation of intervention mechanisms and insurance systems adapted to the context of local and regional authorities in Africa, were among the topics discussed and fleshed out with concrete examples.

Cities and regions are on the frontline in combatting climate change, through their capacity to reduce greenhouse gas emissions and adaptation actions to offset the impact of climate change.

Cities and regions play a major role in energy demand and consumption, urban planning, transport and agriculture. They also occupy an important position in the management of public procurement, which can be put to the service of the climate cause, both in the north and the south.

There can be no doubt that their contribution is essential for implementing the agreement concluded at COP 21 in December 2015 in Paris.
AFRICAN CITIES SUBSCRIPTION FORM

THE ONLY PLATFORM FOR THE AFRICAN DEBATE ON URBAN GROWTH AND CITIES

YEARLY SUBSCRIPTION ONLY US$80

SUBSCRIPTION ORDER FORM
ANNUAL PAYMENT • ENGLISH OR FRENCH •

PAYMENT TYPE

- Cheque
- Mastercard
- Visa
- Switch
- Electron
- Amex

Card No. ___________________________________  Expiry Date ____________ Card Security Code ____________

Signed

Date ____________ Amount 80 US$

English edition  French edition

Email to: subscribe@africancitiesmagazine.com

Card Holder Name

Name of recipient

Organisation

Postal address

Telephone

Email address:
For many travellers, the first impressions of a country are formed at airports. Not only is an airport a gateway into a city, the standard of the eateries, the shops and the rest stations it houses are considered a reflection of the offerings of the nation.

To understand the significance of new international airport of Luanda, means looking at the airlines that are ready to consider it as a port of call. Emirates Airlines is one such, with indications from the CEO of the Angolan airline company TAAG, that Emirates is considering Luanda as its main African platform.

It is this statement that will endorse the hopes and dreams of those who had the vision to create the Luandan airport and who are now witnessing its construction, 40 km outside of the city in Viana. The anticipated opening is for sometime in the first quarter of 2017 and it so it will be the culmination of 12 years of investment, be that financially or emotional, in the hopes of being able to compete with South Africa’s Johannesburg International Airport, currently the busiest in Africa.

The numbers are explicit: the airport structure is designed to receive 15-million passengers and 50 thousand tons of merchandise per annum. Luanda will be a connecting door for those who wish to travel across Africa, to the East, Europe and the Americas.

The site of 1 324 acres has two double runways completed, these allowing for the manoeuvre of the biggest aircrafts, those being the B747 and the A380. The gigantic dimension of the project also includes the construction of a 75-acre adjacent airport city.

It is astonishing to comprehend the difference when comparing the new development with the current one, the 4 Fevereiro International Airport, that has proven to be in terms of responding to the needs of passengers and required flow. It has also be unable to physical expand through a besieged urban mesh.

**New traffic network**

Access to the new airport terminal is a further crucial component of the airport project and one that has already motivated the creation of new roads, and expansion of the city. This in turn has resulted in the sprouting of new urban centers, that will later be able to respond to the pressing challenge of population growth, which is estimated to double to 12,9 million residents by 2030 - according to a provincial government study.

Terrestrial communications will also run through roads and railroads, according to the government’s National Plan of Development. Several newly built roads will connect the airport to the city, like the Expresso Way or the new south corridor, which will traverse the Zango district to link to the new airport; an extension of some 23,5 km. In all there will be some 50-km of new roads along with several interventions and improvements to existing infrastructure. The corridor of Catete is to have two sections. The first, 23 km, is between
the Luanda Operative Unit (Unidade Operativa de Luanda) and the Expresso Way (Via Expresso) in the region of Benfica/Cacuaco.

The traffic flow comes from the urban highway, which means the roads will be sided by buildings and service streets, with the possibility of further access through seven intersections with more than 20 pedestrian bridges. The second section is the structure of a super highway with four access intersections.

The new international airport also requires the rerouting of traffic circulation in downtown Luanda, with scheduled interventions in the Viário Axle (Eixo Viário), in the Ndunduma and Abdel Nasser streets, and the access from Boavista to the Express Way (Via Expresso), on the way to the Cacuaco County.

Further it is expected that the project will motivate for the entire transformation of the mobilisation routes of the city, and a potential multimodal transport system.

**Value of rail**

In being an integrated project, passengers will also have a need for rail access so a second railway line of eight km will connect Bungo/Baía to the airport’s facilities.

The project also includes the building of six new stationary facilities, that are designed to not just be collect and drop-off points, but are also considered as ‘check-in’ counters, enhanced by an interior design such as can be found at commercial malls.

As with other major structural projects, the new airport of Luanda is intended to create dynamic regional development and so encompasses the potential for business migration and head offices to be sited in the proximity. It is also hoped that new entrepreneurs and investors will emerge that will aid in the economic growth of the nation.

**The expenditures**

Construction has been in the hands of major Chinese constructors (financed through a Beijing credit line) and depends on the participation of international business investment. The government has approved the construction of the airport infrastructure at 3,8-billion dollars (3,3-billion euros) but according to several published news reports, the costs may have already reached 6,3-billion dollars (5,5-billion euros).

Bearing in mind that in so many respects an airport is a business card, the first or last view often forming an lasting impression. However it can also be the catalyst that bursts a region’s economy, simply by its strategic positioning on a map of relevant destinations.

In that fleeting moment when a traveler may wonder about the efforts behind the International Airport of Luanda, at a glance the reply, it is hoped, will be “this is the creation of people that know how to build well”.

It is expected that the project will motivate for the entire transformation of the mobilisation routes of the city.
OPPORTUNITY OR RISK?

In cities with competing demands on their funds, PPPs offer an alternative platform to procure additional capital for infrastructure projects. But what are the risks?

BY DIANNE TIPPING-WOODS

PPPs are increasingly the mechanism that enables the private sector to fund infrastructure projects in cities. “The PPP concept involves all parties working together and the legal framework confers obligations on all sides. The project sponsor has a long-term interest in the project but the delivery responsibility remains with government – whether at national or city level,” says Lucy Chege, General Manager for Infrastructure Finance – Energy, Environment and PPP at the Development Bank of Southern Africa.

One of the biggest advantages of PPP arrangements for governments is that they allow them to change the way they budget for projects. Governments are often unable borrow from the private sector to finance projects at national level, but PPPs confer a legal structure that allows a project to borrow the money it needs; governed by contractual agreements, strict project scoping and planning work that has to be properly prepared and managed. “It also means that a number of projects can be actioned sooner and simultaneously,” says Chege.

As governments no longer need 100% of funds up-front for individual city development, they can also concentrate on financing projects that cannot be delivered via a PPP. The support provided by banks and investors delivers more than just funds; “The process confers stability, which is comforting to investors,” Chege suggests. It also introduces private sector technology, skills and innovation, and helps address human capacity gaps associated with major infrastructure projects.

While it may appear that PPPs bring much to the table, there are however risks, particularly for the smaller municipalities: “PPPs involve higher transaction costs,” says Chege, “and generally work more effectively on big-scale projects.” As they typically involve long-term relationships, it is not always possible to cater for all eventualities and sometimes certain aspects of the contracts need to be renegotiated, to cater for changing circumstances.

There is also the question of payment. While all parties involved in a PPP know what the costs are over time, various financial pay-back strategies can be onerous given that generally the private sector expects returns within certain timeframes. Additionally, the capacity for payment associated with certain types of infrastructure projects can be low because cities are also expected to provide certain non-profit infrastructure services. This means not all infrastructure projects can provide a return that is attractive to investors.

Chege also points out that governments are increasingly requiring private partners to commit to social goals, such as job creation and local economic development. It does however enhance local private sector capabilities and create opportunities for local businesses to provide certain support services, such as facilities management, security and cleaning services, which are good for the local economy.

While acknowledging that PPPs can be complex to execute, “these arrangements, when structured optimally, facilitate capital investments, improve efficiencies, and deliver value for money,” says Chege. They also facilitate equitable risk transfer, breaking the risks down over the life span of the project while increasing a city’s infrastructure base and giving its residents better access to crucial services. •
Councilor Thabo Manyoni, chairperson of the South African Local Government Association (SALGA) recalls one of the strongest messages from the Summit: resilience. For him it is not just the cities that have survived some of the most extreme and dire problems of the past decade – like Ebola, energy and water deficiencies, climate change, migration and so on – but also the people who have managed those issues. He speaks respectfully of the community leaders, local government employees and ordinary citizens, in fact anyone that steadfastly will not deter from ensuring that the continent’s municipalities adapt and thrive to emerge as sustainable and smart.

“The issue of resilience is important because we all need to work collectively to bounce back from challenges,” says Manyoni. “Resilience is also what I recall at the Summit from all the Mayors and their staff that attended. These are the people who daily deal with challenges common to every city management team across the continent.”

Bearing in mind that the Africities Summit is a crucial platform for local African governments to express and unite their collaborative efforts, which is also enabling the voice of those to be expressed on global platforms, Jean Pierre Elong Mbassi, Secretary General of the United Cities Local Government of Africa (UCLG-A) talks about the Summit being an opportunity to bring about change.

“We want to see local governments finally recognised as the main driving force of any sustainable change on the continent,” says Mbassi, which is why the theme last year was “Shaping the Future of Africa with the People: The Contribution of Local Authorities to Agenda 2063 of the African Union.”

Manyoni recollects that participants were in absolute agreement that the goals set out in Agenda 2063 are crucial to Africa’s stability and growth, and more specifically city development. “We agreed that we can’t all just do our own thing, that we need measurable goals to build our cities and that pure review mechanisms help us to benchmark standards.”

“One of the major focuses at last year’s Summit was on the informal sector. With many urban centres and local economies now concentrating on this group, attention is being directed to create job opportunities, even if those are within low-scale margins. As Manyoni pointed out: “These small medium enterprises (SME’s) are what make African towns tick. It is not always major industry that brings people into the labour market, it is rather those smaller initiatives where people are able to sustain themselves that need to be driven and sustained. If we don’t we will be faced with a potential Arab Spring. City leaders need therefore to accommodate the SE’s so that informal trader’s don’t feel alienated.”
One of the examples provided at the Summit, highlighting African people who face socio-economic exclusion from African cities, was the City of Johannesburg, who made efforts to restrict informal trade in the inner city. The now infamous ‘Operation Clean Sweep’, in which approximately 8 000 trader were evicted from their places of work illegally, was sadly a mixed problem of communication and the law.

The South African Businesses Act outlines an extensive consultative process that municipalities are required to undertake to determine whether their goals can be achieved through other means such as better supervision and control of informal trade, and whether the restriction and prohibition of trade would leave large numbers of traders without an income. These measures were carried forward despite South African legislation demanding that before a municipality considers restricting or prohibiting trade in an area, it must investigate how this will affect the traders.

Communication between local governments and communities can be challenging however and as Tahir Sema, also from SALGA commented: ‘Even I am often confused as to who to report a problem to. At any single municipality there are tons of departments and dozens of technical people. It’s a very difficult machinery to navigate.”

Sema’s solution? “We have forgotten the importance of knocking on people’s doors and telling them what their municipality has done for them. We don’t go into communities and let them know who we are, nor what our plans are.”

His colleague Manyoni agrees, particularly in regard to fast-tracking challenges and especially those related to health. “In Africa we tend to be reactive instead of proactive. We are reactive in terms of sharing our learning experiences, as we have done at Africities, but we are all in agreement that we need to build relationships with aid bodies - like the United Nations, Doctors Without Borders, the Red Cross - before disasters strike so that when we see the early warning signs we can react to contain a potential crisis.”

For Mnyake Moteane, Specialist Urban Planner at the City of Johannesburg said that for him, Africities offered insightful perspectives in presenting best practice examples for local government development practices. “A lot of good practices where noted that the City of Johannesburg could adopt,” he said. “The display work was amazing and some new development technologies were of special interest, particularly the view your City in 3D.”

He is looking forward to seeing more about the role of technology in aiding cities to develop, and its ability to facilitate connection and knowledge distribution.

While Africities 7th Summit may be behind us, the next will most likely present a far different picture. Discussions and engagements about African cities are ongoing and building in intensity, not just at continental level but globally, be those about transport, energy, the youth, poverty, health, Smart or Mega Cities.

Africities Summit’s influence and motivate change for the future, so that one day the problems we talk about today, will be the case studies of the past. •
Most Valuable Bank Brand in the Middle East and Africa.