

AFRICA'S URBAN FUTURE



**CONFERENCE
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Africa's Urban Future
Workshop Report, Helsinki, 12 May, 2017
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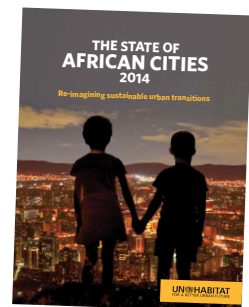
Kampala, Uganda. Three children in a wheelbarrow. More than a quarter of the 100 fastest-growing cities in the world are in Africa. The ability of African cities to cope with these numbers is questionable. It is, therefore, likely that the majority of the new urban dwellers will reside in slums and or informal settlements.

Introduction

Infrastructural investments in African cities are to a large extent geared towards a growing consumption and service industry that anticipates a burgeoning middle class. Despite positive signs of growth, significant challenges remain related to the inequalities that characterise urbanisation.

According to the World Bank (2015), about 38 percent of Africans live in cities. Of these city-dwellers approximately 55 percent live in informal settlements. The rate of urban population growth for Sub Saharan Africa is estimated at 4.1 percent per annum and continent wide, the general indications are that by 2050, most Africans will be living in cities. There is a huge and urgent demand for housing, water and sanitation, energy, garbage disposal; as well as health and education facilities, commuter infrastructure to name a few.

The UN Habitat's State of African Cities report (2014) highlights a positive shift for African cities, with governments beginning to tackle the urban pressures on its bigger cities. It talks of a trend that many African governments prioritise urban interventions, for example when it comes to promoting new urban developments, satellite cities, away from their major population concentrations, aiming to guide



“Satellite cities are being established to guide population pressure away from the capitals”

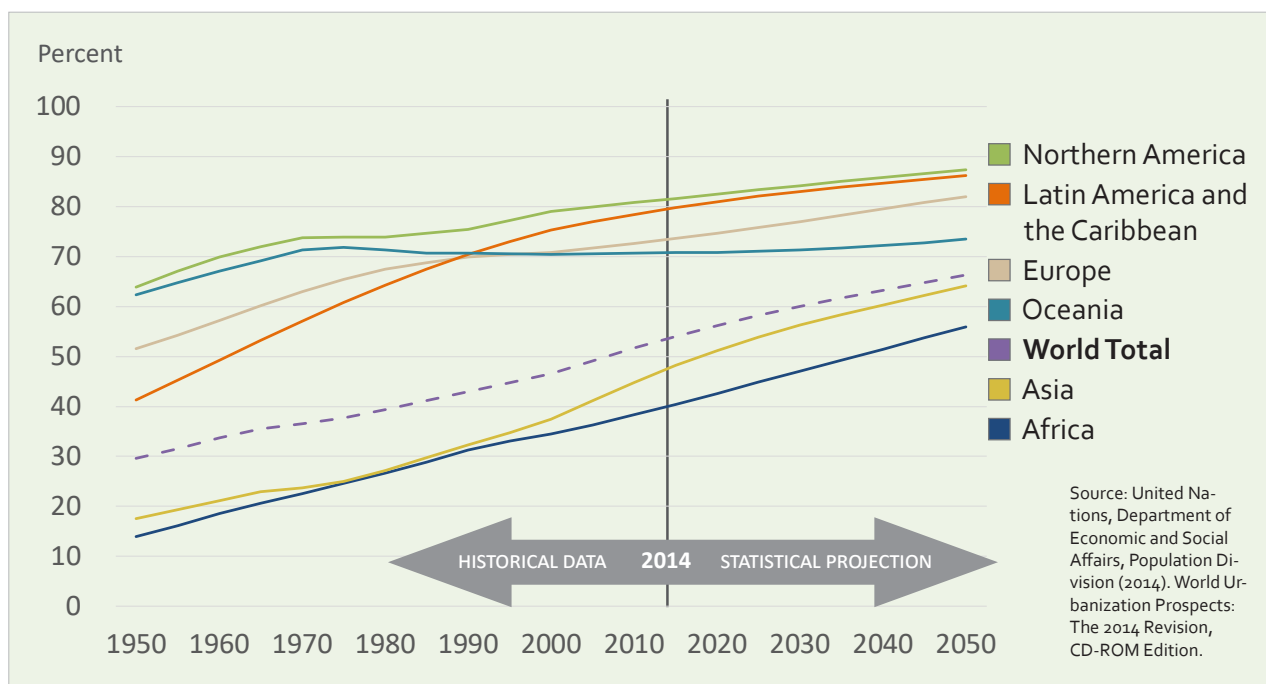
UN Habitat 2014 State of African Cities Report

population pressure away from the megacities. The report also argues that, although inter-state conflict has significantly declined, urban insecurity and violence have notably increased.

Workshops

The problems and opportunities, connected with urbanisation, was the focus of the conference held on 12 May, 2017, in Helsinki. It comprised four workshops functioned as academic / policy stakeholders' events in which participants, as highly qualified experts and implementers, analysed the possibilities and potentials for Finland-Africa cooperation. These were the themes for the four workshops:





Percentage of Population at Mid-Year Residing in Urban Areas, 1950-2050. Northern America was the most urbanised region in 1950 and will remain so until 2050, according to this statistical forecast by UN, whereas Africa always was and will remain the most rural region over the same time period.

Source: United Nations, Department of Economic and Social Affairs, Population Division (2014). World Urbanization Prospects: The 2014 Revision, CD-ROM Edition.

- Urban political economic and social inclusion and stability
- Urban physical and social infrastructural needs and financing
- Climate change and urbanisation
- Urban productivity and job creation

Each session started with a short presentation of background information prepared by the chair of the session, followed by group discussions based on a matrix provided, leading to conclusions agreed upon by the groups that were noted down. Session rapporteurs briefly summarised the conclusions for each of the questions formulated in the matrix at the end of the workshops and consolidated them in a written piece report after the workshop.

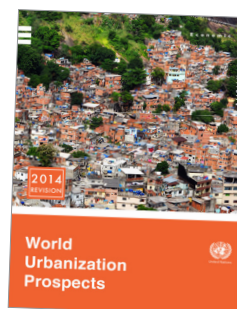
As a result, each workshop group contributed with conclusions, recommendations and ideas, which have been compiled for this publication. It is expected to contribute to both the academic policy oriented work and to the work of a varied range of policy makers, stakeholders and implementers.

Matrix for workshop discussions

Discussions held in the conference were based on a SWOT type of analysis, one for each of the four overall themes. SWOT is an acronym for strengths, weaknesses, opportunities, and threats. The purpose of the discussions was to come up with recommendations on how to strengthen Finland's cooperation with Africa.

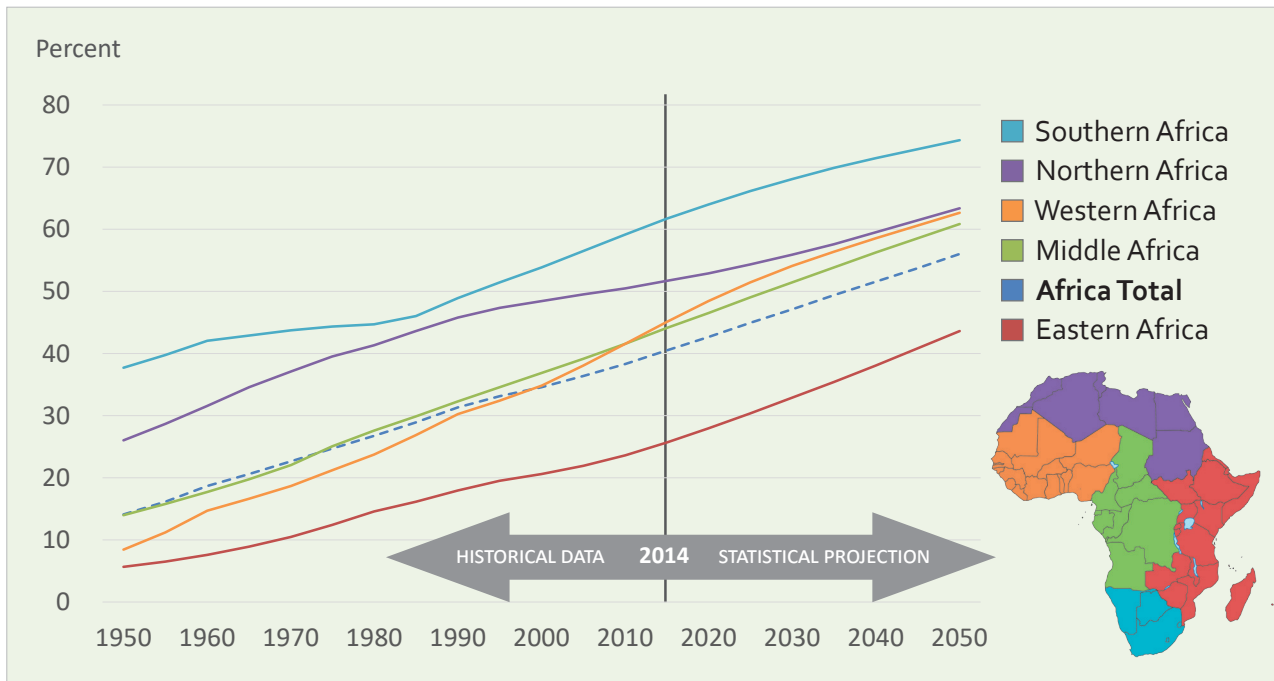
Strengths

- What are Finland's strengths regarding cooperation in the area of (Theme X) with African countries?



“Recent trends in developing regions, particularly in sub-Saharan Africa, have challenged long held notions about the association between urbanization and economic growth”

UN World Urbanization Prospects Report, 2014 Revision



Percentage of Population at Mid-Year Residing in Urban Areas, 1950-2050. Southern Africa was the most urbanised region on the continent in 1950 and will remain so until 2050, according to this statistical forecast by UN, whereas Eastern Africa always was and will remain the most rural region over the same time period.

Source: United Nations, Department of Economic and Social Affairs, Population Division (2014). World Urbanization Prospects: The 2014 Revision, CD-ROM Edition.

- What are the factors that help achieving the objective of cooperation in this area?

Weaknesses

- What are Finland's weaknesses regarding cooperation in the area of (Theme X) with African countries?
- What are the factors that are likely to hinder the achievement of the objective of cooperation in this area?

Opportunities

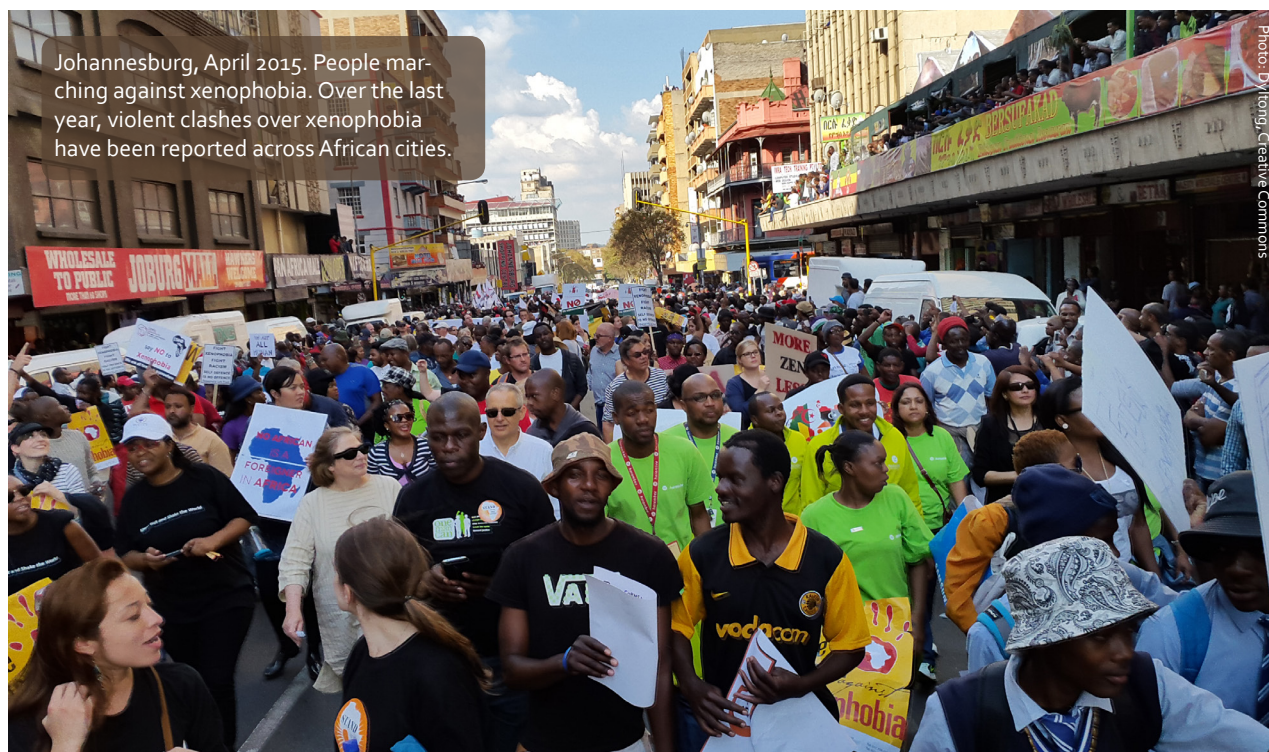
- What opportunities for cooperation does Finland have with Africa at present?
- Country specific opportunities

Threats

- What are the contemporary threats to Finland's cooperation with Africa?
- Country specific threats

Recommendations

- Opportunity-Strength strategies (use strength to take advantage of opportunities)
- Opportunity-Weaknesses strategies (overcome weaknesses by taking advantage of opportunities)
- Threat-Strength strategies (use strengths to avoid threats)
- Threat-Weaknesses strategies (minimise weaknesses and avoid threats)



Johannesburg, April 2015. People marching against xenophobia. Over the last year, violent clashes over xenophobia have been reported across African cities.

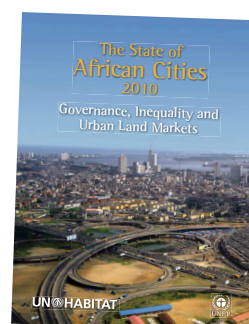
Photo: Pylong, Creative Commons

Urban inclusion and stability

The lack of decent housing and infrastructure has social implications. Positively addressing urban inclusion involves seeing urbanity as an incubator of new forms of creativity, livelihoods, social organization, or culture.

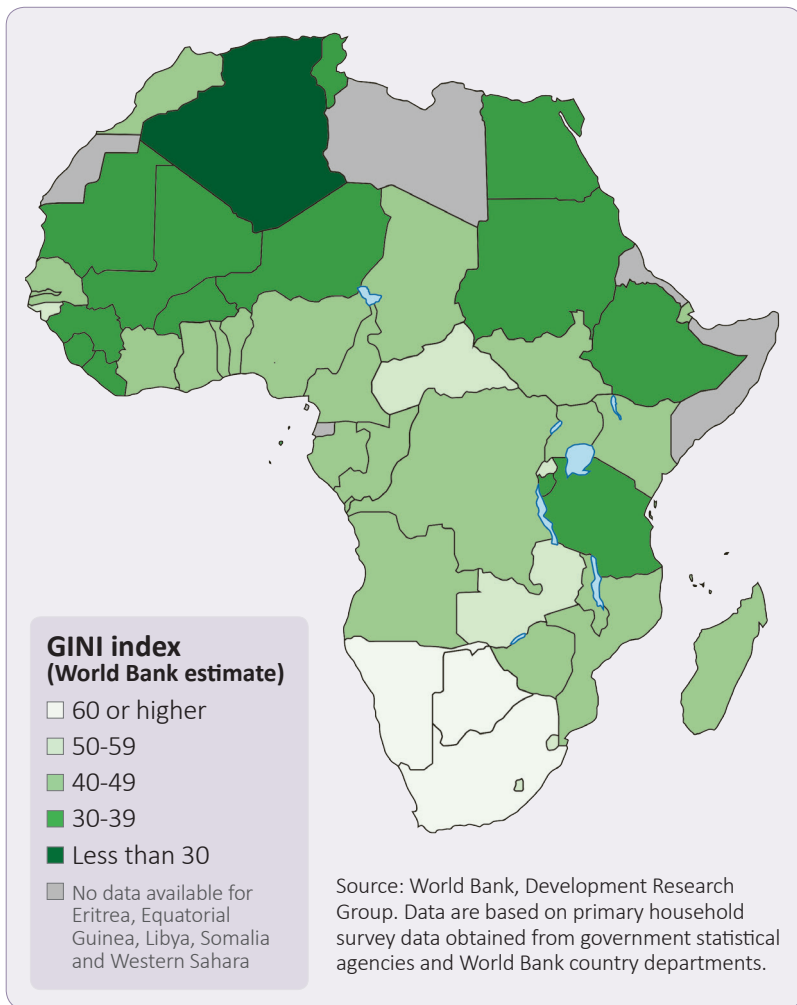
The socio-economic disparities between the rich and poor in African cities are significant. The 2010 State of African Cities report, prepared by UN Habitat, notes that African cities have some of the highest inequality indices in the world. Sub-Saharan African countries' high inequality levels, as measured by Gini index, manifest in variations across gender, age, class and race in access to welfare, and services. The high levels also reflect disparities in urban versus rural welfare, where rural areas are significantly poorer, and within the urban areas between the centres and the peripheries.

They also arise in the various conflicts and contestations on rights to the city and on urban violence and insecurity. The UN Office on Drugs and Crime report for 2013, for example, shows that most violent crime in Africa is committed in its capital cities. The view of growing insecurity in African cities has unfortunately led to spatial developments that segregate, rather than integrate, its varying populations. For example, new housing developments tend to be in gated enclaves. Shopping malls are often fenced and heavily policed. Rather than making cities safer, such spatial practices have increased social tensions. In the last year, violent clashes over electoral politics, xenophobia and land contestations were reported across African cities.



“Economic, social and environmental inequalities can be found at all spatial scales, including urban and intra-urban”

The UN Habitat 2010 State of African Cities Report



Country	Year of indicator	Gini index
Algeria	2011	27,6
Angola	2008	42,7
Benin	2015	47,8
Botswana	2009	60,5
Burkina Faso	2014	35,3
Burundi	2013	39,2
Cabo Verde	2007	47,2
Cameroon	2014	46,5
Central African Republic	2008	56,2
Chad	2011	43,3
Comoros	2013	45
Congo-Kinshasa	2012	42,1
Congo-Brazzaville	2011	48,9
Cote d'Ivoire	2015	41,7
Djibouti	2013	44,1
Egypt	2015	31,8
Equatorial Guinea		
Eritrea		
Ethiopia	2010	33,2
Gabon	2005	42,2
Gambia	2003	47,3
Ghana	2012	42,2
Guinea	2012	33,7
Guinea-Bissau	2010	50,7
Kenya	2005	48,5
Lesotho	2010	54,2
Liberia	2014	33,2
Libya		
Madagascar	2012	42,7
Malawi	2010	46,1
Mali	2009	33
Mauritania	2014	32,4
Mauritius	2012	35,8
Morocco	2006	40,7
Mozambique	2008	45,6
Namibia	2009	61
Niger	2014	34
Nigeria	2009	43
Rwanda	2013	50,4
São Tomé and Príncipe	2010	30,8
Senegal	2011	40,3
Seychelles	2013	46,8
Sierra Leone	2011	34
Somalia		
South Africa	2011	63,4
South Sudan	2009	46,3
Sudan	2009	35,4
Swaziland	2009	51,5
Tanzania	2011	37,8
Togo	2015	43
Tunisia	2010	35,8
Uganda	2012	41
Zambia	2015	57,1
Zimbabwe	2011	43,2

THE GINI COEFFICIENT, or Gini index, is the most widely used summary measure of inequality. It ranges from 0 to 100 on a scale where zero expresses perfect equality and higher numbers express greater inequality. The differences in Gini index between African countries is great with Algeria at the lowest level (27.6 in 2011), comparable to Finland (26.8 in 2014) and Sweden (27.2 in 2014), and South Africa at the highest level (63.4 in 2011).

In Africa, there is often a close relationship between urban and rural areas, with urban residents maintaining rural ties that also link to their cultural identity. There is also a high level of informality, particularly in how people earn their living. This calls for new approaches, in order to address not only the material needs of the poor but also peoples' realization of their humanity in the sense of belonging, social and political participation, good life and personal worth. Such aspirations, sometimes seen as potential threats to the order when leading to social mobilization, should also be re-evaluated within a perspective of identifying problem-solving and coping mechanisms that emerge from 'below'. Utilize urban creative potentials, understand contexts and prepare adequate policies seems to be the more sincere way.

Income disparities are one of the main characteristics of both urban and rural Africa. The urban vulnerable are of all types but in particular slum dwellers, those who do not have access to health care and women are of specific concern. Urban socio-economic, residential and access to services differentials need to be addressed at country level and this effort can benefit from relevant partnerships between Africa and Finland.

Strengths

- Finland's values and principles of respect for inclusiveness, participation, human rights, equality, transparency.
- Capacities and resources in terms of governance, knowledge, education, technical know-how.

Weaknesses

- Limited knowledge about the African context, especially the urban inequalities, given the radically different urban experiences.
- Limited use of the African diaspora's knowledge.
- Difficulties to operationalize or transfer the existing competences, namely the Finnish social systems.
- The urban is not in the cooperation agenda.

Opportunities

- Existing technical know-how, including on innovative urban solutions and Diasporas that could be empowered.
- Quality of education.

Threats

- Political and economic/funding changes in Finland, including the shift to the private sector in cooperation.
- Imposing models and solutions and not truly addressing the needs and contexts.
- Not investing on better knowing country specificities.
- Not being sufficiently bold.

Recommendations

- Evaluate each different country plans set (2063) and define specific possibilities.
- Valuing local/Finnish based knowledge, particularly that on urban development and equality.
- Explore new approaches with new actors, including the international partners, national government programs, the youth, informal workers, academy.



Edgar Pieterse making his key note address in Helsinki.

Prioritising experimentation for sustainable African urban futures

African cities today are not generating the required jobs at scale, or enabling an overall structural change of national economies. There is a clear awareness and prioritization of the need for structural change if African countries are to create jobs at the required scale, especially in light of the youth bulge. The private sector has a critical role to play in this regard. Investments need to be skewed towards the needs of the urban poor and to tackle the factors that increase urban exclusion and inequalities.

At the urban level, some key entry points to enhance productivity and job creation include shifting the sectoral composition of the urban economy towards productive sectors;

taking advantage of growing urban demand for goods, infrastructure and services for job creation; better linking rural and urban economies; recognizing the economic role and managing cities with an explicit objective to enhance their economic functionality and job creation capacities; capture the value generated by cities; addressing the barriers and bottlenecks to urban productivity, job creation and investments; addressing the barriers faced by the informal economy and linking it better to the formal sector for increased productivity.

This summary of the key note address by EDGAR PIETERSE, director of the African Centre for Cities, University of Cape Town, was compiled by PATIENCE MUSUSA, senior researcher at the Nordic Africa Institute.



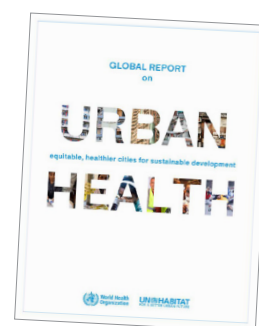
Photo: UNFCCC

A woman in the Mathare slum area of Kenya's capital, Nairobi, withdraws clean water from a solar-powered 'ATM'.

Climate change and urbanisation

Climate change and urbanisation are interlinked. Not only are cities vulnerable to climate variations like drought and flooding, they themselves generate change in regional micro-climates. There is a need to plan for the long-term resilience of African cities, and this has to focus in the areas where most African residents live, in urban informal settlements.

Investing in climate resilience requires meeting the great demands for decent water and sanitation, and energy, with options that are sustainable. This for example would mean innovating for the better use of scarce resources like water. In Kenya for example, water ATMs are helping in making clean water supply a viable option for investment in informal settlements. It would also mean better mapping at local scale of resource use and service demands. The fact that Africa has already significant infrastructure in mobile technologies make this possible. What is needed though is better use of the information already available to scale-up on innovation and investment in green, climate friendly city development.



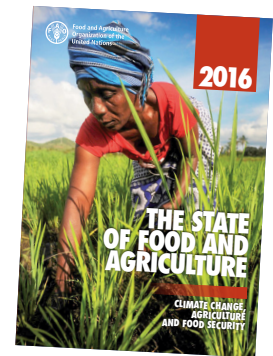
“Among adults, average urban mortality rates exceeded rural mortality rates in many of the sub-Saharan African countries in the 2000s”

The WHO and UN Habitat
2016 Urban Health Report

According to a 2016 Urban Health report, prepared by WHO and UN Habitat, 70 percent of all global emissions are produced by cities. The report also shows that cities are particularly vulnerable to climate-influenced disasters such as flooding, and fires caused by intense heat waves. African cities are at particular risk to these disasters, which are responsible for outbreaks of diarrheal diseases, loss of property and lives. Pollution from emissions in major African cities is also of concern, arising not only from cars and unregulated emitting industries, but also from its predominant forms of cooking energy. The Urban Health report 2016 indicates that 90 percent of the poorest fifth of Africa's overall urban population are using solid fuels (which tend to pollute) for their cooking.

The residents of African cities such as Lusaka, Dar es Salaam, Maputo or Lagos are, for example, using charcoal, or other wood fuel for cooking, and diesel or paraffin for energy. These fuels contaminate air quality and impact the health of residents. Given the prevalence of illnesses and epidemics, like malaria and HIV/AIDS, the extra health burden of poor air quality in cities, as well as unsanitary living conditions, are only likely to worsen the health outcomes of urban residents.

In addition, climate change in Africa has an impact on food production. Droughts, floods and pests brought about by weather changes are affecting agricultural output. This coupled with rapid urbanization leads to rising food prices in cities.



“An increasing number of regions face growing water scarcity, which will impact both rural and urban livelihoods, food security and economic activities”

The FAO 2016 State of Food and Agriculture Report



SUSTAINABLE DEVELOPMENT GOAL 11:

Make cities inclusive, safe, resilient and sustainable

- By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
- By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
- Strengthen efforts to protect and safeguard the world's cultural and natural heritage
- By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
- By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
- By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities
- Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning
- By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels
- Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials

Strengths

- Innovation and technological know-how in quality clean technology
- City planning and development
- Early warning monitoring systems and meteorology
- Expertise in forestry research and management
- Rights based and community grassroots approach

Weaknesses

- Focus on rural, rather than rural-urban linkages
- Small country in comparison to USA and China, but part of the EU
- Forestry monoculture
- Absence of shared urban experiences between Finland and many African countries

Opportunities

- Promoting clean technologies and renewable energy in city planning
- Co-generation of innovation with African partners to create local solutions
- Strategic partnerships for targeted projects that fit local needs

Threats

- Absence of political will
- New policy for fees for non-EU students could lead to weaker linkages between Finland and Africa
- Other countries have more aggressive marketing
- Political instability in partner countries

Recommendations

- Tap into local African financing to meet funding gaps
- Customise business model for affordable products, ie sharing economy
- Learn from Africa's own responses and innovations



Takiwaa Manuh making her key note address in Helsinki.

The Africa we want: To harness the opportunities

The African Union has set out its long-term vision for Africa anchored in structural transformation and a people-centred development in its Agenda 2063, with the theme ‘The Africa We Want’. As urbanization is one of the most important forces of change profoundly impacting development in Africa today and will continue to do so for decades to come, Africa has to harness the opportunities generated by urbanization for shared prosperity and well-being.

The aspirations for ‘The Africa We Want’ can only be achieved where Africa’s cities and human settlements are inclusive and sustainable. This requires a shift in the prevailing narratives and policy responses pertinent to urbanization

in Africa today. Fundamentally, the advantages offered by well-functioning cities and national urban systems have to be recognized and nurtured to support national and regional targets for inclusive structural transformation, including industrialization and agricultural modernization to engender job-rich growth in Africa. This calls for a more strategic, cross-sectoral and long-term perspective in the context of national development planning in order to shape urbanization into an asset for sustainable development.

This summary of the key note address by TAKYIWAA MANUH, director for the Social Development Policy Division, the United Nations Economic Commission for Africa (Uneca), was compiled by CRISTINA UDELSMANN RODRIGUES, senior researcher at the Nordic Africa Institute.



Photo: Milima Ketumen

Vacant jobs shopping mall noticeboard in Nairobi 2010.

Urban productivity and job creation

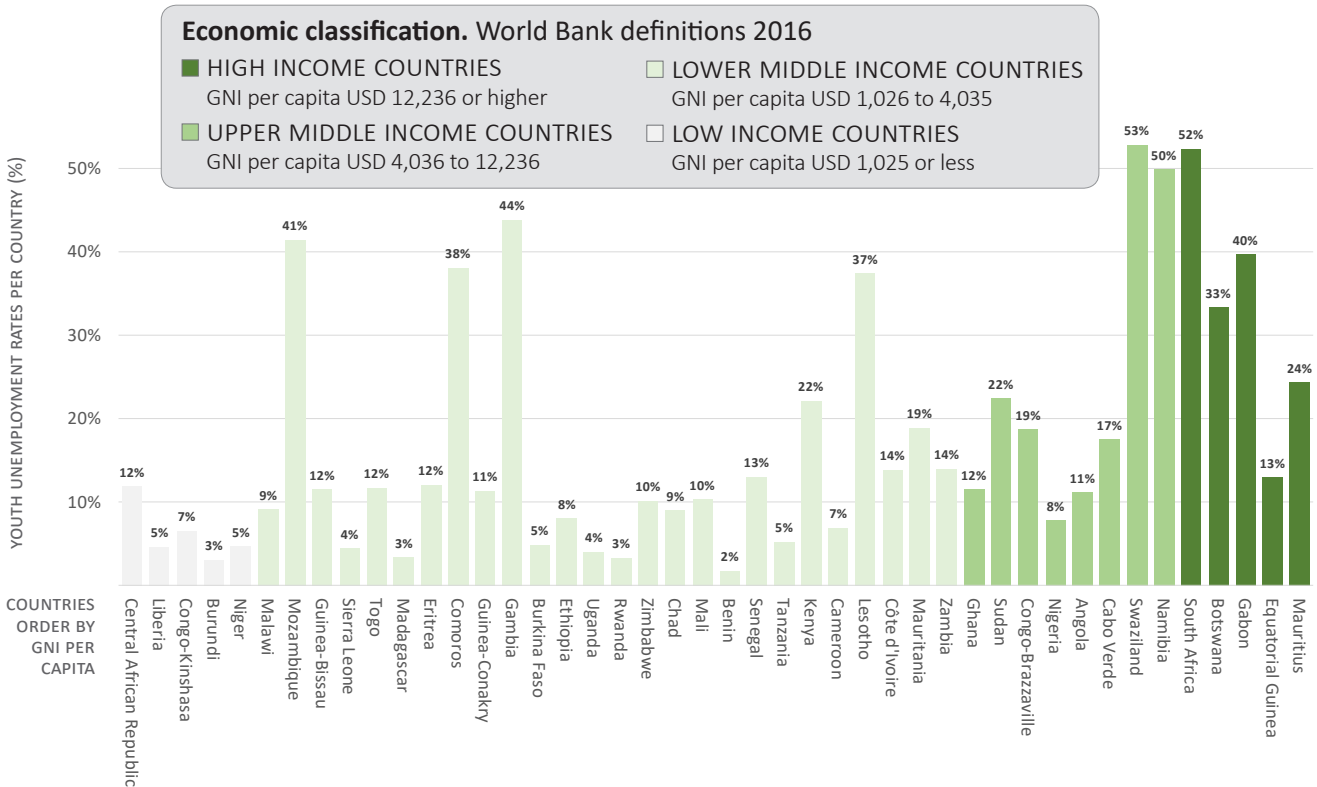
Most Africans living in cities are employed in the informal sector. Women and young people are key players in this. Jobs in this sector, however, tend to be precarious and uncertain. Nevertheless, it is also in this economic sphere that many innovations are being created.

The Foresight Africa Report 2016 notes that the service sector dominates African economies with regard to their contribution towards gross domestic product. Job creation also has important implications for urban stability.

Youth unemployment remains an important issue. The various youth-led protests, such as the student protests in South Africa and Arab spring show the importance of youth catalysing change. Africa's youth should thus be central to planning its cities' future; and considerations for their welfare a key aspect of this.

African cities apparently have had less success in job creation and productivity growth and today are not generating the required jobs. While dependency on natural resources' export remains high, much of the African urban economy remains concentrated in services which are largely informal and relatively unproductive and much of the formal sector consists of government employment. The private sector has a critical role to play in this regard and some areas are apparently potential generators of jobs.

Along with the other Nordic countries, Finland has always targeted the bulk of its development cooperation to the public sector and to non-profit entities, either bilaterally or through international channels. Nine out of ten jobs are in



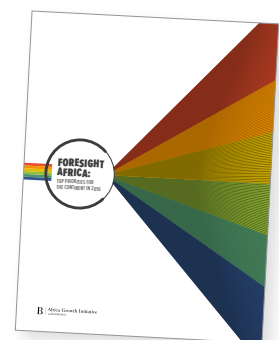
Correlation between youth unemployment rates and GNI per capita in Sub-Saharan Africa. Many of the countries with the highest GNI per capita in the region, also have the highest youth unemployment rates.

Source: World Bank, World Development Indicators 2016. Unemployment, youth total (% of total labor force ages 15-24) (modeled ILO estimate). Youth unemployment refers to the share of the labor force ages 15-24 without work but available for and seeking employment. GNI per capita based on purchasing power parity (PPP). PPP GNI is gross national income (GNI) converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GNI as a US dollar has in the United States. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. Data are in current international dollars based on the 2011 ICP round. (Based on the Foresight Africa Report 2016).

the private sector and governments now count on this sector to do many of the developmentally relevant activities traditionally carried out by the public sector. A major task for development cooperation is ensuring that the needed private-sector investments actually take place, also in poorer and more fragile countries, and that they are carried out responsibly.

At the urban level, some key entry points to enhance productivity and job creation include the following:

- Shifting the sectoral composition of the urban economy towards productive sectors, which requires linking urban and industrial development
- Taking advantage of growing urban demand for goods, infrastructure and services for job creation
- Better linking rural and urban economies as a means of meeting urban demand while enabling value addition in rural economies
- Recognizing the economic role and logic of cities, and designing, planning and managing cities and urban land value with an explicit objective to enhance their economic functionality and job creation capacities
- Addressing the barriers and bottlenecks, including infrastructure deficits, weak land management systems, fragmented urban form and overall cost of doing business
- Addressing the barriers faced by the informal economy and linking it better to the formal sector for increased productivity.



“Africa is urbanizing rapidly; in fact, faster than any other region except Asia. Despite this growth, even by 2050, sub-Saharan Africa will still be the least urbanized region in the world”

The 2016 Foresight Africa Report

Strengths

- Educational system
- Knowledge in ICT, energy, capacity building
- Long experience in work related social policy

Weaknesses

- Aversion to risk
- Focus on interaction with national governments and the formal economy
- Weak knowledge about the informal economy

Opportunities

- Learn how to interact with the informal economy
- Using the potential knowledge of Africa that exists in Finland, including from research
- Address the potential for innovation of the informal economy

Threats

- Political changes
- Excess of focus in the formal economy
- Long processes of project planning

Recommendations

- Interact more with African societies to understand better the informal
- Expand focus from national cooperation to regional approaches to better develop the economic and job potentials
- Integrate social protection knowledge into work for job creation



“African cities face a multitude of challenges”

Stefan Atchia, Policy Specialist at the African Development Bank in Abidjan

Urbanisation in Africa is occurring at a very fast rate. In addition to the three megacities Cairo, Kinshasa and Lagos, we now have some 52 cities on the continent with over one million residents. In 2015, it is estimated that 40 percent of the population in Africa, will be urban. This number should hit the balance urban-rural in 2035 and Africa should become the most urbanised continent in the world by 2045.

Fast urbanisation, coupled with slow structural transformation, can threaten the prosperity and stability of Africa’s urban areas. African cities currently face a multitude of challenges. These include; urban poverty, inadequate infrastructure, growth in slums, weak urban-rural linkages, marginal role of local governments, weak capacities of municipal authorities, environmental degradation, and climate change.

Growing economic inequalities and the neglect of vulnerable social groups pose additional effects to the future of African cities. The successful development Africa’s urban areas, and the continent as a whole, will ultimately hinge on municipal leaders’ abilities to capitalise upon urban resources. Good governance, city management and capacity building will help ensure that cities develop in a productive inclusive and sustainable manner.

On the real estate development front, urban land use policies will form the basis for Africa’s sustainable urban transition and structural transformation. The use and management of

land with determined density, strict layout, zoning, building codes and tax regime is one of the key elements of financing cities. Many African cities have a very small percentage of this revenue generated internally. As part of the complete decentralization process, municipalities need to be granted autonomy to generate funds through the local taxes, to continue the very important element of decentralization and growing domestic resources.

On the infrastructural and essential services front, the installation of trunk infrastructure, such as water sewage, and drainage can increase urban land value, which in turn can improve municipal finance, if systems for effective land capture and land value capture are in place.

On the urban economic development side, between 2003 and 2004 for example, 83 percent of African jobs, created by Foreign Direct Investments (FDI), were located in cities. As a matter of fact, the African Development Bank, is currently co-financing the state of African cities for the UN-Habitat, a document which should show the routes of FDI between cities on the continent and outside, giving proper understanding of what are the elements attracting FDI to specific cities on the continent and how cities can better be geared to attract FDI on their shores.

First half of a six-and-a-half-minute video message from Stefan Atchia, Policy Specialist at the African Development Bank in Abidjan, addressed to the 100+ participants at the Helsinki conference.



Photo: Dylan Lowthian, UNDP

Urban infrastructure and financing

The demand for decent urban infrastructure includes housing, water, sanitation, energy; as well as good public services such as for education and health.

Informal settlement patterns and economies are dominant in African cities. These often also straddle rural like lifestyles in the city such as in urban agriculture. Unfortunately, investments, and scarce resources are skewed towards high-end projects that serve, in contrast to the wider African population, a small higher income group. Such disparity calls for addressing inequalities in the spending for infrastructure, like water and sanitation, as well as planning models that seek greater inclusion. There is also a need to scale infrastructure investments in ways that involve, and include the innovations that residents of Africa's informal cities are already making. Such an approach would require greater involvement of local municipalities and various local resident associations. An important governance step would be to build on informal settlement residents own investments rather than destroying them as sometimes happens to pave way for high end projects. Such approaches would require a more participatory planning, and a willingness to experiment.

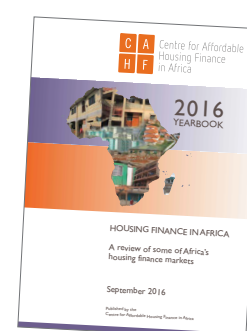
Country reports from the Centre for Affordable Housing Finance in Africa (CAHF) 2015 onwards indicate an urban housing backlog of millions of housing units in many African countries – 1.5 millions in Zambia, 2 million in Mozambique and 3 million in Tanzania. Kenya is struggling to add the extra 200,000 housing units per year it requires to meet its urban housing demand. Just alone, Addis Ababa, Ethiopia's main city, needs to build at least 300,000 units per year to meet the cities' demand. In cities such as Asmara in Eritrea, it is not clear what the housing deficit is, but internal displacements caused by long-term conflict have created significant demand for urban housing. Figures on Somalia's urban housing deficit are also not clear, but a recent housing boom in cities like Mogadishu indicate a huge demand as the city reconstructs itself after war.

Annual household income (2015 – in 2005 constant US\$)	Number of urban households (Potential market size)	Potentially affordable purchase price – assuming mortgage access at 15% over 20 years (in 2005 constant US\$)
\$40 000,00	2 009 000	\$63 279,00
\$23 000,00	2 997 000	\$36 376,00
\$12 000,00	9 265 000	\$18 986,00
\$8 000,00	10 580 000	\$12 644,00
\$5 000,00	16 269 000	\$7 898,00
\$3 600,00	12 113 000	\$5 696,00
<\$3 600,00	45 001 000	Unsecured housing finance

Housing affordability. The bulk of the African population falls in the bands of an annual household income of USD 800 to 23,000, in 2005 constant USD. Assuming the availability of a 20-year mortgage at 15 percent interest, 25 percent installment-to-income and no down payment, this could create purchasing power for housing in the range of USD 5,595 to 63,279 and above. Currently, there is no housing available for USD 5,696 – though Shelter Afrique has recently launched a competition challenging developers to build 5,000 houses for USD 5,000. The cheapest house built by a private developer in 2016, according to our network, was USD 8,536, in Cote d'Ivoire and in Burkina Faso. More common are houses in the range of USD 15,000 to 20,000, and above. Source: CAHF Housing Finance in Africa Yearbook 2016, p.14

One of the biggest challenges in meeting the demand for quality housing is the paucity of affordable housing finance and mortgage mechanisms to suit the often precarious and low incomes of the majority of urban African residents. Also, public finances have diminished since the implementation of neoliberal structural reforms in the 1990's. This has caused permanent austerity that has made it difficult for public authorities to provide serviced housing, and for the private sector to finance the significant costs for the provision of water and sanitation. The demand is significant. For example, the Africa Development Bank (AfDB) 2015 reports that roughly 90 percent of the 70 percent of informal settlement residents in Lusaka use unimproved pit latrines that negatively affect the ground water quality of the city. Another AfDB report notes that Tanzania only has an estimated 24 percent of the population with access to improved sanitation facilities. Provision of water and sanitation infrastructure is thus a key investment area.

There are indications however, that innovative housing finance mechanisms and service delivery systems are being tried out, not only by public authorities, but by civil society organisations such as Slum Dweller International affiliate groups in Africa. Also, services are being provided through bilateral and multilateral partnerships, such as for example, USAID's Millenium Challenge Account and the African Development Bank.



“In very many cities, the majority of housing that does exist is of poor quality”

Centre for Affordable Housing Finance in Africa (CAHF), 2016 Yearbook

Year	Improved drinking water coverage		Household connection to improved drinking water		Improved sanitation coverage	
	1990	2008	1990	2008	1990	2008
Burundi	97	83	32	47	41	49
Comoros	98	91	31	53	34	50
Djibouti	80	98	69	82	73	63
Eritrea	62	74	40	42	58	52
Ethiopia	77	98	10	40	21	29
Kenya	91	83	57	44	24	27
Madagascar	78	71	25	14	14	15
Malawi	90	95	45	26	50	51
Mauritius	100	100	100	100	93	93
Reunion	--	--	--	--	--	--
Rwanda	96	77	32	15	35	50
Seychelles	--	100	--	100	--	97
Somalia	--	67	--	51	--	52
Uganda	78	91	9	19	35	38
Tanzania	94	80	34	23	27	32

Access to drinking water and sanitation in Eastern Africa (percentage of urban population). Source: UN-Habitat (2009) Global Urban Indicators 2009 (State of African Cities report 2014, p.168).

Strengths

- Leadership in areas of ICT, clean technology, renewable energy, water and waste management
- Good reputation because does not have a colonial history
- Long-term rather than short-term cooperation
- Reputation for engineering skills and knowledge
- Participatory and transparent approach to development

Weaknesses

- Financing constraints for large-scale projects
- A focus on technical expertise at the expense of human relationships
- Risk averse
- A tendency towards centralized solutions
- Inability to adequately market innovations and solutions
- Limited knowledge on innovative business models in Africa

Opportunities

- Increased interest in clean technology
- Harnessing Finnish start-ups
- Huge growth market for infrastructural needs
- Long established ties with some African countries
- Drawing on Finnish-African diasporic networks
- Technological innovations for city planning in complex settings

Threats

- Difficulties in meeting the speed of urbanization in Africa
- Weak regulatory frameworks in some African countries
- High unemployment rates and low wages, coupled with poor public health places a risk on investment
- Growing nationalism clashing with globalization
- Mismatched needs and resources between Finland and African countries
- Political instability potential risk

Recommendations

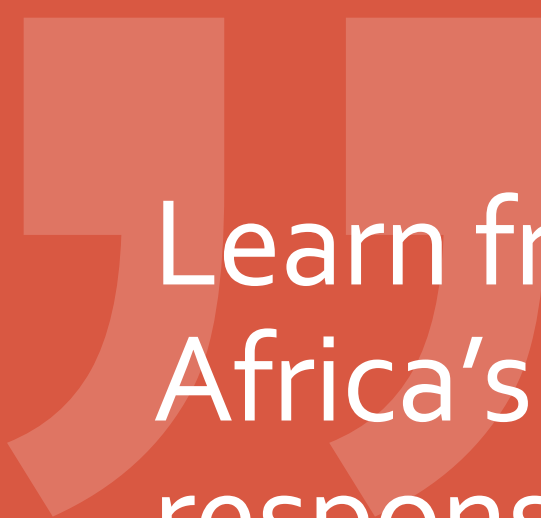
- Greater social cultural sensitivity in cooperation
- A multi-disciplinary approach to counter technological bias (ie social scientists on teams)
- Better use of African in-house professional expertise, and knowledge, more collaboration with African universities and professional guilds
- Promote shared ownership of technological innovation
- Maintain and strengthen existing cooperative relationships

Conference programme

- 9:00 **Welcoming remarks**
Elina Oinas, Professor, University of Helsinki
- Introduction and rationale of the day**
Elina Soiri, Director, Nordic Africa Institute, and moderator of the event
- 9:15 Pasi Hellman, Managing Director, Nordic Development Fund
- 9:30 **Opening remarks**
Kai Mykkänen, Minister of Foreign Trade and Development in Finland
- Video message**
Stefan Atchia, Policy Specialist, African Development Bank
- 9:45 **Prioritising Experimentation for Sustainable African Urban Futures**
Edgar Pieterse, Director, African Centre for Cities, University of Cape Town
Chair: Patience Mususa, Senior Researcher, Nordic Africa Institute
- 11:00 **Parallel workshops**
1. *Urban political economic and social inclusion and stability (PIII)*
Chair: Cristina U Rodrigues, Senior Researcher, Nordic Africa Institute
Rapporteur: Lalli Metsola, Postdoctoral Researcher, University of Jyväskylä
 2. *Urban physical and social infrastructural needs and financing (PIV)*
Chair: Patience Mususa, Senior Researcher, Nordic Africa Institute
Rapporteur: Ilda Lindell, Associate Professor, University of Stockholm
- 12:30 **Lunch**
- 13:30 **The Africa We Want: What role for Urbanization?**
Takiyawa Manuh, Director, Social Development Policy Division, United Nations Economic Commission for Africa (UNECA)
Chair: Cristina Udelsmann Rodrigues, Senior Researcher, Nordic Africa Institute
- 14:15 **Parallel workshops**
3. *Climate change and urbanisation (PIII)*
Chair: Aage Jørgensen, Country Program Manager, Nordic Development Fund
Rapporteur: Silvia Escudero, Project Manager, EU Energy Initiative Partnership Dialogue Facility
 4. *Urban productivity and job creation (PIV)*
Chair: Jaakko Kangasniemi, CEO, Finnfund
Rapporteur: Cristina U Rodrigues, Senior Researcher, Nordic Africa Institute
- 16:00 **Way forward for Nordic meaningful collaborations with urban Africa**
Experts roundtable moderated by Martti Eirola, Senior Adviser, Department for Africa and the Middle East, Ministry for Foreign Affairs
- 16:50 **Closing of the event**

The conference was co-arranged by the Nordic Africa Institute, University of Helsinki, the Nordic Development Fund and Finland's Ministry of Foreign Affairs.





Learn from Africa's own responses and innovations

Recommendation from one
of the workshop discussions