

# AfDB Approves Urban Development Strategy for African Cities

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Tunis — The Board of Directors of the African Development Bank (AfDB) Group has approved the Bank's Urban Development Strategy. The strategy is designed to transform African cities and towns into engines of economic growth and social development.

The Strategy is anchored on three pillars, namely infrastructure delivery, governance and private sector development.

The Bank Group will use infrastructure development as a major strategic vehicle for supporting urban development. Emphasis will be on delivery and expansion of basic infrastructure services and building capacity for maintenance of public infrastructure assets.

it will assist regional member countries and urban communities' efforts to improve water supply, sanitation, drainage and solid waste management services; improve urban mobility through the development of mass transit systems; support energy projects and in particular, public lighting projects; promote broadband connectivity within and between African cities and between them and rural areas, and harness ICT to broaden socio-economic activity and enhance competitiveness; and support the development of urban social infrastructure, particularly in the health and education sectors.

In governance, the Bank's strategy will aim to strengthen corporate governance and managerial capacity of municipal authorities to promote a culture of transparency; strengthen anti-corruption safeguards; and build the capacity for urban planning. It will support reforms such as fiscal decentralization by helping municipalities to improve financial and administrative management systems.

In the area of private sector development, the Bank will strive to support private enterprises across the business spectrum from small enterprises to mega entities. Assistance will be focused on creating conducive environments for private sector investment, including promoting and strengthening local financial markets.

Other priority areas will include: promoting viable public private partnerships (PPPs); developing legal and regulatory frameworks aimed at reducing transaction costs for business development; and providing long-term financing to governments, municipal authorities, and private investors in support of investment programs for cities.

The Bank will also support cross-cutting issues including knowledge generation, regional integration, environmental protection and adaptation and resilience to climate change, gender equality, and the empowerment of vulnerable segments of society, as well as strengthen urban-rural linkages.

## **The increasing role of urban centers in Africa's development**

In the past 50 years, Africa's centers of economic activity have shifted markedly from the agrarian countryside to urban areas. Today urban areas account for the bulk of domestic economic activity and more than a third of the population live in cities or towns.

While African countries see functioning urban sectors as important for national economic and social welfare, as they account for about 55% of the GDP on average, urban sector growth has been haphazard in many cases, spanned by rural economic decline and poverty, civil conflict and civil war.

Urban development will continue to pose immense challenges for policymakers, including in the areas of planning, infrastructure, employment, social services, security and the environment.

At the same time, however, the expanding cities and towns offer unique opportunities for governments to mobilize people on a massive scale, to attract investment, and to introduce new technologies and policy approaches that would lift people out of poverty and propel economies to sustained growth trajectories. Thus, African cities can become an important driver of domestic demand-led growth, regional integration, and technological innovation. The strategy is titled, "Transforming Africa's Cities and Towns into Engines of Economic Growth and Social Development."

The Bank Group has since the 1960s allocated some 15-20% of its total cumulative operations financing directly or indirectly to urban development