



**UNITED NATIONS
AFRICAN INSTITUTE FOR ECONOMIC DEVELOPMENT AND PLANNING**

HIGH LEVEL POLICY DIALOGUE

Theme: "Urbanisation and industrialisation in the service of Africa's transformation"

*11 - 12 December 2017
Addis Ababa (Ethiopia)*

CONCEPT PAPER

Contents

I.	Context and rationale.....	3
II.	Objectives of the meeting.....	4
III.	Proceedings	4
3.1	Opening session	4
3.2	Keynote address	4
3.3	Organisation of panel discussions	5
IV.	Participation	5
V.	Date and venue	5
VI.	Language	5
VII.	Documentation.....	5
VIII.	Contacts.....	5

I. Context and rationale

Africa is the least urbanised region of the world. Its urban population accounts for 40% of its overall population but the continent is following a rapid urbanisation trend, with an urban growth rate estimated at 3.4% (UN-Habitat, 2016). Currently estimated at 1.1 billion inhabitants, the African population is expected to double by 2050, and over 80% of this population growth will take place in the cities, notably in slums. Africa is in need for about 4 million human settlements yearly, with about 60% of the demand destined to provide housing to city-dwellers (Afrique Renouveau, April 2016).

Historically, urbanisation is closely linked to structural transformation. However, these two aspects are less and less related in the African context where urbanisation is poorly related to structural transformation, notably to industrialisation. This actually results in the loss of many opportunities to stimulate growth and productivity, reduce poverty and ensure social development on the continent.

And yet, urbanisation should be stimulated by the enhancement of the agricultural and industrial productivity; which is not the case in Africa. Actually, the rapid urbanisation has, in many countries, prompted a drop or stagnation in industrial production, and a low agricultural productivity. This has led to the informal sector, which mainly offers services, gaining ground to overshadow high economic productivity sectors such as industry.

African cities are then facing several challenges. These include low productivity, limited job creation, deficit in infrastructure and services, a dominant informal sector, growing inequalities, an urban – rural gap, an increasingly serious damage on nature, high vulnerability to climate change, low resilience capacity, and low capacities of the institutional systems, notably in the field of health and education. All these constraints must be overcome if regional and national authorities wish to place urbanisation in the service of the continent's structural transformation.

The major challenge confronting Africa is to accelerate its structural transformation by leveraging the rapid urban transition to promote economic diversification, with an emphasis on industrialisation, which will help create job opportunities, improve access to basic services and reduce inequalities and poverty. It will then be necessary to link urban development to industrial expansion in light of their interdependence and their impact on growth.

In its Economic Report on Africa, 2017, the Economic Commission for Africa (UNECA) examined the means to accelerate industrialisation to make it a catalyst of structural transformation in Africa by building on the possibilities stemming from the rapid urbanisation. The report performed an analysis of the challenges and possibilities, and the ~~political~~ drivers, ~~enablers~~ ~~tools~~ and levers to strengthen these links. Based on a large range of services including case studies in Cameroon, Republic of Congo, Cote d'Ivoire, Ethiopia, Madagascar, Morocco, Mozambique, Nigeria, Rwanda, South Africa and Sudan, the report cast light on essential means of intervention that will enable Africa to build on urbanisation to ensure its industrialisation. One of the main findings is that with well-defined policies under national development plans, African countries can leverage the urbanism dynamism and accelerate industrialisation for a more prosperous and more equitable future.

In 2014, in a UN-Habitat report titled "State of African cities: Re-imagining sustainable urban transitions", attention of development stakeholders was attracted on the need to undertake necessary measures for safe and sustainable human settlements, with the view to a proper planning of urbanisation and industrialisation, sustainable economic growth and human development. Actually, from Habitat I to Habitat III, the international community has come to comprehend that some major changes are necessary in the urban planning practice.

Changes in urban planning, coupled with some effective industrial development strategies will help lay the foundations for the attainment of global and continental objectives of growth and inclusive transformation, notably the Agenda 2063, and the Sustainable Development Programme by 2030.

The Habitat III International Conference in Quito on the theme "Sustainable Urban Development: Future of Urbanisation?" has culminated in the adoption of a New Urban Agenda that is to channel the policies and strategies towards a sustainable urbanisation worldwide for the next 20 years. Thus, the Economic Commission for Africa (UNECA), the Africa Union (AU), the African Development Bank (AfDB), UN-Habitat, and other regional organisations are working for a harmonised regional approach of implementing, monitoring and evaluating the New Urban Agenda in Africa. During one of the IDEP seminars on the key urban challenges for Africa, architects and urbanists from the public sector, the private sector and experts from international organisations raised prospects for better planning African cities of the future.

More specifically, UNECA has successively, since 2014, produced annual economic reports on industrialization in Africa, and formulated landmark recommendations on strategies for the industrial development of the continent. Today, almost half of African countries have developed an industrial development strategy aimed at promoting labour-intensive and job creating activities.

The Economic Report on Africa 2017 on the theme "Urbanisation and industrialisation in the service of structural transformation" was launched in March 2017 and its main findings addressed in the different sub regions of the continent. However, still in the dynamic of diffusing the findings and recommendations of the report, the African Institute for Economic Development and Planning (IDEP) and UNECA's Division of Social Development Policies have decided to organise a high-level policy dialogue on the theme of the ERA 2017. This concept paper presents the context, objectives and structure of the dialogue scheduled on 11-12th December 2017 in Addis Ababa, Ethiopia.

II. Objectives of the meeting

The global objective of the policy dialogue is to enable participants, representatives of selected countries and experts specialised in issues addressed in the report, to discuss ways and means to give a concrete expression to the recommendations of the report, in line with the Vision 2063 and the Agenda 2030.

The specific objectives are the following:

- Present the findings of the Economic Report on Africa 2017 ;
- Share the recommendations of the Economic Report on Africa 2017 ;
- Discuss ways and means to make operational the recommendations, in line with the Vision 2063 and the Agenda 2030 by building on promising and successful models.

III. Proceedings

3.1 Opening session

During the opening session, the Head of the Division of Social Development Policies and IDEP Director, in her capacity as promoter of the event, will deliver the welcome and opening speeches to the participants.

3.2 Keynote address

This address on "**Urbanisation and industrialisation for structural transformation**" will be delivered by an expert boasting substantive knowledge of the opportunities and stakes of green industrialisation for Africa. In the speech, the speaker shall recall the close links between

urbanisation and the economic performance, notably through industrialisation. He/she will also lay emphasis on the prospects for a sustained, inclusive and sustainable economic growth through urbanisation as a lever for structural transformation, high productivity, promotion of high value-added activities, inclusive industrial development, resilience, etc. The speaker is also expected to address the imperatives of a proper urban planning linked to efficient industrial development strategies likely to yield a growth in Africa likely to create sustainable job opportunities, foster the establishment of human settlements, institutions and appropriate economic and social infrastructure adapted to the needs of city-dwellers, while complying with environmental requirements and eliminating poverty and food insecurity.

3.3 Organisation of panel discussions

Four (4) high-level panel discussions will be held during the Conference, over one day and a half. The Conference will be closed with a session on the key factors of success and major recommendations for a better planning of urbanisation and industrialisation for Africa's structural transformation.

The discussions will each bring on board three panellists and a moderator. Each speaker will have 15 minutes for the first intervention and, if need be, during the discussions, bring about responses to possible questions from the moderator and participants.

IV. Participation

The high-level dialogue is expected to convene about 35 participants, including decision makers, experts and professionals of sectors and domains related to economic planning, industrial development and urbanism for national institutions. Other participants will include representatives of UNECA's relevant divisions and regional organisations, as well as partners such as the Africa Union Commission, UN-Habitat and UNDP. Participants from private sector, civil society organisations and academia will be invited.

V. Date and venue

The Conference will take place at the UN Conference Centre in Addis Ababa, Ethiopia, on the 11th and 12th of December 2017.

VI. Language

The meeting will be held in both English and French.

VII. Documentation

The documentation shall comprise this concept paper, the work programme and the Economic Report on Africa 2017.

VIII. Contacts

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