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# AFRICAN CITIES AT A CROSSROADS: CLOSING THE URBAN INFRASTRUCTURE INVESTMENT GAP

Background paper for the African Urban Forum

## ***EXECUTIVE SUMMARY***

*Draft submitted August 22, 2024*

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Urbanization is one of the most powerful megatrends shaping African development this century, and the region is at a crossroads that will determine development outcomes for decades to come. On the one hand, urbanization represents a major opportunity to connect a growing share of the region's population to better public services, quality education and higher productivity jobs. As Africa's cities are still being built, the region has opportunities to leapfrog ahead of the lock-ins facing early urbanizers, tapping into new technology and implementing climate-smart development. On the other hand, a scenario characterized by continued underinvestment in African cities will result in deepening urban poverty, increasing numbers of people living in slums without access to basic services, cities that are unable to compete in global markets, and African economies locked in a low-development, high-poverty trap.

Urbanization is an unstoppable force moving at an increasingly breakneck pace. In the 74 years since 1950, Africa's cities gained 642 million new residents and in only one third of that time - the coming 26 years to 2050 - they are expected to gain an additional 814 million people (UNDESA, 2018). Africa's urban populations on average have a better quality of life, better access to education, and better health outcomes than their rural counterparts (OECD/UNECA/AfDB, 2022). Networked urban services are made financially possible in dense urban areas, and the per capita costs of piped water, electricity and communications connectivity are all much lower in cities than in rural areas (Fay & Yepes, 2003). Despite the traumatic pace of urban transition they have experienced, African cities have absorbed 500 million new urban residents within the three decades since 1990 without a reduction in their average development outcomes (OECD/UNECA/AfDB, 2022).

Cities are the economic powerhouse of a national economy. The amassing of firms, services, workers and consumers in cities brings about efficiencies and synergies that can catapult economic growth forward. A third of the region's per capita GDP growth since 2001 can be attributed solely to the movement of people into cities (OECD/UNECA/AfDB, 2022), and **we estimate that 70% of the African region's GDP is urban**, compared with 54% of the region's population, drawing on a definition that classifies cities as contiguous agglomerations of 10,000 people or more.<sup>1</sup>

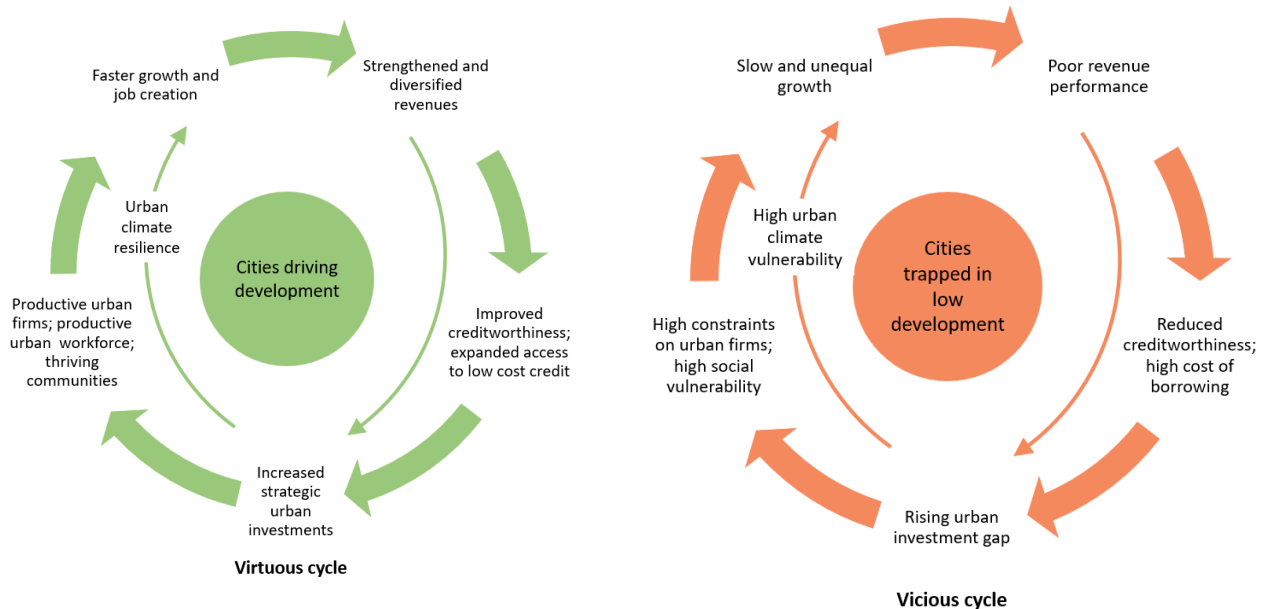
Due to their advantages for productive firms and service delivery, Africa's cities will play a central role in achieving the African Union's Agenda 2063, as the first of its seven aspirations is "A prosperous Africa based on inclusive growth and sustainable development." Similarly, African urbanization will be critical to achieving the Sustainable Development Goals, particularly Goals on poverty, health, education, economic growth and industry.

However, while Africa's future is undoubtedly urban, there are differing versions of that future. One version is characterized by a virtuous cycle of investment, development, and revenue generation. Another version, and one that more closely mirrors the current reality in many countries, is characterized by a vicious cycle of underinvestment, stagnated development and revenue shortfalls (Figure i).

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<sup>1</sup> The operational definition of cities and the 54% urbanization level are from the Africapolis database. Our 70% of GDP estimate assumes that per capita production differentials between locations follow the same pattern as per capita wage differentials from research by OECD, UNECA and AfDB (2022).

**Figure i: African cities at the center of a vicious cycle or virtuous cycle**



Images by authors

## ECONOMIC, SOCIAL AND ENVIRONMENTAL CHALLENGES TO AFRICA’S URBAN-LED DEVELOPMENT

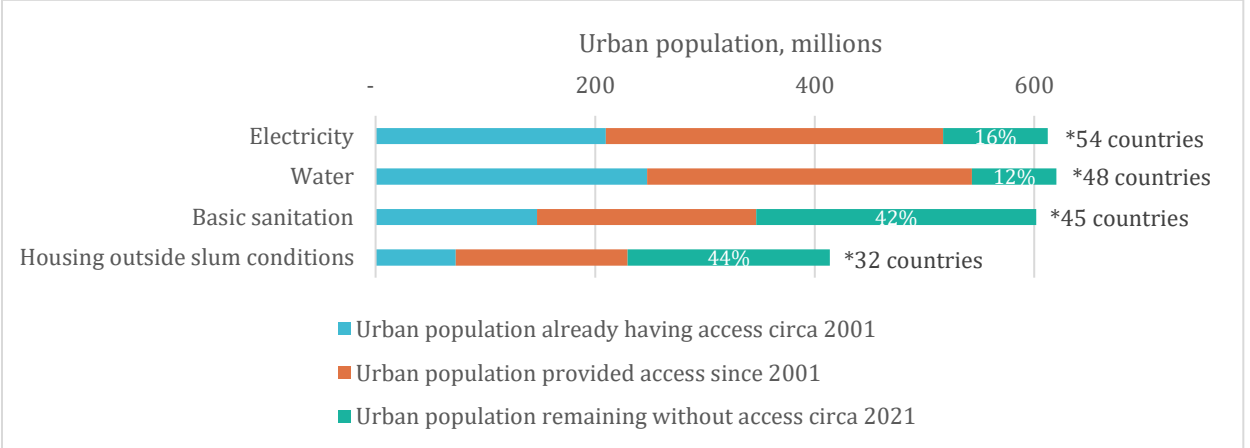
Though African cities have maintained a productivity premium over their rural counterparts, growth has not been as rapid as their potential or when compared to countries in other regions. In addition, economic growth has not been accompanied by strong job creation nor by expected levels of poverty reduction (AfDB, 2018; Wu, et al. 2024). The underlying issue is that urbanization has been paired with weak structural transformation. As labour has moved to cities, the growth of high productivity urban sectors such as manufacturing and tradable services have often been stagnant, and urban workers have been forced to take up work in low-productivity services (Tiako, 2024; AfDB, 2018).

Poor urban economic performance is due to a host of factors, and infrastructure deficiency is key among them. In the African region, urban access to electricity, water, sanitation and road infrastructure often falls short compared to cities in other regions. Underinvestment in African cities compared with those in non-African countries with similar income levels, makes the cost of living and doing business in African cities more expensive by a margin of 31% (Nakamura et al., 2016).

While major investments in basic urban infrastructure have been made, gaps still remain. Over the last two decades, 296 million urban residents in Africa have been provided with at least basic drinking water services, 200 million have been provided at least basic sanitation services, and 307 million have been connected to electricity. Still, there are many millions in African cities lacking these basic services: 77 million lacking water, 255 lacking sanitation and 95 million lacking electricity (Figure ii). The weak link between growth and poverty reduction and the uneven distributive impact of growth is nowhere more visible than urban slums where the lack of access to basic services and infrastructure is dire. Nearly half (44%) of Africa’s urban population lived in slums as of 2020. This figure is down 17 percentage points

since 2000, marking major progress; however, due to the increase in urban populations, the number of people residing in Africa’s urban slums has actually gone up 60% over the two decades.<sup>2</sup> Of course, progress varies greatly by subregion and country, and the lowest income countries are the most challenged to provide basic urban infrastructure and services at the pace of urban population growth.

**Figure ii: Two decades of expansion of urban basic services and the remaining deficit, African countries**



Data: World Development Indicators; electricity data is 2001-2021; water and sanitation data is 2002-2022; slum data is 2000-2020.

The urban slum narrative of African cities is often obscured by the “Africa rising” narrative which emphasizes the shopping malls, the booming real estate market, the thriving IT centers, and new cities represented by the emerging, digitally connected and globalized consumer class. The reality is mixed and characterized by high inequality: the top 10% of income earners in Africa make more than half of the national income, and the top 1% collectively make twice as much as the bottom 50%. Over 90% of income is earned by the top half (World Inequality Database). The urban poor represent the vast majority of the population in Africa’s cities and contribute substantially to African economies, but are largely excluded from the benefits of urban growth and development.

The precarity of African cities is added to by climate vulnerability. While Africa contributes a mere 3.8% of global carbon emissions (CDP, 2020), African countries are among the world’s most climate vulnerable, and simultaneously the least adaptation ready (ND-GAIN Database). According to Verisk Maplecroft’s Climate Change Vulnerability Index, 92% of Africa’s fastest growing cities are at extreme risk, including 15 national capitals and many of the region’s major commercial hubs (Verisk Maplecroft, 2018). The Africa Climate Foundation (2023) estimates that climate change could lower African GDP by 2-4% by 2040.

The urban poor are the most vulnerable to climate risks and have fewer resources to cope. Informal settlements in particular are often located on disaster prone areas like steep hillsides or floodplains,

<sup>2</sup> According to data from the World Development Indicators database for the 32 countries with data in 2000 and 2020.

where they are exposed to life and property loss, health risks of water contamination due to heavy flood and mudslides, and are often at higher risk of extreme heat.<sup>3</sup>

In the face of increasing occurrence and severity of disasters, investing in resilience is a matter of necessity. Africa's cities are still early in the growth process, and cities can choose the kind of infrastructure and housing to build, reorienting policies to foster a climate resilient development pattern, and one that that drives growth decoupled from negative environmental outcomes (APP, 2015).

## INVESTMENT NEEDS FOR AFRICA'S URBAN FUTURE

The longevity of infrastructure means that today's investment choices will determine the continent's long term future. Major investments in infrastructure and services are needed to realize the opportunities presented by urbanization. But what is the necessary level of investment to achieve the potential of African cities?

A number of estimates of infrastructure investment requirements exist at the global and regional levels for various infrastructure sectors. However, very few of the existing estimates separate out what is needed specifically for cities. We have calculated an estimate of Africa's urban needs by drawing upon a variety of region-specific and sector-specific estimates, specifically selecting those with a solid methodology and calculated to reach development targets (i.e. excluding estimates of what is necessary to maintain the status quo). We have translated these into urban estimates by combining a bottom-up estimate of urban needs (Foster & Briceño-Garmendia, 2010) and a top-down estimate based on the urban percentage of Africa's GDP.

The results of our calculations suggest that **the annual required investment for Africa's cities is 4.83% of regional GDP, totaling an estimated \$142 billion for 2025. Of that, 3.75% of GDP (or \$110 billion) is needed for urban infrastructure located within the cities themselves, and 1.09% of GDP (or \$32 billion) is needed for investments in trunk infrastructure that serve cities, including power generation and transmission to cities, national roads and railways, and fiber backbone** (Figure iii). Based on prior estimates of required infrastructure investment needs, between one third and one half of the required annual spending should go toward maintenance, rehabilitation and replacement of existing assets.

It is worth noting what is not included in this estimate. The upgrading of urban slums where nearly half of the region's urban population resides, is more costly than extending infrastructure in greenfields, and this added cost is not included in our estimates. They also leave out public space, parks and recreation facilities, schools, public hospitals, and emergency services such as fire and police. And, while a rough estimate of flood protection is included, additional climate adaptation and disaster risk management investments are not included.

Calculating the gap in investment spending is complicated because it requires metrics of existing urban spending, which are challenging to compute due to the variety of sources of funds and the lack of clarity around what spending is "urban." However, there is general agreement that regional infrastructure

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<sup>3</sup> Nairobi's slums are hotter by 5 to 10 degrees Fahrenheit than the central business district (Scott., et al. 2017).

investment is less than half of what is required to meet development targets, and it is likely that the urban investment gap is even larger.

**Figure iii: Africa’s annual urban investment needs**

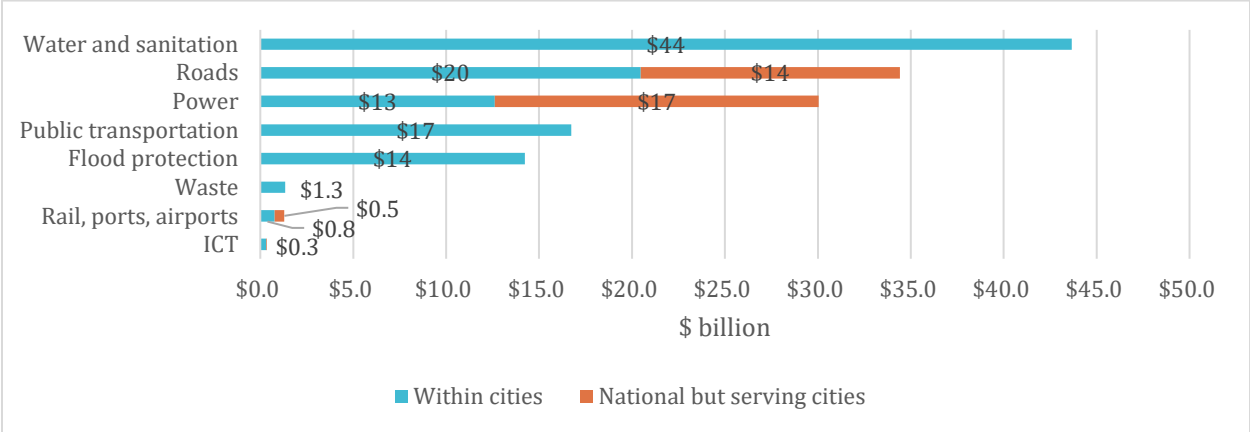


Chart and data by authors

While urban infrastructure is costly, reducing the level of urbanization does not reduce the cost of achieving infrastructure and public service access targets. The opposite is the case: if population growth occurs in rural areas, it is much more expensive to achieve the same level of service (Foster & Briceño-Garmendia, 2010; Litman, 2023; Litman, 2015). This is because density enables the costs of trunk infrastructure to be spread across more people.

The alternative to investing in cities is, in the long term, more costly than the investments themselves: continued urban infrastructure gaps that halt progress toward economic and human development. Failure to invest adequately in the infrastructure serving cities now will create costly lock-ins and constrain overall economic productivity and wellbeing for decades and even centuries to come.

**FINDING THE RESOURCES TO FINANCE AFRICA’S URBAN FUTURE**

Given the pressing need for urban infrastructure investment, the key question is “where is the money?” Although the Addis Ababa Action Agenda’s blueprint for financing the SDGs reaffirms the commitment of developed countries to official development assistance (ODA), it also places emphasis on the necessity of African countries to leverage the full potential of domestic resources to finance development. The present report focuses on three major areas of recommendations to boost public investment in urban infrastructure: improving taxes, strengthening subnational finance, and leveraging external finance. Africa’s cities will play a critical role in all aspects.

*TAX REVENUES AND AFRICAN CITIES*

Urbanization enhances tax revenue potential, especially as economies shift from agriculture to industry, concentrating a more formalized and stable tax base in cities. Across African economies, urbanization is

associated with higher tax-to-GDP ratios,<sup>4</sup> and the growth of cities is associated with increasing potential for revenue from consumption taxes such as VAT and a gradual move toward income and profit taxes. However, policymakers face serious tradeoffs to carefully consider: care must be taken to avoid tax policies that deepen inequality, overburden the poor, and stymie economic activity.

Case: South Africa, with its diversified urban tax base, has progressively shifted its revenue base from consumption taxes (mainly VAT) to income taxes, while also raising the minimum taxable income. Over 40% of assessed taxpayers are located in Gauteng Province, where the major urban centres of Pretoria and Johannesburg are located (Business Tech, 2017).

While cities present a major opportunity for domestic revenue mobilization, high inequality and informality in African economies narrow the tax base. The urban informal sector in particular is challenging to tax, yet too economically important not to tax, accounting for an estimated 81% of the urban workforce and 50% of non-agricultural GDP but only 2-6% of tax revenues (Guyen & Karlen 2020; Mpofu 2021). Some governments have implemented simplified tax policies, such as presumptive taxes; however, these often fail to account for the needs of the smallest enterprises, risking undue hardship. Effective taxation of the informal sector requires tailored approaches

Case: eThekweni, South Africa, has used a participatory process to involve informal traders in municipal services, such as waste collection, and infrastructure upgrades to public markets, resulting in benefits to informal enterprises and increased contributions to VAT and market fees.

that distinguish between different types of informal enterprises and are paired with support measures like improved public services. Integrating these efforts into broader economic strategies to create formal sector jobs and support the growth and graduation of informal firms to the formal sector can enhance both tax compliance and sector growth, ultimately expanding the tax base.

Africa's rapidly expanding digital economy, driven by improved digital infrastructure connectivity and connected urban firms and consumers, presents emerging opportunities and challenges for taxation. The growing sector, including e-commerce, mobile technology, and gig economy platforms, remains difficult to tax due to its diffuse and borderless nature. Governments are struggling with issues like defining economic presence and allocating profits among jurisdictions. Efforts to tax the digital economy have included indirect taxes on digital services and direct digital services taxes (DST) on non-resident companies. However, poorly designed taxes can be counterproductive, discouraging internet use and stifling economic growth. Successful taxation strategies focus on taxing digital service firms' income rather than the services themselves, to avoid impeding growth and financial inclusion (Ndung'u, 2019).

Case: Kenya, a leader in digital services and mobile payment systems, has been experimenting with taxing the digital economy and moved from excise taxes on mobile airtime and transactions to a digital services tax on the gross transaction value of services, including income from platforms that enable transactions between two parties (EY, 2019).

Africa has significant untapped tax potential, estimated at 3% of regional GDP, and a large part is from tax avoidance on the part of large corporations and the wealthy. Some estimates suggest Africa loses \$238

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<sup>4</sup> However, this is not the case for resource-rich countries, where urbanization is more frequently job-poor and resource exports drive the growth of consumption-based urbanization accompanied by high inequality and crowding-out of job-rich export sectors.

billion every year due to corruption and illicit financial flows (AfDB, 2024a). Despite reforms, the tax system remains regressive, with poorer citizens bearing a heavier burden while the wealthy pay little in taxes and with many high earners avoiding personal income tax altogether. Digitalization and technology adoption are improving tax enforcement, particularly in urban areas, and strategies like withholding taxes, external enforcement agencies, and transparency campaigns have shown some success. Engagement in international efforts to combat illicit financial flows also shows promise. However, addressing these issues requires strong political will.

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**Tax revenue recommendations:**

- Leverage the opportunities of a growing urban tax base
  - Address the distributional consequences of taxes with a pro-poor approach
  - Tax the urban informal sector strategically
  - Tap into the revenues of the rising digital services economy
  - Leverage technology to improve tax administration
  - Strengthen tax enforcement targeting the wealthy, and combat illicit financial flows
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*STRENGTHENING SUBNATIONAL REVENUES*

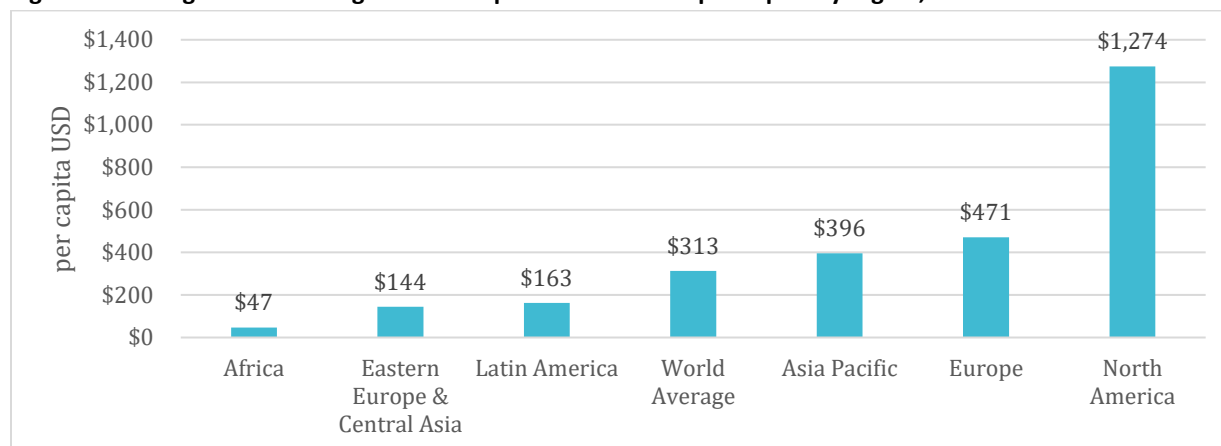
African cities, generating 70% of regional GDP, have significant revenue potential, and local governments, being closest to the population and firms, are well-positioned to mobilize resources effectively. Yet fiscal decentralization in Africa remains underdeveloped. Subnational governments have limited power and capacity to raise revenue, heavily relying on central transfers that are often irregular and poorly linked to local economic development. Many subnational governments face a severe infrastructure deficit due to an imbalance between their responsibilities and the resources available to them, with lower capital budgets than any other region (Figure iv). Empowering local authorities through fiscal decentralization, paired with capacity building for more effective tax administration, holds potential, even as central transfers will remain necessary. Ensuring that service delivery is both visible and effective will be critical for sustained tax morale and enabling a virtuous cycle of development and revenue mobilization at the subnational level.

Case: Lagos State provides an example of successful subnational tax reform as a result of high political commitment, public engagement, the overhaul of tax administration, and visible expenditures on improved urban services, allowing for capital expenditures to more than double over a six year period (Gramont, 2015).

One of the clearest ways to link revenues to service delivery is in the form of user charges and fees for service, and these typically contribute significantly to the ability of cities to provide public services. These fees, covering services like water, electricity, waste removal, and public transportation, can enhance service provision when well-designed. However, the challenge lies in balancing cost recovery with subsidies for poor households, as many cannot afford the full cost of services. At the same time, subsidies often unintentionally benefit the wealthy. One study of subsidies in low- and middle-income countries found that only 6% reached the poorest 20% of households, while on average, 56% of subsidies benefited the richest 20% (Andres et al., 2019). Therefore, an effective regulatory framework and careful planning are essential in fee and subsidy design.



**Figure iv: Average subnational government public investment per capita by region, 2016**



Source: OECD/UNECA/AfDB, 2022

Land value capture, through instruments like property taxes and land leases, can be efficient because land is immovable and its value reflects local government-provided amenities, but such instruments remain underutilized in African cities. Property taxes in Africa average just 0.3% of GDP, compared to 0.7% of GDP in Latin America and the Caribbean and 1.9% in OECD countries. Effective land value capture can fund urban infrastructure as cities grow and land increases in value in the process. However, challenges such as incomplete registration systems, complex valuation methods and political resistance hinder broader adoption. In addition, while land value capture should in theory have equitable outcomes, it can often deepen the divide between rich and poor neighborhoods unless deliberately designed to include redistributive expenditures.

Cases: Ethiopia has utilized land leases as a strategy to monetize the rising value of urban land, generating revenue for urban development. Bahir Dar, a midsized city, collected \$7.8 million in 2020 from land leases, accounting for 62% of the local budget and covering over 40% of local infrastructure investment (Muluneh & Amsalu, 2022)

The city of Freetown, Sierra Leone, was able to have enumerators create a tax cadastre of properties using hand-held GPS units, and collected all the information needed for the updated cadastre and a formula-based valuation system in a matter of months, tripling property tax revenue and increasing transparency (Prichard, 2023).

Decentralized governments are not only facing insufficient resources; insufficient capacity is an additional hurdle. They often lack the necessary procedures, organizational structures, systems, tools, data, knowledge, budgets, and staff to participate meaningfully and deliver effectively on fiscal mandates. Even when capital resources become available, poor prioritization and coordination of projects, combined with inefficiencies in project preparation and management, results in ineffective and wasted resources.

Cases: Municipalities in Cameroon and Southern Africa are supported by financial intermediaries (Fonds D'equipement Communal and the Development Bank of Southern Africa, respectively) which raise capital to finance municipal projects (Löffler & Haas, 2023).

Capacity development programs can be designed with the support of higher level governments, and training can be accompanied by allocation of funds. Among multiple smaller governments with limited staff and expertise, pooled capacity can be the solution, either in the form of a regional- or national-level facilities where scarce project

development and financing expertise, as well as seed money for projects, is pooled and accessed by cities and municipalities.

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**Subnational finance recommendations:**

- Pair decentralized spending mandates with adequate funding.
  - Link subnational revenue collection with service provision, and effectively target subsidies to the poorest
  - Strengthen land-based revenues
  - Pair improved subnational revenue administration with strategic development planning and budgeting.
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*BORROWING AND OTHER SOURCES OF EXTERNAL FINANCE*

Borrowing is essential for closing Africa's public infrastructure gap, but many countries are already experiencing debt distress, with debt levels doubling between 2010 and 2022 (AfDB, 2024a). The region's sluggish economic growth, exacerbated by conflicts, climate shocks, and global economic uncertainties, makes accessing affordable credit challenging (Selassie, 2023). Africa's debt is predominantly external, expensive, and issued in foreign currencies, leading to high borrowing costs, and worsened by credit rating downgrades experienced during the Covid-19 pandemic (AfDB, 2024b). Subjective perceptions of risk are also harming access to credit, and according to one estimate, have cost African countries over \$75 billion in excessive interest payments and foregone lending, a loss far greater than the entire volume of official development assistance (ODA) to Africa in 2021 (Gilpin, et. al. 2024).

Tapping into domestic savings and remittances (for example through diaspora bonds) is an area of opportunity, and developing African credit markets is crucial for urban transformation, as deeper capital markets could reduce reliance on foreign borrowing and enable broader participation in economic growth. Initiatives like the African Exchanges Linkage Project, which aims to unify regional stock markets, are needed to transform the continent's financial landscape (Jain, 2024).

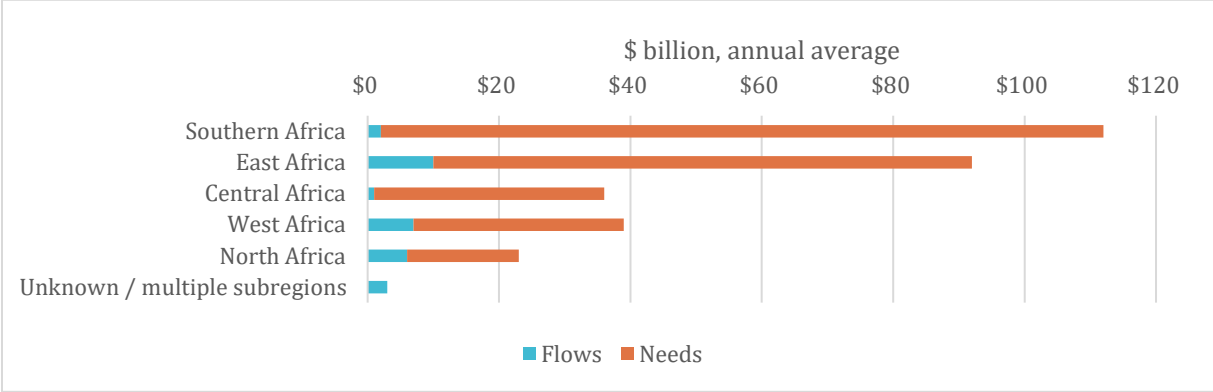
Municipal bonds are one potentially powerful option for addressing urban investment shortfalls in larger cities with existing financial capacity; however, the vast majority of African cities lack access to external finance due to regulatory constraints, creditworthiness, and investor attraction challenges (Löffler & Haas, 2023). Outside of Nigeria and South Africa, no African municipalities currently issue bonds, and achieving municipal creditworthiness is often lengthy and complex. Even with

Both Dakar and Johannesburg have gotten principal guarantees from international development institutions to support bond issuance. Although Dakar's bond did not go forward due to central government opposition, Johannesburg has been able to raise finance at favorable rates and conditions in part due to external support (Gorelick, 2018).

a credit rating, cities may be unable to issue bonds at favorable rates due to high perceived risks, poor national-level credit ratings, and high costs and complexity in the process of preparation and issuance. Initiatives like credit rating academies and intermediary financing organizations can help overcome these hurdles by providing the necessary expertise, resources, and credit enhancements to make bond issuance more feasible for African cities. However, for most cities, municipal bond issuance remains a long-term goal requiring significant capacity building and financial management improvements.

Climate finance presents additional opportunities, but while Africa is the most vulnerable to climate change, the region receives only a small fraction of global climate finance: just 20% of global adaptation finance flows and 4.5% of total climate finance in 2021-2022. The continent faces a significant shortfall (Figure v), needing \$1.6 trillion for adaptation by 2035 but projected to mobilize only \$195 billion (Ijjasz-Vasquez, Saghir & Richmond, 2024). However, Africa has significant financial opportunities, including its vast reserves of critical minerals essential for the green energy transition, its high potential in renewable energy, and the potential for expanded participation in the global carbon market which could raise up to \$100 billion annually (Chen, Laws & Valckx, 2024; IEA, 2022; ACMI, 2022). Additionally, green bonds are an option to tap into a wider investor base for environmentally friendly investment projects. Leveraging these opportunities could help Africa bridge its climate finance gap, promote sustainable urban development, and drive economic growth.

**Figure v: Climate finance flows and needs in Africa, 2020-2030 annual average**



Data: Climate Policy Initiative, 2022

Cases: South Africa’s PPP unit supports the preparation of public-private partnerships with dedicated expertise, and Morocco’s local development corporations bring private sector expertise into local project preparation and management (UNECA, 2018).

In Africa, the lack of investment-ready projects is a greater challenge than a lack of interested investors. There is as much as \$550 billion in assets seeking opportunities on the continent; yet countries with potential for high returns are often left mired in the project preparation phase (Lakmeharan et al., 2020). Project preparation costs in Africa are notably high, consuming up to 10-12% of total project costs (Chaponda, Nikore & Chennells, 2014). While

public-private partnerships (PPPs) offer a solution, they carry complexities and long-term fiscal risks. Designated agencies and project preparation facilities (PPFs) play a crucial role in bridging gaps in capacity and resources, particularly in urban infrastructure, but further expansion and support are needed to accelerate project readiness and attract more investment.

**Borrowing and external finance recommendations:**

- Strengthen access to international and domestic finance.
- Pursue subnational creditworthiness in large cities with existing financial capacity
- Establish financial intermediaries to provide cities with access to finance.

- Utilize bond types that attract socially conscious investors, such as green bonds and diaspora bonds
  - Strengthen project preparation and implementation capacity
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## SPENDING BETTER TO OPTIMIZE URBAN INVESTMENTS

To close the infrastructure investment gap in Africa, it is crucial to invest more efficiently and effectively, as a significant portion of infrastructure investment is currently wasted due to inefficiencies. Studies indicate that improved project prioritization, portfolio optimization, and delivery streamlining could reduce required spending by 40% (McKinsey Global Institute, 2013). In Africa, inefficiencies in infrastructure spending cost approximately 2.7% of regional GDP each year (Foster & Briceño-Garmendia, 2010).

Beyond technical efficiency, allocative efficiency – choosing investments with high economic impact – is essential to a sustainable investment cycle. Therefore, prioritizing investments with high rates of return, such as in the power and digital sectors, is vital for economic growth and productivity. In addition, a successful investment strategy should prioritize closing human development gaps and poverty alleviation to ensure broad-based growth and public support. Strategic prioritization will therefore balance socially impactful investments and those with high rates of financial return.

An inclusive growth strategy is useful for project prioritization of urban investments that target development-driving sectors, meet basic needs, and lay the groundwork for future growth. Coordination of physical infrastructure investments with investments in human capital and supportive policies, such as the implementation of the African Continental Free Trade Agreement, is one way to maximize investment impacts and returns. National and subnational development planning can facilitate such coordination and help to align public and private investments, driving economic growth and expanding the tax base, particularly in cities.

## CONCLUSION

The window of opportunity to leverage Africa's urbanization for a better future is closing; it is therefore critical to begin making headway toward closing the gap in urban infrastructure and services to accelerate structural transformation, to meet the basic service needs of the growing urban population and to foster urban resilience in the context of impending climate challenges. The African region is at a development turning point, and the successes or shortfalls in urban investments today will determine the future of African development in the years and decades to come.

Propelling African economies into a virtuous cycle of investment, inclusive growth and diversified revenues is possible, and Africa's cities must be at the center. In order to move into such a virtuous cycle, bold and coordinated action is necessary. This will require a surge in strategic urban investments, complemented by policies to boost leading urban firms, linked with improved revenue generation, and supported by expanded capacity for continued investment planning and execution. The future of African development requires going beyond rhetoric to bold and impactful action to leverage the potential of African cities.

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